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) March 7, 1997

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

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

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

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

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

Item 2. Acquisition or Disposition of Assets.

General

On March 7, 1997, Regency Realty Corporation (the "Company") acquired, through a limited partnership (the "Partnership") of which a Company subsidiary is the sole general partner, substantially all the assets of Branch Properties, L.P. ("Branch"), a privately held real estate firm based in Atlanta, Georgia, pursuant to a Contribution Agreement and Plan of Reorganization dated as of February 10, 1997. The assets acquired from Branch include 18 shopping centers totalling approximately 1.9 million square feet of gross leasable area and 8 shopping centers containing approximately 700,000 sf that are currently being developed or redeveloped. The properties are located in Georgia (1.8 million square feet), Florida (323,995 square feet), Tennessee (202,477 square feet), South Carolina (117,631 square feet), and North Carolina (42,864 square feet) . The Partnership acquired (i) a 100% fee simple interest in 19 of these operating properties and (ii) partnership interests (ranging from 30% to 55%) in partnerships with outside investors that own the remaining seven properties. Major anchor tenants in these properties, 17 of which are grocery-anchored, include Publix, Kroger and Harris Teeter. [For additional information concerning the acquired properties, see the property table included elsewhere herein.]

In addition, the Company acquired, through a non-qualified REIT subsidiary ("New Management Company"), Branch's third party development business, including build-to-suit projects for the CVS drug store chain, and third party management and leasing contracts for approximately 4 million square feet of shopping centers owned by third party investors (collectively, the "Third Party Management Business").

As a result of the transaction, the Company has acquired a significant presence in the Atlanta market, acquiring 17 shopping centers in the Atlanta metropolitan area with a total of 1.8 million square feet of GLA in addition to the 422,000 square feet of GLA already owned by the Company in the area. Management believes that many of the acquired properties are "in-fill" properties located in or near affluent areas where additional development opportunities for neighborhood and community shopping centers are limited. The Company will consolidate its existing Atlanta operations with those it has acquired from Branch. Most of Branch's existing employees have been offered employment with the Partnership or New Management Company, with the exception of

the seven executive officers and/or shareholders of Branch's general partner (the "Branch Principals"), who will assist with the transition but will not become Partnership employees. J. Alexander Branch, III, the founder of Branch, has been elected to fill a new seat on Regency's Board of Directors.

Consideration

The Partnership issued 3,373,801 units of limited partnership interest (the "Units") and the Company issued 155,797 shares of Common Stock in exchange for the assets acquired from Branch. Additional earn-out Units and shares may be issued, as further described below, subject to the satisfaction of certain performance conditions. The Units will be redeemable on a one-for-one basis in exchange for shares of Common Stock, subject to approval of the transaction by the Company's shareholders at the Company's 1997 annual meeting.

In determining the aggregate consideration for the assets acquired from Branch, the Company considered such factors as the historical and expected cash

flow of the properties, 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 of the acquisition 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 based on the factors described above. No separate independent appraisals were obtained for the assets. The Company also took into consideration historical and anticipated revenues from the Third Party Management Business, but based on the fact that the third party management contracts it acquired from Branch are generally terminable on relatively short notice, a significant portion of the consideration for the Third Party Management Business will be paid in the form of earn-out consideration, which is further described below.

Based on the above factors, the Company (i) arrived at an aggregate consideration of $78,092,181 for Branch's net equity in the assets transferred to the Company and (ii) divided that amount by $22-1/8 (the "Unit Price") in order to arrive at the number of Units and shares of Common Stock issued in the transaction (excluding earn-out Units and shares described below). The Unit Price is based on the trading price of the Common Stock at the time Branch and Regency agreed to negotiate further terms of the transaction. In addition, the Partnership assumed indebtedness encumbering the assets in the aggregate principal amount of approximately $111 million (net of minority interest).

Earn-Out Consideration and Adjustments

Additional Units and shares of Common Stock may be issued on the fifteenth day after the first, second and third anniversaries of the closing (each an "Earn-Out Closing"), based on the performance of certain of the Partnership's properties (the "Property Earn-Out"), and additional shares of Common Stock may be issued at the first and second Earn-Out Closings based on revenues from the Third Party Business (the "Third Party Earn-Out"). The formula for the Property Earn-Out provides for calculating any increases in deemed value ("Increased Value") on a property-by-property basis, based on any increases in net operating income for certain properties in the Partnership's portfolio as of February 15 of the year of calculation. The Increased Value will be divided by the Unit Price to determine the number of additional Units and shares to be issued at the Earn-Out Closings. The Property Earn-Out is limited to $15,974,188 at the first Earn-Out Closing and $22,568,851 at all Earn-Out Closings (including the first Earn-Out Closing).

The Third Party Earn-Out will be calculated as a percentage of total revenues from the Third Party Management Business accrued during the preceding calendar year (other than development fees for CVS projects). Revenues from the Third Party Management Business will include (i) fees from property management or leasing for new projects with third party clients acquired from Branch and (ii) new engagements or clients brought to the Company by the Branch Principals. There is no cap on the amount of the Third Party Earn-Out. Management anticipates that the total Third Party Earn-Out will be approximately $750,000.

The number of earn-out Units and shares issued at the first Earn-Out Closing may be adjusted upward or downward based on prorations of certain income and expense items, as reflected on the audit of Branch's financial statements as of and for the year ended December 31, 1996, and on the amount realized by New Management Company from five separate third party transactions. If there is no adjustment based on the audit of Branch's 1996 financial statements, the maximum adjustment would be a downward adjustment of approximately $555,000, with the number of Units/shares deducted at the first Earn-Out Closing computed by

dividing the dollar amount of the adjustment by the average closing price of the Common Stock on the 10 trading days preceding the first Earn-Out Closing.

Other

J. Alexander Branch and three other Branch Principals, Warren R. Hall, Richard H. Lee and Nicholas B. Telesca, have entered into non-compete agreements with the Partnership and New Management Company prohibiting them from (i) soliciting employees or clients of the Partnership, New Management Company or any of their affiliates for three years after the closing, or (ii) engaging directly or indirectly (and in the case of the executives other than Mr. Branch, in conjunction with one or more of the others) for one year after the closing in the business of managing or leasing grocery-anchored shopping centers of less than 150,000 square feet or free-standing drug stores in Georgia ("Non-compete Properties") owned by third parties. In addition, Mr. Branch is prohibited from becoming an employee for one year after the closing of any person that is engaged as a material part of its business in the direct or indirect acquisition, ownership, operation or control of Non-compete Properties in Georgia, and each of Mssrs. Hall, Lee and Telesca is prohibited from becoming an employee of any such person if more than one of the others also is an employee thereof (unless such employer agrees to the right of first refusal described below). For one year after the closing, Mr. Branch is required to offer to the Partnership opportunities to acquire Non-compete Properties on the same terms as are made available to him whenever he has an opportunity to acquire, develop or arrange for the sale of a Non-compete Property, and each of Messrs. Hall, Lee and Telesca also is subject to the same right of first refusal in favor of the Partnership with respect to any such opportunities that he wishes to take directly or indirectly in conjunction with any of the others or with Mr. Branch.

Mr. Branch has agreed not to sell or otherwise dispose of Units that he receives in the transaction (except to certain permitted transferees such as family members) without the Company's prior written consent for one year after the closing, including redemptions in exchange for shares of Common Stock. During any three months during the following two-year period, Mr. Branch may not make any such dispositions of Units in an amount greater than 12.5% of the total number of Units and shares of Common Stock received by him in the transaction, including earn-out amounts (plus any Units that he could have transferred, but did not, in prior three-month periods).

Branch's major investor, Opportunity Capital Partners II Limited, a Maryland limited partnership and an affiliate of ABKB/LaSalle Securities Limited, has the right to nominate one person to the Company's Board of Director so long as it retains the Units received by it at the closing (or the shares of Common Stock for which such Units are redeemable).

Branch is in the process of liquidating, and Branch has distributed the Units and Shares issued to it in the transaction to its equity owners. Shares of Common Stock issued to such persons pursuant to the transaction, including upon the redemption of Units, will have shelf registration rights beginning on the first business day after the 420th day after the closing.

Capital Contribution from Security Capital

The Company has contributed approximately $26 million cash to the Partnership to reduce outstanding debt encumbering the properties acquired from Branch by $25.7 million and to pay initial transaction costs. Cash requirements for the transaction have been provided by the sale on March 3, 1997 of 1,475,178 shares of Common Stock for an aggregate price of $26 million to Security Capital Holdings, S.A., pursuant to Stock Purchase Agreement dated as of June 11, 1996,

as amended, which was described in the Company's definitive proxy statement for a special meeting of shareholders held on September 10, 1996.

As described in such proxy statement, Security Capital has participation rights entitling it to purchase additional equity in the Company, at the same price as that offered to other purchasers, each time that the Company sells additional shares of capital stock or options or other rights to acquire capital stock, in order to preserve Security Capital's pro rata ownership of the Company. In connection with the Units and shares of Common Stock issued in exchange for Branch's assets on March 7, 1997 and the proposed issuance of additional Units in two related transactions discussed below (see "Related Transactions"), Security Capital had the right to acquire up to 3,771,622 shares of Common Stock at a price of $22-1/8 per share. However, pursuant to Amendment No. 1 to its Stockholders Agreement with the Company, Security Capital has elected (i) to waive such rights with respect to all but 1,750,000 shares (or such lesser number, not less than 850,000 shares, as will not result in the Company ceasing to be a domestically controlled real estate investment trust), (ii) to initially defer its rights with respect to the 1,750,000 shares to no later than August 31, 1997, and (iii) to defer its rights with respect to any such shares, not to exceed 1,050,000 shares, that remain unpurchased on August 31, 1997 to no later than the first Earn-Out Closing, in order to permit Unit holders who are Non-U.S. Persons (as defined in the Company's Articles of Incorporation) to redeem their Units for Common Stock. See "Preservation of Domestically Controlled REIT Status" below. Security Capital's participation rights (i) remain in effect, at $22-1/8 per share, with respect to Units and shares issued at the Earn-Out Closings, and (ii) also remain in effect, at a price equal to the then market price of the Common Stock, with respect to shares issued upon the redemption of Units for Common Stock provided that Security Capital did not exercise its participation rights at the time of issuance of such Units.

Preservation of Domestically Controlled REIT Status

Approximately 39% of the outstanding Units are held by former Branch partners who are Non-U.S. Persons (the "Foreign Partners"). Section 5.14 of the Company's Articles of Incorporation restricts the direct or indirect acquisition by Non-U.S. Persons of shares of the Company's capital stock if, as a result of such acquisition, the Company would fail to qualify under the Internal Revenue Code as a domestically controlled REIT, assuming that Security Capital and its affiliates own 45% of the Company's Common Stock on a fully diluted basis. Acquisitions of capital stock that violate this provision are deemed null and void. The Company has agreed to submit for approval of its shareholders at its 1997 annual meeting an amendment to Section 5.14 of its Articles of Incorporation that would enable Security Capital to waive the 45% presumption, and Security Capital has agreed to waive the presumption, subject to the adoption of the amendment by the Company's shareholders and to the satisfaction of certain other conditions, in order to enable Foreign Partners to redeem their Units for Common Stock. The waiver will be limited to the Foreign Investors and generally will not be transferable. Under the proposed amendment, an acquisition of Company stock is likely to continue to be an unsuitable investment for Non-U.S. Persons except for the redemption of Units for Common Stock by Foreign Partners entitled to the benefit of Security Capital's waiver.

Related Transactions

The Company also has committed to issue a total of 138,626 Units to two investors who have provided funds for the development of one of the development properties acquired from Branch and who had the right to become limited partners of Branch upon the completion of the property. The additional Units are expected to be issued in April 1997 and will not be redeemable for Common Stock until

March 1998. The Company also is negotiating with two other investors to issue additional Units (estimated at approximately 100,000 Units) in exchange for their interests in one of the property partnerships acquired from Branch.

Item 7. Financial Statements and Exhibits.

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

It is not possible to provide audited financial statements for the assets acquired from Branch Properties, L.P. as of and for the year ended December 31, 1996 or pro forma condensed statements of operations for the year ended December 31, 1996 at the time of filing of this report as they were not complete; such statements and information will be filed as an amendment to this Form 8-K within 60 days of the due date of this report.

(c) Exhibits

(2) Contribution Agreement and Plan of Reorganization dated as of February 10, 1997, by and among Regency Realty Corporation, The Regency Group, Inc., Branch Properties, L.P. and Branch Realty, Inc.

(10) Material Contracts:

(a) Amended and Restated Agreement of Limited Partnership of Regency Retail Partnership, L.P., dated as of March 7, 1997, by and among Regency Atlanta, Inc., as General Partner, and the Limited Partners named therein.

(b) Registration Rights Agreement dated as of March 7, 1997, by and among Regency Realty Corporation and the Investors named therein.

(c) Business Development and Non-Competition Agreement dated as of March 7, 1997, by and between Regency Retail Partnership L.P. and J. Alexander Branch III.

(d) Lock-up letter agreement of J. Alexander Branch III dated as of March 7, 1997.

(e) Consent Agreement dated as of February 10, 1997 by and between Regency Realty Corporation and Opportunity Capital Partners II Limited Partnership.

(f) Amendment No. 1 to Stockholders Agreement dated as of February 10, 1997 by and among Regency Realty Corporation, Security Capital U.S. Realty and Security Capital Holdings S.A.

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)

March 14, 1997

By: /s/ J. Christian Leavitt

J. Christian Leavitt
Vice President and Treasurer

CONTRIBUTION AGREEMENT

AND

PLAN OF REORGANIZATION

CONTRIBUTION AGREEMENT AND PLAN OF REORGANIZATION

THIS CONTRIBUTION AGREEMENT AND PLAN OF REORGANIZATION (the "Agreement") is made as of the 10th day of February, 1997, by and among BRANCH PROPERTIES, L.P., a Georgia limited partnership ("Branch"), BRANCH REALTY, INC., a Georgia corporation and the general partner of Branch ("Branch Realty"), and REGENCY REALTY CORPORATION, a Florida corporation ("Regency"), under the following circumstances:

1. Branch owns directly, or through its interest in the Subpartnerships, Properties, Acquisition Contracts, Management Contracts and other assets used in its Third Party Management Business, and certain other Assets (as such terms are hereinafter defined).

A. Branch has caused the formation of a Delaware limited partnership (the "Partnership"), and Branch and Regency wish to amend and restate the partnership agreement in the form of Exhibit A (the "Partnership Agreement") to provide for Branch to be the limited partner and a wholly-owned subsidiary of Regency ("Newco") to be the sole general partner. Regency will cause Newco to make certain cash contributions to the Partnership in exchange for its general partner interest, and Branch will contribute the Assets to the Partnership in exchange for Units (as hereinafter defined), all as provided for herein and in the Partnership Agreement.

B. Branch will distribute the Units it so receives to its respective partners, including Branch Realty. Branch Realty and Regency desire that Branch Realty transfer to Newco the Units distributed to Branch Realty by Branch, in exchange for shares of Common Stock, $0.01 par value, of Regency to be contributed by Regency to Newco, in a transaction intended to qualify as a "reorganization" under Section 368(a)(1)(C) of the Code. Branch Realty will then liquidate and distribute such shares of Regency Common Stock to its shareholders.

C. Thereafter, the Partnership will contribute the Management Contracts and other assets contributed by Branch to the Partnership relating to Branch's Third Party Management Business and Regency's Affiliate, The Regency Group Inc. ("TRG"), will contribute all the voting common stock it owns in Regency Realty Group, Inc., a Florida corporation ("Old Management Company"), to Regency Realty Group II, Inc. ("New Management Company") in exchange for stock in New Management Company in a transaction intended to qualify as a nontaxable transaction under Section 351 of the Code.

D. By separate agreements, in the form attached as Exhibits B, C and D, respectively, (i) certain parties hereto and certain shareholders, directors and executive officers of Regency have agreed to vote in favor of the transactions contemplated by this Agreement at a meeting of Regency's shareholders to be held in 1997, (ii) Regency's major shareholder, Security Capital Holdings, S.A., and its affiliate, Security Capital U.S. Realty, have agreed to consent to the transactions contemplated by this Agreement, subject to the satisfaction of certain conditions described in Exhibit C relating, among other things, to Non-U.S. Persons (as defined in the Partnership Agreement) who may become Regency shareholders as a result of the

transactions contemplated by this Agreement, and (iii) Opportunity Capital Partners II Limited Partnership ("OCP"), the special limited partner of Branch, has consented to the transactions contemplated by this Agreement.

E. Subject to the provisions of Section 8.6 of the Partnership Agreement, the Units may be redeemed for Shares or cash, at the option of Newco, as provided in the Partnership Agreement; provided, however, with respect to any redemption having a "Specified Redemption Date" (as defined in the Partnership Agreement) on or before the 420th day after the First Closing (as hereinafter defined), the Partnership shall be required to transfer Shares in connection with such redemption. Under rules of the New York Stock Exchange, the Shares issuable pursuant to the transactions contemplated by this Agreement, including the Shares redeemed for Units, may not be listed for trading on such exchange unless Regency's shareholders have approved such issuance because such Shares will constitute more than 20% of the Common Stock outstanding before the First Closing. The parties wish to proceed with the First Closing and to present the transactions contemplated by this Agreement for approval by Regency's shareholders at a meeting to be held after the First Closing.

F. If Regency's shareholders do not approve the transactions at such meeting, the validity of the Units and Shares issued at the First Closing will not be affected, and the Shares issued at the First Closing and Shares issued upon redemption of Units will be listed for trading on the New York Stock Exchange only to the extent they do not exceed the 20% threshold. In the event Shares have been issued, but cannot be listed for trading because the shareholders do not approve, then the holder of such Shares shall have a put right as described in the Registration Rights Agreement (as hereinafter defined). If such shareholder approval is not obtained, then the Units may be redeemed for a cash payment as provided in the Partnership Agreement.

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

ARTICLE 1: DEFINITIONS

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

1.1.1 "Acquisition Contracts" means the Contracts to acquire certain real property and leases, personal property and intangible property relating to such real property, to which Branch or any Subpartnership is a party, all as more particularly described on Schedule .

1.1.2 "Additional Units" means the Units to be issued to the Branch partners at the Subsequent Closings pursuant to (i) Section (Property Earn-Out), (ii) Section 2.3.3 (Third Party Earn-Out) and (iii) Section (Distribution).

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

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

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

1.1.6 "Assets" means (i) the Branch Properties, (ii) Branch's interests in the Subpartnerships, (iii) the Acquisition Contracts (and any assets acquired by Branch thereunder prior to the First Closing), (iv) Branch's interests in the Disposition Properties and (v) the Other Assets.

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

1.1.8 "Branch" means Branch Properties, L.P., a Georgia limited partnership.

1.1.9 "Branch Affiliates" means Branch and Branch Realty.

1.1.10 "Branch Financial Statements" means (i) the balance sheets of Branch and its predecessors as of December 31, 1995 and 1994, and the related statements of income and cash flows for the years ended December 31, 1995, 1994 and 1993 (including the notes and schedules contained therein or annexed thereto), which financial statements have been reported on, and are accompanied by, the signed, unqualified opinions of Price Waterhouse LLP, independent auditors for Branch and its predecessors for such years, (ii) an unaudited balance sheet of Branch as of September 30, 1996, and the related unaudited statements of income and cash flows for the nine months then ended (including the notes and schedules contained therein or annexed thereto) and (iii) the corresponding statements of Roswell Village, Ltd. as of and for the nine months ended September 30, 1996, which have not been audited.

1.1.11 "Branch Headquarters" means the principal offices occupied by Branch at Suite 1600, 400 Colony Square, 1201 Peachtree Street, Atlanta, Georgia 30361.

1.1.12 "Branch Limited Partners" means those Persons other than OCP named as limited partners on Schedule .

1.1.13 "Branch Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership by and among Branch Realty, as the general partner, OCP,

as the special limited partner, and the Branch Limited Partners dated December 19, 1995, as amended.

1.1.14 "Branch Principals" means J. Alexander Branch, III, Warren R. Hall, Richard H. Lee, John F. Euart, Jr., John W. Lundeen, III and Stephen D. Broome, each of whom is a shareholder of Branch Realty.

1.1.15 "Branch Properties" means those Properties that are owned by Branch and not by a Subpartnership.

1.1.16 "Branch Realty" means Branch Realty, Inc., a Georgia corporation.

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

1.1.18 "Capital Expenditure Budget and Schedule" means, collectively, the capital expenditure budget and schedule for each Property (other than the Disposition Properties), copies of which are attached as Schedule , which describes the capital expenditures that Branch and the Subpartnerships have budgeted for each Property for the years ending December 31, 1996 and 1997, respectively.

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

1.1.20 "Class B Units" means the units of partnership interests in the Partnership to be held by the General Partner and certain other partners (other than the Branch partners) as more fully described in the Partnership Agreement.

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

1.1.22 "Closing Date" means, (i) with respect to the First Closing, three Business Days after the date on which the conditions set forth herein with respect thereto shall be satisfied or duly waived, or if Branch and Regency mutually agree on a different date, the date upon which they have mutually agreed, and (ii) with respect to any Subsequent Closing, the date specified therefor in Section .

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

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

1.1.25 "CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. ss. 9601 et seq.

1.1.26 "Contracts" means the Acquisition Contracts, the Development Contracts, the Management Contracts, the Repair Contracts, the Service Contracts, the TI Contracts, purchase or sale agreements, leases and other agreements which relate to the Disposition Properties and any other contract, direct property management agreement, asset management agreement, development agreement, partnership agreement, lease commitment, purchase order, or other legally binding indenture, mortgage, note, license, deed of trust, commitment, understanding, restriction or other agreement or instrument, other than the Leases, to which Branch or any Subpartnership is a party or by which any of their assets are bound.

1.1.27 "Contribution Value" has the meaning set forth in Section .

1.1.28 "CVS" means CVS Center, Inc.

1.1.29 "CVS Development Fees" means development fees from CVS projects or any other compensation (such as profit on resale of a build-to-suit project) for development services provided with respect to CVS projects.

1.1.30 "Development Budget and Schedule" has the meaning set forth in Section
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1.1.31 "Development Contracts" means all contracts listed on Schedule for the development or redevelopment of the Development Properties.

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

1.1.32A "Disposition Properties" means the properties listed on Schedule which are under Contract for sale or are being held or developed for resale; and the"Disposition Contracts" means the Contracts described on Schedule relating to the disposition of certain Disposition Properties.

1.1.33 "Endorsements" means endorsements to the Title Insurance, to the extent available under applicable law and at a reasonable cost, including, without limitation, Comprehensive, Access, Survey, Separate Lot, Legal Lot, Non-Imputation, Fairways, Contiguity, Zoning 3.1, and any other endorsement owned by Branch or typically obtained by

customary practice in the area of the respective Property for transactions of the type contemplated by this Agreement.

1.1.34 "Environmental Claim" means any Claim, investigation or notice (written or oral) by any Person alleging potential liability (including potential liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries or fatalities, or penalties) arising out of, based on or resulting from (i) a Hazardous Material Activity, or (ii) activities or conditions forming the basis of any violation, or alleged violation of, or liability or alleged liability under, any Environmental Law.

1.1.35 "Environmental Laws" means federal, state, local, provincial, municipal and foreign laws, ordinances, principles of common law, rules, by-laws, orders, governmental policies, statutes, regulations, agreements, treaties, customary law, and international principles relating to the pollution or protection of the environment or of flora or fauna or their habitat or of human health and safety, or to the cleanup or restoration of the environment, including, without limitation, any laws or regulations relating to (i) generation, treatment, storage, disposal or transportation of Materials of Environmental Concern, emissions or discharges or protection of the environment from the same, (ii) exposure of Persons to, or Release or threat of Release of, Materials of Environmental Concern, and (iii) noise.

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

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

1.1.38 "Excluded Assets" means (i) the Management Contracts and other assets relating to Branch's Third Party Management Business listed on Schedule or described in the Lundeen Letter Agreement, (ii) the art work and other personal property listed on Schedule that is located at Branch headquarters and belongs to J. Alexander Branch or other officers of Branch, (iii) the "Branch" name, which is covered by a non-exclusive license as provided in Section , and any associated goodwill and (iv) any assets acquired by Branch or any Subpartnership in violation of Section .

1.1.39 "Existing Mortgage Debt" means collectively the loans of Branch and each Subpartnership described on Schedule and the loans obtained with Regency's consent or in compliance with Section in connection with the purchase and/or development of the Acquisition Properties.

1.1.40 "Final Closing Balance Sheet" means the audited balance sheet of Branch as of December 31, 1996, which shall be reported on, and accompanied by, the signed opinion of Price Waterhouse, LLP.

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

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

1.1.43 "Hazardous Material Activity" means any activity, event, or occurrence at or prior to the First Closing involving any Materials of Environmental Concern, 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 Materials of Environmental Concern.

1.1.44 "Intangible Property" means all intangible property (except as expressly excluded elsewhere herein) now or on the First Closing Date owned by Branch or a Subpartnership and used in connection with the Real Property, the Personal Property, Branch Headquarters or Branch's Third Party Management Business, including, without limitation, all of their right, title and interest in and to all: licenses; approvals; applications and permits issued or approved by any Government Entity and relating to the use, operation, ownership, occupancy and/or maintenance of the Real Property, the Personal Property, Branch Headquarters or Branch's Third Party Management Business; the various Contracts to be assigned to the Partnership hereunder, including, without limitation, Management Contracts, Work Contracts and Service Contracts; utility arrangements; claims against third parties; plans; drawings; specifications; surveys; maps; engineering reports and other technical descriptions; books and records; insurance proceeds and condemnation awards; the non-exclusive right to use the Branch name in the United States for the period set forth in Section , but not any associated goodwill; and all other intangible rights used in connection with or relating to the Real Property, the Personal Property, Branch Headquarters or Branch's Third Party Management Business, including rights, if any, to current and past names of the Real Property, but excluding intangible rights used in connection with or relating to the Excluded Assets.

1.1.45 "IRS" means the Internal Revenue Service.

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

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

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

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

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

1.1.51 "Loss and Expenses" means any and all damages, Claims, losses, expenses, costs, interest, obligations, and Liabilities, including, without limitation, all reasonable attorneys' fees and expenses in collecting a Claim and enforcing rights in Collateral (as defined in Section 15.7.2(a)).

1.1.52 "Lundeen Letter Agreement" means that letter agreement among Branch, Regency, and John W. Lundeen, III ("Lundeen") executed on or before the date hereof and relating to (i) the properties and management agreements that Lundeen will retain (which are part of the Excluded Assets), (ii) certain employees of Branch to be hired by Lundeen, and (iii) certain agreements of Lundeen regarding certain Management Contracts to be contributed to the Partnership by Branch and other restrictions on Lundeen.

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

1.1.54 "Material Adverse Effect" means (i) with respect to Branch, a material adverse effect on the Assets or the financial condition, results of operations, business or prospects of Branch taken as a whole, (ii) with respect to a Property, a material adverse effect on the financial condition, results of operations, business or prospects of such Property, (iii) with respect to a Subpartnership, a material adverse effect on such Subpartnership's assets or the financial condition, results of operations, business or prospects of such Subpartnership taken as a whole, (iv) with respect to Regency, a material adverse effect on Regency's assets or the financial condition, results of operations, business or prospects of Regency taken as a whole (including its subsidiaries), and (v) with respect to the transactions contemplated by this Agreement, a material adverse effect on the consummation thereof.

1.1.55 "Materials of Environmental Concern" means all chemicals, pollutants, contaminants, wastes, toxic substances, petroleum or any fraction thereof, petroleum products and hazardous substances (as defined in Section 101(14) of CERCLA), or solid or hazardous wastes as now defined and regulated under any Environmental Laws.

1.1.56 "New Management Company" means Regency Realty Group II, Inc., a Florida corporation.

1.1.57 "Old Management Company" means Regency Realty Group, Inc., a Florida corporation.

1.1.58 "OCP" means Opportunity Capital Partners II Limited Partnership, a Maryland limited partnership.

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

1.1.60 "Other Assets" means Branch's Third Party Management Business, all utility deposits, all tenant deposits under the Leases, and all other assets of Branch (whether owned or leased), including, without limitation, all deposits under the Contracts which relate to the Acquisition or Disposition Properties and accounts receivable, but excluding the Excluded Assets.

1.1.61 "Partnership" means Regency Retail Partnership, L.P., a limited partnership formed under Delaware law.

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

1.1.63 "Permitted Exceptions" means:

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

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

(c) those existing title matters affecting the Properties and the Acquisition Properties described on Schedule ;

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

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

(f) the Existing Mortgage Debt; and

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

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

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

1.1.66 [Intentionally deleted.]

1.1.67 "Property" means, for each property described on Schedule , each Disposition Property which has not been sold prior to the First Closing, and any Acquisition Property acquired by Branch pursuant to Section or hereof prior to the First Closing, the Real Property, Leases, Personal Property and Intangible Property related to it, and the "Properties" means all of the Properties.

1.1.68 "Property Earn-Out Closing" means one of three Subsequent Closings at which Units or Shares will be issued contingent on satisfying performance criteria described in Section .

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

1.1.70 "Real Property" means, as to each Property, the real property described or referred to on Schedule , together with all rights, privileges, hereditaments and interests appurtenant thereto including, without limitation: any water and mineral rights, development rights, air rights, easements, and any and all rights of Branch or a Subpartnership in and to any streets, alleys, passages and other rights of way; and all buildings, structures and other improvements located on or affixed to such real property and all replacements and additions thereto (collectively, the "Improvements").

1.1.71 "Recent Balance Sheet Date" means September 30, 1996.

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

1.1.73 "Regency Exchange Act Reports" means the following documents filed by Regency with the SEC since December 31, 1995 and prior to the First Closing: (i) Regency's Form 10-K annual report, (ii) all quarterly reports on Form 10-Q and periodic reports on Form 8-K, (iii) all definitive proxy statements, (iv) all other reports required to be filed by Regency under the Securities Exchange Act of 1934, and (v) all amendments or supplements to any of the foregoing.

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

1.1.75 "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 Materials of Environmental Concern at or prior to the First Closing Date.

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

1.1.77 "Reorganization" has the meaning set forth in Section .

1.1.78 "Reorganization Shares" means those Shares issued at any Closing pursuant to the Reorganization.

1.1.79 "Repair Contracts" means all contracts listed on Schedule for repairs, restoration, renovations or improvements (other than tenant improvements) being performed on the Properties.

1.1.80 "SEC" means the Securities and Exchange Commission.

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

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

1.1.83 "Service Contracts" means, as to each Property, all management, service, maintenance, utility, supply, equipment rental, and other contracts listed on Schedule related to the operation of each Real Property or the related Personal Property.

1.1.84 "Shares" means shares of Common Stock.

1.1.85 "Subpartnerships" means Branch/HOP Associates, L.P., a Georgia limited partnership, Equiport Associates, L.P., a Georgia limited partnership, Roswell Village, Ltd., a Georgia limited partnership, Old Fort Associates, L.P., a Georgia limited partnership, and Fieldstone Associates, L.P., a Georgia limited partnership.

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

1.1.87 "Survey" means, collectively, a map of a stake survey of each Property which shall comply with Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, jointly established and adopted by ALTA and ACSM in 1992, and includes items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 of Table "A" thereof, which meets the accuracy standards (as adopted by ALTA and ACSM and in effect on the date of the Survey) of an urban survey, which is dated not earlier than 30 days prior to the First Closing, and which is certified to the Partnership, Branch, Regency, lenders under the Existing Mortgage Debt and the Title Company providing Title Insurance to the Partnership, and dated as of the date the Survey was made. Notwithstanding the foregoing, the Survey shall, at a minimum, show the following:

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

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

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

(d) whether the Property is located in a "Special Flood Hazard Area" as determined by review of a stated, identified, Flood Hazard Boundary Map or Flood Hazard Rate Map published by the Federal Insurance Administration of the United States Department of Housing and Urban Development;

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

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

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

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

1.1.88 "Tax" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not. The term "Tax" also includes any amounts payable pursuant to any tax sharing agreement to which any relevant entity is liable as a successor or pursuant to contract.

1.1.89 "Tenant Estoppels" has the meaning set forth in Section .

1.1.90 "Third Party Earn-Out Closing" means one of two Subsequent Closings at which Units or Shares will be issued contingent on Third Party Fees.

1.1.91 "Third Party Fees" means all gross revenues accrued by the Partnership, New Management Company, Old Management Company, Regency or any of their Affiliates from fees, commissions and other compensation derived from (i) the Third Party Management Business contributed to the Partnership hereunder, (ii) Third Party Management Business procured by any Branch Principal or Nicholas B. Telesca, (iii) Third Party Management Business with respect to any of the third party properties (including any expansions) that are the subject of the Management Contracts as of the date of the First Closing, and (iv) new Third Party Management Business obtained after the First Closing that is not covered above but (a) is with an existing party to a Management Contract or any of its Affiliates, or (b) is with any of the Persons listed on Schedule or any of their Affiliates, including without limitation those fees, commissions and other compensation described on Schedule but excluding CVS Development Fees.

1.1.92 "Third Party Management Business" means Branch's business of (i) managing and/or leasing properties owned by third parties, (ii) developing properties for third parties, (iii) arranging for property acquisitions by third parties, (iv) arranging financing for third parties, and (v) consulting and business services performed for third parties, including without limitation, money management, tax consulting and reporting, asset management, construction management and other consulting services, all of Branch's build-to-suit work in process for CVS, and the Management Contracts and the assets used by Branch in its Third Party Management Business, but excluding any item that constitutes part of the Excluded Assets.

1.1.93 "TI Budget and Schedule" means, collectively, the tenant improvement budget and schedule for each Property (other than the Disposition Properties and Merchant's Village), copies of which are attached as Schedule , which describes the tenant improvements that Branch and the Subpartnerships have budgeted for the periods shown therein.

1.1.94 "TI Contracts" means all contracts listed on Schedule for tenant improvements under the Leases.

1.1.95 "Title Company" means Chicago Title Insurance Company.

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

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

1.1.98 "Title Insurance Commitment" means a binder whereby the Title Company agrees to issue the Title Insurance to the Partnership.

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

1.1.100 "TRG" means The Regency Group, Inc., a Florida corporation.

1.1.101 "Units" means units of partnership interests (excluding Class B Units) in the Partnership to be held by the Branch partners (excluding Branch Realty) as more fully described in the Partnership Agreement.

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

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

ARTICLE 2: FORMATION OF PARTNERSHIP

2.1 Contribution Values. The aggregate Contribution Value of all the Assets is $78,092,181.

2.2 Capitalization of the Partnership.

(a) At the First Closing, in addition to the transactions described in Section to be consummated at the First Closing with respect to amending and restating the Partnership Agreement and admitting Newco as the general partner of the Partnership, (i) Regency shall cause Newco to contribute cash in return for Class B Units representing Newco's general partner's interest as described in Section hereof, which contribution shall be applied immediately following the First Closing to prepay a portion of the Existing Mortgage Debt and to pay the closing costs described in Section , and (ii) Branch shall contribute the Assets to the Partnership, free and clear of all Liens, other than Permitted Exceptions, in exchange for Units representing its limited partner's interest. The number of Units to be issued to Branch in return for its contributions to the Partnership is set forth on Schedule . Additionally, Branch shall be entitled to Additional Units or Shares at Subsequent Closings, as provided in Section and Section .

(b) At the First Closing, Branch shall distribute to its partners, in the respective amounts set forth on Schedule , the Units that Branch receives in exchange for its capital contributions to the Partnership. Branch also shall distribute to its partners the right to receive their respective portions of the Additional Units that Branch is entitled to receive at the Subsequent Closings, in the amounts set forth on Schedule (the "Subsequent Closing Rights"). At the First Closing, in lieu of issuing Units to Branch and then reissuing them to Branch's partners pursuant to the steps outlined above, the Partnership shall issue such Units directly to Branch's partners.

(c) Certain of Branch's partners receiving Units at the First Closing may wish to exercise Redemption Rights (effective and with a Specified Redemption Date no earlier than as of the First Redemption Date, as such terms are defined in the Partnership Agreement) with respect to all or a portion of their Units, including Additional Units issuable pursuant to Subsequent Closing Rights. Any Original Limited Partner exercising Redemption Rights with respect to any Units ("Initial Redemption Units") shall be deemed to have exercised Redemption Rights with respect to that percentage of any Additional Units issuable pursuant to such Person's Subsequent Closing Rights arrived at by dividing (i) the number of Initial Redemption Units of such Person so redeemed by (ii) the total number of Units issued to such Person at the First Closing (the "Redemption Percentage"), and such Person shall receive from Regency the Redemption Amount (as defined in the Partnership Agreement) in lieu of such amount of Additional Units equal to the product of (x) the Redemption Percentage multiplied by (y) the total number of Additional Units issuable to such Original Limited Partner at any Subsequent Closing.

(d) Pursuant to Section 4.2 of the Partnership Agreement, Newco shall have the right to cause the Partnership to acquire the interests in certain assets and issue additional Units in the Partnership in exchange therefor.

2.3 Subsequent Closings.

2.3.1 Defined Terms. The following definitions shall apply for purposes of this Section .

(a) "Acquisition Cost" means the purchase price paid to acquire a New Acquisition Property.

(b) "Annualized NOI" means the projected annualized net operating income for each Designated Property determined as of each Calculation Date in accordance with the following: the excess of (i) for the calendar month immediately prior to the Calculation Date or the Achievement Date (the "Measurement Month"), all rents, charges, reimbursements, revenues, one-twelfth of the projected annual percentage rent, and other amounts payable pursuant to executed leases for completed space within such Designated Property over (ii) one-twelfth of the operating expenses for such Designated Property (such as taxes, insurance, and maintenance and repair costs) for the prior calendar year, assuming a management fee of 21(cent) per square foot of leasable space within such Designated Property, but excluding (A) capital replacements and improvements (including tenant improvements), (B) leasing commissions, (C) depreciation, and (D) debt service, times twelve. The Annualized NOI shall be computed on an accrual basis pursuant to GAAP, except that revenues attributable to any lease in effect for any part of the Measurement Month shall be projected for the remainder of the Measurement Month as if the lease were in effect for the entire Measurement Month and included in clause (i) above. If a Designated Property ever achieves an occupancy level equal to or greater than 90% at or after the First Closing (the "Achievement Date"), then the Annualized NOI for such Designated Property as of any Calculation Date after said Achievement Date shall equal the greater of (1) the Annualized NOI calculated as of the Achievement Date or (2) the Annualized NOI calculated as of such Calculation Date. In the event a Regency Entity does not own all of a Designated Property and owns a partial interest in such Designated Property as a partner, shareholder or otherwise, then the Annualized NOI and applicable Base NOI, Base Value, Acquisition Cost, Development Cost and Sales Price of such Designated Property, as the case may be, shall be proportionately adjusted to reflect such partial interest owned by the Regency Entity in such Designated Property. In the event a Designated Property suffers or experiences casualty damage or a taking by condemnation or conveyance in lieu thereof, then the Annualized NOI for such Designated Property to be utilized on any Earn-Out Closing Date thereafter shall equal the greater of (x) the Annualized NOI for such Designated Property calculated immediately prior to such casualty or notice of such taking, as the case may be, or (y) where such taking is partial, the Annualized NOI calculated on the applicable Calculation Date.

(c) "Base NOI" means the base net operating income attributed to each Existing Property and set forth on Schedule .

(d) "Base Value" means the base value attributed to each Existing Property set forth on Schedule .

(e) "Calculation Date" means any one of February 15, 1998, February 15, 1999, and February 15, 2000; collectively, the "Calculation Dates."

(f) "Designated Property" means any Existing Property, New Acquisition Property, and New Development Property; collectively, the "Designated Properties."

(g) "Development Cost" means the out of pocket costs and expenses incurred after the First Closing in connection with the acquisition, construction and development of a New Development Property or the redevelopment of a New Acquisition Property.

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

(i) "Existing Property" means any one of certain existing properties contributed by Branch to the Partnership at the First Closing and described on Schedule ; collectively, the "Existing Properties."

(j) "First Earn-Out Closing Date" means the fifteenth (15th) day after the first anniversary of the First Closing, provided that such First Earn-Out Closing Date shall not be held on or before February 15, 1998.

(k) "New Acquisition Property" means any Property described in Schedule and any property acquired by a Regency Entity after the First Closing within the Territory; collectively, the "New Acquisition Properties."

(l) "New Development Property" means any Property described in Schedule and any property acquired and developed by a Regency Entity after the First Closing within the Territory; collectively, the "New Development Properties" but shall exclude any property developed pursuant to an agreement for resale to a third party.

(m) "Regency Entity" means any one of the Partnership, the General Partner, Regency Realty Corporation or any of their Affiliates excluding Security Capital or any of its Affiliates other than Regency or any of its subsidiaries.

(n) "Sales Price" means the actual gross sales price paid in connection with the sale of a Designated Property.

(o) "Second Earn-Out Closing Date" means the first anniversary of the First Earn-Out Closing Date, provided that the Second Earn-Out Closing Date shall not be held on or before February 15, 1999.

(p) "Territory" means Alabama, Georgia, Tennessee, North Carolina, South Carolina, and Virginia.

(q) "Third Earn-Out Closing Date" means the second (2nd) anniversary of the First Earn-Out Closing Date, provided that the Third Earn-Out Closing Date shall not be held on or before February 15, 2000.

2.3.2 Property Earn-Out. The Branch partners shall have the right to receive Additional Units or Shares (if a Branch partner has previously exercised the Redemption Right with respect to Additional Units issuable pursuant to the Subsequent Closing Right of such Branch partner) (rounded to the nearest whole Additional Unit or Share for each Branch partner) and the Branch Principals shall have the right to receive additional Reorganization Shares (rounded to the nearest whole Share for each Branch Principal) in the event that the performance criteria set forth below are satisfied. Any Shares to be issued (in lieu of Additional Units) as provided below shall be adjusted by the Unit Adjustment Factor described in the Partnership Agreement to properly adjust for stock splits and similar actions.

(a) The Annualized NOI of each Existing Property shall be determined as of each Calculation Date, and the product of (i) the excess, if any, of (x) such Annualized NOI on such Calculation Date less (y) the Base NOI for such Existing Property multiplied by (ii) 20.4, shall equal the "Increased Value" for such Existing Property as of such Calculation Date.

(b) The Annualized NOI of each New Acquisition Property shall be determined as of each Calculation Date, and the product of (i) such Annualized NOI multiplied by (ii) 20.4 shall equal the "Designated Value" for such New Acquisition Property as of such Calculation Date. The excess, if any, of (x) the Designated Value of such New Acquisition Property less (y) the Acquisition Cost and any Development Cost of such New Acquisition Property is herein referred to as the "Increased Value" of such New Acquisition Property as of such Calculation Date.

(c) The Annualized NOI of each New Development Property shall be determined as of each Calculation Date, and the product of (i) such Annualized NOI multiplied by (ii) 20.4 shall equal the "Designated Value" of such New Development Property as of such Calculation Date. The excess, if any, of (x) the Designated Value of such New Development Property less (y) the Development Cost of such New Development Property is herein referred to as the "Increased Value" of such New Development Property as of such Calculation Date.

(d) As of each Earn-Out Closing Date, the Increased Value of each Designated Property shall be determined as of the immediately preceding Calculation Date. For

each Designated Property, the "Highest Increased Value" of such Designated Property as of a Calculation Date shall equal the greater of (i) the Increased Value calculated as of such Calculation Date or (ii) the highest Increased Value calculated as of any previous Calculation Date. The "Aggregate Increased Value" of all Designated Properties as of any Earn-Out Closing Date shall equal the sum of the Highest Increased Value of all Designated Properties determined as of the previous Calculation Date. The Aggregate Increased Value shall not be decreased by reason of any Designated Property not achieving an Increased Value, and no Designated Property shall have an Increased Value that is less than zero.

(e) On the First Earn-Out Closing Date, Additional Units and Shares shall be issued to the Branch partners, in the respective percentages set forth on Schedule , equal to the quotient obtained by dividing (i) the Aggregate Increased Value as of the previous Calculation Date by (ii) 22 1/8; provided, however, the maximum Additional Units and Shares issued on the First Earn-Out Closing Date shall not exceed 721,997 Additional Units and Shares ($15,974,188 divided by 22 1/8).

(f) On the Second Earn-Out Closing Date, Additional Units and Shares shall be issued to the Branch partners, in the respective percentages set forth on Schedule , equal to the excess, if any, of (x) the quotient obtained by dividing (i) the Aggregate Increased Value as of the previous Calculation Date by (ii) 22 1/8 less (y) the number of Additional Units and Shares issued on the First Earn-Out Closing Date; provided, however, the maximum Additional Units and Shares to be issued on all Earn-Out Closing Dates pursuant to this Section shall not exceed 1,020,061 ($22,568,851 divided by 22 1/8).

(g) On the Third Earn-Out Closing Date, Additional Units and Shares shall be issued to the Branch partners, in the respective percentages set forth on Schedule , equal to the excess, if any of (x) the quotient obtained by dividing (i) the Aggregate Increased Value as of the previous Calculation Date by (ii) 22 1/8 less (y) the aggregate amount of Additional Units and Shares issued on the First Earn-Out Closing Date and Second Earn-Out Closing Date; provided, however, the maximum Additional Units and Shares to be issued on all Earn-Out Closing Dates pursuant to this Section shall not exceed 1,020,061 ($22,568,851 divided by 22 1/8).

(h) The following provisions shall control in the event of a sale of a Designated Property. If an Existing Property is sold on or before a Calculation Date, then the Increased Value, if any, of such Existing Property shall equal, after such a sale, the greater of (i) the highest Increased Value for such Existing Property as of any prior Calculation Date or the Achievement Date, as the case may be, or (ii) the excess, if any, of (x) the Sales Price less (y) the Base Value of such Existing Property. If a New Acquisition Property is sold on or before a Calculation Date, then the Increased Value, if any, of such New Acquisition Property shall equal, after such a sale, the greater of (i) the highest Increased Value for such New Acquisition Property as of any prior Calculation Date or the Achievement Date, as the case may be, or (ii) the excess, if any, of (x) the Sales Price less (y) the Acquisition Cost and any Development Cost of such New Acquisition Property. If a New Development Property is sold

on or before a Calculation Date, then the Increased Value, if any, of such New Development Property shall equal, after such a sale, the greater of (i) the highest Increased Value for such New Development Property as of any prior Calculation Date or the Achievement Date, as the case may be, or (ii) the excess, if any, of (x) the Sales Price less (y) the Development Cost of such New Development Property.

(i) If there is a change in control of the Partnership, the General Partner or Regency as a result of a merger, consolidation, combination, sale or other transaction so that the current officers and management of such entities no longer operate such entities or there is a change in a majority of the directors of any such entity within the twelve (12) months following any such transaction, then the Branch partners' rights hereunder shall fully vest and the Branch partners shall have the right to receive, prior to the closing of such transaction causing such change of control, Additional Units and Shares equal to the excess of (i) 1,020,061 ($22,568,851 divided by 22 1/8) less (ii) the aggregate amount of Additional Units and Shares previously issued on all prior Earn-Out Closing Dates pursuant to this Section (with such Additional Units and Shares to be allocated in accordance with the respective percentages set forth on Schedule).

2.3.3 Third Party Earn-Out Amounts. A Third Party Earn-Out Closing shall take place simultaneously with the Property Earn-Out Closings that take place on the First Earn- Out Closing Date and the Second Earn-Out Closing Date, at which time the Partnership shall issue Additional Shares to the Branch Principals as part of the Reorganization, in the respective percentages set forth on Schedule , in an amount at each of the two Third Party Earn-Out Closings arrived at by dividing (i) $22-1/8 into (ii) an amount equal to 9.4 percent of the Third Party Fees accrued by the Partnership, New Management Company, Old Management Company, Regency or any of their Affiliates during the calendar year immediately preceding the date of the applicable Third Party Earn-Out Closing, including in the case of the first Third Party Earn-Out Closing, Third Party Fees accrued during 1997 and prior to the First Closing. Any Shares to be issued (in lieu of Additional Units) pursuant to this Section shall be adjusted by the Unit Adjustment Factor (as defined in the Partnership Agreement) to properly adjust for stock splits and similar actions.

2.4 Assumption by Partnership of Liabilities. At the First Closing, the Partnership shall assume the Assumed Liabilities. Except for the Assumed Liabilities, the Partnership shall not assume or become subject at any Closing to any Liabilities of Branch or any Subpartnership.

ARTICLE 3: REORGANIZATION

3.1 Reorganization. Regency and Branch Realty agree that at the First Closing, immediately following the issuance of Units to Branch and the distribution thereof to Branch's partners, Branch Realty shall transfer the Units received by it pursuant to such distribution, which are itemized on Schedule (the "Realty Units"), to Newco in exchange for the same number of Shares, which Regency shall contribute to Newco for such purpose. Branch Realty

shall also transfer to Newco its rights to receive Additional Units under this Agreement. Regency agrees to contribute such Reorganization Shares to Newco and to cause Newco to transfer such Reorganization Shares to Branch Realty in exchange for (i) the Realty Units and (ii) Branch Realty's right to receive Additional Units at Subsequent Closings. Branch Realty will liquidate immediately following the First Closing and distribute such Reorganization Shares to the Branch Principals, together with the right to receive additional Reorganization Shares at each Subsequent Closing (based on the number of Additional Units that Branch Realty would receive at such Subsequent Closings had it not liquidated, multiplied by the Unit Adjustment Factor), to be divided among the Branch Principals in the respective percentages set forth on Schedule (based on their respective interests in Branch Realty immediately prior to its liquidation). The transactions between Branch Realty and Newco described in this Section (the "Reorganization") are intended to qualify as a reorganization under Section 368(a)(1)(C) of the Code.

ARTICLE 4: NEW MANAGEMENT COMPANY

4.1 New Management Company. Newco shall cause the Partnership to contribute the Third Party Management Business received by it from Branch to New Management Company in exchange for 100 shares of preferred stock of New Management Company and 25 shares of voting common stock of New Management Company, (ii) Newco may cause the Partnership to contribute to New Management Company the Disposition Properties and certain Acquisition Contracts for properties which may be sold, and in such event Newco shall have the right to direct that the Transaction Documents convey such Disposition Properties and Acquisition Contracts to the New Management Company (rather than to the Partnership and then to the New Management Company) and (iii) TRG shall contribute to New Management Company all shares of the voting common stock of Old Management Company beneficially owned by TRG in exchange for 475 shares of voting common stock of New Management Company. New Management Company's board of directors shall be the same as Old Management Company's board of directors.

ARTICLE 5: COVENANTS

5.1 Implementing Agreement. Subject to the terms and conditions hereof, each party hereto shall use its reasonable best efforts to take all action required of it to fulfill its obligations under the terms of this Agreement, to cause the conditions to Closing to be satisfied and to facilitate the consummation of the transactions contemplated hereby and thereby. Notwithstanding anything contained in this Agreement to the contrary, any action to be taken hereunder by Branch with respect to a Subpartnership is subject to Branch's fiduciary duty to its partners in such Subpartnership and the restrictions, limitations or other provisions contained in the partnership agreement or any other agreement relating to such Subpartnership.

5.2 Preservation of Business. From the date of this Agreement until the First Closing Date, Branch shall cause the Properties and its Third Party Management Business to be operated only in the ordinary and usual course of business and consistent with past practice, shall not sell or list for sale any of the Properties (other than those Disposition Properties listed on Schedule) or any of its interests in the Subpartnerships, shall use its reasonable best efforts to preserve the good will and advantageous relationships of Branch and the Subpartnerships with tenants, customers, suppliers, independent contractors, employees and other Persons material to the operation of the Properties and Branch's Third Party Management Business, shall perform its, and cause the Subpartnerships to perform their, material obligations under the Leases and other material agreements affecting the Properties, shall perform Branch's material obligations under the Management Contracts and shall not take or permit any action or omission which would cause any of its representations or warranties contained herein to become inaccurate in any material respect or any of the covenants made by it to be breached in any material respect. Without limiting the foregoing, Branch will not cause or permit any default to occur under the Existing Mortgage Debt or cause or permit any increase in the outstanding aggregate principal balance thereof from the date hereof until the First Closing, except to fund expenditures made in conformity with the Development Budget and Schedule and the TI Budget and Schedule and except to fund the closing of the Acquisition Properties in accordance with Section . Branch shall continue to maintain all insurance policies referred to in Section in full force and effect up to and including the First Closing Date. From the date of this Agreement until the First Closing Date, Regency shall cause its properties and the third party management business of the Old Management Company to be operated only in the ordinary and usual course of business and consistent with past practice, shall use its reasonable best efforts to preserve the good will and advantageous relationships of Regency and its subsidiaries with tenants, customers, suppliers, independent contractors, employees and other Persons material to the operation of Regency's properties and the third party management business of Old Management Company, shall perform its, and cause its subsidiaries to perform their, material obligations under the leases and other material agreements affecting their respective properties, shall cause Old Management Company to perform its material obligations and shall not take or permit any action or omission which would cause any of Regency's representations or warranties contained herein to become inaccurate in any material respect or any of the covenants made by it to be breached in any material respect.

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

5.4 Meeting of Regency's Shareholders. Regency shall submit (a) the transactions contemplated by this Agreement (including the issuance of Shares in the Reorganization and the

issuance of Shares upon the exercise of Redemption Rights) (as required by Rule 312.03(c) of the New York Stock Exchange Listed Company Manual as a condition to the listing on such exchange of all Shares issuable pursuant to the transactions contemplated hereby) and (b) a proposed amendment to its Articles of Incorporation in the form attached as Exhibit (relating to domestic ownership) to a vote of Regency's shareholders at an annual or special meeting of shareholders in 1997 regardless of whether or not the First Closing shall have occurred by the date of the meeting, and Regency's Board of Directors shall recommend that Regency's shareholders vote in favor of such matters. Regency shall hold such meeting within 120 days after the date this Agreement is executed, provided, however, that the parties agree to extend such time period to accommodate any delays reasonably resulting from the SEC's review of the proxy materials to be distributed in connection with such meeting. Regency shall use reasonable best efforts to obtain signed Voting Agreements in the form of Exhibit B from those executive officers, directors and shareholders listed therein. If such Voting Agreements are obtained, there will be sufficient votes under all Voting Agreements to obtain the required shareholder approvals described in (a) and (b) above. Regency agrees not to issue any Shares prior to the record date for the meeting of shareholders called to approve the transactions contemplated by this Agreement to any Persons other than (i) a party to a Voting Agreement (including Security Capital), (ii) a Person who grants Regency an irrevocable proxy agreeing to voting in favor of the transactions contemplated by this Agreement or otherwise enters into a binding agreement to vote such Person's Shares in favor thereof, (iii) Persons who acquire Shares pursuant to Regency's existing dividend reinvestment plan, 401(k) and profit sharing plan, AIM Plan, Long-Term Omnibus Plan or anniversary stock grant plan, or (iv) the sellers of the two Publix shopping centers referred to on Schedule .

5.5 Purchase of Acquisition Properties. Branch shall use reasonable best efforts to close on each Acquisition Property in accordance with the timetable set forth on Schedule . Branch will make available copies of all material correspondence or other documentation with respect to any Acquisition Property promptly upon receipt by Branch, and will confer with Regency in all material decisions with respect to the due diligence, documentation and closing of any Acquisition Property. The parties have cooperated in forming the Partnership, with Branch serving as the general partner and a Branch Affiliate serving as the limited partner, and the Partnership shall take title to the Acquisition Properties that are closed prior to the First Closing. At the First Closing, Newco shall be admitted as general partner, the initial general partner shall withdraw as general partner, the initial limited partner shall withdraw as limited partner, the partnership agreement shall be amended and restated in the form attached as Exhibit A and the Partnership shall assume the Acquisition Contracts for Acquisition Properties that have not closed prior thereto.

5.6 Additional Acquisitions. From the date hereof until the First Closing, except as provided in Section and subject to Branch's fiduciary duties and to its obligations under the Branch Partnership Agreement and the partnership agreement of each Subpartnership, Branch shall not, and shall not allow any Subpartnership to, enter into a binding contract for the acquisition of, nor acquire, any real property or a material amount of other assets, whether by purchase of assets or stock, merger, consolidation or other business combination without

Regency's prior written consent if such assets will be part of the Assets transferred to the Partnership at the First Closing. If Branch identifies any potential acquisitions, it shall consult with Regency prior to the end of the applicable inspection period and Regency shall advise Branch promptly (and prior to the end of the applicable inspection period) whether or not it believes that such acquisition opportunity may be suitable for transfer to the Partnership hereunder. The parties shall cooperate in pursuing any acquisition opportunities agreed on by both parties and if Branch enters into a binding contract, with Regency's consent, for an acquisition, the parties shall enter into mutually agreed amendments to this Agreement and to the Partnership Agreement taking into appropriate account the additional Assets to be so acquired by the Partnership pursuant to this Agreement. If Regency does not so consent to such a contract with a Subpartnership, prior to the First Closing, Branch shall cause any Subpartnership that is a party to any such contract to transfer the contract to a third party and obtain a full release of the Subpartnership from any obligation thereunder, and Branch shall not transfer to Regency any such new contract to which Branch is a party if Regency has not consented to such contract.

5.7 Distributions. From the date of this Agreement, Branch shall not pay any distributions to its partners other than the regularly scheduled quarterly cash distribution from the operations of Branch for the fourth quarter of 1996 in the amount of $1,399,579 as described in Section hereof. Branch also agrees not to cause any Subpartnership to make any distribution to its partners from the date of this Agreement until the First Closing other than its normal quarterly cash distributions consistent with past practice. Regency agrees not to make the record date for its dividend payable in the second quarter of 1997 on or before the First Closing Date, provided that all of Branch's income and expense items for the period beginning on January 1, 1997 inure to the benefit of the Partnership, subject to the provisions of Section
hereof.

5.8 Continuation of Employees. The Branch Affiliates agree to use reasonable best efforts to persuade those Branch employees designated by Regency in writing to Branch to accept employment with the Partnership or New Management Company immediately following the First Closing, and Regency agrees to cause the Partnership or New Management Company to hire such employees immediately following the First Closing provided that such employee does not engage in malfeasance prior to the First Closing. Certain of such employees who accept employment with the Partnership or New Management Company following the First Closing may be hired on the understanding that their services will be required only for a transition period, and Regency agrees that any severance compensation for such employees shall be an expense of the Partnership or New Management Company, as applicable. Regency shall cause Newco to make capital contributions to the Partnership for the purpose of funding severance compensation to Branch employees who accept employment with the Partnership and later are terminated, all as further described in Schedule , and also shall cause the Partnership to assume those accrued employee benefits such as accrued vacation time and the bonus compensation listed in Schedule , but only to the extent specifically set forth thereon. Branch shall be responsible for all severance compensation, if any, for those Branch employees whose employment is terminated by Branch prior to the First Closing, except as provided above and

in Schedule . Nothing herein is intended to make any employee hired by the Partnership or New Management Company other than an employee at will.

5.9 Regency Disclosure Document. Branch and Regency agree to cooperate in preparing and distributing to each partner of Branch as promptly as practicable following the execution of this Agreement, a disclosure document prepared by Regency and Branch for use by the Branch partners in determining (i) whether to consent to the transactions contemplated by this Agreement, and (ii) for such Persons receiving Units at the First Closing rather than Reorganization Shares, whether to redeem their Units (and the right to receive Additional Units) for Shares (and the right to receive additional Shares in lieu of Additional Units) pursuant to the exercise of their Redemption Rights. Branch agrees to supply information for the disclosure document concerning Branch, Branch Realty, the Properties, the Subpartnerships, the solicitation of consents from the Branch partners for the transactions contemplated by this Agreement and the allocation among Branch's partners of the consideration to be received in exchange for the Assets, and Regency agrees to supply information concerning Regency or the securities being offered by Regency or the Partnership to the Branch partners pursuant to the transactions contemplated by this Agreement. The information provided by Branch for inclusion in the disclosure document is referred to hereinafter as the "Branch Information" and the information provided by Regency for inclusion in the disclosure document is referred to hereinafter as the "Regency Information." Branch and Regency each shall advise the other if it becomes aware of any additional information that should be included in the Branch Information or the Regency Information, respectively, for inclusion in the disclosure document or a supplement thereto. Branch covenants that the Branch Information shall not, and Regency covenants that the Regency Information shall not, contain any untrue statement of material fact or omit to state any material fact required to be stated or necessary to make the Branch Information or the Regency Information, respectively, that is included in the disclosure document, in light of the circumstances under which it was made, not misleading. Regency acknowledges that Branch is not offering securities as an issuer in connection with the transactions contemplated by this Agreement, and nothing herein is intended to make Branch liable as an issuer, and that Branch is not making any representation or determination as to the adequacy of such disclosure document with respect to the issuance of, or the legality of the issuance of, any securities in connection with the transactions contemplated herein. Branch acknowledges that nothing herein is intended to impose on Regency, or relieve Branch Realty of, any liability with respect to Branch Realty's fiduciary duties in connection with obtaining consents to or amending the Branch Partnership Agreement in order to consummate the transactions contemplated by this Agreement.

5.10 Exclusivity. Unless and until this Agreement is terminated pursuant to its terms, Branch shall not, directly or indirectly, through any officer, director, partner, agent or otherwise, initiate, solicit or knowingly encourage (including by way of furnishing non-public information or assistance), or take any other action to facilitate knowingly, any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any Competing Transaction, or enter into or maintain or continue discussions or negotiate with any Person in furtherance of such inquiries or to obtain a Competing Transaction, or agree to or

endorse any Competing Transaction, or authorize or knowingly permit any of the officers, directors, partners or employees of such party or any of its Affiliates or any investment banker, financial advisor, attorney, accountant or other representative retained by such party or any of such party's Affiliates to take any such action, and Branch shall notify Regency orally (within one business day) and in writing (as promptly as practicable) of all of the relevant details relating to all inquiries and proposals which Branch or any such officer, director, employee, partner, investment banker, financial advisor, attorney, accountant or other representative may receive relating to any of such matters. A "Competing Transaction" means the sale by Branch of any equity interest in Branch (other than the sale of additional limited partnership interests to OCP in connection with additional capital required to be contributed by OCP to Branch pursuant to the Branch Partnership Agreement) or the sale or other transfer by Branch of its assets or business, in whole or in part, whether through direct sale, merger, consolidation, asset sale, exchange, recapitalization, other business combination, liquidation, or other action out of the ordinary course of business. Unless and until this Agreement is terminated pursuant to its terms, Regency shall not, directly or indirectly, through any officer, director, agent or otherwise, negotiate, undertake or consummate a business combination, whether through a direct purchase, merger, consolidation, asset purchase, exchange, recapitalization, other business combination, or other action out of the ordinary course of business, which would prevent or hinder Regency from consummating the transactions contemplated by this Agreement or which have a material adverse effect on Regency.

5.11 New Contracts. Without Regency's prior written consent in each instance (which shall not be unreasonably withheld), Branch will not, and will not allow any Subpartnership to, enter into, or grant concessions regarding, any Contract that will be an obligation affecting the Properties or binding on the Partnership or any Subpartnership after the Closing except Contracts entered into in the ordinary course of business that are terminable without cause or any termination fee on 30 days' notice.

5.12 Leasing Arrangements. As to any Lease in excess of 5,000 square feet of usable space in any Property, Branch will not, and will not allow any Subpartnership to, amend, terminate, grant material concessions regarding, or enter into any Lease unless Regency has given its written consent, which consent shall not be unreasonably withheld or delayed. As to Leases for 5,000 square feet or less of usable space, Branch will not, and will not allow any Subpartnership to, amend, terminate, grant concessions regarding, or enter into any new Lease without the prior written consent of Regency if such action would require approval by OCP under the Branch Partnership Agreement. Branch shall provide Regency with all material information related to each request for consent, including without limitation, lease form, lease terms, leasing commissions, tenant improvement obligations and other lease procurement costs, description of tenant's business, and tenant's financial statements or a Dunn & Bradstreet credit report (to the extent available).

5.13 Obligation to Supplement Information. From time to time prior to the First Closing, the Branch Affiliates, on the one hand, and Regency on the other will promptly disclose in writing to the other party any matter hereafter arising or discovered which, if existing,

occurring or known at the date of this Agreement would have been required to be disclosed by any party or which would render inaccurate any representation or warranty by any party. Additionally, the Branch Affiliates agree to provide Regency with prompt written notice of any matter hereafter arising or discovered with respect to a Property which could have a material adverse effect on the condition, operations or prospects of such Property, and Regency agrees to provide the Branch Affiliates with prompt written notice of any matter hereafter arising or discovered which could have a material adverse effect on the condition, operations or prospects of Regency. No information provided to a party pursuant to this Section shall be deemed to cure any breach of any representation, warranty or covenant made in this Agreement.

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

herein by the other party is materially inaccurate, it shall promptly notify and advise the other party.

5.15 Monthly Updates of Rent Rolls and Operating Statements. Branch will promptly provide Regency with monthly updates of the Rent Roll and operating statements for the Properties.

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

5.17 Service Contracts. The Partnership will assume the obligations arising from and after the First Closing Date under those Service Contracts that are not in material default as of the First Closing Date and which Branch and Regency have agreed will not be terminated. Branch shall terminate at the First Closing all Service Contracts that Branch has agreed will not be so assumed, but Regency shall reimburse Branch for any termination fees imposed as a result of such termination, excluding any fees or damages imposed solely as a result of a Branch default other than by reason of such termination.

5.18 Work Contracts. Ten days before the First Closing, the Branch Affiliates shall notify Regency in a written progress report as to those Work Contracts that will not be completed by the First Closing.

5.19 Title Matters.

5.19.1 Title Insurance; Survey. Regency shall order the Title Insurance Commitments from the Title Company and each Survey from a reputable surveyor familiar with the Property (Branch agreeing to furnish to Regency copies of any existing surveys and title information in its possession promptly after execution of this Agreement) and shall use reasonable best efforts to obtain such items as promptly as practicable following the execution of this Agreement. Regency will have ten (10) days from receipt of the later to be received of the Title Insurance Commitment (including legible copies of all recorded exceptions noted therein) and Survey to notify Branch in writing of any Title Defects, encroachments or other matters not acceptable to Regency which are not Permitted Exceptions by this Agreement. Any Title Defect or other objection disclosed by the Title Insurance Commitment or the Survey which is not timely specified in Regency's written notice to Branch of Title Defects shall be deemed a Permitted Exception. Branch shall notify Regency in writing within ten (10) days of Regency's notice if Branch intends to cure any Title Defect or other objection. If Branch elects to cure, Branch shall use diligent efforts to cure the Title Defects and/or objections by the First Closing Date (as it may be extended), which may include insuring over or bonding off such Title Defects and/or objections at Branch's expense. If Branch elects not to cure or if such Title

Defects and/or objections are not cured and if in either case they have a Material Adverse Effect on the applicable Property, Regency shall have the sole remedy, in lieu of any other remedies, to (i) refuse to purchase all of the Properties and terminate this Agreement; or (ii) waive such Title Defects and/or objections and close the purchase of the Properties and other transactions hereunder subject to them.

5.19.2 Later Title Exceptions. In the event that Branch becomes aware that an exception to title has been filed of record subsequent to the date of the Title Commitment and prior to the First Closing Date (a "Later Exception"), Branch shall send written notice of such Later Exception to Regency. Regency shall have the right to postpone the First Closing Date for a period up to thirty (30) days in order to give Branch sufficient time to satisfy, release, cure or remove such lien or exception. Upon Branch's cure, removal, insurance over or bonding off of any such Later Exception, at Branch's expense, the First Closing Date shall be scheduled upon ten (10) days prior written notice to Branch but in no event earlier than the First Closing Date notwithstanding such Later Exception. If Branch is unable, within said thirty-day period, or elects not to cure, remove, bond off or otherwise dispose of any Later Exception that has a Material Adverse Effect on the applicable Property, Regency may in its sole discretion and as its sole remedy in lieu of any other remedies, either (a) refuse to purchase all of the Properties and terminate this Agreement; or (b) waive such objection to the Later Exception and proceed with the First Closing Date. At the First Closing, the Title Company will issue the Title Insurance.

5.20 Damage. The Branch Affiliates shall promptly give Regency written notice of any damage to the Properties, describing such damage whether such damage is covered by insurance and the estimated cost of repairing such damage. If such damage is not material (i) Branch shall, to the extent possible, begin repairs prior to the First Closing, (ii) at the First Closing the Partnership shall receive all insurance proceeds not applied to the repair of any such Properties prior to the First Closing (including rent loss insurance applicable to any period from and after the First Closing) due to Branch for the damage, together with an assignment of any unsettled insurance claim, and (iii) the Partnership shall assume the responsibility for the repair after the First Closing. The Partnership shall be entitled to any excess of the proceeds of Branch's insurance over and above the actual cost of repair and restoration. If such damage is material, Regency may elect by notice to Branch given within 20 Business Days after Regency is notified of such damage (and the First Closing shall be extended, if necessary, to give Regency such 20 Business Day period to respond to such notice) to proceed in the same manner as in the case of damage that is not material or to terminate this Agreement. Damage as to any one or multiple occurrences is material if the aggregate cost to repair all such damage (plus the cost of rent abatement after the First Closing resulting from the damage to the extent not reimbursable by insurance) exceeds $5,000,000 or if the damage entitles tenants whose Leases cover, in the aggregate, in excess of 100,000 rentable square feet of the Improvements to terminate their Leases.

5.21 Condemnation. Branch will give Regency prompt written notice of the institution or threat of any exercise of the power of eminent domain on any of the Properties. By notice

to Branch given within 20 Business Days after Regency receives notice of proceedings in eminent domain that are contemplated, threatened or instituted by any Government Entity having the power of eminent domain with respect to the Properties and which would have a Material Adverse Effect on the Property in question, Regency may terminate this Agreement or proceed under this Agreement. If Regency elects to proceed under this Agreement, Branch shall assign to the Partnership at the First Closing its entire right, title and interest in and to any condemnation award, and the Partnership shall have the sole right during the pendency of this Agreement to negotiate and otherwise deal with the condemning authority in respect of such matter. If necessary, the First Closing shall be extended to give Regency the full 20 Business Day period to make such election.

5.22 Peartree Agreement. Regency and Branch agree to enter into an agreement in substantially the form set forth in Exhibit prior to the First Closing and to use their reasonable best efforts to obtain the execution of the Peartree investors thereto prior to the First Closing.

ARTICLE 6: REPRESENTATIONS, WARRANTIES AND FURTHER COVENANTS OF BRANCH

Branch hereby represents, warrants and covenants to Regency and the Partnership as of the date of this Agreement and the First Closing as follows. All representations that are made "to Branch's knowledge" means to the actual knowledge of the individuals listed on Schedule
attached hereto without any duty or obligation to inquire as to such matters. Branch represents that such individuals are the appropriate individuals who, in the course of their duties, would normally be aware of material issues and facts affecting the Properties, the other Assets, the Subpartnerships and Branch. All representations and warranties with respect to the Rent Roll are made as of January 20, 1997.

6.1 As to Branch and the Subpartnerships.

6.1.1 Due Incorporation, etc. Branch and each Subpartnership are duly organized, validly existing and in good standing under the Laws of their respective jurisdiction of organization, with all requisite power and authority to own, lease, operate and sell their assets and to carry on their businesses as they are now being conducted. Branch and each Subpartnership are in good standing as a foreign entity authorized to do business in each jurisdiction where they engage in business, except to the extent such violation or failure does not cause or is not reasonably expected to cause a Material Adverse Effect. Neither Branch (except for its interests in the Subpartnerships) nor any Subpartnership (except for the interest of Branch/HOP Associates, L.P. in Roswell Village, Ltd.) holds any interest in any security issued by any other Person. The states in which each Subpartnership is qualified to do business are listed on Schedule . The parties understand that certain Subpartnerships may terminate for tax purposes, pursuant to the applicable tax laws, upon the transfer of Branch's interest therein to the Partnership at the First Closing.

6.1.2 Due Authorization; Consents; No Violations.

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

(b) Except for obtaining the consents set forth on Schedule , no consents, waivers, exemptions or approvals of, or filings or registrations by Branch with, any Government Entity or any other Person not a party to this Agreement are necessary in connection with the execution, delivery and performance by Branch of this Agreement or the consummation of the transactions contemplated hereby except to the extent the failure to obtain the same does not cause or is not reasonably expected to cause a Material Adverse Effect on Branch or the transactions contemplated by this Agreement.

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

6.1.3 Branch Financial Statements.

(a) Schedule contains true, complete and accurate copies of the Branch Financial Statements. The Branch Financial Statements have been prepared in accordance with GAAP and on that basis present fairly the consolidated financial position and assets and Liabilities of the entities included therein (including the Subpartnerships) as going concerns, and the results of the operations of such entities and changes in their financial position for the periods covered thereby and as of the dates thereof. The Branch Financial Statements are in accordance with the books and records of the entities included therein (including the Subpartnerships), do not reflect any transactions which are not bona fide transactions and do not contain any untrue statements of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances in which they were made, not misleading. The Branch Financial Statements make full and adequate disclosure of, and provision for all material Liabilities of the entities included therein (including the Subpartnerships) as of the dates thereof. Except as set forth in the balance sheets included in the Branch Financial Statements, there are no Liabilities (including "off-balance sheet" Liabilities, except for annuity lease commissions), whether due or to become due, which have had or are reasonably likely to have a Material Adverse Effect on Branch or any Subpartnership.

(b) Since the Recent Balance Sheet Date, neither Branch nor any Subpartnership has made any distribution, dividend, or similar payment to any of their partners or Affiliates other than normal distributions consistent with past practice.

6.1.4 No Adverse Change. Except as listed on Schedule and except for the Closing contemplated hereby, since the Recent Balance Sheet Date, there has not been (i) any change in Branch or any Subpartnership which would cause or reasonably be expected to result in a Material Adverse Effect on Branch or the Subpartnership, (ii) any material loss, damage or destruction to any of the Assets or any assets of any Subpartnership (whether or not covered by insurance) or any other event or condition which has had or could have a Material Adverse Effect on Branch or the Subpartnership, (iii) any one indebtedness in excess of $10,000 or total indebtedness in excess of $50,000 incurred by Branch relating to, or taking as security any interest whatsoever in the Assets, (iv) any one indebtedness in excess of $10,000 or total indebtedness in excess of $50,000 incurred by any Subpartnership, (v) any Contract or other transaction entered into by Branch or any Subpartnership relating to, or otherwise affecting in any way, their respective businesses or the operation thereof, other than in the ordinary course of business, (vi) any sale, lease or other transfer or disposition of the Assets or of any assets of any Subpartnership, or any cancellation of any debts or claim of Branch or any Subpartnership, except in the ordinary course of business, and (vii) any changes in the accounting systems, policies or practices of Branch or any Subpartnership. Since the Recent Balance Sheet Date, Branch's and each Subpartnership's business has been conducted in all material respects only in the ordinary course and consistent with past practices.

6.1.5 Title to Assets. Branch has good and marketable title to all of the Assets other than the Real Properties (title to which is as set forth in Section), free and clear of any Lien, other than the Permitted Exceptions and the Assumed Liabilities. At the First Closing, Branch will convey (to the extent not already acquired by the Partnership pursuant to Section) the Assets to the Partnership by deeds, bills of sale, certificates of title and instruments of assignment and transfer effective to vest in the Partnership, and the Partnership shall have good and marketable title, free and clear of all Liens, except the Permitted Exceptions and the Assumed Liabilities.

6.1.6 Condition and Sufficiency of Assets. To Branch's knowledge, all tangible assets constituting the Assets or the tangible assets owned by any Subpartnership have been well maintained during the period of Branch's ownership thereof (including ownership through a Subpartnership), and are in good operating condition and repair (with the exception of normal wear and tear), and are free from defects other than such minor defects as do not interfere with the continued use thereof in the conduct of normal operations or materially adversely affect the resale value thereof.

6.1.7 Leased Real Property. Schedule lists all leases pursuant to which Branch or any Subpartnership holds any real property used in connection with their respective businesses. Branch has delivered to Regency true and complete copies of all such leases, together with copies of all reports of any engineers, environmental consultants or other consultants which, to Branch's knowledge, are in Branch's possession relating to any property subject to such a lease, if any.

6.1.8 Leased Personal Property. Schedule lists all leases pursuant to which Branch or any Subpartnership holds equipment, vehicles, furniture or any other item of personal property used in connection with their respective businesses. All of the personal property leased by Branch or any Subpartnership under such leases is presently utilized by Branch or such Subpartnership in the ordinary course of its business. Branch has made available to Regency true and complete copies of all such leases.

6.1.9 Intellectual Property. Except for the "Branch" name, there are no trade names, trademarks, service marks or copyrights (or any registrations with any Government Entity of, or applications for registration pending with respect to, any of the foregoing) owned or licensed by Branch or any Subpartnership that are material to the conduct of Branch's or any Subpartnership's business.

6.1.10 Existing Mortgage Debt. There are no defaults (and no Branch Affiliate has received any notice of a default asserted by any lender that has not been cured) under the Existing Mortgage Debt, or facts or circumstances which with the passage of time or the giving of notice, or both, would result in such a default, except to the extent such a default does not cause and is not reasonably expected to cause a Material Adverse Effect on Branch or the transactions contemplated by this Agreement. The aggregate principal balance outstanding under the Existing Mortgage Debt as of December 31, 1996 is set forth on Schedule .

6.1.11 Contracts. Except as set forth on Schedule , and except for the Branch Partnership Agreement and the Leases described on the Rent Roll, Schedules (Acquisition Contracts), (Development Contracts), (Existing Mortgage Debt), (Management Contracts), (Repair Contracts), (Service Contracts), (TI Contracts), (Disposition Contracts), (Leased Real Property), (Leased Personal Property), (Insurance Policies), (Leasing Commissions) and (Subpartnership Agreements) include all of the Contracts of the following types (i) to which Branch is a party or is bound and which the Partnership is assuming, (ii) to which any of the Assets are subject or are bound, (iii) to which any Subpartnership is a party or is bound, or (iv) to which any of the assets of any Subpartnership are subject or are bound:

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

(b) all partnership agreements;

(c) any Contract of any kind with any partner of Branch or of any Subpartnership or any Affiliate of such partner;

(d) any Contract with a dealer, broker, leasing agency, advertising agency or other Person engaged in sales, or promotional activities;

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

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

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

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

(i) any Contract involving any restrictions relating to Branch or a Subpartnership with respect to the geographical area of operations or scope or type of business of Branch or a Subpartnership;

(j) any power of attorney or agency agreement or arrangement with any Person pursuant to which such Person is granted the authority to act for or on behalf of Branch or any Subpartnership;

(k) any Contract under which the requirements for performance extend beyond 60 days from the date of this Agreement; and

(l) all other Contracts relating to Branch's or any Subpartnership's business not made in the ordinary course of business which are to be performed at or after the date of this Agreement.

Branch has made available to Regency true and complete copies of the Branch Partnership Agreement and each Contract listed on Schedules (Acquisition Contracts), (Development Contracts), (Existing Mortgage Debt), (Management Contracts), (Repair Contracts), (Service Contracts), (TI Contracts), (Disposition Contracts), (Leased Real Property), (Leased Personal Property), (Insurance Policies), (Leasing Commissions) and (Subpartnership Agreements) and a written description of each oral arrangement so listed. All such Contracts are duly authorized and enforceable in accordance with their terms by Branch or the relevant Branch Affiliate, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization, similar laws or court decisions from time to time in effect that affect creditors' rights generally and by legal and equitable limitations on the availability of specific remedies, and except to the extent such unenforceability does not cause or is not reasonably expected to cause a Material Adverse Effect. Schedule sets forth each Service Contract that imposes a termination fee on Branch or any Subpartnership for the termination thereof prior to its stated term, together with the amount of the required termination payment and the other party thereto, and also lists any Service Contract for the provision of services to any Property as to which Branch or any Subpartnership receives a mark-up or rebills tenants in its own name.

6.1.12 Management Contracts. Except as disclosed on Schedule and as described in the Lundeen Letter Agreement, to Branch's knowledge, no other party to a Management Contract has rights of set-off or counterclaim against Branch under such Management Contract, and Branch is not in default thereunder nor is Branch aware of any facts or circumstances which, with notice or passage of time, or both, would constitute a default by Branch under any Management Contract, except to the extent such default does not cause and is not reasonably expected to cause a Material Adverse Effect on Branch. Except as set forth on Schedule and as described in the Lundeen Letter Agreement, Branch has not received notice of termination of any Management Contract from any other party thereto, nor is Branch aware that any other party presently intends to terminate, or contemplates terminating a Management Contract.

6.1.13 Permits. Branch and each Subpartnership hold all of the permits, certificates, franchises, rights, variances, interim permits, approvals, authorizations or consents, whether federal, state, local or foreign, currently necessary for the lawful operation of Branch's

or any Subpartnership's business, except for those the absence of which would not cause and would not be reasonably expected to cause a Material Adverse Effect on Branch or the Subpartnership.

6.1.14 Insurance Policies. Schedule is a list of all casualty, liability, business interruption and other insurance policies insuring against loss of the assets held by Branch and each Subpartnership. All such insurance policies are in full force and effect.

6.1.15 Tax Matters.

(a) No Branch Tax is Payable by the Partnership. There are no material unpaid Taxes arising from the operation of Branch's or any Subpartnership's business (or as a result of Branch or any Subpartnership succeeding to the Liabilities of any other Person by operation of law pursuant to a purchase of assets or stock, merger, consolidation or similar transaction) during any period prior to the First Closing Date for which the Partnership will become liable or which will become a Lien against any of the Assets following the First Closing other than Taxes which are not yet delinquent that are accrued on the Branch Financial Statements.

(b) Tax Audits. Except as set forth on Schedule , neither Branch nor any Subpartnership has received from the IRS or from the Tax authorities of any state, county, local or other jurisdiction (i) any notice of underpayment of Taxes or other deficiency which has not been paid, (ii) any objection to any Tax return or report filed by Branch or any Subpartnership, nor (iii) any notice of audit with respect to any Tax, nor is Branch or any Subpartnership currently the subject of any such audit. There are no outstanding agreements or waivers extending the statutory period of limitations applicable to any Tax return or report filed by either Branch or any Subpartnership.

(c) Foreign Person. Branch is not a "foreign person" within the meaning of Section 1445(f)(3) of the Code, and Branch will furnish to the Partnership, if requested by the Partnership, an affidavit in form satisfactory to the Partnership confirming the same.

(d) Leases. To Branch's knowledge, all of the services provided by Branch (or any other Person acting as lessor or landlord for any of the Assets) to the tenants of the Properties (including the real properties owned by the Subpartnerships, the Development Properties and the Acquisition Properties) under their respective Leases are customary in that geographic area and are not primarily for the convenience of the tenant. To Branch's knowledge, no formula for determining percentage rents under any lease with a tenant of a Property (including any real property owned by the Subpartnerships, the Development Properties and the Acquisition Properties) has the effect of basing such rent on the income (as opposed to revenues) or profits of any Person. To Branch's knowledge, any rent payable by tenants of the Properties (including the real properties owned by the Subpartnerships, the Development Properties and the Acquisition Properties) attributable to personal property does not exceed 15%

of the total rent under the relevant Lease attributable to both real and personal property (determined in accordance with Section 856(d)(1)(C) of the Code).

(e) Partnership Status. Each Subpartnership is qualified, and since the date of its formation has been qualified, to be treated as a partnership for federal income tax purposes.

(f) Other. Except as set forth on Schedule , since January 1, 1989, no Subpartnership has (i) applied for any Tax ruling, or (ii) entered into a closing agreement with any Taxing authority.

6.1.16 Distribution and Payments. Assuming that OCP and a majority in interest of the Branch Limited Partners consent in writing to the transactions contemplated by this Agreement, the allocation of the consideration to be received in exchange for the Assets among all of Branch's partners as described in Article 2 of this Agreement (including Schedule 2.2) or set forth elsewhere in the Transaction Documents will not violate (or when any such Transaction Document is executed will not violate) the Branch Partnership Agreement, and neither Regency nor the Partnership shall have any Liability as to any such matters. Except as set forth on Schedule , no other Person holds any options, warrants, securities or other rights entitling, or which if exercised would entitle, them to receive Units.

6.1.17 Employee Benefit Plans.

(a) Disclosure. Schedule identifies each employee benefit plan, fund, program, contract, policy or arrangement covering or benefitting employees of Branch, including, but not limited to, all "employee benefit plans," as defined in Section 3(3) of ERISA, and specifically including each retirement, pension, profit sharing, stock bonus, savings, thrift, bonus, medical, health, hospitalization, welfare, life insurance, disability, accident insurance, group insurance, sick pay, holiday and vacation programs, executive or deferred compensation plans or contracts, stock purchase, stock option or stock appreciation rights plans or arrangements, employment and consulting contracts, and severance agreements or plans (collectively, the "Employee Benefit Plans"). With respect to each of the Employee Benefit Plans:

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

(2) No condition or event currently exists or currently is expected to occur that could subject, directly or indirectly, the Partnership or the Assets to any Liability or the imposition of any Lien;

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

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

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

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

6.1.18 Other Employee Matters. Branch has and currently is conducting its business in full compliance with all Laws relating to employment and employment practices, terms and conditions of employment, wages and hours and nondiscrimination in employment, except to the extent failure to do so does not cause or is not reasonably expected to cause a Material Adverse Effect. No Subpartnership other than Roswell Village, Ltd., has ever employed any Person, and to Branch's knowledge, Roswell Village, Ltd. has never employed any Person.

6.1.19 No Defaults or Violations. Except as disclosed on Schedule and except to the extent any default or non-compliance does not cause or is not reasonably expected to cause a Material Adverse Effect as to Branch or a Subpartnership: (a) neither Branch nor any Subpartnership has materially breached any provision of, nor are they in material default under the terms of, any Contract to which they are a party or under which they have any rights or by which they are bound or which relates to their respective businesses, the Assets or the assets of any Subpartnership and, to Branch's knowledge, no other party to any such Contract has breached such Contract or is in default thereunder (nor has Branch or any Subpartnership waived any such default) in any material respect, and no event has occurred and no condition or state of facts exists which with the passage of time or the giving of notice, or both, would constitute such a default or breach by Branch or any Subpartnership, or to Branch's knowledge, by any such other party, or give right to an automatic termination or the right of discretionary termination thereof; (b) Branch has complied in all material respects with its obligations, and has not breached any of its duties, under the respective limited partnership agreements of the Subpartnerships; (c) to Branch's knowledge, each of the Assets and each Subpartnership is in material compliance with, and no material violation exists under, any Law or Order applicable in any way to Branch, any of the Assets or any Subpartnership; and (d) no notice from any Government Entity has been received by Branch or any Subpartnership claiming any violation of any Law (including any building, zoning or other ordinance) or Order, or requiring any work, construction or expenditure.

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

6.1.21 Brokers. Neither Regency, the Partnership nor any Affiliate of either has or shall have any Liability or otherwise suffer or incur any loss as a result of or in connection with any brokerage or finder's fee or other commission of any Person retained by Branch in connection with the transactions contemplated by this Agreement or for any other transaction involving the Properties, except for the leasing commissions described on Schedule .

6.1.22 Insolvency. There has not been filed by nor has Branch or any Subpartnership received notice of a petition in bankruptcy or any other insolvency proceeding, or for the reorganization or appointment of a receiver or trustee, nor has Branch or any Subpartnership made an assignment for the benefit of creditors, nor filed a petition for arrangement, nor entered into an arrangement with creditors, nor admitted in writing its inability to pay debts as they become due.

6.1.23 Branch Closing Agreements. Branch has not made any claim against any Transferor Entity (as defined in the Branch Partnership Agreement) for a breach by a Transferor Entity of a representation, warranty or covenant made by it in any Closing Agreement (as defined in the Branch Partnership Agreement) and to Branch's knowledge, there is no basis for any such claim.

6.1.24 As to the Subpartnerships Only. Schedule contains a true, complete and accurate list of the respective limited partnership agreements (including, without limitation, the execution date of each original agreement and each amendment thereto) for the Subpartnerships. Branch has made available to Regency true and complete copies of all such limited partnership agreements, together with any and all amendments thereto. Each equity owner of the respective Subpartnerships is set forth on Schedule , and, to Branch's knowledge, no other Person holds, or has held (other than the interest of Noro in Roswell Village, Ltd. acquired by Branch/HOP Associates, L.P., and the interests acquired by Branch as part of its formation) any type of equity interest, including, without limitation, options, warrants, and securities, or other rights in the Subpartnerships. Except for the Properties described on Schedule and for the properties described on Schedule , no Subpartnership has ever owned, or is a party to an outstanding contract for the purchase of, real property. Except as disclosed on Schedule , no Subpartnership has succeeded to the Liabilities of any other Person by operation of Law pursuant to a purchase of assets or stock, merger, consolidation or similar transaction.

6.2 As to the Properties.

6.2.1 Title. Except for the "Hastings Property" and a portion of Briarcliff Village that are ground leasehold interests held by Branch as a tenant, Branch or a Subpartnership owns all right, title, and interest to each Property, in fee simple, free and clear of all Liens and encroachments, and free and clear of all tenancies and adverse or other rights of possession, subject only to the Permitted Exceptions. To Branch's knowledge, each Property constitutes a separate and legally subdivided parcel and a separate tax parcel.

6.2.2 Purchase Agreement. No Branch Property or any Subpartnership's interest in any Property is subject to any outstanding agreements of sale, options or other rights of third parties to acquire any interest therein, except for the Disposition Properties, the Permitted Exceptions and this Agreement. Neither Branch, nor any Subpartnership has any outstanding options, contracts or rights of first refusal to purchase any real or personal property except for the Acquisition Contracts and except as described on Schedule .

6.2.3 Compliance with Laws; Zoning. To Branch's knowledge, each Property, and all present uses and operations thereof, complies with all applicable zoning (except for the proposed expansion of Sandy Springs Village, which is subject to rezoning), land-use, building, fire, health, labor, safety, subdivision and other Laws (including the Americans with Disabilities Act), all Orders, and all deed or other title covenants and restrictions applicable thereto, except to the extent the failure to do so does not cause and is not reasonably expected to cause a Material Adverse Effect on such Property. Neither Branch nor any Subpartnership has made any application or agreement with any Government Entity or other Person with respect to any variance or exception from zoning, building or other Laws that has not been disclosed to Regency in writing. To Branch's knowledge, the use of each Property is consistent with any land use designation for such Property under any comprehensive plan or plans applicable thereto, and any concurrency requirements have been satisfied.

6.2.4 Accuracy of Documents and Information. Branch has delivered or made available to Regency true and complete copies of all engineering reports, inspection reports, maintenance plans and other documents relating to each Property which, to Branch's knowledge, are in the possession or control of Branch or any Subpartnership. The documents and information delivered to the Partnership at the First Closing will be all of the documents and information required or relevant, to Branch's knowledge, to the condition and operation of each Property in any material respect, will be true and correct copies or originals, and will be in full force and effect, without default by Branch or any Subpartnership, as applicable, or, to Branch's knowledge, by any other party thereto, and without any right of set-off, except as disclosed on Schedule and except to the extent such default, set-off, or other fact or circumstance does not cause and is not reasonably expected to cause a Material Adverse Effect on the applicable Property.

6.2.5 Fees; Assessments; Condemnation. Except as disclosed on the Development Budget and Schedule, there are no outstanding and unpaid impact fees or other

charges in connection with any development of or otherwise related to any Property or, any part thereof; there are not pending or, to Branch's knowledge, threatened any special assessments or obligations for roads and other improvements with respect to any Property or any part thereof; and, except for road widenings described on Schedule which do not or are not expected to have a Material Adverse Effect on such Property, there is not pending or to Branch's knowledge, threatened any condemnation, expropriation, requisition (temporary or permanent) or similar proceeding with respect to any Property or any part thereof (including access thereto or any easement benefiting the Property).

6.2.6 Physical Condition. To Branch's knowledge, there are no violations of any applicable Laws, Orders or insurance underwriting guidelines relating to safety, structural, mechanical, or other physical systems or portions of any Property, except to the extent such violation does not cause and is not reasonably expected to cause a Material Adverse Effect on the applicable Property. To Branch's knowledge, there are no soil or subsurface conditions located on any Property which would materially impair the useability of any Property for continuation of the current use or the contemplated redevelopment.

6.2.7 Utilities; Access. To Branch's knowledge, all water, sewer, gas, electric, telephone, and storm water and drainage facilities and all other utilities required by Law and in the normal operation of each Property are available and (except as shown on the Survey or the Title Insurance Commitment) are installed across public property or valid easements to the property lines of such Property, are all connected with valid permits, and are adequate to service such Property for their current use and to permit full compliance with all requirements of Law, except to the extent such failure does not cause and is not reasonably expected to cause a Material Adverse Effect on the applicable Property. All permits and connection fees which are currently due and payable are fully paid or accrued, and there are no such amounts which are deferred or payable under future installments. To Branch's knowledge, all points of access, both pedestrian and vehicular, to and from public roads currently used at each Property are adequate for the current use and operation of such Property in Branch's reasonable judgment and in accordance with all Laws, except to the extent such failure does not cause and is not reasonably expected to cause a Material Adverse Effect on such Property, and to Branch's knowledge, there is no existing fact or condition which would currently result, or with the passage of time or the giving of notice, or both, would result, in the termination of such utility services or of such access.

6.2.8 Permits. Except with regard to environmental matters which are addressed exclusively by Sections and below, to Branch's knowledge, all licenses, building, and other permits, certificates of use and occupancy, easements, and rights-of-way, including proof of dedication, have been obtained as required by all Government Entities having jurisdiction over any Property in connection with any construction, renovations, expansions, or other improvements at such Property and in connection with the present use and operation of such Property, except to the extent such failure does not cause and is not reasonably expected to cause a Material Adverse Effect on the applicable Property.

6.2.9 No Default. Neither Branch nor any Subpartnership, if applicable, is in default with respect to any of its Contracts or Liabilities pertaining to any Property (including, without limitation, all Leases, Service Contracts, the Existing Mortgage Debt or other instruments related thereto), nor are there any facts or circumstances which with the passage of time or the giving of notice, or both, would constitute or result in any such default, except to the extent such default does not cause and is not reasonably expected to cause a Material Adverse Effect on the applicable Property; and neither this Agreement, nor anything provided to be done hereunder, including, without limitation, the transfer, assignment, and sale of the Properties, violates or shall violate any written or oral Contract to which Branch or such Subpartnership is a party on the date hereof or which affects any Property or any part thereof on the date hereof, except to the extent such violation does not cause and is not reasonably expected to cause a Material Adverse Effect on the applicable Property.

6.2.10 Use of Property. Branch has not misrepresented any fact which would prevent the Partnership from operating each Property after the First Closing in the manner in which such Property is currently being used and operated in all material respects.

6.2.11 Contract Payments. At the time of the First Closing, any and all improvements to each Property and any services provided by any Person and related to such Property (the nonpayment of which could result in the imposition of a Lien upon such Property) will have been fully paid for, except for the Assumed Liabilities.

6.2.12 Environmental Matters-Properties. The Properties have been the subject of Environmental Assessments by environmental consultants to Branch, its predecessors or Regency, which consultants prepared reports concerning the environmental condition of the Property. A list of such Environmental Assessment Reports obtained by Branch or its predecessors is attached as Schedule (the Environmental Assessment Reports described on Schedule and any reports, studies, tests, and analysis obtained by Regency as of the date hereof are herein collectively referred to as the "Environmental Assessments"), which disclose that tenants and former occupants of some of the Properties have stored and used Materials of Environmental Concern on the Property, and soil and groundwater contamination has been discovered at some Properties. The parties acknowledge that neither Branch nor any Subpartnership possesses any expertise with regard to Materials of Environmental Concern, and accordingly, the following representations and warranties are based exclusively on the Environmental Reports.

(a) Except for those matters set forth in the Environmental Assessments, to Branch's knowledge, neither Branch nor any Subpartnership or any Property are presently in ongoing violation of any applicable Environmental Law which could subject the owner or operator to any fine or require any remedial action;

(b) Except for those matters set forth in the Environmental Assessments, to Branch's knowledge, neither Branch nor any Subpartnership have stored or used any Materials of Environmental Concern at any Property;

(c) To Branch's knowledge, neither Branch nor any Subpartnership have received any notice, complaint, warning letter or notice of violation from any Government Authority or any other person that Branch or any Subpartnership is in violation of any Environmental Law or environmental permit or that they are responsible (or potentially responsible) for the assessment or remediation of any release of any Material of Environmental Concern at, on or beneath any Property;

(d) To Branch's knowledge, neither Branch nor any Subpartnership are the subject of any actual or threatened federal, state, local or private litigation involving a claim of liability or a demand for damages arising out of violation of any Environmental Law or from the release or threatened release of any Material of Environmental Concern at or beneath any Property;

(e) To Branch's knowledge, Branch and the Subpartnerships have timely filed all reports required by any applicable Environmental Law and have generated and maintained all data, documentation, and records required under any Environmental Law;

(f) Except for those matters set forth in the Environmental Assessments and on Schedule , Branch has no knowledge of any release or threatened release of a Material of Environmental Concern, the presence of any current or former drycleaning facility, the presence of any current or former storage tanks, the presence of any asbestos containing material, or the presence of any condition or circumstance which could subject the owner or operator of any Property to liability or claims under the Environmental Laws or any private cause of action arising out of an environmental condition;

(g) Branch has no knowledge of any existing or imminent restriction on the ownership, occupancy, use, or transferability of any Property arising out of any known environmental condition or violation of any Environmental Law;

(h) Except as set forth in the Environmental Assessments and on Schedule , to Branch's knowledge, there are no environmental conditions present at any Property which pose a risk to the environment or the health or safety of any Person;

6.2.13 Environmental Matters - Previously Owned Properties. With respect to each property previously, but not currently, owned by any Subpartnership ("Previously Owned Property"), Branch makes the representations and warranties set forth in Section as if such representations and warranties were made as of the last day that such Previously Owned Property was owned by any Subpartnership (and in the case of Roswell Village, Ltd., such representations and warranties cover only the period during which Branch/HOP Associates, L.P. was the general partner thereof).

6.2.14 Structural Defects. Other than as disclosed in the physical reports listed on Schedule and the Capital Expenditure Budget and Schedule, to Branch's knowledge, no Property contains any defects in structural, mechanical, or physical portions

(including roofs) at, on, or of such Property, except to the extent any such defect does not cause and is not reasonably expected to cause a Material Adverse Effect on the applicable Property.

6.2.15 No Obligations. There are no outstanding Contracts or Liabilities incurred by Branch relating to any Property which will be assumed by the Partnership or incurred by any Subpartnership, except for (i) the Leases, (ii) the Permitted Exceptions, (iii) the Service Contracts, (iv) the Work Contracts, (v) the Existing Mortgage Debt, (vi) the Acquisition Contracts, (vii) the Assumed Liabilities, and (viii) this Agreement.

6.2.16 Rent Roll. The Rent Roll is true and correct in all material respects.

6.2.17 Leases. Branch has made available to Regency true, correct and complete copies of all Leases, including all modifications, renewals and extensions, together with any guaranties and any other agreements relating to the tenancy evidenced by any Lease. There are no inducements, concessions, consideration or side agreements in favor of any tenant not expressly stated in the Leases.

6.2.18 Non-Certificate Leases. With respect to the Leases for which the Partnership has not received completed estoppel certificates by the First Closing (the "Non-Certificate Leases"), except to the extent (i) described on the Rent Roll, (ii) described on the respective form of estoppel certificate sent to, but not received from, the tenants under the Non-Certificate Leases (true and correct copies of such forms of estoppel certificates having been delivered to Regency) and (iii) any failure to be true and correct does not cause and is not reasonably expected to cause a Material Adverse Effect on the applicable Property: (A) the tenants under the Non-Certificate Leases presently occupy and are open for business in their premises; (B) there are no material rents or other charges which have been prepaid for more than the current month, no security deposits, no tenant rights to interest on security deposits, and no additional free rent period under the Non-Certificate Leases; (C) the Non-Certificate Leases do not include, and the tenants thereunder do not have, exclusive use rights; (D) to Branch's knowledge, the tenants have no rights of set-off or counterclaim against the landlord under the Non-Certificate Leases, and neither Branch nor any Subpartnership, as applicable, has received any notice of any claim with respect thereto; (E) the landlord is not in default under the Non-Certificate Leases and is not aware of any facts or circumstances which with the passage of time or the giving of notice, or both, would constitute a default by the landlord under the Non-Certificate Leases; and (F) except as set forth on Schedule , to Branch's knowledge, the tenants under the Non-Certificate Leases are not in default thereunder and no facts or circumstances exist which with the passage of time or the giving of notice, or both, would constitute a default by the tenants under the Non-Certificate Leases, and the landlord has not received any notice of any claim with respect thereto.

6.2.19 Development Properties. Schedule contains the budget and development or redevelopment schedule therefor prepared by or for Branch or the Subpartnerships, as applicable, for each of the Development Properties (collectively, the

"Development Budget and Schedule"). Except as set forth on Schedule , to Branch's knowledge, each Development Property is zoned for the lawful development and/or redevelopment thereon (except for the proposed expansion of Sandy Springs Village, which is subject to rezoning), and Branch or the Subpartnerships, as applicable, have obtained all permits, licenses, consents and authorizations required for the current stage of development or redevelopment thereon, the absence of which would have a Material Adverse Effect on the applicable Property. Except as set forth on Schedule , to Branch's knowledge, there are no material impediments to or constraints on the development or redevelopment of any Development Property, in all material respects within the time frame and for the cost set forth in the Development Budget and Schedule applicable thereto. In the case of each Development Property, the development or redevelopment of which has commenced, to Branch's knowledge, the costs and expenses incurred in connection with such Development Property and the progress thereof are consistent and in compliance in all material respects with all aspects of the Development Budget and Schedule applicable thereto. To Branch's knowledge, Branch has made available to Regency all feasibility studies, soil tests, due diligence reports and other studies, test or reports performed by or for Branch or the Subpartnerships, as applicable, or otherwise in the possession of Branch, which relate to the Development Properties.

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

6.2.21 Work Contracts. To Branch's knowledge, the Work Contracts are in full force and effect, no party is in default thereunder or under any construction loans applicable thereto, nor are there any facts or circumstances which with the passage of time or the giving of notice, or both, would result in any such default, the absence of which would not have a Material Adverse Effect on the applicable Property. The progress and remaining expenditures under the Work Contracts are consistent with the Development Budget and Schedule, the TI Budget and Schedule and the other budgets and projections referred to in Sections and , except to the extent such failure does not cause and is not reasonably expected to cause a Material Adverse Effect on the applicable Property. To Branch's knowledge, any remaining work under the Work Contracts to be performed after the First Closing will not exceed the amounts budgeted therefor on the foregoing schedules, except to the extent such failure does not cause and is not reasonably expected to cause a Material Adverse Effect on the applicable Property. To Branch's knowledge, the work remaining under the Work Contracts will be sufficient to complete the respective projects to which they relate, without change orders, so as to comply with existing development obligations of Branch or any Subpartnership (including, without limitation, obligations under any letters of intent to lease), obligations for tenant improvements under Leases or for repairs or other necessary work, except to the extent such failure does not cause and is not reasonably expected to cause a Material Adverse Effect on the applicable Property.

6.2.22 Acquisition Properties. To Branch's knowledge, each Acquisition Contract is enforceable by Branch and neither Branch, nor, to Branch's knowledge, any other party thereto, is in default under any Acquisition Contract, the absence of which would not have a Material Adverse Effect on the applicable Property. Without limiting the foregoing, except for matters revealed in the environmental reports, copies of which have been provided to Regency or as otherwise disclosed to Regency in writing, Branch has no knowledge that the contract seller is in breach of any representations and warranties made by it in any Acquisition Contract. The Acquisition Contracts are assignable to the Partnership regardless of whether the general partner of the Partnership at the time of the assignment is an Affiliate of Branch or of Regency.

6.3 Accredited Investor Status. Except as set forth on Schedule , to Branch's knowledge based upon investor questionnaires received at the time of Branch's formation, all Branch's partners were at such time "accredited investors" as defined by the SEC, and nothing has come to Branch's attention since that time to indicate any of such Persons no longer is an "accredited investor." The representation and warranty in this Section shall not survive the First Closing.

6.4 Accuracy of Statements. To Branch's knowledge, neither this Agreement nor any document, instrument, schedule, exhibit, statement, list, certificate or other information furnished or to be furnished by or on behalf of Branch to Regency or the Partnership in connection with this Agreement or any of the transactions contemplated hereby contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein, in light of the circumstances in which they are made, not misleading.

6.5 Limit on Representations. Except for the express representations and warranties of Branch set forth in this Agreement, the Partnership and Regency acknowledge and agree that the Assets are being contributed to the Partnership "as is, where is, and with all faults" without any other representation or warranty by Branch or any other individual or entity, and neither Branch nor any other individual or entity has made any other express or implied representation or warranty with respect to the Assets whatsoever, and except for the representations and warranties expressly set forth in this Agreement, the Partnership and Regency acknowledge that the Partnership accepts the Assets without relying upon any other such representation or warranty whatsoever by Branch or any other person or entity, and based solely upon the Partnership's own inspections, investigations, and analysis of the Assets.

6.6 Limitation on Remedies. The representations and warranties set forth in this Article shall be true and correct in all material respects on and as of the date of the First Closing with the same force and effect as if made at that time; provided, however, in the event that any of such representations and warranties is proved to have been false on or before the First Closing as a result of any change of circumstances or knowledge obtained by Branch and such misrepresentation has a Material Adverse Effect and is disclosed to Regency in writing, then Regency's sole and exclusive remedies hereunder shall be to (i) terminate this Agreement

pursuant to Article (including Section , if applicable), or (ii) waive such misrepresentation and close with no liability to Branch for such misrepresentation.

ARTICLE 7: REPRESENTATIONS, WARRANTIES AND FURTHER COVENANTS OF BRANCH REALTY

Branch Realty hereby represents, warrants and covenants to Regency and the Partnership as of the date of this Agreement and the First Closing as follows.

7.1 Due Organization. Branch Realty is duly organized, validly existing and in good standing under the Laws of the State of Georgia, with all requisite power and authority to own, lease, operate and sell its assets and to carry on its businesses as it is now being conducted. Branch Realty is in good standing as a foreign entity authorized to do business in each jurisdiction where it engages in business, except to the extent such violation or failure does not cause or is not reasonably expected to have a material adverse effect on Branch Realty's assets or the financial condition, results of operations, business or prospects of Branch Realty taken as a whole.

7.2 Due Authorization; Consents; No Violations.

7.2.1 Branch Realty has full power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance by Branch Realty of this Agreement have been, and the Transaction Documents to be executed and delivered by it pursuant to this Agreement shall be, duly and validly approved by Branch Realty, and no other proceeding on the part of Branch Realty is necessary to authorize this Agreement and the transactions contemplated hereby, other than obtaining the consents set forth on Schedule 6.1.2(b). This Agreement has been duly and validly executed and delivered by Branch Realty and, assuming due authorization (including the receipt of the consents set forth on Schedule 6.1.2(b) and Schedule 8.2(b)), execution and delivery of this Agreement by Regency, TRG and Branch, this Agreement constitutes, and the Transaction Documents to be executed and delivered by Branch Realty pursuant to this Agreement when executed will constitute, valid and binding obligations of Branch Realty enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization, similar laws or court decisions from time to time in effect that affect creditors' rights generally and by legal and equitable limitations on the availability of specific remedies.

7.2.2 Except as set forth on Schedule , no consents, waivers, exemptions or approvals of, or filings or registrations by Branch Realty with, any Government Entity or any other Person not a party to this Agreement are necessary in connection with the execution, delivery and performance by Branch Realty of this Agreement or the consummation of the transactions contemplated hereby, except to the extent the failure to obtain the same does not cause or is not expected to cause a Material Adverse Effect on Branch or the transactions contemplated by this Agreement.

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

7.3 Shareholders. The Branch Principals are the only equity security holders of Branch Realty, and no other Person holds any options, warrants, securities or other rights to subscribe for or purchase equity in Branch Realty.

7.4 Tax Matters. Branch Realty is not the result of a merger, consolidation or reorganization with any other entity. Branch Realty currently has no current or accumulated "earnings and profits" as that term is defined under the Code.

7.5 Limitation on Remedies. The representations and warranties set forth in this Article shall be true and correct in all material respects on and as of the date of the First Closing with the same force and effect as if made at that time; provided, however, in the event that any of such representations and warranties is proved to be false on or before the First Closing as a result of any change of circumstances or knowledge obtained by Branch Realty and such misrepresentation has a Material Adverse Effect and is disclosed to Regency in writing, then Regency's sole and exclusive remedies hereunder shall be to (i) terminate this Agreement pursuant to Article (including Section , if applicable), or (ii) waive such misrepresentation and close with no liability to Branch Realty for such misrepresentation.

ARTICLE 8: REPRESENTATIONS, WARRANTIES AND FURTHER COVENANTS OF REGENCY

Regency hereby represents, warrants and covenants to Branch as of the date of this Agreement and the First Closing as follows. All representations that are made "to Regency's knowledge" means to the actual knowledge of the individuals listed on Schedule attached hereto without any duty or obligation to inquire as to such matters. Regency represents that such individuals are the appropriate individuals who, in the course of their duties, would normally be aware of material issues and facts affecting Regency.

8.1 Due Incorporation, etc.

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

(b) Regency owns all of the outstanding capital stock of its subsidiaries listed on Exhibit 21 of Regency's Form 10-K annual report filed with the SEC for the fiscal year ended December 31, 1995, except that Regency owns 100% of the outstanding preferred stock and 5% of the outstanding common stock of Regency Realty Group, Inc. Except as set forth on Schedule (b) and except for its interests in its subsidiaries, Regency does not hold any interest in any security issued by any other Person.

8.2 Due Authorization; Consents; No Violations.

(a) Regency has full power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance by Regency of this Agreement have been, and the Transaction Documents to be executed and delivered by it pursuant to this Agreement shall be, duly and validly approved by Regency, and no other proceeding on the part of Regency is necessary to authorize this Agreement and the transactions contemplated hereby (other than (i) obtaining the approval of Regency's shareholders referred to in Section , which is required under the rules of the New York Stock Exchange in order for certain Shares issuable pursuant to the transactions contemplated by this Agreement to be listed on such exchange, (ii) amending Regency's Articles of Incorporation in the form attached as Exhibit and (iii) obtaining the consents set forth on Schedule (b)). This Agreement has been duly and validly executed and delivered by Regency and, assuming due authorization (including the consummation of the matters described in the foregoing sentence), execution and delivery of this Agreement by TRG, Branch and Branch Realty, this Agreement constitutes, and the Transaction Documents to be executed and delivered by Regency pursuant to this Agreement when executed will constitute, valid and binding obligations of Regency enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization, similar laws or court decisions from time to time in effect that affect creditors' rights generally and by legal and equitable limitations on the availability of specific remedies.

(b) Except as set forth on Schedule (b) and except for an application to list the Shares issuable pursuant to the transactions contemplated by this Agreement on the New York Stock Exchange (which such exchange will not accept until the time of the meeting of the Regency shareholders referred to in Section), no consents, waivers, exemptions or approvals of, or filings or registrations by Regency with, any Government Entity or any other Person not a party to this Agreement are necessary in connection with the execution, delivery

and performance by Regency of this Agreement or the consummation of the transactions contemplated hereby, except to the extent the failure to obtain the same does not cause or is not expected to cause a Material Adverse Effect on Regency or the transactions contemplated by this Agreement.

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

8.3 Capitalization.

8.3.1 The authorized capital stock of Regency consists of (i) 25,000,000 shares of Common Stock, (ii) 10,000,000 shares of Special Common Stock, $0.01 par value, and (iii) 10,000,000 shares of preferred stock, $0.01 par value. As of December 31, 1996, there were 10,614,905 shares of Common Stock issued and outstanding, and 2,500,000 shares of Class B Non-voting Common Stock, par value $0.01 issued and outstanding.

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

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

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

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

8.4 Valid Issuance of Shares. The Reorganization Shares which are being issued hereunder, when issued and delivered in accordance with the terms hereof for the consideration expressed herein, will be duly and validly issued, fully paid and nonassessable and, based upon the representations of Branch in this Agreement, will be issued in compliance with all applicable federal and state securities laws. The Shares issuable upon the exercise of the Redemption Rights will be duly and validly reserved for such issuance and will be duly and validly issued, fully paid and nonassessable, and will be issued in compliance with all applicable federal and state securities laws, assuming that (i) the Amendment to the Articles of Incorporation in the form attached as Exhibit 5.4 is adopted by Regency's shareholders, (ii) Security Capital signs the Consent and Waiver Agreement in the form constituting part of Exhibit C, (iii) the percentage obtained by dividing (x) the number of Shares issued at the same time to Persons who are Non-U.S. Persons (as defined in the Partnership Agreement) pursuant to the exercise of Redemption Rights by (y) the number of Shares issued to all Persons pursuant to the simultaneous exercise of Redemption Rights is equal to or less than fifty percent (50%) and (iv) no more than an aggregate of 100,000 Shares/Units will be issued at the Third Party Earn-Out Closings and as Adjustment Units (as defined in Section)

8.5 Regency Exchange Act Reports.

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

8.5.2 The financial statements of Regency included in the Regency Exchange Act Reports comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with GAAP applied on a consistent basis during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes or may be condensed or summary statements) and on that basis present fairly in all material respects the consolidated financial position and assets and Liabilities of the entities

included therein (including the Subsidiaries) as going concerns, and the results of the operations of such entities and changes in their financial position for the periods covered thereby and as of the dates thereof. Such financial statements are in accordance with the books and records of the entities included therein (including the Subsidiaries), do not reflect any transactions which are not bona fide transactions and do not contain any untrue statements of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances in which they were made, not misleading. Such financial statements make full and adequate disclosure of, and provision for all material Liabilities of the entities included therein (including Regency's subsidiaries) as of the dates thereof. Except as set forth in the balance sheets included in the Regency Exchange Act Reports, there are no Liabilities (including "off-balance sheet" Liabilities), whether due or to become due, which have had or are reasonably likely to have a Material Adverse Effect.

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

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

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

applicable in any way to Regency; and (c) no notice from any Government Entity has been received by Regency claiming any violation of any Law (including any building, zone or other ordinance) or Order, or requiring any work, construction or expenditure.

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

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

8.11 Environmental Matters. For purposes of this Section , the term "Regency" means Regency and its Affiliates, and the term "Regency Property" means a property owned or leased by Regency or its Affiliates and any property in which Regency or its Affiliates has an interest. The parties acknowledge that Regency does not possess any expertise with regard to Materials of Environmental Concern and, accordingly, the following representations and warranties are based exclusively on reports prepared by environmental consultants to Regency.

(a) Except for those matters described in Schedule with respect to Bolton Plaza, Regency is and each Regency Property is not presently in violation of any applicable Environmental Law;

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

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

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

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

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

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

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

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

Regency's knowledge, threatened. There is no Tax Lien, whether imposed by any federal, state, local or other tax authority outstanding against the assets, properties or business of Regency. There are no applicable Taxes, fees or other governmental charges payable by Regency in connection with the execution and delivery of this Agreement.

8.13 REIT Status. Regency qualifies as a REIT under the Code and to Regency's knowledge, is a "domestically-controlled" REIT within the meaning of Code Section 897(h)(4)(B). Newco will be a "qualified REIT subsidiary" within the meaning of Code Section 856(i).

8.14 Employees: ERISA. Regency has good relationships with its employees and has not had and does not expect any substantial labor problems. Regency does not have any knowledge as to any intentions of any key employee or any group of employees to leave the employ of Regency. Other than as disclosed in the Regency Exchange Act Reports and materials provided to Branch, Regency has not established, sponsored, maintained, made any contributions to or been obligated by law to establish, maintain, sponsor or make any contributions to any "employee pension benefit plan" or "employee welfare benefit plan" (as such terms are defined in ERISA), including, without limitation, any "multi-employer plan." Regency has complied in all material respects with all applicable Laws relating to the employment of labor, including provisions relating to wages, hours, equal opportunity, collective bargaining and the payment of Social Security and other Taxes, and with ERISA.

8.15 Accuracy of Statements. To Regency's knowledge, neither this Agreement nor any document, instrument, schedule, exhibit, statement, list, certificate or other information furnished or to be furnished by or on behalf of Regency to Branch in connection with this Agreement or any of the transactions contemplated hereby contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein, in light of the circumstances in which they are made, not misleading.

8.16 Limitation on Remedies. The representations and warranties set forth in this Article shall be true and correct in all material respects on and as of the date of the First Closing with the same force and effect as if made at that time; provided, however, in the event that any of such representations and warranties is proved to be false on or before the First Closing as a result of any change of circumstances or knowledge obtained by Regency and such misrepresentation has a Material Adverse Effect and is disclosed to Branch in writing, then Branch's sole and exclusive remedies hereunder shall be to (i) terminate this Agreement pursuant to Article (including Section , if applicable), or (ii) waive such misrepresentation and close with no liability to Regency for such misrepresentation.

8.17 Continuity of Business Enterprise; Tax Treatment of Reorganization. Regency and Newco have no plan or intention of disposing of the Units acquired from Branch Realty by Newco. Regency agrees to treat the acquisition of the assets of Branch Realty by Newco in

exchange for Shares and the right to receive additional Shares as a tax-free reorganization under Code Section 368(a)(i)(C).

ARTICLE 9: REPRESENTATIONS AND WARRANTIES OF TRG

TRG hereby represents and warrants to Branch as of the date of this Agreement as follows. From and after the First Closing, each such representation and warranty shall also be deemed made as of the First Closing Date, unless specifically waived in writing by Branch at the First Closing.

9.1 Due Incorporation, etc. TRG is duly organized, validly existing and in good standing under the Laws of the State of Florida, with all requisite power and authority to own, lease, operate and sell its assets and to carry on its businesses as it is now being conducted. TRG is in good standing as a foreign entity authorized to do business in each jurisdiction where it engages in business, except to the extent such violation or failure does not cause or is not reasonably expected to have a material adverse effect on TRG's assets or the financial condition, results of operations, business or prospects of TRG taken as a whole.

9.2 Due Authorization; Consents; No Violations.

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

(b) No consents, waivers, exemptions or approvals of, or filings or registrations by TRG with, any Government Entity or any other Person not a party to this Agreement are necessary in connection with the execution, delivery and performance by TRG of this Agreement or the consummation of the transactions contemplated hereby, except to the extent the failure to obtain the same does not cause or is not expected to cause a material adverse effect on TRG's assets or the financial condition, results of operations, business or prospects of TRG taken as a whole or on the transactions contemplated by this Agreement.

(c) The execution, delivery and performance by TRG of this Agreement and the Transaction Documents to be executed, delivered and performed by TRG pursuant hereto, and the consummation of the transactions contemplated hereby and thereby, do not and will not (i) violate any Order applicable to or binding on TRG or its assets; (ii) violate any Law; (iii) violate or conflict with, result in a breach of, constitute a default (or an event which with the passage of time or the giving of notice, or both, would constitute a default) under, permit cancellation of, accelerate the performance required by, or result in the creation of any Lien upon any of TRG's assets under, any contract or other arrangement of any kind or character to which TRG is a party or by which TRG or any of its assets are bound; (iv) permit the acceleration of the maturity of any indebtedness of TRG, or any indebtedness secured by any of TRG's assets; or (v) violate or conflict with any provision of the TRG's articles of incorporation or bylaws.

9.3 Limitation on Remedies. The representations and warranties set forth in this Article shall be true and correct in all material respects on and as of the date of the First Closing with the same force and effect as if made at that time; provided, however, in the event that any of such representations and warranties is proved to be false on or before the First Closing as a result of any change of circumstances or knowledge obtained by TRG and such misrepresentation has a Material Adverse Effect and is disclosed to TRG in writing, then Branch's sole and exclusive remedies hereunder shall be to (i) terminate this Agreement pursuant to Article (including Section , if applicable), or (ii) waive such misrepresentation and close with no liability to TRG for such misrepresentation.

ARTICLE 10: CONDITIONS PRECEDENT TO OBLIGATIONS OF REGENCY

10.1 Conditions for the First Closing. The obligation of Regency to consummate the First Closing is subject to the fulfillment, at or prior to the First Closing, of each of the following conditions precedent, and the failure to satisfy any such condition precedent shall excuse and discharge all obligations of Regency to carry out the provisions of this Agreement unless such failure is waived in writing by Regency:

10.1.1 Representations and Warranties. The representations and warranties made by Branch in Article and Branch Realty in Article , and the statements and information contained in any certificate, instrument, schedule, document or exhibit delivered by or on behalf of either Branch or Branch Realty in connection with the First Closing pursuant to this Agreement, shall be true, correct and complete in all material respects on and as of the date hereof, and shall be true, correct and complete in all material respects on and as of the First Closing Date with the same effect as though such representations and warranties were made on and as of the First Closing Date, provided, however, that if any representation and warranty is already qualified in any respect by materiality or as to Material Adverse Effect, the materiality qualification immediately before this proviso shall not apply. The Branch Affiliates shall have delivered to Regency at the First Closing certificates in form and substance reasonably satisfactory to Regency dated as of the First Closing Date to such effect.

10.1.2 Compliance with Covenants and Agreements. The covenants, obligations and agreements of the Branch Affiliates to be performed and complied with on or before the First Closing Date shall have been duly performed and complied with in all respects.

10.1.3 No Material Adverse Change. Since the date of execution of this Agreement, there shall not have been any change, circumstance or event in the Assets, business or prospects of Branch which has had or would reasonably be expected to have a Material Adverse Effect on Branch or on the transactions contemplated by this Agreement (except such as may have arisen by reason of any matter approved by Regency pursuant to Sections (Acquisition Properties), (Additional Acquisitions), (New Contracts) or (Leasing Arrangements)).

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

10.1.5 OCP Funding. OCP shall have made an aggregate of $40 million in capital contributions to Branch since becoming the special limited partner thereof, the portion of which made after the date of this Agreement shall have been applied either (i) toward the purchase price of Acquisition Properties at the closing(s) of Acquisition Contracts or (ii) to reduce the Existing Mortgage Debt.

10.1.6 Acquisition Contracts. Each Acquisition Contract has closed and good, marketable and indefeasible fee simple title to the Acquisition Properties has been conveyed to the Partnership, subject only to the Permitted Exceptions, or, with respect to any Acquisition Contract that has not so closed, the seller is not in default thereunder and neither Branch nor Regency has reason to believe that (i) any seller is in material breach of any representations, warranties or covenants in an Acquisition Contract or (ii) may default in its obligations thereunder.

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

10.1.8 Lender Estoppels. Estoppel letters shall have been received from each lender under the Existing Mortgage Debt (other than State Mutual) in form and substance reasonably acceptable to Regency.

10.1.9 Tenant Estoppels. Tenant Estoppels shall have been received from 90% of the tenants under the Leases for premises larger than 7,500 square feet and 80% of all other tenants, without any material exceptions, covenants or changes to the forms accepted by Regency pursuant to Section .

10.1.10 Delivery of Documents. All of the documents and agreements required to be delivered and performed pursuant to Section have been so delivered and performed.

10.1.11 Regency Consents. Regency shall have obtained the consents set forth on Schedule (b) and Branch and the Subpartnerships shall have obtained the respective consents set forth on Schedule .

10.1.12 Gottlieb Consulting Agreement. Mark Gottlieb shall have entered into a consulting agreement with the Partnership or New Management Company in form and substance reasonably satisfactory to Regency.

ARTICLE 11: CONDITIONS PRECEDENT TO OBLIGATIONS OF BRANCH AFFILIATES

11.1 Conditions for the First Closing. The obligation of the Branch Affiliates to consummate the First Closing is subject to the fulfillment, at or prior to the First Closing, of each of the following conditions precedent, and the failure to satisfy any such condition precedent shall excuse and discharge all obligations of the Branch Affiliates to carry out the provisions of this Agreement unless such failure is waived in writing by the Branch Affiliates:

11.1.1 Representations and Warranties. The representations and warranties made by Regency in Article and by TRG in Article and the statements and information contained in any certificate, instrument, schedule, document or exhibit delivered by or on behalf of Regency in connection with the First Closing pursuant to this Agreement, shall be true, correct and complete in all material respects on and as of the date hereof, and shall be true, correct and complete in all material respects as of the First Closing Date with the same effect as though such representations and warranties were made on and as of the First Closing Date provided, however, that if any representation and warranty is already qualified in any respect by materiality or as to Material Adverse Effect, the materiality qualification immediately before this proviso shall not apply. Regency shall have delivered to the Branch Affiliates at the First Closing certificates in form and substance reasonably satisfactory to the Branch Affiliates dated as of the First Closing Date to such effect.

11.1.2 Compliance with Covenants and Agreements. The covenants, obligations and agreements of Regency to be performed and complied with on or before the First Closing Date shall have been duly performed and complied with in all respects.

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

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

11.1.5 Delivery of Documents. All of the documents and agreements required to be delivered and performed pursuant to Section have been so delivered and performed.

11.1.6 Branch Consents. Branch and the Subpartnerships shall have obtained the respective consents set forth on Schedule , and Regency shall have obtained the consents set forth on Schedule (b); provided, however, (i) the consent of any lender to Branch shall not be required if Regency causes the Partnership to pay off the loan from such lender at the First Closing; and/or (ii) if all of the consents described in Part B of Schedule and all the consents of lenders to Branch are not obtained by the First Closing and Regency closes the transactions hereunder, then Branch shall be required to close the transactions hereunder and Regency and the Partnership shall indemnify Branch against and hold Branch harmless from any Liability incurred or suffered by Branch after the First Closing and resulting from the failure to obtain any such consents.

11.1.7 Voting Agreements. Regency shall have obtained agreements from the Persons (and/or from such other Persons as Regency may determine) whose names appear in the signature blocks of the form of the Voting Agreements attached as Exhibit B, whereby such Persons have agreed to vote in favor of the transactions contemplated by this Agreement at the meeting of Regency's shareholders described in Section , and Regency shall have provided Branch with evidence reasonably satisfactory to Branch demonstrating that such agreements represent a number of votes sufficient for the shareholders to approve and authorize the transactions contemplated by this Agreement at such meeting (and Regency shall represent in writing at the First Closing that such agreements represent a number of votes sufficient for the shareholders to authorize and approve such transactions).

ARTICLE 12: CLOSINGS

12.1 Closing. The Closing shall take place at a time and place mutually agreed upon by the parties as soon as practicable following the satisfaction or waiver of all conditions precedent to the First Closing, but the parties will use all reasonable efforts to close on or before February 14, 1997. A pre-closing conference shall commence at least three Business Days before the First Closing Date, during which all deliveries (other than any delivery of cash) shall be made into an escrow with the Title Company, or, at the option of the parties, such deliveries may be made in such other manner as the parties may determine. All deliveries made during the pre-closing period shall be deemed deliveries made at the First Closing. Upon completion of the deliveries hereunder and satisfaction of the other conditions to the First Closing herein set forth, the parties shall direct the Title Company to make such deliveries and disbursements according to the terms of this Agreement and under a joint escrow instruction letter reasonably acceptable to Branch and Regency and their respective counsel. Funds shall be delivered

through the Title Company's closing escrow account at a bank satisfactory to Regency and Branch. All Subsequent Closings shall take place on the dates specified in Section , at such time and location as the parties mutually agree to.

12.2 Contribution to the Partnership.

12.2.1 Deliveries by Branch. At the First Closing, in addition to any other documents or agreements required under any other provision of this Agreement, Branch shall make the following deliveries and performance in connection with the formation of the Partnership:

(a) Certificates. The certificates required pursuant to Section .

(b) Partnership Agreement. The Partnership Agreement, executed by or on behalf of Branch, OCP and the other Branch partners;

(c) Transfer Documents. The deeds, assignments and other transfer documents which are listed on Schedule transferring title to the Assets free of any claims, except for the Permitted Exceptions.

(d) Registration Rights Agreements. The Registration Rights Agreement, executed by Branch for the benefit of the Branch partners;

(e) Non-Compete Agreements. A Non-Compete Agreement, in the form attached as Exhibit -1, executed by J. Alexander Branch III, and in the form attached as Exhibit -2, executed by Warren R. Hall, Richard H. Lee and Nicholas B. Telesca;

(f) Legal Opinion. An opinion of King & Spalding as to due organization, due authorization, consents, violations (to such firm's knowledge), litigation (to such firm's knowledge), and such other matters as counsel to Regency may reasonably request prior to the First Closing;

(g) Existing Mortgage Documents. The documents evidencing the assumption of the Existing Mortgage Debt executed by Branch and all deliveries of Branch required thereunder;

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

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

(j) FIRPTA. A Foreign Investment in Real Property Tax Act affidavit executed by Branch. If Branch fails to provide the necessary affidavit and/or documentation of exemption on the First Closing Date, Regency may proceed in accordance with the withholding provisions as provided in such Act;

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

(l) Permits and Approvals. To the extent in Branch's possession or control, the material licenses, permits, approvals, zoning exceptions and approvals, consents and Orders of Government Entities relating to the ownership, operation and use of the Properties, including, without limitation, certificates of occupancy for the Properties, and assignments thereof to the Partnership, to the extent they are assignable;

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

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

(o) Authority. Evidence of the existence, organization and authority of Branch and Branch Realty and of the authority of the Persons executing documents on behalf of Branch and Branch Realty reasonably satisfactory to the Title Company and Regency;

(p) Possession. Possession of the Properties, subject only to the applicable Permitted Exceptions;

(q) Books and Records. Delivery to the offices of the Partnership of the original Leases and Contracts (or copies if the originals cannot be located) and to the extent now or subsequently coming Branch's possession or control: copies or originals (including information stored electronically) of all books and records of account; contracts; copies of correspondence with tenants and suppliers; receipts for deposits; unpaid bills and other papers or documents which pertain to the Properties or the Third Party Management Business contributed to the Partnership; all advertising materials, booklets, keys and other items, if any, used in the operation of the Properties or the Third Party Management Business contributed to the Partnership; all books and records of each Subpartnership (including Tax records); and, if in Branch's possession or control, the original "as-built" plans and specifications and all other available plans and specifications. The Branch Affiliates shall cooperate with the Partnership

after the First Closing to provide to the Partnership any such information stored electronically and to answer questions of the Partnership from time to time regarding pre-Closing matters (e.g., in connection with the preparation of Tax returns or financial statements);

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

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

(a) Certificates. The certificates required by Sections .

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

(c) Partnership Ratification. The Partnership's written ratification of this Agreement and agreement to perform the obligations of the Partnership that are to be performed after the First Closing.

(d) Initial Capital Contribution. An initial cash capital contribution to the Partnership sufficient to pay: (1) a portion (expected to be approximately $20 million as of the date of this Agreement) of the Existing Mortgage Debt specified by Regency; (2) the closing costs and adjustments payable by the Partnership for the Properties at the First Closing; and (3) other Partnership obligations related to the Closing (the sum of (1), (2) and (3) being, the "Regency Capital Contribution" in exchange for a general partner interest and Class B Units equal to the quotient obtained by dividing the amount of the Regency Capital Contribution by $22-1/8. Regency shall not be obligated to deposit the Regency Capital Contribution into the escrow until the closing statements have been executed and all deliveries by or on behalf of Branch have been made into escrow;

(e) Units. Issuance by the Partnership to the Branch partners of that number of limited partner Units of the Partnership equal to the quotient obtained by dividing the Contribution Value by $22-1/8.

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

(g) Assumption Agreements. Execution by the Partnership of those transfer documents listed on Schedule that require execution by the Partnership and any other documents as Branch may reasonably require to evidence the Partnership's assumption of the Assumed Liabilities;

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

(i) Authority. Evidence of existence, organization and authority of Regency, TRG and the Partnership and the authority of the Person executing documents on behalf of each of Regency, TRG and the Partnership reasonably satisfactory to Branch;

(j) Legal Opinion. An opinion of Foley & Lardner, counsel for Regency, as to due organization; due authorization (subject to (i) the approval of Regency's shareholders referred to in Section , (ii) an amendment of Regency's Articles of Incorporation in the form attached as Exhibit , and (iii) receipt of the consents set forth on Schedule (b)); enforceability of Redemption Rights (as described in the Partnership Agreement) and the valid issuance of Shares upon redemption, subject to the assumptions in Section ; enforceability of the Registration Rights Agreement; due organization and existence of the Partnership; violations (to such firm's knowledge); litigation (to such firm's knowledge), enforceability; the qualification of Regency as a REIT under the Code; and such other matters as counsel to Branch may reasonably request prior to the First Closing;

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

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

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

(n) Voting Agreements. Any Voting Agreements in the form attached as Exhibit B signed by any director, executive officer or shareholder of Regency.

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

12.3 The Reorganization.

12.3.1 Deliveries by Branch Realty. At the First Closing, immediately following the formation of the Partnership, Branch Realty shall make the following deliveries and performance:

(a) Distribution of Realty Units. Appropriate instruments of assignment evidencing the distribution by Branch of the Realty Units to Branch Realty;

(b) Assignment of Realty Units. Appropriate instruments of assignment from Branch Realty transferring its Realty Units and its right to receive additional Units at Subsequent Closings to Newco;

(c) Assignment of Reorganization Shares. Duly endorsed stock powers and other appropriate conveyancing documents executed by Branch Realty transferring the Reorganization Shares and Branch Realty's rights to receive additional Shares hereunder received by it from Newco to the Branch Principals that are its sole shareholders;

(d) Lock-Up Agreements. A Lock-Up Agreement executed by J. Alexander Branch III in the form of Exhibit .

(e) Registration Rights Agreement. The Registration Rights Agreement, executed by Branch and each Branch Principal;

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

12.3.2 Deliveries by Regency in Connection with the Reorganization. At the First Closing, immediately following the formation of the Partnership, Regency shall make the following deliveries and performance:

(a) Reorganization Shares. Certificates for the Reorganization Shares, issued to each Branch Principal for the respective number of shares set forth on Schedule ;

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

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

12.4 Closing Statements/Escrow Fees. Branch and Regency shall deposit with the Title Company executed closing statements consistent with this Agreement.

ARTICLE 13: PRORATIONS AND ADJUSTMENTS

13.1 Adjustments. Branch and Regency have agreed to make certain financial adjustments as of December 31, 1996. It is the intent of the parties that all items of income,

loss, cash and economic benefits and detriments from the Assets transferred to the Partnership at the First Closing shall inure to the Partnership from January 1, 1997 for purposes of this Article 13(provided that the income, loss, cash and economic benefits and detriments from the Third Party Management Business shall inure to the New Management Company from January 1, 1997 for purposes of this Article 13), subject to consummation of the First Closing and except as expressly otherwise provided herein. As provided in Section hereof, Branch has continued to operate the Assets in the ordinary and usual course of business and consistent with past practices. The funds in the operating account of Branch as of the First Closing shall be applied, at the direction of Regency, to reduce the Existing Mortgage Debt. Prior to the First Closing, Branch shall withdraw from the operating account (or draw down the Wachovia Line as hereinafter defined) to fund $1,399,579 representing the distribution payable to the Branch partners with respect to the 1996 fourth quarter operations of Branch, and such amount shall be deposited in a separate account of Branch to be retained by Branch after the First Closing. Branch shall not make any withdrawals or payments not in such ordinary and usual course of business. Branch and Regency have also agreed to the financial adjustments set forth below in this Article .

13.2 Proration Credit. Schedule 13 reflects certain adjustments and Designated Credits and Designated Liabilities as of December 31, 1996. The amount by which (i) the Designated Credits exceed (ii) the Designated Liabilities is herein called the "Proration Credit."

13.3 Line of Credit. Branch has a $3,000,000 line of credit with Wachovia Bank of Georgia, N.A. to fund the operations of Branch (the "Wachovia Line"). The principal balance of the Wachovia Line as of December 31, 1996 was $741,000. Regency has agreed to credit to Branch an amount (the "Wachovia Line Credit") equal to the excess of (i) $3,000,000 less (ii) the sum of (x) $741,000 (the balance of the Wachovia Line as of December 31, 1996) plus (y) the amount, if any, drawn by Branch under the Wachovia Line to fund the fourth quarter 1996 distribution to the Branch partners. Regency shall assume the Wachovia Line at the First Closing as part of the Assumed Liabilities, and there shall be no further adjustment regardless of the balance of the Wachovia Line as of the First Closing.

13.4 Assumed Obligations. Schedule describes certain assumed obligations in the fixed, agreed amount of $1,060,103 (the "Assumed Obligations"), which shall not be subject to audit pursuant to Section . Regency shall pay the Assumed Obligations as they come due.

13.5 Pipeline Transactions. The Disposition Properties known as (i) Crabapple CVS, which is being developed by Branch and is under contract to be sold to Stephan Nil or an affiliate, (ii) Jiles Road CVS, which is being developed by Branch and is under contract to be sold to Peter Karreth or an affiliate, and (iii) Oglethorpe Crossing, which is being developed by Branch and is under contract to be sold to Hermann-Hinrich Reemtsma, and the Acquisition Contracts and Other Contracts relating to (a) the purchase of the shopping center known as Mathews Corner, which is being developed by another developer, and the proposed subsequent placement and/or sale of Mathews Corner to an investor group, and (b) the purchase of a shopping center known as North Point, which is being developed by another developer, and the

proposed subsequent placement and/or sale of North Point to an investor group, are herein collectively referred to as the "Pipeline Transactions". The following provisions shall apply to the financial adjustment applicable to the Pipeline Transactions.

13.5.1 The term "Pipeline Cost" means, with respect to a Pipeline Transaction, the sum of (i) the out-of-pocket costs and expenses incurred in connection with the acquisition, construction and development of a Pipeline Transaction (but excluding any amounts paid to the General Partner, New Management Company, Regency or any Affiliate) plus any earnest money, loan or other deposits which are not refunded, reimbursed or credited plus (ii) an amount equal to forty percent (40%) of any taxable gain incurred by the Partnership (or New Management Company, if New Management Company is the owner of such Pipeline Transaction) upon the sale or other disposition of such Pipeline Transaction.

13.5.2 The term "Net Pipeline Proceeds" means, with respect to a Pipeline Transaction, the proceeds realized by the Partnership (or New Management Company, if New Management Company is the owner of such Pipeline Transaction) upon the sale or other disposition of such Pipeline Transaction, after deducting any out-of-pocket closing costs, brokerage commissions and fees paid to third parties (but not to the General Partner, New Management Company, Regency or any Affiliate).

13.5.3 The term "Pipeline Credit" means, with respect to any Pipeline Transaction, the excess, if any, of (i) the Net Pipeline Proceeds realized from such Pipeline Transaction less (ii) the Pipeline Cost of such Pipeline Transaction. The Pipeline Credit for any Pipeline Transaction shall not be less than zero except as set forth below with respect to the Mathews Corner Deduction.

13.5.4 At the First Closing, the Partnership shall contribute and assign to New Management Company the right to acquire the Assets relating to the Pipeline Transactions, and the Transaction Documents shall convey, assign and transfer the Pipeline Transactions to the New Management Company. After the First Closing, Regency shall cause New Management Company to diligently and in good faith pursue the acquisition, development, leasing, and sale of the Pipeline Transactions (i) in compliance with the requirements of the applicable Contracts relating thereto, (ii) in a manner reasonably calculated to effect a sale or other disposition of the Pipeline Transactions on or before the first anniversary of the First Closing, and (iii) in a manner reasonably calculated to maximize the Pipeline Credit relating thereto.

13.5.5 Upon the sale or other disposition of a Pipeline Transaction on or before the first anniversary of the First Closing, the parties shall calculate the Pipeline Credit, if any, applicable thereto, and if a Pipeline Transaction is not sold or otherwise disposed of on or before the first anniversary of the First Closing, then no Pipeline Credit shall be attributable to such Pipeline Transaction. The aggregate Pipeline Credits for all Pipeline Transactions which are sold or otherwise disposed of prior to the first

anniversary of the First Closing is herein referred to as the "Aggregate Pipeline Credit"; provided, however, the Aggregate Pipeline Credit shall not be less than zero. If a Pipeline Transaction incurs Pipeline Cost in excess of Net Pipeline Proceeds, such Pipeline Transaction shall have a Pipeline Credit equal to zero, and there shall be no reduction in the computation of the Aggregate Pipeline Credit resulting therefrom. If (a) Mathews Corner is not sold to or placed with an investment group, (b) Mathews Corner is not acquired by the Partnership, New Management Company, Regency or any Affiliate thereof, (c) all or any portion of the purchase contract earnest money and/or the permanent loan deposit (in the aggregate amount of $444,750) are forfeited and (d) the Partnership or New Management Company refunds to Minerva Real Estate or its affiliate $110,000 previously advanced to pay a portion of such earnest money and loan deposits, then an amount equal to the lesser of (x) $554,750 or (y) the actual amount of such earnest money and loan deposits forfeited and advance refunded is herein referred to as the "Mathews Corner Deduction". In the event the Mathews Corner Deduction exceeds the Aggregate Pipeline Credit, then the "Aggregate Pipeline Deduction" shall equal the excess of (1) the Mathews Corner Deduction less (2) the Aggregate Pipeline Credit. If the Mathews Corner Deduction does not exceed the Aggregate Pipeline Credit, then the Aggregate Pipeline Deduction shall be zero.

13.6 Final Adjustment Amount. At the First Closing, Branch and Regency shall calculate the Proration Credit and the Wachovia Line Credit, and such calculations shall be reviewed and, if necessary, adjusted after the First Closing on the basis of the Final Closing Balance Sheet. Promptly after the first anniversary of the First Closing, the parties shall calculate the Aggregate Pipeline Deduction, if any. The sum of (i) the Proration Credit, plus (ii) the Wachovia Line Credit, less (ii) the Assumed Obligations, less (iv) the Aggregate Pipeline Deduction, if any, is herein referred to as the "Net Credit." The difference obtained by subtracting (x) $3,843,269 from (y) the Net Credit is herein referred to as the "Adjustment Amount". The Adjustment Amount may be a positive or negative number.

13.7 Additional Adjustment Units. If the Adjustment Amount is a positive number, on the First Earn-Out Closing Date Additional Units shall be issued to the Branch partners (to be allocated in the manner described in Schedule) equal to the quotient obtained by dividing (i) the positive Adjustment Amount by (ii) the Value of a Share as of the First Earn-Out Closing Date multiplied by the Unit Adjustment Factor (the "Adjustment Units"). If a Branch partner has previously exercised a Redemption Right in the Partnership Agreement with respect to Units owned by such Branch partner, then the Redemption Right shall apply to the Redemption Percentage of such Adjustment Units corresponding thereto (as described in Section 8.6(d) of the Partnership Agreement), and Regency shall issue to such Branch partner a number of Shares equal to (x) the Adjustment Units issuable to such Branch partner multiplied by (y) the Unit Adjustment Factor multiplied by (z) such aggregate Redemption Percentage for all Redemption Rights previously exercised by such Branch partner. No Adjustment Units shall be issued to the Branch Principals with respect to the Reorganization, and Regency shall issue to the Branch Principals (to be divided among the Branch Principals pro rata in proportion to the relative percentages set forth on Schedule) as part of the Reorganization, a number of additional

Shares equal to the product of (x) the Adjustment Units otherwise allocable to the Branch Principals for such Reorganization multiplied by (y) the Unit Adjustment Factor.

13.8 Reduction in Units. If the Adjustment Amount is a negative number, the number of Additional Units and Shares issuable to the Branch partners on the First Earn-Out Closing Date pursuant to Section shall be reduced (with such reduction to be allocated among the Original Limited Partners in the manner described in Schedule as if such reduced number of Additional Units were so issued) by an amount equal to the quotient obtained by dividing (i) the negative Adjustment Amount by (ii) the Value of a Share as of the First Earn-Out Closing Date multiplied by the Unit Adjustment Factor.

13.9 Exclusion Option. Notwithstanding anything contained in this Agreement to the contrary, Regency shall have the right and option (the "Option") to exclude from the Assets the "Option Properties" described below, and to receive in lieu thereof as an additional Asset the proceeds from the sale thereof by Branch to the New Branch Entity (as defined below), subject to the following terms and conditions:

13.9.1 The term "Option Properties" means (i) the Disposition Property known as Crabapple CVS, which is being developed by Branch and is under contract to be sold to Steven Nil or an affiliate, (ii) the Disposition Property known as Jiles Road CVS, which is being developed by Branch and is under contract to be sold to Peter Karreth or an affiliate, (iii) the Disposition Property known as Oglethorpe Crossing, which is being developed by Branch and is under contract to be sold to Hermann-Hinrich Reemstma, (iv) the Acquisition Contract and other Contracts relating to the purchase of the shopping center known as Mathews Corner, which is being developed by another developer, and the proposed subsequent placement and/or sale of Mathews Corner to an investor group, (v) the Acquisition Contract and other Contracts relating to the purchase of the shopping center known as North Point, which is being developed by another developer, and the proposed subsequent placement and/or sale of North Point to an investor group, and (vi) the Property known as Hastings which is leased by Branch.

13.9.2 The Option must be exercised, if at all, by Regency delivering notice to Branch on or before February 13, 1997, and in the event Regency fails or elects not to deliver notice to Branch of the exercise of the Option on or before February 13, 1997, then the Option shall terminate, be void, and of no further force and effect.

13.9.3 The Option shall only be exercisable with respect to all of the Option Properties, and Regency shall not have the right to exercise the Option and exclude less than all of the Option Properties. In the event Regency exercises the Option, appropriate revisions to this Contribution Agreement and the Exhibits and Schedules attached hereto shall be deemed made in order to exclude the Option Properties from the Assets to be acquired by the Partnership and to include the Option Properties as part of the Excluded Assets.

13.9.4 In the event Regency exercises the Option, Branch shall cause the Branch Principals and Nicholas B. Telesca to form a new entity (the "New Branch Entity") which shall acquire the Option Properties from Branch at the First Closing, and after the First Closing Branch shall have no further right or interest in the Option Properties.

13.9.5 The aggregate Contribution Value of the Assets shall not change or be reduced in the event Regency exercises the Option; provided, however, at the First Closing the New Branch Entity shall pay to Branch for payment to the Partnership (or at Regency's direction shall be applied to reduce the Existing Mortgage Debt) an amount equal to the equity, earnest money, loan deposits, and other amounts described on Schedule hereof (the "Reimbursement Amount") and the New Branch Entity shall assume the obligations described in Schedule . In lieu of paying to Branch for payment to the Partnership the Reimbursement Amount at the First Closing, the New Branch Entity shall have the right to borrow the money from Regency and execute and deliver a promissory note payable to Regency for the Reimbursement Amount (or any portion thereof), with such debt to (i) bear interest at the rate of ten percent (10%) per year, (ii) be due and payable in full on the first anniversary of the First Closing, and (iii) be prepayable without penalty (the "Reimbursement Note"), and at the First Closing the proceeds of the Reimbursement Note shall be paid to the Partnership by Regency. The Reimbursement Note shall be jointly and severally guaranteed by the Branch Principals and Nicholas B. Telesca and shall be secured at the First Closing by the pledge of security interests in Units and/or Shares having a Value as of the First Closing equal to 125% of the principal amount of the Reimbursement Note.

13.9.6 In the event Regency exercises the Option, the other provisions of this Article 13 set forth above shall be revised to reflect an Aggregate Pipeline Credit and Aggregate Pipeline Deduction equal to zero.

13.9.7 Regency's right to exercise the Option and require the New Branch Entity to acquire the Option Properties at the First Closing is subject to and conditioned upon the receipt by the New Branch Entity of all consents and approvals required to be obtained from any lenders providing financing in connection with the Option Properties to the conveyance and assignment of the Option Properties to the New Branch Entities, and in the event such consents and approvals are not obtained from such lenders, then the Option shall be void and of no further force and effect and the Partnership shall acquire all of the Option Properties.

13.9.8 For purposes of this Section ,, the term Branch Principals shall mean J. Alexander Branch III and any one or more of the remaining Branch Principals, at their option.

ARTICLE 14: TERMINATION AND REMEDIES

14.1 Termination. This Agreement may be terminated:

14.1.1 At any time prior to the First Closing Date, with the written consent of Regency and Branch;

14.1.2 At any time prior to the First Closing Date, by Regency (provided it is not in breach of any of its material obligations hereunder), if there shall have been a material breach of any covenant, representation or warranty of any Branch Affiliate hereunder, or failure of any condition to Regency's obligation to close, and such breach or failure shall not have been remedied within 10 Business Days after receipt by Branch of a notice in writing from Regency specifying the breach or failure and requesting such be remedied (and the First Closing Date shall be extended to provide for such cure period);

14.1.3 At any time prior to the First Closing Date, by Branch (provided it is not in breach of any of its material obligations hereunder), if there shall have been a material breach of any covenant, representation or warranty of Regency hereunder, or any failure of any condition of Branch's obligation to close, and such breach or failure shall not have been remedied within 10 Business Days after receipt by Regency of a notice in writing from Branch specifying the breach or failure and requesting such be remedied (and the First Closing Date shall be extended to provide for such cure period); or

14.1.4 If the First Closing has not taken place by March 31, 1997, at any time thereafter, by Branch or Regency, upon delivery of written notice of termination to the other.

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

14.3 Remedies.

14.3.1 (i) The sole and exclusive remedy of Regency or Branch is to terminate this Agreement in the event of a default in the other's obligation to close the transactions contemplated by this Agreement at the First Closing which default is not willful and intentional, and (ii) except as provided below in this Section , the sole and exclusive remedy of Regency or Branch in the event of a willful and intentional default in the other's obligation to close the transactions contemplated by this Agreement at the First Closing is to terminate this Agreement and receive liquidated damages in the amount of $3,000,000. Regency shall have the right to elect specific performance (as an alternative remedy in lieu of liquidated damages) only (a) in order to prevent Branch from initiating, soliciting or pursuing a Competing Transaction in violation of Section , (b) to enjoin such a pending or threatened Competing Transaction, and/or (c) to require Branch to close the transactions contemplated by this Agreement if (x) there is a willful and intentional default by Branch to close the transactions contemplated by this Agreement at the First Closing and (y) prior to the First Closing Branch initiated, solicited or pursued a Competing Transaction in violation of Section . Branch shall have the right to elect specific performance (as an alternative remedy in lieu of liquidated

damages) to require Regency to close the transactions contemplated by this Agreement only if there is a willful and intentional default by Regency to close the transactions contemplated by this Agreement. The parties expressly waive any right to elect specific performance (except as provided above in this Section) and to damages in excess of such liquidated amount with respect to any such breach. The parties agree that the amount of damages for a default by the other would be difficult, if not impossible, to determine, and that such liquidated damages are a reasonable estimate of damages in the event of such a default. In the event that a party elects specific performance hereunder (the "Electing Party") but the court determines that the Electing Party is not entitled to specific performance, then the Electing Party may seek liquidated damages hereunder in lieu of specific performance in the event of a willful and intentional default in the other's obligations to close the transactions contemplated hereby.

14.3.2 If (i) Branch receives prior to the First Closing an offer for a Competing Transaction (as defined in Section), and (ii) OCP, a majority in interest of the Branch Limited Partners, or the partners of the Subpartnerships other than Roswell Village, Ltd. fail to consent to the transactions contemplated by this Agreement for any reason (other than as a result of a breach by Regency of any of its material obligations hereunder) or Branch fails to submit the transactions to such Persons for consent, and (iii) Branch consummates a Competing Transaction on or before December 31, 1997 involving more than (a) a 25% interest in Branch or (b) 25% of the Assets of Branch, and (iv) Branch has not paid to Regency the $3,000,000 liquidated damage amount described in Section above, and (v) Regency is not in material breach of any covenant, representation or warranty made by it in this Agreement and has performed all material obligations required to be performed by it at or before the First Closing, Branch shall immediately pay to Regency upon the closing of such Competing Transaction(by wire transfer) a break-up fee in the amount of $3,000,000, whereupon Branch shall have no further liability to Regency whatsoever arising out of any Competing Transaction or under Section above.

ARTICLE 15: INDEMNIFICATION

15.1 By Branch. For a period of one year from the First Closing Date (except for Claims related to any Tax, for which the survival period shall be the applicable statute of limitation related to such Claim) and subject to the terms and conditions of this Article , Branch hereby agrees to indemnify, defend and hold harmless Regency and the Partnership, and their respective directors, officers, employees and other Affiliates, from and against all Claims asserted against, resulting to, imposed upon, or incurred, directly or indirectly, by any such Person or the Assets transferred to the Partnership pursuant to this Agreement by reason of, arising out of or resulting from (i) the inaccuracy or breach of any representation or warranty of Branch contained in or made pursuant to Article of this Agreement (regardless of whether such breach is deemed "material") or (ii) any Claim against Branch or any Subpartnership accruing prior to the First Closing Date not constituting an Assumed Liability. As used in this Article , the term "Indemnified Claim" shall include all Loss and Expenses.

15.2 By Branch Realty. For a period of one year from the First Closing Date (except for Claims related to any Tax, for which the survival period shall be the applicable statute of limitation related to such Claim) and subject to the terms and conditions of this Article , Branch Realty hereby agrees to indemnify, defend and hold harmless Regency and the Partnership, and their respective directors, officers, employees and other Affiliates, from and against all Claims asserted against, resulting to, imposed upon, or incurred, directly or indirectly, by any such Person or the Assets transferred to the Partnership pursuant to this Agreement by reason of, arising out of or resulting from the inaccuracy or breach of any representation or warranty of Branch Realty contained in or made pursuant to Article of this Agreement (regardless of whether such breach is deemed "material").

15.3 By the Partnership. Subject to the terms and conditions of this Article , the Partnership hereby agrees to indemnify, defend and hold harmless Branch, and its respective directors, officers, employees, partners and other Affiliates from and against all Claims asserted against, resulting to, imposed upon or incurred by any such Person, directly or indirectly, by reason of, arising out of or resulting from all Claims against Branch constituting, relating to or arising out of any Assumed Liabilities.

15.4 By Regency. For a period of one year from the First Closing Date and subject to the terms and conditions of this Article , Regency hereby agrees to indemnify, defend and hold harmless Branch, and its respective directors, officers, employees, partners and other Affiliates from and against all Claims asserted against, resulting to, imposed upon or incurred by any such Person, directly or indirectly, by reason of, arising out of or resulting from the inaccuracy or breach of any representation or warranty of Regency contained in or made pursuant to Article of this Agreement (regardless of whether such breach is deemed "material").

15.5 By TRG. For a period of one year from the First Closing Date and subject to the terms and conditions of this Article , TRG hereby agrees to indemnify, defend and hold harmless Branch, and its respective directors, officers, employees, partners and other Affiliates from and against all Claims asserted against, resulting to, imposed upon or incurred by any such Person, directly or indirectly, by reason of, arising out of or resulting from the inaccuracy or breach of any representation of TRG contained in or made pursuant to Article of this Agreement (regardless of whether such breach is deemed "material").

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

15.6.1 Notice and Defense. The party or parties to be indemnified (whether one or more, the "Indemnified Party") shall give the party from whom indemnification is sought (the "Indemnifying Party") written notice of any such Claim prior to the expiration of the survival period to which the Claim relates, and the Indemnifying Party will undertake the defense thereof by representatives chosen by it. Failure to give such notice shall not affect the

Indemnifying Party's duty or obligations under this Article , except to the extent the Indemnifying Party is prejudiced thereby. So long as the Indemnifying Party is defending any such Claim actively and in good faith, the Indemnifying Party shall have the right to settle such Claim in its sole discretion, provided that the Indemnifying Party shall not, without the written consent of the Indemnified Party, settle or compromise any Claim or consent to the entry of any judgment which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party of a release from all Liability in respect of such Claim. The Indemnified Party shall make available to the Indemnifying Party or its representatives all records and other materials required by them and in the possession or under the control of the Indemnified Party, for the use of the Indemnifying Party and its representatives in defending any such Claim, and shall in other respects give reasonable cooperation in such defense. An Indemnified Party includes any Branch partner who has received Units or Shares pursuant to the transactions contemplated by this Agreement, and any such Person shall be entitled to enforce a Claim for indemnification hereunder in such Person's own right.

15.6.2 Failure to Defend. If the Indemnifying Party, within a reasonable time after notice of any such Claim, fails to defend such Claim actively and in good faith, the Indemnified Party will (upon further notice and the failure of the Indemnifying Party to commence the defense of such claim within thirty (30) days after such further notice) have the right to undertake the defense, compromise or settlement of such Claim or consent to the entry of a judgment with respect to such Claim, on behalf of and for the account and risk of the Indemnifying Party, and the Indemnifying Party shall thereafter have no right to challenge the Indemnified Party's defense, compromise, settlement or consent to judgment except if the amount of a Claim to be indemnified by Branch does not exceed the Value (as defined in the Partnership Agreement) of the Collateral on the date of the settlement, in which case Branch shall have the right to consent to any such compromise, settlement or consent, which consent shall not be unreasonably withheld.

15.7 Payment.

15.7.1 General. The Indemnifying Party shall promptly pay the Indemnified Party any amount due under this Article . Upon judgment, determination, settlement or compromise of any Indemnified Claim pursuant to the provisions hereof, the Indemnifying Party shall pay promptly on behalf of the Indemnified Party, and/or to the Indemnified Party in reimbursement of any amount theretofore required to be paid by it, the amount so determined by judgment, determination, settlement or compromise pursuant to the provisions hereof, and all other Loss and Expenses of the Indemnified Party with respect thereto, unless in the case of a judgment an appeal is made from the judgment. If the Indemnifying Party desires to appeal from an adverse judgment, then the Indemnifying Party shall post and pay the cost of the security or bond to stay execution of the judgment pending appeal. Upon the payment in full by the Indemnifying Party of such amounts, the Indemnifying Party shall succeed to the rights of such Indemnified Party, to the extent not waived in settlement, against the third party who made such Indemnified Claim.

15.7.2 Security Interest.

(a) Grant. In the event that either Regency or the Partnership notifies Branch of a Claim, pursuant to Section , on or before the first anniversary of the First Closing Date, each Branch partner, as a condition to receiving such partner's respective percentage (as set forth on Schedule) of the additional Units or Shares (including Reorganization Shares) to be issued at the First Property Earn-Out Closing set forth in Section , shall, in addition to agreeing to the other provisions set forth in this Section , secure such partner's respective percentage (as set forth on Schedule) of Branch's liability, if any, to pay an Indemnified Claim ("Branch's Liability") by pledging and granting to Regency and the Partnership under the Florida Uniform Commercial Code a first priority security interest in such Units and/or Shares (collectively, together with the Shares issued upon the exercise of Redemption Rights with respect to such Units, the "Collateral") having a Value as of such date equal to such Branch partner's respective percentage (as set forth on Schedule) of 125% of Branch's Liability; provided, however, no Branch partner shall have to pledge or grant such security interest in Units or Shares with respect to more than a maximum amount equal to the product of (i) 571,797 multiplied by (ii) such Branch partner's respective percentage set forth on Schedule hereof. Certificates for the Collateral, together with related stock powers or other powers or attorney with signature guaranties and otherwise reasonably acceptable to Regency, shall be held by Regency until the release of the security interests therein pursuant to this Article . In addition, each Branch partner shall deliver to Regency and/or the Partnership, as the case may be, such financing statements, continuation statements, and similar documents as Regency and/or the Partnership shall deem appropriate to perfect and to continue perfection of their respective security interests in the Collateral. The security interests granted pursuant to this Section shall not impair a Branch partner's Redemption Rights; provided, however, that any Shares issued upon the exercise of such Redemption Rights must also be pledged hereunder and shall be part of the Collateral.

(b) No Encumbrance, Sale, Etc. Until such time as Regency and the Partnership release their respective security interests in the Collateral, each Branch partner shall agree (i) to keep the Collateral free of all security interests, voting trust agreements, shareholder agreements, or other interests and encumbrances, except for the security interest granted herein, and (ii) not to assign, deliver, sell, transfer, lease or otherwise dispose of (including dispositions by operation of law) any portion of the Collateral or any interest therein without the prior written consent of Regency and the Partnership except to Persons other than lenders described in Section 11.3(a) of the Partnership Agreement to whom a Limited Partner may transfer Units without the consent of the General Partner (provided that the transferred Units remain subject to the security interests granted in Section).

(c) Disputed Claim. Notwithstanding anything herein to the contrary, in the event that either Regency or the Partnership notifies Branch of a Claim on or before the first anniversary of the First Closing Date, and Branch disputes such Claim, the Collateral shall be pledged, subject to the adjustment described in Section below, until the amount of such Claim has either (i) been decided by a court of competent jurisdiction and such decision

is not subject to appeal, or (ii) agreed to by the parties; provided, however, that neither Regency nor the Partnership may exercise its rights with respect to such security interests until the amount of such Claim has been decided or agreed upon. Once the amount of such Claim has been decided or agreed upon, the Collateral may be used to satisfy Branch's Liability, if any, to pay the Indemnified Claim, based on its then Value. In the event Regency or the Partnership uses the Collateral to satisfy Branch's Liability, if any, to pay the Indemnified Claim, Regency and the Partnership, as the case may be, agree to foreclose against the Units and/or Shares that comprise such Collateral, pro rata in accordance with the respective percentages set forth on Schedule .

(d) Adjustment. If the number of Units and Shares to be pledged hereunder times the then Value exceeds 125% of the amount of the pending Indemnified Claims representing Branch's Liability (if agreed upon by the parties), then Collateral shall be pledged pro rata in accordance with the relative percentage interests set forth on Schedule , so that the amount of Collateral times the then Value equals at least 125% of the amount of the pending Indemnified Claims representing Branch's Liability. In the event that the parties are not able to agree on the amount of the pending Indemnified Claims representing Branch's Liability, the full Collateral shall be pledged hereunder and Branch shall have the right to request binding arbitration of the maximum possible amount of such Claims (but not the merits of such Claims), by delivery of written notice to Regency and the Partnership. Arbitration proceedings shall be administered by and conducted pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The parties shall flip a coin to determine where the arbitration proceedings will be held, with the winning party entitled to select either Atlanta, Georgia, or Jacksonville, Florida. Three independent arbitrators shall be selected: one shall be a practicing attorney, one shall be a certified public accountant, and the third shall be a real estate professional, each of whom shall be knowledgeable about the subject matter giving rise to the Claims in dispute. The arbitration proceedings shall be completed within 30 days after the selection of the arbitrators, who shall render their decision in writing, by majority vote, within 30 days after the conclusion of the proceeding, stating the factual basis for their decision. The arbitrators shall have authority to include in their decision an award in favor of a party of all or any portion of its attorneys' fees and expenses incurred in connection with the arbitration, together with the cost of the arbitration. Within two business days after the date of the arbitration decision, if the amount of Collateral times the then Value equals at least 125% of the amount determined by the arbitrators to be the maximum possible exposure of the pending Indemnified Claims representing Branch's Liability, Regency shall release the excess collateral, pro rata in accordance with the relative percentages set forth on Schedule .

(e) Substitution of Collateral. Any Branch partner holding Collateral may substitute a letter of credit issued by a responsible financial institution located in the United States in favor of both Regency and the Partnership, provided that the letter of credit (i) is for an amount equal to or greater than the then Value of the Collateral which such letter of credit is replacing as collateral for the security interest granted in Section and (ii) is irrevocable until the security interest is released in the remaining Collateral, subject to the provisions of Section above.

(f) Remedies. In the event that either Regency or the Partnership has the right to use the Collateral to satisfy Branch's Liability, if any, to pay an Indemnified Claim, without waiving any other right under this Agreement, Regency and the Partnership, as the case may be, shall have all rights and remedies of a secured party under the Florida Uniform Commercial Code in addition to the rights and remedies as may be available hereunder, subject to the limitations on Regency's and the Partnership's rights to foreclose set forth in Section (c).

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

(h) Jurisdiction. Any suit, action or proceeding against any Branch partner with respect to this Section may be brought in the courts of the State of Georgia or in the U.S. District Court for the Northern District of Georgia as Regency or the Partnership, as the case may be, in its sole discretion may elect, and each Branch partner shall accept the nonexclusive jurisdiction of those courts for the purpose of any suit, action or proceeding. In addition, each Branch partner shall irrevocably waive, to the fullest extent permitted by law, any objection which such partner may have to the laying of venue of any suit, action or proceeding arising out of or relating to this Section or any judgment entered by any court in respect to any part thereof brought in the State of Georgia and shall further irrevocably waive any claim that any suit, action or proceeding brought in the State of Georgia has been brought in an inconvenient forum.

15.8 Threshold and Cap. Notwithstanding anything herein to the contrary, no party required to indemnify any other under this Article shall be responsible for any Indemnified Claim under the terms of this Article until the cumulative aggregate amount of such Indemnified Claims suffered by Branch or Branch Realty, on the one hand, or the Partnership, Regency or TRG, on the other hand, as the case may be, exceeds $250,000.00, in which case Branch or Branch Realty, on the one hand, or the Partnership, Regency or TRG, on the other hand, as the case may be, shall then be liable for all such Indemnified Claims, but in the case of a breach of a representation, warranty or covenant by Branch or Branch Realty that is not willful and intentional, only to the extent that the aggregate Loss and Expenses for all such Indemnified Claims does not exceed the greater of $12,651,008 or the combined Value of the Collateral, as determined on the date that such Indemnified Claims are paid and Branch, Branch Realty, the Branch partners, and their Affiliates shall have no Liability whatsoever for any

Indemnified Claim in excess of such amount unless resulting from a willful and intentional breach of a representation, warranty or covenant. There shall be no corresponding dollar limitation on Regency's or the Partnership's liability, if any, for Loss and Expenses for Indemnified Claims.

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

15.10 Designated Representatives. The Branch partners shall have the right to designate (i) OCP and (ii) any one of the Branch Principals or Nicholas B. Telesca (the "Branch Representative") to represent Branch in connection with any consent, approval, agreement, settlement, or other action to be taken by Branch after the First Closing under this Article 15, and the unanimous decision of OCP and the Branch Representative shall be binding on Branch and the Branch partners hereunder. It is acknowledged and agreed that the Branch partners shall share any Branch Liability under this Article 15, subject to the limitations in Section and the other provisions of this Article 15, in proportion to the relative percentages set forth on Schedule , and in the event any Branch partner suffers or pays a disproportionate share of a Branch Liability, then such Branch partner shall have a right of contribution from any Branch partner suffering or paying less than such Branch partner's proportionate share. Further, OCP and the Branch Representative, acting together, shall have the right to engage attorneys to represent the interest of Branch and the Branch partners and incur reasonable costs and expenses in connection with any action to be taken or issues arising under this Article 15, and the Branch partners shall fund such costs and expenses (including reasonable compensation to OCP and the Branch Representative) in accordance with the relative percentages set forth on Schedule .

ARTICLE 16: POST-CLOSING COVENANTS

16.1 Completion of 1996 Audit. Branch agrees to cause, and to cooperate in facilitating the completion as promptly as practicable after the First Closing of, the preparation of audited financial statements for Branch as of and for the year ended December 31, 1996, in accordance with GAAP and reported on by Price Waterhouse LLP, or another Big 6 accounting firm, and complying in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder for filing by Regency with the SEC in a Form 8-K and in Regency's proxy statement for the meeting of shareholders referred to in Section . Without limiting the foregoing, Branch agrees to cause its independent public accountants to give Regency and Regency's independent certified public accountants access to the work papers for the audits of Branch's financial statements for the three years ended December 31, 1996. Regency shall pay the cost of Branch's 1996 audit as described on

Schedule . The Final Closing Balance Sheet shall be prepared in accordance with GAAP and on that basis will present fairly the consolidated financial position and the Assets and Liabilities of the entities included therein (including the Subpartnerships) as going concerns, shall be in accordance with the books and records of such entities, shall not reflect any transactions that are not bona fide transactions and shall not contain any untrue statements of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances in which they were made, not misleading.

16.2 Use of Branch Name. Each of the parties acknowledge and agree that the name "Branch," together with the goodwill associated with such name, is the property of J. Alexander Branch, III. For a period of one year following the First Closing, Mr. Branch agrees that the Partnership and New Management Company shall have, without the payment of any additional consideration, a nonexclusive license to use the name "Branch Properties" (but not the name "Branch") in the United States.

16.3 Access to Books and Records. For a period of seven years following the First Closing, Regency shall cause the Partnership and New Management Company to preserve and to give the Branch Affiliates access, upon reasonable advance notice and during normal business hours, to all books and records delivered by Branch and the Subpartnerships to the Partnership and the First Closing to enable the Branch Affiliates to prepare Tax returns or respond to any request of any Tax authority or Governmental Entity regarding matters prior to the First Closing.

16.4 German REIT Representative. As promptly as practicable following the First Closing, Regency shall appoint a tax representative in Germany as required by Auslandsinvestmentgesetz, enacted July 28, 1969, as it may be amended from time to time ("AuslinvestG"), and shall otherwise comply with the AuslinvestG, including its reporting and filing requirements, so long as any Branch partner residing in Germany continues to hold Units or Regency stock issued pursuant to the exercise of Redemption Rights.

16.5 Operation of New Management Company. From and after the First Closing and through December 31, 1999, Regency shall use its reasonable best efforts to cause New Management Company (i) to be operated in the ordinary and usual course of business, (ii) to preserve the good will and advantageous relationships it has received as part of Branch's Third Party Management Business with tenants, customers, suppliers, independent contractors, employees and other Persons material to the operation of such Third Party Management Business, and (iii) to perform New Management's material obligations under the Management Contracts. Regency agrees to cause to be preserved and made available for inspection, during normal business hours and upon reasonable prior notice, by a representative appointed by the Branch Principals, all books and records relating to amounts due at any Third Party Earn-Out Closing. The Branch Principals, acting as a group, shall have the right to conduct up to two audits of such books and records for the purpose of confirming the amount due at any Third Party Earn-Out Closing, and if any such audit discloses that Third Party Fees have been

understated for any calendar year preceding a Third Party Earn-Out Closing by at least 5% (five percent), Regency shall reimburse the Branch Principals for the cost of such audit.

16.6 Reports on Designated Properties. From the First Closing Date until the Third Earn-Out Closing Date (as defined in Section), Regency shall provide the Branch Principals, Nicholas B. Telesca, and OCP with quarterly reports in a form reasonably acceptable to such parties relating to the performance of the Designated Properties (as defined in Section). Regency agrees to cause to be preserved and made available for inspection, during normal business hours and upon reasonable prior notice, by a representative appointed by the Branch Principals, Nicholas B. Telesca, and OCP, all books and records relating to amounts due at any Property Earn-Out Closing. The Branch Principals, Nicholas B. Telesca, and OCP, acting as a group, shall have the right to conduct up to three audits of such books and records for the purpose of confirming the amount due at any Property Earn-Out Closing, and if any such audit discloses that any Annualized NOI (as defined in Section) has been understated for any calendar year preceding a Property Earn-Out Closing resulting in an understatement of the Aggregate Increased Value by more than $1,000,000, Regency shall reimburse the Branch Principals, Nicholas B. Telesca, and OCP, as applicable, for the cost of such audit.

16.7 Review of Net Credit. From the First Closing Date until the First Earn-Out Closing Date, Regency shall provide the Branch Principals, Nicholas B. Telesca and OCP with status reports and such other information applicable to the calculation of the Net Credit pursuant to Article 13 as may be reasonably requested by such parties. Regency agrees to cause to be preserved and made available for inspection, during normal business hours and upon reasonable prior notice, by a representative appointed by the Branch Principals, Nicholas B. Telesca, and OCP, all books and records relating to the calculation of the Net Credit. The Branch Principals, Nicholas B. Telesca, and OCP, acting as a group, shall have the right to conduct an audit of such books and records for the purpose of confirming the Net Credit, the Adjustment Amount, and the amount of any Adjustment Units or Shares due (or the reduction in the Additional Units due) on the First Earn-Out Closing Date as described in Article hereof, and if such audit discloses that the Net Credit has been understated by more than five percent (5%), Regency shall reimburse the Branch Principals, Nicholas B. Telesca, and OCP as applicable, for the cost of such audit.

16.8 Environmental Matters. Branch hereby waives any claim for contribution against the Partnership for any damages to the extent they arise from any pre-closing conditions related to:

16.8.1 any Release of, threatened Release of, or disposal of any Materials of Environmental Concern at any Property;

16.8.2 the operation or violation of any Environmental Law at any Property; or

16.8.3 any Environmental Claim pursuant to any Environmental Law in connection with any Property.

ARTICLE 17: MISCELLANEOUS

17.1 Headings. The headings contained in this Agreement are for reference purposes only and are in no way intended to described, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

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

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

17.4 Survival. The provisions set forth in Article 1, Sections (c), Section (d), Section , Section , Section , Section (with respect to the indemnity set forth therein), Article 6 (subject to the limitations set forth therein and in Article 15), Article 7 (subject to the limitations set forth therein), Article 8 (subject to the limitations set forth therein), Article 9 (subject to the limitations set forth therein), Section , Article 13, Article 15, Article 16, and Article 17 shall survive the First Closing and shall not be deemed to be merged into or waived by the instruments of such First Closing. Except as provided in the foregoing sentence, no other provisions, representations, warranties or other covenants or agreements contained in this Agreement shall survive the First Closing.

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

17.6 Costs of Litigation. The parties agree that the prevailing party in any action brought with respect to or to enforce any right or remedy under this Agreement shall be entitled to recover from the other party or parties all reasonable costs and expenses of any nature

whatsoever incurred by the prevailing party in connection with such action, including, without limitation, attorneys' fees and prejudgment interest.

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

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

17.9 Entire Agreement; Amendment and Modification. This Agreement, including the schedules, exhibits and other documents referred to herein or furnished pursuant hereto, together with the letter agreement regarding confidentiality between Branch and Regency dated July 1, 1996 (the terms of which are incorporated herein) constitutes the entire understanding and agreement among the parties hereto with respect to the transactions contemplated herein, and supersedes all prior oral or written agreements, commitments or understandings with respect to the matters provided for herein. No amendment, modification or discharge of, or supplement to, this Agreement shall be valid or binding unless set forth in writing and duly executed and delivered by the party against whom enforcement of the amendment, modification, or discharge is sought. In addition, this Agreement may not be amended, modified or supplemented without the prior written consent of Security Capital and OCP.

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

(i) If to Branch:

Suite 1600, 400 Colony Square
1201 Peachtree Street
Atlanta, Georgia 30361
Telephone: (404) 892-8900
Facsimile: (404) 892-8898
Attention: J. Alexander Branch III
Nicholas B. Telesca
Richard H. Lee

(ii) If to Regency:

121 W. Forsyth St., Suite 200
Jacksonville, Florida 32202
Telephone: (904) 356-7000
Facsimile: (904) 634-3428
Attention: Martin E. Stein, Jr.,
President
Bruce M. Johnson

copy to:

William B. Fryer, Esq.
King & Spalding
191 Peachtree Street, NE
Suite 4800
Atlanta, Georgia 30303
Telephone: (404) 572-4600
Facsimile: (404) 572-5148

copy to:

Charles E. Commander, Esq.
Foley & Lardner
Green Leaf Building
200 Laura Street
Jacksonville, Florida 32202
Telephone: (904) 359-2000
Facsimile: (904) 359-8700

and copy to OCP and its counsel
(at the addresses set forth below)

(iii) If to OCP:

c/o LaSalle Advisors Limited
100 E. Pratt Street, 20th Floor
Baltimore, Maryland 21202
Telephone: (410) 347-0600
Facsimile: (410) 528-8129
Attention: Stanley J. Kraska, Jr.

copy to:

Elizabeth Grieb, Esq.
Piper & Marbury LLP
36 South Charles Street
Baltimore, Maryland 21201
Telephone: (410) 539-2530
Facsimile: (410) 539-0489

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

17.11 Waivers. No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Agreement or under any other documents furnished in connection with or pursuant to this Agreement shall impair any such right, power or privilege to be construed as a waiver of any default or any acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right,

power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any party hereto unless made in writing and signed by the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

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

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

17.14 Assignment; Parties in Interest.

17.14.1 No party hereto shall assign its rights and/or obligations under this Agreement, in whole or in part, whether by operation of Law or otherwise, without the prior written consent of the other parties hereto.

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

17.15 No Third Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto, and no provision of this Agreement shall be deemed to confer any third party benefit, provided that all representations, warranties and covenants made by Regency in this Agreement shall run in favor of Branch's partners upon the dissolution of Branch, who shall have the right to enforce a Claim for indemnification pursuant to Article in their own right, and further provided that the amendment provisions set forth in Section shall run in favor of Security Capital and OCP.

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

17.17 Limitation of Liability. Any obligation or liability whatsoever of Regency which may arise at any time under this Agreement or any obligation or liability which may be incurred by it pursuant to any other instrument, transaction or undertaking contemplated hereby shall be satisfied, if at all, out of Regency's assets only. No such obligation or liability shall be

personally binding upon, nor shall resort for the enforcement thereof be had to, the property of any of its shareholders, trustees, officers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise.

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

17.19 Tax Advice. Branch has relied on its accountants, attorneys and other advisors for advice in connection with structuring the transactions contemplated by this Agreement and is not relying on Regency or Regency's accountants, attorneys or other advisors with regard to the structure of such transactions.

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

BRANCH PROPERTIES, L.P.

By: Branch Realty, Inc.
Sole General Partner

By: /s/ Richard H. Lee
Its: Executive Vice President
and Secretary

BRANCH REALTY, INC.

By: /s/ Richard H. Lee
Its: Executive Vice President
and Secretary

REGENCY REALTY CORPORATION

By: /s/ Bruce M. Johnson
Bruce M. Johnson
Title: Executive Vice President

THE REGENCY GROUP, INC., as to
Articles and only

By: /s/ Bruce M. Johnson
Bruce M. Johnson
Title: Executive Vice President

/s/ J. Alexander Branch
J. ALEXANDER BRANCH, III, as
to Section only

SCHEDULE

Assumed Liabilities

A. The aggregate principal amount of Existing Mortgage Debt, plus current interest through the First Closing Date, provided, however, that to the extent any such indebtedness is nonrecourse, the Partnership shall assume such nonrecourse Existing Mortgage Debt (subject to the nonrecourse provisions relating thereto).

B. The Permitted Exceptions.

C. All obligations arising after January 1, 1997 under the following Contracts:

1. Acquisition Contracts (Schedule)
2. Development Contracts (Schedule)
3. Management Contracts (Schedule)
4. Repair Contracts (Schedule)
5. Service Contracts (to the extent provided in Section)
6. TI Contracts (Schedule)
7. Real Property Leases (Schedule)
8. Personal Property Leases (Schedule)
9. Leasing Commission Contracts (Schedule)
10. The insurance policies listed on Schedule
11. The partnership agreements of the Subpartnerships (Schedule)
12. The other Contracts listed on Schedule

D. The permits, licenses, approvals, zoning exceptions and approvals, consents and orders assigned to the Partnership pursuant to Section .

E. The employee benefits for Continuing Employees and other obligations with respect to Branch employees described in Section (Continuation of Employees).

F. The Liabilities shown on the Final Balance Sheet.

G. Gottlieb Consulting Agreement and Termination Agreement.

H. Corbett letter agreement.

I. Sanzo Termination Agreement

J. Soloman Termination Agreement

K. The Assumed Obligations described in Section hereof.

SCHEDULE

Properties

1) Limited or Special Warranty Deed

2) Bill of Sale

3) Assignment of Leases, Contracts, Permits and Security Deposits

Acquisition Properties not closed

1) Assignment of Purchase and Sale Agreement and Deposits

2) Bill of Sale

3) Assignment of Leases, Contracts, Permits and Security Deposits

Subpartnership Interests

1) Assignment of Partnership Interest

Branch Headquarters and Other Assets

1) Assignment of Leases, Contracts, Permits and Security Deposits (including Third Party Management Business)

2) Bill of Sale

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EXHIBITS

Exhibit A	Partners, Contributions and Partnership Interests (addresses)
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Exhibit C	Security Capital Waiver and Consent Agreement

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

THIS AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP of Regency Retail Partnership, L.P. (the "Partnership") is entered into this 7th day of March, 1997 by and among Regency Atlanta, Inc., a Georgia corporation, as the General Partner (the "General Partner") and the Persons whose names are set forth on Exhibit A as attached hereto, as the Limited Partners, together with any other Persons who become Partners in the Partnership as provided herein;

WHEREAS, the Partnership has been formed as a limited partnership under the Revised Uniform Limited Partnership Act of the State of Delaware, and the Partners wish to amend and restate this Agreement to set forth their respective rights and duties relating to the Partnership on the terms as provided herein;

WHEREAS, Regency Atlanta, Inc. has been admitted as a new General Partner, Branch Properties, Ltd. has withdrawn as the initial general partner and been admitted as the Original Limited Partner (as hereinafter defined), and Branch Retail Corporation has withdrawn as the initial limited partner;

WHEREAS, the Partners have entered into the Contribution Agreement (as hereafter defined) pursuant to which, among other things, the parties agreed to establish the Partnership;

WHEREAS, the Partnership has acquired certain properties prior to the admission of Regency Atlanta, Inc. as General Partner;

WHEREAS, pursuant to the Contribution Agreement the parties have agreed to contribute additional assets to the Partnership;

WHEREAS, Branch Properties, Ltd. intends to distribute the Units (as hereafter defined) that it receives pursuant to the Contribution Agreement to its respective partners, who shall upon such distribution constitute Original Limited Partners (as hereafter defined) in place of Branch Properties, Ltd.;

NOW, THEREFORE, in consideration of the premises, the mutual promises and agreements herein made, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the General Partner and the Limited Partners hereby agree as follows:

ARTICLE 1
DEFINED TERMS

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

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

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

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

"Adjusted Capital Account" means the Capital Account maintained for each Partner as of the end of each Partnership Year (i) increased by any amounts which such Partner is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5) and (ii) decreased by the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Regulations Section 1.704- 1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Adjusted Capital Account Deficit" means, with respect to any Partner,

the deficit balance, if any, in such Partner's Adjusted Capital Account as of the end of the relevant Partnership Year.

"Adjusted Property" means any property the Carrying Value of which has been adjusted pursuant to Section 4.4 hereof.

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

"Agreed Value" means (i) in the case of any Contributed Property, (a) the Agreed Value of such property at the time of its contribution to the Partnership as set forth by separate letter agreement or (b) if there is no such letter agreement, the 704(c) Value of such property or other consideration, reduced by any liabilities either assumed by the Partnership upon such contribution or to which such property is subject when contributed; and (ii) in the case of any property distributed to a Partner by the Partnership, the Partnership's Carrying Value of such property at the time such property is distributed, reduced by any indebtedness either assumed by such Partner upon such distribution or to which such property is subject at the time of distribution as determined under Section 752 of the Code and the regulations thereunder.

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

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

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

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

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

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

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

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

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

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

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

"Book-Tax Disparities" means, with respect to any item of Contributed Property or Adjusted Property, as of the date of any determination, the difference between the Carrying Value of such Contributed Property or Adjusted Property and the adjusted basis thereof for federal income tax purposes as of such date. A Partner's share of the Partnership's Book-Tax Disparities in all of its Contributed Property and Adjusted Property will be reflected by the difference between such Partner's Capital Account balance as maintained pursuant to Section 4.4 and the hypothetical balance of such Partner's Capital Account computed as if it had been maintained strictly in accordance with federal income tax accounting principles.

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

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

"Capital Contribution" means, with respect to any Partner, any cash, cash equivalents or the Agreed Value of Contributed Property which such Partner contributes or is deemed to contribute to the Partnership pursuant to Section 4.1 or 4.2 hereof and which shall be treated as a contribution to the Partnership pursuant to Section 721(a) of the Code.

"Capital Transaction" means a sale, exchange or other disposition (other than in liquidation of the Partnership) or a financing or refinancing by the Partnership (which shall not include any loan or financing to the General Partner as permitted by Section 7.1(a)(iii) of a Partnership asset or any portion thereof.

"Capital Transaction Proceeds" means the net cash proceeds of a Capital Transaction, after deducting all expenses incurred in connection therewith and after application of any proceeds, at the sole discretion of the General Partner, toward the payment of any indebtedness of the Partnership secured by the property that is the subject of that Capital Transaction, the purchase, improvement or expansion of Partnership property, or the establishment of any reserves deemed reasonably necessary by the General Partner; provided, however,

that if the Partnership obtains financing for Partnership properties for which no permanent financing has previously been obtained, the proceeds of such financing shall not be deemed to be Capital Transaction Proceeds if and to the extent that the General Partner determines to reinvest such proceeds in additional and existing real property investments of the Partnership.

"Carrying Value" means (i) with respect to a Contributed Property or Adjusted Property, the 704(c) Value of such property (or in the case of an Adjusted Property, the fair market value of such property at the time of its latest adjustment under Section 4.4(d)) reduced (but not below zero) by all Depreciation with respect to such property charged to the Partners' Capital Accounts and (ii) with respect to any other Partnership property, the adjusted basis of such property for federal income tax purposes, all as of the time of determination. The Carrying Value of any property shall be adjusted from time to time in accordance with Section 4.4 hereof, and to reflect changes, additions or other adjustments to the Carrying Value for dispositions and acquisitions of Partnership properties, as deemed appropriate by the General Partner.

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

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

"Charter Amendment" means the proposed amendment to Regency's Articles of Incorporation in the form attached as Exhibit 5.4 to the Contribution Agreement.

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

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

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

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

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

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

Limited Partners means the written consent of Original Limited Partners holding a majority of the Original Limited Partnership Units outstanding at the time in question.

"Contributed Property" means each property or other asset (but excluding cash), in such form as may be permitted by the Act contributed or deemed contributed to the Partnership. Once the Carrying Value of a Contributed Property is adjusted pursuant to Section 4.4(d) hereof, such property shall no longer constitute a Contributed Property for purposes of Section 4.4(d) hereof, but shall be deemed an Adjusted Property for such purposes.

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

"Cumulative Unpaid Accrued Return Account" means, with respect to any Original Limited Partner, an amount equal to (i) the interest that would accrue at the Prime Rate plus two percent (2%) on such Partner's Cumulative Unpaid Priority Distribution Account outstanding from time to time, less (ii) the cumulative amount of Available Cash and the cumulative amount of any Capital Transaction Proceeds distributed with respect to the Original Limited Partnership Units of such Partner in reduction of such Cumulative Unpaid Accrued Return Account pursuant to Sections 5.1(a)(ii) and 5.1(b)(i).

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

"Debt" means, as to any Person, as of any date of determination, (i) all indebtedness of such Person for money borrowed or for the deferred purchase price of property or services, which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto or the completion of such services; (ii) all amounts owed by such Person to banks or other Persons in respect of reimbursement obligations under letters of credit, surety bonds and other similar instruments guaranteeing payment or other performance of obligations by such Person; (iii) all indebtedness for money borrowed or for the deferred purchase price of property or services secured by any lien on any property owned by such Person, to the extent attributable to such Person's interest in such property, even though such Person has not assumed or become liable for the payment thereof; and (iv) lease obligations of such Person which, in accordance with generally accepted accounting principles, should be capitalized.

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

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

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

"First Redemption Date" means the earlier of (i) 5:00 p.m. Eastern time on the first (1st) Business Day after the Shareholder Approval Date or (ii) 5:00 p.m. Eastern time on the first (1st) Business Day after the first (1st) anniversary of the First Closing.

"General Partner" means Regency Atlanta, Inc. [or its permitted successors as a general partner of the Partnership.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) Any income, gain or loss attributable to the taxable disposition of any Partnership property shall be determined as if the adjusted basis of such property as of such date of disposition

were equal in amount to the Partnership's Carrying Value with respect to such property as of such date.

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

(f) In the event the Carrying Value of any Partnership asset is adjusted pursuant to Section 4.4(c) hereof, the amount of any such adjustment shall be taken into account as gain or loss from the disposition of such asset.

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

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

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

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

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

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

"Original Limited Partner" means Branch Properties, Ltd. and, following the distribution of the Units it receives to its respective partners pursuant to the Contribution Agreement, those persons who receive such Units pursuant thereto. The Original Limited Partners are listed on Exhibit A attached hereto. The term "Original Limited Partner" shall also include any permitted transferee of an Original Limited Partner pursuant to Section 11.3 other than the General Partner, Regency or any Affiliate of Regency.

"Original Limited Partnership Unit" means a Partnership Unit (including any Additional Units) issued to an Original Limited Partner.

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

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

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

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

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

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

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

"Partnership Record Date" means the record date established by the General Partner for the distribution of Available Cash pursuant to Section 5.1 hereof, which record date shall be the same as the record date established by Regency for a dividend to the holders of Common Stock. No Partnership Record Date shall occur until after the First Closing.

"Partnership Unit" or "Unit" means the Partnership Interest in the Partnership to be issued to and held by the Original Limited Partners pursuant to Sections 4.1 and 4.2. The number of Units to be issued to each Original Limited Partner at the First Closing is set forth on Exhibit A attached hereto. As provided in the Contribution Agreement, Additional Units may be issued to the Original Limited Partners after the First Closing, as more particularly set forth in the Contribution Agreement. The terms "Partnership Unit" or "Unit" includes the initial Units issued at the First Closing and any Additional Units issued after the First Closing to the Original Limited Partners. Exhibit A shall be amended from time to time to reflect the issuance of any Additional Units. The terms "Partnership Unit" and "Unit" do not include or refer to any Class A Units or Class B Units.

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

"Percentage Interest" means, as to a Partner, its interest in the Partnership as determined by dividing (i) the Partnership Units , Class A Units and Class B Units owned by such Partner by (ii) the total number of Partnership Units, Class A Units and Class B Units then outstanding and as specified in Exhibit A attached hereto, as such Exhibit may be amended from time to time in accordance with the terms of this Agreement.

"Person" means an individual or a corporation, limited liability company, partnership, trust, unincorporated organization, association or other entity.

"Pledged Units" has the meaning set forth in Section 8.6(f).

"Prime Rate" means, on any date, a fluctuating rate of interest per annum equal to the rate of interest most recently established by Wachovia Bank of Georgia, N.A. at its Atlanta, Georgia office (or, at the General Partner's election, another major lender to the Partnership, at the office with which the Partnership deals), as its prime rate of interest for loans in United States dollars.

"Priority Distribution Amount" means with respect to an Original Limited Partnership Unit outstanding on a Partnership Record Date (i) the cash dividend per share of Common Stock (including any dividend designated by Regency as capital gain pursuant to Section 857(b)(3)(C) of the Code) declared by Regency on the Partnership Record Date, multiplied by (ii) the Unit Adjustment Factor in effect on such Partnership Record Date.

"Recapture Income" means any gain recognized by the Partnership (computed without regard to any adjustment required by Section 734 or Section 743 of the Code) upon the disposition of any property or asset of the Partnership, which gain is characterized as ordinary income because it represents the recapture of deductions previously taken with respect to such property or asset.

"Recourse Liabilities" has the meaning set forth in Regulations Section 1.752-1(a)(1).

"Redeeming Partner" means a Limited Partner who duly exercised a Redemption Right pursuant to Section 8.6.

"Redemption Amount" means the Share Amount or, as determined by the General Partner in its sole and absolute discretion after the Option Date, the Cash Amount or any combination of the Share Amount and the Cash Amount. As provided in Section 8.6(b), in the event a Specified Redemption Date occurs on or before the Option Date, then the General Partner shall be required to cause the Partnership to issue the Share Amount (and not the Cash Amount) in satisfaction of the Redemption Amount, except as otherwise provided in Section 8.6(c).

"Redemption Right" has the meaning set forth in Section 8.6(a) hereof.

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

"Regulations" means the Income Tax Regulations, including the Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

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

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

"704(c) Value" of any Contributed Property means the fair market value of such property or other consideration at the time of contribution as determined by the General Partner in its discretion using such reasonable method of valuation as it may adopt. The General Partner shall use such method as it deems reasonable and appropriate in its sole and absolute discretion to allocate the aggregate of the 704(c) Value of

Contributed Properties received in a single or integrated transaction among each separate property on a basis proportional to its fair market value.

"Share Amount" means a number of Shares arrived at by multiplying (i) the number of Partnership Units that are the subject of a Notice of Redemption times (ii) the Unit Adjustment Factor.

"Shareholder Approval Date" means the date that the shareholders of Regency approve (i) the transactions contemplated by the Contribution Agreement as required by Rule 312.03(c) of the New York Stock Exchange Listed Company Manual and (ii) the Charter Amendment, as described in Section 5.4 of the Contribution Agreement.

"Shares" means (i) the Common Stock of Regency, and (ii) any securities issuable with respect to Shares as a result of the application of Section 11.2(b).

"Specified Redemption Date" means the later of (i) 5:00 p.m. Eastern time, on the date specified by the Redeeming Partner in such Partner's Notice of Redemption, or (ii) the close of business, Eastern time, on the first Business Day after the date in clause (i) if such date is not a Business Day, or (iii) 5:00 p.m. Eastern time, on the tenth Business Day after receipt by the General Partner of a Notice of Redemption.

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

"Subsidiary" means, with respect to any Person, any corporation or other entity of which a majority of (i) the voting power of the voting equity securities or (ii) the outstanding equity interests is owned, directly or indirectly, by such Person.

"Substituted Limited Partner" means a Person who is admitted as a Limited Partner to the Partnership pursuant to Section 11.4.

"Transaction" has the meaning set forth in Section 11.2(b).

"Unit Adjustment Factor" means initially 1.0; provided that, in order to prevent dilution of the Redemption Right, in the event that Regency (i) declares or pays a dividend on its outstanding Common Stock in Common Stock or makes a distribution to all holders of its outstanding Common Stock in Common Stock, (ii) subdivides its outstanding Common Stock, or (iii) combines its outstanding Common Stock into a smaller number of shares, the Unit Adjustment Factor shall be adjusted by multiplying the Unit Adjustment Factor by a fraction, the numerator of which shall be the number of Shares issued and outstanding on the record date (assuming for such purposes that such dividend, distribution, subdivision or combination has occurred as of such time), and the denominator of which shall be the actual number of Shares (determined without the above assumption) issued and outstanding on the record date for such dividend, distribution, subdivision or combination. Any adjustment to the Unit Adjustment Factor shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.

"Unrealized Gain" attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (i) the fair market value of such property (as determined under Section 4.4 hereof) as of such date, over (ii) the Carrying Value of such property (prior to any adjustment to be made pursuant to Section 4.4 hereof) as of such date.

"Unrealized Loss" attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (i) the Carrying Value of such property (prior to any adjustment to be made pursuant to Section 4.4 hereof) as of such date, over (ii) the fair market value of such property (as determined under Section 4.4 hereof) as of such date.

"Valuation Date" means the date of receipt by the General Partner of a Notice of Redemption or, if such date is not a Business Day, the first Business Day thereafter.

"Value" means, with respect to a Share, the average of the daily market price of the Common Stock for the ten (10) consecutive trading days immediately preceding the Valuation Date. The market price for each such trading day shall be: (i) if the Common Stock is listed or admitted to trading on any securities exchange or the NASDAQ-National Market, the closing price, regular way, on such day, or if no such sale takes place on such day, the average of the closing bid and asked prices on such day, (ii) if the Common Stock is not listed or admitted to trading on any securities exchange or the NASDAQ-National Market, the last reported sale price on such day or, if no sale takes place on such day, the average of the closing bid and asked prices on such day, as reported by a reliable quotation source designated by the General Partner, or (iii) if the Common Stock is not listed or admitted to trading on any securities exchange or the NASDAQ-National Market and no such last reported sale price or closing bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reliable quotation source designated by the General Partner, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than 10 days prior to the date in question) for which prices have been so reported; provided, that if there are no bid and asked prices reported during the 10 days prior to the date in question, the Value of the Common Stock shall be determined by Regency's board of directors acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

ARTICLE 2
ORGANIZATIONAL MATTERS

Section 2.1 Organization; Application of Act.

(a) Organization and Formation of Partnership. The Partnership has been formed as a limited partnership under the Act, the initial general and limited partners have withdrawn from the Partnership and the General Partner and the Limited Partners do hereby amend and restate this Agreement to provide for the continuation of the Partnership according to all of the terms and provisions of this Agreement and otherwise in accordance with the Act. The General Partner is the sole general partner and the Limited Partners are the sole limited partners of the Partnership.

(b) Application of Act. The Partnership is a limited partnership pursuant to the provisions of the Act and upon the terms and conditions set forth in this Agreement. Except as expressly provided herein to the contrary, the rights and obligations of the Partners and the administration and termination of the Partnership shall be governed by the Act. No Partner has any interest in any Partnership property, and the Partnership Interest of each Partner shall be personal property for all purposes.

Section 2.2 Name. The name of the Partnership is Regency Retail Partnership, Ltd. The Partnership's business may be conducted under any other name or names deemed advisable by the General

Partner, including the name of the General Partner or any Affiliate thereof. The words "Limited Partnership," "Ltd.," "Ltd." or similar words or letters shall be included in the Partnership's name where necessary for the purposes of complying with the laws of any jurisdiction that so requires. The General Partner in its sole and absolute discretion may change the name of the Partnership at any time and from time to time and shall promptly notify the Limited Partners of such change; provided, that the name of the Partnership may not be changed to include the name, or any variant thereof, of any Limited Partner without the written consent of that Limited Partner.

Section 2.3 Registered Office and Agent; Principal Office. The address of the registered office of the Partnership in the State of Delaware is located at 1013 Centre Road, City of Wilmington, County of New Castle, Delaware 19801, and the registered agent for service of process on the Partnership in the State of Delaware at such registered office is Corporation Service Company. The principal office of the Partnership is 121 W. Forsyth Street, Suite 200, Jacksonville, Florida 32202, or such other place as the General Partner may from time to time designate by notice to the Limited Partners. The Partnership may maintain offices at such other place or places within or outside the State of Florida as the General Partner deems advisable.

Section 2.4 Term. The term of the Partnership shall commence on the date hereof and shall continue until December 31, 2097, unless it is dissolved sooner pursuant to the provisions of Article 13 or as otherwise provided by law.

ARTICLE 3
PURPOSE

Section 3.1 Purpose and Business. The purpose and nature of the business to be conducted by the Partnership is (i) to conduct any business that may be lawfully conducted by a limited partnership organized pursuant to the Act and in connection therewith to sell or otherwise dispose of Partnership assets, (ii) to enter into any partnership, joint venture or other similar arrangement to engage in any of the foregoing or the ownership of interests in any entity engaged in any of the foregoing and (iii) to do anything necessary or incidental to the foregoing which, in each case, is not in breach of this Agreement; provided, however, that each of the foregoing clauses (i), (ii), and (iii) shall be limited and conducted in such a manner as to permit Regency at all times to be classified as a REIT, unless Regency provides notice to the Partnership that it intends to cease or has ceased to qualify as a REIT.

Section 3.2 Powers. The Partnership is empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described herein and for the protection and benefit of the Partnership; provided, however, that the Partnership shall not take, or refrain from taking, any action which, in the judgment of the General Partner, (i) could adversely affect the ability of Regency to continue to qualify as a REIT, unless Regency provides notice to the Partnership that it intends to cease or has ceased to qualify as a REIT, (ii) could subject Regency to any additional taxes under Section 857 or Section 4981 of the Code or (iii) could violate any law or regulation of any governmental body or agency having jurisdiction over the General Partner, Regency or their securities, unless such action (or inaction) shall have been specifically consented to by the General Partner in writing.

ARTICLE 4
CAPITAL CONTRIBUTIONS; ISSUANCE OF UNITS; CAPITAL ACCOUNTS

Section 4.1 Capital Contributions of the Partners.

(a) Initial Capital Contributions. At the time of the execution of this Agreement, Branch Properties, Ltd. shall make or shall have made the Capital Contributions set forth in Exhibit A to this Agreement, and such Capital Contributions shall be deemed to have been made by its respective partners as Original Limited Partners, in the respective amounts set forth in Exhibit A. The Original Limited Partners shall own Partnership Units in the amounts set forth in Exhibit A and shall have a Percentage Interest in the Partnership as set forth in Exhibit A, which Percentage Interest shall be adjusted in Exhibit A from time to time by the General Partner to the extent permitted by this Agreement to reflect accurately redemptions, Capital Contributions, the issuance of additional Partnership Units, Class A Units or Class B Units, or similar events having an effect on a Partner's Percentage Interest. The number of Units shall be increased and the Percentage Interests adjusted in the event that and each time that a Subsequent Closing occurs. Any Partnership Interests held by the General Partner, Regency or any Affiliate (including Partnership Interests acquired under Sections 4.2, 8.6 and 8.7) shall be Class B Units.

(b) Additional Capital Contributions or Assessments. No Partner shall be assessed or be required to contribute additional funds or other property to the Partnership, except for any such amounts which a Limited Partner may be obligated to repay under Section 5.3 or Section 13.4 and such amounts which the General Partner may be obligated to contribute as provided under Section 7.1(a)(iii). Any additional funds required by the Partnership, as determined by the General Partner in its reasonable business judgment, may, at the option of the General Partner and without an obligation to do so, be contributed by the General Partner as additional Capital Contributions. If and as the General Partner or any other Partner makes additional Capital Contributions to the Partnership, each such Partner shall receive Class A Units, Class B Units or other Partnership Interests, subject to the provisions of Section 4.2 and such Partner's Capital Account shall be adjusted as provided in Section 4.4.

(c) Return of Capital Contributions. Except as otherwise expressly provided herein, the Capital Contribution of each Partner will be returned to that Partner only in the manner and to the extent provided in Article 5 and Article 13 hereof, and no Partner may withdraw from the Partnership or otherwise have any right to demand or receive the return of its Capital Contribution to the Partnership (as such), except as specifically provided herein. Under circumstances requiring a return of any Capital Contribution, no Partner shall have the right to receive property other than cash, except as specifically provided herein. No Partner shall be entitled to interest on any Capital Contribution or Capital Account notwithstanding any disproportion therein as between the Partners. Except as specifically provided herein, the General Partner shall not be liable for the return of any portion of the Capital Contribution of any Limited Partner, and the return of such Capital Contributions shall be made solely from Partnership assets. The General Partner may, but shall not be obligated to, make Capital Contributions for the purpose of enabling the Partnership to make distributions of Available Cash to Limited Partners.

(d) Liability of Limited Partners. No Limited Partner shall have any further personal liability to contribute money to, or in respect of, the liabilities or the obligations of the Partnership, nor shall any Limited Partner be personally liable for any obligations of the Partnership, except as otherwise provided in Section 4.1(b) or in the Act. No Limited Partner shall be required to make any contributions to the capital of the Partnership other than its Capital Contribution.

Section 4.2 Issuances of Additional Partnership Interests. The Contribution Agreement sets forth the provisions upon which Additional Units shall be issued to the Original Limited Partners. The General Partner and Regency shall cause the Additional Units to be issued to the Original Limited Partners as set forth in the Contribution Agreement and to amend this Agreement to reflect the issuance of any such Additional Units. Subject to the restrictions set forth below, the General Partner is hereby authorized to cause the Partnership at any time or from time to time to issue to the Partners or to other Persons such additional Class B Units or other Partnership Interests in one or more classes, or one or more series of any such classes, with such designations, preferences and relative, participating, optional or other special rights, powers and duties, and for such consideration as shall be determined by the General Partner in its sole and absolute discretion, subject to Delaware law, including, without limitation, (i) the allocations of items of Partnership income, gain, loss, deduction and credit to each such class or series of Partnership Interests, (ii) the right of each such class or series of Partnership Interests to share in Partnership distributions, and (iii) the rights of each such class or series of Partnership Interests upon dissolution and liquidation of the Partnership; provided, however, that so long as there shall be any Original Limited Partnership Units outstanding, without the Consent of the Original Limited Partners, (a) any Partnership Interests issued shall be subordinate to the Original Limited Partnership Units and will not affect the priority of distributions with respect to the Original Limited Partnership Units as set forth in Section 5.1 hereof, except as provided below with respect to Class A Units, (b) no Partnership Interests other than Class B Units shall be issued to the General Partner, Regency or any Affiliate of Regency or the General Partner, and (c) no Partnership Interests on a parity with the Original Limited Partnership Units shall be issued to any Person, except as provided below with respect to Class A Units. No later than six months after the First Closing, the General Partner shall have the right, without the Consent of the Original Limited Partners, to issue up to 250,000 Class A Units in exchange for the contribution to the Partnership of certain interests and rights in either or both of the properties generally known as Peartree Village and Roswell Village (or cash), with such number of Class A Units being computed by dividing the agreed net contribution value of such contributed interests and rights (or cash) by $22-1/8.

Section 4.3 No Preemptive Rights. No Person shall have any preemptive, preferential or other similar right with respect to (i) additional Capital Contributions or loans to the Partnership or (ii) issuance or sale of any Partnership Interests.

Section 4.4 Capital Accounts of the Partners.

(a) General. The Partnership shall maintain for each Partner a separate Capital Account in accordance with the rules of Regulations Section 1.704-1(b)(2)(iv). Such Capital Account shall be increased by (i) the amount of all Capital Contributions made by such Partner to the Partnership pursuant to this Agreement and (ii) all items of Partnership income and gain (including income and gain exempt from tax) allocated to such Partner pursuant to Sections 6.1 and 6.2 of this Agreement, and decreased by (x) the amount of cash or Agreed Value of all actual and deemed distributions of cash or property made to such Partner pursuant to this Agreement and (y) all items of Partnership deduction and loss allocated to such Partner pursuant to Sections 6.1 and 6.2 of this Agreement. Upon the issuance of any Additional Units to an Original Limited Partner, the aggregate Agreed Value of

the Contributed Property contributed by such Partner to the Partnership shall be increased by the value of such Additional Units (which is agreed to be $22-1/8 per Additional Unit), and such increase shall be allocated among the items of Contributed Property contributed by such Partner in proportion to their then book values. The increase in the Agreed Value of such Contributed Property shall be credited to such Partner's Capital Account under this Section 4.4(a).

(b) Transfers of Partnership Units. A transferee of a Partnership Unit, Class A Unit, Class B Unit or other Partnership Interest shall succeed to a pro rata portion of the Capital Account of the transferor; provided, however, that, if the transfer causes a termination of the Partnership under Section 708(b)(1)(B) of the Code, the Partnership's properties shall be deemed to have been transferred in accordance with Regulations Section 1.708-1 and appropriate adjustments resulting from such deemed transfers shall be made hereunder.

(c) Unrealized Gains and Losses.

(i) Consistent with the provisions of Regulations Section 1.704-1(b)(2)(iv)(f), and as provided in Section 4.4(c)(ii) , the Carrying Values of all Partnership assets shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Partnership property, as of the times of the adjustments provided in Section 4.4(c)(ii) hereof, as if such Unrealized Gain or Unrealized Loss had been recognized on an actual sale of each such property and allocated pursuant to Section 6.1 of the Agreement.

(ii) Such adjustments shall be made as of the following times: (i) immediately prior to the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis Capital Contribution; (ii) immediately prior to the distribution by the Partnership to a Partner of more than a de minimis amount of Property as consideration for an interest in the Partnership; and (iii) immediately prior to the liquidation of the Partnership or the General Partner's interest in the Partnership within the meaning of Regulations Section 1.704-l(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (i) and (ii) above shall be made only if the General Partner determines such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership.

(iii) In accordance with Regulations Section 1.704-1(b)(2)(iv)(e), the Carrying Value of Partnership assets distributed in kind shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Partnership property, as of the time any such asset is distributed.

(iv) In determining such Unrealized Gain or Unrealized Loss the aggregate cash amount and fair market value of all Partnership assets (including cash or cash equivalents) shall be determined by the General Partner using such reasonable method of valuation as it may adopt, or in the case of a liquidating distribution pursuant to Article 13 of this Agreement, be determined and allocated by the Liquidator using such reasonable methods of valuation as it may adopt. The General Partner, or the Liquidator, as the case may be, shall allocate such aggregate value among the assets of the Partnership (in such manner as it determines to arrive at fair market value for individual properties).

(d) Modification by General Partner. The provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the General Partner shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Partnership, the General Partner, or any Limited Partners), are computed in order to comply with such Regulations, the General Partner may make such modification without regard to Article 14 of this Agreement. The General Partner also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Partners and the amount of Partnership capital reflected on the Partnership's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(q), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).

ARTICLE 5
DISTRIBUTIONS

Section 5.1 Requirement and Characterization of Distributions.

(a) The General Partner shall distribute quarterly an amount equal to 100% of Available Cash generated by the Partnership during such quarter to the Partners who are Partners on the Partnership Record Date with respect to such quarter as follows (and for this purpose, the holders of Class A Units shall be treated as if they were Original Limited Partners):

(i) First, one hundred percent (100%) to the Original Limited Partners, pro rata based on the number of Original Limited Partnership Units held by each such Partner on the applicable Partnership Record Date, until each has received an amount equal to the Priority Distribution Amount for the quarter for each such Unit;

(ii) Next, if any Original Limited Partners have a positive Cumulative Unpaid Accrued Return Account, one hundred percent (100%) to such Original Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Accrued Return Accounts, until each such Cumulative Unpaid Accrued Return Account reaches zero;

(iii) Next, if any Original Limited Partners have a positive Cumulative Unpaid Priority Distribution Account, one hundred percent (100%) to such Original Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Priority Distribution Accounts, until each such Cumulative Unpaid Priority Distribution Account reaches zero; and

(iv) Thereafter, to the General Partner and any other holders of Class B Units, pro rata in accordance with the relative number of Class B Units held by each.

(b) The General Partner shall distribute Capital Transaction Proceeds received by the Partnership within 30 days after the date of such Capital Transaction, provided that the General Partner has given the Limited Partners 20 days' prior written notice of the date for any such

distribution, as follows (and for this purpose, the holders of Class A Units shall be treated as if they were Original Limited Partners):

(i) First, if any Original Limited Partners have a positive Cumulative Unpaid Accrued Return Account, one hundred percent (100%) to such Original Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Accrued Return Accounts, until each such Cumulative Unpaid Accrued Return Account reaches zero;

(ii) Next, if any Original Limited Partners have a positive Cumulative Unpaid Priority Distribution Account, one hundred percent (100%) to such Original Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Priority Distribution Accounts, until each such Cumulative Unpaid Priority Distribution Account reaches zero; and

(iii) Thereafter, to the General Partner and any other holders of Class B Units, pro rata in accordance with the relative number of Class B Units held by each.

Section 5.2 Amounts Withheld. All amounts withheld pursuant to the Code or any provisions of any state or local tax law and Section 5.3 hereof with respect to any allocation, payment or distribution to the General Partner, or any Limited Partners or Assignees shall be promptly paid, solely out of funds of the Partnership (except as otherwise provided in Section 5.3 in connection with the exercise by a Limited Partner of a Redemption Right), by the General Partner to the appropriate taxing authority and treated as amounts distributed to the General Partner or such Limited Partners or Assignees pursuant to Section 5.1 for all purposes under this Agreement.

Section 5.3 Withholding. Each Limited Partner hereby authorizes the Partnership to withhold from or pay on behalf of or with respect to such Limited Partner any amount of federal, state, local, or foreign taxes that the General Partner determines that the Partnership is required to withhold or pay with respect to any amount distributable or allocable to such Limited Partner pursuant to this Agreement or with respect to the exercise by such Limited Partner of the Redemption Rights set forth in Section 8.6, including, without limitation, any taxes required to be withheld or paid by the Partnership pursuant to Section 1441, 1442, 1445, or 1446 of the Code and Section 48-7-129 of the Official Code of Georgia Annotated. Any amount paid on behalf of or with respect to a Limited Partner shall constitute a loan by the Partnership to such Limited Partner, which loan shall be repaid by such Limited Partner within 15 days after notice from the General Partner that such payment must be made unless (i) the Partnership withholds such payment from a distribution which would otherwise be made to the Limited Partner or (ii) the General Partner determines, in its sole and absolute discretion, that such payment may be satisfied out of the available funds of the Partnership which would, but for such payment, be distributed to the Limited Partner. Any amounts withheld pursuant to the foregoing clauses (i) or (ii) shall be treated as having been distributed to such Limited Partner and shall be promptly paid, solely out of funds of the Partnership, by the General Partner to the appropriate taxing authority. Each Limited Partner hereby unconditionally and irrevocably grants to the Partnership a security interest in such Limited Partner's Partnership Interest as to secure such Limited Partner's obligation to pay to the Partnership any amounts required to be paid pursuant to this Section 5.3 (together with attorney's fees and other costs in enforcing the Partnership's rights against the collateral). In the event that a Limited Partner or Redeeming Partner fails to pay any amounts owed to the Partnership pursuant to this Section 5.3 when due, the General Partner may, in its sole and absolute discretion, elect to make the payment on behalf of such defaulting Partner, and in such event shall be deemed to have loaned such amount to such defaulting Partner

and shall succeed to all rights and remedies of the Partnership as against such defaulting Partner (including, without limitation, in the case of a default by other than a Redeeming Partner the right to receive distributions from the Partnership). Any amounts payable by a Limited Partner or a Redeeming Partner hereunder shall bear interest at the Prime Rate, plus two percentage points (but not higher than the maximum lawful rate) from the date such amount is due (i.e., 15 days after demand) until such amount is paid in full. In the event that the Partnership or the General Partner is required to withhold tax with respect to the exercise by a Limited Partner of a Redemption Right, the Limited Partner exercising the Redemption Right shall make arrangements with the Partnership or the General Partner, as the case may be, to provide the funds to the Partnership necessary to effect the required withholding. In the event that, pursuant to applicable laws and regulations, the General Partner may withhold a reduced amount pending a determination by applicable taxing authorities as to whether any additional withholding tax must subsequently be deposited, the General Partner shall have the right to require the Redeeming Partner to pledge a first priority security interest in a portion of the Redemption Amount as collateral for the Redeeming Partner's obligation to provide the funds necessary to effect any subsequent required holding (together with attorney's fees and other costs in enforcing the Partnership's rights against the collateral), in an amount in the case of a Share Amount equal to Shares having a Value on the date of the pledge equal to 125% of the maximum possible subsequent required withholding (or 100% of the maximum possible subsequent required withholding if the Redemption Amount is paid in the form of the Cash Amount) (the "Withholding Collateral"). The General Partner shall be entitled to retain possession of the Withholding Collateral until either the Redeeming Partner provides funds to the General Partner sufficient to make any subsequent required withholding deposit or the General Partner receives a determination from the applicable authorities that no subsequent withholding is required. All dividends, distributions, interest or other income on the Withholding Collateral while subject to the pledge hereunder shall be paid to the Redeeming Partner pledging the Withholding Collateral. If the applicable authorities advise that subsequent withholding is required and the Redeeming Partner does not deliver the necessary funds to the General Partner within 20 days after receipt of the General Partner's request therefor, the General Partner shall be entitled to exercise all rights and remedies of a secured party under the Uniform Commercial Code in the State of Georgia with respect to the Withholding Collateral. Each Limited Partner and each Redeeming Partner shall take such actions as the Partnership or the General Partner shall request in order to perfect or enforce the security interest created hereunder.

Section 5.4 Distributions Upon Liquidation. Notwithstanding anything contained in Section 5.1 to the contrary, proceeds from a Liquidating Transaction shall be distributed to the Partners in accordance with Section 13.2.

ARTICLE 6
ALLOCATIONS

Section 6.1 Allocations of Net Income and Net Loss. For purposes of maintaining the Capital Accounts and in determining the rights of the Partners among themselves, the Partnership's Net Income and Net Loss shall be allocated among the Partners for each taxable year (or portion thereof) as provided herein below.

(a) Net Income. After giving effect to the special allocations set forth in Section 6.2 below, Net Income shall be allocated as follows (and for this purpose, the holders of Class A Units shall be treated as if they were Original Limited Partners):

(i) First, one hundred percent (100%) to the General Partner in an amount equal to the excess, if any, of (A) the cumulative Net Losses allocated to the General Partner pursuant to Section 6.1(b)(v) and the last sentence of Section 6.1(b) for all prior fiscal years, over (B) the cumulative Net Income allocated pursuant to this Section 6.1(a)(i) for all prior fiscal years;

(ii) Second, one hundred percent (100%) to the Original Limited Partners in an amount equal to the excess, if any, of (A) the cumulative Net Losses allocated to such Partners pursuant to Section 6.1(b)(iv) for all prior fiscal years, over (B) the cumulative Net Income allocated pursuant to this Section 6.1(a)(ii) for all prior fiscal years, which amount shall be allocated among the Partners in the same proportions and in the reverse order as the Net Losses were allocated pursuant to Section 6.1(b)(iv);

(iii) Third, one hundred percent (100%) to the Partners in an amount equal to the excess, if any, of (A) the cumulative Net Losses allocated to the Partners pursuant to Section 6.1(b)(iii) for all prior fiscal years, over (B) the cumulative Net Income allocated pursuant to this Section 6.1(a)(iii) for all prior fiscal years, which amount shall be allocated among the Partners in the same proportions and in the reverse order as the Net Losses were allocated pursuant to Section 6.1(b)(iii);

(iv) Fourth, one hundred percent (100%) to the Original Limited Partners until the cumulative allocations of Net Income to each Original Limited Partner under this Section 6.1(a)(iv) for the current and all prior fiscal years equal the cumulative distributions paid to the Original Limited Partner pursuant to Section 5.1(a)(i) and Section 13.2(a)(iii);

(v) Fifth, one hundred percent (100%) to the Original Limited Partners until the cumulative allocations of Net Income to each Original Limited Partner under this Section 6.1(a)(v) for the current and all prior fiscal years equal the sum of the cumulative amounts credited to such Partner's Cumulative Unpaid Priority Distribution Account and Cumulative Unpaid Accrued Return Account for the current and all prior fiscal years; and

(vi) Thereafter, to the General Partner and any other holders of Class B Units, pro rata in accordance with the relative number of Class B Units held by each.

(b) Net Losses. After giving effect to the special allocations set forth in Section 6.2 below, Net Losses shall be allocated as follows (and for this purpose, the holders of Class A Units shall be treated as if they were Original Limited Partners):

(i) First, one hundred percent (100%) to the General Partner and the Class B Unit holders in an amount equal to the excess, if any, of (A) the cumulative Net Income allocated pursuant to Section 6.1(a)(vi) hereof for all prior fiscal years, over (B) the cumulative Net Losses allocated pursuant to this Section 6.1(b)(i) for all prior fiscal years;

(ii) Second, to the Original Limited Partners until the cumulative allocations of Net Loss under this Section 6.1(b)(ii) equal the excess, if any, of the cumulative allocations of Net Income under Section 6.1(a)(v) to such Partners for all prior fiscal years over the cumulative distributions to such Partners under Section 5.1(a)(ii) and (iii) and Section

5.1(b)(i) and (ii) for the current and all prior fiscal years (such allocation being made in proportion to such Partners' respective excess amounts);

(iii) Third, to the Partners with positive Adjusted Capital Account balances (determined, solely for purposes of this Section 6.1(b)(iii), without regard to any obligation of a Partner to restore a negative Capital Account under Section 13.4), in proportion to such balances, until such balances are reduced to zero;

(iv) Fourth, to the Original Limited Partners in proportion to their relative Percentage Interests; provided, however, that to the extent that an allocation under this Section 6.1(b)(iv) would cause or increase an Adjusted Capital Account Deficit for such Partner, such Net Loss shall be allocated to those Original Limited Partners (in proportion to their relative Percentage Interests) for whom such allocation would not cause or increase an Adjusted Capital Account Deficit; and

(v) Any remaining Net Loss shall be allocated solely to the General Partner.

Notwithstanding the foregoing, Net Losses shall not be allocated to any Limited Partner pursuant to this Section 6.1(b) to the extent that such allocation would cause such Limited Partner to have an Adjusted Capital Account Deficit at the end of such taxable year (or increase any existing Adjusted Capital Account Deficit). All Net Losses in excess of the limitations set forth in the preceding sentence of this Section 6.1(b) shall be allocated to the General Partner.

(c) Nonrecourse Liabilities. The Partners agree that excess Nonrecourse Liabilities of the Partnership (within the meaning of Section 1.752-3(a)(3) of the Regulations) will be allocated among the partners for purposes of Section 752 of the Code in accordance with their respective Percentage Interests.

(d) Gains. Any gain allocated to the Partners upon the sale or other taxable disposition of any Partnership asset shall to the extent possible, after taking into account other required allocations of gain pursuant to Section 6.2 below, be characterized as Recapture Income in the same proportions and to the same extent as such Partners have been allocated any deductions directly or indirectly giving rise to the treatment of such gains as Recapture Income.

Section 6.2 Special Allocation Rules. Notwithstanding any other provision of the Agreement, the following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Notwithstanding any other provisions of Article 6, if there is a net decrease in Partnership Minimum Gain during any Partnership Year, each Partner shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Partner's share of the net decrease in Partnership Minimum Gain, as determined under Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(f)(6). This Section 6.2(a) is intended to comply with the minimum gain chargeback requirements in Regulations Section 1.704-2(f) and for purposes of this Section 6.2(a) only, each Partner's Adjusted Capital Account Deficit shall be determined prior to any other

allocations pursuant to Section 6.1 of the Agreement with respect to such fiscal year and without regard to any decrease in Partner Minimum Gain during such Partnership Year.

(b) Partner Minimum Gain Chargeback. Notwithstanding any other provision of Article 6 (except Section 6.2(a) hereof), if there is a net decrease in Partner Minimum Gain attributable to a Partner Nonrecourse Debt during any Partnership Year, each Partner who has a share of the Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Partner's share of the net decrease in Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(i)(4). This Section 6.2(b) is intended to comply with the minimum gain chargeback requirement in such Section of the Regulations and shall be interpreted consistently therewith. Solely for purposes of this Section 6.2(b), each Partner's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to Article 6 of this Agreement with respect to such Partnership Year, other than allocations pursuant to Section 6.2(a) hereof.

(c) Qualified Income Offset. In the event any Partner unexpectedly receives any adjustments, allocations or distributions described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), and after giving effect to the allocations required under Sections 6.2(a) and 6.2(b) hereof, such Partner has an Adjusted Capital Account Deficit, items of Partnership income and gain shall be specially allocated to such Partner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, its Adjusted Capital Account Deficit created by such adjustments, allocations or distributions as quickly as possible.

(d) Nonrecourse Deductions. Nonrecourse Deductions for any taxable period shall be allocated to the Partners in accordance with their respective Percentage Interests.

(e) Partner Nonrecourse Deductions. Any Partner Nonrecourse Deductions for any Partnership Year shall be specially allocated to the Partner who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(2).

(f) Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) or 743(b) of the Code is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such item of gain or loss shall be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Regulations.

Section 6.3 Allocations for Tax Purposes.

(a) General. Except as otherwise provided in this Section 6.3, for federal income tax purposes, each item of income, gain, loss and deduction shall be allocated among the Partners in the same manner as its correlative item of "book" income, gain, loss or deduction is allocated pursuant to Sections 6.1 and 6.2 of this Agreement.

(b) To Eliminate Book-Tax Disparities. In an attempt to eliminate Book-Tax Disparities attributable to a Contributed Property or Adjusted Property, items of income, gain, loss, and deduction shall be allocated for federal income tax purposes among the Partners as follows:

(i) To the extent that the fair market value of a Contributed Property differed from its adjusted tax basis at the time it was originally contributed to Branch Properties, Ltd. (the "Original Book-Tax Disparity"), the allocation of tax items with respect to such Contributed Property shall take into account any remaining Original Book-Tax Disparity at the time such property is contributed to the Partnership in a manner consistent with the principles of Section 704(c) of the Code, using the "traditional method" under Section 1.704- 3(b) of the Regulations, so that the Original Limited Partners who originally contributed such property to Branch Properties, Ltd. (or their successors-in-interest) bear the tax burden (or benefit, if applicable) of the remaining Original Book-Tax Disparity;

(ii) In the case of a Contributed Property, such items attributable thereto shall be allocated, subject to Section 6.3(b)(i), among the Partners consistent with the principles of Section 704(c) of the Code that takes into account the variation between the 704(c) Value of such property and its adjusted tax basis at the time of the contribution;

(iii) In the case of an Adjusted Property, such items shall (A) first, be allocated among the Partners in a manner consistent with the principles of Section 704(c) of the Code to take into account the Unrealized Gain or Unrealized Loss attributable to such property (prior to any adjustments in the Carrying Value of such property under Section 4.4 hereof) and (B) second, in the event such property was originally a Contributed Property, be allocated among the Partners consistent with Section 6.3(b)(ii); and

(iv) All other items of income, gain, loss and deduction shall be allocated among the Partners in the same manner as their correlative item of "book" gain or loss is allocated pursuant to Sections 6.1 and 6.2 of this Agreement.

(c) Power of General Partner to Elect Method. The General Partner shall elect the traditional method without curative allocations to be used by the Partnership in eliminating Book-Tax Disparities under Section 704(c) of the Code and the Regulations thereunder and such election shall be binding on all Partners.

ARTICLE 7
MANAGEMENT AND OPERATIONS OF BUSINESS

Section 7.1 Management.

(a) Powers of General Partner. Except as otherwise expressly provided in this Agreement, all management powers over the business and affairs of the Partnership are exclusively vested in the General Partner, and no Limited Partner shall have any right to participate in or exercise control or management power over the business and affairs of the Partnership. Notwithstanding anything to the contrary in this Agreement, the General Partner may not be removed by the Limited Partners with or without cause. In addition to the powers now or hereafter granted a general partner of a limited partnership under applicable law or which are granted to the General Partner under any other provision of this Agreement, the General Partner shall have full power and authority to do all things deemed necessary or desirable by it to conduct the business of the Partnership, to exercise all powers set forth in Section 3.2 hereof and to effectuate the purposes set forth in Section 3.1 hereof, including, without limitation:

(i) the making of any expenditures, the lending or borrowing of money (including, without limitation, borrowing money to permit the Partnership to make distributions to its Partners in such amounts as will permit Regency (so long as Regency desires to qualify as a REIT) to avoid the payment of any federal income tax (including, for this purpose, any excise tax pursuant to Section 4981 of the Code) and to make distributions to its shareholders sufficient to permit Regency to maintain REIT status), the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness (including the securing of same by mortgage, deed of trust or other lien or encumbrance on the Partnership's assets), the incurring of any obligations it deems necessary for the conduct of the activities of the Partnership, and the repayment (including prepayment) of such indebtedness, liabilities and obligations;

(ii) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Partnership;

(iii) the acquisition, disposition, conveyance, mortgage, pledge, encumbrance, hypothecation or exchange of all or any assets of the Partnership or the merger or other combination of the Partnership with or into another entity (provided that such merger or other combination does not result in the Partnership recognizing taxable gain or loss for federal income tax purposes) on such terms as the General Partner deems proper (subject to Section 7.6 in the case of transactions between the Partnership and the General Partner or any Affiliate), and no approval of the Limited Partners shall be required for the exercise of such powers, which powers shall include, without limitation, the power to pledge any or all of the assets of the Partnership to secure a loan or other financing to the General Partner (the proceeds of which are not required to be contributed or loaned to the Partnership), provided, however, that to the extent that any payment of debt service or closing costs on any such mortgage, pledge, encumbrance or hypothecation shall result in the Partnership being unable to pay the maximum amount payable with respect to any distributions to the Original Limited Partners pursuant to Section 5.1, then Regency shall cause the General Partner to make such

additional Capital Contributions as are necessary to enable the Partnership to pay the maximum amount payable with respect to any distributions to the Original Limited Partners pursuant to Section 5.1 (provided that the General Partner shall have no obligation to make such additional Capital Contributions in an amount exceeding the amount of debt service and closing costs paid), and provided, further, that the General Partner shall use reasonable efforts to effect all dispositions of the Partnership's assets that were contributed by the Original Limited Partners in accordance with Section 1031 of the Code although, except as provided in Section 7.1(c) hereof, it shall not be required to do so;

(iv) subject to the provisions of Section 7.1(h) hereof, the use of the assets of the Partnership (including, without limitation, cash on hand) for any purpose consistent with the terms of this Agreement and on any terms it sees fit, including, without limitation, the financing of the conduct of the operations of the General Partner, the Partnership or any of the Partnership's Subsidiaries, the lending of funds to other Persons (including Regency or any of the Partnership's Subsidiaries) and the repayment of obligations of the Partnership and its Subsidiaries and any other Person in which it has an equity investment and the making of capital contributions to its Subsidiaries, the holding of any real, personal and mixed property of the Partnership in the name of the Partnership or in the name of a nominee or trustee (subject to Section 7.10), the creation, by grant or otherwise, of easements or servitudes, and the performance of any and all acts necessary or appropriate to the operation of the Partnership assets including, but not limited to, applications for rezoning, objections to rezoning, constructing, altering, improving, repairing, renovating, rehabilitating, razing, demolishing or condemning any improvements or property of the Partnership;

(v) the negotiation, execution, and performance of any contracts, conveyances or other instruments (including with Affiliates of the Partnership to the extent provided in Section 7.6) that the General Partner considers useful or necessary to the conduct of the Partnership's operations or the implementation of the General Partner's powers under this Agreement, including, without limitation, the execution and delivery of a REIT management agreement on behalf of or in the name of the Partnership providing for the day-to-day management and operation of the Partnership and including, without limitation, the execution and delivery of leases on behalf of or in the name of the Partnership (including the lease of Partnership property for any purpose and without limit as to the term thereof, whether or not such term (including renewal terms) shall extend beyond the date of termination of the Partnership and whether or not the portion so leased is to be occupied by the lessee or, in turn, subleased in whole or in part to others);

(vi) the opening and closing of bank accounts, the investment of Partnership funds in securities, certificates of deposit and other instruments, and the distribution of Partnership cash or other Partnership assets in accordance with this Agreement;

(vii) the selection and dismissal of employees of the Partnership or the General Partner (including, without limitation, employees having titles such as "president," "vice president," "secretary" and "treasurer"), and the engagement and dismissal of agents, outside attorneys, accountants, engineers, appraisers, consultants, contractors and other professionals on behalf of the General Partner or the Partnership and the determination of their compensation and other terms of employment or hiring;

(viii) the maintenance of such insurance for the benefit of the Partnership and the Partners as it deems necessary or appropriate;

(ix) subject to the provisions of Sections 4.2 and 7.1(h) hereof, the formation of, or acquisition of an interest in, and the contribution of property to any further limited or general partnerships, joint ventures or other relationships that it deems desirable (including, without limitation, the acquisition of interests in, and the contribution of property to, its Subsidiaries and any other Person in which it has an equity investment from time to time) (provided that such transaction does not result in the Partnership recognizing taxable gain or loss for federal income tax purposes);

(x) the control of any matters affecting the rights and obligations of the Partnership, including the conduct of litigation and the incurring of legal expense and the settlement of claims and litigation, the submission of any matter to arbitration, and the indemnification of any Person against liabilities and contingencies to the extent permitted by law;

(xi) subject to the provisions of Section 7.1(h) hereof, the undertaking of any action in connection with the Partnership's direct or indirect investment in its Subsidiaries or any other Person (including, without limitation, the contribution or loan of funds by the Partnership to such Persons) (provided that such action does not result in the Partnership recognizing taxable gain or loss for federal income tax purposes);

(xii) the distribution in kind of the Briarcliff Village property pursuant to Section 13.2(c);

(xiii) the determination of the fair market value of any Partnership property distributed in kind using such reasonable method of valuation as it may adopt; and

(xiv) the execution, acknowledgment and delivery of any and all documents and instruments to effectuate any or all of the foregoing.

(b) No Approval Required for Above Powers. Subject to any other restriction set forth in this Agreement, each of the Limited Partners agrees that the General Partner is authorized to execute, deliver and perform the above-mentioned agreements and transactions on behalf of the Partnership without any further act, approval or vote of the Partners, notwithstanding any other provision of this Agreement (except where Limited Partner Consent or Original Limited Partner Consent is expressly required herein), the Act or any applicable law, rule or regulation. The execution, delivery or performance by the General Partner or the Partnership of any agreement authorized or permitted under this Agreement shall not constitute a breach by the General Partner of any duty that the General Partner may owe the Partnership or the Limited Partners or any other Persons under this Agreement or of any duty stated or implied by law or equity.

(c) Approval of Sale of Briarcliff Village. Except pursuant to the dissolution and liquidation of the Partnership in accordance with Article 13 hereof, the property commonly known as Briarcliff Village (the "Briarcliff Village Property") shall not be sold by the Partnership or the General Partner on or before December 19, 2005 (other than in a transaction in which the Partnership

recognizes no taxable gain or loss for federal income purposes) without the approval of a Majority-in-Interest of the Original Briarcliff Partners (as defined below) who continue, as of such time, to hold Original Limited Partnership Units attributable to the contribution of the Briarcliff Village Property to Branch Properties, Ltd. and Branch Properties, Ltd.'s subsequent contribution of the Briarcliff Village Property to the Partnership (the "Original Briarcliff Partners"). Such approval right of the Original Briarcliff Partners is personal to the Original Briarcliff Partners and shall terminate upon the death of an Original Briarcliff Partner or a sale, assignment, conveyance, or other transfer by an Original Briarcliff Partner, with respect to that Partner's Original Limited Partnership Units, and shall not be exercisable by any successor, transferee or assignee of an Original Briarcliff Partner. In the event of a like-kind exchange involving the Briarcliff Village Property by the Partnership, then such approval right for the benefit of the Original Briarcliff Partners will continue to be enforceable after such like-kind exchange, but shall relate to the property (whether real, personal or mixed, tangible or intangible) acquired by the Partnership in such like-kind exchange. Nothing herein shall be deemed to require that the Partnership or the General Partner take any action to avoid or prevent an involuntary disposition of all or part of said Briarcliff Village pursuant to a condemnation proceeding or other taking. For purposes of this Section 7.1(c), Majority-In-Interest of the Original Briarcliff Partners shall mean the Original Briarcliff Partners who hold, in the aggregate, more than fifty percent (50%) of the Percentage Interests then allocable to and held by all of the Original Briarcliff Partners with respect to the Original Limited Partnership Units received by the Original Briarcliff Partners as a result of the contribution of the Briarcliff Village Property to Branch Properties, Ltd. and Branch Properties, Ltd.'s subsequent contribution of the Briarcliff Village Property to the Partnership. The Partnership shall not engage in any merger, consolidation or other business combination with or into another Person unless the Partnership has entered into an agreement with such Person in which such Person expressly agrees to be bound by the provisions of this Section 7.1(c).

(d) Insurance. At all times from and after the date hereof, the General Partner may cause the Partnership to obtain and maintain casualty, liability and other insurance on the properties of the Partnership and liability insurance for the Indemnitees hereunder.

(e) Working Capital Reserves. At all times from and after the date hereof, the General Partner may cause the Partnership to establish and maintain working capital reserves in such amounts as the General Partner, in its sole and absolute discretion, deems appropriate and reasonable from time to time subject to the provisions of Section 7.1(h) hereof.

(f) No Obligation to Consider Tax Consequences to Limited Partners. Except as provided in Sections 7.1(c) and 13.2(c) with respect to Briarcliff Village, except as provided in Section 7.1(g) with respect to the sale of the Management Business, and except for the obligation of the General Partner set forth in Section 7.1(a)(iii) to use reasonable efforts to effect all dispositions of the Partnership's assets that were contributed by the Original Limited Partners in accordance with Section 1031 of the Code, (i) in exercising its authority under this Agreement, the General Partner may, but shall be under no obligation to, take into account the tax consequences to any Partner of any action taken by it, and (ii) the General Partner and the Partnership shall not have liability to a Limited Partner under any circumstances as a result of an income tax liability incurred by such Limited Partner as a result of an action (or inaction) by the General Partner pursuant to its authority under this Agreement.

(g) Approval of Sale of Management Business. Notwithstanding anything contained herein to the contrary, the Third Party Management Business (as defined in the Contribution Agreement) contributed by Branch Properties, Ltd. to the Partnership as part of its initial Capital Contribution (the "Management Business") shall not be sold by the Partnership on or before the tenth (10th) anniversary of the First Closing (other than in a transaction in which the Partnership recognizes no taxable gain or loss for federal income tax purposes); provided, however, that the Partnership shall be permitted to undertake the following transactions: (i) contribution of the Management Business to a corporation (the "New Management Company") in which the Partnership owns five percent (5%) of the issued and outstanding voting common stock and 100% of the issued and outstanding non-voting preferred stock and in which The Regency Group, Inc., a Florida corporation, owns ninety-five percent (95%) of the issued and outstanding voting common stock and in which no other shares of stock are issued and outstanding following the contribution; (ii) a distribution by the Partnership of part or all of the stock of the New Management Company to the General Partner on or after the fifth (5th) anniversary of the First Closing; or (iii) a sale of part or all of the stock of the New Management Company if no Original Limited Partners hold Units which they received on the date of this Agreement or any Additional Units received by them subsequent to the date of this Agreement, or with the unanimous written consent of the Original Limited Partners then holding such Units (but excluding the holders of any Class A Units).

(h) Distributions. Notwithstanding anything contained in this Agreement to the contrary, the General Partner, acting as a fiduciary, shall use its reasonable best efforts and act in good faith to operate the Partnership's assets and manage the Partnership's business, including its indebtedness, so as to produce sufficient Available Cash and Capital Transaction Proceeds to fund to the Original Limited Partners the Priority Distribution Amount on a current basis and any balance in the Cumulative Unpaid Accrued Return Accounts and Cumulative Unpaid Priority Distribution Accounts of the Original Limited Partners pursuant to Section 5.1 hereof.

(i) Designated Properties. Notwithstanding anything contained in this Agreement to the contrary, the General Partner, acting as a fiduciary, shall use its reasonable best efforts and act in good faith to acquire, develop, lease and operate the Designated Properties (as defined in the Contribution Agreement) in a manner to maximize the Annualized NOI (as defined in the Contribution Agreement) for the Designated Properties.

Nothing in Sections 7.1(h) or 7.1(i) shall require the General Partner to contribute additional capital to the Partnership.

Section 7.2 Certificate of Limited Partnership. To the extent that such action is determined by the General Partner to be reasonable and necessary or appropriate, the General Partner shall file amendments to and restatements of the Certificate and do all the things to maintain the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) under the laws of the State of Delaware and each other jurisdiction in which the Partnership may elect to do business or own property. Subject to the terms of Section 8.5(a)(iv)hereof, the General Partner shall not be required, before or after filing, to deliver or mail a copy of the Certificate or any amendment thereto to any Limited Partner. The General Partner shall use all reasonable efforts to cause to be filed such other certificates or documents as may be reasonable and necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the Limited Partners have limited liability) in the State of Delaware and any other jurisdiction in which the Partnership may elect to do business or own property.

Section 7.3 Restriction on General Partner's Authority. Without the consent of all the Limited Partners, the General Partner may not:

(a) Take any action that would make it impossible to carry on the ordinary business of the Partnership, except as otherwise provided in this Agreement;

(b) Possess Partnership property for other than a Partnership purpose;

(c) Admit a Person as a Partner, except as otherwise provided in this Agreement; or

(d) perform any act that would subject a Limited Partner to liability as a general partner.

Section 7.4 Responsibility for Expenses.

(a) No Compensation. Except as provided in this Section 7.4 and elsewhere in this Agreement (including the provisions of Articles 5 and 6 regarding distributions, payments, and allocations to which it may be entitled), the General Partner shall not be compensated for its services as general partner of the Partnership.

(b) Responsibility for Ownership and Operation Expenses. The Partnership shall be responsible for and shall pay all expenses relating to the Partnership's ownership of its assets, and the operation of, or for the benefit of, the Partnership, and the General Partner shall be reimbursed on a monthly basis, or such other basis as the General Partner may determine in its sole and absolute discretion, for all expenses it incurs relating to the Partnership's ownership of its assets and the operation of, or for the benefit of, the Partnership; provided, that the amount of any such reimbursement shall be reduced by any interest earned by the General Partner with respect to bank accounts or other instruments held by it as permitted in Section 7.10. Such reimbursements shall be in addition to any reimbursement to the General Partner pursuant to Section 10.3(c) and as a result of indemnification pursuant to Section 7.7. The General Partner shall determine in good faith the amount of expenses incurred by it relating to the operation of, or that inure to the benefit of, the Partnership. In the event that certain expenses are incurred for the benefit of the Partnership and other Persons (including the General Partner), such expenses will be allocated to the Partnership and such other Persons in such a manner as the General partner deems fair and reasonable, subject to the provisions of Section 7.1(h) hereof.

(c) Responsibility for Organizational Expenses. The Partnership shall be responsible for and shall pay all expenses incurred relating to the organization of the Partnership.

(d) Partnership Interest Issuance Expenses. The General Partner and Regency shall be reimbursed for all expenses either incurs relating to any issuance of additional Partnership Interests pursuant to Section 4.2 hereof.

Section 7.5 Outside Activities of the General Partner. Nothing contained in this Agreement shall prevent or prohibit the General Partner or any employee, officer, director, agent, shareholder or Affiliate of the General Partner from entering into, engaging in or conducting any other activity or performing for a fee any service including (without limiting the generality of the foregoing) engaging in any business dealing with real property of any type or location, including, without limitation, property of a type similar to those

properties owned by the Partnership, its Subsidiaries or any other Person in which the Partnership has an equity investment; acting as a director, officer or employee of any corporation, as a trustee of any trust, as a general partner of any partnership, or as an administrative official of any other business entity; or receiving compensation for services to, or participating in profits derived from, the investments of any such corporation, trust, partnership or other entity, regardless of whether such activities are competitive, directly or indirectly, with the Partnership. Nothing herein shall require the General Partner or any employee, agent, shareholder or Affiliate thereof to offer any interest in such activities or any particular opportunity to the Partnership or any Partner, and neither the Partnership nor any Partner shall have any right by virtue of this Agreement or the partnership relationship established hereby in or to such other activities or to the income or proceeds derived therefrom. The pursuit of such activities, even if competitive with the business of the Partnership (including, without limitation, causing tenants to transfer from one of the Partnership's properties to other properties in which the General Partner has an interest, directly or indirectly, without compensation to the Partnership, or taking other actions for the benefit of the General Partner or Affiliates of the General Partner that are detrimental to the Partnership), shall not be deemed wrongful or improper.

Section 7.6 Contracts with Affiliates.

(a) General. The General Partner or any of its Affiliates may enter into transactions or agreements with the Partnership, including transactions and agreements (i) to sell, transfer or convey any property to, or purchase any property from, the Partnership, directly or indirectly, or (ii) for the provision of services to the Partnership, provided that such transactions or agreements, including transactions and agreements with Security Capital Investment Research, Inc. or any of its Affiliates, are on terms that are fair and reasonable and no less favorable to the Partnership than would be obtained from an unaffiliated third party in connection therewith. In entering into such transactions with Affiliates the General Partner shall not allocate expenses and similar items disproportionately between the General Partner and the Partnership.

(b) Employee Benefit Plans. The General Partner may propose and adopt on behalf of the Partnership employee benefit plans funded by the Partnership for the benefit of employees of the General Partner, the Partnership, Subsidiaries of the Partnership or any Affiliate of any of them in respect of services performed, directly or indirectly, for the benefit of the Partnership, the General Partner, or any of the Partnership's Subsidiaries, subject to the provisions of Section 7.1(h) hereof.

(c) Conflict Avoidance Agreements. The General Partner is expressly authorized to enter into, in the name and on behalf of the Partnership, a right of first opportunity arrangement and other conflict avoidance agreements with various Affiliates of the Partnership and the General Partner, on such terms as the General Partner believes are advisable, subject to the provisions of Sections 7.6(a) and 7.1(h) hereof.

Section 7.7 Indemnification.

(a) General. The Partnership shall indemnify an Indemnitee from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, settlements, and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of the Partnership as set forth in this Agreement in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, unless it is established that: (i) the act or omission

of the Indemnitee was material to the matter giving rise to the proceeding and constituted willful misconduct or fraud; (ii) the Indemnitee actually received an improper personal benefit in money, property or services; or (iii) in the case of any criminal proceeding, the Indemnitee had reasonable cause to believe that the act or omission was unlawful. The termination of any proceeding by judgment, order or settlement does not create a presumption that the Indemnitee did not meet the requisite standard of conduct set forth in this Section 7.7(a). The termination of any proceeding by conviction or upon a plea of nolo contendere or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the Indemnitee acted in a manner contrary to that specified in this Section 7.7(a). Any indemnification pursuant to this Section 7.7 shall be made only out of the assets of the Partnership.

(b) Advancement of Expenses. Reasonable expenses incurred by an Indemnitee who is, or is threatened to be made, a party to a proceeding may be paid or reimbursed by the Partnership in advance of the final disposition of the proceeding upon receipt by the Partnership of (i) a written affirmation by the Indemnitee of the Indemnitee's good faith belief that the standard of conduct necessary for indemnification by the Partnership as authorized in this Section 7.7 has been met and (ii) a written undertaking by or on behalf of the Indemnitee to repay the amount if it shall ultimately be determined that the standard of conduct has not been met.

(c) No Limitation of Rights. The indemnification provided by this Section 7.7 shall be in addition to any other rights to which an Indemnitee or any other Person may be entitled under any agreement, pursuant to any vote of the Partners, as a matter of law or otherwise, and shall continue as to an Indemnitee who has ceased to serve in such capacity.

(d) Insurance. The Partnership may purchase and maintain insurance, on behalf of the Indemnitees and such other Persons as the General Partner shall determine, against any liability that may be asserted against or expenses that may be incurred by such Person in connection with the Partnership's activities, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(e) No Personal Liability for Partners. In no event may an Indemnitee subject any Partner to personal liability by reason of the indemnification provisions set forth in this Agreement.

(f) Interested Transactions. An Indemnitee shall not be denied indemnification in whole or in part under this Section 7.7 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(g) Benefit. The provisions of this Section 7.7 are for the benefit of the Indemnitees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

Section 7.8 Liability of the General Partner.

(a) General. Notwithstanding anything to the contrary set forth in this Agreement, the General Partner shall not be liable for monetary damages to the Partnership, any Partners or any

Assignees for losses sustained or liabilities incurred as a result of errors in judgment or of any act or omission if the General Partner acted in good faith.

(b) No Obligation to Consider Interests of Limited Partners. The Limited Partners expressly acknowledge that the General Partner is acting on behalf of the Partnership, the General Partner, Regency and Regency's shareholders collectively, that except as provided in Section 7.1(e) with respect to the establishment and maintenance of working capital reserves, except as provided in Section 7.1(f) with respect to tax consequences, except as provided in Section 7.1(h) with respect to the generation of funds for distributions and except as expressly provided otherwise in Sections 7.1(a)(iv), 7.1(a)(ix) and 7.1(a)(xi) with respect to the powers of the General Partner, the General Partner is under no obligation to consider the separate interests of the Limited Partners (including, without limitation, the tax consequences to Limited Partners or Assignees except as expressly provided otherwise in Sections 7.1(f) and 7.1(h)) in deciding whether to cause the Partnership to take (or decline to take) any actions which the General Partner has undertaken in good faith on behalf of the Partnership, and that the General Partner shall not be liable for monetary damages for losses sustained, liabilities incurred, or benefits not derived by Limited Partners in connection with such decisions, provided that the General Partner has acted in good faith and in accordance with the provisions of this Agreement. For purposes hereof, a Person acting in a manner which furthers compliance by Regency with the REIT requirements of the Code, shall be deemed to satisfy the standards of conduct hereunder. The Limited Partners further expressly acknowledge that Regency is obligated to cause the Partnership to take (or decline to take) certain actions in order to assist Security Capital U.S. Realty, a Luxembourg corporation, Security Capital Holdings, S.A., a Luxembourg corporation, and their Affiliates ("Security Capital") in avoiding classification as a passive foreign investment company within the meaning of Section 1296 of the Code. Such obligation is set forth on Schedule 7.8(b).

(c) Acts of Agents. Subject to its obligations and duties as General Partner set forth in Section 7.1(a) hereof, the General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents. The General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by it in good faith.

(d) Effect of Amendment. Any amendment, modification or repeal of this Section 7.8 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the General Partner's liability to the Partnership and the Limited Partners under this Section 7.8 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

Section 7.9 Other Matters Concerning the General Partner.

(a) Reliance on Documents. The General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Reliance on Consultants and Advisers. The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon and in accordance with the opinion of such Persons as to matters which such General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

(c) Action Through Officers and Attorneys. The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers and a duly appointed attorney or attorneys-in-fact. Each such attorney shall, to the extent provided by the General Partner in the power of attorney, have full power and authority to do and perform all and every act and duty which is permitted or required to be done by the General Partner hereunder.

(d) Actions to Maintain REIT Status or Avoid Taxation of the General Partner. Notwithstanding any other provisions of this Agreement or the Act, any action of the General Partner on behalf of the Partnership or any decision of the General Partner to refrain from acting on behalf of the Partnership, undertaken in the good faith belief that such action or omission is necessary or advisable in order (i) to protect the ability of Regency to continue to qualify as a REIT or (ii) to avoid the General Partner or Regency incurring any taxes under Section 857 or Section 4981 of the Code, is expressly authorized under this Agreement and is deemed approved by all of the Limited Partners.

(e) Sales of Assets. In the event that Regency or any of its Affiliates in which it owns, directly or indirectly, an interest disposes of properties or assets (other than those properties or assets owned by the Partnership) in transactions or exchanges which Regency reasonably believes create capital gains to Regency and a resulting distribution or dividend to Regency's shareholders, the General Partner shall provide the Limited Partners with at least 20 days prior written notice of the record date for any distribution of the proceeds thereof, together with relevant information concerning such dividend, including the amount, to enable the Limited Partners to exercise the Redemption Right prior to said record date. Regency shall not sell any material portion of its assets after the First Closing and prior to the thirtieth (30th) day after the First Redemption Date in a manner which would create a material amount of capital gains to Regency and a resulting distribution or dividend to Regency shareholders.

Section 7.10 Title to Partnership Assets. Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the General Partner or one or more nominees, as the General Partner may determine, including Affiliates of the General Partner. The General Partner hereby declares and warrants that any Partnership assets for which legal title is held in the name of the General Partner or any nominee or Affiliate of the General Partner shall be held by the General Partner for the use and benefit of the Partnership in accordance with the provisions of this Agreement; provided, however, that the General Partner shall use its best efforts to cause beneficial and record title to such assets to be vested in the Partnership as soon as reasonably practicable. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which legal title to such Partnership assets is held.

Section 7.11 Reliance by Third Parties. Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Partnership (including, without limitation, in connection with any pledge of Partnership assets to secure a loan or other financing to the General Partner as provided by Section 7.1(a)(iii)) and to enter into any contracts on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner as if it were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other remedies which may be available against such Person to contest, negate or disaffirm any action of the General Partner in connection with any such dealing. In no event shall any Person dealing with the General Partner or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the General Partner or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (i) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (ii) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (iii) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

ARTICLE 8
RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

Section 8.1 Limitation of Liability. The Limited Partners shall have no liability under this Agreement except as expressly provided in Section 5.3 hereof, or under the Act.

Section 8.2 Management of Business. No Limited Partner or Assignee (other than the General Partner, any of its Affiliates or any officer, director, employee, partner, agent or trustee of the General Partner, the Partnership or any of their Affiliates, in their capacity as such) shall take part in the operation, management or control (within the meaning of the Act) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. The transaction of any such business by the General Partner, any of its Affiliates or any officer, director, employee, partner, agent or trustee of the General Partner, the Partnership or any of their Affiliates, in their capacity as such, shall not affect, impair or eliminate the limitations on the liability of the Limited Partners or Assignees under this Agreement.

Section 8.3 Outside Activities of Limited Partners. Subject to any agreements entered into by a Limited Partner or its Affiliates with the General Partner, the Partnership, Regency or a Subsidiary or an Affiliate of any of them, the following rights shall govern outside activities of Limited Partners: (i) any Limited Partner and any officer, director, employee, agent, trustee, Affiliate, partner, beneficiary or shareholder of any such Limited Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities in direct competition with the Partnership, the General Partner or their Affiliates; (ii) neither the Partnership nor any Partners shall have any rights by virtue of this Agreement in any business ventures of any Partner or Assignee; (iii) none of the Partners nor any other Person shall have any rights by virtue of this Agreement or the partnership relationship established hereby in any business ventures of any other Person, and such Person shall have no obligation pursuant to this Agreement to offer any interest in any such business ventures to the Partnership, any Partner or any such other Person, even if such opportunity is of a character which, if

presented to the Partnership, any Partner or such other Person, could be taken by such Person; (iv) the fact that a Partner may encounter opportunities to purchase, otherwise acquire, lease, sell or otherwise dispose of real or personal property and may take advantage of such opportunities himself or introduce such opportunities to entities in which it has or has not any interest, shall not subject such Partner to liability to the Partnership or any of the other Partners on account of the lost opportunity; and (v) except as otherwise specifically provided herein, nothing contained in this Agreement shall be deemed to prohibit a Partner or any Affiliate of a Partner from dealing, or otherwise engaging in business, with Persons transacting business with the Partnership or from providing services relating to the purchase, sale, rental, management or operation of real or personal property (including real estate brokerage services) and receiving compensation therefor, from any Persons who have transacted business with the Partnership or other third parties.

Section 8.4 Priority Among Partners. Except to the extent provided by Sections 4.2, 5.1(a), 5.1(b), 6.1, 6.2 or 6.3 hereof (with respect to the priority of the Original Limited Partner Units over the Class B Units), or otherwise expressly provided in this Agreement, no Partner (Limited or General) or Assignee shall have priority over any other Partner (Limited or General) or Assignee either as to the return of Capital Contributions or as to profits, losses or distributions.

Section 8.5 Rights of Limited Partners Relating to the Partnership.

(a) Copies of Business Records. In addition to other rights provided by this Agreement or by the Act, and except as limited by Section 8.5(c) hereof, each Limited Partner shall be provided the following without demand, except as otherwise provided below, at the Partnership's expense:

(i) promptly after becoming available, a copy of the most recent annual, quarterly and current reports and proxy statements filed with the Securities and Exchange Commission by Regency pursuant to the Securities Exchange Act of 1934, if any;

(ii) promptly after becoming available, a copy of the Partnership's federal, state and local income tax returns for each Partnership Year;

(iii) upon written demand and for a purpose reasonably related to such Limited Partner's interest as a Limited Partner in the Partnership, a current list of the name and last known business, residence or mailing address of each Partner;

(iv) a copy of this Agreement and the Certificate and all amendments hereto and thereto, together with executed copies of all powers of attorney pursuant to which this Agreement, the Certificate and all amendments hereto and thereto have been executed; and

(v) upon written demand, true and full information regarding the amount of cash and a description and statement of any other property or services contributed by each Partner and which each Partner has agreed to contribute in the future, and the date on which each became a Partner.

(b) Notification of Changes in Unit Adjustment Factor. The General Partner shall notify each Limited Partner in writing of any change made to the Unit Adjustment Factor within 10 Business Days of the date such change becomes effective.

(c) Confidential Information. Notwithstanding any other provision of this Section 8.5, the General Partner may keep confidential from the Limited Partners, for such period of time as the General Partner determines in its discretion to be reasonable, any information (i) relating to the General Partner, Regency or any of their Affiliates or the conduct of their business that the General Partner believes, in its good faith judgment, the disclosure of which information would adversely affect a material financing, acquisition, disposition of assets or securities or other comparable transaction to which the General Partner, Regency or any of their Affiliates is a party, (ii) that the General Partner believes to be in the nature of trade secrets of Regency or its Affiliates or (iii) that the Partnership, Regency or any of their Affiliates is required by law or by agreements with unaffiliated third parties to keep confidential. Nothing contained in this Section 8.5(c) shall permit the General Partner to keep confidential from the Limited Partners any information relating to the Partnership or its business.

Section 8.6 Redemption of Units

(a) Exercise. Subject to the provisions of this Section 8.6, the Original Limited Partners shall have the right (the "Redemption Right") to require the Partnership to redeem any Unit held by such Original Limited Partner in exchange for the Redemption Amount to be paid by the Partnership. A Redemption Right shall be exercised pursuant to a Notice of Redemption delivered to the General Partner by the Original Limited Partner who is exercising the Redemption Right (the "Redeeming Partner"), which shall be irrevocable except as set forth in this Section 8.6(a). The redemption shall occur on the Specified Redemption Date; provided, however, a Specified Redemption Date shall not occur until on or after the First Redemption Date (or such later date as may be specified pursuant to any agreement with an Original Limited Partner); and provided further that a holder of Class A Units shall not exercise a Redemption Right until as of the first Subsequent Closing. An Original Limited Partner may exercise a Redemption Right any time after the date hereof with an effective Specified Redemption Date as of a date on or after the First Redemption Date and any number of times; provided, however, that a holder of Class A Units shall not exercise a Redemption Right until as of the first Subsequent Closing. A Redeeming Partner may not exercise the Redemption Right for less than 1,000 Units or, if such Redeeming Partner holds less than 1,000 Units, all of the Units held by such Redeeming Partner. If (i) an Original Limited Partner acquires any Units after the First Closing from another Original Limited Partner or holds or acquires any Shares otherwise than pursuant to the exercise of a Redemption Right hereunder and (ii) the issuance of a Share Amount pursuant to the exercise of a Redemption Right would violate the provisions of Section 5.2 of the Articles of Incorporation as a result of the ownership of such additional Units or Shares so acquired by such Original Limited Partner (the number of Shares in excess of the number of Shares permitted pursuant to said Section 5.2 is herein referred to as the "Excess Shares") and (iii) such Original Limited Partner does not revoke or amend the exercise of such Redemption Right to comply with the provisions of said Section 5.2 of the Articles of Incorporation within five days after receipt of written notice from the General Partner that the redemption would be in violation thereof, then the Partnership shall pay to such Redeeming Partner, in lieu of the Share Amount or the Cash Amount attributable to the Excess Shares, the amount which would be payable to such Redeeming Partner pursuant to Section 5.3 of the Articles of Incorporation if such Excess Shares were issued in violation of Section 5.2 of the Articles of Incorporation and Regency exercised the remedies pursuant to said Section 5.3 of the Articles of Incorporation. The relevant provisions of the Articles of Incorporation as presently in effect are attached hereto as Schedule 8.6(a). This Section 8.6(a) shall in no way or manner be construed as

limiting the application of the Articles of Incorporation or constitute any form of waiver or exemption thereunder.

(b) Payment. The General Partner shall have the right to elect to fund the Redemption Amount through the issuance of (i) the Share Amount or (ii) the Cash Amount; provided, however, in the event a Specified Redemption Date occurs on or before the Option Date, then the General Partner shall be required to cause the Partnership to issue the Share Amount (and not the Cash Amount) in satisfaction of the Redemption Amount, except as otherwise provided in Section 8.6(c) below. The Redeeming Partner shall have no right, with respect to any Unit so redeemed, to receive any distributions paid by the Partnership after the Specified Redemption Date.

(c) Exceptions for Payment. Notwithstanding anything contained in this Section 8.6 to the contrary, the following provisions shall apply with respect to the payment of a Redemption Amount:

(i) If the Shareholder Approval Date has not occurred on or before a Specified Redemption Date and if such Specified Redemption Date is on or before the Option Date, then a Redeeming Partner (other than the holders of Class A Units) shall have the right to receive the Share Amount only with respect to such number of Shares, when added to any Shares previously received by such Redeeming Partner pursuant to the exercise of Redemption Rights, as will equal the Maximum Aggregate Shares issuable to such Redeeming Partner prior to the Shareholder Approval Date as described on Schedule 8.6(c)(i), and the balance of any Redemption Amount shall be paid by the Partnership to the Redeeming Partner as a Cash Amount.

(ii) If the funding of the Share Amount with respect to the exercise of a Redemption Right would cause the issuance of the Shares in connection therewith to violate Article 5.14 of the Articles of Incorporation of Regency, then the Redeeming Partner shall not have the right to receive the Share Amount with respect to the issuance of any Shares resulting in such a violation, and the balance of any Redemption Amount relating to the exercise of such Redemption Right shall be paid by a Cash Amount. Upon the effectiveness of the Charter Amendment amending Article 5.14 of the Charter, a Non-U.S. Person who (i) has signed a Waiver and Consent Agreement in the form of Exhibit C attached hereto for the benefit of Regency and Security Capital (the "Security Capital Waiver and Consent") and (ii) is exercising a Redemption Right (and will receive a Share Amount) in compliance with the Security Capital Waiver and Consent, will not be in violation of the provisions of Article 5.14 of the Articles of Incorporation if (x) the aggregate number of Shares to be issued on such Specified Redemption Date to all Redeeming Partners who are Non-U.S. Persons is equal to or less than (y) the aggregate number of Shares to be issued on such Specified Redemption Date to all Redeeming Partners who are other than Non-U.S. Persons (the maximum number of Shares which may be issued to Redeeming Partners on a Specified Redemption Date who are Non-U.S. Persons in order to satisfy the foregoing requirement is herein referred to as the "Matching Share Amount"). If more than one Redeeming Partner who is a Non-U.S. Person exercises a Redemption Right for the same Specified Redemption Date and if the aggregate Share Amount payable to all such Redeeming Partners would cause the issuance of Shares to such Non-U.S. Persons to exceed the Matching Share Amount on such Specified Redemption Date, then the Matching Share Amount shall be allocated among

such Redeeming Partners who are Non-U.S. Persons pro rata in proportion to the respective Share Amounts otherwise payable to such Redeeming Partners, and any balance of a Redemption Amount payable to any such Redeeming Partner on such Specified Redemption Date shall be paid by a Cash Amount. If the holders of any Class A Units who are Non-U.S. Persons are exercising Redemption Rights on a Specified Redemption Date and the aggregate Share Amount issuable to all Non-U.S. Persons on such Specified Redemption Date exceeds the Matching Share Amount, then the Shares otherwise issuable to the holders of Class A Units shall be reduced first, pro rata by those holders whose Class A Units were issued in exchange for interests in Roswell Village, and next, pro rata by those holders whose Class A Units were issued in exchange for cash and interests in Peartree Village until such aggregate Share Amount equals the Matching Share Amount, and the holders of such Class A Units shall receive the Cash Amount for any balance of the Redemption Amount due such holders of the Class A Units.

(iii) If the issuance of Shares for a Share Amount to a Redeeming Partner would be in violation of the Securities Act and applicable state securities laws then such Redeeming Partner shall not have the right to receive the Share Amount, and the Redemption Amount shall be paid by the Cash Amount; provided, however, the issuance of Shares for a Share Amount shall not violate the registration requirements of the Securities Act as in effect on the date hereof if such Shares are issued to an "accredited investor" as defined in the Securities Act.

(d) Additional Units. Each Original Limited Partner has the right to receive certain Additional Units pursuant to the provisions of the Contribution Agreement. If a Redeeming Partner exercises a Redemption Right on one or more occasions with respect to Units issued at the First Closing ("Initial Redeemed Units"), then such Redeeming Partner shall be deemed to have exercised a Redemption Right with respect to the corresponding percentage of Additional Units issuable with respect to such Initial Redeemed Units, based on the number of Initial Redeemed Units being redeemed as a percentage of the total number of Units issued to the Redeeming Partner at the First Closing (the "Redemption Percentage"), all as provided in the Contribution Agreement. In such event, Regency shall assume the obligation to pay the Redemption Amount with respect to any such Additional Units issued with respect to the Initial Redeemed Units, and if a Share Amount has been funded to a Redeeming Partner with respect to the Initial Redeemed Units, then Regency shall be required to pay the Share Amount for a number of Additional Units equal to the corresponding Redemption Percentage multiplied by the Additional Units issuable to such Original Limited Partner, subject, however, to the restrictions set forth in Section 8.6(a) and 8.6(c) above.

(e) Conditions. As a condition to exercising a Redemption Right, each Redeeming Partner shall execute a Notice of Redemption in the form attached as Exhibit B and, if a Non-U.S. Person, the Security Capital Waiver and Consent in the form attached as Exhibit C; and execute such other documents and take such other actions as the General Partner may reasonably require, including a Foreign Investment and Real Property Tax Act ("FIRPTA") or similar state and/or local affidavit (or make appropriate arrangements for deposit with the General Partner for payment to the Internal Revenue Service or any state or local governmental authority of the amount required for the General Partner to comply with the withholding provisions of such federal, state and local laws, and if applicable, providing a withholding certificate evidencing the Redeeming Partner's right to a reduced rate of FIRPTA withholding). As a further condition to exercising a Redemption Right, the Units to

be redeemed shall be delivered to the Partnership or Regency, as the case may be, free and clear of all liens, security interests, deeds of trust, pledges and other encumbrances of any nature whatsoever (collectively the "Liens"), subject to the provisions of Sections 5.3 and 8.6(f) hereof. In the event any Lien exists on the Specified Redemption Date with respect to the Units to be redeemed, neither the Partnership nor Regency (if Regency assumes the Redemption Right pursuant to Section 8.6(d) or Section 8.7) shall have any obligation to redeem such Units, unless, in connection therewith, the General Partner has elected to pay a portion of the Redemption Amount in cash and such cash is sufficient to discharge such Lien, subject to the provisions of Sections 5.3 and 8.6(f) hereof. Each Redeeming Partner hereby expressly authorizes the General Partner to apply such portion of such cash as may be necessary to discharge such Lien in full.

(f) Security Interest. Additional Units issued on the First Earn-Out Closing Date (as defined in the Contribution Agreement) pursuant to Section 2.3.2 of the Contribution Agreement may be required to be pledged to Regency and the Partnership pursuant to Article 15 of the Contribution Agreement (the "Pledged Units"). In the event a Redeeming Partner exercises a Redemption Right with respect to Pledged Units, or in the event a Redeeming Partner has previously exercised a Redemption Right with respect to Units and the corresponding Additional Units to be redeemed are Pledged Units, as described in Section 8.6(d) above, then such Redeeming Partner, as a condition to the receipt of the Redemption Amount with respect to such Pledged Units, shall be required to pledge and grant to Regency and the Partnership a first priority security interest in any and all Shares and/or cash delivered in payment of the Redemption Amount with respect to such Pledged Units and shall be required to consent to Regency holding such Shares and/or cash as "Collateral" under Article 15 of the Contribution Agreement; provided, however, if a Cash Amount is to be paid to the Redeeming Partner with respect to such Pledged Units, then such Redeeming Partner shall have the right to substitute a letter of credit for such Cash Amount as provided in Section 15.7.2(e) of the Contribution Agreement.

(g) Regency Agreement. Regency agrees (i) to perform Regency's obligations described in this Section 8.6, (ii) to cause the General Partner to perform the General Partner's obligations described in this Section 8.6 and (iii) to cause the General Partner to cause the Partnership to perform the Partnership's obligations described in this Section 8.6.

(h) Additional Rights. In case Regency shall issue rights, options or warrants to all holders of its Shares entitling them to subscribe for or purchase Shares or other securities convertible into Shares at a price per share less than the current per share market price as of the day before the "ex date" with respect to the issuance or distribution requiring such computation, each Original Limited Partner holding Redemption Rights shall be entitled to receive such number of such rights, options or warrants, as the case may be, as he would have been entitled to receive had he exercised all of his then existing Redemption Rights immediately prior to the record date for such issuance by Regency. The term "ex date" shall mean the first date on which Shares trade regularly without the right to receive such issuance or distribution. In case the Shares shall be changed into the same or a different number of shares of any class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than subdivision or combination of Shares or a stock dividend described in this definition), then and in each such event the Original Limited Partners holding Redemption Rights shall have the right thereafter to exercise their Redemption Rights for the kind and amount of shares and other securities and property that would have been received upon such reorganization, reclassification or other change by holders of the number of Shares with respect to

which such Redemption Rights could have been exercised immediately prior to such reorganization, reclassification or change.

(i) Distributions. A Redeeming Partner exercising a Redemption Right with a Specified Redemption Date after a Partnership Record Date and prior to the payment of the distribution of Available Cash relating to such Partnership Record Date shall retain the right to receive such distribution with respect to such Units redeemed on such Specified Redemption Date.

Section 8.7 Regency's Assumption of Right. Notwithstanding the provisions of Section 8.6, Regency may, in its sole and absolute discretion, assume directly and satisfy a Redemption Right by paying to the Redeeming Partner the Share Amount on the Specified Redemption Date, whereupon Regency shall acquire the Units offered for redemption by the Redeeming Partner and shall be treated for all purposes of this Agreement as the owner of such Units, which shall become Class B Units. In the event Regency shall exercise its right to satisfy the Redemption Right in the manner described in the preceding sentence, the Partnership shall have no obligation to pay any amount to the Redeeming Partner with respect to such Redeeming Partner's exercise of the Redemption Right, and each of the Redeeming Partner, the Partnership, the General Partner and Regency shall treat the transaction between Regency and the Redeeming Partner as a sale of the Redeeming Partner's Units to Regency for federal income tax purposes. Regency agrees that it shall assume the General Partner's obligation to pay the Redemption Amount by the payment of the Share Amount through the Option Date, and Regency further agrees that if the General Partner elects to pay the Redemption Amount through the payment of the Share Amount, Regency shall guarantee the General Partner's payment thereof.

ARTICLE 9
BOOKS, RECORDS, ACCOUNTING AND REPORTS

Section 9.1 Records and Accounting. The General Partner shall keep or cause to be kept at the principal office of the Partnership appropriate books and records with respect to the Partnership's business, including, without limitation, all books and records necessary to provide to the Limited Partners any information, lists and copies of documents required to be provided pursuant to Sections 8.5 or 9.3 hereof. Any records maintained by or on behalf of the Partnership in the regular course of its business may be kept on, or be in the form of, magnetic tape, photographs, micrographics or any other information storage device; provided, that the records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained for financial purposes on an accrual basis in accordance with generally accepted accounting principles and for tax reporting purposes on the accrual basis.

Section 9.2 Fiscal Year. The fiscal year of the Partnership shall be the calendar year.

Section 9.3 Reports.

(a) Annual Reports. As soon as practicable, but in no event later than the date when mailed to Regency's shareholders, the General Partner shall cause to be mailed to each Limited Partner as of the close of the Partnership Year, an annual report containing financial statements of the Partnership, or of Regency if such statements are prepared solely on a consolidated basis with Regency for such Partnership Year, presented in accordance with generally accepted accounting principles, such statements to be audited by a nationally recognized firm of independent public accountants selected by the General Partner.

(b) Quarterly Reports. As soon as practicable, but in no event later than the date when mailed to Regency's shareholders, the General Partner shall cause to be mailed to each Limited Partner as of the last day of the calendar quarter (except the last calendar quarter of each year) who has asked to be placed on the mailing list for the same, a report containing unaudited financial statements of the Partnership, or of Regency if such statements are prepared solely on a consolidated basis with Regency, and such other information as may be required by applicable law or regulation, or as the General Partner determines to be appropriate.

(c) Other. During the pendency of the Redemption Rights, the Original Limited Partners shall receive in a timely manner all other communications transmitted from time to time by Regency to its shareholders.

ARTICLE 10
TAX MATTERS

Section 10.1 Preparation of Tax Returns. The General Partner shall arrange for the preparation and timely filing of all returns of Partnership income, gains, deductions, losses and other items required of the Partnership for federal and state income tax purposes and shall use all reasonable efforts to furnish, within 90 days of the close of each taxable year, the tax information reasonably required by Limited Partners for federal and state income tax reporting purposes.

Section 10.2 Tax Elections. Except as otherwise provided herein, the General Partner shall, in its sole and absolute discretion, determine whether to make any available election pursuant to the Code; provided, however, that the General Partner shall make the election under Section 754 of the Code in accordance with applicable Regulations thereunder. The General Partner shall have the right to seek to revoke any such election (including, without limitation, the election under Section 754 of the Code) upon the General Partner's determination in its sole and absolute discretion that such revocation is in the best interests of the Partners.

Section 10.3 Tax Matters Partner.

(a) General. The General Partner shall be the "tax matters partner" of the Partnership for federal income tax purposes. Pursuant to Section 6223(c) of the Code, upon receipt of notice from the IRS of the beginning of an administrative proceeding with respect to the Partnership, the tax matters partner shall furnish the IRS with the name, address and profit interest of each of the Limited Partners; provided, however, that such information is provided to the Partnership by the Limited Partners.

(b) Powers. The tax matters partner is authorized, but not required:

(i) to enter into any settlement with the IRS with respect to any administrative or judicial proceedings for the adjustment of Partnership items required to be taken into account by a Partner for income tax purposes (such administrative proceedings being referred to as a "tax audit" and such judicial proceedings being referred to as "judicial review"), and in the settlement agreement the tax matters partner may expressly state that such agreement shall bind all Partners, except that such settlement agreement shall not bind any Partner (1) who (within the time prescribed pursuant to the Code and Regulations) files a statement with

the IRS providing that the tax matters partner shall not have the authority to enter into a settlement agreement on behalf of such Partner or (2) who is a "notice partner" (as defined in Section 6231 of the Code) or a member of a "notice group" (as defined in Section 6223(b)(2) of the Code), and, to the extent provided by law, the General Partner shall cause each Limited Partner to be designated a notice partner;

(ii) in the event that a notice of a final administrative adjustment at the Partnership level of any item required to be taken into account by a Partner for tax purposes (a "final adjustment") is mailed or otherwise given to the tax matters partner, to seek judicial review of such final adjustment, including the filing of a petition for readjustment with the Tax Court or the United States Claims Court, or the filing of a complaint for refund with the District Court of the United States for the district in which the Partnership's principal place of business is located;

(iii) to intervene in any action brought by any other Partner for judicial review of a final adjustment;

(iv) to file a request for an administrative adjustment with the IRS at any time and, if any part of such request is not allowed by the IRS, to file an appropriate pleading (petition, complaint or other document) for judicial review with respect to such request;

(v) to enter into an agreement with the IRS to extend the period for assessing any tax which is attributable to any item required to be taken into account by a Partner for tax purposes, or an item affected by such item; and

(vi) to take any other action on behalf of the Partners of the Partnership in connection with any tax audit or judicial review proceeding to the extent permitted by applicable law or regulations.

The taking of any action and the incurring of any expense by the tax matters partner in connection with any such proceeding, except to the extent required by law, is a matter in the sole and absolute discretion of the tax matters partner, and the provisions relating to indemnification of the General Partner set forth in Section 7.7 of this Agreement shall be fully applicable to the tax matters partner in its capacity as such.

(c) Reimbursement. The tax matters partner shall receive no compensation for its services. All third-party costs and expenses incurred by the tax matters partner in performing its duties as such (including legal and accounting fees) shall be borne by the Partnership. Nothing herein shall be construed to restrict the Partnership from engaging an accounting firm and a law firm to assist the tax matters partner in discharging his duties hereunder, so long as the compensation paid by the Partnership for such services is reasonable.

Section 10.4 Organizational Expenses. The Partnership shall elect to deduct expenses, if any, incurred by it in organizing the Partnership ratably over a 60 month period as provided in Section 709 of the Code.

ARTICLE 11
TRANSFERS AND WITHDRAWALS

Section 11.1 Transfer.

(a) Definition. The term "transfer," when used in this Article 11 with respect to a Partnership Unit, shall be deemed to refer to a transaction by which the General Partner purports to assign its General Partnership Interest to another Person or by which a Limited Partner purports to assign its Limited Partnership Interest to another Person, and includes a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise. The term "transfer" when used in this Article 11 does not include any redemption of Partnership Units by an Original Limited Partner (or a holder of Class A Units) pursuant to Section 8.6 or any acquisition of Partnership Units from a Limited Partner by the General Partner pursuant to the Reorganization (as defined in the Contribution Agreement).

(b) Requirements. No Partnership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article 11. Any transfer or purported transfer of a Partnership Interest not made in accordance with this Article 11 shall be null and void.

Section 11.2 Transfer of General Partner's Partnership Interests.

(a) General Partnership Interest. The General Partner may not transfer any of its General Partnership Interest (other than any transfer to an Affiliate of the General Partner) or withdraw as General Partner (other than pursuant to a permitted transfer), other than in connection with a transaction described in Section 11.2(b). Any transfer or purported transfer of the General Partner's Partnership Interest not made in accordance with this Section 11.2 shall be null and void. Notwithstanding any permitted transfer of its General Partnership Interest or withdrawal as General Partner hereunder (other than in connection with a transaction described in Section 11.2(b)), Regency shall remain subject to Sections 7.1(a)(iii), 7.9(e), 8.6 and 8.7 of this Agreement unless such transferee General Partner provides substantially similar rights to the Limited Partners and Limited Partner Consent is obtained. Nothing contained in this Section 11.2(a) shall entitle the General Partner to withdraw as General Partner unless a successor General Partner has been appointed and approved by the Original Limited Partners. Regency Atlanta, Inc. shall be a subsidiary of Regency so long as Regency Atlanta, Inc. is the General Partner, unless the Consent of the Original Limited Partners is obtained.

(b) Transfer in Connection With Reclassification, Recapitalization, or Business Combination Involving General Partner. Neither the General Partner nor Regency shall engage in any merger, consolidation or other business combination or transaction with or into another Person or sale of all or substantially all of its assets, or any reclassification, or recapitalization (other than a change in par value, or a change in the number of shares of Common Stock resulting from a subdivision or combination as described in the definition of Unit Adjustment Factor) ("Transaction"), unless as a result of the Transaction such other Person (i) agrees that each Limited Partner shall thereafter remain entitled to exchange each Partnership Unit owned by such Limited Partner (after application of the Unit Adjustment Factor) for an amount of cash, securities, or other property equal to the greatest amount of cash, securities or other property paid to a holder of one Share in

consideration of one Share which a Limited Partner would have received at any time during the period from and after the date on which the Transaction is consummated, as if the Limited Partner had exercised its Redemption Right immediately prior to the Transaction and received the Share Amount, and (ii) agrees to assume the General Partner's obligations pursuant to Section 8.6 hereof, provided, that if, in connection with the Transaction, a purchase, tender or exchange offer shall have been made to and accepted by the holders of more than 50 percent of the outstanding shares of Common Stock, the holders of Partnership Units shall receive the greatest amount of cash, securities, or other property which a Limited Partner would have received had it exercised the Redemption Right and received the Share Amount in redemption of its Partnership Units immediately prior to the expiration of such purchase, tender or exchange offer. Prior to consummating any such Transaction, Regency shall cause appropriate amendments to be made to this Agreement pursuant to Section 14.1(b) (including the definitions of Shares, Unit Adjustment Factor and Value) to carry out the intent of the parties that the rights of the Limited Partners hereunder shall not be prejudiced as the result of any such Transaction. Notwithstanding anything contained in this Section 11.2(b) to the contrary, the General Partner shall not engage in a Transaction that causes the Partnership to recognize gain or loss for federal income tax purposes.

(c) Limited Partnership Interests. The General Partner may transfer all or any portion of its Limited Partnership Interests represented by Class B Units, or any of the rights associated with such Limited Partnership Interests, to any party without the consent of the Partnership or any Partner (regardless of whether such transfer triggers a termination of the Partnership for tax purposes under Section 708 of the Code).

(d) Admission of Additional General Partner. Except as provided in Sections 11.2(a) and 11.2(b), the General Partner may not admit an additional general partner other than an Affiliate of the General Partner pursuant to Section 11.2(a).

Section 11.3 Limited Partners' Rights to Transfer.

(a) General. No transfer of a Limited Partnership Interest by a Limited Partner is permitted without the prior written consent of the General Partner, which it may withhold in its sole and absolute discretion; provided, that a Limited Partner may transfer Units without the consent of the General Partner: (i) to members of the Limited Partner's Immediate Family or one or more trusts for their benefit pursuant to applicable laws of descent and distribution, gift or otherwise; (ii) among its Affiliates; (iii) to a lender, provided that the Units are not Pledged Units, where such Units are pledged to secure a bona fide obligation of the Limited Partner and any transfer in accordance with the rights of such lender under the instruments evidencing such obligation (provided that the General Partner receives 10 days prior written notice of any transfer under this clause (a)); (iv) if the Limited Partner is a trust, to the beneficiaries of the Limited Partner or to another trust (1) that is either established by the same grantor as the Limited Partner or (2) whose beneficiaries consist of members of the Immediate Family of the grantor of the Limited Partner or (3) whose beneficiaries consist of beneficiaries of the transferor trust or members of their Immediate Family; (v) if the Limited Partner is an entity, to the direct or indirect equity holders of the Limited Partner; and (vi) to other Limited Partners. In order to effect any transfer under this Section 11.3, the Limited Partner must deliver to the General Partner a duly executed copy of the instrument making such transfer and such instrument must evidence the written acceptance by the assignee of all of the terms and conditions of this Agreement, including, where applicable, the security interest, described in Sections 5.3 and 8.6(f),

and represent that such assignment was made in accordance with all applicable laws and regulations. For a period of one year following the First Closing, each Original Limited Partner agrees not (A) to request the General Partner to consent to any transfer of Units requiring the consent of the General Partner or (B) to transfer any economic or other interest, right or attribute therein except to a Person to whom such Partner may transfer Units without the consent of the General Partner.

(b) Incapacitated Limited Partners. If a Limited Partner is subject to Incapacity, the executor, administrator, trustee, committee, guardian, conservator or receiver of such Limited Partner's estate shall have all the rights of a Limited Partner, but not more rights than those enjoyed by other Limited Partners for the purpose of settling or managing the estate and such power as the Incapacitated Limited Partner possessed to transfer all or any part of his or its interest in the Partnership. The Incapacity of a Limited Partner, in and of itself, shall not dissolve or terminate the Partnership.

(c) No Transfers Violating Securities Laws. The General Partner may prohibit any transfer by a Limited Partner of his Partnership Units if, in the opinion of legal counsel to the Partnership, such transfer would require filing of a registration statement under the Securities Act of 1933 or would otherwise violate any federal or state securities laws or regulations applicable to the Partnership or the Partnership Units.

(d) Transfers Resulting in Corporation Status. Regardless of whether the General Partner is required to provide or has provided its consent under Section 11.3(a), no transfer by a Limited Partner of his Partnership Units (or any economic or other interest, right or attribute therein) may be made to any Person if legal counsel for the Partnership renders an opinion letter that it creates a substantial risk that the Partnership would be treated as an association taxable as a corporation.

(e) Transfers Causing Termination. Regardless of whether the General Partner is required to provide or has provided its consent under Section 11.3(a), no transfer of any Partnership Interests other than the exercise of Redemption Rights shall be effective if such transfer would, in the opinion of counsel for the Partnership, result in the termination of the Partnership for federal income tax purposes, in which event such transfer shall be made effective as of the first fiscal quarter in which such termination would not occur, if the Partner making such transfer continues to desire to effect the transfer.

(f) Transfer to Certain Lenders. Notwithstanding anything contained herein to the contrary, no transfer of any Partnership Units may be made to a lender to the Partnership or any Person who is related (within the meaning of Section 1.752-4(b) of the Regulations) to any lender to the Partnership whose loan constitutes a Non-Recourse Liability, without the consent of the General Partner, which consent may be given or withheld by the General Partner in its sole and absolute discretion, provided, that as a condition to such consent the lender will be required to enter into an arrangement with the Partnership and the General Partner to redeem for the Redemption Amount any Partnership Units in which a security interest is held, simultaneously with the time at which such lender would be deemed to be a partner in the Partnership for purposes of allocating liabilities to such lender under Section 752 of the Code.

Section 11.4 Substituted Limited Partners.

(a) Consent of General Partner Required. The Limited Partner shall have the right to substitute a transferee as a Limited Partner in his place, but only if such transferee is a permitted transferee under Section 11.3, in which event such substitution shall occur if the Limited Partner so provides. With respect to any other transfers, the General Partner shall have the right to consent to the admission of a transferee of the interest of a Limited Partner pursuant to this Section 11.4 as a Substituted Limited Partner, which consent may be given or withheld by the General Partner in its sole and absolute discretion. The General Partner's failure or refusal to permit a transferee of any such interests to become a Substituted Limited Partner shall not give rise to any cause of action against the Partnership or any Partner.

(b) Rights and Duties of Substituted Limited Partners. A transferee who has been admitted as a Substituted Limited Partner in accordance with this Article 11 shall have all the rights and powers and be subject to all the restrictions and liabilities of a Limited Partner under this Agreement.

(c) Amendment of Exhibit A. Upon the admission of a Substituted Limited Partner, the General Partner shall amend Exhibit A to reflect the name, address, number of Partnership Units, and Percentage Interest of such Substituted Limited Partner and to eliminate or adjust, if necessary, the name, address and interest of the predecessor of such Substituted Limited Partner.

Section 11.5 Assignees. If a transferee is not admitted as a Substituted Limited Partner in accordance with Section 11.4(a), such transferee shall be considered an Assignee for purposes of this Agreement. An Assignee shall be entitled to all the rights of an assignee of a limited partnership interest under the Act, including the right to redeem Units under Section 8.6, and the right to receive distributions from the Partnership and the share of Net Income, Net Losses, gain, loss and Recapture Income attributable to the Partnership Units assigned to such transferee, but shall not be deemed to be a holder of Partnership Units for any other purpose under this Agreement, and shall not be entitled to vote such Partnership Units in any matter presented to the Limited Partners for a vote (such Partnership Units being deemed to have been voted on such matter in the same proportion as all Partnership Units held by Limited Partners are voted). In the event any such transferee desires to make a further assignment of any such Partnership Units, such transferee shall be subject to all the provisions of this Article 11 to the same extent and in the same manner as any Limited Partner desiring to make an assignment of Partnership Units.

Section 11.6 General Provisions.

(a) Withdrawal of Limited Partner. No Limited Partner may withdraw from the Partnership other than as a result of a permitted transfer of all of such Limited Partner's Partnership Units in accordance with this Article 11 or pursuant to the redemption of all of his Partnership Units under Section 8.6.

(b) Termination of Status as Limited Partner. Any Limited Partner who shall transfer all of his Partnership Units in a transfer permitted pursuant to this Article 11 or pursuant to the redemption of all of his Partnership Units under Section 8.6 shall cease to be a Limited Partner.

(c) Timing of Transfers. Transfers pursuant to this Article 11 may only be made on the first day of a fiscal quarter, unless the General Partner otherwise agrees, or unless resulting by operation of law.

(d) Allocation When Transfer Occurs. If any Partnership Interest is transferred during any quarterly segment of the Partnership's fiscal year in compliance with the provisions of this Article 11 or redeemed pursuant to Section 8.6, Net Income, Net Losses, each item thereof and all other items attributable to such interest for such fiscal year shall be divided and allocated between the transferor Partner and the transferee Partner by taking into account their varying interests during the fiscal year in accordance with Section 706(d) of the Code, using the interim closing of the books method (other than Net Income or Net Loss attributable to a Capital Transaction, which shall be allocated as of the Capital Transaction Record Date). Solely for purposes of making such allocations, each of such items for the calendar month in which the transfer or redemption occurs shall be allocated to the Person who is a Partner as of midnight on the last day of said month. All distributions of Available Cash with respect to which the Partnership Record Date is before the date of such transfer or redemption shall be made to the transferor Partner, and all distributions of Available Cash thereafter shall be made to the transferee Partner.

ARTICLE 12
ADMISSION OF PARTNERS

Section 12.1 Admission of Successor General Partner. A successor to all of the General Partner's General Partnership Interest pursuant to Section 11.2 hereof who is proposed and permitted to be admitted as a successor General Partner shall be admitted to the Partnership as the General Partner, effective upon such transfer. Any such transferee shall assume all of the General Partner's obligations under this Agreement and shall carry on the business of the Partnership without dissolution. In each case, the admission shall be subject to the successor General Partner executing and delivering to the Partnership an acceptance of all of the terms and conditions of this Agreement and such other documents or instruments as may be required to effect the admission.

Section 12.2 Admission of Additional Limited Partners.

(a) General. After the admission to the Partnership of the Original Limited Partners on the date hereof, a Person who makes a Capital Contribution to the Partnership in accordance with Section 4.2 of this Agreement shall be admitted to the Partnership as an Additional Limited Partner upon furnishing to the General Partner (i) evidence of acceptance in form satisfactory to the General Partner of all of the terms and conditions of this Agreement, including, without limitation, the power of attorney granted in Article 16 hereof and (ii) such other documents or instruments as may be required in the sole and absolute discretion of the General Partner in order to effect such Person's admission as an Additional Limited Partner.

(b) Consent of General Partner Required. Notwithstanding anything to the contrary in this Section 12.2, no Person shall be admitted as an Additional Limited Partner without the consent of the General Partner (other than a Person to whom a Limited Partner may transfer Units pursuant to Section 11.3(a) without the consent of the General Partner), which consent may be given or withheld in the General Partner's sole and absolute discretion. The admission of any Person as an Additional Limited Partner shall become effective on the date upon which the name of such Person

is recorded on the books and records of the Partnership, following the consent of the General Partner to such admission.

Section 12.3 Amendment of Agreement and Certificate. For the admission to the Partnership of any Partner, the General Partner shall, subject to the requirements of Section 4.2, take all steps necessary and appropriate under the Act to amend the records of the Partnership and, if necessary, to prepare as soon as practical an amendment of this Agreement (including an amendment of Exhibit A) and, if required by law, shall prepare and file an amendment to the Certificate and may for this purpose exercise the power of attorney granted pursuant to Article 16 hereof.

ARTICLE 13
DISSOLUTION AND LIQUIDATION

Section 13.1 Dissolution. The Partnership shall not be dissolved by the admission of Substituted Limited Partners or Additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the withdrawal of the General Partner, any successor General Partner shall continue the business of the Partnership. Notwithstanding anything contained herein to the contrary, except as provided below in this Section 13.1, the General Partner and the Partnership shall not dissolve the Partnership, adopt a plan of liquidation for the Partnership or sell all or substantially all of the assets of the Partnership in a Liquidating Transaction or otherwise without the Consent of the Original Limited Partners. The Partnership shall dissolve, and its affairs shall be wound up, upon the first to occur of any of the following (each an "Event of Dissolution"):

(a) Expiration of Term--the expiration of its term as provided in Section 2.4 hereof;

(b) Withdrawal of General Partner--an event of withdrawal of the last remaining General Partner, as defined in the Act (other than an event of bankruptcy), unless, within 90 days after the withdrawal, all the remaining Original Limited Partners agree in writing to continue the business of the Partnership and to the appointment, effective as of the date of withdrawal, of a substitute General Partner;

(c) Judicial Dissolution Decree--entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Act; or

(d) Bankruptcy or Insolvency of General Partner--the last remaining General Partner shall be Incapacitated by reason of its bankruptcy unless, within 90 days after the withdrawal, all the remaining Original Limited Partners agree in writing to continue the business of the Partnership and to the appointment, effective as of the date of withdrawal, of a substitute General Partner.

Section 13.2 Winding Up.

(a) General. The General Partner shall provide written notice to the Limited Partners of the occurrence of an Event of Dissolution, giving them at least 20 days in which to exercise their Redemption Right prior to the distribution of any proceeds from the liquidation of the Partnership pursuant to this Section 13.2(a). Upon the occurrence of an Event of Dissolution, the Partnership shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Partners. No Partner shall take any action that

is inconsistent with, or not necessary to or appropriate for, the winding up of the Partnership's business and affairs. The General Partner (or, in the event there is no remaining General Partner, any Person elected by a majority in interest of the Limited Partners (the "Liquidator")) shall be responsible for overseeing the winding up and dissolution of the Partnership and shall take full account of the Partnership's liabilities and property and the Partnership property (subject to Sections 13.2(b) and 13.2(c)) shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom shall be applied and distributed in the following order:

(i) First, to the payment and discharge of all of the Partnership's debts and liabilities to creditors other than the Partners;

(ii) Second, to the payment and discharge of all of the Partnership's debts and liabilities to the Partners, pro rata in accordance with amounts owed to each such Partner;

(iii) Third, one hundred percent (100%) to the Original Limited Partners, pro rata based on the number of Original Limited Partnership Units held by such Partners, until each such Partner has received an amount equal to the aggregate Priority Distribution Amounts for each Partnership Record Date (if any) occurring subsequent to the Event of Dissolution; and

(iv) The balance, if any, to the General Partner and Limited Partners in accordance with their Capital Accounts, after giving effect to all contributions, distributions, and allocations for all periods.

The General Partner shall not receive any additional compensation for any services performed pursuant to this Article 13.

(b) Deferred Liquidation. Notwithstanding the provisions of Section 13.2(a) hereof which require liquidation of the assets of the Partnership, but subject to the order of priorities set forth therein, and further subject to Section 13.2(c) hereof, if prior to or upon dissolution of the Partnership the Liquidator determines that an immediate sale of part or all of the Partnership's assets would be impractical or would cause undue loss to the Partners, the Liquidator may, in its sole and absolute discretion, defer for a reasonable time the liquidation of any assets except those necessary to satisfy liabilities of the Partnership (including to those Partners as creditors) and/or distribute to the Partners, in lieu of cash, as tenants in common and in accordance with the provisions of Section 13.2(a) and Section 13.2(c) hereof, undivided interests in such Partnership assets as the Liquidator deems not suitable for liquidation. Any such distributions in kind shall be made only if, in the good faith judgment of the Liquidator, such distributions in kind are in the best interest of the Partners, and shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operation of such properties at such time. The Liquidator shall determine the fair market value of any property distributed in kind using such reasonable method of valuation as it may adopt.

(c) Distribution of Briarcliff Village.

(i) In the event that the Partnership is dissolved in accordance with this Article 13, the Briarcliff Village Property (as defined in Section 7.1(c)) will be distributed in-kind to the Original Briarcliff Partners (as defined in Section 7.1(c)) who continue, as of such time, to hold Original Limited Partnership Units attributable to the contribution of the Briarcliff Village Property to Branch Properties, Ltd. and Branch Properties, Ltd.'s subsequent contribution of the Briarcliff Village Property to the Partnership, with such Partners to take title to the Briarcliff Village Property in any manner which they are able to agree among themselves. In the event that such Partners are to receive the Briarcliff Village Property pursuant to this Section 13.2(c), then the Briarcliff Village Property shall have the net value agreed upon by the General Partner and the Partners receiving an interest in the Briarcliff Village Property, or, if they cannot agree, then the Briarcliff Village Property shall be valued in accordance with Section 13.2(d).

(ii) If the net value of the Briarcliff Village Property determined pursuant to Section 13.2(c)(i) exceeds the amount to which the Partners receiving the Briarcliff Village Property are entitled pursuant to this Article 13, then such partners may contribute to the capital of the Partnership the amount of cash equal to such excess, pro rata in proportion to the relative number of Units of each such Partners attributable to the contribution of the Briarcliff Village Property to Branch Properties, Ltd. and Branch Properties, Ltd.'s subsequent contribution of the Briarcliff Village Property to the Partnership. If such a contribution is not made in full, then Section 13.2(c)(i) shall not apply and the Liquidator shall be entitled to sell the Briarcliff Village Property in connection with the dissolution of the Partnership.

(d) Appraisal. In the event that the Briarcliff Village Property is to be distributed to the Original Briarcliff Partners in liquidation of the Partnership pursuant to the provisions of this Section 13.2, then the amount of such distribution shall be determined as follows if the net value thereof has not been agreed on pursuant to Section 13.2(c)(i):

(i) Within twenty (20) days after the determination that the Partnership shall distribute the Briarcliff Village Property to the Original Briarcliff Partners, the General Partner and a Majority-In-Interest of the Original Briarcliff Partners (as defined in Section 7.1(c)) shall each select an independent, regionally or nationally recognized appraiser or appraisal group which is experienced in valuing separate real estate property ("Appraiser"), and the two Appraisers selected by the parties shall jointly select a third Appraiser. Each party shall pay the cost of their respective Appraiser and shall split the cost of the third Appraiser.

(ii) Within sixty (60) days of selection of the third Appraiser, each of the three Appraisers shall determine the gross fair market value of the Briarcliff Village Property as of the date of the election to liquidate the Partnership, calculated based on the net fair market value of Briarcliff Village (net of the loans encumbering Briarcliff Village), taking into consideration the terms and relative value of the loans encumbering Briarcliff Village, the fact that Briarcliff Village is not being sold and the loans are not being repaid.

(iii) Upon receipt of the three appraisals determining the gross fair market value of the Briarcliff Village Property, the two closest gross fair market values shall be averaged, with such average to constitute the distribution value of the Briarcliff Village Property.

Section 13.3 Compliance with Timing Requirements of Regulations; Allowance for Contingent or Unforeseen Liabilities or Obligations. Notwithstanding anything to the contrary in this Agreement, in the event the Partnership is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), distributions shall be made pursuant to this Article 13 to the General Partner and Limited Partners who have positive Capital Accounts in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(2) (including any timing requirements therein). Except as provided in Section 13.4, if any Original Limited Partner has a deficit balance in his Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which such liquidation occurs), such Partner shall have no obligation to make any contribution to the capital of the Partnership with respect to such deficit, and such deficit shall not be considered a debt owed to the Partnership or to any other Person for any purpose whatsoever. In the sole and absolute discretion of the General Partner, a pro rata portion of the distributions that would otherwise be made to the General Partner and Limited Partners pursuant to this Article 13 may be: (i) distributed to a liquidating trust established for the benefit of the General Partner and Limited Partners for the purposes of liquidating Partnership assets, collecting amounts owed to the Partnership, and paying any contingent or unforeseen liabilities or obligations of the Partnership or of the General Partner arising out of or in connection with the Partnership (the assets of any such trust shall be distributed to the General Partner and Limited Partners from time to time, in the reasonable discretion of the General Partner, in the same proportions as the amount distributed to such trust by the Partnership would otherwise have been distributed to the General Partner and Limited Partners pursuant to this Agreement); or (ii) withheld to provide a reasonable reserve for Partnership liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Partnership; provided, that such withheld amounts shall be distributed to the General Partner and Limited Partners as soon as practicable.

Section 13.4 Deficit Capital Account Restoration.

(a) Subject to Section 13.4(b), if an Original Limited Partner listed on Schedule 13.4(a) (who constituted an "Electing Partner" of Branch and is referred to hereinafter as an "Electing Partner"), on the date of the "liquidation" of his respective interest in the Partnership (within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g)), has a negative balance in his Capital Account, then such Electing Partner shall contribute in cash to the capital of the Partnership the lesser of (i) the maximum amount (if any such maximum amount is stated) listed beside such Electing Partner's name on Schedule 13.4(a) or (ii) the amount required to increase his Capital Account as of such date to zero. Any such contribution required of a Partner hereunder shall be made on or before the later of (i) the end of the Partnership fiscal year in which the interest of such Partner is liquidated or (ii) the ninetieth (90th) day following the date of such liquidation. Notwithstanding any provision hereof to the contrary, all amounts so contributed by a partner to the capital of the Partnership shall, upon the liquidation of the Partnership under this Article 13, be first paid to any then creditors of the Partnership, including Partners that are Partnership creditors (in the order provided in Section 13.2(a)), and any remaining amount shall be distributed to the other Partners then having positive balances in their respective Capital Accounts in proportion to such positive balances.

(b) After the death of an Electing Partner, the executor of the estate of such an Electing Partner may elect to reduce (or eliminate) the deficit Capital Account restoration obligation of such

an Electing Partner pursuant to Section 13.4(a). Such election may be made by such executor by delivering to the General Partner within two hundred seventy (270) days of the death of such an Electing Partner a written notice setting forth the maximum deficit balance in his Capital Account that such executor agrees to restore under Section 13.4(a), if any. If such executor does not make a timely election pursuant to this Section 13.4(b) (whether or not the balance in his Capital Account is negative at such time), then such Electing partner's estate (and the beneficiaries thereof who receive distribution of Partnership Units therefrom) shall be deemed to have a deficit Capital Account restoration obligation as set forth pursuant to the terms of Section 13.4(a).

(c) If the General Partner, on the date of "liquidation" of its interest in the Partnership, within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations, has a negative balance in its Capital Account, then the General Partner shall contribute in cash to the capital of the Partnership the amount needed to restore its Capital Account balance to zero. Any such contribution required to be made by the General Partner shall be made by the General Partner on or before the later of (i) the end of the Partnership Year in which the General Partner's interest is liquidated, or (ii) the ninetieth (90th) calendar day following the date of such liquidation. Notwithstanding any provision of this Agreement to the contrary, all amounts so contributed to the capital of the Partnership in accordance with this Section 13.4 shall be distributed in accordance with Section 13.2(a). Regency unconditionally guarantees the obligation of the General Partner under this Section 13.4(c) for the benefit of the Partnership and the other Partners.

Section 13.5 Deemed Distribution and Recontribution. Notwithstanding any other provision of this Article 13 (but subject to Section 13.3), in the event the Partnership is liquidated within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g) but no Event of Dissolution has occurred, the Partnership's property shall not be liquidated, the Partnership's liabilities shall not be paid or discharged, and the Partnership's affairs shall not be wound up. Instead, the Partnership shall be deemed to have distributed the Property in kind to the General Partner and Limited Partners, who shall be deemed to have assumed and taken such property subject to all Partnership liabilities, all in accordance with their respective Capital Accounts. Immediately thereafter, the General Partner and Limited Partners shall be deemed to have recontributed the Partnership property in kind to the Partnership, which shall be deemed to have assumed and taken such property subject to all such liabilities.

Section 13.6 Rights of Limited Partners. Except as specifically provided in this Agreement, including Sections 7.1(a)(iii), 8.6, 8.7 and 13.4, each Limited Partner shall look solely to the assets of the Partnership for the return of his Capital Contribution and shall have no right or power to demand or receive property other than cash from the Partnership. Except as specifically provided in this Agreement, no Limited Partner shall have priority over any other Limited Partner as to the return of his Capital Contributions, distributions, or allocations.

Section 13.7 Notice of Dissolution. In the event an Event of Dissolution or an event occurs that would, but for the provisions of Section 13.1, result in a dissolution of the Partnership, the General Partner shall, within 30 days thereafter, provide written notice thereof to each of the Partners and to all other parties with whom the Partnership regularly conducts business (as determined in the sole and absolute discretion of the General Partner) and shall publish notice thereof in a newspaper of general circulation in each place in which the Partnership regularly conducts business (as determined in the sole and absolute discretion of the General Partner).

Section 13.8 Cancellation of Certificate of Limited Partnership. Upon the completion of the liquidation of the Partnership as provided in Section 13.2 hereof, the Partnership shall be terminated and the Certificate and all qualifications of the Partnership as a foreign limited partnership in jurisdictions other than the State of Delaware shall be canceled and such other actions as may be necessary to terminate the Partnership shall be taken.

Section 13.9 Reasonable Time for Winding-Up. A reasonable time shall be allowed for the orderly winding-up of the business and affairs of the Partnership and the liquidation of its assets pursuant to Section 13.2 hereof, in order to minimize any losses otherwise attendant upon such winding-up, and the provisions of this Agreement shall remain in effect between the Partners during the period of liquidation.

ARTICLE 14
AMENDMENT OF PARTNERSHIP AGREEMENT; MEETINGS

Section 14.1 Amendments.

(a) General. Amendments to this Agreement may be proposed only by the General Partner, who shall submit any proposed amendment (other than an amendment pursuant to Section 14.1(b)) to the Limited Partners. The General Partner shall seek the written vote of the Partners on the proposed amendment or shall call a meeting to vote thereon and to transact any other business that it may deem appropriate. Except as provided in Section 14.1(b), 14.1(c), 14.1(d) or 14.1(e), 14.1(f), a proposed amendment shall be adopted and be effective as an amendment hereto if it is approved by the General Partner and it receives the Consent of the Original Limited Partners.

(b) General Partner's Power to Amend. Notwithstanding Section 14.1(a), the General Partner shall have the power, without the consent of the Limited Partners, to amend this Agreement as may be required to facilitate or implement any of the following purposes:

(i) to add to the obligations of the General Partner or surrender any right or power granted to the General Partner or any Affiliate of the General Partner for the benefit of the Limited Partners;

(ii) to add to or change the name of the Partnership;

(iii) to reflect the admission, substitution, termination, or withdrawal of Partners in accordance with this Agreement;

(iv) to set forth the rights, powers, duties and preferences of the holders of any additional Partnership Interests issued pursuant to Section 4.2;

(v) to reflect a change that is of an inconsequential nature and does not adversely affect the Limited Partners in any material respect, or to cure any ambiguity, correct or supplement any provision in this Agreement not inconsistent with law or with other provisions, or make other changes with respect to matters arising under this Agreement that will not be inconsistent with law or with the provisions of this Agreement; and

(vi) to satisfy any requirements, conditions, or guidelines contained in any order, directive, opinion, ruling or regulation of a federal or state agency or contained in federal or state.

The General Partner will provide 10 days' prior written notice to the Limited Partners when any action under this Section 14.1(b) is taken.

(c) Consent of Adversely Affected Partner Required. Notwithstanding Section 14.1(a) hereof, this Agreement shall not be amended without the consent of each Partner adversely affected if such amendment would (i) convert a Limited Partner's interest in the Partnership into a general partner's interest, (ii) modify the limited liability of a Limited Partner, (iii) alter rights of the Partner to receive distributions pursuant to Articles 5 or 13, or the allocations specified in Article 6 (except as permitted pursuant to Sections 4.2 or 4.4(d) hereof), (iv) alter or modify the Redemption Right or Redemption Amount as set forth in Section 8.6 and related definitions hereof, or (v) amend Sections 4.2 (issuances of additional Partnership Interests), 7.1(a)(iii), (Section 1031 exchanges), 7.1(h) (distributions), 7.3 (restrictions on General Partner's authority), or (vi) amend this Section 14.1(c).

(d) When Consent of Limited Partnership Interests Required. Notwithstanding Section 14.1(a) hereof, the General Partner shall not amend Sections 4.2 (issuances of additional Partnership Interests), 7.1(h) (distributions), 7.6 (contracts with Affiliates) or 11.2 (transfer of General Partnership Interest) without the Consent of the Limited Partners and the General Partner shall not amend this Section 14.1(d) without the unanimous consent of the Limited Partners.

(e) When Consent of Other Limited Partners Required.

(i) Matters Relating to Briarcliff. Notwithstanding Section 14.1(a) hereof, Section 7.1(c) (sale of Briarcliff Village), 13.2(c) (distribution of Briarcliff Village) and this Section 14.1(e), 14.1(f)(i) may be amended only with the Consent of a Majority in Interest of the Original Briarcliff Partners (as defined in Section 7.1(c).

(ii) Matters Relating to Other Classes of Partners. Notwithstanding Section 14.1(a) hereof, except as provided in Section 14.1(c), any amendment that would adversely affect only a class of Limited Partners other than the Original Limited Partners may be amended with the Consent of such class of Limited Partners.

(f) Security Capital Consent. So long as the Stockholders Agreement referred to in Schedule 7.8(b) remains in effect, this Agreement shall not be amended, modified or supplemented, in any such case, without the prior written consent of Security Capital. Any amendment, modification or supplement adopted without Security Capital's consent shall be void.

Section 14.2 Meetings of Limited Partners.

(a) General. Meetings of the Limited Partners may be called only by the General Partner. Such meeting shall be held at the principal office of the Partnership, or at such other place as may be designated by the General Partner. Notice of any such meeting shall be given to all Limited Partners not less than fifteen days nor more than sixty days prior to the date of such meeting. The notice shall state the purpose or purposes of the meeting. Limited Partners may vote in person or by

proxy at such meeting. Whenever the vote or consent of Limited Partners is permitted or required under this Agreement, such vote or consent may be given at a meeting of Limited Partners or may be given in accordance with the procedure prescribed in Section 14.1 hereof. Except as otherwise expressly provided in this Agreement, the consent of holders of a majority of the Percentage Interests of the Original Limited Partners (other than Units held by the General Partner, Regency or any Affiliate of Regency) shall control.

(b) Actions Without a Meeting. Any action required or permitted to be taken at a meeting of the Limited Partners may be taken without a meeting if a written consent setting forth the action so taken is signed by a majority of the Percentage Interests of the Original Limited Partners (other than Units held by the General Partner, Regency or any Affiliate of Regency) (or such other percentage as is expressly required by this Agreement). Such consent may be in one instrument or in several instruments, and shall have the same force and effect as a vote of a majority of the Percentage Interests of the Original Limited Partners (other than Units held by the General Partner, Regency or any Affiliate of Regency)(or such other percentage as is expressly required by this Agreement). Such consent shall be filed with the General Partner. An action so taken shall be deemed to have been taken at a meeting held on the effective date so certified.

(c) Proxy. Each Limited Partner may authorize any Person or Persons to act for him by proxy on all matters in which a Limited Partner is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Limited Partner or his attorney-in-fact. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Limited Partner executing it.

(d) Conduct of Meeting. Each meeting of Limited Partners shall be conducted by the General Partner or such other Person as the General Partner may appoint pursuant to such rules for the conduct of the meeting as the General Partner or such other Person deems appropriate.

ARTICLE 15
GENERAL PROVISIONS

Section 15.1 Addresses and Notice. All notices and demands under this Agreement shall be in writing, and may be either delivered personally (which shall include deliveries by courier) by U.S. mail or a nationally recognized overnight courier, by telefax, telex or other wire transmission (with request for assurance of receipt in a manner appropriate with respect to communications of that type; provided, that a confirmation copy is concurrently sent by a nationally recognized express courier for overnight delivery) or mailed, postage prepaid, by certified or registered mail, return receipt requested, directed to the parties at their respective addresses set forth on Exhibit A attached hereto, as it may be amended from time to time, and, if to the Partnership, such notices and demands sent in the aforesaid manner must be delivered at its principal place of business set forth above. Notices and demands shall be effective upon receipt. Any party hereto may designate a different address to which notices and demands shall thereafter be directed by written notice given in the same manner and directed to the Partnership at its office hereinabove set forth.

Section 15.2 Titles and Captions. All article or section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or

describe the scope or intent of any provisions hereof. Except as specifically provided otherwise, references to "Articles" and "Sections" are to Articles and Sections of this Agreement.

Section 15.3 Pronouns and Plurals. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

Section 15.4 Further Action. The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 15.5 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns. Section 14.1(f) shall inure to the benefit of Security Capital.

Section 15.6 Waiver of Partition. The Partners hereby agree that the Partnership properties are not and will not be suitable for partition. Accordingly, each of the Partners hereby irrevocably waives any and all rights (if any) that it may have to maintain any action for partition of any of the Partnership properties.

Section 15.7 Entire Agreement. This Agreement constitutes the entire agreement among the parties with respect to the matters contained herein; it supersedes any prior agreements or understandings among them with respect to the matters contained herein and it may not be modified or amended in any manner other than pursuant to Article 14.

Section 15.8 Remedies Not Exclusive. Any remedies herein contained for breaches of obligations hereunder shall not be deemed to be exclusive and shall not impair the right of any party to exercise any other right or remedy, whether for damages, injunction or otherwise.

Section 15.9 Time. Time is of the essence of this Agreement.

Section 15.10 Creditors. None of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

Section 15.11 Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

Section 15.12 Execution Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

Section 15.13 Applicable Law. This Agreement shall be construed in accordance with and governed by the laws and judicial decisions of the State of Delaware, without regard to the principles of conflicts of law.

Section 15.14 Invalidity of Provisions. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

ARTICLE 16
POWER OF ATTORNEY

Section 16.1 Power of Attorney.

(a) Scope. Each Limited Partner and each Assignee hereby constitutes and appoints the General Partner, any Liquidator, and authorized officers and attorneys-in-fact of each, and each of those acting singly, in each case with full power of substitution and resubstitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead to:

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (1) all certificates, documents and other instruments (including, without limitation, this Agreement and the Certificate and all amendments or restatements thereof) that the General Partner or the Liquidator deems appropriate or necessary to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware and in all other jurisdictions in which the Partnership may conduct business or own property; (2) all instruments that the General Partner deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms; (3) all conveyances and other instruments or documents that the General Partner deems appropriate or necessary to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement, including, without limitation, a certificate of cancellation; (4) all instruments or documents and all certificates and acknowledgments relating to any mortgage, pledge, or other form of encumbrance in connection with any loan or other financing to the General Partner as provided by Section 7.1(a)(iii); (5) all instruments relating to the admission, withdrawal, removal or substitution of any Partner pursuant to, or other events described in, Article 11, 12 or 13 hereof or the Capital Contribution of any Partner; (6) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges of Partnership Interests; and (7) all financing statements, continuation statements and similar documents which the General Partner deems appropriate to perfect and to continue perfection of the security interest referred to in Section 5.3; and

(ii) execute, swear to, acknowledge and file all ballots, consents, approvals, waivers, certificates and other instruments appropriate or necessary, to evidence, confirm or ratify any vote, consent, approval, agreement or other action which is made or given by the Partners hereunder or is consistent with the terms of this Agreement or appropriate or necessary, to effectuate the terms or intent of this Agreement.

Nothing contained herein shall be construed as authorizing the General Partner to amend this Agreement except in accordance with Article 14 hereof or as may be otherwise expressly provided for in this Agreement.

(b) Additional Power of Attorney of Original Limited Partners. Each Original Limited Partner hereby grants to the General Partner and any Liquidator and authorizes officers and attorneys-in-fact of such Persons, and each of those acting singly, in each case with full power of substitution and resubstitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead to execute and file in such Original Partner's name any financing statements, continuation statements and similar documents and to perform all other acts which the General Partner deems appropriate to perfect and to continue perfection of the security interest in the Pledged Units referred to in Section 8.6(f).

(c) Irrevocability. The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, in recognition of the fact that each of the Partners will be relying upon the power of the General Partner and any Liquidator to act as contemplated by this Agreement in any filing or other action by it on behalf of the Partnership, and it shall survive and not be affected by the subsequent Incapacity of any Limited Partner or Assignee and the transfer of all or any portion of such Limited Partner's or Assignee's Partnership Units and shall extend to such Limited Partner's or Assignee's heirs, successors, assigns and personal representatives. Each such Limited Partner or Assignee hereby agrees to be bound by any representation made by the General Partner, acting in good faith pursuant to such power of attorney; and each such Limited Partner or Assignee hereby waives any and all defenses which may be available to contest, negate or disaffirm the action of the General Partner, taken in good faith under such power of attorney. Each Limited Partner or Assignee shall execute and deliver to the General Partner or the Liquidator, within 15 days after receipt of the General Partner's request therefor, such further designations, powers of attorney and other instruments as the General Partner or the Liquidator, as the case may be, deems necessary to effectuate this Agreement and the purposes of the Partnership.

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

GENERAL PARTNER:

REGENCY ATLANTA, INC.

By: /s/ Bruce M. Johnson
Name: Bruce M. Johnson
Title: Executive Vice President

REGENCY REALTY CORPORATION,
Sections 7.1(a)(iii), 7.9(e), 8.6, 8.7, 11.2(b) and 13.4(c) only

By: /s/ Bruce M. Johnson
Name: Bruce M. Johnson
Title: Executive Vice President

ORIGINAL LIMITED PARTNER:

BRANCH PROPERTIES, Ltd.

By: Branch Realty, Inc., General Partner

By: /s/ Richard H. Lee
Name: Richard H. Lee
Title: Executive Vice President and Secretary

OTHER ORIGINAL LIMITED PARTNERS

OPPORTUNITY CAPITAL PARTNERS II LIMITED PARTNERSHIP, a Maryland limited partnership

By: Opportunity Capital Corporation, a Maryland corporation, its General Partner

By: /s/ Stanley J. Kraska, Jr.
Stanley J. Kraska, Jr.,
Vice President

/s/ Richard H. Lee
Richard H. Lee, attorney-in-fact for each of the Original Limited Partners (other than Branch Properties, Ltd. and Opportunity Capital Partners II Limited Partnership) listed on Exhibit A.)

EXHIBIT A
PARTNERS, CONTRIBUTIONS, UNITS AND PARTNERSHIP INTERESTS

[TO BE ATTACHED]

SCHEDULE 7.8(b)

REGENCY'S PFIC OBLIGATIONS

SCHEDULE 8.6(a)

TRANSFER RESTRICTIONS IN REGENCY'S
ARTICLES OF INCORPORATION

SCHEDULE 8.6(c)(i)

MAXIMUM AGGREGATE SHARES ISSUABLE TO THE ORIGINAL LIMITED PARTNERS PRIOR TO THE SHAREHOLDER APPROVAL DATE

SCHEDULE 13.4(a)

ELECTING PARTNERS WITH DEFICIT
CAPITAL ACCOUNT MAKE-UP REQUIREMENT

[to be completed prior to execution]

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (the "Agreement"), made as of the 7th day of March, 1997, among REGENCY REALTY CORPORATION, a Florida corporation (the "Company"), and the investors listed on the signature pages hereto (referred to collectively as the "Investors" and individually as an "Investor");

W I T N E S S E T H

WHEREAS, the Company, certain of the Investors and other persons are parties to that certain Contribution Agreement and Plan of Reorganization dated as of February 10, 1997 (the "Contribution Agreement"), pursuant to the terms of which Branch Properties, L.P. agreed to contribute certain properties and assets to the Partnership (as hereinafter defined) in exchange for Units (as hereinafter defined) of limited partnership interest in the Partnership which Branch Properties, L.P. is distributing to its partners; and

WHEREAS, the Units held by Investors will be exchangeable for common stock of the Company in accordance with the Partnership Agreement; and

WHEREAS, Branch Realty, Inc. agreed to transfer the Units it receives pursuant to the Contribution Agreement to the general partner of the Partnership in exchange for common stock of the Company; and

WHEREAS, the Company and Investors agreed to execute and deliver this Agreement at the first closing pursuant to the Contribution Agreement.

NOW, THEREFORE, in consideration of the premises, TEN DOLLARS ($10.00) in hand paid by Investors to the Company and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged by the parties, the parties intending to be legally bound, hereby agree as follows:

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

"Affiliate" means, with regard to a Person, a Person that controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "affiliated," "controlling" and "controlled" having meanings correlative to the foregoing.

"Commission" means the Securities and Exchange Commission or any other applicable federal agency at the time administering the Securities Act.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"Investor" means the Persons who are listed on the signature pages hereto and their Permitted Transferees, including the Permitted Transferees listed on Exhibit 1 but shall not include any Investor who no longer holds Registrable Securities.

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

"Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of the Partnership, executed of even date herewith, as the same may be hereafter further amended.

"Permitted Transferee" means any Person to whom Investors may assign Units in accordance with Section 11.3(a) of the Partnership Agreement.

"Person" means an individual, partnership, corporation, limited liability company, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"Registrable Security" means (i) any Shares issued to an Investor

pursuant to the Contribution Agreement, and any Shares issuable to an Investor upon redemption of Units pursuant to the Partnership Agreement, (ii) any other securities issued by the Company in exchange for any such Shares and (iii) any securities issued by the Company as a dividend or distribution on account of Registrable Securities or resulting from a subdivision of the outstanding Registrable Securities into a greater number of Shares (by reclassification, stock split or otherwise). As to any particular Registrable Securities, such securities will cease to be Registrable Securities when (a) they have been distributed to the public pursuant to an offering registered under the Securities Act or (b) they have been sold to the public through a broker, dealer or market-maker in compliance with Rule 144 under the Securities Act or (c) they have been transferred pursuant to Section to any Person who is not a Permitted Transferee or (d) one year shall have passed after the date of death of an Investor who is a natural person, at which time the Registrable Securities held by such Investor at the date of his or her death shall cease to be Registrable Securities, (e) the Company has delivered a new certificate or other evidence of ownership not bearing the legend set forth on the Shares upon the initial issuance thereof, and, in the opinion of counsel to the Company and Investors, the subsequent disposition of such security shall not require the registration or qualification under the Securities Act, or (f) such security has ceased to be outstanding.

"Resale Rules" means Rule 144 promulgated by the Commission or any successor to such rule or any other rule or regulation of the Commission that may at any time permit the Investor to sell its Shares to the public without registration.

"Securities Act" means the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"Shares" mean the Company's shares of voting Common Stock, $0.01 par value per share.

"Shelf Prospectus" shall mean the prospectus included in the Shelf Registration Statement, including any preliminary prospectus, and any amendment or supplement thereto, including any

supplement relating to the terms of the offering of any portion of the Registrable Securities covered by the Shelf Registration Statement, and in each case including all material incorporated by reference therein.

"Shelf Registration Statement" shall mean a registration statement of the Company (and any other entity required to be a registrant with respect to such registration statement pursuant to the requirements of the Securities Act) that covers all of the Registrable Securities to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, or any similar rule that may be adopted by the Commission, and all amendments (including post-effective amendments) to such registration statement, and all exhibits thereto and materials incorporated by reference therein.

"Unit" shall have the meaning given to such term in the Partnership Agreement.

2. SHELF REGISTRATION RIGHTS.

2.1 Shelf Registration.

2.1.1 Request. The Company shall cause to be filed on the first business day following the 420th day after the First Closing Date (as defined in the Contribution Agreement), or as soon as practicable thereafter, a Shelf Registration Statement providing for the sale by the Investors of all of the Registrable Securities in accordance with the terms hereof and will use its reasonable efforts to cause such Shelf Registration Statement to be declared effective by the Commission as soon as practicable thereafter. The Company agrees to use its reasonable efforts to keep the Shelf Registration Statement with respect to the Registrable Securities continuously effective so long as any Investor holds Registrable Securities; provided, however, that at any time after the Shelf Registration Statement becomes effective the number of Registrable Securities outstanding is less than 12,500, then the Investors owning the remaining Registrable Securities shall be given notice that the Shelf Registration will be permitted to lapse in not less than 90 days, after which 90-day period, the Company's obligations under this Section shall cease. Subject to Section and Section , the Company further agrees to amend the Shelf Registration Statement if and as required by the rules, regulations or instructions applicable to the registration form used by the Company for such Shelf Registration Statement or by the Securities Act or any rules and regulations thereunder; provided, however, that the Company shall not be deemed to have used its reasonable efforts to keep the Shelf Registration Statement effective during the applicable period if it voluntarily takes any action that would result in the Investors not being able to sell Registrable Securities covered thereby during that period, unless such action is required under applicable law or the Company has filed a post-effective amendment to the Shelf Registration Statement and the Commission has not declared it effective or except as otherwise permitted by the last three sentences of Section . In the event that all the Subsequent Closings (as defined in the Contribution Agreement) have not yet occurred at the time of the filing of a Shelf Registration Statement hereunder, such registration statement also shall include the maximum estimated number of Shares that Regency reasonably anticipates could constitute Registrable Securities as a result of the remaining Subsequent Closings, and if the number of Registrable Securities actually issued at all Subsequent Closings exceeds the number of shares covered by the registration statement, Regency shall file an amendment increasing the number of Shares covered by the Shelf Registration Statement, or shall file a new registration statement for the additional Shares.

2.2 Registration Procedures. In connection with the obligations of the Company with respect to the Shelf Registration Statement contemplated by this Article , the Company shall:

2.2.1 prepare and file with the Commission a Shelf Registration Statement with respect to such securities, which Shelf Registration Statement (i) shall be available for the sale of the Registrable Securities in accordance with the intended method or methods of distribution by the Investors and (ii) shall comply as to form in all material respects with the requirements of the applicable form and include all financial statements required by the Commission to be filed therewith;

2.2.2 subject to the last three sentences of this Section and Section hereof, (i) prepare and file with the Commission such amendments to such Registration Statement as may be necessary to keep such Registration Statement effective for the applicable period; (ii) cause the Shelf Prospectus to be amended or supplemented as required and to be filed as required by Rule 424 or any similar rule that may be adopted under the Securities Act; (iii) respond as promptly as practicable to any comments received from the Commission with respect to the Shelf Registration Statement or any amendment thereto; and (iv) comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Shelf Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the Investors. Notwithstanding anything to the contrary contained herein, the Company shall not be required to take any of the actions described in clauses (i), (ii) or (iii) in this Section , Section or Section with respect to the Registrable Securities (x) to the extent that the Company is in possession of material non-public information that it deems advisable not to disclose eg., it is engaged in active negotiations or planning for a material merger or acquisition or disposition transaction, and it delivers written notice to the Investors to the effect that the Investors may not make offers or sales under the Shelf Registration Statement for a period not to exceed ninety (90) days from the date of such notice (but not to exceed 180 days during any twelve-month period), and (y) unless and until the Company has received a written notice (a "Shelf Registration Notice") from the Investors that they intend to make offers or sales under the Shelf Registration Statement as specified in such Shelf Registration Notice; provided, however, that the Company shall have ten (10) business days to prepare and file any such amendment or supplement after receipt of the Shelf Registration Notice. Once the Investors have delivered a Shelf Registration Notice to the Company, the Investors shall promptly provide to the Company such information as the Company reasonably requests in order to identify the method of distribution in a post-effective amendment to the Shelf Registration Statement or a supplement to the Shelf Prospectus. The Investors also shall notify the Company in writing upon completion of such offer or sale or at such time as the Investors no longer intend to make offers or sales under the Shelf Registration Statement, in which case the Company's right not to take action by reason of this clause (y) shall again apply;

2.2.3 furnish to the Investors, without charge, such numbers of copies of the Shelf Registration Statement, the Shelf Prospectus and such other documents, as the Investors may reasonably request in order to facilitate the sale or other disposition of the Registrable Securities owned by the Investors; the Company consents to the use of the most recent Shelf Prospectus and any amendment or supplement thereto by the Investors of Registrable Securities in connection with the offering and sale of the Registrable Securities covered by the Shelf Prospectus or amendment or supplement thereto;

2.2.4 use its reasonable efforts to register and qualify the securities covered by the Shelf Registration Statement under all applicable state securities or blue sky laws of such jurisdictions as the Investors shall reasonably request, keep each such registration or qualification effective during the period such Shelf Registration Statement is required to be kept effective or during the period offers or sales are being made by the Investors after they have delivered a Shelf Registration Notice to the Company, whichever is shorter, and do any and all other acts and things reasonably requested by the Investors to assist the Investors to consummate the sale or other disposition in such jurisdictions of the Registrable Securities owned by the Investors, except that the Company shall not for any such purpose be required to do business as a foreign corporation in any jurisdiction wherein it is not so qualified or to file therein any general consent to service of process;

2.2.5 otherwise use its reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earning statement covering the period of at least twelve months, beginning with the first fiscal quarter beginning after the effective date of the Shelf Registration Statement, which earning statement shall satisfy the provisions of Section 11(a) of the Securities Act;

2.2.6 use its reasonable efforts to list such securities on any securities exchange on which any Shares are then listed, if the listing of such securities is then permitted under the rules of such exchange;

2.2.7 if the Investors intend to dispose of their securities through an underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter or underwriters of such underwritten offering provided that such underwriter(s) are reasonably acceptable to the Company, including, without limitation, obtaining an opinion of counsel to the Company and a "comfort letter" from the independent public accountants to the Company in the usual and customary form for such underwritten offering;

2.2.8 notify the Investors promptly and, if requested by the Investors, confirm in writing, (i) when the Shelf Registration Statement and any post-effective amendments thereto have become effective, (ii) when any amendment or supplement to the Shelf Prospectus has been filed with the Commission, (iii) of the issuance by the Commission or any state securities authority of any stop order suspending the effectiveness of the Shelf Registration Statement or any part thereof or the initiation of any proceedings for that purpose, (iv) if the Company receives any notification with respect to the suspension of the qualification of the Registrable Securities for offer or sale in any jurisdiction or the initiation of any proceeding for such purpose, and (v) at any time when a Shelf Prospectus is required to be delivered under the Securities Act, of the happening of any event of which it has knowledge as a result of which the Shelf Registration Statement or the Shelf Prospectus, as then in effect, contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

2.2.9 make every reasonable effort to obtain the withdrawal of any order suspending the effectiveness of the Shelf Registration Statement or any part thereof as promptly as possible;

2.2.10 furnish to the Investors after they have delivered a Shelf Registration Notice to the Company, without charge, at least one conformed copy of the Shelf Registration Statement and any post-effective amendment thereto (without documents incorporated therein by reference or exhibits thereto, unless requested);

2.2.11 cooperate with the Investors to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any Securities Act legend; and enable certificates for such Registrable Securities to be issued for such numbers of shares as the Investors may reasonably request at least two business days prior to any sale of Registrable Securities;

2.2.12 subject to the last three sentences of Section hereof, upon the occurrence of any event contemplated by clause (x) of Section or clause (v) of Section hereof, use its reasonable efforts promptly to prepare and file an amendment or a supplement to the Shelf Prospectus or any document incorporated therein by reference or prepare, file and obtain effectiveness of a post-effective amendment to the Shelf Registration Statement, or file any other required document, in any such case to the extent necessary so that, as thereafter delivered to the purchasers of the Registrable Securities, such Shelf Prospectus as then amended or supplemented will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading;

2.2.13 make available for inspection by the Investors after they have provided a Shelf Registration Notice to the Company and any counsel, accountants or other representatives retained by the Investors during normal business hours and upon reasonable prior notice all financial and other records, pertinent corporate documents and properties of the Company and cause the officers, directors and employees of the Company to supply all such records, documents or information reasonably requested by the Investors, counsel, accountants or representatives in connection with the Shelf Registration Statement; provided, however, that such records, documents or information which the Company determines in good faith to be confidential and notifies the Investors, counsel, accountants or representatives in writing that such records, documents or information are confidential shall not be disclosed by the Investors, counsel, accountants or representatives unless (i) such disclosure is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, or (ii) such records, documents or information become generally available to the public other than through a breach of this Agreement;

2.2.14 a reasonable time prior to the filing of any Shelf Registration Statement or any amendment thereto, or any Shelf Prospectus or any amendment or supplement thereto, provide copies of such document (not including any documents incorporated by reference therein unless requested) to the Investors after they have provided a Shelf Registration Notice to the Company; and

2.2.15 provide a CUSIP number for all Registrable Securities, not later than the effective date of a Shelf Registration Statement.

2.3 Piggyback and Demand Registration Rights Under Certain Circumstances.

2.3.1 Piggyback Registration. In the event that the Shelf Registration shall not be declared effective within 60 days after the filing thereof with the Commission, or in the event that it shall cease to be effective during any period while it is required to be kept effective hereunder (any such period during which the Shelf Registration Statement is not effective is referred to as the "Noneffective Period"), if the Company at any time during a Noneffective Period proposes to register any of its shares of Common Stock under the Securities Act (other than a registration on Form S-4, Form S-8 or any successor or similar forms), and in the case of a proposed registration for the account of any Person where the Company's obligations as of the date of this Agreement to register the securities held by such other Person do not prohibit the inclusion of securities held by third parties, in such event, the Company shall give prompt, written notice to Investors who hold a record in the Registrable Securities. Upon the written request of any Investor made within a reasonable period of time as specified in the Company's Notice (which request shall specify the Registrable Securities intended to be disposed of by the Investor and the intended method of distribution thereof), the Company shall use its reasonable efforts to effect the registration (the "Piggyback Registration") under the Securities Act of all Registrable Securities which the Company has been so requested to register by the Investors thereof, to the extent requisite to permit the disposition of the Registrable Stock so to be registered in accordance with the intended methods of distribution thereof specified in such requests; provided that (i) if, at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Corporation shall determine for any reason not to register such securities, or if the Shelf Registration shall be declared effective, the Company may, at its election, give written notice of such determination to all such Holders who hold of record any Registrable Stock and, thereupon, shall be relieved of its obligation to register any Registrable Securities in connection with such registration, and (ii) in case of a determination by the Company to delay registration of its securities, the Corporation shall be permitted to delay the registration of Registrable Securities for the same period as the delay in registering such other securities. No Piggyback Registrations effected under this Section shall relieve the Company of its obligations to effect the Shelf Registration.

2.3.2 Priority in Piggyback Registrations. If the managing underwriter for a Piggyback Registration which involves an underwritten offering shall advise the Corporation in writing that, in its opinion, the number of shares of stock of the Corporation (including Registrable Stock) requested to be included in such registration by the holders thereof (including the Holders) exceeds the number of shares of stock of the Corporation (the "Sale Number") which can be sold in an orderly manner in such offering within a price range acceptable to the Corporation and the holders of shares of stock of the Corporation requested to be registered in such offering, the Corporation shall include (i) first, all shares of stock of the Corporation that the Corporation proposes to register for its own account and (ii) second, to the extent that the number of shares of stock of the Corporation to be included by the Corporation is less than the Sale Number, all Registrable Stock requested to be included by the Investors and all other shares of stock of the Corporation requested to be included by the holders thereof, pro rata based on the relative numbers of shares requested to be included by each.

2.3.3 Demand Registrations for the Benefit of the Investors.

(a) Requests for Demand Registration. In the event that the Company is not permitted to file the Shelf Registration Statement in accordance with the provisions of Section 2 hereof, the Investors during any Noneffective Period shall additionally become entitled to the rights of this Section 2.3.3. Accordingly, each of (i) the Investors (other than Opportunity Capital Partners II Limited Partnership ("OCP")) (the "Non-OCP Investors") who hold in the aggregate 50% or more of such Non-OCP Investors' Registrable Securities and (ii) OCP, by written request delivered to the Company, may request registration under the Securities Act of all or any portion of the Registrable Securities held by such Investor(s) for sale in the manner specified in such request. Each initial request for a registration pursuant to this Section 2.3.3 shall specify the number of Registrable Securities requested to be registered and sold by such Non-OCP Investors and/or OCP, as the case may be, and the method of disposition to be employed. Within 10 days after receipt of any request for registration under this Section 2.3.3, the Company shall promptly give written notice to any other Investor from whom notice has not been received and shall use its commercially reasonable efforts to include in such registration (for sale in accordance with the method of disposition specified in the initial request) all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 20 days after the receipt of the notice from the Company, which written requests shall specify the number of Registrable Securities to be included. Any request for registration pursuant to this Section 2.3.3 shall be referred to herein as a "Demand Registration Request" and all registrations requested pursuant to this Section 2.3.3 are referred to herein as "Demand Registrations."

(b) Number of Demand Registrations. The Company, pursuant to this Section 2.3.3, shall be required to effect up to (i) three (3) Demand Registrations for the Non-OCP Investors, and (ii) three (3) Demand Registrations for OCP. Notwithstanding anything to the contrary contained herein, a registration shall count as a Demand Registration only when a registration statement covering all Registrable Securities covered by such Demand Registration Request shall have become effective (except that if, after it has become effective, the offering of Registrable Securities pursuant to such registration statement is interfered with by any stop order, injunction or action of the SEC not occasioned by the fault of any Investor, such registration shall be deemed not to have been effected unless such stop order, injunction or other order or request shall subsequently have been vacated or otherwise removed), and if such method of disposition is a firm commitment underwritten public offering, all such Registrable Securities shall have been sold pursuant thereto; provided, however, that if a registration statement filed by the Company pursuant to a Demand Registration Request shall be abandoned or withdrawn at the behest of the Non-OCP Investors or OCP, as the case may be, then, unless such Investor(s) shall, promptly upon receipt of a request by the Company therefor supported by an invoice setting forth the expenses in reasonable detail, reimburse the Company for the expenses directly attributable to the Demand Registration, the Company shall be deemed to have effected a Demand Registration.

(c) Minimum Offering Amount. The Company shall not be required to register Registrable Securities pursuant to this Section 2.3.3 unless the aggregate current market price of all Registrable Securities covered by the Demand Registration Request

shall be $500,000 or more (unless and to the extent the Non-OCP Investors or OCP, as the case may be, shall hold in the aggregate less than $500,000 of Registrable Securities, in which case such minimum offering amount shall be equal to the amount of Registrable Securities so held).

(d) Selection of Underwriters. If the method of disposition specified in a Demand Registration Request shall be an underwritten public offering, the Company may designate the managing underwriter of such offering, subject to the approval of the Non-OCP Investors or OCP, as the case may be, which approval shall not be unreasonably withheld.

(e) Priority on Demand Registrations. The Company shall be entitled to include in any registration statement referred to in this Section 2.3.3, for sale in accordance with the method of disposition specified in the Demand Registration Request, shares of common stock to be sold by the Company for its own account or by other shareholders of the Company for their account. Nonetheless, whether or not the Company desires to include any such additional shares in a Demand Registration, if such method of disposition is an underwritten public offering and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the Sale Number (as defined in Section 2.3.2 hereof), then the Company will limit the number of shares included in such registration to the Sale Number, and the shares registered shall be selected in the following order of priority: (i) first, Registrable Securities covered by the Demand Registration Request, pro rata among the Investors making the Demand Registration request, based on the relative number of Registrable Securities requested to be included by each, (ii) second, securities the Company proposes to sell and (iii) third, other securities requested to be included in such registration.

2.4 Expenses.

2.4.1 Except as set forth in Section , all expense incurred in the registration of Registrable Securities in accordance with this Agreement shall be paid by the Company. The expenses shall include, without limitation, printing and photocopying expenses, all registration and filing fees under federal and state securities laws, expenses of complying with the securities or blue sky laws of any jurisdictions, fees and expenses of Company counsel, and the fees and expenses of the Company's independent auditors in connection with any comfort letter required by any underwriters.

2.4.2 The Investors shall be responsible for underwriting and brokerage discounts and commissions, stock transfer taxes and fees and disbursements of any counsel for the holders of Registrable Securities.

2.5 Indemnification. In the event any Registrable Securities are included in a Registration Statement under this Section :

2.5.1 Indemnity by Company. Without limitation of any other indemnity provided to any Investor, to the extent permitted by law, the Company will indemnify and hold harmless each Investor and, as applicable, its directors, officers, employees, agents and partners and each

Person, if any, who controls such Investor (within the meaning of the Securities Act), against any losses, claims, damages, liabilities and expenses (joint or several) to which they may become subject under the Securities Act or other federal or state law, insofar as such losses, claims, damages, liabilities and expenses (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "Violation"): (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement (including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto), (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (iii) any violation or alleged violation by the Company of the Securities Act, any state securities law or any rule or regulation promulgated under the Securities Act or any state securities law, (iv) any and all loss, liability, claim, damage and expense whatsoever, as reasonably incurred, to the extent of the aggregate amount paid in settlement of any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or alleged untrue statement or any omission or alleged omission, if such settlement is effected with the written consent of the Company, or (v) subject to the limitations set forth in Section , any and all reasonable expense whatsoever, as incurred (including reasonable fees and disbursements of counsel), in investigating, preparing or defending against any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, in each case whether or not a party, or any claim whatsoever based upon any such untrue statement or alleged untrue statement or omission or alleged omission, to the extent that any such expense is not paid under subparagraphs (i) through (v) above, and the Company will reimburse such Investor and its directors, officers, employees, agents and partners, and any controlling person thereof, for any reasonable legal or other expenses incurred by them in connection with investigating or defending any such loss, claim, damage, liability, expense or action; provided, however, that the Company shall not be liable in any such case for any such loss, claim, damage, liability, expense or action to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Investor or controlling person thereof, and provided, further, that the Company shall not be liable to the extent that any such loss, claim, damage, liability, expense or action arises out of such person's failure to send or give a copy of the final prospectus or supplement to the persons asserting an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such person if such statement or omission was corrected in such final prospectus or supplement. In connection with an underwritten offering, the Company will indemnify such underwriters and their directors, officers and each Person, if any, who controls such underwriters (within the meaning of the Securities Act) to the same extent as indemnification is provided to the Investors.

2.5.2 Indemnity by Investors. In connection with any registration statement in which an Investor is participating, each such Investor will furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, will indemnify the Company, its trustees, officers, employees and agents and each Person who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses resulting from any Violation which occurs solely in reliance upon and in conformity with any information or affidavit so furnished in writing by such Investor expressly for use in

connection with such registration; provided, that the obligation to indemnify will be several and not joint and several with any other Person and will be limited to the net amount received by such Investor from the sale of Registrable Securities pursuant to such registration statement.

2.5.3 Notice; Right to Defend. Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section , deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, if the indemnifying party agrees in writing that it will be responsible for any costs, expenses, judgments, damages and losses incurred by the indemnified party with respect to such claim, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party shall have the right to retain its own counsel, with reasonable fees and expenses to be paid by the indemnifying party, if the indemnified party reasonably believes that representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section only if and to the extent that such failure is prejudicial to its ability to defend such action, and the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party other than under this Section . If the indemnifying party does not assume the defense of any such action or proceeding, after having received the notice referred to in the first sentence of this paragraph, the indemnifying party will pay the reasonable fees and expenses of counsel (which shall be limited to a single law firm) for the indemnified party. In such event, however, the indemnifying party will be liable for any settlement effected without the written consent of such indemnifying party. If the indemnifying party assumes the defense of any such action or proceeding in accordance with this paragraph, such indemnifying party shall not be liable for any fees and expenses of counsel for the indemnified party incurred thereafter in connection with such action or proceeding, except as set forth in the proviso in the first sentence of this Section .

2.5.4 Contribution. If the indemnification provided for in this Section is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other hand in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense as well as any other relevant equitable considerations. The relevant fault of the indemnifying party and the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Notwithstanding the foregoing, the amount any Investor shall be obligated to contribute pursuant to this Section shall be limited to an amount equal to the net proceeds to such Investor of

the Registrable Securities sold pursuant to the registration statement which gives rise to such obligation to contribute (less the aggregate amount of any damages which the Investor has otherwise been required to pay in respect of such loss, claim, damage, liability or action or any substantially similar loss, claim, damage, liability or action arising from the sale of such Registrable Securities). Notwithstanding the foregoing, no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section . each person, if any, who controls any Investor within the meaning of Section 15 of the Securities Act and partners, directors and officers of any Investor, as applicable, shall have the same rights to contribution as that Investor, and each director of the Company, each officer of the Company who signed the Shelf Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act shall have the same rights to contribution as the Company.

2.5.5 Survival of Indemnity. The indemnification provided by this Section shall be a continuing right to indemnification and shall survive the registration and sale of any securities by any Person entitled to indemnification hereunder and the expiration or termination of this Agreement.

2.6 Rule 144. In order to permit the Investors to sell the Registrable Securities they hold, if they so desire, from time to time pursuant to Rule 144 under the Securities Act, or any successor to such rule, the Company shall use reasonable efforts to (i) make available adequate current public information and (ii) file with the Commission in a timely manner all reports and other documents required of the Company under the Exchange Act. In connection with any sale, transfer or other disposition by any Investor of Registrable Securities pursuant to Rule 144 under the Securities Act, the Company shall cooperate with such Investor to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any Securities Act legend, and enable certificates for such Registrable Securities to be sold for such number of shares and registered in such names as the selling Investors may reasonably request at least two business days prior to any sale of Registrable Securities, provided that such Investors provide counsel to the Company with seller's and broker's representation letters customary for Rule 144 sales.

2.7 Limitations.

2.7.1 The Investors shall not, without prior written consent of the Company, effect any public sale or distribution (including sales pursuant to the Resale Rules under the Securities Act) of securities of the Company during any period commencing 15 days prior to the proposed filing date of a preliminary prospectus supplement for a shelf registration for an underwritten offering and ending 60 days following the date of filing of the final prospectus supplement (or 75 days following the date of filing of the preliminary prospectus, if sooner) filed by the Company for the benefit of Security Capital Holdings, S.A., its assigns or pledgees (collectively, "Security Capital") (as to which the Company shall give at least 90 days' prior written notice to the Investors), provided, however, that the Investors' obligations under this Section shall be limited to two occasions. The Investors shall not, without prior written consent of the Company, effect any public sale or distribution (including sales pursuant to the Resale Rules under the Securities Act) of securities of the Company during any period commencing 30 days prior to the proposed filing date of a registration statement or a preliminary prospectus supplement for a shelf registration and ending 90 days following the effective date of such registration statement or the date of filing of the final prospectus supplement, in either case for an underwritten offering of equity

securities of the Company for the account of the Company (as to which the Company shall give at least 90 days' prior written notice to the Investors).

2.7.2 As a condition to the inclusion of such Investor's Registrable Securities in a registration statement hereunder, each Investor agrees to provide written notice to the Company within ten days after the end of any calendar quarter in which the Investor has made any transfers of Registrable Securities, stating the number transferred during such quarter and the date and type (e.g., open market sale) of each transfer.

3. PUT OPTION. All capitalized terms in this Section 3 not otherwise defined in this Agreement shall have the meanings set forth in the Partnership Agreement.

3.1 General. In the event that the Company's shareholders do not approve the issuance of Shares pursuant to the transactions contemplated by the Contribution Agreement in accordance with Rule 312.03 of the New York Stock Exchange's Listed Company Manual within one year after the First Closing, the Registrable Securities of each Investor shall be limited to the Maximum Aggregate Shares for such Investor described on Schedule 3.1 attached hereto, and any remaining Shares issuable to such Investor shall be deemed "Unlisted Securities" hereunder. In such case, beginning on the first anniversary of the First Closing each Investor shall have the right to require the Company to purchase all or, from time to time, any portion of such Investor's Unlisted Securities, in exchange for an amount equal to the per Share Value thereof (the "Put Payment"), by delivering written notice to the Company. An Investor may not exercise such put option for less than one thousand (1,000) Unlisted Securities or if the Investor holds less than one thousand (1,000) Unlisted Securities, all of the Unlisted Securities held by such Investor. Upon receipt of the Investor's Put Notice, on the Put Date (as hereinafter defined), the Company shall pay the Investor exercising the put option an amount in cash equal to the Put Payment.

3.2 Put Notice. In order to exercise the right to require the Company to purchase all or any portion of its Unlisted Securities, the Investor exercising its put option shall surrender any certificates representing such Unlisted Securities, duly endorsed if the Company shall so require or accompanied by appropriate instruments of transfer satisfactory to the Company, at the Company's principal office, together with written notice that the Investor irrevocably elects to sell such Unlisted Securities to the Company.

3.3 Put Date. The closing of the purchase and sale of the Unlisted Securities put to the Company shall take place on the tenth Business Day after the Company receives the Put Notice, or on such other day as the Investor exercising the Put Option and the Company shall agree in writing. Upon the payment of the Put Payment, the Company shall be treated for all purposes as the owner of the Unlisted Securities to which the Put Option has been exercised.

4. MISCELLANEOUS.

4.1 Notices.

4.1.1 All communications under this Agreement shall be in writing and shall be delivered by telefax (with appropriate request for assurance of receipt, and a confirmation copy sent concurrently by mail), reputable overnight courier or shall be mailed by registered or certified mail, postage prepaid,

(a) if to the Company, at:

Regency Realty Corporation
121 W. Forsyth Street, Suite 200
Jacksonville, Florida 32202
Attention: Mr. Martin E. Stein, Jr.

or at such other address as it may have furnished in writing to the holders of Registrable Securities at the time outstanding, or

(b) if to any Person who is the registered holder of Registrable Securities, to the address of such Investor as it appears in the stock ledger of the Company or in the records of the Partnership.

4.1.2 Any notice so addressed shall be deemed given when received.

4.2 Notices of Sale. Investors shall, promptly upon the Company's written request from time to time advise the Company of the number of Registrable Securities they continue to hold.

4.3 Successors and Assigns. Except as otherwise expressly provided herein, this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Company and each of the Investors. Without the prior written consent of the Company, the rights of the Investors may not be transferred other than to a Permitted Transferee.

4.4 Amendment and Waiver. This Agreement may be amended, and the observance of any term of this Agreement may be waived, but only with the written consent of the Company and the Investors holding a majority of the Registrable Securities; provided, however, that no such amendment or waiver shall take away any registration right of any Investor or reduce the amount of reimbursable costs to any Investor in connection with any registration hereunder without the consent of such Investor; further provided, however, that without the consent of any other Investor, any Investor may from time to time enter into one or more agreements amending, modifying or waiving the provisions of this Agreement if such action does not adversely affect the rights or interest of any other Investor. No delay on the part of any party in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by any party of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy.

4.5 Counterparts. One or more counterparts of this Agreement may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument.

4.6 Governing Law. This Agreement shall be construed in accordance with and governed by the internal laws of the State of Florida, which shall prevail in all matters arising under or in connection with this Agreement.

4.7 Invalidity of Provisions. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

4.8 Headings. The headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

4.9 Time of the Essence. Time is of the essence to this Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date and year first above written.

COMPANY:

REGENCY REALTY CORPORATION

By: /s/ Bruce M. Johnson
Bruce M. Johnson
Executive Vice President

INVESTORS:

BRANCH PROPERTIES, L.P.

By: Branch Realty, Inc., General Partner

By: /s/ Richard H. Lee
Name: Richard H. Lee
Title: Executive Vice President
and Secretary

INVESTORS:

BRANCH REALTY, INC.

By: /s/ Richard H. Lee
Name: Richard H. Lee
Title: Executive Vice President
and Secretary

ADDITIONAL INVESTOR (upon such person's execution hereof):

/s/ Arnold von Bohlen und Halbach Date: March 7, 1997

Arnold von Bohlen und Halbach

EXHIBIT 1

PERMITTED TRANSFEREES

Opportunity Capital Corporation
LaSalle Advisors Limited Partnership
The State of Oregon Public Employees' Retirement Fund
Rudolf Augstein
BAF Holding Corp.
Dr. Michael Beier
Rebie M. Benedict
Roger Biard
Hans J. Bidermann
Dr. Axel Born
Branch Investment Company, Inc.
Branch Investment Group, Inc.
Irene Graats Branch as Trustee for Christopher M. Branch
u/a James Alexander Branch dated October 13, 1987
Irene Graats Branch as Trustee for George G. Branch
u/a James Alexander Branch dated October 13, 1987
Mr. J. Alexander Branch III
Branch/InterAllianz Realty Fund, L.P.
Stephen D. Broome
G. Owen Brown
Chris A. Case
Mary S. Close
Coro, Inc.
Dal Vast B.V., Inc.
Erika Dirtl
Katja Dirtl
Willi Dirtl
Euart Investment Company., Inc.
John F. Euart, Jr.
Dr. Albert Feichtner
Fontana Insurance Brokerage, Ltd.
Frascati Im-Und Export GmbH, Inc.
The Garlington Group Profit Sharing Trust
J. Peek Garlington, Jr.
Gardiner W. Garrard
Gehrke Investments, Ltd.
German-Hope Properties, Inc.
Mark Gottlieb
Nina Gretsch
Robert S. Griffith, Jr.
Griffith & Griffith
Dr. Ulrich Guntram
Dr. Helmut Hagemann

Dr. rer. nat. Gert Hagen
Warren R. Hall
Gerda Holm
Werner Holm
HOP Equities, Ltd.
Volker Jakobs
JH Holdings, Ltd.
Lawrence P. Kelly
Klaus Nottbohm Investments, Ltd.
A.J. Land, Jr.
Samuel P. Latone
Richard H. Lee
Dr. Michael Lichtenauer
John W. Lundeen, III
Harry E. Morgan
Dr. Michael Muth
Henk Nieuwenhuys
Peter Nunn
Dr. Arend Oetker
Opportunity Capital Partners II Limited Partnership
Patricia L. Pearlberg
Dr. Lutz Peters
Plaza Limited Partnership
Dr. Wilhelm Rall
Hermann-Hinrich Reemtsma
R.E.N.L., Ltd.
RHL Investment Company, Inc.
Hajo Riesenbeck
Franz und Rita Rohrbach
Roland Management, Inc.
Richard H. Ross
Dr. Bernhard Schwaighofer
Dr. Gerbert Schwaighofer
SDB Investment Company, Inc.
Smith Barney, Inc.,Successor Custodian
for Robert S. Griffith, Jr.
Hans Stegmann
Nicholas B. Telesca
Armin Timmermann
Dr. Lothar Tirala
Michael Ulmer
Michaele Ulmer
Gustav Adolph von Halem
Herbert von Halem
Gundolf von Hammerstein
Philipp von Hammerstein
Sophie von Hammerstein
Valerie von Hammerstein

Dr. Georg von Segesser
Dr. Renate Waclawiczek
Warren Investments, Inc.
WEN Investments, Inc.
West Shaw Properties, Inc.
Marianne Wittich
Hans Wolfgang Zanders
Stanley R. Zippin
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BUSINESS DEVELOPMENT AND NON-COMPETITION AGREEMENT

THIS BUSINESS DEVELOPMENT AND NON-COMPETITION AGREEMENT (the "Agreement") is made as of the 7th day of March, 1997 by and among REGENCY RETAIL PARTNERSHIP L.P., a Delaware limited partnership (the "Partnership"), REGENCY REALTY GROUP II, INC., a Florida corporation (the "New Management Company"), and J. ALEXANDER BRANCH III, an individual ("Branch"), under the following circumstances:

A. Pursuant to the terms and conditions of that certain Contribution Agreement and Plan of Reorganization, dated February 10, 1997 (the "Contribution Agreement"), by and among Branch Properties, L.P., a Georgia limited partnership ("Branch Partnership") and Regency Realty Corporation, a Florida corporation ("Regency"), Branch Partnership has formed the Partnership, to which a wholly owned subsidiary of Regency is making certain cash contributions in exchange for the general partner interest, Branch Partnership is contributing shopping center properties and other assets used in its real estate business, and Branch Partnership is transferring its third party property management for transfer to the New Management Company (collectively, the "Assets").

B. Branch is an equity holder in Branch Partnership as well as an executive officer of Branch Partnership and is receiving limited partnership interests in the Partnership which Branch Partnership (i) is receiving in exchange for the Assets and (ii) is distributing to its partners.

C. To induce Regency and the Partnership to enter into the Contribution Agreement and as a condition to closing the transfer of Assets and other transactions contemplated thereby, Branch has agreed to enter into this Agreement.

D. Branch will not be employed by the Partnership or New Management Company, and the parties wish to delineate certain covenants not to compete on the part of Branch and also to describe the terms of certain business dealings between Branch, on the one hand, and the Partnership and the New Management Company, on the other hand.

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

ARTICLE 1: DEFINITIONS

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

1.2 "Branch Principals" means J. Alexander Branch III, Nicholas B. Telesca, Warren R. Hall and Richard H. Lee.

1.3 "Business" means the direct or indirect acquisition, ownership, operation, control or development of Properties.

1.4 "Employee" means an individual who works at least an average of 35 hours per week as an employee, or who performs substantially the same functions as such an employee, whether as a direct or indirect owner, partner, director, officer, agent, consultant, independent contractor or otherwise.

1.5 "First Refusal Notice" means the written notice to be mailed to the Partnership by Branch which shall (i) in the case of Branch's opportunity to acquire or develop a Property, describe in adequate detail the Property (including, without limitation, the street address, legal description, anchor tenants and the seller's asking price) to the extent such information is known by Branch or (ii) in the case of Branch's opportunity to arrange for the sale to a Person other than the Partnership, also will describe in adequate detail the terms and conditions upon which the Property will be offered to such Person (including, without limitation, the price and capitalization rate).

1.6 "Immediate Family" means a Person's spouse, parents, lineal ascendants or descendants and their spouses, and trusts for the benefit of any

of the foregoing.

1.7 "In Conjunction with Another Branch Principal" means with (i) any other Branch Principal or a member of his Immediate Family or (ii) an entity which is an Affiliate of a Branch Principal or Principals or of any member of his or their Immediate Family, or (iii) any combination of the foregoing.

1.8 "Indirectly" means through (i) any member of Branch's Immediate Family or (ii) an entity in which Branch or any member of his Immediate Family has any material direct or indirect equity interest.

1.9 "NonCompete Period" means a period of one year from the date of this Agreement.

1.10 "Noninterference Period" means a period of three years from the date of this Agreement.

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

1.12 "Property" means a grocery-anchored shopping center or a free-standing drugstore located in the Territory, provided a Property shall not be deemed to include either (i) any grocery-anchored shopping center having 150,000 square feet or more of net leasable area or (ii) any portfolio of properties if the square footage of net leasable area contained in the grocery-anchored shopping centers included in such portfolio, each of which would otherwise

be a "Property", constitutes less than fifty percent (50%) of the total square footage of net leasable area contained in all of the properties included in such portfolio. In addition, none of the real properties scheduled on Exhibit A, attached hereto and incorporated herein by this reference (the "Excluded Properties"), shall be deemed to be a "Property" for the purposes of this Agreement.

1.13 "Territory" means Georgia.

1.14 "Third Party Business" means acting as leasing agent for and/or managing Properties that are owned by third parties.

ARTICLE 2: BUSINESS DEVELOPMENT

2.1 New Third Party Contracts. During the Noninterference Period, Branch agrees that he will use reasonable best efforts to facilitate new management and leasing contracts between any Branch Partnership client or any new client of Branch with respect to any Property located within the Territory acquired by such client during the Noninterference Period.

2.2 Existing Relationships. To facilitate a smooth transition during and after the transfer of the Assets to the Partnership and the New Management Company, during the Noninterference Period, Branch agrees that he will assist the Partnership and the New Management Company by recommending to (i) former employees of Branch Partnership hired as employees of the Partnership and/or the New Management Company that they remain employees of the Partnership and/or the New Management Company, as the case may be, and (ii) former clients of Branch Partnership having management or other contracts with the New Management Company on or after the date of this Agreement that they remain as clients of New Management Company and not terminate any such contracts.

2.3 Office Space. For up to twelve months following the date of this Agreement, Branch shall be entitled to office space and secretarial assistance at the Partnership's principal offices in Atlanta, Georgia, at no charge to Branch (other than reimbursement at the Partnership's actual cost for postage, long distance telephone charges, courier charges and similar third party out-of-pocket expenses, unrelated to the Partnership or the New Management Company or to the conduct of the business of Regency in excess of an aggregate of $250 per month).

2.4 Director. Branch agrees to fill the newly created vacancy on Regency's Board of Directors and to stand for re-election as a director at Regency's 1997 annual meeting of shareholders.

ARTICLE 3: RIGHT OF FIRST REFUSAL

3.1 Right of First Refusal for Acquisition and Development of Properties. If at any time during the NonCompete Period Branch has the opportunity, directly or Indirectly, to (i) acquire or develop a Property or (ii) arrange for the sale to any Person other than the Partnership, whether as a broker, co-investor, developer or otherwise, of a Property, whether in a purchase of assets or stock, merger, consolidation, exchange or similar transaction, Branch shall give the Partnership the First Refusal Notice offering such Property to the Partnership for purchase or development. If the Partnership, within 10 days after the date of receipt of the First Refusal Notice, does not express an interest, in writing, to Branch in purchasing or developing the Property, or if the Partnership fails either to purchase or enter into a definitive purchase and sale agreement for the Property within the time period set forth in Section 3.2, then for a period of 90 days thereafter, Branch may purchase, enter into a purchase and sale agreement for or arrange for the sale of, as the case may be, the Property (or in the case of a Property to be developed, the land therefor), provided that the terms and conditions of the purchase, purchase and sale agreement or sale are not substantially more favorable to Branch or the buyer than those set forth in the First Refusal Notice. In the event that (i) Branch has not purchased, entered into a definitive purchase and sale agreement for or arranged for the sale of the Property within such 90 day period or (ii) the terms and conditions of a purchase, purchase and sale agreement or sale are substantially more favorable to Branch or the buyer than those set forth in the First Refusal Notice, then the Property shall again become restricted as though it had never been offered to the Partnership in accordance with the terms of this Agreement.

3.2 Exercise of Right of First Refusal. If the Partnership expresses an interest in purchasing or developing the Property within the 10 day first refusal period provided for in Section , the Partnership must purchase or enter into a definitive purchase and sale agreement for the Property within 30 days after the date of receipt of the First Refusal Notice. In such event, the Partnership shall pay to Branch or his designee at the closing of the purchase of the Property an acquisition fee at applicable market rates in an amount as reasonably agreed to by the Partnership and Branch at the time of execution by the Partnership of a definitive purchase and sale agreement. In the event the Partnership does not purchase or enter into a purchase and sale agreement within such relevant period, then for a period of 90 days thereafter, Branch may purchase, enter into a purchase and sale agreement for or arrange for the sale of, as the case may be, the Property, provided that the terms and conditions of the purchase, purchase and sale agreement or sale are not substantially more favorable to Branch or the buyer than those set forth in the First Refusal Notice. In the event that (i) Branch has not purchased, entered into a definitive purchase and sale agreement or arranged for the sale of the Property within such 90 day period or (ii) the terms and conditions of a purchase, purchase and sale agreement or sale are substantially more favorable to Branch or the buyer than those set forth in the First Refusal Notice, then the Property shall again become restricted as though it had never been offered to the Partnership in accordance with the terms of this Agreement.

3.3 Confidentiality Covenant. The Partnership agrees that it will enter into a confidentiality agreement on customary terms, as reasonably approved by the Partnership and

Branch, with respect to any information about a Property provided to the Partnership by Branch pursuant to this Article .

ARTICLE 4: COVENANTS NOT TO COMPETE AND NOT TO SOLICIT

4.1 Employment Relationships. During the Noncompete Period, Branch shall not become an Employee of any Person which is engaged as a material part of its business in the Business in the Territory.

4.2 Duration and Geographic Scope. Except as set forth in Section , during the Noncompete Period, Branch hereby agrees not to directly or Indirectly engage in the Third Party Business in the Territory, and except as set forth below, Branch agrees that Branch shall not, in any other way, directly or Indirectly compete, or give aid or advice to others in competing, with the New Management Company in the conduct of Third Party Business in the Territory, whether as a direct or indirect owner, partner, director, officer, employee, agent, consultant, independent contractor or otherwise.

4.3 Limitations. The obligations described in Section shall not preclude Branch from owning publicly-traded securities for investment purposes of any entity engaged in the Third Party Business in the Territory, in an amount not exceeding five percent of the total number of outstanding securities of the same class.

4.4 No Solicitation. During the Noninterference Period, Branch shall not solicit, attempt to solicit, induce, attempt to induce or assist others in attempting to solicit (i) any employee of the Partnership, any Affiliate of the Partnership, the New Management Company or any Affiliate of the New Management Company for the purpose of persuading such employee to leave as an employee of the Partnership or such Affiliate and/or the New Management Company and/or its Affiliates or (ii) any client of the New Management Company or an Affiliate of the Management Company for the purpose of persuading such client to leave as a client of the Management Company or its Affiliate or terminate any management or other contract with the New Management Company or its Affiliate..

4.5 Remedies. The parties hereby declare and agree that any breach by Branch of this Article will cause the Partnership and/or its Affiliates and/or the New Management Company and/or its Affiliates irreparable injury and damage, and further agree that it would be difficult, if not impossible, to calculate the monetary damages that might accrue to the Partnership and/or its Affiliates and/or the New Management Company and/or its Affiliates as a result of such breach. Accordingly, Branch agrees that in the event of any breach or anticipated breach of the terms or provisions of this Article the Partnership and/or its Affiliates and/or the New Management Company and/or its Affiliates shall be entitled to injunctive or similar equitable relief to prevent a breach of this Article, and Branch waives the claim or defense that the Partnership and/or such Affiliates and/or the New Management Company and/or its Affiliates

have an adequate remedy at law. Notwithstanding the foregoing, the Partnership and/or its Affiliates and/or the New Management Company and/or its Affiliates also shall be entitled to obtain monetary damages to the extent calculable as a result of the breach by Branch of the terms and provisions of this Article.

4.6 Blue Pencil. If any court of competent jurisdiction shall hold that any restriction contained in this Article is unreasonable in duration or geographic scope, such restriction shall be reduced to the extent necessary in the opinion of such court to make it reasonable, the intention of the parties being that the Partnership, the New Management Company, and their respective Affiliates be given the broadest protection allowed by law or equity with respect to such provision in connection with their acquisition of the Assets.

ARTICLE 5: MISCELLANEOUS

5.1 Headings. The headings contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

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

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

5.4 Remedies Cumulative. The remedies provided in this Agreement shall be cumulative and, except as otherwise expressly provided shall not preclude the assertion or exercise of any other rights or remedies available by law, in equity or otherwise.

5.5 Amendment and Modification. No amendment, modification or discharge of, or supplement to, this Agreement shall be valid or binding unless set forth in writing and duly executed and delivered by the party against whom enforcement of the amendment, modification, or discharge is sought.

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

(i)	If to the Partnership: c/o Regency Realty Corporation 121 W. Forsyth Street, Stuite 200 Jacksonville, FL 32202 Attn: Bruce M. Johnson Telephone: (904) 356-7000 Facsimile: (904) 634-3428	ii)	If to Branch: c/o Branch Properties, L.P. 400 Colony Square, Suite 1600 1201 Peachtree Street Atlanta, GA 30361 Telephone: (404) 892-8900 Facsimile: (404) 892-8898

or to such other person or address as a party shall furnish to the other parties in writing.

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

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

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

5.9 Governing Law. This Agreement, the rights and obligations of the parties hereto, and any claim or disputes relating thereto, shall be governed by and construed and enforced in accordance with the laws and judicial decisions of the State of Georgia, without regard to conflict of law principles and excluding the choice of law rules thereof.

5.10 Assignment; Parties in Interest.

5.10.1 No party hereto shall assign its rights and/or obligations under this Agreement, in whole or in part, whether by operation of law or otherwise, without the prior written consent of the other parties hereto; provided, that either the Partnership or

the New Management Company, without the consent of Branch, may assign its rights and/or obligations under this Agreement, in whole or in part, to Regency or any of its Affiliates.

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

5.11 Severability. Every provision of this Agreement is intended to be severable. If any provision or term of this Agreement, or the application of a provision or term to any person or circumstance, shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions and terms hereof, or the application of such provision of such provision or term to persons or circumstances other than those to which it is held invalid, illegal or enforceable, shall not be affected thereby, and there shall be deemed substituted for the provision or term at issue a valid, legal and enforceable provision as similar as possible to the provision or term at issue.

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

5.13 Entire Agreement. This Agreement, including the exhibits and other documents referred to herein or furnished pursuant hereto, constitutes the entire understanding and agreement among the parties hereto with respect to the transactions contemplated herein, and supersedes all prior oral or written agreements, commitments or understandings with respect to the matters provided for herein.

5.14 Excluded Properties and Entities. Notwithstanding anything to the contrary contained herein, the subject matter of this Agreement and Branch's covenants and obligations contained herein (other than Sections and hereof) shall not be applicable to any of the Excluded Properties, nor shall Branch be deemed to have breached any term or provision of this Agreement, including, without limitation, Sections and hereof (even though such action otherwise would have constituted such a breach), to the extent Branch takes any action or fails to take any action, directly or through an Affiliate, in order to discharge the fiduciary obligations of Branch or of any of Branch's Affiliates in the exercise of the authority of any general partner of any of the entities identified on Exhibit B, attached hereto and incorporated herein by this reference, as reasonably and in good faith determined by Branch.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this Agreement on the date first written above.

REGENCY RETAIL PARTNERSHIP, L.P.

By: Regency Atlanta, Inc.,
Its General Partner

By: /s/ Bruce M. Johnson

Its: Executive Vice President

/s/ J. Alexander Branch III
J. ALEXANDER BRANCH III

REGENCY REALTY GROUP II, INC.

By: /s/ Bruce M. Johnson

Its: Executive Vice President

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EXHIBIT A

EXCLUDED PROPERTIES

EXHIBIT B

ENTITIES

March 7, 1997

Regency Realty Corporation
121 West Forsyth Street, Suite 200
Jacksonville, Florida 32202

Re: Partnership Units

Ladies and Gentlemen:

The undersigned, Branch Properties, L.P., a Georgia limited partnership ("Branch"), Branch Realty, Inc., a Georgia corporation ("Branch Realty"), and Regency Realty Corporation, a Florida corporation ("Regency"), have entered into a Contribution Agreement and Plan of Reorganization, dated February 10, 1997 (the "Contribution Agreement"), regarding the formation of Regency Retail Partnership, L.P., a Delaware limited partnership (the "Partnership"), to which a wholly owned subsidiary of Regency is contributing cash and Branch is contributing shopping center properties and other assets used in the real estate business. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Contribution Agreement or the Partnership Agreement. Pursuant to the terms of the Contribution Agreement, the undersigned will receive (i) Reorganization Shares and (ii) Units which may be redeemed for Shares of Common Stock pursuant to the terms of the Partnership Agreement.

In consideration of the foregoing, the undersigned hereby agrees that for a period of one year from the First Closing Date, he will not, without the express written consent of Regency, (i) offer for sale, sell, transfer, give, pledge, assign, irrevocably hypothecate or otherwise dispose of, directly or indirectly, any of the Units, or enter into any contract, option or other agreement or understanding regarding the same (collectively, a "Transfer"), or (ii) exercise a Redemption Right with respect to any Units. In addition, the undersigned agrees that during any three-month period (a "Quarterly Period") during the two years ending on the third anniversary date of the First Closing, he will neither Transfer, nor exercise a Redemption Right with respect to, a number of Units greater than the number arrived at by (a) multiplying 12.5% times the Cumulative Elapsed Quarterly Periods (as defined below) times the Base Amount (as defined below) and (b) subtracting the total number of Units and Reorganization Shares issued to the undersigned at the First Closing and any Subsequent Closing that the undersigned has Transferred. Base Amount equals the sum of the total number of Units and Reorganization Shares issued to the undersigned at the First Closing and any Subsequent Closing. Cumulative Elapsed Quarterly Periods means the total number of Quarterly Periods that have elapsed since the first anniversary of the First Closing, plus one.

Nothing herein shall prevent the undersigned from making a Transfer (a "Permitted Transfer") to a Person described in Section 11.3(a) of the Partnership Agreement to whom a Limited Partner may transfer Units without the consent of the General Partner, provided that such transferee agrees in writing to be bound by the provisions of this Agreement. In order to effect any Permitted Transfer, the undersigned must deliver to Regency a duly executed copy of the instrument making such Permitted Transfer within 10 days after such Permitted Transfer and such instrument must evidence the written acceptance by the assignee of all of the terms and conditions of this Agreement and represent that such assignment was made in accordance with all applicable laws and regulations.

The foregoing agreements shall be binding on the undersigned and the undersigned's respective heirs, personal representatives, successors and permitted assigns.

Very truly yours,

/s/ J. Alexander Branch III
J. Alexander Branch III

CONSENT AGREEMENT

THIS CONSENT AGREEMENT (the "Agreement") is made as of the 10th day of February, 1997, by and between OPPORTUNITY CAPITAL PARTNERS II LIMITED PARTNERSHIP, a Maryland limited partnership ("OCP"), and REGENCY REALTY CORPORATION, a Florida corporation ("Regency"), under the following circumstances:

A. Pursuant to the terms and conditions of that certain Contribution Agreement and Plan of Reorganization, dated February 10, 1997 executed contemporaneously herewith, by and among Branch Properties, L.P., a Georgia limited partnership ("Branch"), Regency Realty Corporation, a Florida corporation ("Regency") and Branch Realty, Inc. (the "Contribution Agreement"), Branch has formed Regency Retail Partnership, L.P., a Delaware limited partnership (the "Partnership"), to which a wholly owned subsidiary of Regency will contribute cash and Branch will contribute shopping center properties and other assets used in the real estate business. Except as set forth below, capitalized terms not otherwise defined herein shall have the meanings set forth in the Contribution Agreement.

B. OCP is the special limited partner of Branch and is receiving Partnership Units pursuant to the Contribution Agreement that are convertible into Shares.

C. To induce Regency to enter into the Contribution Agreement, OCP has agreed, solely in its capacity as the special limited partner of Branch, to, among other things, (i) approve and consent to the transactions contemplated by the Contribution Agreement pursuant to the terms (including, without limitation, Section 6.4) of that certain Amended and Restated Agreement of Limited Partnership of Branch Properties, L.P. dated December 19, 1995, as amended (the "Partnership Agreement") and (ii) approve and consent to the amendment of the Partnership Agreement to effect the transactions contemplated by the Contribution Agreement.

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

ARTICLE 1: REPRESENTATIONS, WARRANTIES AND COVENANTS OF REGENCY

Regency hereby represents, warrants and covenants to OCP as of the date of this Agreement as follows:

1.1 Due Organization. Regency has been duly organized and is validly existing and in good standing under the Laws of its jurisdiction of organization, and is qualified to do business and is in good standing in all jurisdictions where such qualification is necessary to carry on its business as now conducted, except where failure to so qualify would not have an adverse effect on the ability of Regency to perform its obligations under this Agreement.

1.2 Due Authorization. Regency has full power and authority to enter into this Agreement, and to consummate the transactions contemplated hereby, and the Persons executing this Agreement have been duly authorized to do so on behalf of Regency. The execution, delivery and performance by Regency of this Agreement have been duly and validly approved by all necessary corporate or other applicable action and no other actions or proceedings on the part of Regency are necessary to authorize this Agreement and the transactions contemplated hereby. Regency has duly and validly executed and delivered this Agreement. This Agreement constitutes legal, valid and binding obligations of Regency, enforceable against Regency in accordance with its respective terms.

1.3 Access to Information. At all times before the First Closing, Regency shall provide OCP, and its respective agents, employees, consultants, and representatives, with continuing and reasonable access to all files, books, records and other materials in Regency's possession or control relating to the

business and operations of Regency and the right to examine, inspect and make copies of such materials as appropriate. No investigation made by OCP shall limit, qualify or modify any representations, warranties, covenants made by Regency in the Contribution Agreement, irrespective of the knowledge and information obtained as a result of any such investigation.

1.4 OCP Representation on Regency's Board of Directors. Regency's Board of Directors has created a vacancy on its Board of Directors, subject to consummation of the First Closing, and shall elect a nominee selected by OCP and reasonably acceptable to Regency's Board of Directors, who shall not be an officer or employee of OCP's Affiliate, LaSalle Advisors Limited Partnership ("OCP Nominee"), to fill the vacancy immediately following the First Closing. Thereafter, so long as OCP continues to beneficially own, or has the right to acquire through the exercise of Redemption Rights not less than the number of Shares equal to the number of units issued to OCP at the First Closing (after making appropriate adjustments for any stock splits, stock dividends and similar events taking place after the First Closing), OCP shall have the right to nominate an OCP Nominee to stand for election at any annual or special meeting of shareholders at which directors are to be elected, or in connection with the taking of written consent in lieu thereof, if no OCP Nominee will continue to serve on Regency's Board of Directors without regard to the results of such meeting or consent. In addition, Regency's Board of Directors agrees to elect an OCP Nominee to fill any mid-term vacancy created by the resignation or other early termination of the term of an OCP Nominee prior to its scheduled expiration.

1.5 Waiver of Related Tenant Limit. Regency covenants to use reasonable best efforts to obtain the waiver by its Board of Directors, as promptly as practical after the date hereof, of the Related Tenant Limit under Article 5 of Regency's Articles of Incorporation to permit OCP to receive Units pursuant to the Contribution Agreement and redeem such Units pursuant to the Partnership Agreement even though OPERF (as defined in Section 2.3) is a Related Tenant Owner (as defined in Article 5.1 of Regency's Articles of Incorporation) with respect to Bruno's as described in Exhibit A.

ARTICLE 2: REPRESENTATIONS, WARRANTIES AND COVENANTS OF OCP

OCP hereby represents, warrants and covenants to Regency as of the date of this Agreement as follows:

2.1 Due Organization. OCP has been duly organized and is validly existing and in good standing under the Laws of its jurisdiction of organization, and is qualified to do business and is in good standing in all jurisdictions where such qualification is necessary to carry on its business as now conducted, except where failure to so qualify would not have an adverse effect on the ability of OCP to perform its obligations under this Agreement.

2.2 Due Authorization. OCP has full power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the Persons executing this Agreement have been duly authorized to do so on behalf of OCP. The execution, delivery and performance by OCP of this Agreement have been duly and validly approved by all necessary partnership or other applicable action and no other actions or proceedings on the part of OCP are necessary to authorize this Agreement and the transactions contemplated hereby. OCP has duly and validly executed and delivered this Agreement. This Agreement constitutes the legal, valid and binding obligation of OCP, enforceable against OCP in accordance with its respective terms.

2.3 OPERF. The income of Oregon Public Employees' Retirement Fund ("OPERF"), the sole limited partner of OCP, is exempt from tax under Section 115 of the Code.

2.4 U.S. Person Status. The execution, delivery and performance by OCP of the transactions contemplated by the Contribution Agreement and the exercise by OCP of a Redemption Right or Redemption Rights with respect to all Units issuable to it will not result in the Shares received by OCP as a result thereof being directly or indirectly owned by any Non-U.S. Person (other than indirect ownership by retired OPERF participants residing outside the United States, who, to OCP's knowledge, have no more than a one percent interest in OCP).

2.5 Consent. OCP hereby consents to the execution, delivery and performance by Branch of the Contribution Agreement and consents to amending the Partnership Agreement to effectuate the transactions contemplated by the Contribution Agreement; provided, however, that such consents shall be null and void if the waiver referred to in Section 1.5 is not in effect as of the date of the First Closing.

2.6 Redemption of Units. OCP hereby irrevocably elects, for the benefit of the Non-U.S. Persons who will hold Units, to exercise a Redemption Right under Section 8.6 of the Partnership Agreement effective as of the First Redemption Date with respect to all Units received by OCP at the First Closing and consequently shall be deemed also to have elected to exercise a Redemption Right effective as of the date of the applicable Subsequent Closing with respect to any and all Units issuable to OCP at any Subsequent Closing, provided, however, in

either case that such election is effective only to the extent that the Redemption Amount is paid in the form of the Share Amount, it being the intent of OCP that such exercise of a Redemption Right shall not be effective if as a result thereof OCP would receive the Cash Amount with respect to any such Units. OCP hereby appoints J. Alexander Branch III, Richard H. Lee and Nicholas B. Telesca, and each or either of them, each with full power of substitution, as its attorney-in-fact for the purpose of executing a Notice of Redemption and such other documents as the General Partner may reasonably require in connection with such exercise by OCP of its Redemption Right, and OCP agrees to deposit no later than 15 days prior to the First Redemption Date with such attorneys-in-fact, or such other person as they may designate, any and all certificates for Units to be redeemed pursuant to such exercise by OCP of its Redemption Right, for the purpose of effectuating such redemption simultaneously with the exercise of a Redemption Right by Persons who are Non-U.S. Persons (as defined in the Partnership Agreement).

2.7 Standstill. During the Standstill Period, if any, and any Standstill Extension Term, OCP will not, and neither OCP nor ABKB/LaSalle Securities Limited ("ABKB/LaSalle") will cause OPERF to, directly or indirectly, purchase or otherwise acquire one or more Shares (or options, rights or warrants or other commitments to purchase and securities convertible into (or exchangeable or redeemable for) one or more Shares) until such time as OCP and OPERF accounts directed by OCP or ABKB/LaSalle ("OPERF Accounts") Beneficially Own a number of Shares equal to or less than 9.8% of the outstanding shares of Common Stock, on a fully diluted basis, and thereafter will not purchase or otherwise acquire one or more Shares (or options, rights or warrants or other commitments to purchase) and securities convertible into (or exchangeable or redeemable for) one or more Shares as a result of which, after giving effect to such purchase or acquisition, OCP and OPERF Accounts will Beneficially Own more than 9.8% of the outstanding shares of Company Common Stock, on a fully diluted basis. All capitalized terms not otherwise defined in the Contribution Agreement or in this Agreement have the meanings ascribed to them in that certain Stockholders Agreement by and among Regency, Security Capital, and The Regency Group, Inc. dated as of July 10, 1996.

2.8 Matters Relating to OCP. Neither Branch Realty nor any other Branch Affiliate is in default under the Branch Partnership Agreement such that OCP has the right, nor to OCP's knowledge has any event or omission occurred which through the passage of time or the giving of notice, or both, would entitle OCP (i) to exercise any remedy with respect to the Assets or (ii) to avoid making the capital contributions described in Section 10.1.5 of the Contribution Agreement.

2.9 Ownership of Tenants. To the best of OCP's knowledge, except as set forth on Exhibit A with respect to Bruno's, OCP does not own, directly or indirectly, an interest in a tenant listed on Exhibit A, which interest is equal to or greater than (i) 10% of the combined voting power of all classes of stock of such tenant, (ii) 10% of the total number of shares in all classes of stock of such tenant, or (iii) if such tenant is not a corporation, 10% of the assets or net profits of such tenant. For purposes of this Section 2.9, the rules prescribed by Section 318(a) of the Code for determining the ownership of stock, as modified by Section 856(d)(5) of

the Code, shall apply in determining direct and indirect ownership of stock, assets or net profits. Regency shall advise OCP within a reasonable period of time before the First Closing of any material changes to Exhibit A (including changes resulting from the proposed investments in neighborhood and community shopping centers contemplated herein).

2.10 Information in Connection with Preserving REIT Status. From and after the First Closing, OCP will provide Regency with such information as Regency may reasonably request from time to time regarding OCP in order to allow Regency to determine its status as a real estate investment trust under the Code, including with respect to OCP's ownership of a tenant in a leasing transaction which Regency proposes to enter into that could have a material effect on Regency's income. Regency shall provide OCP, in accordance with the notice provisions contained in Section 0 hereof, with an annual list of tenants in a form substantially similar to Exhibit A attached hereto, asking OCP to verify that it is not a Related Tenant Owner (as defined in Article 5 of Regency's Articles of Incorporation) as to the tenants listed thereon, or shall make a comparable request for information, and OCP shall use reasonable best efforts to reply within 30 days after the receipt of the request.

ARTICLE 3: MISCELLANEOUS

3.1 Headings. The headings contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

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

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

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

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

3.6 Remedies Cumulative. The remedies provided in this Agreement shall be cumulative and, except as otherwise expressly provided shall not preclude the assertion or exercise of any other rights or remedies available by Law, in equity or otherwise.

3.7 Entire Agreement; Amendment and Modification. This Agreement, including the exhibits and other documents referred to herein or furnished pursuant hereto, constitutes the entire understanding and agreement among the parties hereto with respect to the transactions contemplated herein, and supersedes all prior oral or written agreements, commitments or understandings with respect to the matters provided for herein. No amendment, modification or discharge of, or supplement to, this Agreement shall be valid or binding unless set forth in writing and duly executed and delivered by the party against whom enforcement of the amendment, modification, or discharge is sought.

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

(i) If to OCP:
c/o LaSalle Advisors Limited
100 E. Pratt St., 20th Fl.
Baltimore, Maryland 21202
Telephone: (410) 347-0600
Facsimile: (410) 528-8129
Attention: Stanley J. Kraska, Jr.

with copies to:

Elizabeth Grieb, Esq.
Piper & Marbury LLP
36 South Carles Street
Baltimore, Maryland 21201

(ii) If to Regency:
121 W. Forsyth St., Suite 200
Jacksonville, Florida 32202
Telephone: (904) 356-7000
Facsimile: (904) 634-3428
Attention: Martin E. Stein, Jr., President

with copies to:

Charles E. Commander, Esq.
Foley & Lardner
Green Leaf Building
200 Laura Street
Jacksonville, Florida 32202

If personally delivered, such communication shall be deemed delivered upon actual receipt; if electronically transmitted pursuant to this paragraph, such communication shall be deemed delivered the next business day after transmission (and sender shall bear the burden of proof of delivery); if sent by overnight courier pursuant to this paragraph, such communication shall be deemed delivered upon receipt; and if sent by U.S. mail pursuant to this paragraph, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service, or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal. Any party to this Agreement may change its address for the purposes of this Agreement by giving notice thereof in accordance with this Section 0.

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

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

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

3.12 Assignment; Parties in Interest. No party hereto shall assign its rights and/or obligations under this Agreement, in whole or in part, whether by operation of Law or otherwise, without the prior written consent of the other parties hereto. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the respective heirs, executors, administrators, successors, legal representatives and permitted assigns of the parties hereto. Nothing contained herein shall be deemed to confer upon any other Person any right or remedy under or by reason of this Agreement.

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

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

3.15 Limitation of Liability. Any obligation or liability whatsoever of Regency which may arise at any time under this Agreement or any obligation or liability which may be incurred by it pursuant to any other instrument, transaction or undertaking contemplated hereby shall be satisfied, if at all, out of Regency's assets only. No such obligation or liability shall be

personally binding upon, nor shall resort for the enforcement thereof be had to, the property of any of its shareholders, trustees, officers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise.

3.16 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE CONTRIBUTION AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. THE PROVISIONS OF THIS SECTION 0 SHALL SURVIVE ANY TERMINATION OF THIS AGREEMENT.

REGENCY REALTY CORPORATION

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

OPPORTUNITY CAPITAL PARTNERS
II LIMITED PARTNERSHIP

By: /s/ Stanley J. Kraska, Jr.
Opportunity Capital Corporation,
General Partner

By: /s/ Stanley J. Kraska, Jr.
Stanley J. Kraska, Jr.
Vice President

ABKB/LASALLE SECURITIES
LIMITED, as to Sections 2.7 and Article
3 only

By: /s/ Stanley J. Kraska, Jr.

Name: Stanley J. Kraska, Jr.
Title: Vice President

EXHIBIT A

Tenant List

AMENDMENT NO. 1 TO STOCKHOLDERS AGREEMENT

THIS AMENDMENT NO. 1 TO STOCKHOLDERS AGREEMENT (the "Amendment"), dated as of February 10, 1997, is made by and among Regency Realty Corporation, a Florida corporation (the "Company"), Security Capital U.S. Realty, a Luxembourg corporation, and Security Capital Holdings S.A., a Luxembourg corporation (together with Security Capital U.S. Realty and others specified in the Stockholders Agreement, "Investor"). Capitalized terms used and not defined herein shall have the meanings ascribed to them in the Stockholders Agreement.

RECITALS:

WHEREAS, the parties hereto and The Regency Group, Inc. entered into a Stockholders Agreement, dated as of July 10, 1996 (the "Stockholders Agreement"); and

WHEREAS, simultaneously with the execution hereof, the Company has entered into a Contribution Agreement and Plan of Reorganization (the "Contribution Agreement"), of even date herewith, by and among Branch Properties, L.P., Branch Realty, Inc. and the Company; and

WHEREAS, pursuant to Section 4.2 of the Stockholders Agreement, the transactions contemplated by the Contribution Agreement would, if consummated, trigger a participation right of Investor to purchase or subscribe for up to 2,743,545 shares of Company Common Stock with respect to the First Closing (as such term is defined in the Contribution Agreement) and up to 156,876 shares of Company Common Stock with respect to Class A Units (as such term is defined in the Contribution Agreement) to be issued within six months of the First Closing, in each case, at a purchase price of $22 1/8 per share; and

WHEREAS, the Company and Investor desire to modify Investor's participation right which would be triggered by the transactions contemplated by the Contribution Agreement in the manner set forth herein; and

WHEREAS, Section 5.1 of the Stockholders Agreement provides, subject to certain limitations set forth therein, for the termination of the Standstill Period upon, among other things, the acquisition by any person or Group other than Investor, its Affiliates or any person or Group acting in concert with or at the direction of Investor or its Affiliates of more than 9.8% of the voting power of the outstanding shares of Voting Securities; and

WHEREAS, the transactions contemplated by the Contribution Agreement provide for the issuance of up to approximately 2,027,848 Units (as such term is defined in the Contribution Agreement) convertible into shares of Company Common Stock on a one-for-one basis to Opportunity Capital Partners II Limited Partners ("OCP") (the "OCP Shares"), or approximately up to 10.91% of the voting power of the outstanding shares of Voting Securities; and

WHEREAS, subject to the terms hereof, Investor agrees that OCP's ownership of the OCP Shares shall not give rise to a termination of the Standstill Period; and

WHEREAS, pursuant to, and in accordance with, Section 7.8 of the Stockholders Agreement, the parties wish to amend the Stockholders Agreement on the terms contained herein to reflect the foregoing and as otherwise set forth below.

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

1. Special Purchase Right. (a) Investor hereby waives its participation rights under Section 4.2 of the Stockholders Agreement with respect to the initial issuance at or within six months of the First Closing (as defined in the Contribution Agreement) by the Company of up to an aggregate of 3,771,622 shares of Company Common Stock, including securities exchangeable, convertible or redeemable on a one-for-one basis into shares of Company Common Stock (the latter being referred to herein as the "Convertible Securities"), and in lieu thereof, Investor and the Company hereby agree that (i) Investor shall have the right to purchase (the "Special Purchase Right"), and the Company shall be obligated to offer Investor the right to purchase up to (x) the Initial Number of Shares (as defined below) on or prior to August 31, 1997, and (y) the Subsequent Number of Shares (as defined below), if such number is greater than

zero, after August 31, 1997, in each case at a purchase price of $22 1/8 per share, and (ii) prior to such time as all of the Applicable Number of Shares (as defined below) shall have been offered to Investor in accordance with the terms hereof and Investor shall have either purchased or declined to purchase all of such shares, the Company shall in no event issue or sell any capital stock other than (A) to the Company or any of its Subsidiaries, (B) pursuant to options, rights or warrants or other commitments or securities which were in effect or outstanding on the date of the Stock Purchase Agreement or, in the case of the Long-Term Omnibus Plan, the Dividend Reinvestment Plan, the Company's 401(k) Plan and the Employee Stock Grant Plan, collectively, which are granted from time to time in the ordinary course, (C) pursuant to the Contribution Agreement, or (D) to the extent that an issuance of shares of capital stock solely to Investor would cause the Company to cease being a "domestically-controlled" REIT within the meaning of Section 897(h)(4)(B) of the Code ("domestically-controlled"), to persons other than Non-U.S. Persons (as such term is defined in the Articles of Incorporation of the Company), provided that such shares of capital stock issued or sold to such persons may only be issued or sold simultaneously with an equal number of shares of capital stock issued or sold to Investor. The "Initial Number of Shares" means the lesser of (x) 1,750,000 shares of Company Common Stock or (y) the maximum number of shares of Company Common Stock, as reasonably determined by Investor, the purchase of which by Investor will not result in the Company ceasing to be domestically-controlled, but in no event less than 850,000 shares of Company Common Stock, and the "Subsequent Number of Shares" means the excess, if any, of 1,050,000 shares of Company Common Stock over the Initial Number of Shares. The "Applicable Number of Shares" shall be 1,750,000 on or prior to August 31, 1997

and 1,050,000 after August 31, 1997. Notwithstanding the above, nothing in this Section 1 shall be deemed to alter, in any way, Investor's participation right with respect to (x) the exchange, conversion or redemption of any Convertible Securities, (y) any additional shares of Company Common Stock or other securities issued pursuant to the Contribution Agreement, or (z) any other sale or issuance of securities with respect to which Investor would otherwise have participation rights. Notwithstanding the foregoing or any other contrary agreement or understanding, the Company agrees that it will not issue any shares of Company Common Stock or Convertible Securities to any partner of Roswell Village, Ltd. (the partners of Roswell Village Ltd. being shown as having approximately 103,400 shares of Common Stock or Convertible Securities on Schedule 1 to that certain Waiver and Consent Agreement attached as Exhibit C to the Partnership Agreement (as defined in the Contribution Agreement)) unless any Company Common Stock to be issued to any such person (including upon the redemption, conversion or exchange of Convertible Securities) will not (and by the terms of any relevant Convertible Securities cannot) be issued until the first anniversary of the First Closing (the "First Anniversary").

(b) The Special Purchase Right shall become exercisable from time to time by Investor upon receipt by Investor of a written notice from the Company (a "Special Purchase Notice"), which Special Purchase Notice shall set forth the number of shares of Company Common Stock that the Company offers Investor at such time, and the Company's intended use of the proceeds of such proposed issuance; provided, however, that (i) the Company may only request Investor to purchase shares of Company Common Stock in one or more installments of not less than $15,000,000 per installment, (ii) the Company shall provide Investor a Special Purchase Notice with respect to a sufficient number of shares such that Investor maintains, by March 31, 1997 and at each quarter end thereafter, ownership (within the meaning of Section 1296(c) of the Code) of at least 27.5% by value of the stock of the Company, (iii) the Company shall provide Investor a Special Purchase Notice with respect to all of the Initial Number of Shares on or before August 31, 1997, and if and to the extent one or more Special Purchase Notices shall not have been provided to Investor with respect to all of the Initial Number of Shares prior to August 31, 1997, then a Special Purchase Notice shall be deemed to have been provided on August 31, 1997 so that Investor's Special Purchase Right shall have become exercisable on or before such date with respect to all of the Initial Number of Shares, and (iv) the Company shall provide Investor a Special Purchase Notice with respect to all of the Subsequent Number of Shares, if any, on or before the First Anniversary, and if and to the extent one or more Special Purchase Notices shall not have been provided to Investor with respect to all of the Subsequent Number of Shares, if any, prior to the First Anniversary, then a Special Purchase Notice shall be deemed to have been provided on the day after the First Anniversary so that Investor's Special Purchase Right shall have become exercisable on or before such date with respect to all of the Subsequent Number of Shares, if any. Subject to the Company's compliance with the immediately preceding sentence and with clause (ii) of the first sentence of the foregoing paragraph (a), the Company shall be under no obligation to provide Investor with any Special Purchase Notice or to include any number of shares of Company Common Stock in any Special Purchase Notice.

(c) At any time within 20 days after its receipt of a Special Purchase Notice, Investor may, but shall have no obligation to, exercise the Special Purchase Right with respect to up to the number of shares of Company

Common Stock offered by the Company in such Special Purchase Notice by informing the Company in writing of such exercise (a "Special Exercise Notice"). Each Special Exercise Notice shall state the number of shares of Company Common Stock that Investor elects to purchase, which number shall be no greater than the number of shares specified by the Company in the Special Purchase Notice, and shall be irrevocable. The closing of the Special Purchase Right, or any part thereof, shall be subject to the conditions set forth in Sections 7.2 and 7.3 of the Stock Purchase Agreement. Investor may choose to exercise any Special Purchase Right or any part thereof in its sole and absolute discretion.

2. Ownership by OCP and its Affiliates of greater than 9.8% of the Voting Securities. Notwithstanding clause (ii) of Section 5.1(a), the Standstill Period shall not terminate as a result of the acquisition of the OCP Shares by OCP and for so long as the OCP Shares are held directly and beneficially by OCP (it being understood and agreed that this waiver (x) shall cease to be effective in the event of any direct or indirect transfer of any Beneficial Ownership of any of the OCP Shares, if after giving effect to such transfer the Standstill Period would otherwise have terminated other than as a result of the Beneficial Ownership of the OCP Shares by OCP, and (y) shall not in any event apply to any additional Voting Securities that might be Beneficially Owned by OCP or any Affiliate or Group of which OCP is a member, other than 223,750 shares of Common Stock held of record on the date hereof by the parties listed on a schedule delivered to Security Capital by the Company on the date hereof entitled "Holdings in Regency," dated 2/7/97, which 223,750 shares are beneficially owned by ABKB/La Salle Securities Limited, including 32,300 shares of Common Stock held of record by the Oregon Public Employees Retirement Fund ("OPERF"), the limited partner of OCP (collectively, the "Existing Shares") and only for so long as the Existing Shares are held continuously of record and beneficially by such listed parties and ABKB/LaSalle Securities Limited, respectively, it being further understood that in the event OCP or any such Affiliate or Group should acquire Beneficial Ownership of any such additional Voting Securities (other than Beneficial Ownership by LaSalle Advisors Limited Partnership of up to 4.9% of Company Common Stock as a result of the conversion of Class B Common Stock outstanding as of the date hereof (the "LaSalle Shares")), all Voting Securities Beneficially Owned by OCP or any such Affiliate or Group (including the OCP Shares, the Existing Shares and the LaSalle Shares) shall be considered together, without regard to the provisions of this Amendment, for the purposes of the Stockholders Agreement).

3. Other Branch-Related Matters. Regency hereby agrees to maintain, at all times after the Shareholder Approval Date (as such term is defined in the Partnership Agreement set forth on Exhibit A to the Contribution Agreement (the "Partnership Agreement")), a general partnership interest equal and entitled to at least 75% of the capital or profits interest in the Partnership (as defined in the Contribution Agreement) and to manage the assets and employees of the Partnership in accordance with the terms of the Partnership Agreement, as such Partnership Agreement and Contribution Agreement exist, respectively, on the date hereof. In addition, pursuant to Section 6.2 of the Stockholders Agreement, the Company shall provide to Investor within 45 days after the close of each fiscal quarter of the Company a quarterly report of the Company's and its Subsidiaries' (including the Partnership) assets and income during the preceding

fiscal quarter sufficient in each case to enable Investor to monitor compliance with the Corporate Action Covenants during such fiscal quarter.

4. Amendment of Partnership Agreement. Regency hereby agrees that it will not agree to any amendment or modification to the Partnership Agreement, and the Partnership Agreement shall not be amended, modified or supplemented, in any such case, without the prior written consent of Security Capital.

5. No Effect on Consistent Terms. All terms of the Stockholders Agreement not inconsistent with this Amendment shall remain in place and in full force and effect and shall be unaffected by this Amendment, and shall continue to apply to the Stockholders Agreement as amended hereby and to this amendment. From and after the date hereof, each reference to the Stockholders Agreement in any other instrument or document shall be deemed a reference to the Stockholders Agreement as amended hereby, unless the context otherwise requires.

6. Headings. The headings contained in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment.

7. Counterparts. This Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each party hereto and delivered to the other party.

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

REGENCY REALTY CORPORATION

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

SECURITY CAPITAL HOLDINGS S.A.

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

SECURITY CAPITAL U.S. REALTY

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