

SECURITIES AND EXCHANGE COMMISSION
UNITED STATES
Washington, DC 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) January 14, 1998
REGENCY REALTY CORPORATION
(Exact name of registrant as specified in its charter)

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

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

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

Not Applicable
(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS
Regency Realty Corporation, through its wholly owned subsidiaries (together the "Company") acquired five shopping centers (the "1998 Acquisition Properties"), in addition to the Midland Properties described below, during the months of January through June 1998. The individual or the aggregate purchase price of these acquisitions, as provided below, did not individually exceed 10% of the Company's total assets. The acquisitions were made pursuant to separate purchase agreements, the sellers of which are unrelated to the Company. All of the properties currently operate as neighborhood retail shopping centers, and will continue as such. The purchase price of each shopping center was funded from the Company's revolving line of credit with Wells Fargo Realty Advisors Funding, Inc.

The factors considered by the Company in determining the price to be paid for the shopping centers included historical and expected cash flow, nature of the tenancies and terms of the leases in place, occupancy rates, opportunities for alternative and new tenancies, current operating costs, physical condition and location, and the anticipated impact on the Company's financial results. The Company took into consideration capitalization rates at which it believes other shopping centers have recently sold, but determined the purchase price on the factors discussed above. No separate independent appraisals were obtained for the properties acquired.

The following summarizes the 1998 Acquisition Properties:

| Property Name | Purchase Price | Acquisition Date | GLA | City/State | Occupancy at Acquisition |
|-----------------|----------------|------------------|---------|------------------|--------------------------|
| Delk Spectrum | \$13,987,236 | 1-14-98 | 100,880 | Marietta, GA | 100.0% |
| Bloomingtondale | \$18,096,719 | 2-11-98 | 267,935 | Brandon, FL | 98.0% |
| Silverlake | \$ 9,283,350 | 6-3-98 | 100,500 | Erlanger, KY | 91.2% |
| Highland Square | \$12,501,000 | 6-17-98 | 226,682 | Jacksonville, FL | 90.0% |
| Shoppes @ 104 | \$12,189,650 | 6-19-98 | 108,435 | Miami, FL | 94.0% |
| | ===== | | ===== | | |
| Total | \$66,057,955 | | 804,432 | | |
| | ===== | | ===== | | |

In January 1998, the Company entered into an agreement to acquire shopping centers from various entities comprising the Midland Group consisting of 21 shopping centers plus 11 shopping centers under development. The Company acquired 13 of the Midland shopping centers during March 1998 containing 1.3 million square feet for approximately \$111.0 million. Those shopping centers are included in the Company's March 31, 1998 balance sheet. Subsequent to March 31, 1998, the Company has acquired or will acquire six additional shopping centers for \$56.1 million and during July and August 1998, expects to acquire an additional three properties under development for \$41.3 million. In addition, during 1998, the Company expects to pay \$4.6 million in additional costs related to joint venture investments and other transaction costs related to acquiring the various shopping centers from Midland, and during 1999 and 2000 expects to pay contingent consideration of \$23.0 million.

The Company previously filed Form 8-K dated January 12, 1998 that summarized the transaction and provided 1996 audited financial statements of the Midland Properties. The enclosed pro forma financial statements for the year ended December 31, 1997 include the Midland shopping centers and their related audited financial statements for the year then ended.

In June 1998, the Company, through an operating partnership in which it is the general partner, sold \$80 million of 8.125% Series A Cumulative Redeemable Preferred Units to an institutional investor in a private placement. The enclosed pro forma financial statements include the net proceeds from the offering.

In December 1997, the Company sold one office building for \$2.6 million and recognized a gain on the sale of \$451,000. During the first quarter of 1998, the Company sold three office buildings and a parcel of land for \$26.7 million, and recognized a gain on the sale of \$9.3 million. The enclosed pro forma financial statements include adjustments to reflect the reversal of the revenues and expenses from the office buildings generated during 1997 and 1998, including the gains on the sale of the office buildings as if the sales had been completed on January 1, 1997.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

A. Financial Statements

- (a) DELK SPECTRUM SHOPPING CENTER
Audited Statement of Revenues and Certain Expenses for the year ended December 31, 1997.
- (b) BLOOMINGDALE SQUARE
Audited Statement of Revenues and Certain Expenses for the year ended December 31, 1997.
- (c) MIDLAND PROPERTIES
Audited Statement of Revenues and Certain Expenses for the year ended December 31, 1997.
- (d) HIGHLAND SQUARE SHOPPING CENTER
Audited Statement of Revenues and Certain Expenses for the year ended December 31, 1997.
- (e) SILVERLAKE SHOPPING CENTER
Audited Statement of Revenues and Certain Expenses for the year ended December 31, 1997.

B. Pro Forma Financial Information

- (a) REGENCY REALTY CORPORATION

Pro Forma Consolidated Balance Sheet, March 31, 1998 (unaudited).

Pro Forma Consolidated Statements of Operations for the Three-Month Period ended March 31, 1998 and the Year ended December 31, 1997 (unaudited).

C. Exhibits:

10. Material Contracts

- * (a) Contribution Agreement dated November 3, 1997, between RRC Acquisitions, Inc., a wholly-owned subsidiary of the Company as purchaser and Cobb-Powers Ferry/Southside Associates, L.P. as seller relating to the acquisition of Delk Spectrum Shopping Center.
- * (b) Purchase and Sale Agreement dated October 7, 1997, between RRC Acquisitions, Inc., a wholly-owned subsidiary of the Company as purchaser and Bloomingdale Associates, Ltd. as seller relating to the acquisition of Bloomingdale Square.
- (c) Purchase and Sale Agreement dated April 4, 1998, between RRC Acquisitions Two, Inc., a wholly-owned subsidiary of the Company as purchaser and Silverlake Development Co., Ltd. as seller relating to the acquisition of Silverlake Shopping Center.
- (d) Purchase and Sale Agreement dated February 24, 1998, between RRC Acquisitions, Inc., a wholly owned subsidiary of the Company as purchaser and Ricardo Pines, Pines Highland Square Associates, Ltd., and Pines Group, Inc. as seller relating to the acquisition of Highland Square Shopping Center.
- (e) Purchase and Sale Agreement dated March 20, 1998, between RRC Acquisitions Two, Inc., a wholly owned subsidiary of the Company as purchaser and Nationwide Life Insurance Company as seller relating to the acquisition of Shoppes @ 104.

23. Consent of KPMG Peat Marwick LLP

- * Incorporated by reference to Form 10-Q filed May 15, 1998.

SIGNATURES

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 hereunto duly authorized.

REGENCY REALTY CORPORATION
(registrant)

July 20, 1998

By: /s/ J. Christian Leavitt

J. Christian Leavitt
Vice President and Treasurer

Independent Auditors' Report

The Board of Directors
Regency Realty Corporation:

We have audited the accompanying statement of revenues and certain expenses of Delk Spectrum Shopping Center for the year ended December 31, 1997. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this statement of revenues and certain expenses based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues and certain expenses is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of revenues and certain expenses. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of revenues and certain expenses. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses of Delk Spectrum Shopping Center was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in a Form 8-K of Regency Realty Corporation and excludes material amounts, described in note 1, that would not be comparable to those resulting from the proposed future operation of the property. The presentation is not intended to be a complete presentation of Delk Spectrum Shopping Center revenues and expenses.

In our opinion, the statement of revenues and certain expenses referred to above presents fairly, in all material respects, the revenues and certain expenses, described in note 1, of Delk Spectrum Shopping Center for the year ended December 31, 1997, in conformity with generally accepted accounting principles.

KPMG Peat Marwick LLP

Jacksonville, Florida
May 15, 1998

DELK SPECTRUM SHOPPING CENTER

Statement of Revenues and Certain Expenses

For the year ended December 31, 1997

| | | |
|--|----|-----------|
| Revenues: | | |
| Minimum rent | \$ | 1,355,213 |
| Recoveries from tenants | | 144,801 |
| Percentage rent | | 10,296 |
| | | ----- |
| Total revenues | | 1,510,310 |
| Operating expenses: | | |
| Real estate taxes | | 87,763 |
| Operating and maintenance | | 57,295 |
| Management fees | | 33,966 |
| General and administrative | | 12,231 |
| | | ----- |
| Total expenses | | 191,255 |
| Revenues in excess of certain expenses | \$ | 1,319,055 |
| | | ===== |

See accompanying notes to statement of revenues and certain expenses.

DELK SPECTRUM SHOPPING CENTER

Notes to Statement of Revenues and Certain Expenses

For the year ended December 31, 1997

1. Basis of Presentation

The statement of revenues and certain expenses relates to the operation of a 100,880 square foot shopping center (the "Property") located in Marietta, Georgia.

The Property's financial statement is prepared on the accrual basis of accounting in conformity with generally accepted accounting principles.

Subsequent to December 31, 1997, the Property was acquired by Regency Realty Corporation (RRC) in a transaction accounted for as a purchase. All operations of the Property will be included in the consolidated financial statements of RRC beginning at the acquisition date.

The accompanying financial statement is not representative of the actual operations for the period presented as certain expenses, which may not be comparable to the expenses expected to be incurred by RRC in the proposed future operation of the Property, have been excluded. RRC is not aware of any material factors relating to the Property that would cause the reported financial information not to be necessarily indicative of future operating results. Costs not directly related to the operation of the Property have been excluded, and consist of interest, depreciation, professional fees, and certain other non operating expenses.

2. Related Party Transaction

During the year, management fees of \$33,966 were paid to a property manager which is a related entity of the Property. The Property pays management fees of 2.5% of total income reported on the cash basis.

3. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

DELK SPECTRUM SHOPPING CENTER

Notes to Statement of Revenues and Certain Expenses

4. Operating Leases

For the year ended December 31, 1997, the following tenants paid minimum rent which exceeded 10% of the total minimum rent earned by the Property:

| Tenant | Minimum Rent Paid |
|--|----------------------|
| A&P Food Stores | \$ 431,952 |
| Blockbuster Video | 149,316 |
| Outback Steakhouse, of Georgia - I, L.P. | 136,032 |

The Property is leased to tenants under operating leases with expiration dates extending to the year 2016. Future minimum rent under noncancelable operating leases as of December 31, 1997, excluding tenant reimbursements of operating expenses and excluding additional contingent rentals based on tenants' sales volume, are as follows:

| Year ending December 31, | Amount |
|--------------------------|--------------|
| 1998 | \$ 1,322,718 |
| 1999 | 1,280,486 |
| 2000 | 1,250,745 |
| 2001 | 1,112,330 |
| 2002 | 724,383 |

Independent Auditors' Report

The Board of Directors
Regency Realty Corporation:

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues and certain expenses is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of revenues and certain expenses. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of revenues and certain expenses. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses of Bloomingdale Square was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in a Form 8-K of Regency Realty Corporation and excludes material amounts, described in note 1, that would not be comparable to those resulting from the proposed future operation of the property. The presentation is not intended to be a complete presentation of Bloomingdale Square revenues and expenses.

In our opinion, the statement of revenues and certain expenses referred to above presents fairly, in all material respects, the revenues and certain expenses, described in note 1, of Bloomingdale Square for the year ended December 31, 1997, in conformity with generally accepted accounting principles.

KPMG Peat Marwick LLP

Jacksonville, Florida
May 13, 1998

BLOOMINGDALE SQUARE

Statement of Revenues and Certain Expenses

For the year ended December 31, 1997

| | | |
|--|----|-----------|
| Revenues: | | |
| Minimum rent | \$ | 1,862,950 |
| Recoveries from tenants | | 458,560 |
| Percentage rent | | 42,746 |
| | | ----- |
| Total revenues | | 2,364,256 |
| Operating expenses: | | |
| Operating and maintenance | | 214,721 |
| Real estate taxes | | 209,525 |
| Management fees | | 93,803 |
| General and administrative | | 90,227 |
| | | ----- |
| Total expenses | | 608,276 |
| Revenues in excess of certain expenses | \$ | 1,755,980 |
| | | ===== |

See accompanying notes to statement of revenues and certain expenses.

BLOOMINGDALE SQUARE

Notes to Statement of Revenues and Certain Expenses

For the year ended December 31, 1997

1. Basis of Presentation

The statement of revenues and certain expenses relates to the operation of a 267,935 square foot shopping center (the "Property") located in Brandon, Florida.

The Property's financial statement is prepared on the accrual basis of accounting in conformity with generally accepted accounting principles.

Subsequent to December 31, 1997, the Property was acquired by Regency Realty Corporation (RRC) in a transaction accounted for as a purchase. All operations of the Property will be included in the consolidated financial statements of RRC beginning at the acquisition date.

The accompanying financial statement is not representative of the actual operations for the period presented as certain expenses, which may not be comparable to the expenses expected to be incurred by RRC in the proposed future operation of the Property, have been excluded. RRC is not aware of any material factors relating to the Property that would cause the reported financial information not to be necessarily indicative of future operating results. Costs not directly related to the operation of the Property have been excluded, and consist of interest, depreciation, professional fees, and certain other non operating expenses.

2. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BLOOMINGDALE SQUARE

Notes to Statement of Revenues and Certain Expenses

3. Operating Leases

For the year ended December 31, 1997, the following tenants paid minimum rent which exceeded 10% of the total minimum rent earned by the Property:

| Tenant | Minimum Rent Paid |
|---------------------------|----------------------|
| Wal-Mart | \$ 405,550 |
| Publix | 208,924 |
| Beall's Department Stores | 185,250 |

The Property is leased to tenants under operating leases with expiration dates extending to the year 2006. Future minimum rent under noncancelable operating leases as of December 31, 1997, excluding tenant reimbursements of operating expenses and excluding additional contingent rentals based on tenants' sales volume, are as follows:

| Year ending December 31, | Amount |
|--------------------------|--------------|
| 1998 | \$ 1,885,581 |
| 1999 | 1,805,590 |
| 2000 | 1,580,180 |
| 2001 | 1,397,825 |
| 2002 | 1,149,187 |

Independent Auditors' Report

The Board of Directors
Regency Realty Corporation:

We have audited the accompanying statement of revenues and certain expenses of the Midland Properties for the year ended December 31, 1997. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this statement of revenues and certain expenses based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues and certain expenses is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of revenues and certain expenses. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of revenues and certain expenses. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses of the Midland Properties was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in a Form 8-K of Regency Realty Corporation and excludes material amounts, described in note 1, that would not be comparable to those resulting from the proposed future operation of the properties. The presentation is not intended to be a complete presentation of the Midland Properties revenues and expenses.

In our opinion, the statement of revenues and certain expenses referred to above presents fairly, in all material respects, the revenues and certain expenses, described in note 1, of the Midland Properties for the year ended December 31, 1996, in conformity with generally accepted accounting principles.

KPMG Peat Marwick LLP

Jacksonville, Florida
July 8, 1998

MIDLAND PROPERTIES

Statement of Revenues and Certain Expenses

For the year ended December 31, 1997

| | | |
|--|----|------------|
| Revenues: | | |
| Minimum rent | \$ | 16,468,353 |
| Recoveries from tenants | | 2,239,717 |
| Percentage rent | | 14,118 |
| | | ----- |
| Total revenues | | 18,722,188 |
| Operating expenses: | | |
| Operating and maintenance | | 1,193,921 |
| Management fees | | 554,670 |
| Real estate taxes | | 1,635,129 |
| General and administrative | | 486,452 |
| | | ----- |
| Total expenses | | 3,870,172 |
| Revenues in excess of certain expenses | \$ | 14,852,016 |
| | | ===== |

See accompanying notes to statement of revenues and certain expenses.

MIDLAND PROPERTIES

Notes to Statement of Revenues and Certain Expenses

For the year ended December 31, 1997

1. Basis of Presentation

The statement of revenues and certain expenses combines the operations of the following 19 shopping centers (Midland Properties), in which Midland Development Group, Inc., or one of its affiliated entities, is the general partner:

| Property Name | Location | Square Feet |
|---------------------------|------------------|-------------|
| Beckett Commons | West Chester, OH | 80,434 |
| Bent Tree Plaza | Raleigh, NC | 79,503 |
| Brookville Plaza | Lynchburg, VA | 63,664 |
| Cherry Grove Plaza | Cincinnati, OH | 186,040 |
| East Point Crossing | Columbus, OH | 86,520 |
| Evans Crossing | Evans, GA | 76,580 |
| Franklin Shopping Centers | Franklin, KY | 205,060 |
| Hamilton Meadows | Hamilton, OH | 126,251 |
| Lake Pine Plaza | Raleigh, NC | 87,690 |
| Lake Shores Plaza | Detroit, MI | 85,478 |
| Kernersville Plaza | Kernersville, NC | 72,590 |
| North Gate Plaza | Columbus, OH | 85,100 |
| Maynard Crossing | Raleigh, NC | 122,813 |
| Shoppes at Mason | Cincinnati, OH | 80,880 |
| St. Ann Square | St. Ann, MO | 82,498 |
| Statler Square | Staunton, VA | 133,660 |
| West Chester Plaza | Westchester, OH | 88,181 |
| Windmiller Farms | Columbus, OH | 119,192 |
| Worthington Park Centre | Worthington, OH | 93,092 |

This financial statement is prepared on the accrual basis of accounting in conformity with generally accepted accounting principles.

Subsequent to December 31, 1997, the Midland Properties were acquired by Regency Realty Corporation (RRC) in a transaction accounted for as a purchase. All operations of the Midland Properties will be included in the consolidated financial statements of RRC beginning at the acquisition date.

MIDLAND PROPERTIES

Notes to Statement of Revenues and Certain Expenses

1. Basis of Presentation, continued

The accompanying financial statement is not representative of the actual operations for the period presented as certain expenses, which may not be comparable to the expenses expected to be incurred by RRC in the proposed future operation of the Midland Properties, have been excluded. RRC is not aware of any material factors relating to the Midland Properties that would cause the reported financial information not to be necessarily indicative of future operating results. Costs not directly related to the operation of the Midland Properties have been excluded, and consist of interest, depreciation, professional fees, and certain other non operating expenses.

2. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Operating Leases

For the year ended December 31, 1997, Kroger Supermarkets, an anchor tenant in all 19 of the shopping centers, paid minimum rent of \$8,363,436, which exceeded 10% of the total minimum rent earned by all the Midland Properties.

The Midland Properties are leased to tenants under operating leases with expiration dates extending to the year 2022. Future minimum rent under noncancelable operating leases as of December 31, 1997, excluding tenant reimbursements of operating expenses and excluding additional contingent rentals based on tenants' sales volume, are as follows:

| Year ending December 31, | Amount |
|--------------------------|---------------|
| 1998 | \$ 17,280,288 |
| 1999 | 16,587,478 |
| 2000 | 15,311,669 |
| 2001 | 14,285,341 |
| 2002 | 12,150,739 |

MIDLAND PROPERTIES

Notes to Statement of Revenues and Certain Expenses

4. Related Party Transactions

Midland Development Group, Inc., serves as managing agent for the Midland Properties and receives a management fee of approximately 4% of minimum and percentage rent, as adjusted and defined, which amounted to \$554,670 for the year ended December 31, 1997.

Independent Auditors' Report

The Board of Directors
Regency Realty Corporation:

We have audited the accompanying statement of revenues and certain expenses of Highland Square Shopping Center for the year ended December 31, 1997. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this statement of revenues and certain expenses based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues and certain expenses is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of revenues and certain expenses. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of revenues and certain expenses. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses of Highland Square Shopping Center was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in a Form 8-K of Regency Realty Corporation and excludes material amounts, described in note 1, that would not be comparable to those resulting from the proposed future operation of the property. The presentation is not intended to be a complete presentation of Highland Square Shopping Center revenues and expenses.

In our opinion, the statement of revenues and certain expenses referred to above presents fairly, in all material respects, the revenues and certain expenses, described in note 1, of Highland Square Shopping Center for the year ended December 31, 1997, in conformity with generally accepted accounting principles.

KPMG Peat Marwick LLP

Jacksonville, Florida
July 1, 1998

HIGHLAND SQUARE SHOPPING CENTER
Statement of Revenues and Certain Expenses
For the year ended December 31, 1997

| | | |
|--|----|-----------|
| Revenues: | | |
| Minimum rent | \$ | 1,122,221 |
| Recoveries from tenants | | 187,529 |
| Percentage rent | | 111,154 |
| | | ----- |
| Total revenues | | 1,420,904 |
| Operating expenses: | | |
| Real estate taxes | | 171,358 |
| Operating and maintenance | | 98,963 |
| General and administrative | | 76,051 |
| Management fees | | 54,111 |
| | | ----- |
| Total expenses | | 400,483 |
| Revenues in excess of certain expenses | \$ | 1,020,421 |
| | | ===== |

See accompanying notes to statement of revenues and certain expenses.

HIGHLAND SQUARE SHOPPING CENTER

Notes to Statement of Revenues and Certain Expenses

For the year ended December 31, 1997

1. Basis of Presentation

The statement of revenues and certain expenses relates to the operation of a 226,682 square foot shopping center (the "Property") located in Jacksonville, Florida.

The Property's financial statement is prepared on the accrual basis of accounting in conformity with generally accepted accounting principles.

Subsequent to December 31, 1997, the Property was acquired by Regency Realty Corporation (RRC) in a transaction accounted for as a purchase. All operations of the Property will be included in the consolidated financial statements of RRC beginning at the acquisition date.

The accompanying financial statement is not representative of the actual operations for the period presented as certain expenses, which may not be comparable to the expenses expected to be incurred by RRC in the proposed future operation of the Property, have been excluded. RRC is not aware of any material factors relating to the Property that would cause the reported financial information not to be necessarily indicative of future operating results. Costs not directly related to the operation of the Property have been excluded, and consist of interest, depreciation, professional fees, and certain other non operating expenses.

2. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

HIGHLAND SQUARE SHOPPING CENTER

Notes to Statement of Revenues and Certain Expenses

3. Operating Leases

For the year ended December 31, 1997, one tenant, Winn Dixie Stores, Inc. paid minimum rent of \$223,000 which exceeded 10% of the total minimum rent earned by the Property.

The Property is leased to tenants under operating leases with expiration dates extending to the year 2014. Future minimum rent under noncancelable operating leases as of December 31, 1997, excluding tenant reimbursements of operating expenses and excluding additional contingent rentals based on tenants' sales volume, are as follows:

| Year ending December 31, | Amount |
|--------------------------|--------------|
| 1998 | \$ 1,052,126 |
| 1999 | 878,359 |
| 2000 | 659,175 |
| 2001 | 427,187 |
| 2002 | 334,822 |

4. Related Party Transactions

Pines Group, Inc., a related party through common general partners, serves as managing agent for Highland Square Shopping Center and receives a management fee of approximately 4% of total revenues which amounted to \$54,111 for the year ended December 31, 1997.

Independent Auditors' Report

The Board of Directors
Regency Realty Corporation:

We have audited the accompanying statement of revenues and certain expenses of Silverlake Shopping Center for the year ended December 31, 1997. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this statement of revenues and certain expenses based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues and certain expenses is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of revenues and certain expenses. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of revenues and certain expenses. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses of Silverlake Shopping Center was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in a Form 8-K of Regency Realty Corporation and excludes material amounts, described in note 1, that would not be comparable to those resulting from the proposed future operation of the property. The presentation is not intended to be a complete presentation of Silverlake Shopping Center revenues and expenses.

In our opinion, the statement of revenues and certain expenses referred to above presents fairly, in all material respects, the revenues and certain expenses, described in note 1, of Silverlake Shopping Center for the year ended December 31, 1997, in conformity with generally accepted accounting principles.

KPMG Peat Marwick LLP

Jacksonville, Florida
June 30, 1998

SILVERLAKE SHOPPING CENTER

Statement of Revenues and Certain Expenses

For the year ended December 31, 1997

| | | |
|--|----|---------|
| Revenues: | | |
| Minimum rent | \$ | 819,303 |
| Recoveries from tenants | | 142,294 |
| | | ----- |
| Total revenues | | 961,597 |
| Operating expenses: | | |
| Operating and maintenance | | 84,650 |
| Real estate taxes | | 85,302 |
| Management fees | | 11,043 |
| General and administrative | | 31,995 |
| | | ----- |
| Total expenses | | 212,990 |
| Revenues in excess of certain expenses | \$ | 748,607 |
| | | ===== |

See accompanying notes to statement of revenues and certain expenses.

SILVERLAKE SHOPPING CENTER

Notes to Statement of Revenues and Certain Expenses

For the year ended December 31, 1997

1. Basis of Presentation

The statement of revenues and certain expenses relates to the operation of a 100,500 square foot shopping center (the "Property") located in Erlanger, KY.

The Property's financial statement is prepared on the accrual basis of accounting in conformity with generally accepted accounting principles.

Subsequent to December 31, 1997, the Property was acquired by Regency Realty Corporation (RRC) in a transaction accounted for as a purchase. All operations of the Property will be included in the consolidated financial statements of RRC beginning at the acquisition date.

The accompanying financial statement is not representative of the actual operations for the period presented as certain expenses, which may not be comparable to the expenses expected to be incurred by RRC in the proposed future operation of the Property, have been excluded. RRC is not aware of any material factors relating to the Property that would cause the reported financial information not to be necessarily indicative of future operating results. Costs not directly related to the operation of the Property have been excluded, and consist of interest, depreciation, professional fees, and certain other non operating expenses.

2. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SILVERLAKE SHOPPING CENTER

Notes to Statement of Revenues and Certain Expenses

3. Operating Leases

For the year ended December 31, 1997, one tenant, Kroger Supermarkets, paid minimum rent of \$466,104 which exceeded 10% of the total minimum rent earned by the Property.

The Property is leased to tenants under operating leases with expiration dates extending to the year 2014. Future minimum rent under noncancelable operating leases as of December 31, 1997, excluding tenant reimbursements of operating expenses and excluding additional contingent rentals based on tenants' sales volume, are as follows:

| Year ending December 31, | Amount |
|--------------------------|------------|
| 1998 | \$ 826,061 |
| 1999 | 711,620 |
| 2000 | 671,534 |
| 2001 | 568,221 |
| 2002 | 526,588 |
| | ===== |

4. Related Party Transactions

Oakley Properties, Inc., an affiliated entity through common general partners, serves as the managing agent for the Property and received management fees of \$11,043 for the year ended December 31, 1997.

Regency Realty Corporation
Pro Forma Condensed Consolidated Financial Statements

The following unaudited pro forma condensed consolidated balance sheet is based upon the historical consolidated balance sheet of the Company as of March 31, 1998 as if the Company had completed the acquisition of all the Midland Properties and the 1998 Acquisition Properties as of that date. The following unaudited pro forma consolidated statements of operations of the Company are based upon the historical consolidated statements of operations for the three-month period ended March 31, 1998 and the year ended December 31, 1997. These statements are presented as if the Company had acquired the 1998 Acquisition Properties and 13 other properties acquired during 1997 (together the "Acquisition Properties"), as well as the Branch Properties and the Midland Properties as of January 1, 1997. These unaudited pro forma condensed consolidated financial statements should be read in conjunction with the Company's annual report filed on Form 10-K for the year ended December 31, 1997, and Form 10-Q for the period ended March 31, 1998.

The unaudited pro forma condensed consolidated financial statements are not necessarily indicative of what the actual financial position or results of operations of the Company would have been at March 31, 1998 or December 31, 1997 assuming the transactions had been completed as set forth above, nor does it purport to represent the financial position or results of operations of the Company in future periods.

| | Historical | Midland Properties (a) | Other Adjustments | Pro Forma |
|--|------------|------------------------------|----------------------|--------------|
| Assets | | | | |
| Real estate investments, at cost | \$ 950,050 | \$ 56,100 | \$ 33,974 (b) | \$ 1,040,124 |
| Construction in progress | 40,765 | - | - | 40,765 |
| Less: accumulated depreciation | 40,833 | - | - | 40,833 |
| Real estate rental property, net | 949,982 | 56,100 | 33,974 | 1,040,056 |
| Investments in real estate partnerships | 992 | - | - | 992 |
| Net real estate investments | 950,974 | 56,100 | 33,974 | 1,041,048 |
| Cash and cash equivalents | 16,707 | - | - | 16,707 |
| Tenant receivables, net of allowance for uncollectible accounts | 9,788 | - | - | 9,788 |
| Deferred costs, less accumulated amortization | 4,532 | - | - | 4,532 |
| Other assets | 3,981 | - | - | 3,981 |
| Total Assets | \$ 985,982 | \$ 56,100 | \$ 33,974 | \$ 1,076,056 |
| Liabilities and Stockholders' Equity | | | | |
| Mortgage loans payable | \$ 305,531 | \$ 31,732 | \$ (25,774) (c) | \$ 311,489 |
| Acquisition and development line of credit | 90,231 | 24,368 | (18,652) (b)(c) | 95,947 |
| Total debt | 395,762 | 56,100 | (44,426) | 407,436 |
| Tenant's security and escrow deposits | 2,562 | - | - | 2,562 |
| Accounts payable & other liabilities | 11,911 | - | - | 11,911 |
| Total liabilities | 410,235 | 56,100 | (44,426) | 421,909 |
| Redeemable partnership units | 28,106 | - | - | 28,106 |
| Preferred partnership units | - | - | 78,400 (c) | 78,400 |
| Limited partners' interest in consolidated partnerships | 7,414 | - | - | 7,414 |
| | 35,520 | - | 78,400 | 113,920 |
| Common stock and additional paid in capital | 553,187 | - | - | 553,187 |
| Distributions in excess of net income | (12,960) | - | - | (12,960) |
| Total stockholders' equity | 540,227 | - | - | 540,227 |
| Total liabilities and stockholders' equity | \$ 985,982 | \$ 56,100 | \$ 33,974 | \$ 1,076,056 |

See accompanying notes to pro forma condensed consolidated balance sheet.

Regency Realty Corporation
Notes to Pro Forma Condensed Consolidated Balance Sheet
March 31, 1998
(Unaudited)
(In thousands)

(a) Acquisitions of Shopping Centers:

In January 1998, the Company entered into an agreement to acquire shopping centers from various entities comprising the Midland Group consisting of 21 shopping centers plus 11 shopping centers under development. The Company acquired 13 of the Midland shopping centers during March 1998 containing 1.3 million square feet for approximately \$111.0 million. Those shopping centers are included in the Company's March 31, 1998 balance sheet. Subsequent to March 31, 1998, the Company has acquired or will acquire six additional shopping centers for \$56.1 million and during July and August 1998, expects to acquire an additional three properties under development for \$41.3 million. In addition, during 1998, the Company expects to pay \$4.6 million in additional costs related to joint venture investments and other transaction costs related to acquiring the various shopping centers from Midland, and during 1999 and 2000 expects to pay contingent consideration of \$23.0 million. The following table sets forth the aggregate purchase price for East Point, Maxtown, Worthington, Franklin Square, St. Ann Square and Windmiller, which have been or will be acquired subsequent to March 31, 1998.

| | Purchase Price |
|-----------------|-------------------|
| East Point | \$ 8,215 |
| Maxtown | 7,712 |
| Worthington | 10,691 |
| Franklin Square | 11,375 |
| St. Ann Square | 6,653 |
| Windmiller | 11,454 |
| | ===== |
| | \$ 56,100 |
| | ===== |

The following table represents the properties under development which the Company expects to acquire from Midland upon completion of construction during 1998. These properties are not included in these pro forma condensed consolidated financial statements.

| | Expected Acquisition Date | Purchase Price |
|-----------------|---------------------------------|-------------------|
| Garner Festival | July-98 | \$ 20,571 |
| Nashboro | July-98 | 7,260 |
| Crooked Creek | August-98 | 13,471 |
| | | ===== |
| | | \$ 41,302 |
| | | ===== |

(b) Represents the aggregate purchase price for Silverlake Shopping Center, Highlands Square Shopping Center and Shoppes @ 104. The other Acquisition Properties were acquired prior to March 31, 1998 and are therefore included in the Company's March 31, 1998 balance sheet.

| | Acquisition Date | Purchase Price |
|---------------------------------|---------------------|-------------------|
| Silverlake Shopping Center | June 3, 1998 | \$ 9,283 |
| Highland Square Shopping Center | June 17, 1998 | 12,501 |
| Shoppes @ 104 | June 19, 1998 | 12,190 |
| | | ===== |
| | | \$ 33,974 |
| | | ===== |

(c) Represents the proceeds from the offering of cumulative redeemable preferred units completed in June 1998, less estimated offering costs of 2%. At closing, the Company used the net proceeds from the offering, approximately \$78.4 million, for the repayment of existing mortgage loans (\$25.8 million) and the repayment of balances on the Line (\$52.6 million).

Regency Realty Corporation
Pro Forma Consolidated Statements of Operations
For the Three Month Period Ended March 31, 1998
and the Year Ended December 31, 1997
(Unaudited)
(In thousands, except unit and per unit data)

| | For the Three Month Period Ended March 31, 1998 | | | | |
|---|---|------------------------------|----------------------------------|----------------------|-----------|
| | Historical | Midland Properties (e) | Acquisition Properties (f) | Other Adjustments | Pro Forma |
| Revenues: | | | | | |
| Minimum rent | \$ 22,255 | \$ 3,332 | \$ 1,064 | \$ (697) (j) | \$ 25,954 |
| Percentage rent | 1,103 | - | 32 | (8) (j) | 1,127 |
| Recoveries from tenants | 4,821 | 410 | 208 | (67) (j) | 5,372 |
| Management, leasing and brokerage fees | 2,504 | - | - | - | 2,504 |
| Equity in income of investments in real estate partnerships | 1 | - | - | - | 1 |
| | ----- | ----- | ----- | ----- | ----- |
| | 30,684 | 3,742 | 1,304 | (772) | 34,958 |
| | ----- | ----- | ----- | ----- | ----- |
| Operating expenses: | | | | | |
| Depreciation & amortization | 5,456 | 676 (g) | 280 (g) | (453) (j) | 5,959 |
| Operating and maintenance | 4,116 | 228 | 109 | (122) (j) | 4,331 |
| General and administrative | 3,433 | 180 | 81 | (25) (j) | 3,669 |
| Real estate taxes | 2,789 | 385 | 131 | (81) (j) | 3,224 |
| | ----- | ----- | ----- | ----- | ----- |
| | 15,794 | 1,469 | 601 | (681) | 17,183 |
| | ----- | ----- | ----- | ----- | ----- |
| Interest expense (income): | | | | | |
| Interest expense | 5,215 | 2,058 (h) | 712 (i) | (1,799) (k) | 6,186 |
| Interest income | (335) | - | - | - | (335) |
| | ----- | ----- | ----- | ----- | ----- |
| | 4,880 | 2,058 | 712 | (1,799) | 5,851 |
| | ----- | ----- | ----- | ----- | ----- |
| Income before minority interest and gain on sale of real estate investments | 10,010 | 215 | (9) | 1,708 | 11,924 |
| Gain on sale of real estate investments | 10,237 | - | - | (9,336) (j) | 901 |
| Minority interest | (691) | (9) | - | 4 | (696) |
| | ----- | ----- | ----- | ----- | ----- |
| Net income | 19,556 | 206 | (9) | (7,624) | 12,129 |
| | ----- | ----- | ----- | ----- | ----- |
| Preferred distributions | - | - | - | (1,625) (l) | (1,625) |
| | ----- | ----- | ----- | ----- | ----- |
| Net income for common stockholders | \$ 19,556 | \$ 206 | \$ (9) | \$ (9,249) | \$ 10,504 |
| | ===== | ===== | ===== | ===== | ===== |
| Net income per share (note (m)): | | | | | |
| Basic | \$ 0.74 | | | | \$ 0.37 |
| | ===== | | | | ===== |
| Diluted | \$ 0.69 | | | | \$ 0.37 |
| | ===== | | | | ===== |

See accompanying notes to pro forma consolidated statements of operations.

Regency Realty Corporation
Pro Forma Consolidated Statements of Operations
For the Three Month Period Ended March 31, 1998
and the Year Ended December 31, 1997
(Unaudited)
(In thousands, except unit and per unit data)

| | Historical | Branch Properties (d) | For the Year Midland Properties (e) | Ended December Acquisition Properties (f) | 31, 1997 Other Adjustments | Pro Forma |
|---|------------|-----------------------------|--|--|----------------------------------|------------|
| Revenues: | | | | | | |
| Minimum rent | \$ 70,103 | \$ 3,596 | 16,482 | 14,452 | (4,136) (j) | \$ 100,497 |
| Percentage rent | 2,151 | 167 | 0 | 299 | - | 2,617 |
| Recoveries from tenants | 16,601 | 751 | 2,240 | 3,136 | (548) (j) | 22,180 |
| Management, leasing and brokerage fees | 8,448 | 1,060 | 0 | 0 | - | 9,508 |
| Equity in income of investments in real estate partnerships | 33 | - | 0 | 0 | - | 33 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| | 97,336 | 5,574 | 18,722 | 17,887 | (4,684) | 134,835 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Operating expenses: | | | | | | |
| Depreciation & amortization | 16,303 | 972 | 2,994 (g) | 3,458 (g) | (855) (j) | 22,872 |
| Operating and maintenance | 14,213 | 595 | 1,194 | 1,999 | (1,260) (j) | 16,741 |
| General and administrative | 9,964 | 683 | 1,042 | 931 | (49) (j) | 12,571 |
| Real estate taxes | 8,692 | 404 | 1,635 | 1,922 | (447) (j) | 12,206 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| | 49,172 | 2,654 | 6,865 | 8,310 | (2,611) | 64,390 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Interest expense (income): | | | | | | |
| Interest expense | 19,667 | 1,517 | 10,353 (h) | 9,765 (i) | (7,196) (k) | 34,106 |
| Interest income | (1,000) | (33) | 0 | 0 | - | (1,033) |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| | 18,667 | 1,484 | 10,353 | 9,765 | (7,196) | 33,073 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Income before minority interest and gain on sale of real estate investments | 29,497 | 1,436 | 1,504 | (188) | 5,123 | 37,372 |
| Gain on sale of real estate investments | 451 | - | 0 | 0 | (451) (j) | - |
| Minority interest | (2,547) | 1,010 | (38) | 5 | 52 | (1,518) |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Net income | 27,401 | 2,446 | 1,466 | (183) | 4,724 | 35,854 |
| Preferred distributions | - | - | 0 | 0 | (6,500) (l) | (6,500) |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| Net income for common stockholders | \$ 27,401 | \$ 2,446 | 1,466 | (183) | \$ (1,776) | \$ 29,354 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| Net income per share (note (m)): | | | | | | |
| Basic | \$ 1.28 | | | | | 1.39 |
| | ===== | | | | | ===== |
| Diluted | \$ 1.23 | | | | | 1.28 |
| | ===== | | | | | ===== |

See accompanying notes to pro forma consolidated statements of operations.

Regency Realty Corporation
Notes to Pro Forma Consolidated Statements of Operations
For the Three Month Period Ended March 31,
1998 and the Year ended December 31, 1997
(Unaudited)
(In thousands, except unit and per unit data)

- (d) Reflects pro forma results of operations for the Branch Properties for the period from January 1, 1997 to March 7, 1997 (acquisition date).
- (e) Reflects revenues and certain expenses for the Midland Properties for the period from January 1, 1998 to the earlier of the respective acquisition date of the property or March 31, 1998 and for the year ended December 31, 1997.

For the period from January 1, 1998 to the Acquisition Date

| Property Name | Acquisition Date | Minimum Rent | Recoveries from Tenants | Operating and Maintenance | Real Estate Taxes | General and Administrative |
|---------------------|------------------|--------------|-------------------------|---------------------------|-------------------|----------------------------|
| Windmill Farms | Jul-98 | \$ 289 | \$ 45 | \$ 17 | \$ 36 | \$ 16 |
| Franklin Square | 4/29/98 | 303 | 19 | 27 | 25 | 13 |
| St. Ann Square | 4/17/98 | 184 | 3 | 17 | - | 5 |
| East Point Crossing | 4/29/98 | 223 | 19 | 15 | 46 | 8 |
| North Gate Plaza | 4/29/98 | 181 | 51 | 12 | 46 | 22 |
| Worthington Park | 4/29/98 | 227 | 74 | 17 | 61 | 7 |
| Beckett Commons | 3/1/98 | 113 | 7 | 6 | 14 | 4 |
| Cherry Grove Plaza | 3/1/98 | 239 | 11 | 13 | 22 | 21 |
| Bent Tree Plaza | 3/1/98 | 137 | 11 | 7 | 59 | 8 |
| West Chester Plaza | 3/1/98 | 130 | 12 | 13 | 42 | 7 |
| Brookville Plaza | 3/1/98 | 95 | 5 | 5 | - | 4 |
| Lake Shores Plaza | 3/1/98 | 123 | 10 | 5 | - | 6 |
| Evans Crossing | 3/1/98 | 116 | 4 | 5 | - | 6 |
| Statler Square | 3/1/98 | 164 | 15 | 13 | 1 | 8 |
| Kernersville Plaza | 3/1/98 | 120 | 4 | 8 | - | 8 |
| Maynard Crossing | 3/1/98 | 272 | 38 | 13 | - | 15 |
| Shoppes at Mason | 3/1/98 | 116 | 27 | 15 | 33 | 6 |
| Lake Pine Plaza | 3/1/98 | 152 | 13 | 10 | - | 9 |
| Hamilton Meadows | 3/1/98 | 148 | 42 | 10 | - | 7 |
| | | ===== | ===== | ===== | ===== | ===== |
| | | \$ 3,332 | \$ 410 | \$ 228 | \$ 385 | \$ 180 |
| | | ===== | ===== | ===== | ===== | ===== |

For the year ended December 31, 1997

| Property Name | Acquisition Date | Minimum Rent | Recoveries from Tenants | Operating and Maintenance | Real Estate Taxes | General and Administrative |
|---------------------|------------------|--------------|-------------------------|---------------------------|-------------------|----------------------------|
| Windmill Farms | Jul-98 | \$ 1,157 | \$ 181 | \$ 69 | \$ 143 | \$ 64 |
| Franklin Square | 4/29/98 | 1,270 | 171 | 158 | 94 | 98 |
| St. Ann Square | 4/17/98 | 741 | 149 | 60 | 119 | 42 |
| East Point Crossing | 4/29/98 | 821 | 159 | 50 | 107 | 51 |
| North Gate Plaza | 4/29/98 | 718 | 100 | 56 | 84 | 32 |
| Worthington Park | 4/29/98 | 862 | 208 | 67 | 124 | 59 |
| Beckett Commons | 3/1/98 | 687 | 140 | 38 | 83 | 47 |
| Cherry Grove Plaza | 3/1/98 | 1,445 | 175 | 85 | 131 | 105 |
| Bent Tree Plaza | 3/1/98 | 786 | 130 | 64 | 59 | 48 |
| West Chester Plaza | 3/1/98 | 807 | 70 | 72 | 84 | 45 |
| Brookville Plaza | 3/1/98 | 571 | 42 | 34 | 50 | 30 |
| Lake Shores Plaza | 3/1/98 | 759 | 156 | 55 | 96 | 32 |
| Evans Crossing | 3/1/98 | 613 | 84 | 34 | 50 | 33 |
| Statler Square | 3/1/98 | 913 | 76 | 43 | 54 | 60 |
| Kernersville Plaza | 3/1/98 | 605 | 58 | 29 | 51 | 33 |
| Maynard Crossing | 3/1/98 | 1,367 | 133 | 78 | 95 | 104 |
| Shoppes at Mason | 3/1/98 | 644 | 56 | 61 | 65 | 38 |
| Lake Pine Plaza | 3/1/98 | 827 | 93 | 54 | 51 | 46 |
| Hamilton Meadows | 3/1/98 | 889 | 59 | 87 | 95 | 75 |
| | | ===== | ===== | ===== | ===== | ===== |
| | | \$ 16,482 | \$ 2,240 | \$ 1,194 | \$ 1,635 | \$ 1,042 |
| | | ===== | ===== | ===== | ===== | ===== |

(f) Reflects revenue and certain expenses of the Acquisition Properties for the periods from January 1, 1998 and 1997 to the respective acquisition date of the property.

For the period from January 1, 1998 to the Acquisition Date

| Property Name | Acquisition Date | Minimum Rent | Percentage Rent | Recoveries from Tenants | Operating and Maintenance | Real Estate Taxes | General and Administrative |
|--------------------|------------------|--------------|-----------------|-------------------------|---------------------------|-------------------|----------------------------|
| Delk Spectrum | 1/14/98 | \$ 48 | \$ - | \$ 5 | \$ 2 | \$ 3 | 2 |
| Bloomington Square | 2/11/98 | 209 | 5 | 52 | 24 | 23 | 21 |
| Silverlake | 6/3/98 | 202 | - | 35 | 21 | 21 | 11 |
| Highland Square | 6/17/98 | 277 | 27 | 46 | 24 | 42 | 32 |
| Shoppes @104 | 6/19/98 | 328 | - | 70 | 38 | 42 | 15 |
| | | ===== | ===== | ===== | ===== | ===== | ===== |
| | | \$ 1,064 | \$ 32 | \$ 208 | \$ 109 | \$ 131 | 81 |
| | | ===== | ===== | ===== | ===== | ===== | ===== |

For the period from January 1, 1997 to the Acquisition Date

| Property Name | Acquisition Date | Minimum Rent | Percentage Rent | Recoveries from Tenants | Operating and Maintenance | Real Estate Taxes | General and Administrative |
|---------------------|------------------|--------------|-----------------|-------------------------|---------------------------|-------------------|----------------------------|
| Oakley Plaza | 3/14/97 | \$ 142 | \$ - | \$ 14 | \$ 13 | \$ 13 | \$ 8 |
| Mariner's Village | 3/25/97 | 185 | 6 | 37 | 45 | 33 | 7 |
| Carmel Commons | 3/28/97 | 297 | 11 | 63 | 38 | 35 | 22 |
| Mainstreet Square | 4/15/97 | 193 | - | 34 | 42 | 30 | 15 |
| East Port Plaza | 4/25/97 | 543 | - | 107 | 96 | 65 | 33 |
| Hyde Park Plaza | 6/6/97 | 1,702 | 118 | 339 | 144 | 265 | 84 |
| Rivermont Station | 6/30/97 | 642 | - | 124 | 65 | 56 | 34 |
| Lovejoy Station | 6/30/97 | 306 | - | 63 | 36 | 29 | 9 |
| Tamiami Trails | 7/10/97 | 508 | - | 163 | 124 | 66 | 30 |
| Garden Square | 9/19/97 | 671 | - | 232 | 144 | 99 | 50 |
| Kingsdale S.C. | 10/10/97 | 1,334 | - | 300 | 325 | 221 | 75 |
| Boynton Lakes Plaza | 12/1/97 | 1,159 | - | 391 | 267 | 250 | 80 |
| Pinetree Plaza | 12/23/97 | 279 | - | 51 | 50 | 37 | 21 |
| Delk Spectrum | 1/14/98 | 1,355 | 10 | 145 | 57 | 88 | 46 |
| Bloomington Square | 2/11/98 | 1,863 | 43 | 459 | 215 | 209 | 184 |
| Silverlake | 6/3/98 | 819 | - | 142 | 85 | 85 | 43 |
| Highland Square | 6/17/98 | 1,122 | 111 | 187 | 99 | 171 | 130 |
| Shoppes @104 | 6/19/98 | 1,332 | - | 285 | 154 | 170 | 60 |
| | | ===== | ===== | ===== | ===== | ===== | ===== |
| | | \$ 14,452 | \$ 299 | \$ 3,136 | \$ 1,999 | \$ 1,922 | \$ 931 |
| | | ===== | ===== | ===== | ===== | ===== | ===== |

(g) Depreciation expense is based on the estimated useful life of the properties acquired. For properties under construction, depreciation expense is calculated from the date the property is placed in service through the end of the period. In addition, the three month period ended March 31, 1998 and year ended December 31, 1997 calculations reflect depreciation expense on the properties from January 1, 1997 to the earlier of the respective acquisition date of the property or March 31, 1998.

For the period from January 1, 1998 to the Acquisition Date

| Property Name | Building and Improvements | Year Building Built/Renovated | Useful Life | Depreciation Adjustment |
|--|---------------------------|-------------------------------|-----------------------|-------------------------|
| Delk Spectrum | \$ 10,417 | 1991 | 34 | \$ 11 |
| Bloomington Square | 13,189 | 1987 | 30 | 49 |
| Silverlake Shopping Center | 7,584 | 1988 | 31 | 60 |
| Highland Square | 9,049 | 1960 | 20 | 112 |
| Shoppes @104 | 6,439 | 1990 | 33 | 48 |
| Acquisition Properties pro forma depreciation adjustment | | | | \$ 280 |
| Midland Properties | \$ 131,065 | Ranging from 1986 to 1996 | Ranging from 29 to 40 | \$ 676 |

For the period from January 1, 1997 to the Acquisition Date

| Property Name | Building and Improvements | Year Building Built/Renovated | Useful Life | Depreciation Adjustment |
|--|---------------------------|-------------------------------|-----------------------|-------------------------|
| Oakley Plaza | \$ 6,428 | 1988 | 31 | \$ 41 |
| Mariner's Village | 5,979 | 1986 | 29 | 47 |
| Carmel Commons | 9,335 | 1979 | 22 | 101 |
| Mainstreet Square | 4,581 | 1988 | 31 | 43 |
| East Port Plaza | 8,179 | 1991 | 34 | 76 |
| Hyde Park Plaza | 33,734 | 1995 | 38 | 382 |
| Rivermont Station | 9,548 | 1996 | 39 | 121 |
| Lovejoy Station | 5,560 | 1995 | 38 | 73 |
| Tamiami Trails | 7,598 | 1987 | 30 | 133 |
| Garden Square | 7,151 | 1991 | 34 | 151 |
| Kingsdale Shopping Center | 10,023 | 1959 | 27 | 288 |
| Boynton Lakes Plaza | 9,618 | 1993 | 36 | 244 |
| Pinetree Plaza | 3,057 | 1982 | 25 | 120 |
| Delk Spectrum | 10,417 | 1991 | 34 | 306 |
| Bloomington Square | 13,189 | 1987 | 30 | 440 |
| Silverlake Shopping Center | 7,584 | 1988 | 31 | 245 |
| Highlands Square | 9,049 | 1960 | 20 | 452 |
| Shoppes @104 | 6,439 | 1990 | 33 | 195 |
| Acquisition Properties pro forma depreciation adjustment | | | | \$ 3,458 |
| Midland Properties | \$131,065 | Ranging from 1986 to 1996 | Ranging from 29 to 40 | \$ 2,994 |

- (h) To reflect interest expense on the Line required to complete the acquisition of the Midland Properties at the average interest rate afforded the Company (6.525%) and the assumption of \$97.0 million of debt. For properties under construction, interest expense is calculated from the date the property is placed in service through the end of the period.

| | | |
|---|----|-------|
| Pro forma interest adjustment for the three month period ended March 31, 1998 | \$ | 2,058 |
| | | ===== |

| | | |
|--|----|--------|
| Pro forma interest adjustment for the year ended December 31, 1997 | \$ | 10,353 |
| | | ===== |

- (i) To reflect interest expense on the Line required to complete the acquisition of the Acquisition Properties at the average interest rate afforded the Company (6.525%). The three month period ended March 31, 1998 and year ended December 31, 1997 calculation reflects interest expense on the properties from January 1, 1997 to the respective acquisition date of the property.

| | | |
|---|----|-------|
| Pro forma interest adjustment for the three month period ended March 31, 1998 | \$ | 712 |
| | | ===== |

| | | |
|--|----|-------|
| Pro forma interest adjustment for the year ended December 31, 1997 | \$ | 9,765 |
| | | ===== |

- (j) In December, 1997, the Company sold one office building for \$2.6 million and recognized a gain on the sale of \$451,000. During the first quarter of 1998, the Company sold three office buildings and a parcel of land for \$26.7 million, and recognized a gain on the sale of \$9.3 million. The adjustments to the pro forma statements of operations reflects the reversal of the revenues and expenses from the office buildings generated during 1997 and 1998, including the gains on the sale of the office buildings as if the sales had been completed on January 1, 1997.

- (k) To reflect the reduction of interest expense on the Line and mortgage loans from the proceeds of the issuance of the preferred units and the proceeds from the sale of the office buildings.

| | | |
|---|----|---------|
| Pro forma interest adjustment for the three-month period ended March 31, 1998 | \$ | (1,799) |
| | | ===== |

| | | |
|--|----|---------|
| Pro forma interest adjustment for the year ended December 31, 1997 | \$ | (7,196) |
| | | ===== |

- (l) To reflect the distribution on the offering of preferred units at an assumed annual rate of 8.125% for the three-month period ended March 31, 1998 and year ended December 31, 1997.

- (m) The following summarizes the calculation of basic and diluted earnings per share for the three-month period ended March 31, 1998 and the year ended December 31, 1997:

| | For the Three Months Ended March 31, 1998 | For the year Ended December 31, 1997 |
|---|---|--|
| | ----- | ----- |
| Basic Earnings Per Share (EPS) Calculation: | | |
| Weighted average common shares outstanding | 24,727 | 17,424 |
| | ===== | ===== |
| Net income for common stockholders | \$ 10,503 | \$ 29,354 |
| Less: dividends paid on Class B common stock | 1,344 | 5,140 |
| | ===== | ===== |
| Net income for Basic EPS | \$ 9,159 | 24,214 |
| | ===== | ===== |
| Basic earnings per share | \$ 0.37 | 1.39 |
| | ===== | ===== |
| Diluted Earnings Per Share (EPS) Calculation: | | |
| Weighted average common shares outstanding for Basic EPS | 24,727 | 17,424 |
| Redeemable operating partnership units | - | 1,243 |
| Incremental shares to be issued under common stock options using the Treasury method | 54 | 80 |
| Contingent units or shares for the acquisition of real estate | - | 955 |
| | ----- | ----- |
| Total Diluted Shares | 24,781 | 19,702 |
| | ----- | ----- |
| Net income for Basic EPS | 9,159 | 24,214 |
| Add: minority interest of redeemable partnership units | - | 1,013 |
| | ===== | ===== |
| Net income for Diluted EPS | 9,159 | 25,227 |
| | ===== | ===== |
| Diluted EPS | \$ 0.37 | \$ 1.28 |
| | ===== | ===== |

The Board of Directors
Regency Realty Corporation:

We consent to the use of reports incorporated by reference in the registration statements, (No. 3-86886, No. 333-930, No. 333-2546, and No. 333-31077) on Form S-3 and (No. 333-24971) on Form S-8, of Regency Realty Corporation of our reports, with respect to the Statements of Revenues and Certain Expenses for the year ended December 31, 1997, of the following properties:

| Name of Property | Date of audit report |
|---------------------------------|----------------------|
| Delk Spectrum Shopping Center | May 15, 1998 |
| Bloomingtondale Square | May 13, 1998 |
| Sliverlake Shopping Center | June 30, 1998 |
| Highland Square Shopping Center | July 1, 1998 |
| Midland Properties | July 8, 1998 |

The above reports appear in the Form 8-K of Regency Realty Corporation dated July 20, 1998.

KPMG PEAT MARWICK LLP

July 20, 1998
Jacksonville, Florida

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made as of the 24th day of February, 1998, between RICARDO PINES, individually ("Pine"), PINES HIGHLAND SQUARE ASSOCIATES, LTD., a Florida limited partnership ("Partnership"), and PINES GROUP, INC., a Florida corporation ("PGI"), and RRC ACQUISITIONS TWO, INC., a Florida corporation, its designees, successors and assigns ("Buyer").

Background

Buyer wishes to purchase a shopping center in the City of Jacksonville, County of Duval, State of Florida, commonly known as Highland Square Shopping Center (the "Shopping Center"). The Shopping Center is comprised of three parcels, one of which ("Parcel One") is owned by Pine, another of which ("Parcel Two") is owned by Highland Square, and the third is owned by Pine and PGI as Tenants in Common.

Pine, Highland Square and PGI desire to sell the Shopping Center to Buyer.

In consideration of the mutual agreements herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, Pine, Highland Square and PGI agree to sell and Buyer agrees to purchase the Shopping Center on the following terms and conditions:

1. DEFINITIONS

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

1.1 Agreement means this instrument as it may be amended from time to time.

1.2 Allocation Date means the close of business on the day immediately prior to the Closing Date.

1.3 Audit Representation Letter means the form of Audit Representation Letter attached hereto as Exhibit .

1.4 Buyer means the party identified as Buyer on the initial page hereof.

1.5 Closing means generally the execution and delivery of those documents and funds necessary to effect the sale of the Property by Seller to Buyer.

1.6 Closing Date means the date on which the Closing occurs.

1.7 Contracts means all service contracts, agreements or other instruments to be assigned by Seller to Buyer at Closing.

1.8 Day means a calendar day, whether or not the term is capitalized.

1.9 Earnest Money Deposit means the deposit delivered by Buyer to Escrow Agent prior to the Closing under Sections and of this Agreement, together with the earnings thereon, if any.

1.10 Environmental Claim means any investigation, notice, violation, demand, allegation, action, suit, injunction, judgment, order, consent decree, penalty, fine, lien, proceeding, or claim (whether administrative, judicial, or private in nature) arising (a) pursuant to, or in connection with, an actual or alleged violation of, any Environmental Law, (b) in connection with any Hazardous Material or actual or alleged Hazardous Material Activity, (c) from any abatement, removal, remedial, corrective, or other response action in connection with a Hazardous Material, Environmental Law or other order of a governmental authority or (d) from any actual or alleged damage, injury, threat, or harm to health, safety, natural resources, or the environment.

1.11 Environmental Law means any current legal requirement in effect at the Closing Date pertaining to (a) the protection of health, safety, and the indoor or outdoor environment, (b) the conservation, management, protection or use of natural resources and wildlife, (c) the protection or use of source water and groundwater, (d) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation or handling of, or exposure to, any Hazardous Material or (e) pollution (including any Release to air, land, surface water, and groundwater); and includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 USC ss.ss.9601 et seq., Solid Waste Disposal Act, as amended by the Resource Conservation Act of 1976 and Hazardous and Solid Waste Amendments of 1984, 42 USC ss.ss.6901 et seq., Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC ss.ss.1251 et seq., Clean Air Act of 1966, as amended, 42 USC ss.ss.7401 et seq., Toxic Substances Control Act of 1976, 15 USC ss.ss.2601 et seq., Hazardous Materials Transportation Act, 49 USC App. ss.ss.1801, Occupational Safety and Health Act of 1970, as amended, 29 USC ss.ss.651 et seq., Oil Pollution Act of 1990, 33 USC ss.ss.2701 et seq., Emergency Planning and Community Right-to-Know Act of 1986, 42 USC App. ss.ss.11001 et seq., National Environmental Policy Act of 1969, 42 USC ss.ss.4321 et seq., Safe Drinking Water Act of 1974, as amended by 42 USC ss.ss.300(f) et seq., and any similar, implementing or successor law, any amendment, rule, regulation, order

or directive, issued thereunder.

1.12 Escrow Agent means Chicago Deferred Exchange Corporation, 171 North Clark Street, Chicago, Illinois 60601 (Fax 312/223-3301).

1.13 Governmental Approval means any permit, license, variance, certificate, consent, letter, clearance, closure, exemption, decision, action or approval of a governmental authority.

1.14 Hazardous Material means any asbestos, petroleum, petroleum product, dry cleaning solvent or chemical, biological or medical waste, "sharps" or any other hazardous or toxic substance as defined in or regulated by any Environmental Law in effect at the pertinent date or dates.

1.15 Hazardous Material Activity means any activity, event, or occurrence at or prior to the Closing Date involving a Hazardous Material, including, without limitation, the manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation, handling or corrective or response action to any Hazardous Material.

1.16 Improvements means all buildings, structures or other improvements situated on the Real Property.

1.17 Inspection Period means the period of time which expires at the end of business on Wednesday, March 25, 1998. Buyer may extend the Inspection Period for an additional fifteen days by depositing an additional \$50,000 with Escrow Agent which additional deposit shall become a part of the Earnest Money Deposit provided for in Section hereof.

1.18 Lady's Island Publix means the free-standing Publix grocery store and related facilities on lands located at the intersection of Sea Island Parkway and Sam's Point Road at Lady's Island Drive, in Beaufort County, South Carolina, owned by Buyer and leased to Publix Super Markets, Inc. ("Publix"), commonly known as "Lady's Island Publix".

1.19 Leases means all leases and other occupancy agreements permitting persons to lease or occupy all or a portion of the Property.

1.20 Materials means all plans, drawings, specifications, soil test reports, environmental reports, market studies, surveys, and similar documentation, if any, owned by or in the possession of Seller with respect to the Property, Improvements and any proposed improvements to the Property, which Seller may lawfully transfer to Buyer except that, as to financial and other records, Materials shall include only photostatic copies.

1.21 Other Centers means the Lady's Island Publix and the Weems Road Winn-Dixie.

1.22 Permitted Exceptions means only the following interests, liens and encumbrances:

- (a) Liens for ad valorem taxes not payable on or before Closing;
- (b) Rights of tenants under Leases; and
- (c) Other matters determined by Buyer to be acceptable.

1.23 Personal Property means all (a) sprinkler, plumbing, heating, air-conditioning, electric power or lighting, incinerating, ventilating and cooling systems, with each of their respective appurtenant furnaces, boilers, engines, motors, dynamos, radiators, pipes, wiring and other apparatus, equipment and fixtures, elevators, partitions, fire prevention and extinguishing systems located in or on the Improvements, (b) all Materials, and (c) all other personal property used in connection with the Improvements, provided the same are now owned or are acquired by Seller prior to the Closing.

1.24 Property means collectively the Real Property, the Improvements and the Personal Property.

1.25 Prorated means the allocation of items of expense and income between Buyer and Seller based upon that percentage of the time period as to which such item of expense or income relates which has expired as of the date at which the proration is to be made.

1.26 Purchase Price means the consideration agreed to be paid by Buyer to Seller for the purchase of the Property as set forth in Section (subject to adjustments as provided herein).

1.27 Real Property means the lands more particularly described on Exhibit , together with all easements, licenses, privileges, rights of way and other appurtenances pertaining to or accruing to the benefit of such lands.

1.28 Release means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the indoor or outdoor environment, including, without limitation, the abandonment or discarding of barrels, drums, containers, tanks, and other receptacles containing or previously containing any Hazardous Material at or prior to the Closing Date.

1.29 Rent Roll means the list of Leases attached hereto as Exhibit , identifying with particularity the space leased by each tenant, the term (including extension options), square footage and applicable rent, common area maintenance, tax and other reimbursements, security deposits and similar data.

1.30 Seller means Pine, Highland Square and PGI, collectively, except that as to particular representations and warranties, and covenants, as they are made with respect to any particular parcel included in the Real Property (and the improvements thereon), or to the selling entities, as the case may be, the particular representation, warranty or covenant shall be deemed to have been made only by the entity which owns the particular parcel, or to the particular entity or person, as applicable.

1.31 Seller Financial Statements means the unaudited balance sheets and statements of income, cash flows and changes in financial positions prepared by Seller for the Property, as of and for the two (2) calendar years next preceding the date of this Agreement and all monthly reports of income, expense and cash flow prepared by Seller for the Property, which shall be consistent with past practice, for any period beginning after the latest of such calendar years, and ending prior to Closing.

1.32 Shopping Center means the Shopping Center identified on the initial page hereof, including the 11.56 acre unimproved parcel included in the Real Property.

1.33 Survey means a map of a stake survey of the Real Property which shall comply with Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, jointly established and adopted by ALTA and ACSM in 1992, and includes items 1, 2, 3, 4, 6, 7, 8, 9, 10 and 11 of Table "A" thereof, which meets the accuracy standards (as adopted by ALTA and ACSM and in effect on the date of the Survey) of an urban survey, which is dated not earlier than thirty (30) days prior to the Closing, and which is certified to Buyer, Seller, the Title Insurance company providing Title Insurance to Buyer, and Buyer's lender, and dated as of the date the Survey was made.

1.34 Surviving Mortgage means a Mortgage dated January 31, 1996, from Seller to Allstate Life Insurance Company, with a principal balance of \$4,024,418.58 as of February 1, 1998, bearing interest at eight and forty-five one-hundredths percent (8.45%) per annum and amortizing over a twenty (20) year period which commenced February 1, 1996, and which matures on February 1, 2006 (subject to extension for an additional ten (10) years as provided in the loan documents.

1.35 Tenant Estoppel Letter means a letter or other certificate from a tenant certifying as to certain matters regarding such tenant's Lease, in substantially the same form as attached hereto as Exhibit , or in the case of national or regional "credit"

tenants identified as such on the Rent Roll, the form customarily used by such tenant provided the information disclosed is acceptable to Buyer.

1.36 Title Defect means any exception in the Title Insurance Commitment or any matter disclosed by the Survey, other than a Permitted Exception.

1.37 Title Insurance means an ALTA Form B Owners Policy of Title Insurance for the full Purchase Price insuring marketable title in Buyer in fee simple, subject only to the Permitted Exceptions, issued by Chicago Title Insurance Company.

1.38 Title Insurance Commitment means a binder whereby the title insurer agrees to issue the Title Insurance to Buyer.

1.39 Transaction Documents means this Agreement, the deed conveying the Property, the assignment of leases, the bill of sale conveying the Personal Property and all other documents required or appropriate in connection with the transactions contemplated hereby.

1.40 Weems Road Winn-Dixie means the free-standing Winn-Dixie grocery store and related facilities located at the intersection of Weems Road and U.S. Highway 90, in Tallahassee, Leon County, Florida, owned by Buyer and leased to Winn-Dixie Stores, Inc. ("Winn-Dixie"), commonly known as "Weems Road Winn-

2. PURCHASE PRICE AND PAYMENT

2.1 Purchase Price; Payment.

(a) Purchase Price and Terms. The total Purchase Price for the Property (subject to adjustment as provided herein) shall be \$12,000,000. The Purchase Price shall be payable by Buyer's assumption of the Surviving Mortgage, the outstanding principal balance to reduce the Purchase Price and the balance of the Purchase Price shall be paid in cash at Closing.

(b) Adjustments to the Purchase Price. The Purchase Price shall be adjusted as of the Closing Date by:

(1) prorating the Closing year's real and tangible personal property taxes as of the Allocation Date (if the amount of the current year's property taxes are not available, such taxes will be prorated based upon the prior year's assessment);

(2) prorating as of the Allocation Date cash receipts and expenditures for the Shopping Center and other items customarily prorated in transactions of this sort; and

(3) subtracting the amount of security deposits, prepaid rents from tenants under the Leases, and credit balances, if any, of any tenants, and adding any expenses prepaid by Seller. Any rents, percentage rents or tenant reimbursements payable by tenants after the Allocation Date but applicable to periods on or prior to the Allocation Date shall be remitted to Seller by Buyer within thirty (30) days after receipt, less any expenses of the Property incurred on or prior to the Allocation Date by Seller but not paid by Seller prior to Closing and discovered by Buyer after Closing. Buyer shall have no obligation to collect delinquencies, but should Buyer collect any delinquent rents or other sums which cover periods prior to the Allocation Date and for which Seller have received no proration or credit, Buyer shall remit same to Seller within thirty (30) days after receipt, less any costs of collection. Buyer will not interfere in Seller's efforts to collect sums due it prior to the Closing. Seller will remit to Buyer promptly after receipt any rents, percentage rents or tenant reimbursements received by Seller after Closing which are attributable to periods occurring after the Allocation Date. Undesignated receipts after Closing of either Buyer or Seller from tenants in the Shopping Center shall be applied first to then current rents and reimbursements for such tenant(s), then to delinquent rents and reimbursements attributable to post-Allocation Date periods, and then to pre-Allocation Date periods.

2.2 Earnest Money Deposit. An Earnest Money Deposit in the amount of \$50,000 shall be delivered to Escrow Agent within three (3) days after the date of execution by the last of Buyer or Seller to execute and transmit a copy of this Agreement to the other. This Agreement may be terminated by Seller if the Earnest Money Deposit is not received by Escrow Agent by such deadline. The Earnest Money Deposit paid by Buyer shall be deposited by Escrow Agent in an interest bearing account, and shall be held and disbursed by Escrow Agent as specifically provided in this Agreement. The Earnest Money Deposit shall be applied to the Purchase Price at the Closing.

2.3 Closing Costs.

(a) Seller shall pay:

(1) Documentary stamp and other transfer taxes imposed upon the transactions contemplated hereby;

(2) Cost of satisfying any liens on the Property;

(3) Cost of title insurance and the costs, if any, of curing title defects and recording any curative title documents;

(4) All broker's commissions, finders' fees and similar expenses incurred by either party in connection with the sale of the Property, subject however to Buyer's indemnity given in Section of this Agreement;

(5) Seller's attorneys' fees relating to the sale of the Property, if any;

and

(6) One-half of the costs incurred in connection with the assumption of the Surviving Mortgage, including assumption fees and the fees of the lender's counsel.

(b) Buyer shall pay:

(1) Cost of Buyer's due diligence inspection;
(2) Costs of the Phase 1 environmental site assessment to be obtained by Buyer;

(3) Cost of the Survey;

(4) One-half of the costs incurred in connection with the assumption of the Surviving Mortgage, including assumption fees and the fees of the lender's counsel.

(5) Cost of recording the deed; and

(6) Buyer's attorneys' fees.

3. INSPECTION PERIOD AND CLOSING

3.1 Inspection Period.

(a) Buyer agrees that it will have the Inspection Period to physically inspect the Property, review the economic data, underwrite the tenants and review their leases, and to otherwise conduct its due diligence review of the Property and all books, records and accounts of Seller related thereto. Buyer hereby agrees to indemnify and hold Seller harmless from any damages, liabilities or claims for property damage or personal injury arising out of such inspection and investigation by Buyer or

its agents or independent contractors. Within the Inspection Period, Buyer may, in its sole discretion and for any reason or no reason, elect to go forward with this Agreement to closing, which election shall be made by notice to Seller given within the Inspection Period. If such notice is not timely given, this Agreement and all rights, duties and obligations of Buyer and Seller hereunder, except any which expressly survive termination, shall terminate and Escrow Agent shall forthwith return to Buyer the Earnest Money Deposit. If Buyer so elects to go forward, the Earnest Money Deposit shall be increased by an additional deposit of \$100,000 (to be deposited with Escrow Agent no later than three (3) business days following the end of the Inspection Period), and shall not be refundable except upon the terms otherwise set forth herein.

(b) Seller will promptly furnish or make available to Buyer the documents enumerated on Exhibit attached hereto. Buyer, through its officers, employees and other authorized representatives, shall have the right to reasonable access to the Property and all records of Seller related thereto which are in the custody of Seller or Seller's agents, including without limitation all Leases and Seller Financial Statements, at reasonable times during the Inspection Period for the purpose of inspecting the Property, taking soil and ground water samples, conducting Hazardous Materials inspections, reviewing the books and records of Seller concerning the Property and otherwise conducting its due diligence review of the Property. Seller shall cooperate with and assist Buyer in making such inspections and reviews. Seller shall give Buyer any authorizations which may be required by Buyer in order to gain access to records or other information pertaining to the Property or the use thereof maintained by any governmental or quasi-governmental authority or organization. Buyer, for itself and its agents, agrees not to enter into any contract with existing tenants without the written consent of Seller if such contract would be binding upon Seller should this transaction fail to close. Buyer shall have the right to have due diligence interviews and other discussions or negotiations with tenants.

(c) Buyer, through its officers or other authorized representatives, shall have the right to reasonable access to all Materials (other than privileged or confidential litigation materials) for the purpose of reviewing and copying the same.

3.2 Hazardous Material. Prior to the end of the Inspection Period Buyer may order environmental assessments of the Property. A copy of any assessment report, if made, shall be furnished by Buyer to Seller promptly upon its completion. If an assessment report discloses the existence of any Hazardous Material or any other matters concerning the environmental condition of the Property or its environs, Buyer may notify Seller in writing, within the Inspection Period that Buyer elects to terminate this Agreement, whereupon this Agreement shall terminate and Escrow Agent shall return to Buyer its Earnest Money Deposit.

3.3 Time and Place of Closing. Unless otherwise agreed by the parties, the Closing shall take place at Suite 1500, 1301 Riverplace Boulevard, Jacksonville, Florida 32207, at 10:00 A.M. on the date which is the fifteenth (15th) day following the expiration of the Inspection Period, provided that Buyer may designate an earlier date for Closing.

4. WARRANTIES, REPRESENTATIONS AND COVENANTS OF SELLER

Seller warrants and represents as follows as of the date of this Agreement and as of the Closing and where indicated covenants and agrees as follows:

4.1 Organization; Authority. Pine, Highland Square and PGI are duly organized, validly existing and in good standing under the laws of the State of Florida, and each has full power and authority to enter into and perform this Agreement in accordance with its terms. The persons executing this Agreement and other Transaction Documents have been duly authorized to do so on behalf of Seller. Neither Pine, nor Highland Square, nor PGI is a "foreign person" under Sections 1445 or 897 of the Internal Revenue Code, nor is this transaction subject to any withholding under any state or federal law.

4.2 Authorization; Validity. The execution and delivery of this Agreement by Highland Square and PGI and Seller's consummation of the transactions contemplated by this Agreement have been duly and validly authorized. This Agreement constitutes a legal, valid and binding agreement of Pine, Highland Square and PGI enforceable against each in accordance with its terms.

4.3 Title. Seller is the owner in fee simple of all of the Property, subject only to the Permitted Exceptions.

4.4 Commissions. Seller has neither dealt with nor does it have any knowledge of any broker or other party who has or may have any claim against Seller, Buyer or the Property for a brokerage commission or finder's fee or like payment arising out of or in connection with the transaction provided herein except for Cohen and Company, Inc., and Seller agrees to indemnify Buyer from any such claim arising by, through or under Seller.

4.5 Sale Agreements. The Property is not subject to any outstanding agreement(s) of sale, option(s), or other right(s) of third parties to acquire any interest therein, except for Permitted Exceptions and this Agreement.

4.6 Litigation. There is no litigation or proceeding pending, or to the best of Seller's knowledge, threatened against Seller relating to the Property, except a dispute

with Eckerd Corporation which Seller shall resolve before Closing or Seller shall indemnify and hold Buyer harmless from any loss or damage therefrom.

4.7 Leases. There are no Leases affecting the Property, oral or written, except as listed on the Rent Roll, and any Leases or modifications entered into between the date of this Agreement and the Closing Date with the consent of Buyer. Copies of the Leases, which have been delivered to Buyer or shall be delivered to Buyer within five (5) days from the date hereof, are, to the best knowledge of Seller, true, correct and complete copies thereof, subject to the matters set forth on the Rent Roll. Between the date hereof and the Closing Date, Seller will not terminate or modify existing Leases or enter into any new Leases without the consent of Buyer. All of the Property's tenant leases are in good standing and to the best of Seller's knowledge no defaults exist thereunder except as noted on the Rent Roll. No rent or reimbursement has been paid more than one (1) month in advance and no security deposit has been paid, except as stated on the Rent Roll. No tenants under the Leases are entitled to interest on any security deposits. No tenant under any Lease has or will be promised any inducement, concession or consideration by Seller other than as expressly stated in such Lease, and except as stated therein there are and will be no side agreements between Seller and any tenant.

4.8 Financial Statements. Each of the Seller Financial Statements delivered or to be delivered to Buyer hereunder has or will have been prepared in accordance with the books and records of Seller and presents fairly in all material respects the financial condition, results of operations and cash flows for the Property as of and for the periods to which they relate. All are in conformity with generally accepted accounting principles applied on a consistent basis. There has been no material adverse change in the operations of the Property or its prospects since the date of the most recent Seller Financial Statements. Seller covenants to furnish promptly to Buyer copies of the Seller Financial Statements together with unaudited updated monthly reports of cash flow for interim periods beginning after December 31, 1996. Buyer and its independent certified accountants shall be given access to Seller's books and records at any time prior to and for one (1) month following Closing upon reasonable advance notice in order that they may verify the financial statements prior to Closing. Seller agrees to execute and deliver to Buyer or its accountants the Audit Representation Letter should Buyer's accountants audit the records of the Shopping Center.

4.9 Contracts. Except for Leases and Permitted Exceptions, there are no management, service, maintenance, utility or other contracts or agreements affecting the Property, oral or written, which extend beyond the Closing Date and which would bind Buyer or encumber the Property, at Buyer's option, more than thirty (30) days after Closing. All such Contracts are in full force and effect in accordance with their respective terms, and all obligations of Seller under the Contracts required to be

performed to date have been performed in all material respects; no party to any Contract has asserted any claim of default or offset against Seller with respect thereto and no event has occurred or failed to occur, which would in any way affect the validity or enforceability of any such Contract; and the copies of the Contracts delivered to Buyer prior to the date hereof are true, correct and complete copies thereof. Between the date hereof and the Closing, Seller covenants to fulfill all of its obligations under all Contracts, and covenants not to terminate or modify any such Contracts or enter into any new contractual obligations relating to the Property without the consent of Buyer (not to be unreasonably withheld) except such obligations as are freely terminable without penalty by Seller upon not more than thirty (30) days' written notice.

4.10 Maintenance and Operation of Property. From and after the date hereof and until the Closing, Seller covenants to keep and maintain and operate the Property substantially in the manner in which it is currently being maintained and operated and covenants not to cause or permit any waste of the Property nor undertake any action with respect to the operation thereof outside the ordinary course of business without Buyer's prior written consent. In connection therewith, Seller covenants to make all necessary repairs and replacements until the Closing so that the Property shall be of substantially the same quality and condition at the time of Closing as on the date hereof. Seller covenants not to remove from the Improvements or the Real Property any article included in the Personal Property. Seller covenants to maintain such casualty and liability insurance on the Property as it is presently being maintained.

4.11 Permits and Zoning. To the best knowledge of Seller, there are no material permits and licenses (collectively referred to as "Permits") required to be issued to Seller by any governmental body, agency or department having jurisdiction over the Property which materially affect the ownership or the use thereof which have not been issued. The Property is properly zoned for its present use and is not subject to any local, regional or state development order. The use of the Property is consistent with the land use designation for the Property under the comprehensive plan or plans applicable thereto, and all concurrency requirements have been satisfied. There are no outstanding assessments, impact fees or other charges related to the Property.

4.12 Rent Roll; Tenant Estoppel Letters. The Rent Roll is true and correct in all respects. Seller agrees to use its best reasonable efforts to obtain current Tenant Estoppel Letters acceptable to Buyer from all Tenants under Leases, which Tenant Estoppel Letters shall confirm the matters reflected by the Rent Roll as to the particular tenant and shall be otherwise acceptable to Buyer in all respects.

4.13 Condemnation. Neither the whole nor any portion of the Property, including access thereto or any easement benefitting the Property, is subject to temporary requisition of use by any governmental authority or has been condemned, or taken in any proceeding similar to a condemnation proceeding, nor is there now

pending any condemnation, expropriation, requisition or similar proceeding against the Property or any portion thereof. Seller has received no notice nor has any knowledge that any such proceeding is contemplated.

4.14 Governmental Matters. Seller has not entered into any commitments or agreements with any governmental authorities or agencies affecting the Property that have not been disclosed in writing to Buyer and Seller has received no notices from any such governmental authorities or agencies of uncured violations at the Property of building, fire, air pollution or zoning codes, rules, ordinances or regulations, environmental and hazardous substances laws, or other rules, ordinances or regulations relating to the Property. Seller shall be responsible for the remittance of all sales tax for periods occurring prior to the Allocation Date directly to the appropriate state department of revenue.

4.15 Repairs. Seller has received no notice of any requirements or recommendations by any lender, insurance companies, or governmental body or agencies requiring or recommending any repairs or work to be done on the Property which have not already been completed.

4.16 Consents and Approvals; No Violation. Neither the execution and delivery of this Agreement by Seller nor the consummation by Seller of the transactions contemplated hereby will (a) require Seller to file or register with, notify, or obtain any permit, authorization, consent, or approval of, any governmental or regulatory authority; (b) conflict with or breach any provision of the organizational documents of Seller; (c) violate or breach any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, lease, contract, agreement or other instrument, commitment or obligation to which Seller is a party, or by which Seller, the Property or any of Seller's material assets may be bound; or (d) violate any order, writ, injunction, decree, judgment, statute, law or ruling of any court or governmental authority applicable to Seller, the Property or any of Seller's material assets.

4.17 To Seller's knowledge, the Surviving Mortgage is presently held by Allstate Life Insurance Company and is in good standing with no defaults existing thereunder. The principal balance outstanding as of February 1, 1998, is \$4,024,418.58, and the monthly payment of principal and interest is \$36,315.77. The interest rate is eight and forty-five one-hundredths percent (8.45%) per annum. Seller is not required to make deposits with the holder of the Surviving Mortgage for taxes and insurance. The transfer of the Property to Buyer will require the consent of the holder of the Surviving Mortgage. Prior to Closing, Seller shall use reasonable efforts to cause the holder of the Surviving Mortgage to execute and deliver to Buyer an estoppel letter and consent consenting to this transaction, certifying as to the foregoing

matters and releasing Seller from the Mortgage, in form and substance satisfactory to Buyer and Seller. Seller will maintain the Surviving Mortgage in good standing, without default, until Closing.

4.18 Environmental Matters.

(a) Seller represents and warrants as of the date hereof and as of the Closing that:

(1) Seller has not, and has no knowledge of any other person who has, caused any Release, threatened Release, or disposal of any Hazardous Material at the Property in any material quantity;

(2) The Property does not now contain and to the best of Seller's knowledge has not contained any: (a) underground storage tank, (b) material amounts of asbestos-containing building material, (c) landfills or dumps, (d) more than one dry cleaning drop off facility and one coin laundry and cleaner tenant;; or (e) hazardous waste management facility as defined pursuant to the Resource Conservation and Recovery Act ("RCRA") or any comparable state law. The Property is not a site on or nominated for the National Priority List promulgated pursuant to Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") or any state remedial priority list promulgated or published pursuant to any comparable state law; and

(3) There are to the best of Seller's knowledge no conditions or circumstances at the Property which pose a risk to the environment or the health or safety of persons.

(b) Seller shall indemnify, hold harmless, and hereby waives any claim for contribution against Buyer for any damages to the extent they arise from the inaccuracy or breach of any representation or warranty by Seller in this section of this Agreement. This indemnity shall survive Closing indefinitely.

4.19 No Untrue Statement. Neither this Agreement nor any exhibit nor any written statement or Transaction Document furnished or to be furnished by Seller to Buyer in connection with the transactions contemplated by this Agreement contains or will contain any untrue statement of material fact or omits or will omit any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

4.20 AS-IS ACQUISITION. BUYER ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY REPRESENTED AND WARRANTED BY SELLER IN THIS AGREEMENT, THERE HAVE BEEN NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR

IMPLIED, UPON WHICH BUYER IS RELYING WHICH HAVE BEEN MADE BY SELLER OR UPON SELLER'S BEHALF RELATING IN ANY WAY TO THE PROPERTY; AND THAT SUBJECT TO ANY AND ALL CONDITIONS TO BUYER'S OBLIGATIONS DESCRIBED IN THIS AGREEMENT AND TO SELLER'S REPRESENTATIONS AND WARRANTIES EXPRESSED IN THIS AGREEMENT, BUYER IS ACQUIRING THE PROPERTY "AS IS". THE PROVISIONS OF THIS SECTION 4.20 SHALL SURVIVE THE CLOSING OF THE TRANSACTIONS CONTEMPLATED IN THIS AGREEMENT.

5. WARRANTIES, REPRESENTATIONS AND COVENANTS OF BUYER

Buyer hereby warrants and represents as of the date of this Agreement and as of the Closing and where indicated covenants and agrees as follows:

5.1 Organization; Authority. Buyer is a corporation duly organized, validly existing and in good standing under laws of Florida and has full power and authority to enter into and perform this Agreement in accordance with its terms, and the persons executing this Agreement and other Transaction Documents on behalf of Buyer have been duly authorized to do so.

5.2 Authorization; Validity. The execution, delivery and performance of this Agreement and the other Transaction Documents have been duly and validly authorized by the Board of Directors of Buyer. This Agreement has been duly and validly executed and delivered by Buyer and (assuming the valid execution and delivery of this Agreement by Seller) constitutes a legal, valid and binding agreement of Buyer enforceable against it in accordance with its terms.

5.3 Commissions. Buyer has neither dealt with nor does it have any knowledge of any broker or other party who has or may have any claim against Buyer or Seller for a brokerage commission or finder's fee or like payment arising out of or in connection with the transaction provided herein except Cohen and Company, Inc., whose commission shall be paid by Seller; and Buyer agrees to indemnify Seller from any other such claim arising by, through or under Buyer.

6. POSSESSION; RISK OF LOSS

6.1 Possession. Possession of the Property will be transferred to Buyer at the conclusion of the Closing.

6.2 Risk of Loss. All risk of loss to the Property shall remain upon Seller until the conclusion of the Closing. If, before the possession of the Property has been transferred to Buyer, any material portion of the Property is damaged by fire or other casualty and will not be restored by the Closing Date or if any material portion of the Property is taken by eminent domain or there is a material obstruction of access to the

Improvements by virtue of a taking by eminent domain, Seller shall, within ten (10) days of such damage or taking, notify Buyer thereof and Buyer shall have the option to:

(a) terminate this Agreement upon notice to Seller given within ten (10) business days after such notice from Seller, in which case Buyer shall receive a return of its Earnest Money Deposit; or

(b) proceed with the purchase of the Property, in which event Seller shall assign to Buyer all Seller's right, title and interest in all amounts due or collected by Seller under the insurance policies or as condemnation awards. In such event, the Purchase Price shall be reduced by the amount of any insurance deductible to the extent it reduced the insurance proceeds payable.

7. TITLE MATTERS

7.1 Title.

(a) Title Insurance and Survey. Prior to the end of the Inspection Period Buyer's counsel shall order the Title Insurance Commitment and a Survey (Seller having furnished Buyer copies of existing surveys and other title information in its possession). Buyer will have ten (10) days from receipt of the Title Commitment (including legible copies of all recorded exceptions noted therein) and Survey to notify Seller in writing of any Title Defects, encroachments or other matters not acceptable to Buyer which are not permitted by this Agreement. Any Title Defect or other objection disclosed by the Title Insurance Commitment (other than liens removable by the payment of money) or the Survey which is not timely specified in Buyer's written notice to Seller of Title Defects shall be deemed a Permitted Exception. Seller shall notify Buyer in writing within five (5) days of Buyer's notice if Seller intends to cure any Title Defect or other objection. If Seller elects to cure, Seller shall use diligent efforts to cure the Title Defects and/or objections by the Closing Date (as it may be extended). If Seller elects not to cure or if such Title Defects and/or objections are not cured, Buyer shall have the right, in lieu of any other remedies, to: (i) refuse to purchase the Property, terminate this Agreement and receive a return of the Earnest Money Deposit; or (ii) waive such Title Defects and/or objections and close the purchase of the Property subject to such Title Defects.

(b) Miscellaneous Title Matters. If a search of the title discloses judgments, bankruptcies or other returns against other persons having names the same as or similar to that of Seller, Seller shall on request deliver to Buyer an affidavit stating, if true, that such judgments, bankruptcies or the returns are not against Seller. Seller further agrees to execute and deliver to the Title Insurance agent at Closing such documentation, if any, as the Title Insurance underwriter shall reasonably require to

evidence that the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized and that there are no mechanics' liens on the Property or parties in possession of the Property other than tenants under Leases and Seller.

8. CONDITIONS PRECEDENT

8.1 Conditions Precedent to Buyer's Obligations. The obligations of Buyer under this Agreement are subject to satisfaction or waiver by Buyer of each of the following conditions or requirements on or before the Closing Date:

(a) Seller's warranties and representations under this Agreement shall be true and correct as of the Closing Date, and Seller shall not be in default hereunder.

(b) All obligations of Seller contained in this Agreement, shall have been fully performed in all material respects and Seller shall not be in default under any covenant, restriction, right-of-way or easement affecting the Property.

(c) There shall have been no material adverse change in the Property, its operations or future prospects, the Leases or the financial condition of tenants leasing space in the Shopping Center.

(d) A Title Insurance Commitment in the full amount of the Purchase Price shall have been issued and "marked down" through Closing, subject only to Permitted Exceptions.

(e) The physical and environmental condition of the Property shall be unchanged from the date of this Agreement, ordinary wear and tear excepted.

(f) Seller shall have delivered to Buyer the following in form reasonably satisfactory to Buyer:

(1) A warranty deed in proper form for recording, duly executed and acknowledged so as to convey to Buyer the fee simple title to the Property, subject only to the Permitted Exceptions:

(2) Originals, if available, or if not, true copies of the Leases and of the contracts, agreements, permits and licenses, and such Materials as may be in the possession or control of Seller;

(3) A blanket assignment to Buyer of all Leases and the contracts, agreements, permits and licenses (to the extent assignable) as they affect

the Property, including an indemnity against breach of such instruments by Seller prior to the Closing Date;

(4) A bill of sale with respect to the Personal Property and Materials;

(5) A title certificate, properly endorsed by Seller, as to any items of Property for which title certificates exist;

(6) The Survey;

(7) A current rent roll for all Leases in effect showing no changes from the rent roll attached to this Agreement other than those set forth in the Leases or approved in writing by Buyer;

(8) All Tenant Estoppel Letters obtained by Seller, which must include Publix, Winn-Dixie Stores, Consolidated Stores, Family Dollar Stores and Eckerd Drug, and eighty percent (80%) of the other tenants who have signed leases for any portion of the Property, without any material exceptions, covenants, or changes to the form approved by Buyer and distributed to the tenants by Seller, the substance of which Tenant Estoppel Letters must be acceptable to Buyer in all respects (including specifically the Eckerd Drug Tenant Estoppel Letter, which must reflect that the dispute between Seller and Eckerd Drug has been resolved, or Seller shall otherwise indemnify Buyer from any loss or damage attributable thereto);

(9) A general assignment of all assignable existing warranties relating to the Property;

(10) An owner's affidavit, non-foreign affidavits, non-tax withholding certificates and such other documents as may reasonably be required by Buyer or its counsel in order to effectuate the provisions of this Agreement and the transactions contemplated herein;

(11) The originals or copies of any real and tangible personal property tax bills for the Property for the tax year of Closing and the previous year, and, if requested, the originals or copies of any current water, sewer and utility bills which are in Seller's custody or control;

(12) Resolutions of Seller authorizing the transactions described herein;

(13) All keys and other means of access to the Improvements in the possession of Seller or its agents;

(14) Materials; and

(15) Such other documents as Buyer may reasonably request to effect the transactions contemplated by this Agreement; and

(g) Receipt of the consent of the holder of the Surviving Mortgage to this transaction, and the release of Seller, imposing such conditions, if any, as are acceptable to each of Seller and Buyer.

In the event that all of the foregoing provisions of this Section are not satisfied and Buyer elects in writing to terminate this Agreement, then the Earnest Money Deposit shall be promptly delivered to Buyer by Escrow Agent and, upon the making of such delivery, neither party shall have any further claim against the other by reasons of this Agreement, except as provided in Article .

8.2 Conditions Precedent to Seller's Obligations. The obligations of Seller under this Agreement are subject to satisfaction or waiver by Seller of each of the following conditions or requirements on or before the Closing date:

(a) Buyer's warranties and representations under this Agreement shall be true and correct as of the Closing Date, and Buyer shall not be in default hereunder.

(b) All of the obligations of Buyer contained in this Agreement shall have been fully performed by or on the date of Closing in compliance with the terms and provisions of this Agreement.

(c) Buyer shall have delivered to Seller at or prior to the Closing the following, which shall be reasonably satisfactory to Seller:

(1) Delivery and/or payment of the balance of the Purchase Price in accordance with Section at Closing;

(2) Such other documents as Seller may reasonably request to effect the transactions contemplated by this Agreement; and

(d) Receipt of the consent of the holder of the Surviving Mortgage to this transaction, and the release of Seller, imposing such conditions, if any, as are acceptable to each of Seller and Buyer.

8.3 Section 1031 Exchange. Buyer acknowledges that Seller may endeavor to effect a like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"), such that Seller can acquire the Other Centers, or

other properties, with the proceeds of the sale of the Shopping Center to Buyer. Seller expressly reserves the right to assign its rights, but not its obligations, hereunder, to a qualified intermediary including without limitation Escrow Agent, as provided in the Internal Revenue Code and the regulations promulgated thereunder, including without limitation Reg. 1.1031(k)-(1)(g)(4), on or before the Closing Date. Accordingly, Buyer agrees that (i) Buyer will cooperate with Seller to effect a tax-free exchange or exchanges in accordance with the provisions of Section 1031 of the Code and the regulations promulgated with respect thereto; and (ii) it is a condition of this agreement that Buyer and Seller enter into a mutually agreeable contract pursuant to which Buyer will agree to sell to Seller, and Seller will agree to purchase from Buyer the Other Centers. It is not a condition that the transactions contemplated by such other contract actually close (eg. Seller, as Buyer under said contract, may determine during the inspection period under such other contract that Seller does not wish to purchase the Other Centers), but only that a mutually agreeable contract for the sale and purchase of the Other Centers be entered into by Seller and Buyer. Seller and Buyer agree to negotiate in good faith such that a contract for the sale and Seller shall be solely responsible for any additional fees, costs or expenses incurred in connection with the like-kind exchange contemplated by this paragraph. In no event shall Seller's ability or inability to effect a like-kind exchange, as contemplated hereby, in any way relieve Seller from its obligations and liabilities under this Agreement. Seller hereby agrees to indemnify and hold harmless Buyer from any liability, losses or damages incurred by Buyer in connection with or arising out of the Section 1031 like-kind exchange, including but not limited to any tax liability. It is not Buyer's intention to effect a Section 1031 exchange with respect to the proceeds of Buyer's sale of the Other Centers to Seller.

In the event that all conditions precedent to Buyer's obligation to purchase shall have been satisfied but the foregoing provisions of this Section have not, and Seller elects in writing to terminate this Agreement, then the Earnest Money Deposit shall be promptly delivered to Seller by Escrow Agent and, upon the making of such delivery, neither party shall have any further claim against the other by reasons of this Agreement, except as provided in Article .

8.4 Best Efforts. Each of the parties hereto agrees to use reasonable best efforts to take or cause to be taken all actions necessary, proper or advisable to consummate the transactions contemplated by this Agreement.

9. PRE-CLOSING BREACH; REMEDIES

9.1 Breach by Seller. In the event of a breach of Seller's covenants or warranties herein and failure by Seller to cure such breach within the time provided for

Closing, Buyer may, at Buyer's election (i) terminate this Agreement and receive a return of the Earnest Money Deposit, and the parties shall have no further rights or obligations under this Agreement (except as survive termination); (ii) enforce this Agreement by suit for specific performance; or (iii) waive such breach and close the purchase contemplated hereby, notwithstanding such breach.

9.2 Breach by Buyer. In the event of a breach of Buyer's covenants or warranties herein and failure of Buyer to cure such breach within the time provided for Closing, Seller's sole remedy shall be to terminate this Agreement and retain Buyer's Earnest Money Deposit as agreed liquidated damages for such breach, and upon payment in full to Seller of such amounts, the parties shall have no further rights, claims, liabilities or obligations under this Agreement (except as survive termination).

10. MISCELLANEOUS

10.1 Disclosure. Neither party shall disclose the transactions contemplated by this Agreement without the prior approval of the other, except to its attorneys, accountants and other consultants, their lenders and prospective lenders, or where disclosure is required by law.

10.2 Radon Gas. Radon is a naturally occurring radioactive gas which, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon which exceed federal and state guidelines have been found in buildings in the state in which the Property is located. Additional information regarding radon and radon testing may be obtained from the county public health unit.

10.3 Entire Agreement. This Agreement, together with the exhibits attached hereto, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may not be modified, amended or otherwise changed in any manner except by a writing executed by Buyer and Seller.

10.4 Notices. All written notices and demands of any kind which either party may be required or may desire to serve upon the other party in connection with this Agreement shall be served by personal delivery, certified or overnight mail, reputable overnight courier service or facsimile (followed promptly by hard copy) at the addresses set forth below:

As to Seller Ricardo Pines
3301 Ponce de Leon Boulevard, Penthouse Suite
Coral Gables, Florida 33134
Facsimile: (305) 529-0002

As to Buyer: RRC Acquisitions Two, Inc.
Attention: Robert L. Miller
Suite 200, 121 West Forsyth Street
Jacksonville, Florida 32202
Facsimile: (904) 634-3428

With a copy to: Rogers, Towers, Bailey, Jones & Gay, P.A.
Attention: William E. Scheu, Esquire
1301 Riverplace Boulevard, Suite 1500
Jacksonville, Florida 32207
Facsimile: (904) 396-0663

Any notice or demand so served shall constitute proper notice hereunder upon delivery to the United States Postal Service or to such overnight courier. A party may change its notice address by notice given in the aforesaid manner.

10.5 Headings. The titles and headings of the various sections hereof are intended solely for means of reference and are not intended for any purpose whatsoever to modify, explain or place any construction on any of the provisions of this Agreement.

10.6 Validity. If any of the provisions of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement by the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby, and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

10.7 Attorneys' Fees. In the event of any litigation between the parties hereto to enforce any of the provisions of this Agreement or any right of either party hereto, the unsuccessful party to such litigation agrees to pay to the successful party all costs and expenses, including reasonable attorneys' fees, whether or not incurred in trial or on appeal, incurred therein by the successful party, all of which may be included in and as a part of the judgment rendered in such litigation. Any indemnity provisions herein shall include indemnification for reasonable attorneys' fees and costs, whether or not suit be brought and including fees and costs on appeal.

10.8 Time of Essence. Time is of the essence of this Agreement.

10.9 Governing Law. This Agreement shall be governed by the laws of the state in which the Property is located, and the parties hereto agree that any litigation between the parties hereto relating to this Agreement shall take place (unless otherwise required by law) in a court located in the county in which the Property is located. Each party waives its right to jurisdiction or venue in any other location.

10.10 Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No third parties, including any brokers or creditors, shall be beneficiaries hereof.

10.11 Exhibits. All exhibits attached hereto are incorporated herein by reference to the same extent as though such exhibits were included in the body of this Agreement verbatim.

10.12 Gender; Plural; Singular; Terms. A reference in this Agreement to any gender, masculine, feminine or neuter, shall be deemed a reference to the other, and the singular shall be deemed to include the plural and vice versa, unless the context otherwise requires. The terms "herein," "hereof," "hereunder," and other words of a similar nature mean and refer to this Agreement as a whole and not merely to the specified section or clause in which the respective word appears unless expressly so stated.

10.13 Further Instruments, Etc. This Agreement may be executed in counterparts and when so executed shall be deemed executed as one agreement. Seller and Buyer shall execute any and all documents and perform any and all acts reasonably necessary to fully implement this Agreement.

10.14 Survival. The obligations of Seller and Buyer intended to be performed after the Closing shall survive the closing.

10.15 No Recording. Neither this Agreement nor any notice, memorandum or other notice or document relating hereto shall be recorded.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Witnesses:

RRC ACQUISITIONS TWO, INC.,
a Florida corporation

By: _____

Name: _____

Name: _____

Title: _____

Name: _____

Date: _____, 1998

Tax Identification No: 59-3478325

"BUYER"

PINES GROUP, INC.,
a Florida corporation

Name: _____

By: _____

Name: _____

Title: _____

Name: _____

Date: _____, 1998

Tax Identification No: _____

"PGI"

Name: _____

RICARDO PINES

Name: _____

Date: _____, 1998

Tax Identification No: _____

"PINE"

HIGHLAND SQUARE ASSOCIATES, LTD.,
a Florida limited partnership

Name: _____

By: Its General Partner
PINES JACKSONVILLE MANAGEMENT,
INC., a Florida corporation

By: _____
Its: President

Name: _____

Date: _____, 1998

Tax Identification No: _____

"HIGHLAND SQUARE"

EXHIBIT

Audit Representation Letter

(Acquisition Completion Date)

KPMG Peat Marwick LLP
Suite 2700
One Independent Drive
Jacksonville, Florida 32202

Dear Sirs:

We are writing at your request to confirm our understanding that your audit of the Statement of Revenue and Certain Expenses for Highland Square Shopping Center for the twelve months ended _____, was made for the purpose of expressing an opinion as to whether the statement presents fairly, in all material respects, the results of its operations in conformity with generally accepted accounting principles. In connection with your audit we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

1. We have made available to you all financial records and related data for the period under audit.

2. There have been no undisclosed:

a. Irregularities involving any member of management or employees who have significant roles in the internal control structure.

b. Irregularities involving other persons that could have a material effect on the Statement of Revenue and Certain Expenses.

c. Violations or possible violations of laws or regulations, the effects of which should be considered for disclosure in the Statement of Revenue and Certain Expenses.

3. There are no undisclosed:

a. Unasserted claims or assessments that our lawyers have advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No. 5 (SFAS No. 5).

b. Material gain or loss contingencies (including oral and written guarantees) that are required to be accrued or disclosed by SFAS No. 5.

c. Material transactions that have not been properly recorded in the accounting records underlying the Statement of Revenue and Certain Expenses.

d. Material undisclosed related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees.

e. Events that have occurred subsequent to the balance sheet date that would require adjustment to or disclosure in the Statement of Revenue and Certain Expenses.

4. All aspects of contractual agreements that would have a material effect on the Statement of Revenue and Certain Expenses have been complied with.

Further, we acknowledge that we are responsible for the fair presentation of the Statements of Revenue and Certain Expenses prepared in conformity with generally accepted accounting principles.

Very truly yours,
"Seller/Manager"

Name: _____
Title: _____

EXHIBIT

Legal Description of Real Property

EXHIBIT

Rent Roll

EXHIBIT
Form of Estoppel Letter

_____, 199_

RRC Acquisitions Two, Inc.
Regency Centers, Inc.
121 West Forsyth Street, Suite 200
Jacksonville, Florida 32202

RE: _____ (Name of Shopping Center)

Ladies and Gentlemen:

The undersigned (Tenant) has been advised you may purchase the above Shopping Center, and we hereby confirm to you that:

1. The undersigned is the Tenant of _____, Landlord, in the above Shopping Center, and is currently in possession and paying rent on premises known as Store No. _____ [or Address: _____], and containing approximately _____ square feet, under the terms of the lease dated _____, which has (not) been amended by amendment dated _____ (the "Lease"). There are no other written or oral agreements between Tenant and Landlord. Tenant neither expects nor has been promised any inducement, concession or consideration for entering into the Lease, except as stated therein, and there are no side agreements or understandings between Landlord and Tenant.
2. The term of the Lease commenced on _____, expiring on _____, with options to extend of _____ (____) years each.
3. As of _____, monthly minimum rental is \$_____ a month.
4. Tenant is required to pay its pro rata share of Common Area Expenses and its pro rata share of the Center's real property taxes and insurance cost. Current additional monthly payments for expense reimbursement total \$_____ per month for common area maintenance, property insurance and real estate taxes.
5. Tenant has given [no security deposit] [a security deposit of \$_____].

- 6. No payments by Tenant under the Lease have been made for more than one (1) month in advance, and minimum rents and other charges under the Lease are current.
- 7. All matters of an inducement nature and all obligations of the Landlord under the Lease concerning the construction of the Tenant's premises and development of the Shopping Center, including without limitation, parking requirements, have been performed by Landlord.
- 8. The Lease contains no first right of refusal, option to expand, option to terminate, or exclusive business rights, except as follows:
- 9. Tenant knows of no default by either Landlord or Tenant under the Lease, and knows of no situations which, with notice or the passage of time, or both, would constitute a default. Tenant has no rights to off-set or defense against Landlord as of the date hereof.
- 10. The undersigned has not entered into any sublease, assignment or any other agreement transferring any of its interest in the Lease or the Premises except as follows:

11. Tenant has not generated, used, stored, spilled, disposed of, or released any hazardous substances at, on or in the Premises. "Hazardous Substances" means any flammable, explosive, toxic, carcinogenic, mutagenic, or corrosive substance or waste, including volatile petroleum products and derivatives and dry cleaning solvents. To the best of Tenant's knowledge, no asbestos or polychlorinated biphenyl ("PCB") is located at, on or in the Premises. The term "Hazardous Substances" does not include those materials which are technically within the definition set forth above but which are contained in pre-packaged office supplies, cleaning materials or personal grooming items or other items which are sold for consumer or commercial use and typically used in other similar buildings or space.

The undersigned makes this statement for your benefit and protection with the understanding that you intend to rely upon this statement in connection with your intended purchase of the above described Premises from Landlord. The undersigned agrees that it will, upon receipt of written notice from Landlord, commence to pay all rents to you or to any Agent acting on your behalf.

Very truly yours,

 _____ (Tenant)

Mailing Address:

By: _____

Its: _____

Exhibit

Document Request List

Items Required from the Seller:

- 1) Property Specifications (Zoning)
- 2) As Built Plans & Specs (arch. and engineering)
- 3) Site Plan (including suite numbers)
- 4) Location maps
- 5) Aerial photographs
- 6) Demographics (including traffic counts)
- 7) Legal Description
- 8) Parking Information - Space count
- 9) Copy of All Leases (and amendments) & Lease Briefs
- 10) Certificates of Occupancy - All current tenants
- 11) Schedule of Security Deposits
- 12) Most recent Rent Roll (with suite #'s, rent escalations, and option period info)
- 13) Sales Reports (most recent 3 Years) for tenants reporting
- 14) Current Rent Billings (by category, base, CAM, etc.)
- 15) Current Delinquency Report (with explanations for balances > \$1,000)
- 16) Tenant Activity Register for all Current Tenants (billings & payments)
- 17) Tenant Estoppels
- 18) Property Operating Results - Most recent 3 Years
- 19) Property Capital Expenditures - Most recent 3 Years
- 20) Audited Financial Statements - 3 Years
- 21) Real Estate and other tax bills - 3 Years
- 22) Year to Date Financials & YTD detail general Ledger
- 23) Existing Service Agreements and Warranties
- 24) Three years loss history - reported claims
- 25) Most Recent Year Expense Recovery Reconciliation
- 26) Breakdown of CAM Pools
- 27) Proof Sales Tax Payments are Current
- 28) Appraisal (last available)
- 29) Seller's Budget for up-coming/current year
- 30) Utility Bills for last 12 months/deposits
- 31) Personal Property Inventory
- 32) Existing Title Insurance Policy
- 33) Available Inspection Reports (environmental, roof, structural, etc.)
- 34) Summary of Tenant Contacts (with address and telephone numbers)
With local (include store#) & national addresses
- 35) Survey
- 36) Tax plat map

wes\reg\highland\psa.4

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT
(Highland Square)

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT, dated as of the ____ day of April, 1998, by and among RICARDO PINES, individually ("Pines"), PINES HIGHLAND SQUARE ASSOCIATES, LTD., a Florida limited partnership (the "Partnership") and PINES GROUP, INC., a Florida corporation (the "Corporation") (collectively, Pine, Partnership and Corporation are referred to herein as "Seller"), and RRC ACQUISITIONS TWO, INC., a Florida corporation ("Buyer").

Background

(i) Buyer and Seller have previously entered into that certain Purchase and Sale Agreement dated as of February 24, 1998 (the "Agreement"), concerning the purchase of a shopping center commonly known as "Highland Square", in Jacksonville, Duval County, Florida, owned by Seller.

(ii) Seller and Buyer wish to amend the Agreement as hereinafter provided.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, receipt of which is hereby acknowledged, Buyer and Seller hereby agree as follows:

1. Definitions. All terms defined in the Agreement shall, when capitalized in this First Amendment, have the same meanings attributed to them herein.

2. Reduction of Purchase Price. The Purchase Price shall be reduced by the sum of \$400,000.00. Accordingly, Section 2.1(a) of the Agreement is hereby amended to read, in its entirety, as follows:

"(a) Purchase Price and Terms. The total Purchase Price for the Property (subject to adjustment as provided herein) shall be \$11,600,000.00. The Purchase Price shall be payable by Buyer's assumption of the Surviving Mortgage, the outstanding principal balance thereof to reduce the Purchase Price, and the balance of the Purchase Price shall be paid in cash at Closing.

3. Closing Date Extended. The Closing shall occur on May 31, 1998, or on such earlier date as Buyer shall notify Seller, and Section 3.3 is amended accordingly.

4. Environmental Escrow Agreement. Buyer's inspection of the Property has revealed certain environmental contamination caused by a drycleaning operation at the Property. At closing Buyer and Seller shall enter into an environmental escrow agreement pursuant to which up to \$400,000.00 shall be deposited with Escrow Agent pending remediation of such contamination by Seller in a manner acceptable to Buyer, to be reduced to one hundred twenty-five percent (125%) of the cost to remediate as agreed upon by Buyer and Seller prior to Closing. The form and substance of the escrow agreement shall be mutually acceptable to Seller, Buyer and the holder of the Surviving Mortgage. If by the Closing Date Seller and Buyer have not agreed to the form and substance of the environmental escrow agreement, either may terminate this Agreement, in which event the Earnest Money Deposit shall be returned to Buyer.

5. Other Properties. It is acknowledged that Seller is acquiring from affiliates of Buyer two properties commonly known as the "Lady's Island Publix" and the "Weems Road Winn-Dixie" pursuant to an Agreement dated February 24, 1998, and an Eckerd Drug Store pursuant to an agreement currently being negotiated. The sale of the Property to Buyer is conditioned upon Seller and Buyer, and Buyer's affiliates reaching a satisfactory agreement concerning those other properties.

6. As amended hereby, the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Buyer and Seller have executed this Agreement as of the day and year first above written.

Witnesses:

Name: RRC ACQUISITIONS TWO, INC.,
a Florida corporation

Name: By:
Name: Title:

Date: , 1998

Tax Identification No. 59-3478325

"BUYER"

Name: PINES GROUP, INC.,
a Florida corporation

Name: By:
Title:
Date: , 1998
Tax Identification No.:

Name: RICARDO PINES

Name: Date: , 1998
Tax Identification No.:

HIGHLAND SQUARE ASSOCIATES, LTD.,
a Florida limited partnership

By Its General Partner:

Name: Pines Jacksonville Management, Inc.,
a Florida corporation

Name: By:
President

Date: , 1998

Tax Identification No.:

(collectively, "SELLER")

wes\reg\highland\psa-amd.3

CONTRACT OF SALE

This Contract of Sale ("Contract") is effective this 20th day of March, 1998 entered into between NATIONWIDE LIFE INSURANCE COMPANY, an Ohio corporation ("Seller"), and RRC ACQUISITION TWO, INC. a Florida corporation, ("Buyer").

ARTICLE I

AGREEMENT OF PURCHASE AND SALE

Subject to those provisions to follow, Seller agrees to sell, and Buyer agrees to buy, the following described properties (hereinafter referred to collectively as the "Property"):

1.1 Fee Title. Seller's fee simple title in and to the tract of land situated in the city of Miami and state of Florida, as described more specifically in Exhibit "A" attached hereto and incorporated herein, together with all and singular the Seller's rights and appurtenances pertaining to such real property including, without limitation, all easements, streets, alleys and rights-of-way and all rights of Seller relating to ingress and egress and all strips and gores between such real property and adjacent land (collectively referred to as the "Land");

1.2 Improvements. All buildings and improvements, ("Improvements") located on the Land;

1.3 Personal Property. All mechanical systems, fixtures and equipment including, but not limited to, compressors, and engines; electrical systems, fixtures and equipment; plumbing fixtures, systems and equipment; heating fixtures, systems and equipment; air conditioning fixtures, systems and equipment; furniture, carpets, drapes and other furnishings; maintenance equipment and tools; and all other machinery, equipment, fixtures and personal property of every kind and character, if any, owned by the Seller and located in, or on or used in connection with, the Land or the Improvements or the operations thereon ("Personal Property");

1.4 Plans, Etc. All site plans, surveys, soil and substrata studies, architectural renderings, plans and specifications, engineering plans and studies, floor plans, landscape plans and other plans, diagrams or studies of any kind, if any, in Seller's possession which relate to the Land, the Improvements or the Personal Property;

1.5 Tenant Leases. Seller's interest in all leases and rental agreements with tenants occupying, or having the right to occupy, space situated in Improvements or otherwise having rights with regard to use of the land or the Improvements ("Leases"), and all security deposits, if any, held in connection with such leases.

1.6 Miscellaneous Documents. All leasing brochures, market studies, tenant data sheets and other materials of any kind in Seller's possession solely related to the Improvements.

ARTICLE II

PURCHASE PRICE

2.1 Purchase Price. The purchase price for the Property shall be TWELVE MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$12,110,000) (the "Purchase Price"). The Purchase Price shall be payable by wire transfer or immediately available funds at Closing (hereinafter defined).

2.2 Earnest Money Deposit. Within three (3) business days after execution of this Contract, by Buyer and Seller, the Buyer shall deposit with the Title Company, (hereinafter defined), as an earnest money deposit in cash an amount of FIFTY THOUSAND DOLLARS (\$50,000) ("Earnest

-1-

Money Deposit") with Commonwealth Land Title Insurance Company ("Title Company"). The Title Company shall hold and dispose of the Earnest Money Deposit in strict compliance with this Contract. Buyer shall direct the Earnest Money Deposit to be invested in an interest bearing account in a financial institution insured by the Federal Deposit Insurance Corporation chosen by Buyer, with such account having a maturity date not later than the Closing Date (hereinafter defined). All interest earned on the Earnest Money Deposit shall be Buyer's property prior to a default by Buyer. All interest earned after the date of a default by Buyer shall be for Seller's account. Buyer and Seller agree that prior to Buyer's deposit of the Earnest Money Deposit with the Title Company, Seller shall have no obligation or liability under this Contract, and that Buyer's obligation to deposit the Earnest Money Deposit is an express condition precedent to Seller's obligation and liabilities under this Contract. In the event that the Earnest Money Deposit is not received by the Title Company within three (3) business days from the date of Buyer's and Seller's execution of this Contract whichever is later, this Contract shall be deemed null and void with neither party having any further obligation to the other.

ARTICLE III

3.1 Title Commitment. Within ten (10) days after the Effective Date of this Contract, Seller shall furnish to Buyer, at Seller's expense, a current commitment for an owner's title insurance policy ("Commitment") issued by the Title Company, setting forth the state of title to the Property and all exceptions including: easements, restrictions, rights of way, covenants, reservations, and other conditions, if any, affecting the Property which would appear in Owner's Title Policy, if issued. No representations or warranties are made by or shall be made or given by Seller with respect to the Survey or the information contained therein.

3.2 Ownership Documents. Within ten (10) days after the Effective Date of this Contract, Seller shall, if available, furnish to Buyer true and correct copies of the items listed on Exhibit "D" (collectively, the "Ownership Documents"):

3.3 Survey. Within twenty (20) days after the Effective Date of this Contract, Seller shall, at Seller's sole cost and expense, cause to be prepared and furnished to Buyer and the Title Company, a current ALTA survey (the "Survey") of the Property prepared by a duly licensed Florida land surveyor, which shall comply with Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, jointly established and adopted by ALTA and ACSM in 1992, and includes items 1, 2, 3, 4, 6, 7, 8, 9, 10, and 11 of Table "A" thereof, which meets the accuracy standards (as adopted by ALTA and ACSM and in effect on the date of the Survey) of an urban survey.

3.4 Tenant Estoppel Certificates. Prior to closing, Seller shall obtain and submit to Buyer a signed estoppel certificate from all major tenants over 5,000 square feet and 75% of the remaining tenant on such form as per attached Exhibit "B", for the purpose of verifying the status of each lease.

ARTICLE IV

CONDITIONS

4.1 Inspection Period.

(a) Inspection Period. Buyer shall have a period commencing on the Effective Date of this Contract and extending forty (40) days thereafter to examine the title and Survey ("Title Inspection") and the Property and any Ownership Documents not previously provided ("Property

Inspection") (collectively the "Inspection Period"). Such examination may include any matters that Buyer finds relevant to its decision to purchase the Property including, without limitation, a soil, hazardous substance, engineering and feasibility study. Buyer agrees that if it elects to have a Phase I environmental audit on the Property that it will provide Seller with a copy of said report. Seller shall assist Buyer in gaining access to the portion of the Property occupied under any Leases, if applicable, so that any inspecting engineer retained by Buyer can conduct those on-site structural inspections it deems necessary in order to conclude that the improvements are structurally sound. All inspections, unless otherwise stated herein, and studies conducted by Buyer or at Buyer's direction shall be at Buyer's sole cost and expense. In conducting such inspections, Buyer shall not unreasonably interfere with the use or occupancy of the Property and/or Land. Buyer agrees to indemnify Seller and hold Seller harmless from and against any injury, damage, loss, cost or expense related to or arising out of Buyer's inspection of the Property pursuant to this Section whether foreseen or not, including, but not limited to, costs of repairing damage to the Property, Land, Improvement and/or Personal Property. After the expiration of the Inspection Period, the sole obligation of Seller, except as provided herein, will be to deliver possession of the Property in the same condition as existed on the date of termination of the Inspection Period (ordinary wear and tear excepted). In the event the Buyer does not elect to terminate the Contract (as provided herein), THE BUYER AGREES THAT THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE PERSONAL PROPERTY, IS BEING CONVEYED HEREUNDER "AS IS, WHERE IS, AND WITH ALL FAULTS", WITHOUT ANY REPRESENTATION OR WARRANTY BY SELLER EXCEPT AS EXPRESSLY SET FORTH HEREIN AND THE PERSONAL PROPERTY IS BEING SOLD AND ASSIGNED HEREUNDER ONLY TO THE EXTENT THAT IT MAY BE OWNED BY THE SELLER AND USED IN THE OPERATION OF THE PROPERTY. EXCEPT AS EXPRESSLY PROVIDED HEREIN, SELLER HAS NOT MADE AND IS NOT MAKING ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE PROPERTY, INCLUDING WITHOUT LIMITATION ANY REPRESENTATION OR WARRANTY REGARDING QUALITY OF CONSTRUCTION, WORKMANSHIP, CONDITION, STATE OF REPAIR, SAFETY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, ACCURACY OF DIMENSIONS, WHETHER THE IMPROVEMENTS ARE STRUCTURALLY SOUND, IN GOOD CONDITION OR IN COMPLIANCE WITH APPLICABLE CITY, COUNTY, STATE OR FEDERAL STATUTES, CODES, OR REGULATIONS, INCLUDING, WITHOUT LIMITATION, TO HAZARDOUS MATERIALS OR ANY ENVIRONMENTAL MATTERS AND THE AMERICANS WITH DISABILITIES ACT, OPERATION OF MECHANICAL SYSTEMS, EQUIPMENT AND FIXTURES, SUITABILITY OF SOIL OR GEOLOGY, ABSENCE OF DEFECTS OR HAZARDOUS OR TOXIC MATERIALS OR WASTES, ANY PAST, PRESENT OR FUTURE OPERATING RESULTS, INCLUDING BOTH INCOME AND EXPENSES, ANY PROJECTIONS WITH RESPECT TO OPERATING RESULTS, THE FINANCIAL VIABILITY OF THE PROPERTY, OR THE COMPLETENESS OR ACCURACY OF ANY BOOKS OR RECORDS OF SELLER PERTAINING TO THE PROPERTY, AND BUYER ACKNOWLEDGES THAT BUYER ACCEPTS THIS PROPERTY WITHOUT RELYING UPON ANY SUCH REPRESENTATION OR WARRANTY BY SELLER OR BY ANY OTHER PERSON AND BASED SOLELY UPON BUYER'S OWN INSPECTIONS, INVESTIGATIONS AND FINANCIAL ANALYSIS OF THE PROPERTY.

(b) Seller's Cure Period. Buyer agrees to notify Seller of all objections it may have based on Title Inspection within fifteen (15) days of its receipt thereof. Any exceptions reflected in the Commitment to which Buyer does not object or which are waived by Buyer shall be deemed permitted exceptions (the "Permitted Exceptions").

4.2 Termination. Buyer agrees to notify Seller in writing on or before the expiration of the Inspection Period of its intent to terminate the Contract. However, if Buyer fails to notify Seller of its intent to proceed with this Contract, the Contract shall be deemed terminated as of the expiration of the Inspection Period. If Buyer terminates this Contract as provided herein in this Section, The Title Company, without further authorization or direction from Seller, will immediately refund the Earnest

Money Deposit to Buyer. Thereafter, (except as expressly provided for in this Contract) neither Buyer or Seller will have any further obligations or liabilities under this Contract.

4.3 No Further Contracts. From the date hereof until the Closing Date or the earlier termination of this Contract, Seller shall (a) maintain and operate the Property in the same manner in which the Property was operated as of the Effective Date, and will not knowingly permit to be committed any waste on the Property, (b) continue all leases, if applicable, and insurance policies relative to the Property in full force and effect, (c) neither cancel, amend, enter into nor renew any lease, without the written consent of Buyer (which consent will not be withheld unreasonably and notice of which approval or disapproval shall be provided to Seller within five (5) days from Seller's presentment to Buyer of the lease at issue), (d) not knowingly enter into any agreement or instrument which would constitute an encumbrance on the Property without prior written consent of Buyer (which consent will not be withheld unreasonably and notice of which approval or disapproval shall be provided to Seller within five (5) days from Seller's presentment to Buyer of the agreement or instrument at issue) and (e) not remove Personal Property owned by Seller from the Land, Improvements and/or Property. In the event that Buyer does not provide Seller with notice required by this subsection within the time set forth herein Buyer's approval shall be deemed to have been waived.

ARTICLE V

BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to Seller the following statements are true on the Effective Date of this Contract and will be true on the Closing Date:

5.1 Buyer's Power and Authority. Buyer and its representatives have all power and authority legally necessary to enter into this Contract, execute and deliver the Closing documents and purchase the Property in accordance with this Contract's terms.

5.2 No Actions Against Buyer. Buyer knows of no action, suit or proceeding, pending or threatened against Buyer, which would, if determined against Buyer, adversely and materially affect Buyer's ability to perform its obligations under this Contract.

Buyer's tender of performance of its obligations under this Contract shall constitute Buyer's confirmation that the above representations and warranties are then also true and correct.

ARTICLE VI

SELLER'S REPRESENTATIONS AND WARRANTIES

6.1 Seller warrants and represents the following is true and correct as of the date of Closing (hereinafter defined).

(a) Seller has full power and authority to enter into this Contract. The execution and delivery require no further action or approval in order to constitute this Contract as binding and enforceable obligations of Seller.

(b) To the best of Seller's knowledge, no litigation or proceeding is pending or threatened relating specifically to the Property, which if adversely determined, could have a material adverse effect on title to and/or the use, or which could, in any way, interfere with the consummation of this Contract.

(c) To the best of Seller's knowledge, no person has caused a release or threatened a release of any hazardous material on about or under the Property. In addition Seller has no knowledge that the Property contains any underground storage tank, asbestos building material or a drycleaning plant or facility using drycleaning solvents.

(d) To the best of Seller's knowledge, there are no Leases affecting the Property, oral or written, except as listed on the rent roll. Copies of the Leases, which shall be delivered to the Buyer are true, correct and complete copies thereof, subject to the matters set forth on the rent roll. All of the Tenant leases are in good standing and no defaults exist thereunder except as noted on the rent roll. No rent or reimbursement has been paid more than one (1) month in advance and no security deposit has been paid, except as stated on the rent roll. No tenant under any lease has been promised any inducement, concession or consideration by Seller other than expressly stated in such Lease, and except as stated therein there are and will be no side agreements between Seller and any tenant.

For purposes of this Contract, the terms "to the best of Seller's knowledge", "Seller's knowledge" and/or "knowledge" shall be limited to such actual knowledge or written notice or report that has actually been received by Paul H. Thomas, Jr., who is Seller's Manager of Real Estate Equity Assets or Lawrence W. Baiamonte, who is Seller's Director of Real Estate Equity Assets.

ARTICLE VII

REQUEST FOR NONDISCLOSURE

7.1 Buyer and its representatives shall hold in strictest confidence all data and information obtained with respect to the operation and management of the Property, whether obtained before or after the execution and delivery hereof, and shall not use such data or information for purposes unrelated to this Contract or disclose the same to others except as expressly permitted hereunder. The preceding sentence shall not be construed to prevent Buyer from disclosing to its agents, consultants and lenders such information with respect to the Property as is necessary for such agents, consultants and lenders to perform their designated tasks in connection with Buyer's inspection of the Property, so long as the Buyer causes such agents, consultants and lenders to execute an agreement to keep such information confidential. However, neither party shall have this obligation concerning information which: (a) is published or becomes publicly available through no fault of either the Buyer or Seller; (b) is rightfully received from a third party; or (c) is required to be disclosed by law. In the event this Contract is terminated or Buyer fails to perform hereunder, Buyer shall promptly return to Seller any statements, documents, schedules, exhibits or other written information obtained from Seller in connection with this Contract or the transactions contemplated hereby (including all information which was provided to agents, consultants and/or lenders). In the event of a breach or threatened breach by Buyer or its agents, consultants and/or lenders of this paragraph, Seller shall be entitled to an injunction restraining Buyer or its agents, consultants and/or lenders from disclosing, in whole or in part, such confidential information. Nothing herein shall be construed as prohibiting Seller from pursuing any other available remedy at law or in equity for such breach or threatened breach.

ARTICLE VIII

CLOSING

8.1 Date and Place of Closing. The Closing ("Closing") shall take place at Commonwealth Title Insurance Company. The Closing Date ("Closing Date") shall be within fifteen (15) days after the Inspection Period; however, Seller and Buyer may mutually designate an earlier date for Closing. At Seller's option, Closing may occur in escrow, in which event the Title Company shall act as escrow agent.

8.2 Seller's Closing Obligations. At the Closing or as provided below, Seller shall deliver to Buyer, at Seller's sole cost and expense (except as stated below), each of the following items:

(a) An Owner's Policy of Title Insurance ("Title Policy") issued by the Title Company in Buyer's favor in the full amount of the Purchase Price, insuring Buyer's fee simple title to the Property and in and to any easements and restrictions which inure to the benefit of the Property, subject only to the Permitted Exceptions;

(b) A special warranty deed ("Deed"), duly executed and acknowledged by Seller, and in form for recording, conveying good and indefeasible fee simple title to the Property to Buyer, subject only to the Permitted Exceptions;

(c) A Bill of Sale transferring all of the Personal Property "As Is" "Where Is" and "With All Faults" and an assignment of the Personal Property.

(d) An Assignment of all Warranties, Guaranties and Service Contracts, if any;

(e) All keys to the Property in Seller's possession;

(f) An assignment of all Leases, as per attached Exhibit "C";

(g) Executed originals of the Leases in Seller's possession;

(h) Lease files.

8.3 Adjustments at Closing. The Purchase Price shall be adjusted as of the Closing Date ----- by:

(a) Prorating the closing year's real and tangible personal property taxes as of the the Closing Date (if the amount of the current year's property taxes are not available, such taxes will be prorated based upon the prior year's assessment);

(b) Prorating as of the Closing Date cash receipts and expenditures for the Shopping Center and other items customarily prorated in transactions of this sort; and

(c) Subtracting the amount of security deposits, prepaid rents from tenants under the Leases, and credit balances, if any, of any tenant. Any rents, percentage rents or tenant reimbursement payable by tenants after the Closing Date but applicable to periods on or prior to the Closing Date shall be remitted to Seller by Buyer within thirty (30) days after receipt, less any expenses of the Property incurred on or prior to the Closing Date but discovered by Buyer after the Closing Date. Buyer shall have no obligation to collect delinquencies, but should Buyer collect any delinquent rents or other sums which cover periods prior to the Closing Date and for which Seller has received no proration credit, Buyer shall remit same to Seller within thirty (30) days after receipt, less

any costs of collection. Buyer will not interfere in Seller's efforts to collect sums due it prior to the Closing Date. Seller will remit to Buyer within thirty (30) days after receipt any rent, percentage rents or tenant reimbursements received by Seller after Closing which are attributable to periods occurring after the Closing Date. Undesignated receipts after Closing of either Buyer or Seller from tenants in the Shopping Center shall be applied first to the then current rents and reimbursements for such tenants(s), then to delinquent rents and reimbursements attributable to post-Closing Date periods, and then to pre-Closing Date periods.

8.4 Buyer's Closing Obligations. At Closing, Buyer shall execute those Closing documents to which Buyer is a party and direct the Title Company to remit to Seller the Purchase Price, plus any other sums required to be paid by Buyer, in accordance with this Contract.

8.5 Possession and Closing. Notwithstanding anything contained herein, exclusive possession of the Property shall be delivered to Buyer by Seller at Closing.

8.6 Closing Costs. Unless otherwise specified in this contract, all costs and expenses of Closing including recording fees and transfer fees shall be allocated equally between Seller and Buyer. Each party will be responsible for its own legal fees except in the event of default.

ARTICLE IX

TERMINATION, DEFAULTS AND REMEDIES

9.1 Buyer's Termination. If Seller is unable to convey title to the Property, Buyer may, at Buyer's option, terminate this Contract by written notice forwarded to Seller prior to the Closing Date or delivered to Seller on the Closing Date or earlier date as specified in this Contract for such notice of termination. If Buyer elects to terminate this Contract pursuant to a right to do so expressly given to Buyer in this Contract, the Earnest Money Deposit shall be promptly refunded to Buyer on written instruction to the Title Company signed only by Buyer, and neither party shall have any further obligation or liability to the other party hereunder. If the Earnest Money Deposit is to be returned to Buyer in accordance with this Contract, Seller shall promptly, on written request from Buyer, execute and deliver such documents as may be required to cause the Title Company to return the Earnest Money Deposit to Buyer.

9.2 Seller's Default; Buyer's Remedies. If Seller fails to consummate this Contract for any reason (other than Buyer's default or a termination of this Contract by Seller or Buyer pursuant to a right to do so expressly provided for in this Contract), Buyer may elect to enforce the specific performance of this Contract or terminate this Contract and receive a refund of the Earnest Money Deposit; provided, however, in the event specific performance of this Contract is frustrated due to Seller's conveyance of all or part of the Property to a third party in breach of this Contract or due to Seller's intentionally encumbering all or any part of the Property with a lien, lease, easement, restriction or other encumbrance after the date of this contract objected to by Buyer and not eliminated at or prior to Closing, Buyer may pursue any remedies available to Buyer at law or in equity.

9.3 Buyer's Default; Seller's Remedy. If Buyer fails to consummate this Contract for any reason (other than Seller's default or a termination of this Contract by Seller or Buyer pursuant to a right to do so expressly provided for in this Contract), Seller may, as Seller's sole and exclusive remedy, terminate this Contract and retain the Earnest Money Deposit as liquidated damages for breach of this Contract. Upon written notice of termination by Seller to the Title Company and Buyer pursuant to this Section, the Title Company, without further authorization from Buyer, shall immediately deliver the Earnest Money Deposit to Seller. Such amount is agreed upon by and

between Seller and Buyer as liquidated damages, due to the difficulty and inconvenience of ascertaining and measuring actual damages, and the uncertainty thereof and the payment of the Earnest Money Deposit shall constitute full satisfaction of Buyer's obligations under this Contract. Such amount is agreed upon by and between Seller and Buyer as a reasonable estimate of just compensation for the harm caused by Buyer's default.

ARTICLE X

DAMAGE OR DESTRUCTION PRIOR TO CLOSING

10.1 In the event that either the Improvements or Personal Property should be damaged by any casualty prior to Closing, and if the cost of repairing such damage, as estimated by an independent contractor ("Independent Contractor") retained by Buyer (and approved by Seller, which approval shall not be withheld unreasonably or unduly delayed) is:

(a) less than FIFTY THOUSAND DOLLARS (\$50,000), then, at Seller's option: (i) Seller shall repair such damage prior to the Closing Date, restoring the damaged Property at least to its condition immediately prior to such damage, or (ii) elect to close the transaction and Buyer shall receive a credit at Closing in an amount necessary to make such repairs as determined by the Independent Contractor; or if said cost is

(b) equal to or more than FIFTY THOUSAND DOLLARS (\$50,000) then the Buyer may elect within twenty (20) days of notification to Buyer of such occurrence to (i) terminate this Contract or (ii) require Seller to assign to Buyer at Closing, all insurance proceeds payable for such damage, and pay to Buyer at Closing the amount of any deductible required by Seller's insurance policies, and the sale shall be closed without the Seller's repairing such damage.

ARTICLE XI

CONDEMNATION

11.1 Eminent Domain. If prior to the Closing Date a material portion of the Property shall be taken by any governmental authority under the power of eminent domain or by any private organization possessing the power of eminent domain, this Contract shall terminate on the date of taking and the Title Company shall thereupon promptly return to Buyer the Earnest Money Deposit, and the parties hereto shall thereafter be released of any obligation or liability by reason of the execution of this Contract.

ARTICLE XII

MISCELLANEOUS PROVISIONS

12.1 Broker's Commission. If, and when the Closing occurs, Seller hereby agrees to pay one and one half percent (1 1/2%) of the purchase price to Atlantic American Group in cash for their services in connection with this Contract. Seller and Buyer each represent and warrant to the other that there are no claims for broker's commissions or finder's fees in connection with the execution and delivery of this Contract other than that of the Brokers named in this Section 12.1, and Seller and Buyer each agree to indemnify the other against and hold such party harmless from all liabilities arising from a breach of the representation and warranty made by such party herein, including, without limitation, reasonable attorneys' fees and related court costs.

12.2 Assignment. Buyer may not assign this Contract without Seller's prior written consent unless the Buyer remains liable for all terms and conditions under the Contract.

12.3 Notices. Any notice, approval, waiver, objection or other communication (for convenience "Notice") required or permitted to be given hereunder or given in regard to this Contract by one party to the other shall be in writing and the same shall be given and be deemed to have been served and given (a) if hand delivered, when delivered in person to the address set forth hereinafter for the party to whom notice is given; (b) if mailed, (except where actual receipt is specified in this Contract) when placed in the United States mail, postage prepaid, by Certified Mail, Return Receipt Requested; addressed to the party at the address hereinafter specified; or (c) if by overnight delivery, when delivered to the overnight carrier. Any party may change its address for notices by notice theretofore given in accordance with this Section 12.3.

If to Seller: Nationwide Life Insurance Company
 One Nationwide Plaza, 1-34-01
 Columbus, Ohio 43215
 Attention: Paul H. Thomas, Jr.

With copy to: Nationwide Life Insurance Company
 One Nationwide Plaza, 1-35-04
 Columbus, Ohio 43215
 Attention: Philip W. Whitaker, Esq.

If to Buyer: RRC Acquisition Two , Inc.
 121 West Forsyth Street, Suite 200
 Jacksonville, Florida 32202
 Attention: Robert L. Miller
 Fax: 904-354-1832

With copy to: Rogers, Towers, Bailey, Jones & Gay
 1301 Riverplace Boulevard, Suite 1500
 Jacksonville, Florida 32207
 Attention: William E. Scheu
 Fax: 904-396-0663

12.4 Entire Agreement. This contract and the exhibits attached hereto constitute the entire agreement between Seller and Buyer, and there are no other covenants, agreements, promises, terms, provisions, conditions, undertakings, or understandings, either oral or written, between them concerning the Property other than those herein set forth. No subsequent alteration, amendment, change, deletion or addition to this Contract shall be binding upon Seller or Buyer unless in writing and signed by both Seller and Buyer.

12.5 Headings. The headings, captions, numbering system, etc., are inserted only as a matter of convenience and may under no circumstances be considered in interpreting the provisions of this Contract.

12.6 Binding Effect. All of the provisions of this Contract are hereby made binding upon the personal representatives, heirs, successors, and assigns of both parties hereto. Where required for proper interpretation, words in the singular shall include the plural; the masculine gender shall include

the neuter and the feminine, and vice versa. The terms "heirs, executors, administrators and assigns" shall include "successors, legal representatives and assigns."

12.7 Time of Essence. Time is of the essence of this Contract.

12.8 Unenforceable or Inapplicable Provisions. If any provision hereof is for any reason unenforceable or inapplicable, the other provisions hereof will remain in full force and effect in the same manner as if such unenforceable or inapplicable provision had never been contained herein.

12.9 Counterparts. This Contract may be executed in any number of counterparts, each of which will for all purposes be deemed to be an original, and all of which are identical.

12.10 Applicable Law. This Contract shall be construed under and in accordance with the laws of the State of Florida.

12.11 Attorney's Fees. In the event either Buyer or Seller should bring suit against the other in respect to any matters provided for in this Contract, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees in connection with such suit.

12.12 Authority. Each person executing this Contract, by his execution hereof, represents and warrants that he is fully authorized to do so, and that no further action or consent on the part of the party for whom he is acting is required to the effectiveness and enforceability of this Contract against such party following such execution.

12.13 Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed at the Closing, Seller and Buyer agree to perform such other acts, and to execute and/or deliver such other instruments and documents as either Seller or Buyer, or their respective counsel, may reasonably require in order to effect the intents and purposes of this Contract. Further, Seller and Buyer each agree to deliver to the Title Company affidavits and such other assurances as may reasonably be necessary or required to enable the Title Company to issue the Title Policy as contemplated in this Contract.

12.14 Time Periods. Unless otherwise expressly provided, all periods for delivery or review and the like shall be determined on a "calendar" day basis. If any date for performance, approval, delivery or Closing falls on a Saturday, Sunday or legal holiday, the time therefor shall be extended to the next business day.

12.15 Survival. The representations, warranties and covenants (except with respect to Section 12.1) of Buyer and Seller contained herein shall survive the Closing for a period of six (6) months from the Closing Date and shall thereafter be deemed void and of no force. The representations, warranties and covenants contained in Section 12.1 shall survive the Closing for an unlimited period and shall not merge with the delivery of the documents at Closing.

12.16 Waiver of Right to Trial by Jury. The Buyer and the Seller hereby waive any right to trial by jury of any claim, demand, action or cause of action (i) arising under this Contract or any other instrument, document or agreement executed or delivered in connection herewith or (ii) in any way connected with or related or incidental to the dealings of the parties hereto or any of them in respect of this Contract or any other instrument, document or agreement executed or delivered in connection herewith or the transactions related hereto, in each case whether now existing or hereafter arising, and whether sounding in contract or tort or otherwise. The Buyer and the Seller hereby agree and consent that any such claim, demand, action or cause of action shall be decided by court trial without a jury and that any party may file an original counterpart or a copy of this Contract with any court as written evidence of the consent of the parties hereto to the waiver of their right to trial by jury.

12.17 The effective date ("Effective Date") of this Contract shall be the date on which the Title Company acknowledges receipt of the Earnest Money Deposit.

DATED this day of , 1998, which is the date this Contract has been signed by whichever of Buyer or Seller is the last to sign this Contract. All references to the "date of this Contract" or similar references shall mean this date.

SELLER:

NATIONWIDE LIFE INSURANCE COMPANY
an Ohio Corporation

Date Signed by Seller

By:
Robert H. McNaghten
Vice President-Real Estate Investments

BUYER:
RRC ACQUISITION TWO, INC. a Florida
corporation

Date Signed by Buyer

By:

AMENDMENT NO. 1 TO CONTRACT OF SALE

May 4, 1998

Contract of Sale dated March 23, 1998 - entered into between NATIONWIDE LIFE INSURANCE COMPANY ("Seller") and RRC ACQUISITION TWO, INC. ("Buyer") relating to the sale and purchase of the following described real estate situated in the city of Miami and state of Florida as described on Exhibit "A" attached.

WHEREAS, Seller and Buyer have hereto entered into a Contract of Sale dated March 23, 1998.

WHEREAS, Seller and Buyer now desire to amend the Contract of Sale as follows:

NOW THEREFORE, in consideration of the mutual promises contained here, Buyer and Seller agree to amend the Contract as stated below:

The terms and definitions not herein defined shall have the meaning as defined in the Contract of Sale dated March 23, 1998 (the "Contract").

1. Article 4.1 Inspection Period. The Inspection Period, as defined in the Contract shall be extended for a period ending May 29, 1998.

IN WITNESS WHEREOF, Seller and Buyer have executed this amendment as of the day and year first written above.

Seller:
NATIONWIDE LIFE INSURANCE
COMPANY

Buyer:
RRC ACQUISITION TWO, INC.

By: _____

AMENDMENT NO. 2 TO CONTRACT OF SALE

THIS AGREEMENT, dated as of the ____ day of May, 1998, executed on the date as indicated below, by and between NATIONWIDE LIFE INSURANCE COMPANY, an Ohio corporation ("Seller") and RRC ACQUISITIONS TWO, INC., a Florida corporation ("Buyer").

Background

Seller and Buyer heretofore entered into a Contract of Sale dated as of March 23, 1998, concerning the sale and purchase of Shoppes @ 104 located in Dade County, Florida, more particularly described on attached Exhibit "A", said agreement having been amended by Amendment No. 1 to Contract of Sale dated May 4, 1998, (said contract, as amended, being herein referred to as the "Contract"). Seller and Buyer wish to further amend the Contract as hereinafter provided.

NOW THEREFORE, in consideration of the foregoing and for other valuable consideration, receipt of which is acknowledged, Seller and Buyer agree as follows:

- 1. Buyer and Seller ratify and reaffirm the Contract, and acknowledge that it continues in full force and effect, as modified by Amendment No. 1 to Contract of Sale and hereby.
- 2. The terms and definitions not herein defined shall have the meaning as defined in the Contract.
- 3. The Purchase Price set forth in Section 2.1(a) of the Contract is reduced to the aggregate sum of \$12,050,000 subject to adjustment as provided in the Contract.
- 4. Should the transaction close, Seller shall not pursue collection of reconciliation receivables from 1995 and 1996, and at Closing will disclaim any interest therein or right thereto.
- 5. Should the transaction close, Seller shall not bill or charge tenants for any capital items in the 1997 reconciliation billings. Seller shall allow Buyer to review and approve the reconciliation billings prior to distribution to the tenants.
- 6. Should the transaction close, Seller shall not pursue outstanding past due rent, CAM charges, and other sums due from the following tenants currently carrying balances: Tae Kwon Do, Mailboxes, Etc., Lady of America, Loving Child Day Care, and Wash Time. At Closing, Seller shall disclaim any right Seller may have to any of these delinquencies paid by such tenants after Closing, if any.

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the day and year first above written.

Witnesses:

RRC ACQUISITIONS TWO, INC.,
a Florida corporation

Name:

By:

Name:

Title:

Name:

Date of Execution:

"BUYER"

NATIONWIDE LIFE INSURANCE COMPANY,
an Ohio corporation

Name:

By:

Name:

Title:

Name:

Date of Execution:

"SELLER"

AMENDMENT NO. 3 TO CONTRACT OF SALE

May 29, 1998

Contract of Sale dated March 23, 1998 - entered into between NATIONWIDE LIFE INSURANCE COMPANY ("Seller") and RRC ACQUISITION TWO, INC. ("Buyer") relating to the sale and purchase of the following described real estate situated in the city of Miami and state of Florida as described on Exhibit "A" attached.

WHEREAS, Seller and Buyer have hereto entered into a Contract of Sale dated March 23, 1998. The original Contract of Sale was subsequently amended pursuant to Amendment No. 1 to the Contract of Sale dated May 4, 1998 and Amendment No. 2 to the Contract of Sale dated May 11, 1998; and

WHEREAS, Seller and Buyer now desire to amend the Contract of Sale as follows:

NOW THEREFORE, in consideration of the mutual promises contained here, Buyer and Seller agree to amend the Contract as stated below:

The terms and definitions not herein defined shall have the meaning as defined in the Contract of Sale dated March 23, 1998 (the "Contract").

1. Article 4.1 Inspection Period. The Inspection Period, as defined in the Contract shall be extended for a period ending June 5, 1998.

IN WITNESS WHEREOF, Seller and Buyer have executed this amendment as of the day and year first written above.

Seller:
NATIONWIDE LIFE INSURANCE
COMPANY

Buyer:
RRC ACQUISITION TWO, INC.

By: _____

THIS AGREEMENT is made as of the 4th day of April, 1998, between SILVERLAKE DEVELOPMENT CO., LTD., a Kentucky limited partnership ("Seller"), and RRC ACQUISITIONS TWO, INC., a Florida corporation, its designees, successors and assigns ("Buyer").

Background

Buyer wishes to purchase a shopping center in the City of Erlanger, County of Kenton, Commonwealth of Kentucky, owned by Seller, known as Silverlake Shopping Center (the "Shopping Center");

Seller wishes to sell the Shopping Center to Buyer;

In consideration of the mutual agreements herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, Seller agrees to sell and Buyer agrees to purchase the Property (as hereinafter defined) on the following terms and conditions:

1. DEFINITIONS

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

- 1.1 Agreement means this instrument as it may be amended from time to time.
- 1.2 Allocation Date means the close of business on the day immediately prior to the Closing Date.
- 1.3 Audit Representation Letter means the form of Audit Representation Letter attached hereto as Exhibit J.
- 1.4 Buyer means the party identified as Buyer on the initial page hereof.
- 1.5 Closing means generally the execution and delivery of those documents and funds necessary to effect the sale of the Property by Seller to Buyer.
- 1.6 Closing Date means the date on which the Closing occurs.
- 1.7 Contracts means all service contracts, agreements or other instruments to be assigned by Seller to Buyer at Closing.
- 1.8 Day means a calendar day, whether or not the term is capitalized.
- 1.9 Earnest Money Deposit means the deposit delivered by Buyer to Escrow Agent prior to the Closing under Sections 2.2 and 3.1 of this Agreement, together with the earnings thereon, if any.
- 1.10 Environmental Claim means any investigation, notice, violation, demand, allegation, action, suit, injunction, judgment, order, consent decree, penalty, fine, lien, proceeding, or claim (whether administrative, judicial, or private in nature) arising (a) pursuant to, or in connection with, an actual or alleged violation of, any Environmental Law, (b) in connection with any Hazardous Material or actual or alleged Hazardous Material Activity, (c) from any abatement, removal, remedial, corrective, or other response action in connection with a Hazardous Material, Environmental Law or other order of a governmental authority or (d) from any actual or alleged damage, injury, threat, or harm to health, safety, natural resources, or the environment.
- 1.11 Environmental Law means any current legal requirement in effect at the Closing Date pertaining to (a) the protection of health, safety, and the indoor or outdoor environment, (b) the conservation, management, protection or use of natural resources and wildlife, (c) the protection or use of source water and groundwater, (d) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation or handling of, or exposure to, any Hazardous Material or (e) pollution (including any Release to air, land, surface water, and groundwater); and includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 USC ss.9601 et seq., Solid Waste Disposal Act, as amended by the Resource Conservation Act of 1976 and Hazardous and Solid Waste Amendments of 1984, 42 USC ss.6901 et seq., Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC ss.1251 et seq., Clean Air Act of 1966, as amended, 42 USC ss.7401 et seq., Toxic Substances Control Act of 1976, 15 USC ss.2601 et seq., Hazardous Materials Transportation Act, 49 USC App. ss.1801, Occupational Safety and Health Act of 1970, as amended, 29 USC ss.651 et seq., Oil Pollution Act of 1990, 33 USC ss.2701 et seq., Emergency Planning and Community Right-to-Know Act of 1986, 42 USC App. ss.11001 et seq., National Environmental Policy Act of 1969, 42 USC ss.4321 et seq., Safe Drinking Water Act of 1974, as amended by 42 USC ss.300(f) et seq., and any similar, implementing or successor law, any amendment, rule, regulation, order or directive, issued thereunder.
- 1.12 Escrow Agent means Rogers, Towers, Bailey, Jones & Gay, Attorneys, whose address is 1301 Riverplace Blvd., Suite 1500, Jacksonville, Florida 32207 (Fax 904/396-0663), or any successor Escrow Agent.
- 1.13 Governmental Approval means any permit, license, variance, certificate, consent, letter, clearance, closure, exemption, decision, action or approval of a governmental authority.
- 1.14 Hazardous Material means any asbestos, petroleum, petroleum product,

drycleaning solvent or chemical, biological or medical waste, "sharps" or any other hazardous or toxic substance as defined in or regulated by any Environmental Law in effect at the pertinent date or dates.

1.15 Hazardous Material Activity means any activity, event, or occurrence at or prior to the Closing Date involving a Hazardous Material, including, without limitation, the manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation, handling or corrective or response action to any Hazardous Material.

1.16 Improvements means all buildings, structures or other improvements situated on the Real Property.

1.17 Inspection Period means the period of time which expires at midnight on the thirtieth (30th) day after the date on which Seller delivers to Buyer an original of this Agreement executed by Seller. If such expiration date is a weekend day or national holiday, the Inspection Period shall expire at midnight on the next immediately succeeding business day.

1.18 Leases means all existing leases and other occupancy agreements permitting persons to lease or occupy all or a portion of the Property, but excluding any subleases or occupancy agreements to which Seller is not a party. 1.19 Master Lease means the agreement executed by and between Cincinnati Southern Railway, as owner, and the Cincinnati, New Orleans and Texas Pacific Railway Company, an Ohio corporation, as lessee, dated as of January 1, 1987. 1.20 Materials means certain information regarding the Property, including those items listed on Exhibit B, attached hereto and incorporated by reference herein, together with any additional information that may be provided or made available to Buyer, including all plans, drawings, specifications, soil test reports, environmental reports, surveys, and similar documentation, if any, in the possession of Seller with respect to the Property, Improvements and any proposed improvements to the Property, which Seller may lawfully transfer to Buyer. Materials shall exclude appraisals, market studies, loan documents, financial statements, tax returns, documents which are subject to the attorney-client privilege, documents which relate to former tenants of the Property, documents which relate to the cost of development of the Property and Seller's organizational documents.

1.21 Permitted Exceptions means only the following interests, liens and encumbrances:

- (a) Liens for taxes and assessments, if any, not payable on or before Closing;
- (b) Rights of tenants under Leases;
- (c) Easements, agreements, restrictions, covenants and legal highways of record and all other matters set forth in the Title Insurance Commitment excluding only those Title Objections" (hereinafter defined), if any (i) which are set forth in a "Title Objection Notice" (hereinafter defined) timely delivered to Seller pursuant to Section 7.1(a) hereof and (ii) which Buyer has not waived pursuant to clause (i) of Section 7.1(a) hereof.
- (d) Matters which would be disclosed by an accurate survey of the Property;
- (e) Zoning, building code, subdivision and other governmental rules, regulations, requirements and laws; and
- (f) Liens, encumbrances and other interests created by, suffered by or arising out of the acts of, Buyer or any person or entity claiming by or through Buyer.

1.22 Personal Property means all of Seller's right, title and interest in and to (a) sprinkler, plumbing, heating, air-conditioning, electric power or lighting, incinerating, ventilating and cooling systems, with each of their respective appurtenant furnaces, boilers, engines, motors, dynamos, radiators, pipes, wiring and other apparatus, equipment and fixtures, partitions, fire prevention and extinguishing systems located in or on the Improvements, and (b) all Materials, provided the same are now owned or are acquired by Seller prior to the Closing. Personal Property does not include any property owned by tenants or subtenants.

1.23 Property means collectively the Real Property, the Improvements and the Personal Property.

1.24 Prorated means the allocation of items of expense or income between Buyer and Seller based upon that percentage of the time period as to which such item of expense or income relates which has expired as of the date at which the proration is to be made.

1.25 Purchase Price means the consideration agreed to be paid by Buyer to Seller for the purchase of the Property as set forth in Section 2.1 (subject to adjustments as provided herein).

1.26 Railroad Lease means the lease executed by and between the Cincinnati, New Orleans and Texas Pacific Railway Company, an Ohio corporation, as lessor, and Seller, as lessee, dated as of May 20, 1988 and recorded at lease Book 17, Page 412 of the Kenton County Clerk's records at Covington, Kentucky.

1.27 Real Property means (a) fee simple title to that portion of the Real Property identified on Exhibit A as Parcel 1 and all easements, licenses, privileges, rights of way and other appurtenances pertaining to or accruing to the benefit of said Parcel 1, (b) a leasehold estate to that portion of the Real Property identified on Exhibit A as Parcel 4, and (c) easement interests in that portion of the Real Property identified on Exhibit A as Parcels 2, 3A and 3B.

1.28 Release means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the indoor or outdoor environment, including, without limitation, the abandonment or discarding of barrels, drums, containers, tanks, and other receptacles containing or previously containing any Hazardous Material at or prior to the Closing Date.

1.29 Rent Roll means the list of Leases, together with certain information related thereto, attached hereto as Exhibit C.

1.30 Seller means the party identified as Seller on the initial page hereof.

1.31 Seller Financial Statements means the unaudited operating statements of the Property prepared by Seller for the two (2) calendar years next preceding the date of this Agreement and all monthly operating statements of the Property prepared by Seller for calendar year 1998 through the date hereof.

1.32 Shopping Center means the Shopping Center identified on the initial page hereof.

1.33 Survey means a map of a stake survey of the Real Property which shall comply with Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, jointly established and adopted by ALTA and ACSM in 1992, and includes items 1, 2, 3, 4, 6, 7, 8, 9, 10 and 11 of Table "A" thereof, which meets the accuracy standards (as adopted by ALTA and ACSM and in effect on the date of the Survey) of an urban survey, which is dated not earlier than thirty (30) days prior to the Closing, and which is certified to Buyer, Seller, the Title Insurance company providing Title Insurance to Buyer, and Buyer's lender, and dated as of the date the Survey was made.

1.34 Tenant Estoppel Letter means a letter or other certificate from a tenant certifying as to certain matters regarding such tenant's Lease, in substantially the same form as attached hereto as Exhibit D, or in the case of national or regional "credit" tenants identified as such on the Rent Roll, the form customarily used by such tenant provided the information disclosed is acceptable to Buyer.

1.35 Title Defect means any exception in the Title Insurance Commitment or any matter disclosed by the Survey, other than a Permitted Exception.

1.36 Title Insurance Policy means an ALTA Form B Owners Policy of Title Insurance for the full Purchase Price insuring marketable title in Buyer in fee simple, subject only to the Permitted Exceptions, issued by Chicago Title Insurance Company or another title insurer acceptable to Buyer.

1.37 Title Insurance Commitment means a binder whereby the title insurer agrees to issue the Title Insurance Policy to Buyer.

1.38 Transaction Documents means this Agreement, the deed conveying the Property, the assignment and assumption of Leases and Contracts, the bill of sale conveying the Personal Property, an assignment and assumption of the Railroad Lease and all other documents required or appropriate in connection with the transaction contemplated hereby.

2. PURCHASE PRICE AND PAYMENT

2.1 Purchase Price; Payment.

(a) Purchase Price and Terms. The total Purchase Price for the Property (subject to adjustment as provided herein) shall be \$9,238,000.00. The Purchase Price shall be payable by wire transfer of immediately available funds at Closing.

(b) Adjustments to the Purchase Price. The Purchase Price shall be adjusted as of the Closing Date by:

(1) prorating the Closing year's real and tangible personal property taxes and assessments, if any, as of the Allocation Date (if the amount of the current year's property taxes are not available, such taxes will be prorated based upon the immediately preceding year's assessment). Notwithstanding the foregoing, the portion of the real estate taxes and assessments with respect to the Shopping Center which is payable by The Kroger Co., which is 59.7014% of the total real estate taxes, shall not be prorated, and there shall be no offset against the Purchase Price on account thereof;

(2) prorating as of the Allocation Date cash receipts and expenditures for the Shopping Center, the annual rent payable under the Railroad Lease, and other items customarily prorated in transactions of this sort; and

(3) subtracting the amount of security deposits held by Seller and not applied to tenant obligations under the Leases, and, prepaid rents from tenants under the Leases and credit balances, if any, of any tenants (but only to the extent not prorated pursuant to clause (2) above). Any rents, percentage rents or tenant reimbursements payable by tenants after the Allocation Date but applicable to periods on or prior to the Allocation Date shall be remitted to Seller by Buyer within thirty (30) days after receipt, less any expenses of the Property incurred on or prior to the Allocation Date which (a) are discovered by the Buyer after Closing, (b) are paid for by the Buyer and (c) were not accounted for in previous prorations or adjustments. Buyer shall use reasonable efforts to collect delinquencies, but shall not be required to institute legal proceedings on account thereof. Should Buyer collect any delinquent rents or other sums which cover periods prior to the Allocation Date and for which Seller has not received proration or credit, Buyer shall remit same to Seller within thirty (30) days after receipt, less any direct, reasonable, out-of-pocket costs of collection paid to unrelated third parties. Buyer will not interfere in Seller's efforts to collect sums due it for periods prior to the Closing and Seller shall have the continuing right after Closing to pursue delinquent rents from tenants. Seller will remit to Buyer promptly after receipt any rents, percentage rents or tenant reimbursements received by Seller after Closing which are attributable to periods occurring after the Allocation Date. Undesignated funds received after Closing by either Buyer or Seller from tenants in the Shopping Center shall be applied first to current rents and reimbursements attributable to post-Allocation Date periods, and then to delinquent rents and reimbursements for such tenant(s) attributable to pre-Allocation Date periods.

2.2 Earnest Money Deposit. An Earnest Money Deposit in the amount of \$25,000.00 shall be delivered to Escrow Agent within three (3) days after the date on which Seller delivers to Buyer an original of this Agreement executed by Seller. This Agreement may be terminated by Seller if the Seller does not receive, within said three (3) day period, written confirmation from Escrow Agent that the Earnest Money Deposit has been received by Escrow Agent by such deadline. The Earnest Money Deposit paid by Buyer shall be deposited by Escrow Agent in an interest bearing account at First Union National Bank, and shall be held and disbursed by Escrow Agent as specifically provided in this Agreement. The Earnest Money Deposit shall be applied to the Purchase Price at the Closing.

2.3 Closing Costs.

(a) Seller shall pay:

(1) Documentary stamp and other transfer taxes imposed upon the transfer of the Property to Buyer;

(2) Cost of satisfying any liens on the Property existing

as of the
Allocation Date which are not Permitted Exceptions;

(3) Cost of the Title Insurance Policy and the costs, if any, of curing any Title Defects which Seller elects, in its discretion, to cure, and recording any curative title documents;

(4) All broker's commissions, finders' fees and similar expenses incurred by Seller in connection with the sale of the Property, including the amount due to Power Realty Advisors, subject however to Buyer's indemnity given in Section 5.3 of this Agreement; and

(5) Seller's attorneys' fees relating to the sale of the Property.

(b) Buyer shall pay:

(1) Cost of Buyer's due diligence inspection;

(2) Costs of the Phase 1 environmental site assessment to be obtained by Buyer;

- (3) Costs of the Survey;
- (4) Cost of recording the deed;

(5) All broker's commissions, finder's fees and similar expenses incurred by Buyer in connection with the purchase of the Property, excluding those payable to Power Realty Advisors, and subject, however, to Seller's indemnity given in Section 4.1(c) of this Agreement; and

- (6) Buyer's attorneys' fees.

3. INSPECTION PERIOD AND CLOSING

3.1 Inspection Period.

(a) Buyer agrees that it will have the Inspection Period to physically inspect the Property, underwrite the tenants and review their Leases, and to otherwise conduct its due diligence review of the Property, and the Materials. Buyer shall indemnify and hold Seller harmless from any damages, liabilities or claims for property damage or personal injury arising out of such inspection and investigation by Buyer or its agents or independent contractors. Buyer's obligation to indemnify shall expressly survive the Closing or the termination of this Agreement and shall not be limited to the Earnest Money Deposit. Prior to any entry on the Property by Buyer or any of its agents, employees, consultants or contractors, Buyer shall provide to Seller evidence of liability insurance, naming Seller as an additional insured, in form and substance reasonably satisfactory to Seller. Within the Inspection Period, Buyer may, in its sole discretion and for any reason or no reason, elect to go forward with this Agreement to Closing, which election shall be made by notice to Seller given within the Inspection Period. If such notice is not timely given, this Agreement and all rights, duties and obligations of Buyer and Seller hereunder, except any which expressly survive termination, shall terminate and Escrow Agent shall forthwith return to Buyer the Earnest Money Deposit. If Buyer elects to go forward, the Earnest Money Deposit shall be increased by an additional deposit of \$100,000.00 (to be deposited with Escrow Agent no later than the first day after the end of the Inspection Period), and shall not be refundable except upon the terms otherwise set forth herein.

(b) Seller will promptly furnish or make available to Buyer the documents enumerated on Exhibit B attached hereto to the extent that they are in Seller's possession. Buyer, through its officers, employees and other authorized representatives, shall have the right to reasonable access to the Property, Leases and Seller Financial Statements, at reasonable times during the Inspection Period for the purpose of inspecting the Property, conducting Hazardous Materials inspections and otherwise conducting its due diligence review of the Property. Seller shall cooperate with and assist Buyer in making such inspections and reviews provided that such cooperation shall be at no cost to Seller. Buyer shall not interfere with the business of Seller or with any tenants, and Buyer shall restore the Property to the same condition as it existed immediately prior to the conducting of any such inspection, study or investigation immediately upon completion of each such inspection, study or investigation. Buyer shall not conduct any boring, drilling, cutting or other intrusive tests without the prior written consent of Seller, which consent Seller shall have no obligation to give. Buyer shall not permit any liens or encumbrances to arise or exist against the Property in connection with or as a result of its inspections, studies or investigations. A copy of any inspection, study or investigation reports or test results shall be furnished by Buyer to Seller promptly upon their completion. Buyer, for itself and its agents, agrees not to enter into any contract with existing tenants prior to Closing. Buyer shall have the right, with reasonable prior written notice to Seller, to have due diligence interviews with tenants; provided, however, that Seller shall have the opportunity to be present at all such interviews. At Seller's option, a representative of Seller may accompany Buyer, its agents, employees and/or representatives during any time at which any of them are on the Property. Except as provided in this Agreement, Buyer shall not visit the Property nor make contact with the tenants, contractors or consultants of the Property, except that Buyer may make follow-up telephone calls to clarify issues raised during site visits. The obligations of Buyer under this Section 3.1(b) shall survive termination of this Agreement.

(c) Buyer, through its officers or other authorized representatives, shall have the right to reasonable access to all Materials (other than privileged or confidential materials) with reasonable prior written notice to Seller, for the purpose of reviewing and copying the same at its expense.

(d) Seller has or will make the Materials available to Buyer. By providing, and/or making available the Materials to Buyer, Seller, and its partners, agents, attorneys, representatives, principals and affiliates are not making, nor shall be deemed to have made, any representations or warranties, implied or otherwise, as to the accuracy or completeness of the Materials and/or any information or conclusions contained therein. Further, Seller, and its partners, agents, attorneys, representatives, principals and affiliates are not making, nor shall any of them be deemed to have made, any representations or warranties as to the skill and care taken in the preparation of the Materials. Seller, and its partners, agents, attorneys, representatives, principals and affiliates are not responsible for conditions or consequences arising from relevant facts that were concealed, withheld, or not disclosed by any third party (including any consultant or any regulatory or governmental agency), or any persons interviewed as part of the preparation of the Materials. Buyer also acknowledges that the information referenced in the Materials may change over time and that Buyer must satisfy itself as to whether or not the Materials are accurate.

3.2 Hazardous Material. Prior to the end of the Inspection Period Buyer may order a phase 1 environmental assessment of the Property. A copy of any assessment report, if made, shall be furnished by Buyer to Seller promptly upon its completion.

3.3 Time and Place of Closing. Unless otherwise agreed in writing by the parties, the Closing shall take place at the offices of Seller's attorneys at 10:00 A.M. on the date which is the tenth (10th) day following the expiration of the Inspection Period, provided that Buyer may designate an earlier date for Closing if mutually agreeable to Seller.

4. WARRANTIES, REPRESENTATIONS AND COVENANTS OF SELLER

4.1 Warranties, Representations and Covenants. Seller warrants and represents as follows as of the date of this Agreement and, unless Seller notifies Buyer otherwise on or prior to Closing, as of the Closing and where indicated covenants and agrees as follows:

(a) Organization; Authority. Seller is duly organized and validly existing under the laws of the state of its organization and the state in which the Shopping Center is located, and has full power and authority to enter into and perform this Agreement in accordance with its terms, and the persons executing this Agreement and other Transaction Documents have been duly authorized to do so on behalf of Seller. Seller is not a "foreign person" under Sections 1445 or 897 of the Internal Revenue Code.

(b) Authorization; Validity. The execution and delivery of this Agreement by Seller and Seller's consummation of the transaction contemplated by this Agreement have been duly and validly authorized. Assuming the valid execution and delivery of this Agreement by Buyer, this Agreement constitutes a legal, valid and binding agreement of Seller enforceable against it in accordance with its terms, subject to the following qualifications: (1) the effect of applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally; and (2) the effect of the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity).

(c) Commissions. Seller has neither dealt with nor does it have any knowledge of any broker or other party who has or may have any claim against Seller, Buyer or the Property for a brokerage commission or finder's fee or like payment arising out of or in connection with the transaction provided herein except for Power Realty Advisors ("Broker") and Seller agrees to indemnify Buyer from any such claim arising by, through or under Seller.

(d) Sale Agreements. The Property is not subject to any outstanding agreement(s) of sale, option(s) to purchase, or other right(s) of third parties to acquire any ownership interest therein, except for Permitted Exceptions and this Agreement.

(e) Litigation. There are no actions, suits or proceedings pending against Seller with respect to which Seller has been served notice, or to the best of Seller's knowledge, otherwise pending or threatened against Seller which, if determined adversely to Seller, would (1) adversely affect its ability to perform its obligations hereunder or (2) materially and adversely affect the Property.

(f) Leases. To the best of Seller's knowledge, (1) Seller has delivered or made available to Purchaser complete copies of all Leases and other occupancy agreements affecting the Property to which Seller is a party, and (2) the Rent Roll is true and complete in all material respects. Except as disclosed in the Rent Roll: (a) Seller has received no written notice from any tenant claiming that Seller is currently in default in its material obligations as landlord under any Lease; (b) to the best of Seller's knowledge, no tenant is in default in any material obligation under its Lease; and (c) no rent has been paid by any tenant more than one month in advance. Notwithstanding the foregoing, Seller does not represent or warrant that any particular Lease will be in effect or free from default as of the Closing.

(g) Financial Statements. To the best of Seller's knowledge, each of the Seller Financial Statements delivered or to be delivered to Buyer hereunder has or will have been prepared in accordance with the books and records of Seller. Seller covenants to furnish promptly to Buyer copies of the Seller Financial Statements together with unaudited updated monthly reports of cash flow for periods beginning after December 31, 1997. Buyer and its independent certified accountants shall be given access to Seller's books and records at any time prior to and for one (1) month following Closing upon reasonable advance written notice in order that they may verify the Seller Financial Statements for the period of January 1, 1997 through the date of Closing. Seller agrees to execute and deliver to Buyer or its accountants the Audit Representation Letter should Buyer's accountants audit such records of the Shopping Center. Buyer and Seller agree that Seller is permitting such an audit solely as an accommodation to Buyer in connection with Buyer's compliance with regulations promulgated by the U.S. Security and Exchange Commission. Buyer agrees that Buyer will not assert any claim against Seller as a result of any such audit and/or Audit Representation Letter. Without limiting the generality of the foregoing, Buyer shall not assert that Seller has breached any of its representations or warranties under this Agreement as a result of such audit or any information which is disclosed in connection with such audit.

(h) Contracts. Except for Leases, Contracts and Permitted Exceptions, to the best of Seller's knowledge, there are no management, service, maintenance, utility or other contracts or agreements affecting the Property, oral or written, which extend beyond the Closing Date and which would bind Buyer or encumber the Seller's interest in the Property for more than thirty (30) days after Closing. To the best of Seller's knowledge, (1) all Contracts are in full force and effect in accordance with their respective terms, and all obligations of Seller under the Contracts required to be performed to date have been performed in all material respects; (2) no party to any Contract has asserted any claim of default or offset against Seller with respect thereto; and (3) the copies of the Contracts delivered to Buyer prior to the date hereof are true, correct and complete copies thereof. Between the date hereof and the Closing, Seller covenants to fulfill all of its material obligations under all Contracts, and covenants not to terminate or modify any such Contracts or enter into any new contractual obligations relating to the Property without the consent of Buyer (not to be unreasonably withheld) except such obligations as are freely terminable without penalty by Seller upon not more than thirty (30) days' written notice.

(i) Maintenance and Operation of Property. From and after the date hereof and until the Closing, Seller covenants (1) to keep and maintain and operate the Property substantially in the manner in which it is currently being maintained and operated; (2) not to cause or permit any waste of the Property nor undertake any action with respect to the operation thereof outside the ordinary course of business without Buyer's prior written consent (not to be unreasonably withheld); (3) not to remove from the Improvements or the Real Property any article included in the Personal Property outside the ordinary course of business; and (4) to maintain such casualty and liability insurance on the Property as it is presently being maintained.

(j) Permits and Zoning. To the best knowledge of Seller, there are no material permits and licenses (collectively referred to as "Permits") required to be issued to Seller by any governmental body, agency or department having jurisdiction over the Property which materially affect the ownership or the use thereof which have not been issued.

(k) Rent Roll; Tenant Estoppel Letters. To the best of Seller's knowledge, the Rent Roll is true and correct in all material respects. Seller agrees to use its best reasonable efforts (provided that Seller shall have no obligation to incur any costs or expenses) to obtain current Tenant Estoppel Letters during the Inspection Period acceptable to Buyer from all Tenants under Leases, which Tenant Estoppel Letters shall confirm the matters reflected by the Rent Roll as to the particular tenant.

(l) Condemnation. To the best of Seller's knowledge, neither the whole nor any portion of the Property, including access thereto or any easement benefiting the Property, is subject to temporary requisition of use by any governmental authority or has been condemned, or taken in any proceeding similar to a condemnation proceeding, nor is there now pending any condemnation, expropriation, requisition or similar proceeding against the Property or any portion thereof. Seller has received no written notice nor has any actual knowledge that any such proceeding is contemplated.

(m) Governmental Matters. Seller has received no written notices from any such governmental authorities or agencies of uncured violations at the Property of building, fire, air pollution or zoning codes, rules, ordinances or regulations, environmental and hazardous substances laws, or other rules, ordinances or regulations relating to the Property. Seller shall be responsible for the remittance of all sales tax for periods occurring prior to the Allocation Date directly to the appropriate state department of revenue.

(n) Repairs. Seller has received no written notice of any requirements of any lender, insurance companies, or governmental body or agencies requiring any repairs or work to be done on the Property which have not already been completed.

(o) Consents and Approvals; No Violation. To the best of Seller's knowledge, (1) neither the execution, delivery or performance of this Agreement nor compliance herewith (A) conflicts or will conflict with or results or will result in a breach of or constitutes or will constitute a default under (i) the partnership documents of Seller, (ii) any law or any order, writ, injunction or decree of any court or governmental authority, or (iii) any agreement or instrument to which Seller is a party or by which it is bound or (B) results in the creation or imposition of any lien, charge or encumbrance upon its property pursuant to any such agreement or instrument; and (2) no authorization, consent, or approval of any governmental authority (including courts) is required for the execution and delivery by Seller of this Agreement or the performance of its obligations hereunder.

(p) Environmental Matters. Except as set forth in the Materials and any environmental reports delivered to Buyer, (I) Seller has not released any Hazardous Materials onto or from the Property in violation of applicable Environmental Laws and (2) to the best of Seller's knowledge, there has not been any Release of Hazardous Materials onto or from the Property in violation of applicable Environmental Laws.

(q) SELLER'S KNOWLEDGE AND EXPERIENCE. SELLER REPRESENTS AND WARRANTS TO BUYER THAT SELLER HAS KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT ENABLE SELLER TO FULLY EVALUATE THE MERITS AND RISKS OF THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT. FURTHER SELLER ACKNOWLEDGES THAT IT IS NOT IN A DISPARATE BARGAINING POSITION RELATIVE TO BUYER WITH RESPECT TO THIS AGREEMENT.

4.2 Limitations. Notwithstanding anything to the contrary herein: (a) whenever a representation or warranty contained in this Agreement or any of the Transaction Documents is qualified by the phrase "to the best of Seller's knowledge," or by words of similar import, the accuracy of such representation shall be based solely on the actual (as opposed to constructive or imputed) knowledge of the general partners of Seller without independent investigation or inquiry and any liability resulting hereunder based upon such representations or warranties shall be solely that of Seller and not, in any event, of such general partners of Seller personally and (b) if, prior to the Closing, Buyer obtains actual knowledge that any representation or warranty of Seller is inaccurate and Buyer nonetheless proceeds with the Closing, Seller shall have no liability for any such matter regarding which Buyer had actual knowledge prior to Closing. Except as set forth in the next sentence, the representations and warranties of Seller set forth in this Agreement shall survive the Closing for a period of six (6) months, and no action or proceeding thereon shall be valid or enforceable, at law or in equity, if a legal proceeding with respect to a particular breach is not commenced within that time. The representations, warranties and covenants set forth in the first two sentences of Section 4.1(g) shall not survive the Closing.

4.3 "AS IS" SALE. EXCEPT FOR THOSE REPRESENTATIONS AND WARRANTIES OF SELLER EXPRESSLY SET FORTH IN THIS AGREEMENT, SELLER IS NOT MAKING, AND HAS NOT AT ANY TIME MADE, DIRECTLY OR INDIRECTLY, ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE (OTHER THAN SELLER'S LIMITED WARRANTY OF TITLE TO BE SET FORTH IN THE DEED), ZONING, TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITION, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, GOVERNMENTAL REGULATIONS, THE ACCURACY OR COMPLETENESS OF THE MATERIALS, DOCUMENTS OR ANY OTHER INFORMATION PROVIDED BY OR ON BEHALF OF SELLER TO BUYER OR ANY OTHER MATTER OR THING REGARDING THE PROPERTY, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN. UPON CLOSING SELLER SHALL SELL AND CONVEY TO BUYER AND BUYER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS." BUYER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY MADE BY OR ON BEHALF OF SELLER, BROKER OR ANY REPRESENTATIVE OF SELLER WITH RESPECT TO THE PROPERTY, SAVE AND EXCEPT THOSE REPRESENTATIONS AND WARRANTIES OF SELLER EXPRESSLY SET FORTH IN THIS AGREEMENT. BUYER WILL CONDUCT SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS BUYER DEEMS NECESSARY TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND WILL RELY SOLELY UPON SAME AND, EXCEPT TO THE EXTENT EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER WILL NOT RELY UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER, BROKER OR ANY REPRESENTATIVE OF SELLER. UPON CLOSING, BUYER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY BUYER'S INVESTIGATIONS. BUYER, UPON CLOSING, HEREBY WAIVES, RELINQUISHES AND RELEASES SELLER, ITS PARTNERS, BROKER AND THEIR RESPECTIVE DIRECT AND INDIRECT OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, EMPLOYEES, AGENTS, ATTORNEYS, ACCOUNTANTS, CONSULTANTS, REPRESENTATIVES AND AFFILIATES (COLLECTIVELY, "SELLER PARTIES") FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COURT COSTS) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH BUYER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER PARTIES (OR ANY OF THEM) AT ANY TIME BY REASON OF OR ARISING OUT OF ANY CONSTRUCTION DEFECTS, PHYSICAL OR ENVIRONMENTAL CONDITIONS, THE VIOLATION OF ANY APPLICABLE LAWS AND ANY AND ALL OTHER MATTERS REGARDING THE PROPERTY, EXCEPT THOSE MATTERS AS TO WHICH SELLER HAS MADE EXPRESS REPRESENTATIONS AND WARRANTIES IN THIS AGREEMENT. THE TERMS, CONDITIONS AND OBLIGATIONS OF THIS SECTION 4.3 SHALL EXPRESSLY SURVIVE THE CLOSING AND NOT MERGE THEREIN.

5. WARRANTIES, REPRESENTATIONS AND COVENANTS OF BUYER

Buyer hereby warrants and represents as of the date of this Agreement and as of the Closing and where indicated covenants and agrees as follows:

5.1 Organization: Authority. Buyer is a corporation duly organized, validly existing and in good standing under laws of Florida and has full power, authority and financial ability to enter into and perform this Agreement in accordance with its terms, and the persons executing this Agreement and other Transaction Documents on behalf of Buyer have been duly authorized to do so.

5.2 Authorization; Validity. The execution, delivery and performance of this Agreement and the other Transaction Documents have been duly and validly authorized by the Board of Directors of Buyer. This Agreement has been duly and validly executed and delivered by Buyer and (assuming the valid execution and delivery of this Agreement by Seller) constitutes a legal, valid and binding agreement of Buyer enforceable against it in accordance with its terms.

5.3 Commissions. Buyer has neither dealt with nor does it have any knowledge of any broker or other party who has or may have any claim against Buyer or Seller for a brokerage commission or finder's fee or like payment arising out of or in connection with the transaction provided herein except Power Realty Advisors, whose commission shall be paid by Seller; and Buyer agrees to indemnify Seller from any other such claim arising by, through or under Buyer.

5.4 BUYER'S KNOWLEDGE AND EXPERIENCE. BUYER REPRESENTS AND WARRANTS TO SELLER THAT BUYER HAS KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT ENABLE BUYER TO FULLY EVALUATE THE MERITS AND RISKS OF THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT. FURTHER, BUYER ACKNOWLEDGES THAT IT IS NOT IN A DISPARATE BARGAINING POSITION RELATIVE TO SELLER WITH RESPECT TO THIS AGREEMENT.

6. POSSESSION; RISK OF LOSS

6.1 Possession. Possession of the Property will be transferred to Buyer at the conclusion of the Closing subject to Permitted Exceptions.

6.2 Risk of Loss. As used in this Section 6.2, "Material Damage" shall mean damage which would require in excess of \$100,000, as reasonably and in good faith estimated by Seller, to repair to substantially its condition as of the date hereof; and "Material Portion" shall mean a portion of the Property valued in excess of \$100,000, as reasonably estimated by Seller. All risk of loss to the Property shall remain upon Seller until the conclusion of the Closing. If, before the possession of the Property has been transferred to Buyer, any Material Damage to the Property has occurred by fire or other casualty and will not be restored by the Closing Date or if any Material Portion of the Property is taken by eminent domain or there is a material obstruction of access to the Improvements by virtue of a taking by eminent domain, Seller shall, within ten (10) days of such damage or taking, notify Buyer thereof and Buyer shall have the option to:

(a) terminate this Agreement upon notice to Seller given within ten (10) days after such notice from Seller, in which case Buyer shall receive a return of its Earnest Money Deposit (provided that Buyer is not in default hereunder); or

(b) proceed with the purchase of the Property, in which event Seller shall assign to Buyer all Seller's right, title and interest in all amounts due or collected by Seller under the insurance policies or as condemnation awards (except for amounts which are (i) reimbursements to Seller for costs incurred by Seller to preserve, protect or repair the Property or (ii) attributable to rent loss for any period prior to Closing). In such event, the Purchase Price shall be reduced by the amount of any insurance deductible to the extent it reduced the insurance proceeds payable.

7. TITLE MATTERS

7.1 Title.

(a) Title Insurance and Survey. Not later than three (3) days after Buyer receives an original of this Agreement executed by Seller, Seller shall order the Title Insurance Commitment and Buyer's counsel shall order the Survey. In the event that the Title Insurance Commitment or Survey discloses and/or reflects the existence of one or more matters which, in the reasonable determination of Purchaser, has/have a material adverse impact on the current use and/or value of the Property (each, a "Title Objection"), then the Purchaser may, by notice received by Seller prior to the end of the Inspection Period specifically describing each Title Objection (the "Title Objection Notice"), notify Seller of such Title Objection(s). The Title Objection Notice shall be accompanied by a copy of the Title Insurance Commitment or Survey clearly depicting each Title Objection. Purchaser shall be deemed to have accepted all matters shown on the Title Insurance Commitment and/or Survey except for matters which are included in the Title Objections. Seller shall have five (5) business days following receipt of the Title Objection Notice to cure or agree in writing to cure such Title Objections, but Seller shall have no obligation whatsoever to cure such Title Objections or to incur any cost or expense in connection therewith. In the event that Seller agrees in writing to cure any of the Title Objections, Seller shall cure such Title Objections on or prior to the Closing Date. In the event that Seller has not cured or agreed in writing to cure all of the Title Objections within the five (5) business day period specified above, Purchaser shall either: (1) waive the uncured Title Objections by written notice to Seller and Escrow Agent and accept the Property and title thereto subject to the uncured Title Objections without any adjustment of the Purchase Price, or (2) terminate this Agreement. If Purchaser's waiver notice is not received by Seller within ten (10) business days after Seller's receipt of the Title Objection Notice, then it will conclusively be presumed that Purchaser elected to terminate this Agreement.

(b) Miscellaneous Title Matters. If a search of the title discloses judgments, bankruptcies or other returns against other persons having names the same as or similar to that of Seller, Seller shall on request deliver to Buyer an affidavit stating, if true, that such judgments, bankruptcies or the returns are not against Seller. Seller further agrees to execute and deliver to the title insurance agent at Closing such documentation, if any, as the title insurance underwriter shall reasonably require to evidence that the execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly authorized and that there are no mechanics' liens on the Seller's interest in the Property (excluding liens arising due to the acts of Buyer or any person or entity claiming by or through Buyer) or, to the best of Seller's knowledge, parties in possession of the Property other than tenants under Leases, subtenants and others claiming by or through tenants under Leases and Seller.

8. CONDITIONS PRECEDENT

8.1 Conditions Precedent to Buyer's Obligations. The obligations of Buyer under this Agreement are subject to satisfaction or waiver by Buyer of each of the following conditions or requirements on or before the Closing Date:

(a) Seller's warranties and representations under this Agreement shall be true and correct as of the Closing Date in all material respects, and Seller shall not be in material default hereunder.

(b) All obligations of Seller contained in this Agreement, shall have been fully performed in all material respects and Seller shall not be in material default under any covenant, restriction, right-of-way or easement affecting the Property.

(c) There shall have been no material adverse change in the financial condition of The Kroger Co.

(d) A Title Insurance Commitment in the full amount of the Purchase Price shall have been issued and "marked down" through Closing, subject only to Permitted Exceptions.

(e) The physical and environmental condition of the Property shall be unchanged from the date of this Agreement, ordinary wear and tear and loss due to casualty or eminent domain excepted.

(f) Buyer's receipt of Tenant Estoppel Letters from The Kroger Co., Blockbuster, Paul Harris, Radio Shack and eighty percent (80%) of the other tenants who have existing leases for any portion of the Property, without material exceptions or changes to the forms approved by Buyer, the substance of which Tenant Estoppel Certificates must be reasonably acceptable to Buyer in all respects (Buyer acknowledges that Seller is not obligated to obtain the Tenant Estoppel Certificates and shall have no liability or obligations in the event that this condition (f) is not satisfied).

(g) Buyer's receipt of estoppel certificates with respect to the Railroad Lease, and the Master Lease, substantially in the form attached hereto as Exhibit E without material exceptions or changes, the substance of which must be reasonably acceptable to Buyer in all respects (Buyer acknowledges that Seller is not obligated to obtain such estoppel certificate and shall have no liability or obligation in the event that this condition (g) is not satisfied).

(h) Seller shall have delivered to Buyer the following in form reasonably satisfactory to Buyer:

(1) A limited warranty deed in proper form for recording, duly executed and acknowledged by Seller in the form attached hereto as Exhibit F;

(2) Originals, if available, or if not, true copies of the Leases and of the contracts, agreements, permits and licenses, and such Materials as may be in the possession or control of Seller, including without limitation all tenant files and correspondence related to existing tenants;

(3) An Assignment of Leases and Tenancies and in the form attached hereto as Exhibit G duly executed by Seller;

(4) An Assignment and Assumption of Lease in the form attached hereto as Exhibit H duly executed by Seller;

(5) A bill of sale with respect to the Personal Property and Materials in the form attached hereto as Exhibit I duly executed by Seller;

(6) A current rent roll;

(7) An owner's affidavit, non-foreign affidavits, non-tax withholding certificates and such other documents in form and substance satisfactory to Seller and the title insurance company, as may reasonably be required by Buyer or its counsel in order to effectuate the provisions of this Agreement and the transaction contemplated herein, provided that such delivery shall impose no additional cost or liability on Seller;

(8) Resolutions of Seller authorizing the transactions described herein;

(9) All keys and other means of access to the Improvements in the possession of Seller or its agents;

(10) Materials; and

(11) Such other documents in form and substance

satisfactory to

Seller as Buyer may reasonably request to effect the transaction contemplated by this Agreement, provided that such delivery shall impose no additional cost or liability on Seller.

In the event that all of the foregoing provisions of this Section 8.1 are not satisfied and Buyer elects in writing to terminate this Agreement, then, provided Buyer is not in default under this Agreement, the Earnest Money Deposit shall be promptly delivered to Buyer by Escrow Agent and, upon the making of such delivery, neither party shall have any further claim against the other by reasons of this Agreement, except as provided in Article 3.

8.2 Conditions Precedent to Seller's Obligations. The obligations of Seller under this Agreement are subject to satisfaction or waiver by Seller of each of the following conditions or requirements on or before the Closing date:

(a) Buyer's warranties and representations under this Agreement shall be true and correct as of the Closing Date, and Buyer shall not be in default hereunder.

(b) All of the obligations of Buyer contained in this Agreement shall have been fully performed by or on the date of Closing in compliance with the terms and provisions of this Agreement.

(c) Buyer shall have delivered to Seller at or prior to the Closing the following, which shall be reasonably satisfactory to Seller:

(1) Delivery and/or payment of the balance of the Purchase Price in accordance with Section 2.1 at Closing;

(2) An Assignment of Leases and Tenancies in the form attached hereto as Exhibit G duly executed by Buyer;

(3) An Assignment and Assumption of Lease in the form attached hereto as Exhibit H duly executed by Buyer; and

(4) Such other documents as Seller may reasonably request to effect the transaction contemplated by this Agreement.

In the event that all conditions precedent to Buyer's obligation to purchase shall have been satisfied but the foregoing provisions of this Section 8.2 have not, and Seller elects in writing to terminate this Agreement, then, provided Buyer is not in default under this Agreement, the Earnest Money Deposit shall be promptly delivered to Seller by Escrow Agent and, upon the making of such delivery, neither party shall have any further claim against the other by reasons of this Agreement, except as provided in Article 3.

8.3 Best Efforts. Each of the parties hereto agrees to use reasonable best efforts to take or cause to be taken all actions necessary, proper or advisable to consummate the transaction contemplated by this Agreement.

9. PRE-CLOSING BREACH: REMEDIES

9.1 Breach by Seller. In the event of a breach of Seller's covenants or warranties herein and failure by Seller to cure such breach within the time provided for Closing, Buyer may, at Buyer's election (i) terminate this Agreement and receive a return of the Earnest Money Deposit, and the parties shall have no further rights or obligations under this Agreement (except as survive termination); (ii) enforce this Agreement by suit for specific performance; or (iii) waive such breach and close the purchase contemplated hereby, notwithstanding such breach, without any reduction in the Purchase Price.

9.2 Breach by Buyer. In the event of a breach of Buyer's covenants or warranties herein and failure of Buyer to cure such breach within the time provided for Closing, Seller's sole remedy for such breach (except as otherwise provided in this Agreement) shall be to terminate this Agreement and retain Buyer's Earnest Money Deposit and all interest thereon as agreed liquidated damages for such breach, and upon payment in full to Seller of such amounts for such breach (except as otherwise provided in this Agreement), the parties shall have no further rights, claims, liabilities or obligations under this Agreement (except as survive termination). Seller and Buyer agree that Seller's damages resulting from Buyer's default are difficult if not impossible, to determine and the Earnest Money is a fair estimate of those damages which has been agreed to in an effort to cause the amount of said damages to be certain. In addition to retaining the Earnest Money Deposit, Seller may recover from Buyer all amounts due from Buyer pursuant to Sections 3.1 and 10.7 hereof.

9.3. Additional Remedies Available to Seller. Notwithstanding anything in this Agreement to the contrary, in the event of Buyer's default or a termination of this Agreement and in the event Buyer or any party related to or affiliated with Buyer is asserting any claims or right to the Property that would otherwise delay or prevent Seller from having clear, indefeasible and marketable title to the Property, Seller shall have all remedies available at law or in equity.

10. MISCELLANEOUS

10.1 Disclosure. Prior to Closing, neither party shall disclose the transaction contemplated by this Agreement without the prior approval of the other, except to its attorneys, accountants and other consultants, their lenders and prospective lenders, or where disclosure is required by law.

10.2 Radon Gas. Radon is a naturally occurring radioactive gas which, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon which exceed federal and state guidelines have been found in buildings in the state in which the Property is located. Additional information regarding radon and radon testing may be obtained from the county public health unit.

10.3 Entire Agreement. This Agreement, together with the exhibits attached hereto, and the confidentiality agreement executed by the parties hereto, dated as of _____, 1998, constitute the entire agreement between the parties hereto with respect to the subject matter hereof and may not be modified, amended or otherwise changed in any manner except by a writing executed by Buyer and Seller.

10.4 Notices. Any notice, communication, request, reply or advice (collectively "Notice") provided for or permitted by this Agreement to be made or accepted by either party must be in writing. Notice may, unless otherwise provided herein, be given or served (i) by depositing the same in the United States mail, postage paid, certified, and addressed to the party to be notified, with return receipt requested, (ii) by delivering the same to such party, or an agent of such party, in person or by commercial courier, (iii) by facsimile provided that a hard copy is delivered for receipt on the following business day, or (iv) by depositing the same into custody of a nationally recognized overnight delivery service such as Federal Express, Airborne Express, UPS, Emery or Purolator. Notice deposited in the mail in the manner described in (i) above shall be effective on the third business day after such deposit. Notice delivered in the manner described in (ii) above is effective upon receipt; Notice delivered in the manner described in (iii) above is effective when sent via facsimile, provided that a hard copy thereof is delivered for receipt on the next following business day. Notice delivered in the manner described in (iv) above is effective the day of expected delivery. All Notices shall be served at the addresses set forth below:

As to Seller: Silverlake Development Co., Ltd.
Attention: William S. Ackerman
2690 Madison Road
Cincinnati, Ohio 45208
Facsimile: (513) 631-8498

With copy to Vorys, Sater, Seymour and Pease LLP
Suite 2100, Atrium Two
221 E. Fourth Street
PO Box 0236
Cincinnati, Ohio 45201-0236
Attn.: Charles C. Bissinger, Jr.
Facsimile: (513) 723-4046

As to Buyer: RRC Acquisitions Two, Inc.
Attention: Robert L. Miller
Suite 200, 121 W. Forsyth St.
Jacksonville, Florida 32202
Facsimile: (904) 354-1832

With a copy to: Rogers, Towers, Bailey, Jones & Gay
Attention: William E. Scheu, Esq.
1301 Riverplace Blvd., Suite 1500
Jacksonville, Florida 32207
Facsimile: (904) 396-0663

Any notice or demand so served shall constitute proper notice hereunder. A party may change its notice address by notice given in the aforesaid manner.

10.5 Headings. The titles and headings of the various sections hereof are intended solely for means of reference and are not intended for any purpose whatsoever to modify, explain or place any construction on any of the provisions of this Agreement.

10.6 Validity. If any of the provisions of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement by the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby, and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

10.7 Attorneys' Fees. In the event of any litigation between the parties hereto to enforce any of the provisions of this Agreement or any right of either party hereto, the unsuccessful party to such litigation agrees to pay to the successful party all costs and expenses, including reasonable attorneys' fees, whether or not incurred in trial or on appeal, incurred therein by the successful party, all of which may be included in and as a part of the judgment rendered in such litigation. Any indemnity provisions herein shall include indemnification for reasonable attorneys' fees and costs, whether or not suit be brought and including fees and costs on appeal.

10.8 Time of Essence. Time is of the essence of this Agreement.

10.9 Governing Law. This Agreement shall be governed by the laws of the state in which the Property is located, and the parties hereto agree that any litigation between the parties hereto relating to this Agreement shall take place (unless otherwise required by law) in a court located in the county in which the Property is located. Each party waives its right to jurisdiction or venue in any other location.

10.10 Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. No third parties, including any brokers or creditors, shall be beneficiaries hereof. Neither party shall assign this Agreement without the prior written consent of the other party hereto; provided, however, that Buyer may assign this Agreement to Regency Centers, L.P. provided that: (a) Seller is notified of such assignment not less than ten (10) days prior to Closing, (b) such assignment shall not release RRC Acquisitions Two, Inc. from any of its obligations or liabilities under this Agreement and (c) Regency Centers, L.P. assumes in writing all of the obligations and liabilities of Buyer under this Agreement in a written instrument acceptable to Seller.

10.11 Exhibits. All exhibits attached hereto are incorporated herein by reference to the same extent as though such exhibits were included in the body of this Agreement verbatim.

10.12 Gender: Plural; Singular: Terms. A reference in this Agreement to any gender, masculine, feminine or neuter, shall be deemed a reference to the other, and the singular shall be deemed to include the plural and vice versa, unless the context otherwise requires. The terms "herein," "hereof," "hereunder," and other words of a similar nature mean and refer to this Agreement as a whole and not merely to the specified section or clause in which the respective word appears unless expressly so stated.

10.13 Further Instruments, Etc. This Agreement may be executed in counterparts and when so executed shall be deemed executed as one agreement. Seller and Buyer shall execute any and all documents and perform any and all acts reasonably necessary to fully implement this Agreement.

10.14 Limitations on Liability.

(a) In no event shall Seller, its direct or indirect general or limited partners, owners or affiliates, any officer, director, general or limited partner, employee or agent of any of the foregoing, or any affiliate, controlling person or owner thereof have any liability, beyond its interest in the Property, for any claim, cause of action or other liability arising out of or relating to this Agreement or the Property, whether based on contract, common law, statute, equity or otherwise.

(b) Except as provided in Section 10.10 regarding assignment of this Agreement, in no event shall any officer, director, shareholder, employee, agent, partner, owner or affiliate of Seller or any controlling person thereof have any liability, beyond its interest in the Property, for any claim, cause of action or other liability arising out of or related to this Agreement or the Property, whether based on contract, common law, statute, equity or otherwise.

10.15 Like-Kind Exchange. Buyer acknowledges that Seller may, at its option, seek to structure the sale of the Property as a like-kind exchange of property within the meaning of Section 1031 of the Internal Revenue Code of 1986 (a "Like-Kind Exchange"). Buyer agrees to cooperate with Seller in effecting a qualifying Like-Kind Exchange through a trust or other means as determined by Seller, including the means set forth in this Section; and Buyer consents and agrees to the following if requested by Seller and provided the same is in furtherance of a Like-Kind Exchange: (i) Seller has the right to assign its rights under this Agreement to a qualified intermediary without Buyer's consent, and in such event, such qualified intermediary shall have the right to execute and deliver the Closing Statement (which shall also be consented to by Seller) and receive the Purchase Price from Buyer; (ii) any transactional matters and accommodations in connection with a Like-Kind Exchange which are, in the opinion of Seller's counsel, necessary and/or desirable to qualify the sale and purchase transaction contemplated by this Agreement as a Like-Kind Exchange, provided, however, that Buyer shall in no event be required to take title to any real property (other than the Property) and Buyer and Buyer's counsel shall have determined that such transactional matters and accommodations are without material expense or obligation to Buyer and do not increase Buyer's liabilities under this Agreement; and (iii) Seller shall still convey the Property to Buyer (or a permitted assignee).

10.16 Survival. Except only those obligations which expressly survive Closing, the rights and duties of the parties under this Agreement shall be merged into the deed and shall not survive Closing.

10.17 No Recording. Neither this Agreement nor any notice, memorandum or other notice or document relating hereto shall be recorded.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

RRC ACQUISITIONS TWO, INC.,
a Florida corporation

By:
Name:
Title:

Date: , 1998

Tax Identification No: 59-3478325

"BUYER"

SILVERLAKE DEVELOPMENT CO., LTD.,
a Kentucky limited partnership

By:
Name: William S. Ackerman
Title: general partner

Date: , 1998

Tax Identification No:

"SELLER"

04/16/98 - 0197196.01

JOINDER OF ESCROW AGENT

1. Duties. Escrow Agent joins herein for the purpose of agreeing to comply with the terms hereof insofar as they apply to Escrow Agent. Escrow Agent shall receive and hold the Earnest Money Deposit in trust, to be disposed of in accordance with the provisions of this joinder and the foregoing Agreement. The Earnest Money Deposit shall be invested by Escrow Agent in an interest bearing account at First Union National Bank.

2. Indemnity. Escrow Agent shall not be liable to either party except for claims resulting from the negligence or willful misconduct of Escrow Agent or the failure of Escrow Agent to comply with applicable terms of the Agreement and this joinder. If the escrow is involved in any controversy or litigation, Buyer shall indemnify and hold Escrow Agent free and harmless from and against any and all loss, cost, damage, liability or expense, including costs of reasonable attorneys' fees to which Escrow Agent may be put or which may incur by reason of or in connection with such controversy or litigation, except to the extent it is finally determined that such controversy or litigation resulted from Escrow Agent's gross negligence or willful misconduct or the failure of Escrow Agent to comply with applicable terms of the Agreement and this joinder.

3. Conflicting Demands. If conflicting demands are made upon Escrow Agent or Escrow Agent is uncertain with respect to the escrow, the parties hereto expressly agree that Escrow Agent shall have the absolute right to do either or both of the following: (i) withhold and stop all proceedings in performance of this escrow and await settlement of the controversy by mutual agreement between Buyer and Seller or by final appropriate legal proceedings or otherwise as it may require; or (ii) file suit for declaratory relief and/or interpleader in Kenton County, Kentucky and obtain an order from the court requiring the parties to interplead and litigate in such court their several claims and rights between themselves. Upon the filing of any such declaratory relief or interpleader suit in Kenton County, Kentucky and tender of the Earnest Money Deposit to the court, Escrow Agent shall thereupon be fully released and discharged from any and all obligations to further perform the duties or obligations imposed upon it. Buyer and Seller agree to respond promptly in writing to any request by Escrow Agent for clarification, consent or instructions. Any action proposed to be taken by Escrow Agent for which approval of Buyer and/or Seller is requested shall be considered approved if Escrow Agent does not receive written notice of disapproval within five (5) business days after a written request for approval is received by the party whose approval is being requested and its counsel. Escrow Agent shall not be required to take any action for which approval of Buyer and/or Seller has been sought unless such approval has been received. No disbursements shall be made, other than as provided in Sections ___ and ___ of the foregoing Agreement, or to a court in an interpleader action, unless Escrow Agent shall have given written notice of the proposed disbursement to Buyer and Seller and neither Buyer nor Seller shall have delivered any written objection to the disbursement within five (5) business days after receipt of Escrow Agent's notice by such party and its counsel. No notice by Buyer or Seller to Escrow Agent of disapproval of a proposed action shall affect the right of Escrow Agent to take any action as to which such approval is not required.

4. Continuing Counsel. Seller acknowledges that Escrow Agent is counsel to Buyer herein and Seller agrees that in the event of a dispute hereunder or otherwise between Seller and Buyer, Escrow Agent may continue to represent Buyer notwithstanding that it is acting and will continue to act as Escrow Agent hereunder, it being acknowledged by all parties that Escrow Agent's duties hereunder are ministerial in nature.

5. Tax Identification. Seller and Buyer shall provide to Escrow Agent appropriate Federal tax identification numbers.

ROGERS, TOWERS BAILEY, JONES & GAY

By: Its Authorized Agent

Date: , 1998

"ESCROW AGENT"

LIST OF EXHIBITS

| | |
|-----------|--|
| Exhibit A | Legal Description |
| Exhibit B | List of Materials |
| Exhibit C | Rent Roll |
| Exhibit D | Form of Tenant Estoppel Letter |
| Exhibit E | Form of Ground Lessor's Estoppel Letter |
| Exhibit F | Form of Limited Warranty Deed |
| Exhibit G | Form of Assignment of Leases and Tenancies |
| Exhibit H | Form of Assignment and Assumption of Lease |
| Exhibit I | Form of Bill of Sale |
| Exhibit J | Audit Representation Letter |

EXHIBIT A

Legal Description of Real Property

EXHIBIT B

List of Materials

Items Required from the Seller:

- 1) As Built Plans & Specs (arch. and engineering)
- 2) Site Plan (including suite numbers)
- 3) Legal Description
- 4) Copy of All Leases (and amendments)
- 5) Certificates of Occupancy - All current tenants
- 6) Schedule of Security Deposits
- 7) Most recent Rent Roll
- 8) Sales Reports (most recent 3 Years) for tenants reporting
- 9) Current Rent Billings (by category, base, CAM, etc.)
- 10) Current Delinquency Report (with explanations for balances > 1,000)
- 11) Tenant Activity Register for all Current Tenants (billings & payments)
- 12) Tenant Estoppels
- 13) Property Operating Results - Most recent 2 Years
- 14) Property Capital Expenditures - Most recent 2 Years
- 15) Real Estate and other tax bills - 2 Years
- 16) Year to Date Financials
- 17) Existing Service Agreements and Warranties
- 18) Three years loss history - reported claims
- 19) Most Recent Year Expense Recovery Reconciliation
- 20) Breakdown of CAM Pools
- 21) Seller's Budget for up-coming/current year
- 22) Utility Bills for last 12 months/deposits
- 23) Personal Property Inventory
- 24) Existing Title Insurance Policy
- 25) Summary of Tenant Contacts (with address and telephone numbers)
 With local (incl store#) & national addresses
- 26) Survey

EXHIBIT C

Rent Roll

EXHIBIT D

Form of Tenant Estoppel Letter

_____, 1998

RRC Acquisitions Two, Inc.
Regency Centers, L.P.
121 W. Forsyth St., Suite 200
Jacksonville, Florida 32202

Silverlake Development Co., Ltd.
2690 Madison Road
Cincinnati, OH 45208

Re: Silverlake Shopping Center, Erlanger Kentucky

Ladies and Gentlemen:

The undersigned ("Tenant") has been advised that RRC Acquisitions Two, Inc. ("RRC") or Regency Centers, L.P. ("Regency") may purchase the above Shopping Center, and we hereby confirm to you that:

1. The undersigned is the Tenant of Silverlake Development Co., Ltd. ("Landlord") in the above Shopping Center, and is currently in possession and paying rent on premises known as Store No. _____ [or Address: _____], and containing approximately _____ square feet, under the terms of the lease dated _____, which has (not) been amended by amendment dated _____ (the "Lease"). There are no other written or oral agreements between Tenant and Landlord. Tenant neither expects nor has been promised any inducement, concession or consideration for entering into the Lease, except as stated therein, and there are no side agreements or understandings between Landlord and Tenant.

2. The term of the Lease commenced on _____, expiring on _____, with options to extend of _____ (____) years each.

3. As of _____, monthly minimum rental is \$_____ per month.

4. Tenant is required to pay its pro rata share of Common Area Expenses and its pro rata share of the Center's real property taxes and insurance cost. Current additional monthly payments for expense reimbursement total \$_____ per month for common area maintenance, property insurance and real estate taxes.

5. Tenant has given [no security deposit] [a security deposit of \$-----].

6. No payments by Tenant under the Lease have been made for more than one (1) month in advance, and minimum rents and other charges under the Lease are current.

7. All matters of an inducement nature and all obligations of the Landlord under the Lease concerning the construction of the Tenant's premises and development of the Shopping Center, including without limitation, parking requirements, have been performed by Landlord.

8. The Lease contains no first right of refusal, option to expand, option to terminate, or exclusive business rights, except as follows: _____

9. Tenant knows of no default by either Landlord or Tenant under the Lease, and knows of no situations which, with notice or the passage of time, or both, would constitute a default. To the best of Tenant's knowledge, Tenant has no rights to off-set or defense against Landlord as of the date hereof.

10. The undersigned has not entered into any sublease, assignment or any other agreement transferring any of its interest in the Lease or the Premises except as follows: _____.

11. Tenant has not generated, used, stored, spilled, disposed of, or released any Hazardous Substances at, on or in the Premises. "Hazardous Substances" means any flammable, explosive, toxic, carcinogenic, mutagenic, or corrosive substance or waste, including volatile petroleum products and derivatives and drycleaning solvents. To the best of Tenant's knowledge, no asbestos or polychlorinated biphenyl ("PCB") is located at, on or in the Premises. The term "Hazardous Substances" does not include those materials which are technically within the definition set forth above but which are contained in pre-packaged office supplies, cleaning materials or personal grooming items or other items which are sold for consumer or commercial use and typically used in other similar buildings or space.

The undersigned makes this statement for your benefit and protection with the understanding that you intend to rely upon this statement in connection

with your intended purchase and sale of the above described Premises. The undersigned agrees that it will, upon receipt of written notice from Landlord, commence to pay all rents to RRC or to Regency or to any agent acting on its behalf.

Very truly yours,

(Tenant)

EXHIBIT E

Form of Ground Lessor's Estoppel Letter

_____, 1998

Regency Centers, L.P., and
Regency Realty Corporation, and
RRC Acquisitions Two, Inc.
Suite 200, 121 W. Forsyth St.
Jacksonville, Florida 32202

RE: Silverlake Shopping Center

Ladies and Gentlemen:

The undersigned is the Lessor under a Lease executed by and among the Cincinnati, New Orleans and Texas Pacific Railway Company, an Ohio corporation ("Lessor"), and Silverlake Development Co. Ltd., a Kentucky limited partnership, ("Lessee"), dated as of May 20, 1988, and recorded at Lease Book 17, Page 412, of the Kenton County Clerk's records at Covington, Kentucky, as supplemented by that certain agreement dated May 20, 1988 (the "Three Party Agreement"), between Lessor, Lessee, and the Trustees for the Cincinnati Southern Railway (the "Lease"). Lessor has been advised that in connection with the acquisition by RRC Acquisitions Two, Inc., a Florida corporation, and/or Regency Centers, L.P., a Delaware limited partnership ("Transferee") of Silverlake Shopping Center, of which the leased premises is a part, that Transferee requests certain certifications from Lessor concerning various matters under the Lease. Lessor has been further advised that Regency Realty Corporation, a Florida corporation ("Regency"), is the sole general partner of Regency Centers, L.P.

The undersigned hereby certifies to Transferee and Regency as follows:

1. The Lease has not been supplemented or amended. According to Lessor's records, the current lessee under the Lease is Silverlake Development Co. Ltd.
2. The Lease is in good standing and in full force and effect. There is no default existing thereunder to the knowledge of Lessor.
3. All rents and other sums payable under the Lease to Lessor through the date hereof have been paid. The current annual rental under the Lease is \$_____, and such rate continues through _____.
4. There exists no offset, counterclaim or defense under the Lease in favor of Lessor.
5. To the knowledge of Lessor, no default exists under the "Master Lease" identified in the third recital paragraph of the Three Party Agreement, and the Master Lease is in good standing and in full force and effect.
6. Lessor hereby consents to the assignment of the Lease to Transferee or to any affiliate of Transferee. Upon notification from Lessee and Transferee of the closing of Transferee's acquisition of the Shopping Center, Lessor will recognize Transferee as the lessee under the Lease, and Transferee shall be entitled to all rights and privileges as lessee thereunder.
7. In the event that Lessor assigns the Lease to Transferee, and Transferee accepts all rights and liabilities under the Lease, Lessor hereby releases Silverlake Development Co. Ltd. from all further liability under the Lease as of the effective date of such assignment.

Very truly yours,

The Cincinnati, New Orleans and Texas Pacific
Railway Company, an Ohio corporation

By:
Its:

EXHIBIT F
Limited Warranty Deed

Silverlake Development Co., Ltd., a Kentucky limited partnership ("Grantor), for Nine Million Two Hundred Thirty-Eight Thousand and No/100 Dollars (\$9,238,000.00) and other good and valuable consideration paid, receipt of which is hereby acknowledged, grants, with limited warranty covenants, Regency Centers, L.P., a Delaware limited partnership ("Grantee"), the following real property:

Situated in the City of Erlanger, Kenton County, Kentucky, and being more particularly described in Exhibit A which is attached hereto and incorporated herein by reference (the "Property").

Subject to those matters set forth in Exhibit B which is attached hereto and incorporated herein by reference.

Prior Instrument Reference: Book 948, Page 266, Kenton County, Kentucky Records.

IN WITNESS WHEREOF, Silverlake Development Co., Ltd. has caused this deed to be executed as of the ___ day of _____, 1998.

Signed and acknowledged in the presence of: SILVERLAKE DEVELOPMENT CO., LTD., a Kentucky limited partnership

Print Name: _____ By: _____, General Partner

Print Name: _____

STATE OF OHIO
COUNTY OF HAMILTON, SS:

The foregoing instrument was acknowledged before me this ___ day of _____, 1998, by _____, authorized general partner as his free act and deed and the free act and deed of Silverlake Development Co., Ltd., a Kentucky limited partnership.

Notary Public

CONSIDERATION CERTIFICATE

Being first duly sworn, the undersigned state that the consideration set forth in the foregoing Deed is true and correct and is the full consideration paid for the above described property.

STATE OF OHIO
COUNTY OF HAMILTON, SS:

The foregoing instrument was acknowledged before me this ___ day of _____, 1998, by _____, authorized general partner as his free act and deed and the free act and deed of Silverlake Development Co., Ltd., a Kentucky limited partnership.

Notary Public

STATE OF _____
COUNTY OF _____, SS:

The foregoing instrument was acknowledged before me this ___ day of _____, 1998, by _____, authorized general partner as his free act and deed and the free act and deed of Regency Centers, L.P., a Delaware limited partnership.

Notary Public

This instrument prepared by:

Charles C. Bissinger, Jr., Esq.
Vorys, Sater, Seymour and Pease LLP
Suite 2100
221 East Fourth Street
Box 0236
Cincinnati, Ohio 45201-0236

EXHIBIT B

(i) Liens for taxes and assessments, if any, not payable on or before the date hereof;

(ii) Rights of tenants under existing leases and other occupancy agreements permitting persons to lease or occupy all or a portion of the Property, but excluding any subleases or occupancy agreements to which Grantor is not a party.;

(iii) Easements, agreements, covenants, conditions, restrictions, and legal highways of record.

(iv) Matters which would be disclosed by an accurate survey of the Property;

(v) Zoning, building code, subdivision and other governmental rules, regulations, requirements and laws; and

(vi) Liens, encumbrances and other interests created by, suffered by or arising out of the acts of, Grantee or any person or entity claiming by or through Grantee.

EXHIBIT G

ASSIGNMENT OF LEASES AND TENANCIES

THIS ASSIGNMENT is made this _____ day of _____, 1998, by and between SILVERLAKE DEVELOPMENT CO., LTD. a Kentucky limited partnership whose address is 2690 Madison Road, Cincinnati, Ohio 45208 ("Assignor"), and REGENCY CENTERS, L.P., a Delaware limited partnership, whose address is Suite 200, 121 W. Forsyth Street, Jacksonville, Florida 32202 ("Assignee").

In consideration of Ten dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby transfers and assigns to Assignee all of the Assignor's right title and interest in and to the leases and tenancies set forth in Schedule 1 attached hereto (the "Leases"), including without limitation the right to receive rentals accruing thereunder after _____, 1998 (the "Allocation Date"), together with all security deposits, advance rentals and all other deposits, and any interest, if any, which has accrued thereon for the benefit of any tenant thereof (collectively "Deposits"), relating to the following described land, lying and being in the County of Kenton, Commonwealth of Kentucky, to wit:

See Exhibit "A" attached hereto (the "Property")

Except as expressly set forth herein or in the Purchase and Sale Agreement with respect to the Property between Assignor and Assignee, dated as of _____, 1998 (the "Purchase Agreement"), this Assignment is made by Assignor without any representations or warranties of any kind. Without limiting the generality of the immediately preceding sentence, this Assignment shall be subject to the provisions of Section 4.3 and 10.14 of the Purchase Agreement, which are incorporated herein by reference.

Assignee agrees to indemnify and hold Assignor harmless from any claim or demand first arising under the Leases (or any of them), and accruing after the Allocation Date. Assignor agrees to indemnify and hold Assignee harmless from any claim or demand made against the Landlord under the Leases (or any of them) first arising and accruing on or prior to the Allocation Date.

This Assignment shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date set out above.

Witnesses: SILVERLAKE DEVELOPMENT CO., LTD., a Kentucky limited partnership

As to Assignor By: Name: general partner "ASSIGNOR"

As to Assignor REGENCY CENTERS, L.P., a Delaware limited partnership

Partner By: REGENCY CENTERS, INC., a Florida corporation, its General

As to Assignee By: Name: Its: Date: , 1998 Tax Identification No. "ASSIGNEE"

STATE OF OHIO COUNTY OF HAMILTON

The foregoing instrument was acknowledged before me this _____ day of _____, 1998, by _____, the general partner of SILVERLAKE DEVELOPMENT CO., LTD., a Kentucky limited partnership, who is personally known to me or who has produced _____ as identification.

Name: Notary Public, State of My Commission Expires: My Commission Number is:

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this _____ day of _____, 1998, by _____, as _____ of REGENCY REALTY CORPORATION, a Florida corporation, the general partner of REGENCY CENTERS, L.P., a Delaware limited partnership, on behalf of said limited partnership, who is personally known to me or who has produced _____ as identification.

Name:

Notary Public, State of
My Commission Expires:
My Commission Number is:

SCHEDULE 1

Rent Roll

EXHIBIT "A"

Legal Description

EXHIBIT H

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS AGREEMENT is made this _____ day of _____, 1998, by and between SILVERLAKE DEVELOPMENT CO., LTD., a Kentucky limited partnership, whose address is 2690 Madison Road, Cincinnati, Ohio 45208 ("Assignor"), and REGENCY CENTERS, L.P., a Delaware limited partnership, whose address is Suite 200, 121 W. Forsyth Street, Jacksonville, Florida 32202 ("Assignee").

In consideration of Ten dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby transfers and assigns to Assignee all of the Assignor's right title and interest in and to a Lease executed by and among the Cincinnati, New Orleans and Texas Pacific Railway Company, an Ohio corporation ("Lessor"), and Silverlake Development Co., Ltd., a Kentucky limited partnership, ("Lessee"), dated as of May 20, 1988, and recorded at Lease Book 17, Page 412, of the Kenton County Clerk's records at Covington, Kentucky, as supplemented by that certain agreement dated May 20, 1988 (the "Three Party Agreement"), between Lessor, Lessee, and the Trustees for the Cincinnati Southern Railway (the "Lease"), TOGETHER WITH the estates and interests created by the Lease in and to the following described lands, lying and being in the County of Kenton, Commonwealth of Kentucky, to wit:

(See Exhibit "A" attached hereto)

Assignee hereby assumes the obligations of the lessee under the Lease from and after _____, 1998 (the "Allocation Date"), and Assignee agrees to indemnify and hold Assignor harmless from any claim or demand first arising under the Lease and accruing after the Allocation Date. Assignor agrees to indemnify and hold Assignee harmless from any claim or demand made against the Landlord under the Lease first arising and accruing on or prior to the Allocation Date.

This Assignment shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date set out above.

Witnesses: SILVERLAKE DEVELOPMENT CO., LTD.,
a Kentucky limited partnership

As to Assignor By: Name: general partner
"ASSIGNOR"

As to Assignor REGENCY CENTERS, L.P.,
a Delaware limited partnership
By: REGENCY CENTERS, INC., a
Florida corporation, its General
Partner

As to Assignee By: Name:
Its: Date: , 1998
Tax Identification No.
"ASSIGNEE"

STATE OF OHIO
COUNTY OF HAMILTON

The foregoing instrument was acknowledged before me this ____ day of _____, 1998, by _____, the general partner of SILVERLAKE DEVELOPMENT CO., LTD., a Kentucky limited partnership, who is personally known to me or who has produced _____ as identification.

Name:
Notary Public, State of
My Commission Expires:

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this ___ day of _____, 1998, by _____, as _____ of REGENCY REALTY CORPORATION, a Florida corporation, the general partner of REGENCY CENTERS, L.P., a Delaware limited partnership, on behalf of said limited partnership, who is personally known to me or who has produced _____ as identification.

Name:
Notary Public, State of
My Commission Expires:
My Commission Number is:

This instrument prepared by:

- - - - -
Charles C. Bissinger, Jr.
Vorys, Sater, Seymour & Pease LLP
Atrium Two, Suite 2100
221 East Fourth Street
Cincinnati, Ohio 45202

EXHIBIT "A"

Legal Description

EXHIBIT I
BILL OF SALE

FOR VALUE RECEIVED, this _____ day of _____, 1998, the undersigned, SILVERLAKE DEVELOPMENT CO., LTD., a Kentucky limited partnership, whose address is 2690 Madison Road, Cincinnati, Ohio 45208 ("Grantor"), does hereby sell, transfer, and assign unto REGENCY CENTERS, L.P., a Delaware limited partnership, whose address is Suite 200, 121 W. Forsyth Street, Jacksonville Florida, 32202 ("Grantee"), all "Personal Property" and "Materials" (as defined in the Purchase and Sale Agreement dated April ____, 1998, as amended, between Grantor and Grantee, (the "Purchase Agreement")), as amended, of Grantor, located on the lands described in Exhibit "A" attached hereto.

Except as expressly set forth herein or in the Purchase Agreement, this Assignment is made by Grantor without any representations or warranties of any kind. Without limiting the generality of the immediately preceding sentence, this Assignment shall be subject to the provisions of Sections 4.3 and 10.14 of the Purchase Agreement, which are incorporated herein by reference.

Grantor warrants that the Personal Property and Materials are free of all encumbrances created by it and that Grantor will defend the title to such Personal Property and Materials against the claims of all persons claiming by, through or under Grantor, but not otherwise.

IN WITNESS WHEREOF, Grantor has executed these presents as of the day and year first above written.

Witnesses: SILVERLAKE DEVELOPMENT CO., LTD.,
a Kentucky limited partnership

By:
Name: general partner

Name:

EXHIBIT "A"

Lands Upon Which Personal Property or Materials, if Any, Are Located

EXHIBIT J

Audit Representation Letter

(Acquisition Completion Date)

KPMG Peat Marwick LLP
Suite 2700
One Independent Drive
Jacksonville, Florida 32202

Dear Sirs:

We are providing this letter in connection with your audit of the Statement of Revenues and Certain Expenses for the twelve months ended _____, for the purpose of expressing an opinion as to whether the financial statement presents fairly, in all material respects, the results of its operations of _____ in conformity with generally accepted accounting principles.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

1. We have made available to you:

a. All financial records and related data relating to the subject twelve months, which you have requested.

b. All agreements or amendments to agreements which would have a material impact on the Statement of Revenues and Certain Expenses.

2. There have been no:

a. Known instances of fraud involving management or employees who have significant roles in internal control.

b. Known instances of fraud involving others that could have a material effect on the Statement of Revenue and Certain Expenses.

c. Known violations or possible violations of laws or regulations, the effects of which should be considered for disclosure in the Statement of Revenue and Certain Expenses or as a basis for recording a loss contingency.

3. There are no:

a. Unasserted claims or assessments that our lawyers have advised us are probable of assertion and would be required to be disclosed in accordance with Statement of Financial Accounting Standards No. 5 Accounting for Contingencies (SFAS No. 5).

b. Material gain or loss contingencies (including oral and written guarantees) that would be required to be accrued or disclosed by SFAS No. 5.

c. Material transactions that have not been properly recorded in the accounting records underlying the Statement of Revenues and Certain Expenses.

d. Events that have occurred subsequent to _____ and through the date of this letter that would require adjustment to or disclosure in the Statement of Revenues and Certain Expenses, except the proposed sale of the subject property.

4. The Company has complied with all aspects of contractual agreements that would have a material effect on the Statement of Revenues and Certain Expenses in the event of noncompliance.

5. All related party transactions have been properly recorded or disclosed in the Statement of Revenues and Certain Expenses.

Very truly yours,

"Seller/Manager"

Name
Title

