

United States  
SECURITIES AND EXCHANGE COMMISSION  
Washington DC 20549

FORM 10-Q

(Mark One)

For the quarterly period ended September 30, 1999

-or-

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

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

Commission File Number 1-12298

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

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

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

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

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

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

(Applicable only to Corporate Registrants)

As of November 8, 1999, there were 59,263,998 shares outstanding of the Registrant's common stock.

Part I.  
Item 1. Financial Statements

REGENCY REALTY CORPORATION  
Consolidated Balance Sheets  
September 30, 1999 and December 31, 1998

|  | 1999<br>----<br>(unaudited) | 1998<br>----  |
|--|-----------------------------|---------------|
| <b>Assets</b>  |                             |               |
| Real estate investments, at cost:  |                             |               |
| Land   | \$ 560,100,560              | 257,669,018   |
| Buildings and improvements   | 1,817,570,069               | 925,514,995   |
| Construction in progress - development for investment  | 81,899,349                  | 15,647,659    |
| Construction in progress - development for sale  | 110,868,541                 | 20,869,915    |
|  | -----                       | -----         |
|  | 2,570,438,519               | 1,219,701,587 |
| Less: accumulated depreciation   | 92,323,612                  | 58,983,738    |
|  | -----                       | -----         |
|  | 2,478,114,907               | 1,160,717,849 |
| Investments in real estate partnerships  | 58,567,208                  | 30,630,540    |
|  | -----                       | -----         |
| Net real estate investments  | 2,536,682,115               | 1,191,348,389 |
| Cash and cash equivalents  | 23,584,820                  | 19,919,693    |
| Tenant receivables, net of allowance for uncollectible accounts of \$1,632,837 and \$1,787,686 at September 30, 1999 and December 31, 1998, respectively | 29,766,946                  | 16,758,917    |
| Deferred costs, less accumulated amortization of \$7,641,567 and \$5,295,336 at September 30, 1999 and December 31, 1998                                 | 12,051,673                  | 6,872,023     |
| Other assets   | 6,400,533                   | 5,208,278     |
|  | -----                       | -----         |

|  |                  |               |
|--|------------------|---------------|
|  | \$ 2,608,486,087 | 1,240,107,300 |
|  | =====            | =====         |
| Liabilities and Stockholders' Equity   |                  |               |
| Liabilities:   |                  |               |
| Notes payable  | 774,819,893      | 430,494,910   |
| Acquisition and development line of credit   | 144,179,310      | 117,631,185   |
| Accounts payable and other liabilities   | 41,464,665       | 19,936,424    |
| Tenants' security and escrow deposits  | 7,539,864        | 3,110,370     |
|  | -----            | -----         |
| Total liabilities  | 968,003,732      | 571,172,889   |
|  | -----            | -----         |
| Preferred units  | 284,050,000      | 78,800,000    |
| Exchangeable operating partnership units   | 44,906,443       | 27,834,330    |
| Limited partners' interest in consolidated partnerships  | 10,580,517       | 11,558,618    |
|  | -----            | -----         |
| Total minority interest  | 339,536,960      | 118,192,948   |
|  | -----            | -----         |
| Stockholders' equity:  |                  |               |
| Convertible Preferred stock Series 1 and paid in capital \$.01<br>par value per share: 542,532 shares authorized issued and<br>outstanding; liquidation preference \$20.83 per share                   | 12,654,570       | -             |
| Convertible Preferred stock Series 2 and paid in capital \$.01<br>par value per share: 1,502,532 shares authorized; 960,000 shares<br>issued and outstanding, liquidation preference \$20.83 per share | 22,392,000       | -             |
| Common stock \$.01 par value per share: 150,000,000 shares<br>authorized; 59,586,075 and 25,488,989 shares issued and<br>outstanding at September 30, 1999 and December 31, 1998                       | 595,861          | 254,889       |
| Special common stock - 10,000,000 shares authorized: Class B<br>\$.01 par value per share, 2,500,000 shares issued<br>and outstanding at December 31, 1998   | -                | 25,000        |
| Additional paid in capital   | 1,302,393,185    | 578,466,708   |
| Distributions in excess of net income  | (25,622,779)     | (19,395,744)  |
| Stock loans  | (11,467,442)     | (8,609,390)   |
|  | -----            | -----         |
| Total stockholders' equity   | 1,300,945,395    | 550,741,463   |
|  | -----            | -----         |
| Commitments and contingencies  | \$ 2,608,486,087 | 1,240,107,300 |
|  | =====            | =====         |

See accompanying notes to consolidated financial statements

REGENCY REALTY CORPORATION  
Consolidated Statements of Operations  
For the Three Months ended September 30, 1999 and 1998  
(unaudited)

|   | 1999<br>----           | 1998<br>----        |
|---|------------------------|---------------------|
| Revenues:   |                        |                     |
| Minimum rent  | \$ 58,700,840          | 27,162,566          |
| Percentage rent   | 274,372                | 173,589             |
| Recoveries from tenants   | 14,535,041             | 6,419,085           |
| Management, leasing and brokerage fees                                  | 4,540,031              | 3,079,485           |
| Equity in income of investments in<br>real estate partnerships          | 1,218,075              | 364,779             |
| Total revenues  | -----<br>79,268,359    | -----<br>37,199,504 |
| Operating expenses:   |                        |                     |
| Depreciation and amortization   | 13,112,164             | 6,600,399           |
| Operating and maintenance   | 10,560,095             | 4,605,159           |
| General and administrative  | 4,795,323              | 3,325,878           |
| Real estate taxes   | 7,679,217              | 3,263,624           |
| Other expenses  | 375,000                | 50,000              |
| Total operating expenses  | -----<br>36,521,799    | -----<br>17,845,060 |
| Interest expense (income):  |                        |                     |
| Interest expense  | 15,575,115             | 7,293,863           |
| Interest income   | (491,730)              | (418,671)           |
| Net interest expense  | -----<br>15,083,385    | -----<br>6,875,192  |
| Income before minority interests and sale<br>of real estate investments | 27,663,175             | 12,479,252          |
| Loss on sale of real estate investments                                 | -                      | (8,871)             |
| Income before minority interests  | 27,663,175             | 12,470,381          |
| Minority interest of exchangeable partnership units                     | (769,851)              | (486,954)           |
| Minority interest of limited partners                                   | 83,702                 | (189,385)           |
| Minority interest preferred unit distribution                           | (2,334,376)            | (1,733,333)         |
| Net income  | -----<br>24,642,650    | -----<br>10,060,709 |
| Preferred stock dividends   | (677,165)              | -                   |
| Net income for common stockholders                                      | -----<br>\$ 23,965,485 | -----<br>10,060,709 |
| Net income per share:   |                        |                     |
| Basic   | \$ 0.40                | 0.34                |
| Diluted   | \$ 0.40                | 0.34                |

See accompanying notes to consolidated financial statements

REGENCY REALTY CORPORATION  
Consolidated Statements of Operations  
For the Nine Months ended September 30, 1999 and 1998  
(unaudited)

|   | 1999<br>----   | 1998<br>---- |
|---|----------------|--------------|
| <b>Revenues:</b>  |                |              |
| Minimum rent  | \$ 156,322,933 | 74,823,359   |
| Percentage rent   | 1,150,840      | 1,835,450    |
| Recoveries from tenants   | 38,859,254     | 17,057,500   |
| Management, leasing and brokerage fees                                  | 10,553,861     | 9,067,666    |
| Equity in income of investments in<br>real estate partnerships          | 3,354,278      | 511,189      |
|   | -----          | -----        |
| Total revenues  | 210,241,166    | 103,295,164  |
|   | -----          | -----        |
| <b>Operating expenses:</b>  |                |              |
| Depreciation and amortization   | 34,893,216     | 17,984,954   |
| Operating and maintenance   | 27,361,566     | 13,077,060   |
| General and administrative  | 13,576,216     | 10,288,327   |
| Real estate taxes   | 19,871,176     | 9,051,428    |
| Other expenses  | 900,000        | 350,000      |
|   | -----          | -----        |
| Total operating expenses  | 96,602,174     | 50,751,769   |
|   | -----          | -----        |
| <b>Interest expense (income):</b>                                       |                |              |
| Interest expense  | 43,567,458     | 20,749,045   |
| Interest income   | (1,612,733)    | (1,385,054)  |
|   | -----          | -----        |
| Net interest expense  | 41,954,725     | 19,363,991   |
|   | -----          | -----        |
| Income before minority interests and sale<br>of real estate investments | 71,684,267     | 33,179,404   |
| Gain on sale of real estate investments                                 | -              | 10,737,226   |
|   | -----          | -----        |
| Income before minority interests  | 71,684,267     | 43,916,630   |
| Minority interest of exchangeable partnership units                     | (2,108,362)    | (1,378,778)  |
| Minority interest of limited partners                                   | (663,331)      | (389,544)    |
| Minority interest preferred unit distribution                           | (5,584,378)    | (1,733,333)  |
|   | -----          | -----        |
| Net income  | 63,328,196     | 40,414,975   |
| Preferred stock dividends   | (1,577,165)    | -            |
|   | -----          | -----        |
| Net income for common stockholders                                      | \$ 61,751,031  | 40,414,975   |
|   | =====          | =====        |
| <b>Net income per share:</b>  |                |              |
| Basic   | \$ 1.16        | 1.45         |
|   | =====          | =====        |
| Diluted   | \$ 1.16        | 1.42         |
|   | =====          | =====        |

See accompanying notes to consolidated financial statements

REGENCY REALTY CORPORATION  
Consolidated Statement of Stockholders' Equity  
For the Nine Months ended September 30, 1999  
(unaudited)

|   | Series 1<br>Preferred Stock | Series 2<br>Preferred Stock | Common<br>Stock | Class B<br>Common<br>Stock | Additional<br>Paid In<br>Capital |
|---|-----------------------------|-----------------------------|-----------------|----------------------------|----------------------------------|
|   | -----                       | -----                       | -----           | -----                      | -----                            |
| Balance at<br>December 31, 1998   | \$ -                        | -                           | 254,889         | 25,000                     | 578,466,708                      |
| Common stock issued as<br>compensation or purchased by<br>directors or officers | -                           | -                           | 2,085           | -                          | 2,140,046                        |
| Common stock issued or cancelled<br>under stock loans                           | -                           | -                           | (498)           | -                          | (1,234,741)                      |
| Common stock issued for<br>partnership units exchanged                          | -                           | -                           | 3,961           | -                          | 7,591,712                        |
| Common stock issued for<br>class B conversion                                   | -                           | -                           | 29,755          | (25,000)                   | (4,755)                          |
| Preferred stock issued to<br>acquire Pacific Retail Trust                       | 12,654,570                  | 22,392,000                  | -               | -                          | -                                |
| Common stock issued to<br>acquire Pacific Retail Trust                          | -                           | -                           | 305,669         | -                          | 715,434,215                      |
| Cash dividends declared:<br>Common stock \$.46 per share<br>and preferred stock | -                           | -                           | -               | -                          | -                                |
| Net income  | -                           | -                           | -               | -                          | -                                |
|   | -----                       | -----                       | -----           | -----                      | -----                            |
| Balance at<br>September 30, 1999  | \$ 12,654,570               | 22,392,000                  | 595,861         | -                          | 1,302,393,185                    |
|   | =====                       | =====                       | =====           | =====                      | =====                            |

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION  
Consolidated Statement of Stockholders' Equity  
For the Nine Months ended September 30, 1999  
(unaudited)  
continued

|   | Distributions<br>in excess of<br>Net Income | Stock<br>Loans | Total<br>Stockholders'<br>Equity |
|---|---|----------------|----------------------------------|
|   | -----                                       | -----          | -----                            |
| Balance at<br>December 31, 1998   | \$ (19,395,744)                             | (8,609,390)    | 550,741,463                      |
| Common stock issued as<br>compensation or purchased by<br>directors or officers | -   | -              | 2,142,131                        |
| Common stock issued or cancelled<br>under stock options                         | -   | 1,140,902      | (94,337)                         |
| Common stock issued for<br>partnership units exchanged                          | -   | -              | 7,595,673                        |
| Common stock issued for<br>class B conversion                                   | -   | -              | -                                |
| Preferred stock issued to<br>acquire Pacific Retail Trust                       | -   | -              | 35,046,570                       |
| Common stock issued to<br>acquire Pacific Retail Trust                          | -   | (3,998,954)    | 711,740,930                      |
| Cash dividends declared:<br>Common stock \$.46 per share<br>and preferred stock | (69,555,231)                                | -              | (69,555,231)                     |
| Net income  | 63,328,196                                  | -              | 63,328,196                       |
|   | -----                                       | -----          | -----                            |
| Balance at<br>September 30, 1999  | \$ (25,622,779)                             | (11,467,442)   | 1,300,945,395                    |
|   | =====                                       | =====          | =====                            |

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION  
Consolidated Statements of Cash Flows  
For the Nine Months Ended September 30, 1999 and 1998  
(unaudited)

|   | 1999<br>----  | 1998<br>----  |
|---|---------------|---------------|
| Cash flows from operating activities:   |               |               |
| Net income  | \$ 63,328,196 | 40,414,975    |
| Adjustments to reconcile net income to net cash provided by operating activities: |               |               |
| Depreciation and amortization   | 34,893,216    | 17,984,954    |
| Deferred financing cost and debt premium amortization                             | 347,204       | (510,223)     |
| Stock based compensation  | 1,921,831     | 1,921,484     |
| Minority interest of exchangeable partnership units                               | 2,108,362     | 1,378,778     |
| Minority interest preferred unit distribution                                     | 5,584,378     | 1,733,333     |
| Minority interest of limited partners   | 663,331       | 389,544       |
| Equity in income of investments in real estate partnerships                       | (3,354,278)   | (511,189)     |
| Gain on sale of real estate investments   | -             | (10,737,226)  |
| Changes in assets and liabilities:  |               |               |
| Tenant receivables  | (9,368,533)   | (6,559,473)   |
| Deferred leasing commissions  | (3,378,467)   | (1,491,666)   |
| Other assets  | 1,439,804     | (6,508,924)   |
| Tenants' security deposits  | 711,577       | 608,197       |
| Accounts payable and other liabilities  | 5,347,438     | 15,508,988    |
| Net cash provided by operating activities   | 100,244,059   | 53,621,552    |
| Cash flows from investing activities:   |               |               |
| Acquisition and development of real estate  | (88,033,694)  | (174,869,327) |
| Acquisition of Pacific, net of cash acquired                                      | (9,046,230)   | -             |
| Investment in real estate partnerships  | (23,714,109)  | (23,337,738)  |
| Capital improvements  | (10,894,912)  | (4,825,026)   |
| Construction in progress for sale, net of reimbursement                           | (57,267,676)  | 3,445,834     |
| Proceeds from sale of real estate investments                                     | -             | 30,662,197    |
| Distributions received from real estate partnership investments                   | 704,474       | 35,844        |
| Net cash used in investing activities   | (188,252,147) | (168,888,216) |
| Cash flows from financing activities:   |               |               |
| Net proceeds from common stock issuance   | 105,809       | 9,733,060     |
| Proceeds from issuance of exchangeable partnership units                          | -             | 7,694         |
| Redemption of partnership units   | (1,377,523)   | -             |
| Net distributions to limited partners in consolidated partnerships                | (940,763)     | (234,577)     |
| Distributions to partnership unit holders   | (2,576,197)   | (1,471,599)   |
| Distributions to preferred unit holders   | (5,584,378)   | (1,733,333)   |
| Dividends paid to common stockholders   | (67,978,066)  | (36,913,032)  |
| Dividends paid to preferred stockholders  | (1,352,165)   | -             |
| Net proceeds from term notes  | 249,845,300   | 99,758,000    |
| Net proceeds from issuance of preferred units                                     | 205,250,000   | 78,800,000    |
| Repayment of acquisition and development line of credit, net                      | (245,051,875) | (2,200,000)   |
| Proceeds from mortgage and construction loans payable                             | 2,555,836     | 7,345,000     |
| Repayment of mortgage loans payable   | (36,875,935)  | (34,765,133)  |
| Deferred financing costs  | (4,346,828)   | (1,244,787)   |
| Net cash provided by financing activities   | 91,673,215    | 117,081,293   |
| Net increase in cash and cash equivalents   | 3,665,127     | 1,814,629     |
| Cash and cash equivalents at beginning of period                                  | 19,919,693    | 16,586,094    |
| Cash and cash equivalents at end of period  | \$ 23,584,820 | 18,400,723    |

REGENCY REALTY CORPORATION  
Consolidated Statements of Cash Flows  
For the Nine Months Ended September 30, 1999 and 1998  
(unaudited)  
-continued-

|  | 1999<br>----            | 1998<br>----         |
|--|-------------------------|----------------------|
| Supplemental disclosure of cash flow information - cash paid for interest<br>(net of capitalized interest of approximately<br>\$7,485,000 and \$3,447,000 in 1999 and 1998 respectively) | \$ 43,333,640<br>=====  | 17,660,318<br>=====  |
| Supplemental disclosure of non-cash transactions:  |                         |                      |
| Mortgage loans assumed for the acquisition of Pacific and real estate  | \$ 402,582,015<br>===== | 131,858,223<br>===== |
| Common stock and exchangeable operating partnership units issued<br>to acquire investments in real estate partnerships   | \$ 1,949,020<br>=====   | -<br>=====           |
| Exchangeable operating partnership units, preferred and common<br>stock issued for the acquisition of Pacific and real estate  | \$ 771,351,617<br>===== | 34,957,703<br>=====  |
| Other liabilities assumed to acquire Pacific   | \$ 13,897,643<br>=====  | -<br>=====           |

See accompanying notes to consolidated financial statements.



REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

September 30, 1999  
(unaudited)

1. Summary of Significant Accounting Policies

(a) Organization and Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Regency Realty Corporation, its wholly owned qualified REIT subsidiaries, and its majority owned or controlled subsidiaries and partnerships (the "Company" or "Regency"). All significant intercompany balances and transactions have been eliminated in the consolidated financial statements. The Company owns approximately 97% of the outstanding common units of Regency Centers, L.P., ("RCLP" or the "Partnership") and partnership interests ranging from 51% to 93% in five majority owned real estate partnerships (the "Majority Partnerships"). The equity interests of third parties held in RCLP and the Majority Partnerships are included in the consolidated financial statements as preferred or exchangeable operating partnership units and limited partners' interests in consolidated partnerships. The Company is a qualified real estate investment trust ("REIT") which began operations in 1993.

The financial statements reflect all adjustments which are of a normal recurring nature, and in the opinion of management, are necessary to properly state the results of operations and financial position. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted although management believes that the disclosures are adequate to make the information presented not misleading. The financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 1998 Form 10-K filed with the Securities and Exchange Commission.

(b) Reclassifications

Certain reclassifications have been made to the 1998 amounts to conform to classifications adopted in 1999.

2. Acquisitions

On September 23, 1998, the Company entered into an Agreement of Merger ("Agreement") with Pacific Retail Trust ("Pacific"), a privately held real estate investment trust. The Agreement, among other matters, provided for the merger of Pacific into Regency, and the exchange of each Pacific common or preferred share into 0.48 shares of Regency common or preferred stock. The stockholders approved the merger at a Special Meeting of Stockholders held February 26, 1999. At the time of the merger, Pacific owned 71 retail shopping centers that are operating or under construction containing 8.4 million SF of gross leaseable area. On February 28, 1999, the effective date of the merger, the Company issued equity instruments valued at \$770.6 million to the Pacific stockholders in exchange for their outstanding common and preferred shares and units. The total cost to acquire Pacific was approximately \$1.157 billion based on the value of Regency shares issued, including the assumption of \$379 million of outstanding debt and other liabilities of Pacific, and estimated closing costs of \$7.5 million. The price per share used to determine the purchase price was \$23.325 based on the five day average of the closing stock price of Regency's common stock as listed on the New York Stock Exchange immediately before, during and after the date the terms of the merger were agreed to and announced to the public. The merger was accounted for as a purchase with the Company as the acquiring entity.

During 1998, the Company acquired 31 shopping centers fee simple for approximately \$355.9 million and also invested \$28.4 million in 12 joint ventures ("JV Properties"), for a total investment of \$384.3 million in 43 shopping centers ("1998 Acquisitions"). Included in the 1998 Acquisitions are 32 shopping centers acquired from various entities comprising the Midland Group ("Midland"). Of the 32 Midland centers, 31 are anchored by Kroger, and 12 are owned through joint ventures in which the Company's ownership interest is 50% or less. The Company's investment in the properties acquired from Midland is \$236.6 million at December 31, 1998. During 1999 and 2000, the Company may pay contingent consideration of up to an estimated \$23 million, through the issuance of Partnership units and the payment of cash. The amount of such consideration, if issued, will depend on the satisfaction of certain performance criteria relating to the assets acquired from Midland. Transferors who received cash at the initial Midland closing will receive contingent future consideration in cash rather than units. On April 16, 1999, the Company paid \$5.2 million related to this contingent consideration.

The operating results of Pacific and the 1998 Acquisitions are included in the Company's consolidated financial statements from the date each property was acquired. The following unaudited pro forma information presents the consolidated results of operations as if Pacific and all 1998 Acquisitions had occurred on January 1, 1998. Such pro forma information reflects adjustments to 1) increase depreciation, interest expense, and general and administrative costs, 2) remove the office buildings sold, and 3) adjust the weighted average common shares, and common equivalent shares outstanding issued to acquire the properties. Pro forma revenues would have been \$233 and \$217 million as of September 30, 1999 and 1998, respectively. Pro forma net income for common stockholders would have been \$68.2 and \$60.8 million as of September 30, 1999 and 1998, respectively. Pro forma basic net income per share would have been \$1.14 and \$1.02 as of September 30, 1999 and 1998, respectively. Pro forma diluted net income per share would have been \$1.14 and \$1.00, as of September 30, 1999 and 1998, respectively. This data does not purport to be indicative of what would have occurred had Pacific and the 1998 Acquisitions been made on January 1, 1998, or of results which may occur in the future.

### 3. Segments

The Company was formed, and currently operates, for the purpose of 1) operating and developing Company owned retail shopping centers (Retail segment), and 2) providing services including property management, leasing, brokerage, and construction and development management for third-parties (Service operations segment). The Company had previously operated four office buildings, all of which were sold in 1998 (Office buildings segment). The Company's reportable segments offer different products or services and are managed separately because each requires different strategies and management expertise. There are no material inter-segment sales or transfers.

The Company assesses and measures operating results starting with Net Operating Income for the Retail and Office Buildings segments and Income for the Service operations segment and converts such amounts into a performance measure referred to as Funds From Operations (FFO), on a diluted basis. The operating results for the individual retail shopping centers have been aggregated since all of the Company's shopping centers exhibit highly similar economic characteristics as neighborhood shopping centers, and offer similar degrees of risk and opportunities for growth. FFO as defined by the National Association of Real Estate Investment Trusts consists of net income (computed in accordance with generally accepted accounting principles) excluding gains (or losses) from debt restructuring and sales of income producing property held for investment, plus depreciation and amortization of real estate, and adjustments for unconsolidated investments in real estate partnerships and joint ventures. The Company considers FFO to be the industry standard for reporting the operations of REITs. Adjustments for investments in real estate partnerships are calculated to reflect FFO on the same basis. While management believes that FFO is the most relevant and widely used measure of the Company's performance, such amount does not represent cash flow from operations as defined by generally accepted accounting principles, should not be considered an alternative to net income as an indicator of the Company's operating performance, and is not indicative of cash available to fund all cash flow needs. Additionally, the Company's calculation of FFO, as provided below, may not be comparable to similarly titled measures of other REITs.

The accounting policies of the segments are the same as those described in note 1. The revenues and FFO for each of the reportable segments are summarized as follows for the nine month periods ended September 30, 1999 and 1998.

|  | 1999           | 1998         |
|--|----------------|--------------|
|  | ----           | ----         |
| Revenues:  |                |              |
| Retail segment                                       | \$ 199,687,305 | 93,694,804   |
| Service operations segment                           | 10,553,861     | 9,067,666    |
| Office buildings segment                             | -              | 532,694      |
|  | -----          | -----        |
| Total revenues                                       | \$ 210,241,166 | 103,295,164  |
|  | =====          | =====        |
| Funds from Operations:                               |                |              |
| Retail segment net operating income                  | \$ 152,454,563 | 71,635,608   |
| Service operations segment income                    | 10,553,861     | 9,067,666    |
| Office buildings segment net operating income        | -              | 463,402      |
| Adjustments to calculate consolidated FFO:           |                |              |
| Interest expense                                     | (43,567,458)   | (20,749,045) |
| Interest income                                      | 1,612,733      | 1,385,054    |
| Earnings from recurring land sales                   | -              | 901,854      |
| General and administrative and other expenses        | (14,476,216)   | (10,638,327) |
| Non-real estate depreciation                         | (661,600)      | (464,949)    |
| Minority interests of limited partners               | (663,331)      | (389,544)    |
| Minority interests in depreciation and amortization  | (433,578)      | (385,924)    |
| Share of joint venture depreciation and amortization | 461,768        | 447,841      |
| Dividends on preferred units                         | (5,584,378)    | (1,733,333)  |
|  | -----          | -----        |
| Funds from Operations                                | 99,696,364     | 49,540,303   |
|  | -----          | -----        |
| Reconciliation to net income:                        |                |              |
| Real estate related depreciation and amortization    | (34,231,616)   | (17,520,005) |
| Minority interests in depreciation and amortization  | 433,578        | 385,924      |
| Share of joint venture depreciation and amortization | (461,768)      | (447,841)    |
| Earnings from property sales                         | -              | 9,835,372    |
| Minority interests of exchangeable partnership units | (2,108,362)    | (1,378,778)  |
|  | -----          | -----        |
| Net income   | \$ 63,328,196  | 40,414,975   |
|  | =====          | =====        |

Assets by reportable segment as of September 30, 1999 and December 31, 1998 are as follows. Non-segment assets to reconcile to total assets include cash, accounts receivable and deferred financing costs.

| Assets (in thousands):     | 1999         | 1998      |
|----------------------------|--------------|-----------|
|                            | ----         | ----      |
| Retail segment             | \$ 2,425,814 | 1,170,478 |
| Service operations segment | 110,869      | 20,870    |
| Cash and other assets      | 71,803       | 48,759    |
|                            | -----        | -----     |
| Total assets               | \$ 2,608,486 | 1,240,107 |
|                            | =====        | =====     |

4. Notes Payable and Acquisition and Development Line of Credit

The Company's outstanding debt at September 30, 1999 and December 31, 1998 consists of the following (in thousands):

|  | 1999       | 1998    |
|--|------------|---------|
|  | ----       | ----    |
| Notes Payable:                             |            |         |
| Fixed rate mortgage loans                  | \$ 390,476 | 298,148 |
| Variable rate mortgage loans               | 13,517     | 11,051  |
| Fixed rate unsecured loans                 | 370,827    | 121,296 |
|  | -----      | -----   |
| Total notes payable                        | 774,820    | 430,495 |
| Acquisition and development line of credit | 144,179    | 117,631 |
|  | -----      | -----   |
| Total                                      | \$ 918,999 | 548,126 |
|  | =====      | =====   |

During February, 1999, the Company modified the terms of its unsecured line of credit (the "Line") by increasing the commitment to \$635 million. This credit agreement also provides for a competitive bid facility of up to \$250 million of the commitment amount. Maximum availability under the Line is based on the discounted value of a pool of eligible unencumbered assets (determined on the basis of capitalized net operating income) less the amount of the Company's outstanding unsecured liabilities. The Line matures in February 2001, but may be extended annually for one year periods. The Company is required to comply, and is in compliance, with certain financial and other covenants customary with this type of unsecured financing. These financial covenants include among others (i) maintenance of minimum net worth, (ii) ratio of total liabilities to gross asset value, (iii) ratio of secured indebtedness to gross asset value, (iv) ratio of EBITDA to interest expense, (v) ratio of EBITDA to debt service and reserve for replacements, and (vi) ratio of unencumbered net operating income to interest expense on unsecured indebtedness. The Line is used primarily to finance the acquisition and development of real estate, but is also available for general working capital purposes.

Mortgage loans are secured by certain real estate properties, and may be prepaid subject to a prepayment of a yield-maintenance premium. Mortgage loans are generally due in monthly installments of interest and principal and mature over various terms through 2019. Variable interest rates on mortgage loans are currently based on LIBOR plus a spread in a range of 125 basis points to 150 basis points. Fixed interest rates on mortgage loans range from 7.04% to 9.8%.

During 1999, the Company assumed debt with a fair value of \$402.6 million related to the acquisition of real estate, which includes debt premiums of \$4.1 million based upon the above market interest rates of the debt instruments. Debt premiums are being amortized over the terms of the related debt instruments.

On April 15, 1999 the Company, through RCLP, completed a \$250 million unsecured debt offering in two tranches. The Company issued \$200 million 7.4% notes due April 1, 2004, priced at 99.922% to yield 7.42%, and \$50 million 7.75% notes due April 1, 2009, priced at 100%. The net proceeds of the offering were used to reduce the balance of the Line.

As of September 30, 1999, scheduled principal repayments on notes payable and the Line were as follows (in thousands):

| Scheduled Payments by Year    | Scheduled<br>Principal<br>Payments | Term Loan<br>Maturities | Total<br>Payments |
|-------------------------------|------------------------------------|-------------------------|-------------------|
|                               | -----                              | -----                   | -----             |
| 1999                          | \$ 1,718                           | -                       | 1,718             |
| 2000                          | 5,711                              | 98,608                  | 104,319           |
| 2001                          | 5,621                              | 194,572                 | 200,193           |
| 2002                          | 4,943                              | 44,114                  | 49,057            |
| 2003                          | 4,933                              | 13,301                  | 18,234            |
| Beyond 5 Years                | 42,210                             | 490,227                 | 532,437           |
| Net unamortized debt payments | -                                  | 13,041                  | 13,041            |
|                               | -----                              | -----                   | -----             |
| Total                         | \$ 65,136                          | 853,863                 | 918,999           |
|                               | =====                              | =====                   | =====             |

Unconsolidated partnerships and joint ventures had mortgage loans payable of \$54.9 million at September 30, 1999, and the Company's proportionate share of these loans was \$23.5 million.

5. Stockholders' Equity and Minority Interest

On June 11, 1996, the Company entered into a Stockholders Agreement (the "Agreement") with SC-USREALTY granting it certain rights such as purchasing common stock, nominating representatives to the Company's Board of Directors, and subjecting SC-USREALTY to certain restrictions including voting and ownership restrictions. In connection with the Units and shares of common stock issued in March 1998 related to earnout payments, SC-USREALTY acquired 435,777 shares at \$22.125 per share in accordance with their rights as provided for in the Agreement. In conjunction with the acquisition of Pacific, SC-USREALTY exchanged their Pacific shares for 22.6 million Regency common shares. As of September 30, 1999, SC-USREALTY owned approximately 34.3 million shares of common stock or 57.5% of the outstanding common shares.

In connection with the acquisition of shopping centers, RCLP has issued Exchangeable Operating Partnership Units to limited partners convertible on a one for one basis into shares of common stock of the Company.

On June 29, 1998, the Company through RCLP issued \$80 million of 8.125% Series A Cumulative Redeemable Preferred Units ("Series A Preferred Units") to an institutional investor in a private placement. The issuance involved the sale of 1.6 million Series A Preferred Units for \$50.00 per unit. The Series A Preferred Units, which may be called by the Partnership at par on or after June 25, 2003, have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 8.125%. At any time after June 25, 2008, the Series A Preferred Units may be exchanged for shares of 8.125% Series A Cumulative Redeemable Preferred Stock of the Company at an exchange rate of one share of Series A Preferred Stock for one Series A Preferred Unit. The Series A Preferred Units and Series A Preferred Stock are not convertible into common stock of the Company. The net proceeds of the offering were used to reduce the acquisition and development line of credit.

On September 3, 1999, the Company through RCLP issued \$85 million of 8.75% Series B Cumulative Redeemable Preferred Units ("Series B Preferred Units") to an institutional investor in a private placement. The issuance involved the sale of 850,000 Series B Preferred Units for \$100.00 per unit. The Series B Preferred Units, which may be called by the Partnership at par on or after September 3, 2004, have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 8.75%. At any time after September 3, 2009, the Series B Preferred Units may be exchanged for shares of 8.75% Series B Cumulative Redeemable Preferred Stock of the Company at an exchange rate of one share of Series B Preferred Stock for one Series B Preferred Unit. The Series B Preferred Units and Series B Preferred Stock are not convertible into common stock of the Company. The net proceeds of the offering were used to reduce the acquisition and development line of credit.

On September 3, 1999, the Company through RCLP issued \$75 million of 9.0% Series C Cumulative Redeemable Preferred Units ("Series C Preferred Units") to an institutional investor in a private placement. The issuance involved the sale of 750,000 Series C Preferred Units for \$100.00 per unit. The Series C Preferred Units, which may be called by the Partnership at par on or after September 3, 2004, have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 9.0%. At any time after September 3, 2009, the Series C Preferred Units may be exchanged for shares of 9.0% Series C Cumulative Redeemable Preferred Stock of the Company at an exchange rate of one share of Series C Preferred Stock for one Series C Preferred Unit. The Series C Preferred Units and Series C Preferred Stock are not convertible into common stock of the Company. The net proceeds of the offering were used to reduce the acquisition and development line of credit.

On September 29, 1999, the Company through RCLP issued \$50 million of 9.125% Series D Cumulative Redeemable Preferred Units ("Series D Preferred Units") to an institutional investor in a private placement. The issuance involved the sale of 500,000 Series D Preferred Units for \$100.00 per unit. The Series D Preferred Units, which may be called by the Partnership at par on or after September 29, 2004, have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 9.125%. At any time after September 29, 2009, the Series D Preferred Units may be exchanged for shares of 9.125% Series D Cumulative Redeemable Preferred Stock of the Company at an exchange rate of one share of Series D Preferred Stock for one Series D Preferred Unit. The Series D Preferred Units and Series D Preferred Stock are not convertible into common stock of the Company. The net proceeds of the offering were used to reduce the acquisition and development line of credit.

As part of the acquisition of Pacific Retail Trust, the Company issued Series 1 and Series 2 preferred shares. Series 1 preferred shares are convertible into Series 2 preferred shares on a one-for-one basis and contain provisions for adjustment to prevent dilution. The Series 1 preferred shares are entitled to a quarterly dividend in an amount equal to \$0.0271 less than the common dividend and are cumulative. Series 2 preferred shares are convertible into common shares on a one-for-one basis. The Series 2 preferred shares are entitled to quarterly dividends in an amount equal to the common dividend and are cumulative. The Company may redeem the preferred shares any time after October 20, 2010 at a price of \$20.83 per share, plus all accrued but unpaid dividends.

During the fourth quarter, the Board of Directors authorized the repurchase of up to \$65 million of the Company's outstanding shares from time to time through periodic open market transactions or through privately negotiated transactions.

During 1999, the holders of all of Regency's Class B stock converted 2,500,000 shares into 2,975,468 shares of common stock.

6. Earnings Per Share

The following summarizes the calculation of basic and diluted earnings per share for the three month periods ended, September 30, 1999 and 1998 (in thousands except per share data):

|  | 1999      | 1998    |
|--|-----------|---------|
|  | ----      | ----    |
| Basic Earnings Per Share (EPS) Calculation:  |           |         |
| Weighted average common shares outstanding   | 59,572    | 25,457  |
|  | -----     | -----   |
| Net income for common stockholders   | \$ 23,965 | 10,061  |
| Less: dividends paid on Class B common stock   | -         | (1,344) |
|  | -----     | -----   |
| Net income for Basic EPS   | \$ 23,965 | 8,717   |
|  | =====     | =====   |
| Basic EPS  | \$ 0.40   | 0.34    |
|  | =====     | =====   |
| Diluted Earnings Per Share (EPS) Calculation:  |           |         |
| Weighted average shares outstanding for Basic EPS                                    | 59,572    | 25,457  |
| Exchangeable operating partnership units   | 2,085     | 1,307   |
| Incremental shares to be issued under common stock options using the Treasury Method | 5         | -       |
| Contingent units or shares for the acquisition of real estate                        | -         | 493     |
|  | -----     | -----   |
| Total diluted shares   | 61,662    | 27,257  |
|  | =====     | =====   |
| Net income for Basic EPS   | \$ 23,965 | 8,717   |
| Add: minority interest of exchangeable partnership units                             | 770       | 487     |
|  | -----     | -----   |
| Net income for Diluted EPS   | \$ 24,735 | 9,204   |
|  | =====     | =====   |
| Diluted EPS  | \$ 0.40   | 0.34    |
|  | =====     | =====   |

The Preferred Series 1 and Series 2 stock and the Class B common stock are not included in the above calculation because their effects are anti-dilutive.

The following summarizes the calculation of basic and diluted earnings per share for the nine month periods ended, September 30, 1999 and 1998 (in thousands except per share data):

|  | 1999<br>---- | 1998<br>---- |
|--|--------------|--------------|
| Basic Earnings Per Share (EPS) Calculation:  |              |              |
| Weighted average common shares outstanding   | 51,796       | 25,045       |
|  | -----        | -----        |
| Net income for common stockholders   | \$ 61,751    | 40,415       |
| Less: dividends paid on Class B common stock   | (1,410)      | (4,033)      |
|  | -----        | -----        |
| Net income for Basic EPS   | \$ 60,341    | 36,382       |
|  | -----        | -----        |
| Basic EPS  | \$ 1.16      | 1.45         |
|  | =====        | =====        |
| Diluted Earnings Per Share (EPS) Calculation:  |              |              |
| Weighted average shares outstanding for Basic EPS                                    | 51,796       | 25,045       |
| Exchangeable operating partnership units   | 1,979        | 1,193        |
| Incremental shares to be issued under common stock options using the Treasury Method | 4            | -            |
| Contingent units or shares for the acquisition of real estate                        | -            | 418          |
|  | -----        | -----        |
| Total diluted shares   | 53,779       | 26,656       |
|  | =====        | =====        |
| Net income for Basic EPS   | \$ 60,341    | 36,382       |
| Add: minority interest of exchangeable partnership units                             | 2,108        | 1,379        |
|  | -----        | -----        |
| Net income for Diluted EPS   | \$ 62,449    | 37,761       |
|  | =====        | =====        |
| Diluted EPS  | \$ 1.16      | 1.42         |
|  | =====        | =====        |

The Preferred Series 1 and Series 2 stock and the Class B common stock are not included in the above calculation because their effects are anti-dilutive.

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

The following discussion should be read in conjunction with the accompanying Consolidated Financial Statements and Notes thereto of Regency Realty Corporation ("Regency" or "Company") appearing elsewhere within.

Organization

The Company is a qualified real estate investment trust ("REIT") which began operations in 1993. The Company invests in real estate primarily through its general partnership interest in Regency Centers, L.P., ("RCLP" or "Partnership") an operating partnership in which the Company currently owns approximately 97% of the outstanding common partnership units ("Units"). Of the 216 properties included in the Company's portfolio at September 30, 1999, 198 properties were owned either fee simple or through partnerships interests by RCLP. At September 30, 1999, the Company had an investment in real estate, at cost, of approximately \$2.5 billion of which \$2.4 billion or 95% was owned by RCLP.

Shopping Center Business

The Company's principal business is owning, operating and developing grocery anchored neighborhood infill shopping centers. Infill refers to shopping centers within a targeted investment market offering sustainable competitive advantages such as barriers to entry resulting from zoning restrictions, growth management laws, or limited new competition from development or expansions. The Company's properties summarized by state (including properties under development) in order by their gross leasable areas (GLA) follows:

| Location       | # Properties | September 30, 1999 |              | # Properties | December 31, 1998 |              |
|----------------|--------------|--------------------|--------------|--------------|-------------------|--------------|
|                |              | GLA                | % Leased     |              | GLA               | % Leased     |
| Florida        | 48           | 5,896,902          | 91.4%        | 46           | 5,728,347         | 91.4%        |
| Texas          | 30           | 4,103,182          | 86.6%        | 5            | 479,900           | 84.7%        |
| California     | 36           | 3,820,946          | 97.5%        | -            | -                 | -            |
| Georgia        | 27           | 2,715,350          | 93.5%        | 27           | 2,737,590         | 93.1%        |
| Ohio           | 14           | 1,890,510          | 92.9%        | 13           | 1,786,521         | 93.4%        |
| North Carolina | 12           | 1,241,634          | 97.7%        | 12           | 1,239,783         | 98.3%        |
| Washington     | 9            | 1,066,962          | 87.4%        | -            | -                 | -            |
| Colorado       | 10           | 902,848            | 92.5%        | 5            | 447,569           | 89.4%        |
| Oregon         | 6            | 583,464            | 94.1%        | -            | -                 | -            |
| Alabama        | 5            | 516,060            | 99.5%        | 5            | 516,060           | 99.0%        |
| Tennessee      | 4            | 388,357            | 99.2%        | 4            | 295,179           | 96.8%        |
| Arizona        | 2            | 326,984            | 99.7%        | -            | -                 | -            |
| Delaware       | 1            | 232,752            | 97.6%        | 1            | 232,752           | 94.8%        |
| Kentucky       | 1            | 205,060            | 91.3%        | 1            | 205,060           | 95.6%        |
| Virginia       | 2            | 197,324            | 96.1%        | 2            | 197,324           | 97.7%        |
| Mississippi    | 2            | 185,06             | 96.6%        | 2            | 185,061           | 97.6%        |
| Illinois       | 1            | 178,600            | 85.9%        | 1            | 178,600           | 86.9%        |
| Michigan       | 2            | 177,316            | 81.5%        | 2            | 177,929           | 81.5%        |
| South Carolina | 2            | 162,056            | 98.2%        | 2            | 162,056           | 100.0%       |
| Missouri       | 1            | 82,498             | 98.4%        | 1            | 82,498            | 99.8%        |
| Wyoming        | 1            | 75,000             | 81.3%        | -            | -                 | -            |
| <b>Total</b>   | <b>216</b>   | <b>24,948,866</b>  | <b>92.6%</b> | <b>129</b>   | <b>14,652,229</b> | <b>92.9%</b> |

The Company is focused on building a platform of grocery anchored neighborhood shopping centers because grocery stores provide convenience shopping of daily necessities, foot traffic for adjacent local tenants, and should withstand adverse economic conditions. The Company's current investment markets have continued to offer strong stable economies, and accordingly, the Company expects to realize growth in net income as a result of increasing occupancy in the portfolio, increasing rental rates, development and acquisition of shopping centers in targeted markets, and redevelopment of existing shopping centers. The following table summarizes the four largest grocery tenants occupying the Company's shopping centers or expected to occupy shopping centers currently under construction at September 30, 1999:

| Grocery Anchor | Number of Stores | % of Total GLA | % of Annualized Base Rent |
|----------------|------------------|----------------|---------------------------|
| Kroger         | 53               | 12.3%          | 10.85%                    |
| Publix         | 36               | 6.4%           | 4.33%                     |
| Safeway        | 27               | 5.1%           | 4.41%                     |
| Winn-Dixie     | 16               | 3.0%           | 2.08%                     |



## Acquisition and Development of Shopping Centers

On September 23, 1998, the Company entered into an Agreement of Merger ("Agreement") with Pacific Retail Trust ("Pacific"), a privately held real estate investment trust. The Agreement, among other matters, provided for the merger of Pacific into Regency, and the exchange of each Pacific common or preferred share into 0.48 shares of Regency common or preferred stock. The stockholders approved the merger at a Special Meeting of Stockholders held February 26, 1999. At the time of the merger, Pacific owned 71 retail shopping centers that are operating or under construction containing 8.4 million SF of gross leaseable area. On February 28, 1999, the effective date of the merger, the Company issued equity instruments valued at \$770.6 million to the Pacific stockholders in exchange for their outstanding common and preferred shares and units. The total cost to acquire Pacific was approximately \$1.157 billion based on the value of Regency shares issued including the assumption of \$379 million of outstanding debt and other liabilities of Pacific, and estimated closing costs of \$7.5 million. The price per share used to determine the purchase price was \$23.325 based on the five day average of the closing stock price of Regency's common stock as listed on the New York Stock Exchange immediately before, during and after the date the terms of the merger were agreed to and announced to the public. The merger was accounted for as a purchase with the Company as the acquiring entity.

During 1998, the Company acquired 31 shopping centers fee simple for approximately \$355.9 million and also invested \$28.4 million in 12 joint ventures ("JV Properties"), for a total investment of \$384.3 million in 43 shopping centers ("1998 Acquisitions"). Included in the 1998 Acquisitions are 32 shopping centers acquired from various entities comprising the Midland Group ("Midland"). Of the 32 Midland centers, 31 are anchored by Kroger, and 12 are owned through joint ventures in which the Company's ownership interest is 50% or less. The Company's investment in the properties acquired from Midland is \$236.6 million at December 31, 1998. During 1999 and 2000, the Company may pay contingent consideration of up to an estimated \$23 million, through the issuance of Partnership units and the payment of cash. The amount of such consideration, if issued, will depend on the satisfaction of certain performance criteria relating to the assets acquired from Midland. Transferors who received cash at the initial Midland closing will receive contingent future consideration in cash rather than units. On April 16, 1999, the Company paid \$5.2 million related to this contingent consideration.

## Results from Operations

### Comparison of the nine months ended September 30, 1999 to 1998

Revenues increased \$106.9 million or 104% to \$210.2 million in 1999. The increase was due primarily to Pacific and the 1998 Acquisitions providing increases in revenues of \$101.2 million during 1999. At September 30, 1999, the real estate portfolio contained approximately 24.9 million SF and was 92.6% leased. Minimum rent increased \$81.5 million or 109%, and recoveries from tenants increased \$21.8 million or 128%. On a same property basis (excluding Pacific, the 1998 Acquisitions, and the office portfolio sold during 1998) gross rental revenues increased \$4.8 million or 6%, primarily due to higher base rents. Revenues from property management, leasing, brokerage, and development services (service operation segment) provided on properties not owned by the Company were \$10.6 million and \$9.1 million in 1999 and 1998, respectively. During 1998, the Company sold four office buildings and a parcel of land for \$30.7 million, and recognized a gain on the sale of \$10.7 million. As a result of these transactions the Company's real estate portfolio is comprised entirely of retail shopping centers. The proceeds from the sale were used to reduce the balance of the line of credit.

Operating expenses increased \$45.9 million or 90% to \$96.6 million in 1999. Combined operating and maintenance, and real estate taxes increased \$25.1 million or 113% during 1999 to \$47.2 million. The increases are due to Pacific and the 1998 Acquisitions generating operating and maintenance expenses and real estate tax increases of \$24.4 million during 1999. On a same property basis, operating and maintenance expenses and real estate taxes increased \$860,000 or 4.5%. General and administrative expenses increased 32% during 1999 to \$13.6 million due to the hiring of new employees and related office expenses necessary to manage the shopping centers acquired during 1999 and 1998. Depreciation and amortization increased \$16.9 million during 1999 or 94% primarily due to Pacific and the 1998 Acquisitions.

Interest expense increased to \$43.6 million in 1999 from \$20.7 million in 1998 or 110% due to increased average outstanding loan balances related to the financing of the 1998 Acquisitions on the Line, the assumption of debt for Pacific and the debt offerings completed in 1999. Weighted average interest rates decreased .15% during 1999. See further discussion under Acquisition and Development of Shopping Centers and Liquidity and Capital Resources.

Net income for common stockholders was \$61.8 million in 1999 vs. \$40.4 million in 1998, a \$21.3 million or 53% increase for the reasons previously described. Diluted earnings per share in 1999 was \$1.16 vs. \$1.42 in 1998 due to the gain offset by the dilutive impact from the increase in weighted average common shares and equivalents of 27.1 million primarily due to the acquisition of Pacific Retail Trust and the issuance of shares to SC-USREALTY during 1998.

Comparison of the three months ended September 30, 1999 to 1998

Revenues increased \$42.1 million or 113% to \$79.3 million in 1999. The increase was due primarily to Pacific and the 1998 Acquisitions providing increases in revenues of \$39.1 million during 1999. Minimum rent increased \$31.5 million or 116%, and recoveries from tenants increased \$8.1 million or 126%. On a same property basis (excluding Pacific, the 1998 Acquisitions, and the office portfolio sold during 1998) gross rental revenues increased \$1.6 million or 6%, primarily due to higher base rents. Revenues from property management, leasing, brokerage, and development services (service operation segment) provided on properties not owned by the Company were \$4.5 million in 1999 compared to \$3.1 million in 1998, the increase is due primarily to a increase in brokerage fees.

Operating expenses increased \$18.7 million or 105% to \$36.5 million in 1999. Combined operating and maintenance, and real estate taxes increased \$10.4 million or 132% during 1999 to \$18.2 million. The increases are due to Pacific and the 1998 Acquisitions generating operating and maintenance expenses and real estate tax increases of \$9.8 million during 1999. On a same property basis, operating and maintenance expenses and real estate taxes increased \$550,000 or 8.8%. General and administrative expenses increased 44% during 1999 to \$4.8 million due to the hiring of new employees and related office expenses necessary to manage the shopping centers acquired during 1999 and 1998. Depreciation and amortization increased \$6.5 million during 1999 or 99% primarily due to Pacific and the 1998 Acquisitions.

Interest expense increased to \$15.6 million in 1999 from \$7.3 million in 1998 or 114% due to increased average outstanding loan balances related to the financing of the 1998 Acquisitions on the Line and the assumption of debt for Pacific and the debt offerings completed in 1999. See further discussion under Acquisition and Development of Shopping Centers and Liquidity and Capital Resources.

Net income for common stockholders was \$24 million in 1999 vs. \$10.1 million in 1998, a \$13.9 million or 138% increase for reasons previously described. Diluted earnings per share in 1999 was \$1.40 vs. \$1.34 in 1998 due to the increase in net income offset by the dilutive impact from the increase in weighted average common shares and equivalents of 34.4 million primarily due to the acquisition of Pacific Retail Trust and the issuance of shares to SC-USREALTY during 1998.

#### Funds from Operations

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

FFO increased by 101% from 1998 to 1999 as a result of the activity discussed above under "Results of Operations". FFO for the nine months ended September 30, 1999 and 1998 are summarized in the following table (in thousands):

|  | 1999       | 1998      |
|--|------------|-----------|
|  | -----      | -----     |
| Net income for common stockholders                                 | \$ 61,751  | 40,415    |
| Real estate depreciation and amortization                          | 34,260     | 17,582    |
| (Gain) on sale of operating property                               | -          | (9,835)   |
| Convertible preferred dividends                                    | 1,577      | -         |
| Minority interests in net income of exchangeable partnership units | 2,108      | 1,378     |
|  | -----      | -----     |
| Funds from operations - diluted                                    | \$ 99,696  | 49,540    |
|  | =====      | =====     |
| Cash flow provided by (used in):                                   |            |           |
| Operating activities   | \$ 100,244 | 53,622    |
| Investing activities   | (188,252)  | (168,888) |
| Financing activities   | 91,673     | 117,081   |

#### Liquidity and Capital Resources

Management anticipates that cash generated from operating activities will provide the necessary funds on a short-term basis for its operating expenses, interest expense and scheduled principal payments on outstanding indebtedness, recurring capital expenditures necessary to properly maintain the shopping centers, and distributions to share and unit holders. Net cash provided by operating activities was \$100.2 million and \$53.6 million for the nine months ended September 30, 1999 and 1998, respectively. The Company incurred recurring and non-recurring capital expenditures (non-recurring expenditures pertain to immediate building improvements on new acquisitions and anchor tenant improvements on new leases) of \$10.9 million and \$4.8 million, during 1999 and 1998, respectively. The Company paid scheduled principal payments of \$4.3 million and \$2.3 million during 1999 and 1998, respectively. The Company paid dividends and distributions of \$77.5 million and \$40.1 million, during 1999 and 1998, respectively, to its share and unit holders.

Management expects to meet long-term liquidity requirements for term debt payoffs at maturity, non-recurring capital expenditures, and acquisition, renovation and development of shopping centers from: (i) excess cash generated from operating activities, (ii) working capital reserves, (iii) additional debt borrowings, and (iv) additional equity raised in the public markets. Net cash used in investing activities was \$188.3 million and \$168.9 million, during 1999 and 1998, respectively, primarily for purposes discussed above under Acquisitions and Development of Shopping Centers. Net cash provided by financing activities was \$91.7 million and \$117.1 million during 1999 and 1998, respectively. At September 30, 1999, the Company had 47 retail properties under construction or undergoing major renovations, with costs to date of \$414.1 million. Total committed costs necessary to complete the properties under development is estimated to be \$157.5 million and will be expended through 1999 and 2000. At September 30, 1999, the Company had approximately \$164 million available on its Line.

The Company's outstanding debt at September 30, 1999 and December 31, 1998 consists of the following (in thousands):

|  | 1999       | 1998    |
|--|------------|---------|
|  | -----      | -----   |
| Notes Payable:                             |            |         |
| Fixed rate mortgage loans                  | \$ 390,476 | 298,148 |
| Variable rate mortgage loans               | 13,517     | 11,051  |
| Fixed rate unsecured loans                 | 370,827    | 121,296 |
|  | -----      | -----   |
| Total notes payable                        | 774,820    | 430,495 |
| Acquisition and development line of credit | 144,179    | 117,631 |
|  | -----      | -----   |
| Total                                      | \$ 918,999 | 548,126 |
|  | =====      | =====   |

The weighted average interest rate on total debt at September 30, 1999 and December 31, 1998 and was 7.2% and 7.4%, respectively. The Company's debt is typically cross-defaulted, but not cross-collateralized, and includes usual and customary affirmative and negative covenants.

During February, 1999, the Company modified the terms of its unsecured line of credit (the "Line") by increasing the commitment to \$635 million. Maximum availability under the Line is based on the discounted value of a pool of eligible unencumbered assets (determined on the basis of capitalized net operating income) less the amount of the Company's outstanding unsecured liabilities. The Line matures in February 2001, but may be extended annually for one year periods. The Company is required to comply, and is in compliance, with certain financial and other covenants customary with this type of unsecured financing. These financial covenants include among others (i) maintenance of minimum net worth, (ii) ratio of total liabilities to gross asset value, (iii) ratio of secured indebtedness to gross asset value, (iv) ratio of EBITDA to interest expense, (v) ratio of EBITDA to debt service and reserve for replacements, and (vi) ratio of unencumbered net operating income to interest expense on unsecured indebtedness. The Line is used primarily to finance the acquisition and development of real estate, but is also available for general working capital purposes.

On June 29, 1998, the Company through RCLP issued \$80 million of 8.125% Series A Cumulative Redeemable Preferred Units ("Series A Preferred Units") to an institutional investor in a private placement. The issuance involved the sale of 1.6 million Series A Preferred Units for \$50.00 per unit. The Series A Preferred Units, which may be called by the Company at par on or after June 25, 2003, have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 8.125%. At any time after June 25, 2008, the Series A Preferred Units may be exchanged for shares of 8.125% Series A Cumulative Redeemable Preferred Stock of the Company at an exchange rate of one share of Series A Preferred Stock for one Series A Preferred Unit. The Series A Preferred Units and Series A Preferred Stock are not convertible into common stock of the Company. The net proceeds of the offering were used to reduce the Line.

On September 3, 1999, the Company through RCLP issued \$85 million of 8.75% Series B Cumulative Redeemable Preferred Units ("Series B Preferred Units") to an institutional investor in a private placement. The issuance involved the sale of 850,000 Series B Preferred Units for \$100.00 per unit. The Series B Preferred Units, which may be called by the Partnership at par on or after September 3, 2004, have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 8.75%. At any time after September 3, 2009, the Series B Preferred Units may be exchanged for shares of 8.75% Series B Cumulative Redeemable Preferred Stock of the Company at an exchange rate of one share of Series B Preferred Stock for one Series B Preferred Unit. The Series B Preferred Units and Series B Preferred Stock are not convertible into common stock of the Company. The net proceeds of the offering were used to reduce the acquisition and development line of credit.

On September 3, 1999, the Company through RCLP issued \$75 million of 9.0% Series C Cumulative Redeemable Preferred Units ("Series C Preferred Units") to an institutional investor in a private placement. The issuance involved the sale of 750,000 Series C Preferred Units for \$100.00 per unit. The Series C Preferred Units, which may be called by the Partnership at par on or after September 3, 2004, have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 9.0%. At any time after September 3, 2009, the Series C Preferred Units may be exchanged for shares of 9.0% Series C Cumulative Redeemable Preferred Stock of the Company at an exchange rate of one share of Series C Preferred Stock for one Series C Preferred Unit. The Series C Preferred Units and Series C Preferred Stock are not convertible into common stock of the Company. The net proceeds of the offering were used to reduce the acquisition and development line of credit.

On September 29, 1999, the Company through RCLP issued \$50 million of 9.125% Series D Cumulative Redeemable Preferred Units ("Series D Preferred Units") to an institutional investor in a private placement. The issuance involved the sale of 500,000 Series D Preferred Units for \$100.00 per unit. The Series D Preferred Units, which may be called by the Partnership at par on or after September 29, 2004, have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 9.125%. At any time after September 29, 2009, the Series D Preferred Units may be exchanged for shares of 9.125% Series D Cumulative Redeemable Preferred Stock of the Company at an exchange rate of one share of Series D Preferred Stock for one Series D Preferred Unit. The Series D Preferred Units and Series D Preferred Stock are not convertible into common stock of the Company. The net proceeds of the offering were used to reduce the acquisition and development line of credit.

On April 15, 1999 the Company, through RCLP, completed a \$250 million debt offering in two tranches. The Company issued \$200 million, 7.4% notes due April 1, 2004, priced at 99.922% to yield 7.42%, and \$50 million, 7.75% notes due April 1, 2009, priced at 100%. The net proceeds of the offering were used to reduce the balance of the Line.

Mortgage loans are secured by certain real estate properties, and generally may be prepaid subject to a prepayment of a yield-maintenance premium. Mortgage loans are generally due in monthly installments of interest and principal and mature over various terms through 2019. Variable interest rates on mortgage loans are currently based on LIBOR plus a spread in a range of 125 basis points to 150 basis points. Fixed interest rates on mortgage loans range from 7.04% to 9.8%.

During 1999, the Company assumed debt with a fair value of \$402.6 million related to the acquisition of real estate, which includes debt premiums of \$4.1 million based upon the above market interest rates of the debt instruments. Debt premiums are being amortized over the terms of the related debt instruments.

As of September 30, 1999, scheduled principal repayments on notes payable and the Line for the next five years were as follows (in thousands):

| Scheduled Payments by Year    | Scheduled<br>Principal<br>Payments | Term Loan<br>Maturities | Total<br>Payments |
|-------------------------------|------------------------------------|-------------------------|-------------------|
|                               | -----                              | -----                   | -----             |
| 1999                          | \$ 1,718                           | -                       | 1,718             |
| 2000                          | 5,711                              | 98,608                  | 104,319           |
| 2001                          | 5,621                              | 194,572                 | 200,193           |
| 2002                          | 4,943                              | 44,114                  | 49,057            |
| 2003                          | 4,933                              | 13,301                  | 18,234            |
| Beyond 5 Years                | 42,210                             | 490,227                 | 532,437           |
| Net unamortized debt payments | -                                  | 13,041                  | 13,041            |
|                               | -----                              | -----                   | -----             |
| Total                         | \$ 65,136                          | 853,863                 | 918,999           |
|                               | =====                              | =====                   | =====             |

Unconsolidated partnerships and joint ventures had mortgage loans payable of \$54.9 million at September 30, 1999 and the Company's proportionate share of these loans was \$23.5 million.

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

The Company's real estate portfolio has grown substantially during 1999 as a result of the acquisitions and development discussed above. The Company intends to continue to acquire and develop shopping centers in the near future, and expects to meet the related capital requirements from borrowings on the Line. The Company expects to repay the Line from time to time from additional public and private equity or debt offerings, such as those completed in previous years. Because such acquisition and development activities are discretionary in nature, they are not expected to burden the Company's capital resources currently available for liquidity requirements. The Company expects that cash provided by operating activities, unused amounts available under the Line, and cash reserves are adequate to meet liquidity requirements.

## New Accounting Standards and Accounting Changes

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities " (FAS 133), which is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000. FAS 133 establishes accounting and reporting standards for derivative instruments and hedging activities. FAS 133 requires entities to recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. The Company does not believe FAS 133 will materially effect its financial statements.

## Environmental Matters

The Company like others in the commercial real estate industry, is subject to numerous environmental laws and regulations and the operation of dry cleaning plants at the Company's shopping centers is the principal environmental concern. The Company believes that the dry cleaners are operating in accordance with current laws and regulations and has established procedures to monitor their operations. The Company has approximately 38 properties that will require or are currently undergoing varying levels of environmental remediation. These remediations are not expected to have a material financial effect on the Company due to financial statement reserves and various state-regulated programs that shift the responsibility and cost for remediation to the state. Based on information presently available, no additional environmental accruals were made and management believes that the ultimate disposition of currently known matters will not have a material effect on the financial position, liquidity, or operations of the Company.

## Inflation

Inflation has remained relatively low during 1999 and 1998 and has had a minimal impact on the operating performance of the shopping centers; however, substantially all of the Company's long-term leases contain provisions designed to mitigate the adverse impact of inflation. Such provisions include clauses enabling the Company to receive percentage rentals based on tenants' gross sales, which generally increase as prices rise, and/or escalation clauses, which generally increase rental rates during the terms of the leases. Such escalation clauses are often related to increases in the consumer price index or similar inflation indices. In addition, many of the Company's leases are for terms of less than ten years, which permits the Company to seek increased rents upon re-rental at market rates. Most of the Company's leases require the tenants to pay their share of operating expenses, including common area maintenance, real estate taxes, insurance and utilities, thereby reducing the Company's exposure to increases in costs and operating expenses resulting from inflation.

## Year 2000 System Compliance

Management recognizes the potential effect Year 2000 may have on the Company's operations and, as a result, has implemented a Year 2000 Compliance Project. The term "Year 2000 compliant" means that the software, hardware, equipment, goods or systems utilized by, or material to the physical operations, business operations, or financial reporting of an entity will properly perform date sensitive functions before, during and after the year 2000.

The Company's Year 2000 Compliance Project included an awareness phase, an assessment phase, a renovation phase, and a testing phase of our data processing network, accounting and property management systems, computer and operating systems, software packages, and building management systems. The project also included surveying our major tenants, financial institutions, and utility companies.

The Company's computer hardware, operating systems, general accounting and property management systems and principal desktop software applications are Year 2000 compliant as certified by the various vendors. We have tested, and remedied as needed, our general accounting and property management information system, all servers and their operating systems, all principal desktop software applications, personal computers and PC operating systems. Based on the test results, Management does not anticipate any Year 2000 problems that will materially impact operations or operating results.

An assessment of the Company's building management systems has been completed. This assessment has resulted in the identification of certain lighting, telephone, and voice mail systems that may not be Year 2000 compliant. These non-compliant systems have been replaced or updated to be compliant.

The Company has surveyed its major tenants, financial institutions, and utility companies in order to determine the extent to which the Company is vulnerable to third party Year 2000 failures. We have received responses from 100% of our principal tenants, financial institutions and utility companies. All parties have indicated that they are Year 2000 compliant or will be by September 30, 1999. However, there are no assurances that these entities will not experience failures that might disrupt the operations of the Company.

Management believes the Year 2000 Compliance Project, summarized above, has adequately addressed the Year 2000 risk. Certain events are beyond the control of Management, primarily related to the readiness of customers and suppliers, and can not be tested. Management believes this risk is mitigated by the fact that the Company deals with numerous geographically disbursed customers and suppliers. Any third party failures should be isolated and short term, however, there can be no guarantee that the systems of unrelated entities will be corrected on a timely basis and will not have an adverse effect on the Company. As a result, the Company has developed a formal Year 2000 contingency plan which has been communicated to tenants and employees allowing for communication and resolution of any disruption that may occur.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market Risk

The Company is exposed to interest rate changes primarily as a result of its line of credit and long-term debt used to maintain liquidity and fund capital expenditures and expansion of the Company's real estate investment portfolio and operations. The Company's interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows and to lower its overall borrowing costs. To achieve its objectives the Company borrows primarily at fixed rates and may enter into derivative financial instruments such as interest rate swaps, caps and treasury locks in order to mitigate its interest rate risk on a related financial instrument. The Company has no plans to enter into derivative or interest rate transactions for speculative purposes, and at September 30, 1999, the Company did not have any borrowings hedged with derivative financial instruments.

The Company's interest rate risk is monitored using a variety of techniques. The table below presents the principal amounts maturing (in thousands), weighted average interest rates of remaining debt, and the fair value of total debt (in thousands), by year of expected maturity to evaluate the expected cash flows and sensitivity to interest rate changes.

|                                    | 1999  | 2000    | 2001    | 2002   | 2003   | Thereafter | Total   | Fair Value |
|------------------------------------|-------|---------|---------|--------|--------|------------|---------|------------|
|                                    | ----  | ----    | ----    | ----   | ----   | -----      | -----   | -----      |
| Fixed rate debt                    | 1,688 | 104,188 | 42,659  | 49,057 | 18,234 | 532,436    | 748,262 | 761,303    |
| Average interest rate for all debt | 7.73% | 7.81%   | 7.78%   | 7.70%  | 7.66%  | 7.81%      | -       | -          |
| Variable rate LIBOR debt           | 30    | 132     | 157,534 | -      | -      | -          | 157,696 | 157,696    |
| Average interest rate for all debt | 6.19% | 6.18%   | -       | -      | -      | -          | -       | -          |

As the table incorporates only those exposures that exist as of September 30, 1999, it does not consider those exposures or positions which could arise after that date. Moreover, because firm commitments are not presented in the table above, the information presented therein has limited predictive value. As a result, the Company's ultimate realized gain or loss with respect to interest rate fluctuations will depend on the exposures that arise during the period, the Company's hedging strategies at that time, and interest rates.

## Forward Looking Statements

This report contains certain forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) and information relating to the Company that is based on the beliefs of the Company's management, as well as assumptions made by and information currently available to management. When used in this report, the words "estimate," "project," "believe," "anticipate," "intend," "expect" and similar expressions are intended to identify forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions; changes in customer preferences; competition; changes in technology; the integration of acquisitions, including Pacific; changes in business strategy; the indebtedness of the Company; quality of management, business abilities and judgment of the Company's personnel; the availability, terms and deployment of capital; and various other factors referenced in this report. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.



Item 6 Exhibits and Reports on Form 8-K:

- (a) Exhibits
- 3 Articles of Incorporation
- (a) Restated Articles of Incorporation of Regency Realty Corporation as last amended October 14, 1999.
- (i) Amendment to Restated Articles of Incorporation of Regency Realty Corporation as amended to date.
- (ii) Amendment to Restated Articles of Incorporation, as last amended February 28, 1999.
- (iii) Form of Articles of Amendment to Articles of Incorporation Amending the Designation of Preferences, Rights and Limitations of Series 1 Cumulative Convertible Redeemable Preferred Stock
- (iv) Form of Articles of Amendment to Articles of Incorporation Amending the Designation of Preferences, Rights and Limitations of Series 2 Cumulative Convertible Redeemable Preferred Stock
10. Material Contracts
- (a) Amendment No. 4 to Stockholders Agreement dated December 4, 1997 (incorporated by reference to Exhibit 6.2 to Schedule 13D/A filed by Security Capital U.S. Realty on December 11, 1997)
- (b) Reports on Form 8-K
- An 8-K was filed on September 2, 1999 under Item 5. Other Information for supplemental information to include pro forma financial statements for Regency Realty Corporation as of June 30, 1999 and December 31, 1998.
27. Financial Data Schedule

SIGNATURE

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

Date: November 8, 1999

REGENCY REALTY CORPORATION

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

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM REGENCY  
 REALTY CORPORATION'S QUARTERLY REPORT FOR THE PERIOD ENDED 9/30/99

0000910606  
 REGENCY REALTY CORPORATION  
 1

|               |               |   |
|---------------|---------------|---|
| 9-MOS         |               |   |
| DEC-31-1999   |               |   |
| SEP-30-1999   | 23,584,820    |   |
|               | 0             |   |
|               | 31,399,783    |   |
|               | 1,632,837     |   |
|               | 0             |   |
|               | 0             |   |
|               | 2,629,005,727 |   |
|               | 92,323,612    |   |
|               | 2,608,486,087 |   |
|               | 0             |   |
|               | 0             | 0 |
|               | 0             |   |
|               | 0             |   |
|               | 595,861       |   |
|               | 1,300,349,534 |   |
| 2,608,486,087 |               | 0 |
|               | 210,241,166   |   |
|               |               | 0 |
|               | 47,232,742    |   |
|               | 34,893,216    |   |
|               | 0             |   |
|               | 43,567,458    |   |
|               | 63,328,196    |   |
|               | 0             |   |
|               | 63,328,196    |   |
|               | 0             |   |
|               | 0             |   |
|               | 0             | 0 |
|               | 61,751,031    |   |
|               | 1.16          |   |
|               | 1.16          |   |

REGENCY REALTY CORPORATION

AMENDING AND RESTATING THE DESIGNATION OF THE PREFERENCES,

RIGHTS AND LIMITATIONS OF 1,600,000 SHARES OF

8.125% SERIES A CUMULATIVE REDEEMABLE PREFERRED STOCK

\$0.01 Par Value

Pursuant to Section 607.0602 of the Florida Business Corporation Act ("FBCA"), Regency Realty Corporation, a Florida corporation (the "Corporation"), does hereby certify that the Articles of Amendment to the Articles of Incorporation of the Corporation Designating the Preferences, Rights and Limitations of 1,600,000 shares of 8.125% Series A Cumulative Redeemable Preferred Stock, as filed in the Office of the Florida Secretary of State on June 24, 1998, shall be amended and restated in its entirety as follows:

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

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

THIRD: Pursuant to the authority conferred upon the Committee, the Committee has, by unanimous written consent dated September 29, 1999, adopted resolutions amending and restating the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such 8.125% Series A Cumulative Redeemable Preferred Stock (to the extent not set by the Board of Directors in the resolutions referred to in Article FIRST of these Articles of Amendment). There are no shares of 8.125% Series A Cumulative Redeemable Preferred Stock outstanding and, accordingly, no shareholder approval was required. The class of Preferred Stock of the Corporation created by the resolutions duly adopted by the Board of Directors of the Corporation and by the Committee and referred to in Articles FIRST and SECOND of these Articles of Amendment and amended hereby shall have the following designation, number of shares, preferences, conversion and other rights, voting powers, restrictions and limitation as to dividends, qualifications, terms and conditions of redemption and other terms and conditions:

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

Section 2. Rank. The Series A Preferred Stock will, with respect to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Corporation, or both, rank senior to all classes or series of Common Stock (as defined in the Charter) and to all classes or series of equity securities of the Corporation now or hereafter authorized, issued or outstanding, other than any class or series of equity securities of the Corporation expressly designated as ranking on a parity with or senior to the Series A Preferred Stock as to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Corporation, or both. For purposes of these Articles of Amendment, the term "Parity Preferred Stock" shall be used to refer to any class or series of equity securities of the

Corporation now or hereafter authorized, issued or outstanding expressly designated by the Corporation to rank on a parity with Series A Preferred Stock with respect to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Corporation, or both, as the context may require, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share or conversion rights or exchange rights shall be different from those of the Series A Preferred Stock. The term "equity securities" does not include debt securities, which will rank senior to the Series A Preferred Stock prior to conversion.

Section 3. Distributions. (a) Payment of Distributions. Subject to the rights of holders of Parity Preferred Stock as to the payment of distributions and holders of equity securities issued after the date hereof in accordance herewith ranking senior to the Series A Preferred Stock as to payment of distributions, holders of Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation, out of funds legally available for the payment of distributions, cumulative cash distributions at the rate per annum of 8.125% of the \$50.00 liquidation preference per share of Series A Preferred Stock. Such distributions shall be cumulative, shall accrue from the original date of issuance and will be payable in cash (A) quarterly in arrears, on or before March 31, June 30, September 30 and December 31 of each year commencing on the first of such dates to occur after the original date of issuance and, (B) in the event of a redemption, on the redemption date (each a "Preferred Stock Distribution Payment Date"). The amount of the distribution payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and for any period shorter than a full quarterly period for which distributions are computed, the amount of the distribution payable will be computed on the basis of the actual number of days elapsed in such a 30-day month. If any date on which distributions are to be made on the Series A Preferred Stock is not a Business Day (as defined herein), then payment of the distribution to be made on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Distributions on the Series A Preferred Stock will be made to the holders of record of the Series A Preferred Stock on the relevant record dates to be fixed by the Board of Directors of the Corporation, which record dates shall be not less than 10 days and not more than 30 Business Days prior to the relevant Preferred Stock Distribution Payment Date (each a "Distribution Record Date"). Notwithstanding anything to the contrary set forth herein, each share of Series A Preferred Stock shall also continue to

accrue all accrued and unpaid distributions, whether or not declared, up to the exchange date on any Series A Preferred Unit (as defined in the Second Amended and Restated Agreement of Limited Partnership of Regency Centers, L.P., dated as March 5, 1998 as amended by that certain Amendment No. One to Second Amendment and Restatement of Agreement of Limited Partnership dated as of June 25, 1998 (as amended the "Partnership Agreement")) validly exchanged into such share of Series A Preferred Stock in accordance with the provisions of such Partnership Agreement.

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

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

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

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

distributions or Junior Stock pursuant to Article 5 of the Charter to the extent required to preserve the Corporation's status as a real estate investment trust.

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

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

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

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

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

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

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

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

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

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

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



and any accumulated and unpaid distributions will be made upon presentation and surrender of such Series A Preferred Stock. If fewer than all of the shares of Series A Preferred Stock held by any holder are to be redeemed, the notice mailed to such holder shall also specify the number of shares of Series A Preferred Stock held by such holder to be redeemed.

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

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

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

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

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

(iii) If and when all accumulated distributions and the distribution for the current distribution period on the Series A Preferred Stock shall have been paid in full or a sum sufficient for such payment is irrevocably deposited in trust for payment, the holders of the Series A Preferred Stock shall be divested of the voting rights set forth in Section 6(b) herein (subject to revesting in the event of each and every Preferred Distribution Default) and, if all distributions in arrears and the distributions for the current distribution period have been paid in full or set aside for payment in full on all other classes or series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable, the term and office of each Preferred Stock Director so elected shall terminate. Any Preferred Stock Director may be removed at any time with or without cause by the vote of, and shall not be removed otherwise than by the vote of, the holders of record of a majority of the outstanding Series A Preferred Stock when they have the voting rights set forth in Section 6(b) (voting separately as a single class with all other classes or series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable). So long as a Preferred Distribution Default shall continue, any vacancy in the office of a Preferred Stock Director may be

filled by written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding Series A Preferred Stock when they have the voting rights set forth in Section 6(b) (voting separately as a single class with all other classes or series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable). The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

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

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

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

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

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

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

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

[Signature Page Follows]

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be executed under seal in its name and on its behalf by its Executive Vice President and attested to by its Secretary on this \_\_\_\_\_ day of September, 1999

REGENCY REALTY CORPORATION

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

[SEAL]

ATTEST:

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Name: J. Christian Leavitt  
Title: Secretary

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION  
OF  
REGENCY REALTY CORPORATION  
DESIGNATING THE PREFERENCES, RIGHTS AND  
LIMITATIONS OF 850,000 SHARES OF  
8.75% SERIES B CUMULATIVE REDEEMABLE PREFERRED STOCK  
\$.01 Par Value

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

FIRST : Pursuant to the authority expressly vested in the Board of Directors of the Corporation by Section 4.2 of the Amended and Restated Articles of Incorporation of the Corporation (as amended, the "Charter") and Section 607.0602 of the FBCA, the Board of Directors of the Corporation (the "Board of Directors"), by resolutions duly adopted on August 23, 1999 has classified 850,000 shares of the authorized but unissued Preferred Stock par value \$.01 per share ("Preferred Stock") as a separate class of Preferred Stock, authorized the issuance of a maximum of 850,000 shares of such class of Preferred Stock, set certain of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such class of Preferred Stock, and pursuant to the powers contained in the Bylaws of the Corporation and the FBCA, appointed a committee (the "Committee") of the Board of Directors and delegated to the Committee, to the fullest extent permitted by the FBCA and the Charter and Bylaws of the Corporation, all powers of the Board of Directors with respect to designating, and setting all other preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of, such class of Preferred Stock, determining the number of shares of such class of Preferred Stock (not in excess of the aforesaid maximum number) to be issued and the consideration and other terms and conditions upon which such shares of such class of Preferred Stock are to be issued. Shareholder approval was not required under the Charter with respect to such designation. Capitalized terms used and not otherwise defined herein shall have the meaning assigned thereto in the Charter.

SECOND : Pursuant to the authority conferred upon the Committee as aforesaid, the Committee has unanimously adopted resolutions designating the aforesaid class of Preferred Stock as the "8.75% Series B Cumulative Redeemable Preferred Stock," setting the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such 8.75% Series B Cumulative Redeemable Preferred Stock (to the extent not set by the Board of Directors in the resolutions referred to in Article First of these Articles of Amendment) and authorizing the issuance of up to 850,000 shares of 8.75% Series B Cumulative Redeemable Preferred Stock. THIRD : The class of Preferred Stock of the Corporation created by the resolutions duly adopted by the Board of Directors of the Corporation and by the Committee and referred to in Articles First and Second of these Articles of Amendment shall have the following designation, number of shares, preferences, conversion and other rights, voting powers, restrictions and limitation as to dividends, qualifications, terms and conditions of redemption and other terms and conditions: Section 1. Designation and Number. A series of Preferred Stock, designated the "8.75% Series B Cumulative Redeemable Preferred Stock" (the "Series B Preferred Stock") is hereby established. The number of shares of Series B Preferred Stock shall be 850,000.

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

Section 3. Distributions

. (a) Payment of Distributions. Subject to the rights of holders of Parity Preferred Stock as to the payment of distributions and holders of equity securities issued after the date hereof in accordance herewith ranking senior to the Series B Preferred Stock as to payment of distributions, holders of Series B Preferred Stock shall be entitled to receive, when, as and if

declared by the Board of Directors of the Corporation, out of funds legally available for the payment of distributions, cumulative cash distributions at the rate per annum of 8.75% of the \$100.00 liquidation preference per share of Series B Preferred Stock (the "Distribution Rate"). Notwithstanding anything herein to the contrary, the Distribution Rate shall be equal to the Coupon Rate (as defined in Amendment No. 1 to the Third Amended and Restated Agreement of Limited Partnership of Regency Centers, L.P.) in effect at the time of issuance of the Series C Preferred Stock. Such distributions shall be cumulative, shall accrue from the original date of issuance and will be payable in cash (A) quarterly in arrears, on or before March 1, June 1, September 1 and December 1 of each year commencing on the first of such dates to occur after the original date of issuance and, (B) in the event of a redemption, on the redemption date (each a "Series B Preferred Stock Distribution Payment Date"). The amount of the distribution payable for any period will be computed based on the ratio basis of a 360-day year of twelve 30-day months and for any period shorter than a full quarterly period for which distributions are computed, the amount of the distribution payable will be computed on the basis of the actual number of days elapsed in such quarterly period to 90 days. If any date on which distributions are to be made on the Series B Preferred Stock is not a Business Day (as defined herein), then payment of the distribution to be made on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Distributions on the Series B Preferred Stock will be made to the holders of record of the Series B Preferred Stock on the relevant record dates to be fixed by the Board of Directors of the Corporation, which record dates shall be not less than 10 days and not more than 30 Business Days prior to the relevant Series B Preferred Stock Distribution Payment Date (each a

"Distribution Record Date"). Notwithstanding anything to the contrary set forth herein, each share of Series B Preferred Stock shall also continue to accrue all accrued and unpaid distributions, whether or not declared, up to the exchange date on any Series B Preferred Unit (as defined in the Third Amended and Restated Agreement of Limited Partnership of Regency Centers, L.P., dated as September 1, 1999 as amended by that certain Amendment No. 1 to Third Amended and Restated Agreement of Limited Partnership dated as of September 3, 1999 (as amended, the "Partnership Agreement")) validly exchanged into such share of Series B Preferred Stock in accordance with the provisions of such Partnership Agreement.

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

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

(c) Priority as to Distributions. (i) So long as any Series B Preferred Stock is outstanding, no distribution of cash or other property shall be authorized, declared, paid or set apart for payment on or with respect to any class or series of Common Stock or any class or series of other stock of the Corporation ranking junior as to the payment of distributions to the Series B Preferred Stock (such Common Stock or other junior stock, collectively, "Junior Stock"), nor shall any cash or other property be set aside for or applied to the purchase, redemption or other acquisition for consideration of any Series B Preferred Stock, any Parity Preferred Stock with respect to distributions or any Junior Stock, unless in each case, all distributions accumulated on all Series B Preferred Stock and all classes and series of outstanding Parity Preferred Stock as to payment of distributions have been paid in full. The foregoing sentence will not prohibit (i) distributions payable solely in Junior Stock, (ii) the conversion of Series B Preferred Stock, Junior Stock or Parity Preferred Stock into stock of the Corporation ranking junior to the Series B Preferred Stock as to distributions, and (iii) purchases by the Corporation of such Series B Preferred Stock or Parity Preferred Stock with respect to distributions or Junior Stock pursuant to Article 5 of the Charter to the extent required to preserve the Corporation's status as a real estate investment trust. (ii) So long as distributions have not been paid in full (or a sum sufficient for such full payment is not irrevocably deposited in trust for payment) upon the Series B Preferred Stock, all distributions authorized and declared on the Series B Preferred Stock and all classes or series of outstanding Parity Preferred Stock with respect to distributions shall be authorized and declared so that the amount of distributions authorized and declared per share of Series B Preferred Stock and such other classes or series of Parity Preferred Stock shall in all cases bear to each other the same ratio that accrued distributions per share on the Series B Preferred Stock and such other classes or series of Parity Preferred Stock (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such class or series of Parity Preferred Stock do not have cumulative distribution rights) bear to each other.

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

Section 4. Liquidation Preference. (a) Payment of Liquidation Distributions. Subject to the rights of holders of Parity Preferred Stock with respect to rights upon any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, the holders of Series B Preferred Stock shall be entitled to receive out of the assets of the Corporation legally available for distribution or the proceeds thereof, after payment or provision for debts and other liabilities of the Corporation, but before any payment or distributions of the assets shall be made to holders of Common Stock or any other class or series of shares of the Corporation that ranks junior to the Series B Preferred Stock as to rights upon liquidation, dissolution or winding-up of the Corporation, an amount equal to the sum of (i) a liquidation preference of \$100.00 per share of Series B Preferred Stock, and (ii) an amount equal to any accumulated and unpaid distributions thereon, whether or not declared, to the date of payment. In the



event that, upon such voluntary or involuntary liquidation, dissolution or winding-up, there are insufficient assets to permit full payment of liquidating distributions to the holders of Series B Preferred Stock and any Parity Preferred Stock as to rights upon liquidation, dissolution or winding-up of the Corporation, all payments of liquidating distributions on the Series B Preferred Stock and such Parity Preferred Stock shall be made so that the payments on the Series B Preferred Stock and such Parity Preferred Stock shall in all cases bear to each other the same ratio that the respective rights of the Series B Preferred Stock and such other Parity Preferred Stock (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such Parity Preferred Stock do not have cumulative distribution rights) upon liquidation, dissolution or winding-up of the Corporation bear to each other.

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

(c) No Further Rights. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series B Preferred Stock will have no right or claim to any of the remaining assets of the Corporation. (d) Consolidation Merger or Certain Other Transactions. The voluntary sale, conveyance, lease, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of the Corporation to, or the consolidation or merger or other business combination of the Corporation with or into, any corporation, trust or other entity (or of any corporation, trust or other entity with or into the Corporation) shall not be deemed to constitute a liquidation, dissolution or winding-up of the Corporation. (e) Permissible Distributions. In determining whether a distribution (other than upon voluntary liquidation) by dividend, redemption or other acquisition of shares of stock of the Corporation or otherwise is permitted under the FBCA, no effect shall be given to amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of shares of stock of the Corporation whose preferential rights upon dissolution are superior to those receiving the distribution. Section 5. Optional Redemption. (a) Right of Optional Redemption. The Series B Preferred Stock may not be redeemed prior to September 3, 2004. On or after such date, the Corporation shall have the right to redeem the Series B Preferred Stock, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' written notice, at a redemption price, payable in cash, equal to \$100.00 per share of Series B Preferred Stock plus accumulated and unpaid distributions, whether or not declared, to the date of redemption. If fewer than all of the outstanding shares of Series B Preferred Stock are to be redeemed, the shares of Series B Preferred Stock to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional shares).

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

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

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

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

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

#### Section 6. Voting Rights

(a) General. Holders of the Series B Preferred Stock will not have any voting rights, except as set forth below.

(b) Right to Elect Directors. (i) If at any time distributions shall be in arrears (which means that as to any such quarterly distributions, the same have not been paid in full) with respect to six (6) prior quarterly distribution periods (including quarterly periods on the Series B Preferred Units prior to the exchange into Series B Preferred Stock), whether or not consecutive, and shall not have been paid in full (a "Series B Preferred Distribution Default"), the authorized number of members of the Board of Directors shall automatically be increased by two and the holders of record of such Series B Preferred Stock, voting together as a single class with the holders of each class or series of

Parity Preferred Stock upon which like voting rights have been conferred and are exercisable, will be entitled to fill the vacancies so created by electing two additional directors to serve on the Corporation's Board of Directors (the "Preferred Stock Directors") at a special meeting called in accordance with Section 6(b)(ii), and at each subsequent annual meeting of stockholders or special meeting held in place thereof, until all such distributions in arrears and distributions for the current quarterly period on the Series B Preferred Stock and each such class or series of Parity Preferred Stock have been paid in full.

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

(iii) If and when all accumulated distributions and the distribution for the current distribution period on the Series B Preferred Stock shall have been paid in full or a sum sufficient for such payment is irrevocably deposited in trust for payment, the holders of the Series B Preferred Stock shall be divested of the voting rights set forth in Section 6(b) herein (subject to revesting in the event of each and every Series B Preferred Distribution Default) and, if all distributions in arrears and the distributions for the current distribution period have been paid in full or set aside for payment in full on all other classes or series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable, the terms and office of each Preferred Stock Director so elected shall terminate. Any Preferred Stock Director may be removed at any time with or without cause by the vote of, and shall not be removed otherwise than by the vote of, the holders of record of a majority of the outstanding Series B Preferred Stock when they have the voting rights set forth in Section 6(b) (voting separately as a single class with all other classes or series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable). So long as a Series B Preferred Distribution Default shall continue, any vacancy in the office of a Preferred Stock Director may be filled by written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding Series B Preferred Stock when they have the voting rights set forth in Section 6(b) (voting separately as a single class with all other classes or series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable). The Preferred Stock Directors shall each be entitled to one vote per director on any matter. (c) Certain Voting Rights. So long as any Series B Preferred Stock or Series C Preferred Unit remains outstanding, the Corporation shall not, without the affirmative vote of the holders of at least two-thirds of the Series B Preferred Stock and Series B Preferred Units outstanding at the time (together, if applicable, voting as a single class) (collectively, the "Voting Securities") (i) designate or create, or increase the authorized or issued amount of, any class or series of shares ranking prior to the Series B Preferred Stock with respect to payment of distributions or rights upon liquidation, dissolution or winding-up or

reclassify any authorized shares of the Corporation into any such shares, or create, authorize or issue any obligations or securities convertible into or evidencing the right to purchase any such shares, (ii) designate or create, or increase the authorized or issued amount of, any Parity Preferred Stock or reclassify any authorized shares of the Corporation into any such shares, or create, authorize or issue any obligations or securities convertible into or evidencing the right to purchase any such shares, but only to the extent such Parity Preferred Stock is issued to an affiliate of the Corporation (other than Security Capital U.S. Realty, Security Capital Holdings, S.A. or their affiliates purchasing preferred stock of the same series on the same terms as non-affiliates), or (iii) either (A) consolidate, merge into or with, or convey, transfer or lease its assets substantially as an entirety, to any corporation or other entity, or (B) amend, alter or repeal the provisions of the Corporation's Charter (including these Articles of Amendment) or By-laws, whether by merger, consolidation or otherwise, in each case that would materially and adversely affect the powers, special rights, preferences, privileges or voting power of the Series B Preferred Stock or the holders thereof; provided, however, that with respect to the occurrence of a merger, consolidation or a sale or lease of all of the Corporation's assets as an entirety, so long as (a) the Corporation is the surviving entity and the Series B Preferred Stock remains outstanding (or remains exchangeable for Series B Preferred Units) with the terms thereof unchanged, or (b) the resulting, surviving or transferee entity is a corporation organized under the laws of any state and substitutes the Series B Preferred Stock for other preferred stock having substantially the same terms and same rights as the Series B Preferred Stock, including with respect to distributions, voting rights and rights upon liquidation, dissolution or winding-up, then the occurrence of any such event shall not be deemed to materially and adversely affect such rights, privileges or voting powers of the holders of the Series B Preferred Stock and no vote of the Series B Preferred Stock shall be required in such case and provided further that any increase in the amount of authorized Preferred Stock or the creation or issuance of any other class or series of Preferred Stock, or any increase in an amount of authorized shares of each class or series, in each case ranking either (a) junior to the Series B Preferred Stock with respect to payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up, or (b) on a parity with the Series B Preferred Stock with respect to payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up to the extent such Preferred Stock is not issued to an affiliate of the Corporation (other than Security Capital U.S. Realty, Security Capital Holdings, S.A. or their affiliates purchasing preferred stock of the same series on the same terms as non-affiliates), shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers and no vote of the Voting Securities shall be required in such case.

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

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

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

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

FIFTH : These Articles of Amendment have been approved by the Board of Directors in the manner and by the vote required by law. SIXTH : The undersigned Officer of the Corporation acknowledges these Articles of Amendment to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned Officer acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

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Signature Page to Series B Articles of Amendment

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be executed under seal in its name and on its behalf by its Executive Vice President and attested to by its Secretary on this day of September, 1999.

REGENCY REALTY CORPORATION

By:

Name: Bruce M. Johnson

Title: Executive Vice President

[SEAL]

[ATTEST]

Name: J. Christian Leavitt

Title: Secretary

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION  
OF  
REGENCY REALTY CORPORATION  
DESIGNATING THE PREFERENCES, RIGHTS AND  
LIMITATIONS OF 750,000 SHARES OF  
9.0% SERIES C CUMULATIVE REDEEMABLE PREFERRED STOCK  
\$.01 Par Value

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

FIRST : Pursuant to the authority expressly vested in the Board of Directors of the Corporation by Section 4.2 of the Amended and Restated Articles of Incorporation of the Corporation (as amended, the "Charter") and Section 607.0602 of the FBCA, the Board of Directors of the Corporation (the "Board of Directors"), by resolutions duly adopted on August 23, 1999 has classified 750,000 shares of the authorized but unissued Preferred Stock par value \$.01 per share ("Preferred Stock") as a separate class of Preferred Stock, authorized the issuance of a maximum of 750,000 shares of such class of Preferred Stock, set certain of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such class of Preferred Stock, and pursuant to the powers contained in the Bylaws of the Corporation and the FBCA, appointed a committee (the "Committee") of the Board of Directors and delegated to the Committee, to the fullest extent permitted by the FBCA and the Charter and Bylaws of the Corporation, all powers of the Board of Directors with respect to designating, and setting all other preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of, such class of Preferred Stock, determining the number of shares of such class of Preferred Stock (not in excess of the aforesaid maximum number) to be issued and the consideration and other terms and conditions upon which such shares of such class of Preferred Stock are to be issued. Shareholder approval was not required under the Charter with respect to such designation. Capitalized terms used and not otherwise defined herein shall have the meaning assigned thereto in the Charter.

SECOND : Pursuant to the authority conferred upon the Committee as aforesaid, the Committee has unanimously adopted resolutions designating the aforesaid class of Preferred Stock as the "9.0% Series C Cumulative Redeemable Preferred Stock," setting the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such 9.0% Series C Cumulative Redeemable Preferred Stock (to the extent not set by the Board of Directors in the resolutions referred to in Article First of these Articles of Amendment) and authorizing the issuance of up to 750,000 shares of 9.0% Series C Cumulative Redeemable Preferred Stock. THIRD : The class of Preferred Stock of the Corporation created by the resolutions duly adopted by the Board of Directors of the Corporation and by the Committee and referred to in Articles First and Second of these Articles of Amendment shall have the following designation, number of shares, preferences, conversion and other rights, voting powers, restrictions and limitation as to dividends, qualifications, terms and conditions of redemption and other terms and conditions: Section 1. Designation and Number. A series of Preferred Stock, designated the "9.0% Series C Cumulative Redeemable Preferred Stock" (the "Series C Preferred Stock") is hereby established. The number of shares of Series C Preferred Stock shall be 750,000.

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

Section 3. Distributions

. (a) Payment of Distributions. Subject to the rights of holders of Parity Preferred Stock as to the payment of distributions and holders of equity securities issued after the date hereof in accordance herewith ranking senior to the Series C Preferred Stock as to payment of distributions, holders of Series C Preferred Stock shall be entitled to receive, out of funds legally available for the payment of distributions, cumulative preferential cash distributions at the rate per annum of 9.0% of the \$100.00 liquidation

preference per share of Series C Preferred Stock. Such distributions shall be cumulative, shall accrue from the original date of issuance and will be payable in cash when, as and if declared by the Board of Directors of the Corporation (A) quarterly in arrears, on or before March 31, June 30, September 30 and December 31 of each year commencing on the first of such dates to occur after the original date of issuance and, (B) in the event of a redemption, on the redemption date (each a "Series C Preferred Stock Distribution Payment Date"). The amount of the distribution payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and for any period shorter than a full quarterly period for which distributions are computed, the amount of the distribution payable will be computed based on the ratio of the actual number of days elapsed in such quarterly period to 90 days. If any date on which distributions are to be made on the Series C Preferred Stock is not a Business Day (as defined herein), then payment of the distribution to be made on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Distributions on the Series C Preferred Stock will be made to the holders of record of the Series C Preferred Stock on the relevant record dates to be fixed by the Board of Directors of the Corporation, which record dates shall be not less than 10 days and not more than 30 Business Days prior to the relevant Series C Preferred Stock Distribution Payment Date (each a "Distribution Record Date"). Notwithstanding anything to the contrary set forth herein, each share of Series C Preferred Stock shall also continue to accrue all accrued and unpaid distributions, whether or not declared, up to the exchange date on any Series C Preferred Unit (as defined in the Third Amended and Restated Agreement of Limited Partnership of Regency Centers, L.P., dated as September 1, 1999 as amended by that certain Amendment No. 2 to Third Amended and Restated Agreement of Limited Partnership dated as of September 3, 1999 (as amended, the "Partnership Agreement")) validly exchanged into such share of Series C Preferred Stock in accordance with the provisions of such Partnership Agreement.

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



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

(c) Priority as to Distributions. (i) So long as any Series C Preferred Stock is outstanding, no distribution of cash or other property shall be authorized, declared, paid or set apart for payment on or with respect to any class or series of Common Stock or any class or series of other stock of the Corporation ranking junior as to the payment of distributions to the Parity Preferred Stock (such Common Stock or other junior stock, collectively, "Junior Stock"), nor shall any cash or other property be set aside for or applied to the purchase, redemption or other acquisition for consideration of any Series C Preferred Stock, any Parity Preferred Stock with respect to distributions or any Junior Stock, unless in each case, all distributions accumulated on all Series C Preferred Stock and all classes and series of outstanding Parity Preferred Stock as to payment of distributions have been paid in full. The foregoing sentence will not prohibit (i) distributions payable solely in Junior Stock, (ii) the conversion of Series C Preferred Stock, Junior Stock or Parity Preferred Stock into stock of the Corporation ranking junior to the Series C Preferred Stock as to distributions, and (iii) purchases by the Corporation of such Series C Preferred Stock or Parity Preferred Stock with respect to distributions or Junior Stock pursuant to Article 5 of the Charter to the extent required to preserve the Corporation's status as a real estate investment trust. (ii) So long as distributions have not been paid in full (or a sum sufficient for such full payment is not irrevocably deposited in trust for payment) upon the Series C Preferred Stock, all distributions authorized and declared on the Series C Preferred Stock and all classes or series of outstanding Parity Preferred Stock with respect to distributions shall be authorized and declared so that the amount of distributions authorized and declared per share of Series C Preferred Stock and such other classes or series of Parity Preferred Stock shall in all cases bear to each other the same ratio that accrued distributions per share on the Series C Preferred Stock and such other classes or series of Parity Preferred Stock (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such class or series of Parity Preferred Stock does not have cumulative distribution rights) bear to each other.

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

Section 4. Liquidation Preference. (a) Payment of Liquidation Distributions. Subject to the rights of holders of Parity Preferred Stock with respect to rights upon any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation and subject to equity securities ranking senior to the Series C Preferred Stock with respect to rights upon any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, the holders of Series C Preferred Stock shall be entitled to receive out of the assets of the Corporation legally available for distribution or the proceeds thereof, after payment or provision for debts and other liabilities of the Corporation, but before any payment or distributions of the assets shall be made to holders of Common Stock or any other class or series of shares of the Corporation that ranks junior to the Series C Preferred Stock as to rights upon liquidation, dissolution or winding-up of the Corporation, an amount equal to the sum of (i) a liquidation preference of \$100.00 per share of Series C Preferred Stock, and (ii) an amount equal to any accumulated and unpaid distributions thereon, whether or not declared, to the date of payment. In the event that, upon such voluntary or involuntary liquidation, dissolution or winding-up, there are insufficient assets to permit full payment of liquidating distributions to the holders of Series C Preferred Stock and any Parity Preferred Stock as to rights upon liquidation, dissolution or winding-up of the Corporation, all payments of liquidating distributions on the Series C Preferred Stock and such Parity Preferred Stock shall be made so that the payments on the Series C Preferred Stock and such Parity Preferred Stock shall in all cases bear to each other the same ratio that the respective rights of the Series C Preferred Stock and such other Parity Preferred Stock (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such Parity Preferred Stock does not have cumulative distribution rights) upon liquidation, dissolution or winding-up of the Corporation bear to each other.

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

(c) No Further Rights. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series C Preferred Stock will have no right or claim to any of the remaining assets of the Corporation. (d) Consolidation Merger or Certain Other Transactions. The voluntary sale, conveyance, lease, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of the Corporation to, or the consolidation or merger or other business combination of the Corporation with or into, any corporation, trust or other entity (or of any corporation, trust or other entity with or into the Corporation) shall not be deemed to constitute a liquidation, dissolution or winding-up of the Corporation. (e) Permissible Distributions. In determining whether a distribution (other than upon voluntary liquidation) by dividend, redemption or other acquisition of shares of stock of the Corporation or otherwise is permitted under the FBCA, no effect shall be given to amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of shares of stock of the Corporation whose preferential rights upon dissolution are superior to those receiving the distribution. Section 5. Optional Redemption. (a) Right of Optional Redemption. The Series C Preferred Stock may not be redeemed prior to September 3, 2004. On or after such date, the Corporation shall have the right to redeem the Series C Preferred Stock, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' written notice, at a redemption price, payable in cash, equal to \$100.00 per share of Series C Preferred Stock plus accumulated and unpaid distributions, whether or not declared, to the date of redemption. If fewer than all of the outstanding shares of Series C Preferred Stock are to be redeemed, the shares of Series C Preferred Stock to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional shares).

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

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

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

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

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

#### Section 6. Voting Rights

(a) General. Holders of the Series C Preferred Stock will not have any voting rights, except as set forth below.

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

(ii) At any time when such voting rights shall have vested, a proper officer of the Corporation shall call or cause to be called, upon written request of holders of record of at least 10% of the outstanding shares of Series C Preferred Stock, a special meeting of the holders of Series C Preferred Stock and all the series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable (collectively, the "Parity Securities") by mailing or causing to be mailed to such holders a notice of such special meeting to be held not less than ten and not more than 45 days after the date such notice is given. The record date for determining holders of the Parity Securities entitled to notice of and to vote at such special meeting will be the close of business on the third Business Day preceding the day on which such notice is mailed. At any annual or special meeting at which Parity Securities are entitled to vote, all of the holders of the Parity Securities, by plurality vote, voting together as a single class without regard to series will be entitled to elect two directors on the basis of one vote per \$25.00 of liquidation preference to which such Parity Securities are entitled by their terms (excluding amounts in respect of accumulated and unpaid dividends) and not cumulatively. The holder or holders of the Parity Securities representing one-third of the total voting power of the Parity Securities then outstanding, present in person or by proxy, will constitute a quorum for the election of the Preferred Stock Directors except as otherwise provided by law. Notice of all

meetings at which holders of the Series C Preferred Stock shall be entitled to vote will be given to such holders at their addresses as they appear in the transfer records. At any such meeting or adjournment thereof in the absence of a quorum, subject to the provisions of any applicable law, the holders of the Parity Securities representing a majority of the voting power of the Parity Securities present in person or by proxy shall have the power to adjourn the meeting for the election of the Preferred Stock Directors, without notice other than an announcement at the meeting, until a quorum is present. If a Series C Preferred Distribution Default shall terminate after the notice of an annual or special meeting has been given but before such meeting has been held, the Corporation shall, as soon as practicable after such termination, mail or cause to be mailed notice of such termination to holders of the Series C Preferred Stock that would have been entitled to vote at such meeting.

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

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

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

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

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

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

FIFTH : These Articles of Amendment have been approved by the Board of Directors in the manner and by the vote required by law. SIXTH : The undersigned Officer of the Corporation acknowledges these Articles of Amendment to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned Officer acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[Signature Page Follows]

Fax Audit No.  
10  
004.164394.4  
Fax Audit No.  
Fax Audit No. H99000022256

Fax Audit No. H99000022256

Signature Page to Series C Articles of Amendment

004.164394.4

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be executed under seal in its name and on its behalf by its Executive Vice President and attested to by its Secretary on this day of September, 1999.

REGENCY REALTY CORPORATION

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

[SEAL]

[ATTEST]

Name: J. Christian Leavitt  
Title: Secretary

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION OF  
REGENCY REALTY CORPORATION  
DESIGNATING THE PREFERENCES, RIGHTS AND  
LIMITATIONS OF 500,000 SHARES OF

9.125% SERIES D CUMULATIVE REDEEMABLE PREFERRED STOCK  
\$.01 Par Value

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

FIRST: Pursuant to the authority expressly vested in the Board of Directors of the Corporation by Section 4.2 of the Amended and Restated Articles of Incorporation of the Corporation (the "Charter") and Section 607.0602 of the FBCA, the Board of Directors of the Corporation (the "Board of Directors"), by resolutions duly adopted on August 23, 1999 and resolutions duly adopted by a committee of the Board of Directors on September 29, 1999 has classified 500,000 shares of the authorized but unissued Preferred Stock par value \$.01 per share ("Preferred Stock") as a separate class of Preferred Stock, authorized the issuance of a maximum of 500,000 shares of such class of Preferred Stock, set certain of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such class of Preferred Stock, and pursuant to the powers contained in the Bylaws of the Corporation and the FBCA, appointed a committee (the "Committee") of the Board of Directors and delegated to the Committee, to the fullest extent permitted by the FBCA and the Charter and Bylaws of the Corporation, all powers of the Board of Directors with respect to designating, and setting all other preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of, such class of Preferred Stock determining the number of shares of such class of Preferred Stock (not in excess of the aforesaid maximum number) to be issued and the consideration and other terms and conditions upon which such shares of such class of Preferred Stock are to be issued. Shareholder approval was not required under the Charter with respect to such designation.

11

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SECOND: Pursuant to the authority conferred upon the Committee as aforesaid, the Committee has unanimously adopted resolutions designating the aforesaid class of Preferred Stock as the A9.125% Series D Cumulative Redeemable Preferred Stock," setting the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such 9.125% Series D Cumulative Redeemable Preferred Stock (to the extent not set by the Board of Directors in the resolutions referred to in Article FIRST of these Articles of Amendment) and authorizing the issuance of up to 500,000 shares of 9.125% Series D Cumulative Redeemable Preferred Stock.

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

Section 1. Designation and Number. A series of Preferred Stock, designated the "9.125% Series D Cumulative Redeemable Preferred Stock" (the "Series D Preferred Stock") is hereby established. The number of shares of Series D Preferred Stock shall be 500,000.

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



Preferred Stock, the Series 1 Cumulative Convertible Redeemable Preferred Stock and the Series 2 Cumulative Convertible Redeemable Preferred Stock of the Corporation. The term "equity securities" does not include debt securities, which will rank senior to the Series D Preferred Stock prior to conversion.

Section 3. Distributions. (a) Payment of Distributions. Subject to the rights of holders of Parity Preferred Stock as to the payment of distributions and holders of equity securities issued after the date hereof in accordance herewith ranking senior to the Series D Preferred Stock as to payment of distributions, holders of Series D Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation, out of funds legally available for the payment of distributions, cumulative cash distributions at the rate per annum of 9.125% of the \$100.00 liquidation preference per share of Series D Preferred Stock. Such distributions shall be cumulative, shall accrue from the original date of issuance and will be payable in cash (A) quarterly (such quarterly periods for purposes of payment and accrual will be the quarterly periods ending on the dates specified in this sentence) in arrears, on or before March 31, June 30, September 30 and December 31 of each year commencing on the first of such dates to occur after the original date of issuance and, (B) in the event of a redemption, on the redemption date (each a "Preferred Stock Distribution Payment Date"). The amount of the distribution payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and for any period shorter than a full quarterly period for which distributions are computed, the amount of the distribution payable will be computed on the basis of the ratio of the actual number of days elapsed in such period to ninety (90) days. If any date on which distributions are to be made on the Series D Preferred Stock is not a Business Day (as defined herein), then payment of the distribution to be made on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Distributions on the Series D Preferred Stock will be made to the holders of record of the Series D Preferred Stock on the relevant record dates to be fixed by the Board of Directors of the Corporation, which record dates shall be not less than 10 days and not more than 30 Business Days prior to the relevant Preferred Stock Distribution Payment Date (each a "Distribution Record Date"). Notwithstanding anything to the contrary set forth herein, each share of Series D Preferred Stock shall also continue to accrue all accrued and unpaid distributions, whether or not declared, up to the exchange date on any Series D Preferred Unit (as defined in the Third Amended and Restated Agreement of Limited Partnership of Regency Centers, L.P., dated as September 1, 1999 as amended by Amendment No. 1 to the Third Amended and Restated Agreement of Limited Partnership of Operating Partnership, dated as of September 3, 1999, Amendment No. 2 to the Third Amended and Restated Agreement of Limited Partnership of Operating Partnership, dated as of September 3, 1999 and that certain Third Amendment to Third Amended and Restated Agreement of Limited Partnership dated as of September 29, 1999 (as amended the APartnership Agreement")) validly exchanged into such share of Series D Preferred Stock in accordance with the provisions of such Partnership Agreement.

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

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

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

(d) Priority as to Distributions. (i) So long as any Series D Preferred Stock is outstanding, no distribution of cash or other property shall be authorized, declared, paid or set apart for payment on or with respect to any class or series of Common Stock or any class or series of other stock of the Corporation ranking junior to the Series D Preferred Stock as to the payment of distributions (such Common Stock or other junior stock, collectively, "Junior Stock"), nor shall any cash or other property be set aside for or applied to the purchase, redemption or other acquisition for consideration of any Series D Preferred Stock, any Parity Preferred Stock with respect to distributions or any Junior Stock, unless, in each case, all distributions accumulated on all Series D Preferred Stock and all classes and series of outstanding Parity Preferred Stock with respect to distributions have been paid in full. Without limiting Section 6(b) hereof, the foregoing sentence will not prohibit (i) distributions payable solely in shares of Junior Stock, (ii) the conversion of Junior Stock or Parity Preferred Stock into Junior Stock, and (iii) purchases by the Corporation of such Series D Preferred Stock or Parity Preferred Stock or Junior Stock pursuant to Article 5 of the Charter to the extent required to preserve the Corporation's status as a real estate investment trust.

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

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

Section 4. Liquidation Preference. (a) Payment of Liquidating Distributions. Subject to the rights of holders of Parity Preferred Stock with respect to rights upon any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation and subject to equity securities ranking senior to the Series D Preferred Stock with respect to rights upon any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, the holders of Series D Preferred Stock shall be entitled to receive out of the assets of the Corporation legally available for distribution or the proceeds thereof, after payment or provision for debts and other liabilities of the Corporation, but before any payment or distributions of the assets shall be made to holders of Common Stock or any other class or series of shares of the Corporation that ranks junior to the Series D Preferred Stock as to rights upon liquidation, dissolution or winding-up of the Corporation, an amount equal to the sum of (i) a liquidation preference of \$100 per share of Series D Preferred Stock, and (ii) an amount equal to any accumulated and unpaid distributions thereon, whether or not declared, to the date of payment. In the event that, upon such voluntary or involuntary liquidation, dissolution or winding-up, there are insufficient assets to permit full payment of liquidating distributions to the holders of Series D Preferred Stock and any Parity Preferred Stock as to rights upon liquidation, dissolution or winding-up of the Corporation, all payments of liquidating distributions on the Series D Preferred Stock and such Parity Preferred Stock shall be made so that the payments on the Series D Preferred Stock and such Parity Preferred Stock shall in all cases bear to each other the same ratio that the respective rights of the Series D Preferred Stock and such other Parity Preferred Stock (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such Parity Preferred Stock do not have cumulative distribution rights) upon liquidation, dissolution or winding-up of the Corporation bear to each other.

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

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

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

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

Section 5. Optional Redemption. (a) Right of Optional Redemption. The Series D Preferred Stock may not be redeemed prior to September 29, 2004. On or after such date, the Corporation shall have the right to redeem the Series D Preferred Stock, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' written notice, at a redemption price, payable in cash, equal to \$100 per share of Series D Preferred Stock plus accumulated and unpaid distributions, whether or not declared, to the date of redemption. If fewer than all of the outstanding shares of Series D Preferred Stock are to be redeemed, the shares of Series D Preferred Stock to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional units).

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

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

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

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

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

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

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

(ii) At any time when such voting rights shall have vested, a proper officer of the Corporation shall call or cause to be called, upon written request of holders of record of at least 10% of the outstanding shares of Series D Preferred Stock, a special meeting of the holders of Series D Preferred Stock and all the series of Parity Preferred Stock which are (i) on parity with the Series D Preferred Stock both as to distributions and rights upon liquidation, dissolution and winding up, (ii) with respect to Parity Preferred Stock outstanding as a result of an acquisition of another corporation, on parity with the Series D Preferred Stock as to distributions only or with respect to distributions and rights upon liquidation, dissolution or winding up or (iii) on parity with the Series D Preferred Stock as to distributions, but junior as to rights upon liquidation, dissolution and winding up, but if any such Parity Preferred Stock referred to in this clause (iii) was issued for an amount less than its liquidation preference, the holders thereof shall be entitled to one vote for each \$25.00 of issuance price, in lieu of one vote for each \$25.00 of liquidation preference, and upon which like voting rights have been conferred and are exercisable (collectively, the AParity Securities@) by mailing or causing to be mailed to such holders a notice of such special meeting to be held not less than ten and not more than 45 days after the date such notice is given. The record date for determining holders of the Parity Securities entitled to notice of and to vote at such special meeting will be the close of business on the third Business Day preceding the day on which such notice is mailed. At any annual or special meeting at which Parity Securities are entitled to vote, all of the holders of the Parity Securities, by plurality vote, voting together as a single class without regard to series will be entitled to elect two directors on the basis of one vote per \$25.00 of liquidation preference to which such Parity Securities are entitled by their terms (excluding amounts in respect of accumulated and unpaid dividends) and not cumulatively. The holder or holders of the Parity Securities representing one-third of the total voting power of the Parity Securities then outstanding, present in person or by proxy, will constitute a quorum for the election of the Preferred Stock Directors except as

otherwise provided by law. Notice of all meetings at which holders of the Series D Preferred Stock shall be entitled to vote will be given to such holders at their addresses as they appear in the transfer records. At any such meeting or adjournment thereof in the absence of a quorum, subject to the provisions of any applicable law, the holders of the Parity Securities representing a majority of the voting power of the Parity Securities present in person or by proxy shall have the power to adjourn the meeting for the election of the Preferred Stock Directors, without notice other than an announcement at the meeting, until a quorum is present. If a Preferred Distribution Default shall terminate after the notice of an annual or special meeting has been given but before such meeting has been held, the Corporation shall, as soon as practicable after such termination, mail or cause to be mailed notice of such termination to holders of the Series D Preferred Stock that would have been entitled to vote at such meeting.

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

(c) Certain Voting Rights. So long as any Series D Preferred Stock remains outstanding, the Corporation shall not, without the affirmative vote of the holders of at least two-thirds of the Series D Preferred Stock and the Series D Preferred Units outstanding at such time and not previously surrendered in exchange for Series D Preferred Stock together, if applicable, voting as a single class based on the number of shares into which such Series D Preferred Units are then convertible (collectively, the "Series D Voting Securities") (i) designate or create, or increase the authorized or issued amount of, any class or series of shares ranking senior to the Series D Preferred Stock with respect to payment of distributions or rights upon liquidation, dissolution or winding-up or reclassify any authorized shares of the Corporation into any such shares, or create, authorize or issue any obligations or securities convertible into or evidencing the right to purchase any such shares, (ii) designate or create, or increase the authorized or issued amount of, any Parity Preferred Stock or reclassify any authorized shares of the Corporation into any such shares, or create, authorize or issue any obligations or securities convertible into or evidencing the right to purchase any such shares, but only to the extent such Parity Preferred Stock is issued to an affiliate of the Corporation (other than Security Capital U.S. Realty, Security Capital Holdings, S.A. or their affiliates if issued upon arms-length terms in the good faith determination of the Board of Directors), or (iii) either (A) consolidate, merge into or with, or convey, transfer or lease its assets substantially as an entirety, to any corporation or other entity, or (B) amend, alter or repeal the provisions of the Corporation's Charter (including these Articles of Amendment) or By-laws, whether by merger, consolidation or otherwise, in each case that would materially and adversely affect the powers, special rights, preferences, privileges or voting power of the Series D Preferred Stock or the holders thereof; provided, however, that with respect to the occurrence of a merger, consolidation or a sale or lease of all of the

Corporation=s assets as an entirety, so long as (a) the Corporation is the surviving entity and the Series D Preferred Stock remains outstanding with the terms thereof unchanged, or (b) the resulting, surviving or transferee entity is a corporation organized under the laws of any state and substitutes the Series D Preferred Stock for other preferred stock having substantially the same terms and same rights as the Series D Preferred Stock, including with respect to distributions, voting rights and rights upon liquidation, dissolution or winding-up, then the occurrence of any such event shall not be deemed to materially and adversely affect such rights, privileges or voting powers of the holders of the Series D Preferred Stock and no vote of the Series D Voting Securities shall be required in such case; and provided further that any increase in the amount of authorized Preferred Stock or the creation or issuance of any other class or series of Preferred Stock, or any increase in an amount of authorized shares of each class or series, in each case ranking either (a) junior to the Series D Preferred Stock with respect to payment of distributions or the distribution of assets upon liquidation, dissolution or winding-up, or (b) on a parity with the Series D Preferred Stock with respect to payment of distributions or the distribution of assets upon liquidation, dissolution or winding-up to the extent such Preferred Stock is not issued to a affiliate of the Corporation (other than Security Capital U.S. Realty, Security Capital Holdings, S.A. or their affiliates if issued upon arms-length terms in the good faith determination of the Board of Directors), shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers and no vote of the Series D Preferred Stock shall be required in such case.

NYDOCS03/486174 6

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

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

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

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

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

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

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be executed under seal in its name and on its behalf by its \_\_\_\_\_ and attested to by its Secretary on this 29th day of September, 1999.

REGENCY REALTY CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

[SEAL]

ATTEST:

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Name: J. Christian Leavitt



NYDOCS03/486174 6

Title: Secretary

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION  
OF  
REGENCY REALTY CORPORATION  
AMENDING THE DESIGNATION OF THE PREFERENCES, RIGHTS  
AND LIMITATIONS OF 542,532 SHARES OF  
SERIES 1 CUMULATIVE CONVERTIBLE REDEEMABLE PREFERRED STOCK  
\$.01 Par Value

Pursuant to Section 607.1003 of the Florida Business Corporation Act ("FBCA"), Regency Realty Corporation, a Florida corporation (the "Corporation"), does hereby certify that:

The Corporation was incorporated on July 8, 1993, effective July 9, 1993, under the name Regency Realty Corporation. By resolutions duly adopted on July 29, 1999, the Board of Directors of the Corporation has approved an amendment ("Amendment") to the Articles of Amendment to the Charter (the "Designation") designating the preferences, rights and limitations of 542,532 shares of Series 1 Cumulative Convertible Redeemable Preferred Stock, par value \$.01 per share (the "Series 1 Preferred Stock"). Pursuant to Section 9(c) of the Designation and pursuant to Sections 607.0704 and 607.1004 of the FBCA, the Amendment was approved by the written consent of the holders of record of a majority of the outstanding shares of the Series 1 Preferred Stock effective August \_\_, 1999. The number of votes cast by such voting group was sufficient for approval of the Amendment by such voting group. No other voting group was entitled to vote on the Amendment.

The definition in the Designation of "Dividend Payment Date" is hereby amended to read in full as follows:

"'Dividend Payment Date' shall mean the date on which any cash dividend is paid on the Common Stock."

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned Chief Executive Officer of the Corporation has executed these Articles of Amendment this \_\_\_\_ day of \_\_\_\_\_, 1999.

REGENCY REALTY CORPORATION

By:

Name: Bruce M. Johnson  
Title: Executive Vice President and  
Managing Director

[SEAL]

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION OF  
REGENCY REALTY CORPORATION  
AMENDING THE DESIGNATION OF THE PREFERENCES, RIGHTS  
AND LIMITATIONS OF 1,502,532 SHARES OF  
SERIES 2 CUMULATIVE CONVERTIBLE REDEEMABLE PREFERRED STOCK  
\$0.01 Par Value

Pursuant to Section 607.1003 of the Florida Business Corporation Act ("FBCA"), Regency Realty Corporation, a Florida corporation (the "Corporation"), does hereby certify that:

The Corporation was incorporated on July 8, 1993, effective July 9, 1993, under the name Regency Realty Corporation. By resolutions duly adopted on July 29, 1999, the Board of Directors of the Corporation has approved an amendment ("Amendment") to the Articles of Amendment to the Charter (the "Designation") designating the preferences, rights and limitations of 1,502,532 shares of Series 2 Cumulative Convertible Redeemable Preferred Stock, par value \$0.01 per share (the "Series 2 Preferred Stock"). Pursuant to Section 9(c) of the Designation and pursuant to Sections 607.0704 and 607.1004 of the FBCA, the Amendment was approved by the written consent of the holders of record of a majority of the outstanding shares of the Series 2 Preferred Stock effective August \_\_, 1999. The number of votes cast by such voting group was sufficient for approval of the Amendment by such voting group. No other voting group was entitled to vote on the Amendment.

The definition in the Designation of "Dividend Payment Date" is hereby amended to read in full as follows:

"'Dividend Payment Date' shall mean the date on which any cash dividend is paid on the Common Stock."

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned Chief Executive Officer of the Corporation has executed these Articles of Amendment this \_\_\_\_ day of \_\_\_\_\_, 1999.

REGENCY REALTY CORPORATION

By:  
Name: Bruce M. Johnson  
Title: Executive Vice President and Managing Director

[SEAL]

[EXECUTION COUNTERPART]  
AMENDMENT NO. 4 TO STOCKHOLDERS AGREEMENT

THIS AMENDMENT NO. 4 TO STOCKHOLDERS AGREEMENT (this "Amendment"), dated as of September 2, 1999, 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").

Background:

WHEREAS, the Company, Investor and The Regency Group, Inc. entered into a Stockholders Agreement, dated as of July 10, 1996, as amended by Amendment No.1 to Stockholders Agreement dated as of February 10, 1997 ("Amendment No.1"), Amendment No. 2 to Stockholders Agreement dated as of December 4, 1997 ("Amendment No. 2"), and Amendment No. 3 to Stockholders Agreement dated as of September 23, 1998 ("Amendment No. 3") (as so amended, the "Agreement"); and

WHEREAS, the parties wish to amend the Agreement in the manner set forth herein;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. Additional Section 1.28a. The Agreement is hereby amended by adding a new Section 1.28a following Section 1.28, as follows:

Section 1.28a. "Operating Partnership" shall mean Regency Centers, L.P. (formerly known as Regency Retail Partnership, L.P.), a Delaware limited partnership.

2. Additional Section 1.28b. The Agreement is hereby amended by adding a new Section 1.28b following Section 1.28a, as follows:

"Operating Partnership Units" shall mean any class of limited partnership units representing partnership or other equity interests in the Operating Partnership.

3. Participation Rights. Section 4.2 of the Agreement is hereby restated in its entirety as follows:

Section 4.2 Participation Rights. (a) Right to Participate. From and after the date hereof until the 15% Termination Date, if any, Investor shall be entitled to a participation right to purchase or subscribe for up to that number of additional shares of capital stock (including as "capital stock" for purposes of this Section 4.2, any stock, unit, partnership unit or participation, or other equity security, and including any security, option, warrant, call, commitment, subscription, right to purchase or other agreement of any character that is convertible into or exchangeable or redeemable for shares of capital stock or other similar equity interests of the Company or any Subsidiary or the Operating Partnership (and all references in this Section 4.2 to capital stock shall, as appropriate, be deemed to be references to any such securities), and also including additional shares of capital stock to be issued pursuant to the conversion, exchange or redemption of any security, option, warrant, call, commitment, subscription, right to purchase or other agreement of any character that is convertible into or exchangeable or redeemable for shares of capital stock, as if the price at which such additional shares of capital stock is issued pursuant to any such conversion, exchange or redemption were the market price on the date of such issuance) to be issued or sold by the Company or the Operating Partnership which represents the same proportion of the total number of shares of capital stock to be issued or sold by the Company or the Operating Partnership (including the shares of capital stock to be issued to Investor upon exercise of its participation rights hereunder; it being understood and agreed that the Company or the Operating Partnership will accordingly be required to either increase the number of shares of capital stock to be issued or sold so that Investor may purchase additional shares to maintain its proportionate interest, or to reduce the number of shares of capital stock to be issued or sold to Persons other than Investor) as is represented by the number of shares of Company Common Stock owned by Investor prior to such sale or issuance relative to the number of shares of Company Common Stock outstanding prior to such sale or issuance (but in no event more than 49% of the total number of shares of capital stock to be issued or sold by the Company at all subsequent offerings); provided, however, that in lieu

of any participation right of Investor under the provisions of this Section 4.2 which arises in connection with the issuance of any capital stock of the Operating Partnership, Investor shall have the right to acquire equivalent shares of capital stock of the Company (it being understood and agreed that the Company will accordingly be required to issue such shares of capital stock to Investor); provided, further, that the provisions of this Section 4.2 shall not apply to (i) the issuance or sale by the Company or the Operating Partnership of any of its capital stock issued to the Company or any of its Subsidiaries or pursuant to options, rights or warrants or other commitments or securities in effect or outstanding on the date of the Stock Purchase Agreement, or (ii) the issuance of capital stock pursuant to the conversion, exchange or redemption of any other capital stock, and with respect to the original issuance of which other capital stock Investor had and fully exercised participation rights pursuant to this Section 4.2, but shall, without limitation, apply to the issuance by the Company of any of its capital stock pursuant to benefit, option, stock purchase, or other similar plans or arrangements, including pursuant to or upon the exercise of options, rights, warrants, or other securities or agreements (including those issued pursuant to the Company's benefit plans), as if the price at which such capital stock is issued were the market price on the date of such issuance.

(b) Notice. In the event the Company or the Operating Partnership proposes to issue or sell any shares of capital stock in a transaction giving rise to the participation rights provided for in this Section, the Company shall send a written notice (the "Participation Notice") to Investor setting forth the number of shares of such capital stock of the Company or the Operating Partnership that the Company or the Operating Partnership proposes to sell or issue, the price (before any commission or discount) at which such shares are proposed to be issued (or, in the case of an underwritten or privately placed offering in which the price is not known at the time the Participation Notice is given, the method of determining such price and an estimate thereof), and all other relevant information as to such proposed transaction as may be necessary for Investor to determine whether or not to exercise the rights granted in this Section. At any time within 20 days after its receipt of the Participation Notice, Investor may exercise its participation rights to purchase or subscribe for shares of such shares of capital stock, as provided for in this Section, by so informing the Company in writing (an "Exercise Notice"). Each Exercise Notice shall state the percentage of the proposed sale or issuance that the Investor elects to purchase. Each Exercise Notice shall be irrevocable, subject to the conditions to the closing of the transaction giving rise to the participation right provided for in this Section.

(c) Abandonment of Sale or Issuance. The Company or the Operating Partnership, as the case may be, shall have the right, in its sole discretion, at all times prior to consummation of any proposed sale or issuance giving rise to the participation right granted by this Section, to abandon, rescind, annul, withdraw or otherwise terminate such sale or issuance, whereupon all participation rights in respect of such proposed sale or issuance pursuant to this Section shall become null and void, and neither the Company nor the Operating Partnership shall have any liability or obligation to Investor or any Affiliate thereof who has acquired shares of Company Stock pursuant to the Stock Purchase Agreement or from Investor with respect thereto by virtue of such abandonment, rescission, annulment, withdrawal or termination.

(d) Terms of Sale. The purchase or subscription by Investor or an Affiliate thereof, as the case may be, pursuant to this Section shall be on the same price and other terms and conditions, including the date of sale or issuance, as are applicable to the purchasers or subscribers of the additional shares of capital stock of the Company or the Operating Partnership whose purchases or subscriptions give rise to the participation rights, which price and other terms and conditions shall be substantially as stated in the relevant Participation Notice (which standard shall be satisfied if the price, in the case of a negotiated transaction, is not greater than 110% of the estimated price set forth in the relevant Participation Notice or, in the case of an underwritten or privately placed offering, is not greater than the greater of (i) 110% of the estimated price set forth in the relevant Participation Notice, and (ii) the most recent closing price on or prior to the date of the pricing of the offering); provided, however, that in the event the consideration to be received by the Company or the Operating Partnership in connection with the issuance of shares of capital stock giving rise to participation rights hereunder is other than cash or cash equivalents, the price per share at which the participation rights may be exercised shall be the price per

share set forth in the Participation Notice or determined in the manner set forth in the Participation Notice (which shall in either event be the price as set forth in the agreement pursuant to which such shares are to be issued, provided that the consideration to be received therefor is valued based upon the fair market value thereof, as determined in good faith by the Company's independent directors, after consultation with appropriate financial and legal advisors, or the price determined in accordance with paragraph (a) of this Section 4.2); provided, further, however, that in the event the consideration to be received by the Company or the Operating Partnership in connection with the issuance of shares of capital stock giving rise to participation rights hereunder is other than cash or cash equivalents, and the fair market value of the consideration to be received is not determinable, the price per share at which the participation rights may be exercised shall, (i) in the event that shares of capital stock with an established trading market are being issued or sold, be the average ten-day trailing market price of such shares as of the date of receipt of the Participation Notice, and (ii) in the event any other shares of capital stock are being issued or sold, be determined by reference to the amount set forth above, adjusted as may be appropriate to reflect the relationship between those shares of capital stock with an established trading market and those shares of capital stock to be issued in the relevant transaction; provided, however, that if the consideration otherwise covered by the second proviso of this Section 4.2(d) is received in connection with a merger or consolidation by the Company or the Operating Partnership, the price per share at which the participation rights may be exercised shall be the market value per share of Company Common Stock or Operating Partnership Units, as the case may be, issued in respect of such merger or consolidation as of the date of the merger or consolidation agreement; and provided, finally, that in the event the purchases or subscriptions giving rise to the participation rights are effected by an offering of securities registered under the 1933 Act and in which offering it is not legally permissible for the securities to be purchased by Investor to be included, such securities to be purchased by Investor will be purchased in a concurrent private placement.

(e) Timing of Sale. If, with respect to any Participation Notice, Investor fails to deliver an Exercise Notice within the requisite time period, the Company or the Operating Partnership, as the case may be, shall have 120 days after the expiration of the time in which the Exercise Notice is required to be delivered in which to sell not more than 110% of the number of shares of capital stock of the Company or the Operating Partnership, as the case may be, described in the Participation Notice (plus, in the event such shares are to be sold in an underwritten public offering, an additional number of shares of capital stock of the Company or the Operating Partnership, as the case may be, not in excess of 15% of 110% of the number of shares of capital stock of the Company or the Operating Partnership, as the case may be, described in the Participation Notice, in respect of any underwriters overallotment option) and not less than 90% of the number of shares of capital stock of the Company or the Operating Partnership, as the case may be, described in the Participation Notice on terms not more favorable to the purchaser than were set forth in the Participation Notice. If, at the end of 120 days following the expiration of the time in which the Exercise Notice is required to be delivered, the Company or the Operating Partnership, as the case may be, has not completed the sale or issuance of capital stock of the Company or the Operating Partnership, as the case may be, in accordance with the terms described in the Participation Notice (or at a price which is at least 90% of the estimated price set forth in the Participation Notice), or in the event of any contemplated sale or issuance within such 120-day period but outside such price parameters, the Company or the Operating Partnership, as the case may be, shall again be obligated to comply with the provisions of this Section with respect to, and provide the opportunity to participate in, any proposed sale or issuance of shares of capital stock of the Company or the Operating Partnership, as the case may be; provided, however, that notwithstanding the foregoing, if the price at which such capital stock is to be sold in an underwritten offering (or a privately placed offering in which the price is not less than 97% of the most recent closing price at the time of the pricing of the offering) is not at least 90% of the estimated price set forth in the Participation Notice, the Company or the Operating Partnership, as the case may be, may inform Investor of such fact and Investor shall be entitled to elect, by written notice delivered within two Business Days following such notice from the Company, to participate in such offering in accordance with the provisions of this Section 4.2.

4. Standstill Period; Ownership Limit. Section 5.2(a)(iii) of the Agreement is hereby restated in its entirety as follows:

(iii) purchase or otherwise acquire shares of Company Common Stock (or options, rights or warrants or other commitments to purchase and securities convertible into (or exchangeable or redeemable for) shares of Company Common Stock) as a result of which, after giving effect to such pur

chase or acquisition, Investor will own more than 60% of the outstanding shares of Company Common Stock, on a fully diluted basis;

5. Exception to Special Shareholder Limit; Application of Section 5.1(r) of Company Charter. Pursuant to and in accordance with the provisions of Section 5.11 of the Company Charter, the Board of Directors of the Company shall duly approve, and the Company shall otherwise take all other action necessary pursuant to Section 5.11 of the Company Charter and otherwise by no later than Monday, September 13, 1999, to irrevocably and permanently grant, an exception to the Special Shareholder Limit such that, from and after the date hereof, Section 5.1(r) of the Company Charter (setting forth the definition of "Special Shareholder Limit") shall apply to the Special Shareholder (as defined in the Company Charter) in all respects and for all purposes as if the first sentence of Section 5.1(r) did not contain the proviso "provided, however, that if at any time after the effective date of this Amendment a Special Shareholder's ownership of Common Stock, on a fully diluted basis, of the Corporation shall have been below 45% for a continuous period of 180 days, then the definition of 'Special Shareholder Limit' shall mean 49% of the outstanding shares of Common Stock, on a fully diluted basis, of the Corporation". At the request of Investor, the Board of Directors will authorize and recommend for approval (and shall not thereafter withdraw or modify such recommendation) by the shareholders of the Company at the next annual or special meeting of the Company's shareholders following the date of such request an amendment to the Company's Charter in a form reasonably approved by Investor to amend Section 5.1(r) of the Company Charter so as to eliminate the foregoing proviso, and to replace it with the phrase "or such other percentage of the outstanding shares of Common Stock as the Board of Directors may from time to time determine".

6. No Effect on Consistent Terms. All terms of the 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 (i) to the Agreement as amended hereby and (ii) to this Amendment. From and after the date hereof, each reference to the Agreement in any other instrument or document shall be deemed a reference to the Agreement as amended by Amendment No. 1, Amendment No. 2, Amendment No. 3, and as amended hereby, unless the context otherwise requires.

7. 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.

8. 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:  
Title:

SECURITY CAPITAL HOLDINGS S.A.

By:  
Name:  
Title:

SECURITY CAPITAL U.S. REALTY

By:  
Name:  
Title:



## EXHIBIT "C"

AMENDMENT TO ARTICLES OF INCORPORATION  
OF  
REGENCY REALTY CORPORATION

This corporation was incorporated on July 8, 1993 effective July 9, 1993 under the name Regency Realty Corporation. Pursuant to Sections 607.1001, 607.1003, 607.1004 and 607.1006 of the Florida Business Corporation Act, amendments to Section 5.1(r) and Section 5.14 of the Articles of Incorporation of Regency Realty Corporation were approved by the Board of Directors at a meeting held on September 23, 1998, and adopted by the shareholders of the corporation on February 26, 1999.

Section 5.1(r) is hereby amended in its entirety as follows:

(r) "Special Shareholder Limit" for a Special Shareholder shall initially mean 60% of the outstanding shares of Common Stock, on a fully diluted basis, of the Corporation; provided, however, that if at any time after the effective date of this Amendment a Special Stockholder's ownership of Common Stock, on a fully diluted basis, of the Corporation shall have been below 45% for a continuous period of 180 days, then the definition of "Special Shareholder Limit" shall mean 49% of the outstanding shares of Common Stock, on a fully diluted basis, of the Corporation. After any adjustment pursuant to Section 5.8, the definition of "Special Shareholder Limit" shall mean the percentage of the outstanding Common Stock as so adjusted, and the definition of "Special Shareholder Limit" shall also be appropriately and equitably adjusted in the event of a repurchase of shares of Common Stock of the Corporation or other reduction in the number of outstanding shares of Common Stock of the Corporation. Notwithstanding the foregoing, if any Person and its Affiliates (taken as a whole), other than the Special Shareholder, shall directly or indirectly own in the aggregate more than 45% of the outstanding shares of Common Stock, on a fully diluted basis, of the Corporation, the definition of "Special Shareholder Limit" shall be revised in accordance with Section 5.8 of the Stockholders Agreement. Notwithstanding the foregoing provisions of this definition, if, as the result of any Special Shareholder's ownership (taking into account for this purpose constructive ownership under Section 544 of the Code, as modified by Section 856(h)(1)(B) of the Code) of shares of Capital Stock, any Person who is an individual within the meaning of Section 542(a)(2) of the Code (taking into account the ownership attribution rules under Section 544 of the Code, as modified by Section 856(h) of the Code) and who is the Beneficial Owner of any interest in a Special Shareholder would be considered to Beneficially Own more than 9.8% of the outstanding shares of Capital Stock, then unless such individual reduces his or her interest in the Special Shareholder so that such Person no longer Beneficially Owns more than 9.8% of the outstanding shares of Capital Stock, the Special Shareholder Limit shall be reduced to such percentage as would result in such Person not being considered to Beneficially Own more than 9.8% of the outstanding Shares of Capital Stock. Notwithstanding anything contained herein to the contrary, in no event shall the Special Shareholder Limit be reduced below the Ownership Limit. At the request of the Special Shareholders, the Secretary of the Corporation shall maintain and, upon request, make available to each Special Shareholder a schedule which sets forth the then current Special Shareholder Limits for each Special Shareholder.

Section 5.14 is hereby amended in its entirety as follows:

Section 5.14 Certain Transfers to Non-U.S. Persons Void.

(a) At any time that Non-U.S. Persons (including Special Shareholders who will at all times be presumed to be Non-U.S. Persons) own directly or indirectly 50% or more of the fair market value of the issued and outstanding shares of Capital Stock of the Corporation, any Transfer of shares of Capital Stock of the Corporation by any Person (other than a Special Shareholder) on or after the effective date of this Amendment that results in such shares being owned directly or indirectly by a Non-U.S. Person (other than a Special Shareholder) shall be void ab initio to the fullest extent permitted under applicable law and the intended transferee shall be deemed never to have had an interest therein.

(b) At any time that Non-U.S. Persons (including Special Shareholders who will at all times be presumed to be Non-U.S. Persons) own directly or indirectly less than 50% of the fair market value of the issued and outstanding shares of Capital Stock of the Corporation, any Transfer of shares of Capital Stock of the Corporation by any Person (other than a Special Shareholder) to any Person on or after the effective date of this Amendment shall be void ab initio to the fullest extent permitted under applicable law and the intended transferee shall be deemed never to have had an interest therein if such Transfer

- (i) occurs prior to the 10% Termination Date and results in the fair market value of the shares of Capital Stock of the Corporation owned directly or indirectly by Non-U.S. Persons (other than Special Shareholders) comprising 4.9 percent (4.9%) or more of the fair market value of the issued and outstanding shares of Capital Stock of the Corporation; or
- (ii) results in the fair market value of the shares of Capital Stock of the Corporation owned directly or indirectly by Non-U.S. Persons (including Special Shareholders who will at all times be presumed to be Non-U.S. Persons) comprising fifty percent (50%) or more of the fair market value of the issued

and outstanding shares of Capital Stock the Corporation.

(c) If any of the foregoing provisions is determined to be void or invalid by virtue of any legal decision, statute, rule or regulation, then the shares of Capital Stock of the Corporation held or purported to

Directors or otherwise shall, automatically and without the necessity of any action by the Board of

- (i) be prohibited from being voted;
- (ii) not be entitled to dividends with respect thereto;
- (iii) be considered held in trust by the transferee for the benefit of the Corporation and shall be subject to the provisions of Section 5.3(c) as if such shares of Capital Stock were the subject

Transfer that violates Section 5.2; and

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

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

IN WITNESS WHEREOF, the undersigned President of this corporation has executed these Articles of Amendment this 26th day of February, 1999.

-----  
Mary Lou Rogers, President

ARTICLES OF MERGER AND PLAN OF MERGER

Merging

PACIFIC RETAIL TRUST

(a real estate investment trust formed under the laws of the State of Maryland)  
with and into

REGENCY REALTY CORPORATION

(a corporation incorporated under the laws of the State of Florida)

Pursuant to Sections 607.1101 and 607.1108, Florida Statutes and Sections 3-109 and 8-501.1 of the Corporations and Associations Article of the Annotated Code of Maryland, as amended.

Regency Realty Corporation, a corporation organized and existing under the laws of the State of Florida ("Regency"), and Pacific Retail Trust, a real estate investment trust formed and existing under the laws of the State of Maryland ("Pacific Retail"), agree that Pacific Retail shall be merged with and into Regency, the latter of which is to survive the merger, and hereby adopt the following Articles of Merger. The terms and conditions of the merger and the mode of carrying the same into effect are as herein set forth in these Articles of Merger.

FIRST: The parties to these Articles of Merger are Pacific Retail, a real estate investment trust formed and existing under the laws of the State of Maryland, and Regency, a corporation organized and existing under the general laws of the State of Florida. Regency was incorporated on July 9, 1993 under the Florida Business Corporation Act (the "Florida Act") and qualified to do business in Maryland on February 9, 1999.

SECOND: Pacific Retail shall be merged with and into Regency in accordance with Title 8 of the Corporations and Associations Article of the Annotated Code of Maryland (the "Maryland Code") and the Florida Act and Regency shall survive the merger and continue under its present name (the "Surviving Entity"). At the effective time of the merger (the "Effective Time"), the separate existence of Pacific Retail shall cease in accordance with the provisions of the Maryland Code. From and after the Effective Time, the Surviving Entity shall continue its existence as a corporation under the Florida Act, shall succeed to all of the rights, privileges, properties, real, personal and mixed, liabilities and other assets without the necessity of any separate deed or other transfer and shall be subject to all of the liabilities and obligations of Pacific Retail without further action by either of the parties hereto, and will continue to be governed by the laws of the State of Florida. If at any time after the Effective Time the Surviving Entity shall consider or be advised that any deeds, bills of sale, assignments or assurances or any other acts or things are necessary, desirable or proper (a) to vest, perfect or confirm, of record or otherwise, in the Surviving Entity, its right, title or interest in, to or under any of the rights, privileges, powers, franchises, properties or assets of Pacific Retail acquired or to be acquired as a result of the merger, or (b) otherwise to carry out the purposes of these Articles, the Surviving Entity and its officers and directors or their designees shall be authorized to execute and deliver, in the name and on behalf of Pacific Retail, all deeds, bills of sale, assignments and assurances, and to do, in the name and on behalf of Pacific Retail, all other acts or things necessary, desirable or proper to vest, perfect or confirm the Surviving Entity's right, title or interest in, to or under any of the rights, privileges, powers, franchises, properties or assets of Pacific Retail acquired or to be acquired as a result of the merger and otherwise to carry out the purposes of these Articles.

THIRD: The principal office of Pacific Retail in the State of Maryland is located at 11 East Chase Street, the City of Baltimore, Maryland. The name and address of the registered agent of Regency is CSC Lawyers Incorporating Service Company, 11 East Chase Street, Baltimore, Maryland 21202. The principal office of Regency is located at 121 W. Forsyth Street, Suite 200, Jacksonville, Florida 32202. Neither Regency nor Pacific Retail owns any interest in land in any county in the State of Maryland or in Baltimore City.

FOURTH: The terms and conditions of the transaction set forth in these Articles of Merger were advised, authorized and approved by each party to these Articles of Merger in the manner and by the vote required by Regency's articles of incorporation and the Florida Act or Pacific Retail's declaration of trust and the Maryland Code, as the case may be.

FIFTH: The merger was duly (a) advised by the board of directors of Regency by the adoption of a resolution declaring that the merger set forth in these Articles of Merger was advisable on substantially the terms and conditions set forth in the resolution and directing that the proposed merger be submitted, together with the board's recommendation, for consideration at a special meeting of the shareholders of Regency and (b) approved by the shareholders of Regency on February 26, 1999 by the vote required by its articles of incorporation and the Florida Act. The only voting group of Regency entitled to vote on the adoption of the Plan was the holders of Regency Common Stock. The number of votes cast by such voting group was sufficient for approval by that group.

SIXTH: The merger was duly (a) advised by the board of trustees of Pacific Retail by the adoption of a resolution declaring that the merger set forth in these Articles of Merger was advisable on substantially the terms and conditions set forth or referred to in the resolution and directing that the proposed merger be submitted for consideration at a special meeting of the shareholders of Pacific Retail and (b) approved by the shareholders of Pacific Retail on February 26, 1999 by the vote required by its declaration of trust and the Maryland Code.

SEVENTH: The total number of shares of beneficial interest of all classes which Pacific Retail has authority to issue is 150,000,000 shares of beneficial interest, of the par value of \$.01 each, all such shares having an aggregate par value of \$1,500,000. Of such shares of beneficial interest, 142,739,448 shares are classified as common shares ("Pacific Retail Common Stock"), 1,130,276 shares have been classified as Series A Cumulative Convertible Redeemable Preferred Shares of Beneficial Interest ("Pacific Retail Series A Preferred Stock"), and 6,130,276 shares have been classified as Series B Cumulative Convertible Redeemable Preferred Shares of Beneficial Interest ("Pacific Retail Series B Preferred Stock").

Immediately before the Effective Time, the total number of shares of stock of all classes which Regency had authority to issue is 170,000,000 shares, of the par value of \$.01 each, all such shares having an aggregate par value of \$1,700,000. Of such 170,000,000 shares, 150,000,000 shares were classified as common stock ("Regency Common Stock"), 10,000,000 shares were classified as Special Common Stock (of which 2,500,000 have been classified as Class B Non-Voting Stock) and 10,000,000 shares were classified as Preferred Stock (of which 1,600,000 have been classified as 8.125% Series A Cumulative Redeemable Preferred Stock). Immediately after the Effective Time, the total number of shares of stock of all classes which Regency has authority to issue is 170,000,000 shares, of the par value of \$.01 each, all such shares having an aggregate par value of \$1,700,000. Of such 170,000,000 shares, 150,000,000 shares are classified as Regency Common Stock, 10,000,000 shares are classified as Special Common Stock (of which 2,500,000 are classified as Class B Non-Voting Common Stock) and 10,000,000 shares are classified as Preferred Stock (of which 542,532 shares have been classified as Series 1 Cumulative Convertible Redeemable Preferred Stock and 1,502,532 shares have been classified as Series 2 Cumulative Convertible Redeemable Preferred Stock and 1,600,000 have been classified as 8.125% Series A Cumulative Redeemable Preferred Stock).

EIGHTH: As of the Effective Time, by virtue of the Merger and without any action on the part of Regency, Pacific Retail, or any holder of any of the following securities:

(a) Cancellation of Treasury Stock and Regency-Owned Shares of Beneficial Interest of Pacific Retail. Each share of beneficial interest of Pacific Retail that is owned by Pacific Retail or any subsidiary of Pacific Retail or Regency or any subsidiary of Regency shall automatically be cancelled and retired and shall cease to exist, and no consideration shall be delivered or deliverable in exchange therefor.

(b) Conversion of Pacific Retail Common Stock. Each issued and outstanding share of Pacific Retail Common Stock, other than shares cancelled pursuant to paragraph (a) of this Article or shares as to which a demand for dissenter's rights has been duly perfected in accordance with the Maryland Code, shall be converted into the right to receive 0.48 validly issued, fully paid, and nonassessable shares of Regency Common Stock. The consideration to be issued to the holders of Pacific Retail Common Stock is referred to herein as the "Common Stock Merger Consideration." No fractional shares shall be issued as part of the Common Stock Merger Consideration. (c) Conversion of Pacific Retail Series A Preferred Stock. Each issued and outstanding share of Pacific Retail Series A Preferred Stock, other than shares cancelled pursuant to paragraph (a) of this Article or shares as to which a demand for dissenters rights has been duly perfected in accordance with the Maryland Code, shall be converted into the right to receive 0.48 validly issued, fully paid and nonassessable shares of Series 1 Cumulative Convertible Redeemable Preferred Stock of Regency ("Regency Series 1 Preferred Stock"). The consideration to be issued to holders of Pacific Retail Series A Preferred Stock is referred to as the "Series A Merger Consideration." (d) Conversion of Pacific Retail Series B Preferred Stock. Each issued and outstanding share of Pacific Retail Series B Preferred Stock, other than shares cancelled pursuant to paragraph (a) of this Article or shares as to which a demand for dissenters rights has been duly perfected in accordance with the Maryland Code, shall be converted into the right to receive 0.48 validly issued, fully paid and nonassessable shares of Series 2 Cumulative Convertible Redeemable Preferred Stock of Regency ("Regency Series 2 Preferred Stock"). The consideration to be issued to holders of Pacific Retail Series B Preferred Stock is referred to as the "Series B Merger Consideration." The Common Stock Merger Consideration, Series A Merger Consideration and Series B Merger Consideration are referred to collectively herein as the "Merger Consideration." (e) No Fractional Shares. Each holder of Pacific Retail Common Stock, Pacific Retail Series A Preferred Stock or Pacific Retail Series B Preferred Stock exchanged pursuant to the Merger who would otherwise have been entitled to receive a fraction of a share of (i) Regency Common Stock, (ii) Regency Series A Preferred Stock or (iii) Regency Series B Preferred Stock, as the case may be (after taking into account all shares of Pacific Retail Common Stock, Pacific Retail Series A Preferred Stock or Pacific Retail Series B Preferred Stock held of record by such holder at the Effective Time), shall receive, in lieu of such fraction of a share, cash in an amount arrived at by multiplying such fraction times the average closing price of a share of Regency Common Stock on the New York Stock Exchange on the ten (10) consecutive trading days ending on the fifth day immediately preceding the Effective Time. (f) Cancellation and Retirement of Shares of Beneficial Interest of Pacific Retail. As of the Effective Time, all shares of beneficial interest of Pacific Retail converted into the right to receive the applicable Merger Consideration pursuant to this Article shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of a certificate evidencing any such shares of beneficial interest of Pacific Retail shall cease to have any rights with respect thereto, except the right to receive the applicable Merger Consideration in accordance with this Article, and any cash in lieu of fractional shares of Regency Common Stock, Regency Series 1 Preferred Stock or Regency Series 2

Preferred Stock paid in cash by Regency based on the average of the closing price of the Regency Common Stock on the New York Stock Exchange for the ten (10) consecutive trading days ending on the fifth day immediately preceding the Effective Time. (g) Conversion of Pacific Retail Stock Options. Each option granted by Pacific Retail to purchase shares of Pacific Retail Common Stock (a "Pacific Retail Stock Option") which is outstanding and unexercised immediately prior to the Effective Time shall cease to represent a right to acquire such shares and shall be converted into an option to purchase shares of Regency Common Stock (a "Regency Stock Option") in an amount and at an exercise price determined as provided below and otherwise subject to the terms and conditions of Regency's Long-Term Omnibus Plan and the agreements evidencing grants thereunder but having the same vesting, exercise, and termination dates that such Pacific Retail Stock Options had immediately prior to the Effective Time except that departing officers' options shall fully vest and shall terminate on the dates set forth in agreements between the departing officers and Regency. (i) the number of shares of Regency Common Stock to be subject to the new Regency Stock Option will be equal to the product of (A) the number of shares of Pacific Retail Common Stock subject to the existing Pacific Retail Stock Option immediately prior to the Effective Time and (B) the ratio of the value per share of Pacific Retail Common Stock immediately prior to the Effective Time to the value per share of Regency Common Stock immediately after the Effective Time, and

(ii) the exercise price per share of Regency Common Stock under the new Regency Stock Option will be equal to (A) the value per share of Regency Common Stock immediately after the Effective Time multiplied by (B) the ratio of the exercise price per share of Pacific Retail Common Stock to the value per share of Pacific Retail Common Stock immediately prior to the Effective Time.

NINTH: The parties hereto intend that the execution of these Articles of Merger constitute the adoption of a "plan of reorganization" within the meaning of Section 368 of the Internal Revenue Code of 1996, as amended.

TENTH: The merger shall be effective at 11:59 p.m. Eastern Standard Time on February 28, 1999.

ELEVENTH: The merger may be abandoned at any time prior to the Effective Time by either Pacific Retail or the Surviving Entity, without further shareholder action by filing a Notice of Abandonment with each state authority with which these Articles of Merger are filed.

TWELFTH: The Articles of Incorporation of Regency shall continue to be the Articles of Incorporation of Regency on and after the Effective Time, except for the following amendments:

(a) The Articles of Incorporation of Regency are hereby amended to add the Certificate of Designations, Rights, Preferences and Limitations of Series 1 Cumulative Convertible Redeemable Preferred Stock of Regency attached hereto as Exhibit A.

(b) The Articles of Incorporation of Regency are hereby amended to add the Certificate of Designations, Rights, Preferences and Limitations of Series 2 Cumulative Convertible Redeemable Preferred Stock of Regency attached hereto as Exhibit B. (c) Article V of the Articles of Incorporation of Regency is hereby amended as set forth in Exhibit C hereto.

IN WITNESS WHEREOF, Regency Realty Corporation, a Florida corporation, and Pacific Retail Trust, a Maryland real estate investment trust, the entities parties to the merger, have caused these Articles of Merger to be signed in their respective names and on their behalf and witnessed or attested all as of the 26th day of February, 1999. Each of the individuals signing these Articles of Merger on behalf of Regency Realty Corporation or Pacific Retail Trust acknowledges these Articles of Merger to be the act of such respective entity and, as to all other matters or facts required to be verified under oath, that to the best of his or her knowledge, information and belief, these matters are true in all material respects and that this statement is made under the penalties for perjury.

REGENCY REALTY CORPORATION,  
a Florida corporation

By: \_\_\_\_\_  
Mary Lou Rogers, President

Attest:

- -----  
J. Christian Leavitt, Secretary

PACIFIC RETAIL TRUST,  
a Maryland real estate investment trust

By: \_\_\_\_\_  
Jane E. Mody, Managing Director and Chief  
Financial Officer

Attest:

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Kelli Hlavenka, Assistant Secretary  
shapeType1fFlipH0fFlipV0lineColor16777215fPreferRelativeResize0

## EXHIBIT "B"

004.105541.4

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION  
OF  
REGENCY REALTY CORPORATION  
DESIGNATING THE PREFERENCES, RIGHTS AND  
LIMITATIONS OF 1,502,532 SHARES OF  
SERIES 2 CUMULATIVE CONVERTIBLE REDEEMABLE PREFERRED STOCK  
\$.01 Par Value

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

FIRST: Pursuant to the authority expressly vested in the Board of Directors of the Corporation by Section 4.2 of the Restated Articles of Incorporation of the Corporation, as amended (the "Charter") and Section 607.0602 of the FBCA, the Board of Directors of the Corporation, by resolutions duly adopted on September 23, 1998 has classified 1,502,532 shares of the authorized but unissued Preferred Stock par value \$.01 per share (the "Series 2 Preferred Stock") as a separate class of Preferred Stock, authorized the issuance of a maximum of 1,502,532 shares of such class of Series 2 Preferred Stock, set certain of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such class of Series 2 Preferred Stock. Shareholder approval was not required under the Charter with respect to such designation.

SECOND: The class of Series 2 Preferred Stock of the Corporation created by the resolutions duly adopted by the Board of Directors of the Corporation shall have the following designation, number of shares, preferences, conversion and other rights, voting powers, restrictions and limitation as to dividends, qualifications, terms and conditions of redemption and other terms and conditions:

Section 1. Number of Shares and Designation. The number of shares of Series 2 Preferred Stock which shall constitute such series shall not be more than 1,502,532 shares, par value \$.01 per share, which number may be decreased (but not below the number thereof then outstanding plus the number required to fulfill the Corporation's obligations under certain agreements, options, warrants or similar rights issued by the Corporation) from time to time by the Board of Directors of the Corporation. Except as otherwise specifically stated herein, the Series 2 Preferred Stock shall have the same rights and privileges as Common Stock under Florida law.

Section 2. Definitions. For purposes of the Series 2 Preferred Stock, the following terms shall have the meanings indicated:

"Board" shall mean the Board of Directors of the Corporation or any committee authorized by such Board of Directors to perform any of its responsibilities with respect to the Series 2 Preferred Stock.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which state or federally chartered banking institutions in New York City, New York are not required to be open.

"Call Date" shall mean the date specified in the notice to holders required under subparagraph (d) of Section 5 as the Call Date.

"Common Stock" shall mean the common capital stock of the Corporation, par value \$.01 per share.

"Constituent Person" shall have the meaning set forth in paragraph (e) of Section 6 hereof.

"Conversion Price" shall mean the conversion price per share of Common Stock for which the Series 2 Preferred Stock is convertible, as such Conversion Price may be adjusted pursuant to Section 6. The initial conversion price shall be \$20.8333 (equivalent to a conversion rate of one (1) share of Common Stock for each share of Series 2 Preferred Stock).

"Current Market Price" of publicly traded Common Stock or any other class of capital stock or other security of the Corporation or any other issuer for any day shall mean the last reported sales price on such day, regular way, or, if no sale takes place on such day, the average of the reported closing bid and asked prices on such day, regular way, in either case as reported on the New York Stock Exchange ("NYSE") or, if such security is not listed or admitted for trading on the NYSE, on the principal national securities exchange on which such security is listed or admitted for trading or, if not listed or admitted for trading on any national securities exchange, on the National Market System of the National Association of Securities Dealers, Inc. Automated Quotations System ("NASDAQ") or, if such security is not quoted on such National Market System, the average of the closing bid and asked prices on such day in the over-the-counter market as reported by NASDAQ or, if bid and asked prices for such security on such day shall not have been reported through NASDAQ, as reported by the National Quotation Bureau, Incorporated, or, if not so reported, the average of the closing bid and asked prices as furnished by any member of the National Association of Securities Dealers, Inc. selected from time to time by the Corporation for such purpose, or, if no such prices are furnished, the fair market value of the security as determined in good faith by the Board.

"Dividend Payment Date" shall mean the last calendar day of March, June, September and December, in each year, commencing on March 31, 1999; provided, however, that if any Dividend Payment Date falls on any day other than a Business Day, the dividend payment due on such Dividend Payment Date shall be paid on the Business Day immediately following such Dividend Payment Date.

"Dividend Periods" shall mean quarterly dividend periods commencing on April 1, July 1, October 1 and January 1 of each year and ending on and including the day preceding the first day of the next succeeding Dividend Period (other than the initial Dividend Period, which shall commence on the Issue Date).

"Fully Junior Stock" shall mean any class or series of capital stock of the Corporation now or hereafter issued and outstanding over which the Series 2 Preferred Stock has preference or priority in both (i) the payment of dividends and (ii) the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Funds from Operations per Share" shall mean the amount determined by dividing (a) the net income of the Corporation before extraordinary items (determined in accordance with generally accepted accounting principles) as reported by the Corporation in its year-end audited financial statements, minus gains (or losses) from debt restructuring and sales of property, plus real property depreciation and amortization and amortization of capitalized leasing expenses and tenant allowances or improvements (to the extent such allowances or improvements are capital items), and after adjustments for unconsolidated partnerships, corporations and joint ventures (such items of depreciation and amortization and such gains, losses and adjustments as determined in accordance with generally accepted accounting principles and as reported by the Corporation in its year-end audited financial statements) by (b) the weighted average number of shares of common stock of the Corporation outstanding as reported by the Corporation in its year-end audited financial statements. Adjustments for unconsolidated partnerships, corporations and joint ventures shall be calculated to reflect Funds from Operations per Share on the same basis. If the Corporation shall after the Issue Date (A) pay a dividend or make a distribution in shares of common stock on its outstanding shares of common stock, (B) subdivide its outstanding shares of common stock into a greater number of shares, (C) combine its outstanding Common Stock into a smaller number of shares or (D) issue any shares of common stock by reclassification of its outstanding shares of common stock, the Funds from Operations per Share shall be appropriately adjusted to give effect to such events.

"Issue Date" shall mean the first date on which the Series 2 Preferred Stock is issued.

"Junior Stock" shall mean the Common Stock and any other class or series of capital stock of the Corporation now or hereafter issued and outstanding over which the Series 2 Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Minimum Amount" shall mean the greater of (A) \$0.2083 and (B) 65% of the highest amount of Funds from Operations per Share for any preceding fiscal year, beginning with the fiscal year ending December 31, 1996, divided by four.

"Non-Electing Share" shall have the meaning set forth in paragraph (e) of Section 6 hereof.

"Parity Stock" shall have the meaning set forth in paragraph (b) of Section 8.

"Person" shall mean any individual, firm, partnership, corporation, or trust or other entity, and shall include any successor (by merger or otherwise) of such entity.

"Securities" and "Security" shall have the meanings set forth in paragraph (d) (iv) of Section 6 hereof.

"Series 1 Preferred Stock" shall mean the Series 1 Cumulative Convertible Redeemable Preferred Stock of the Corporation, par value \$0.01 per share.

"Series 2 Preferred Stock" shall have the meaning set forth in Article FIRST hereof.

"set apart for payment" shall be deemed to include, without any action other than the following, the recording by the Corporation in its accounting ledgers of any accounting or bookkeeping entry which indicates, pursuant to a declaration of dividends or other distribution by the Board, the allocation of funds to be so paid on any series or class of capital stock of the Corporation; provided, however, that if any funds for any class or series of Junior Stock, Fully Junior Stock or any class or series of shares of capital stock ranking on a parity with the Series 2 Preferred Stock as to the payment of dividends are placed in a separate account of the Corporation or delivered to a disbursing, paying or other similar agent, then "set apart for payment" with respect to the Series 2 Preferred Stock shall mean placing such funds in a separate account or delivering such funds to a disbursing, paying or other similar agent.

"Transaction" shall have the meaning set forth in paragraph (e) of Section 6 hereof.

"Transfer Agent" means initially the Corporation and shall include such



other agent or agents of the Corporation as may be designated by the Board or their designee as the transfer agent for the Series 2 Preferred Stock.

"Voting Preferred Stock" shall have the meaning set forth in Section 9 hereof.

### Section 3. Dividends.

(a) The holders of Series 2 Preferred Stock shall be entitled to receive, when, as and if declared by the Board out of funds legally available for that purpose, quarterly dividends payable in cash in an amount per share equal to the greater of (i) the Minimum Amount or (ii) an amount equal to the dividend (determined on each Dividend Payment Date) on a share of Common Stock, or portion thereof, into which a share of Series 2 Preferred Stock is convertible. For purposes of clause (ii) of the preceding sentence, such dividends shall equal the number of shares of Common Stock, or portion thereof, into which a share of Series 2 Preferred Stock is convertible, multiplied by the most current quarterly dividend paid or payable on a share of Common Stock on or before the applicable Dividend Payment Date. Dividends on the Series 2 Preferred Stock shall begin to accrue and shall be fully cumulative from the Issue Date, whether or not for any Dividend Period or Periods there shall be funds of the Corporation legally available for the payment of such dividends, and shall be payable quarterly, when, as and if declared by the Board, in arrears on Dividend Payment Dates, commencing on the first Dividend Payment Date after the Issue Date. Accrued and unpaid dividends on shares of Series 2 Preferred Stock shall include any accrued and unpaid dividends on the Series B Cumulative Convertible Redeemable Preferred Shares of Beneficial Interest of Pacific Retail Trust which are exchanged by operation of law into such shares of Series 2 Preferred Stock pursuant to the merger of Pacific Retail Trust into the Corporation. Each dividend on the Series 2 Preferred Stock shall be payable to the holders of record of Series 2 Preferred Stock, as they appear on the stock records of the Corporation at the close of business on such record dates as shall be fixed by the Board. Accrued and unpaid dividends for any past Dividend Periods may be declared and paid at any time and for such interim periods, without reference to any regular Dividend Payment Date, to holders of record on such date as may be fixed by the Board.

(b) The amount of dividends payable for any dividend period shorter or longer than a full Dividend Period, on the Series 2 Preferred Stock shall be computed on the basis of twelve 30-day months and a 360-day year. Holders of Series 2 Preferred Stock shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of current and cumulative but unpaid dividends, as herein provided, on the Series 2 Preferred Stock. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series 2 Preferred Stock that may be in arrears. (c) So long as any Series 2 Preferred Stock is outstanding, no dividends, except as described in the immediately following sentence, shall be declared or paid or set apart for payment on any class or series of Parity Stock for any period unless full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on the Series 2 Preferred Stock for all Dividend Periods terminating on or prior to the Dividend Payment Date on such class or series of Parity Stock. When dividends are not paid in full or a sum sufficient for such payment is not set apart, as aforesaid, all dividends declared upon Series 2 Preferred Stock and all dividends declared upon any other class or series of Parity Stock shall be declared ratably in proportion to the respective amounts of dividends accumulated and unpaid on the Series 2 Preferred Stock and accumulated and unpaid on such Parity Stock. (d) So long as any Series 2 Preferred Stock is outstanding, no dividends (other than dividends or distributions paid solely in shares of, or options, warrants or rights to subscribe for or purchase shares of, Fully Junior Stock) shall be declared or paid or set apart for payment or other distribution declared or made upon Junior Stock, nor shall any Junior Stock be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of Common Stock made for purposes of an employee incentive or benefit plan of the Corporation or any subsidiary) for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Corporation, directly or indirectly (except by conversion into or exchange for Fully Junior Stock), unless in each case (i) the full cumulative dividends on all outstanding Series 2 Preferred Stock and any other Parity Stock of the Corporation shall have been paid or declared and set apart for payment for all past Dividend Periods with respect to the Series 2 Preferred Stock and all past dividend periods with respect to such Parity Stock and (ii) sufficient funds shall have been paid or declared and set apart for the payment of the dividend for the current Dividend Period with respect to the Series 2 Preferred Stock and the current dividend period with respect to such Parity Stock. Section 4. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for payment to the holders of Junior Stock or Fully Junior Stock, the holders of the Series 2 Preferred Stock shall be entitled to receive \$20.8333 per share of Series 2 Preferred Stock plus an amount equal to all dividends declared but unpaid thereon to the date of final distribution to such holders; but such holders shall not be entitled to any further payment. If, upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the Series 2 Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other shares of any class or series of Parity Stock, then such assets, or the proceeds thereof, shall be distributed among the holders of Series 2 Preferred Stock and any such other Parity Stock ratably in accordance with the respective amounts that would be payable on such Series 2 Preferred Stock and any such other Parity Stock if all

amounts payable thereon were paid in full. For the purposes of this Section 4, (i) a consolidation or merger of the Corporation with one or more Persons, (ii) a sale or transfer of all or substantially all of the Corporation's assets or (iii) a statutory share exchange shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Corporation.

(b) Subject to the rights of the holders of shares of any series or class or classes of shares of capital stock ranking on a parity with or prior to the Series 2 Preferred Stock upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the holders of the Series 2 Preferred Stock, as provided in this Section 4, any other series or class or classes of Junior Stock or Fully Junior Stock shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series 2 Preferred Stock shall not be entitled to share therein. Section 5. Redemption at the Option of the Corporation.

(a) The Series 2 Preferred Stock shall not be redeemable by the Corporation prior to October 20, 2010. On and after October 20, 2010, the Corporation, at its option, may redeem the Series 2 Preferred Stock, in whole at any time or from time to time in part, at the option of the Corporation at a redemption price of \$20.8333 per share of Series 2 Preferred Stock, plus the amounts indicated in Section 5(b).

(b) Upon any redemption of Series 2 Preferred Stock pursuant to this Section 5, the Corporation shall pay in full any and all accrued and unpaid dividends (without interest or sum of money in lieu of interest) for any and all Dividend Periods ending on or prior to the Call Date. If the Call Date falls after a dividend payment record date and prior to the corresponding Dividend Payment Date, then each holder of Series 2 Preferred Stock at the close of business on such dividend payment record date shall be entitled to the dividend payable on such shares on the corresponding dividend payment date notwithstanding the redemption of such shares before such Dividend Payment Date. (c) If full cumulative dividends on the Series 2 Preferred Stock and any other class or series of Parity Stock of the Corporation have not been paid or declared and set apart for payment, the Series 2 Preferred Stock may not be redeemed under this Section 5 in part and the Corporation may not purchase or acquire shares of Series 2 Preferred Stock, otherwise than pursuant to a voluntary purchase or exchange offer made on the same terms to all holders of Series 2 Preferred Stock. (d) Notice of the redemption of any Series 2 Preferred Stock under this Section 5 shall be mailed by first-class mail to each holder of record of Series 2 Preferred Stock to be redeemed at the address of each such holder as shown on the Corporation's record, not less than 30 nor more than 90 days prior to the Call Date. Neither the failure to mail any notice required by this paragraph (d), nor any defect therein or in the mailing thereof, to any particular holder, shall affect the sufficiency of the notice or the validity of the proceedings for redemption with respect to the other holders. Any notice which was mailed in the manner herein provided shall be conclusively presumed to have been duly given on the date mailed whether or not the holder receives the notice. Each such mailed notice shall state, as appropriate: (1) the Call Date; (2) the number of shares of Series 2 Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the place or places at which certificates for such shares are to be surrendered; and (4) that dividends on the shares to be redeemed shall cease to accrue on such Call Date except as otherwise provided herein. Notice having been mailed as aforesaid, from and after the Call Date (unless the Corporation shall fail to make available an amount of cash necessary to effect such redemption), (i) except as otherwise provided herein, dividends on the Series 2 Preferred Stock so called for redemption shall cease to accrue, (ii) said shares shall no longer be deemed to be outstanding and (iii) all rights of the holders thereof as holders of Series 2 Preferred Stock of the Corporation shall cease (except the rights to convert and to receive cash payable upon such redemption, without interest thereon, upon surrender and endorsement of their certificates if so required and to receive any dividends payable thereon). The Corporation's obligation to provide cash in accordance with the preceding sentence shall be deemed fulfilled if, on or before the Call Date, the Corporation shall deposit with a bank or trust company (which may be an affiliate of the Corporation) that has an office in the Borough of Manhattan, City of New York, and that has, or is an affiliate of a bank or trust company that has, capital and surplus of at least \$50,000,000, sufficient cash necessary for such redemption, in trust, with irrevocable instructions that such cash be applied to the redemption of the Series 2 Preferred Stock so called for redemption. No interest shall accrue for the benefit of the holders of Series 2 Preferred Stock to be redeemed on any cash so set aside by the Corporation. Subject to applicable escheat laws and other unclaimed property laws, any such cash unclaimed at the end of two years from the Call Date shall revert to the general funds of the Corporation, after which reversion the holders of such shares so called for redemption shall look only to the general funds of the Corporation for the payment of such cash. Notwithstanding the above, at any time after such redemption notice is received and on or prior to the Call Date, any holder may exercise its conversion rights under Section 6 below.

As promptly as practicable after the surrender in accordance with said notice of the certificates for any such shares so redeemed (properly endorsed or assigned for transfer, if the Corporation shall so require and if the notice shall so state), such shares shall be exchanged for any cash (including accumulated and unpaid dividends but without interest thereon) for which such shares have been redeemed. If fewer than all the outstanding shares of Series 2 Preferred Stock are to be redeemed, shares to be redeemed shall be selected by the Corporation from outstanding Series 2 Preferred Stock not previously called for redemption by lot or pro rata (as nearly as may be) or by any other method determined by the Corporation in its sole discretion to be equitable. If fewer

than all shares of the Series 2 Preferred Stock represented by any certificate are redeemed, then new certificates representing the unredeemed shares shall be issued without cost to the holder thereof.

Section 6. Conversion. Holders of Series 2 Preferred Stock shall have the right, at any time and from time to time, to convert all or a portion of such shares into Common Stock, as follows:

(a) Subject to and upon compliance with the provisions of this Section 6, a holder of Series 2 Preferred Stock shall have the right, at such holder's option, at any time to convert each share of Series 2 Preferred Stock into the number of fully paid and non-assessable shares of Common Stock obtained by dividing the aggregate liquidation preference of such shares by the Conversion Price (as in effect at the time and on the date provided for in the last paragraph of paragraph (b) of this Section 6) by surrendering such shares to be converted, such surrender to be made in the manner provided in paragraph (b) of this Section 6.

(b) In order to exercise the conversion right, each holder of shares of Series 2 Preferred Stock to be converted shall surrender the certificate representing such shares, duly endorsed or assigned to the Corporation or in blank, at the office of the Transfer Agent, accompanied by written notice to the Corporation that the holder thereof elects to convert such Series 2 Preferred Stock. Unless the shares issuable on conversion are to be issued in the same name as the name in which such Series 2 Preferred Stock is registered, each share surrendered for conversion shall be accompanied by instruments of transfer, in form satisfactory to the Corporation, duly executed by the holder or such holder's duly authorized attorney and an amount sufficient to pay any transfer or similar tax (or evidence reasonably satisfactory to the Corporation demonstrating that such taxes have been paid).

Holders of Series 2 Preferred Stock at the close of business on a dividend payment record date shall be entitled to receive the dividend payable on such shares on the corresponding dividend payment date notwithstanding the conversion thereof following such dividend payment record date and on or prior to such dividend payment date. In no event shall a holder of Series 2 Preferred Stock be entitled to receive a dividend payment on Common Stock issued or issuable upon conversion of Series 2 Preferred Stock if such holder is entitled to receive a dividend in respect of the Series 2 Preferred Stock surrendered for conversion. The Corporation shall make no payment or allowance for unpaid dividends, whether or not in arrears, on converted shares or for dividends on the Common Stock issued upon such conversion.

As promptly as practicable after the surrender of certificates for Series 2 Preferred Stock as aforesaid, the Corporation shall issue and shall deliver at such office to such holder, or such holder's written order, a certificate or certificates for the number of full shares of Common Stock issuable upon the conversion of such shares in accordance with provisions of this Section 6, and any fractional interest in respect of a share of Common Stock arising upon such conversion shall be settled as provided in paragraph (c) of this Section 6.

Each conversion shall be deemed to have been effected immediately prior to the close of business on the date on which the certificates for Series 2 Preferred Stock shall have been surrendered and such notice received by the Corporation as aforesaid, and the person or persons in whose name or names any certificate or certificates for Common Stock shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the shares represented thereby at such time on such date and such conversion shall be at the Conversion Price in effect at such time on such date unless the stock transfer books of the Corporation shall be closed on that date, in which event such person or persons shall be deemed to have become such holder or holders of record at the close of business on the next succeeding day on which such stock transfer books are open, but such conversion shall be at the Conversion Price in effect on the date on which such shares shall have been surrendered and such notice received by the Corporation.

(c) No fractional shares or scrip representing fractions of a share of Common Stock shall be issued upon conversion of the Series 2 Preferred Stock. Instead of any fractional interest in a share of Common Stock that would otherwise be deliverable upon the conversion of a share of Series 2 Preferred Stock, the Corporation shall pay to the holder of such share an amount in cash based upon the Current Market Price of Common Stock on the Business Day immediately preceding the date of conversion. If more than one share shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of Series 2 Preferred Stock so surrendered.

(d) The Conversion Price shall be adjusted from time to time as follows:

(i) If the Corporation shall after the Issue Date (A) pay a dividend or make a distribution in shares of Common Stock on its Common Stock, (B) subdivide its outstanding shares of Common Stock into a greater number of shares, (C) combine its outstanding shares of Common Stock into a smaller number of shares or (D) issue any shares of Common Stock by reclassification of its Common Stock, the Conversion Price in effect at the opening of business on the day following the date fixed for the determination of shareholders entitled to receive such dividend or distribution or at the opening of business on the Business Day next following the day on which such subdivision, combination or reclassification becomes effective, as the case may be, shall be adjusted so that the holder of any shares of Series 2 Preferred Stock thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock that such holder would have owned or have been entitled to receive after the happening of any of the events described above

as if such shares of Series 2 Preferred Stock had been converted immediately prior to the record date in the case of a dividend or distribution or the effective date in the case of a subdivision, combination or reclassification. An adjustment made pursuant to this subparagraph (i) shall become effective immediately after the opening of business on the Business Day next following the record date (except as provided in paragraph (g) below) in the case of a dividend or distribution and shall become effective immediately after the opening of business on the Business Day next following the effective date in the case of a subdivision, combination or reclassification.

(ii) If the Corporation shall issue after the Issue Date rights, options or warrants to subscribe for or purchase Common Stock, or to subscribe for or purchase any security convertible into Common Stock, and the price per share for which Common Stock is issuable upon exercise of such rights, options or warrants, or upon the conversion or exchange of such convertible securities, is less than the lesser of the Conversion Price then in effect and the Current Market Price per share of Common Stock on the date such rights, options or warrants are issued, then the Conversion Price in effect at the opening of business on the Business Day next following such issue date shall be adjusted to equal the price determined by multiplying (A) the Conversion Price in effect immediately prior to the opening of business on the date for such issuance by (B) a fraction, the numerator of which shall be the sum of (I) the number of shares of Common Stock outstanding immediately prior to such issuance and (II) the number of shares that the aggregate proceeds to the Corporation from the exercise of such rights, options or warrants for Common Stock, or in the case of rights to purchase convertible securities, the aggregate proceeds from the exercise of such rights, options or warrants and the subsequent conversion of such convertible securities, would purchase at such Conversion Price or Current Market Price, as applicable, and the denominator of which shall be the sum of (A) the number of shares of Common Stock outstanding immediately prior to such issuance and (B) the number of additional shares of Common Stock offered for subscription or purchase pursuant to such rights, options or warrants. Such adjustment shall become effective immediately after the opening of business on the day next following such issue date (except as provided in paragraph (g) below). In determining whether any rights, options or warrants entitle the holders of Common Stock to subscribe for or purchase Common Stock or any security convertible into or exchangeable for Common Stock at less than such Conversion Price or Current Market Price, as applicable, there shall be taken into account any consideration received by the Corporation upon issuance and upon exercise of such rights, options or warrants, and in the case of rights, options or warrants to subscribe for or purchase convertible securities, upon the subsequent conversion of such securities, the value of such consideration, if other than cash, to be determined in good faith by the Board. In the event that the securities referenced in this subparagraph (ii) are only issued to all holders of Common Stock, no adjustment shall be made to the Conversion Price under this subparagraph (ii) if the Corporation shall issue to all holders of Series 2 Preferred Stock, the same number of rights, options or warrants to subscribe for or purchase Common Stock or any security convertible into or exchangeable for Common Stock, as those issued to holders of Common Stock, based upon the number of shares of Common Stock into which each share of Series 2 Preferred Stock is then convertible. (iii) If the Corporation shall issue after the Issue Date any shares of capital stock or security convertible or exchangeable for Common Stock (excluding rights, options or warrants referred to in subparagraph (ii) above) and the price per share for which Common Stock is issuable upon the conversion or exchange of such convertible or exchangeable securities is less than the lesser of the Conversion Price then in effect and the Current Market Price per share of Common Stock on the date such convertible or exchangeable securities are issued, then the Conversion Price in effect at the opening of business on the Business Day next following such issue date shall be adjusted to equal the price determined by multiplying (A) the Conversion Price in effect immediately prior to the opening of business on the Business Day next following the issue date by (B) a fraction, the numerator of which shall be the sum of (I) the number of shares of Common Stock outstanding on the close of business on the Business Day immediately preceding the issue date and (II) the number of shares of Common Stock that the aggregate proceeds to the Corporation from the conversion into or in exchange for Common Stock would purchase at such Conversion Price or Current Market Price, as applicable, and the denominator of which shall be the sum of (A) the number of shares of Common Stock outstanding on the close of business on the Business Day immediately preceding the issue date and (B) the number of additional shares of Common Stock issuable upon conversion or exchange of such convertible or exchangeable securities. Such adjustment shall become effective immediately after the opening of business on the day next following such issue date (except as provided in paragraph (g) below). In determining whether any securities are convertible for or exchangeable into Common Stock at less than such Conversion Price or Current Market Price, as applicable, there shall be taken into account any consideration received by the Corporation upon issuance and upon conversion or exchange of such convertible or exchangeable securities, the value of such consideration, if other than cash, to be determined in good faith by the Board. (iv) If the Corporation shall distribute to all holders of its Common Stock any shares of capital stock of the Corporation (other than Common Stock) or evidence of its indebtedness or assets (excluding cash dividends or distributions) or rights, options or warrants to subscribe for or purchase any of its securities (excluding those rights, options and warrants referred to in subparagraph (ii) above and excluding those convertible or exchangeable securities referred to in subparagraph (iii) above (any of the foregoing being hereinafter in this subparagraph (iv) collectively called the "Securities" and individually a "Security"), then in each such case the Conversion Price shall be adjusted so that it shall equal the price determined by multiplying (A) the Conversion Price in effect immediately prior to the close of business on the date fixed for the determination of shareholders entitled to receive such distribution by (B) a fraction, the numerator of which shall be the lesser of the Conversion Price

then in effect and the Current Market Price per share of Common Stock on the record date mentioned below less the then fair market value (as determined in good faith by the Board) of the portion of the shares of capital stock or assets or evidences of indebtedness so distributed or of such rights, options or warrants applicable to one share of Common Stock, and the denominator of which shall be the lesser of the Conversion Price then in effect and the Current Market Price per share of Common Stock on the record date mentioned below. Such adjustment shall become effective immediately at the opening of business on the Business Day next following (except as provided in paragraph (g) below) the record date for the determination of shareholders entitled to receive such distribution. For the purposes of this clause (iv), the distribution of a Security, which is distributed not only to the holders of the Common Stock on the date fixed for the determination of shareholders entitled to such distribution of such Security, but also is distributed with each share of Common Stock delivered to a Person converting Series 2 Preferred Stock after such determination date, shall not require an adjustment of the Conversion Price pursuant to this clause (iv); provided that on the date, if any, on which a Person converting a share of Series 2 Preferred Stock would no longer be entitled to receive such Security with a share of Common Stock (other than as a result of the termination of all such Securities), a distribution of such Securities shall be deemed to have occurred and the Conversion Price shall be adjusted as provided in this clause (iv) (and such day shall be deemed to be "the date fixed for the determination of the shareholders entitled to receive such distribution" and "the record date" within the meaning of the two preceding sentences). (v) No adjustment in the Conversion Price shall be required unless such adjustment would require a cumulative increase or decrease of at least 1% in such price; provided, however, that any adjustments that by reason of this subparagraph (v) are not required to be made shall be carried forward and taken into account in any subsequent adjustment until made; and provided, further, that any adjustment shall be required and made in accordance with the provisions of this Section 6 (other than this subparagraph (v)) not later than such time as may be required in order to preserve the tax-free nature of a distribution to the holders of Common Stock. Notwithstanding any other provisions of this Section 6, the Corporation shall not be required to make any adjustment of the Conversion Price for the issuance of any Common Stock pursuant to (A) any plan providing for the reinvestment of dividends or interest payable on securities of the Corporation and the investment of additional optional amounts in Common Stock under such plan or (B) any right, option or warrant to acquire Common Stock granted to any employee (as such term is defined in General Instruction A to Form S-8 under the Securities Act) of the Corporation under a plan providing for the granting of such securities to employees; provided, however, that such plan is approved by the shareholders and the aggregate amount of Common Stock issuable under the rights, options and warrants granted under such plan shall not exceed 20% of the shares of Common Stock issued and outstanding on the date such plan is approved by shareholders. In addition, the Corporation shall not be required to make any adjustment of the Conversion Price for the issuance of any Common Stock or any other class or series of shares of capital stock pursuant to the terms of that certain Shareholders' Agreement among Pacific Retail Trust (to which the Corporation is successor by merger), Security Capital Holdings S.A. and Opportunity Capital Partners Limited Partnership. All calculations under this Section 6 shall be made to the nearest cent (with \$.005 being rounded upward) or to the nearest one-tenth of a share (with .05 of a share being rounded upward), as the case may be. Anything in this paragraph (d) to the contrary notwithstanding, the Corporation shall be entitled, to the extent permitted by law, to make such reductions in the Conversion Price, in addition to those required by this paragraph (d), as it in its discretion shall determine to be advisable in order that any share dividends, subdivision of shares, reclassification or combination of shares, distribution of rights, options or warrants to purchase stock or securities, or a distribution of other assets (other than cash dividends) hereafter made by the Corporation to its shareholders shall not be taxable. (e) If the Corporation shall be a party to any transaction (including without limitation a merger, consolidation, statutory share exchange, self tender offer for all or substantially all Common Stock, sale of all or substantially all of the Corporation's assets or recapitalization of the Common Stock and excluding any transaction as to which subparagraph (d) (i) of this Section 6 applies) (each of the foregoing being referred to herein as a "Transaction"), in each case as a result of which all or substantially all shares of Common Stock are converted into the right to receive stock, securities or other property (including cash or any combination thereof) of another Person, each share of Series 2 Preferred Stock, which is not converted into the right to receive stock, securities or other property of such Person prior to such Transaction (and each share of Series 2 Preferred Stock issuable after such Transaction upon conversion of securities convertible into Series 2 Preferred Stock), shall thereafter be convertible into the kind and amount of shares of stock, securities and other property (including cash or any combination thereof) receivable upon the consummation of such Transaction by a holder of that number of shares of Common Stock into which one share of Series 2 Preferred Stock was convertible immediately prior to such Transaction, assuming such holder of Common Stock (i) is not a Person with which the Corporation consolidated or into which the Corporation merged or which merged into the Corporation or to which such sale or transfer was made, as the case may be ("Constituent Person"), or an affiliate of a Constituent Person and (ii) failed to exercise his rights of election, if any, as to the kind or amount of stock, securities and other property (including cash) receivable upon such Transaction (provided that if the kind or amount of stock, securities and other property (including cash) receivable upon such Transaction is not the same for each share of Common Stock held immediately prior to such Transaction by other than a Constituent Person or an affiliate thereof and in respect of which such rights of election shall not have been exercised ("Non-Electing Share"), then for the purpose of this paragraph (e) the kind and amount of stock, securities and other property (including cash) receivable upon such Transaction by each Non-Electing Share shall be deemed to be the kind and amount so receivable per share by a

plurality of the Non-Electing Shares). The Corporation shall not be a party to any Transaction unless the terms of such Transaction are consistent with the provisions of this paragraph (e), and it shall not consent or agree to the occurrence of any Transaction until the Corporation has entered into an agreement with the successor or purchasing entity, as the case may be, for the benefit of the holders of the Series 2 Preferred Stock (and securities convertible into Series 2 Preferred Stock) that will contain provisions enabling the holders of the Series 2 Preferred Stock that remain outstanding (or are issuable upon conversion of securities convertible into Series 2 Preferred Stock) after such Transaction to convert into the consideration received by holders of Common Stock at the Conversion Price in effect immediately prior to such Transaction. The provisions of this paragraph (e) shall similarly apply to successive Transactions.

(f) Whenever the Conversion Price is adjusted as herein provided, the Corporation shall promptly mail notice of such adjustment of the Conversion Price to each holder of Series 2 Preferred Stock at such holder's last address as shown on the share records of the Corporation. (g) In any case in which paragraph (d) of this Section 6 provides that an adjustment shall become effective on the day next following the record date for an event, the Corporation may defer until the occurrence of such event (A) issuing to the holder of any Series 2 Preferred Stock converted after such record date and before the occurrence of such event the additional shares of Common Stock issuable upon such conversion by reason of the adjustment required by such event over and above the shares of Common Stock issuable upon such conversion before giving effect to such adjustment and (B) paying to such holder any amount of cash in lieu of any fraction pursuant to paragraph (c) of this Section 6. (h) There shall be no adjustment of the Conversion Price in case of the issuance of any shares of capital stock of the Corporation in a reorganization, acquisition or other similar transaction except as specifically set forth in this Section 6. If any action or transaction would require adjustment of the Conversion Price pursuant to more than one paragraph of this Section 6, only one adjustment shall be made and such adjustment shall be the adjustment that yields the highest absolute value. (i) The Corporation covenants that it will at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued Common Stock, for the purpose of effecting conversion of the Series 2 Preferred Stock, the full number of shares of Common Stock deliverable upon the conversion of all outstanding Series 2 Preferred Stock not theretofore converted. For purposes of this paragraph (i), the number of shares of Common Stock that shall be deliverable upon the conversion of all outstanding Series 2 Preferred Stock shall be computed as if at the time of computation all such outstanding shares were held by a single holder.

The Corporation covenants that any shares of Common Stock issued upon conversion of the Series 2 Preferred Stock shall be validly issued, fully paid and non-assessable. Before taking any action that would cause an adjustment reducing the Conversion Price below the then-par value of the Common Stock deliverable upon conversion of the Series 2 Preferred Stock, the Corporation will take any corporate action that, in the opinion of its counsel, may be necessary in order that the Corporation may validly and legally issue fully paid and non-assessable shares of Common Stock at such adjusted Conversion Price.

Prior to the delivery of any securities that the Corporation shall be obligated to deliver upon conversion of the Series 2 Preferred Stock, the Corporation shall endeavor to comply with all federal and state laws and regulations thereunder requiring the registration of such securities with, or any approval of or consent to the delivery thereof by, any governmental authority.

(j) The Corporation will pay any and all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of Common Stock or other securities or property on conversion of the Series 2 Preferred Stock pursuant hereto; provided, however, that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer involved in the issue or delivery of Common Stock or other securities or property in a name other than that of the holder of the Series 2 Preferred Stock to be converted, and no such issue or delivery shall be made unless and until the person requesting such issue or delivery has paid to the Corporation the amount of any such tax or established, to the reasonable satisfaction of the Corporation, that such tax has been paid.

Section 7. Shares to Be Retired. All shares of Series 2 Preferred Stock which shall have been issued and reacquired in any manner by the Corporation shall be restored to the status of authorized but unissued shares of Preferred Stock of the Corporation, without designation as to class or series.

Section 8. Ranking. Any class or series of shares of capital stock of the Corporation shall be deemed to rank: (a) prior to the Series 2 Preferred Stock, as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up, if the holders of such class or series shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of Series 2 Preferred Stock;

(b) on a parity with the Series 2 Preferred Stock, as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up, whether or not the dividend rates, dividend payment dates or liquidation prices per share thereof shall be different from those of the Series 2 Preferred Stock, if the holders of such class or series and the Series 2 Preferred Stock shall be entitled to the receipt of dividends and of amounts distributable upon liquidation, dissolution or winding up in proportion to their respective amounts of accrued and unpaid dividends per share or liquidation preferences, without preference or priority one over the other ("Parity Stock");

(c) junior to the Series 2 Preferred Stock, as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up, if such class or series shall be Junior Stock; and (d) junior to the Series 2 Preferred Stock, as to the payment of dividends and as to the distribution of assets upon liquidation, dissolution or winding up, if such class or series shall be Fully Junior Stock.

The Corporation's Series 1 Cumulative Convertible Redeemable Preferred Stock and the Corporation's 8.125% Series A Cumulative Redeemable Preferred Stock shall constitute Parity Stock.

#### Section 9. Voting.

(a) Each issued and outstanding share of Series 2 Preferred Stock shall entitle the holder thereof to the number of votes per share of Common Stock into which such share of Series 2 Preferred Stock is convertible (as of the close of business on the record date for determination of shareholders entitled to vote on a matter) on all matters presented for a vote of shareholders of the Corporation and, except as required by applicable law and subject to the further provisions of this Section 9, the Series 2 Preferred Stock shall be voted together with all issued and outstanding Common Stock and Series 1 Preferred Stock voting as a single class.

(b) If and whenever twelve consecutive quarterly dividends payable on the Series 2 Preferred Stock or any series or class of Parity Stock shall be in arrears (which shall, with respect to any such quarterly dividend, mean that any such dividend has not been paid in full), whether or not earned or declared, the number of directors then constituting the Board shall be increased by one and the holders of Series 2 Preferred Stock, together with the holders of shares of every other series of Parity Stock, including the Series 1 Preferred Stock (any such other series, the "Voting Preferred Stock"), voting as a single class regardless of series, shall be entitled to elect, at a special meeting of the holders of the Series 2 Preferred Stock and the Voting Preferred Stock called as hereinafter provided, the additional director to serve on the Board. Whenever all arrearages in dividends on the Series 2 Preferred Stock and the Voting Preferred Stock then outstanding shall have been paid and dividends thereon for the current quarterly dividend period shall have been paid or declared and set apart for payment, then the right of the holders of the Series 2 Preferred Stock and the Voting Preferred Stock to elect such additional director shall cease (but subject always to the same provision for the vesting of such voting rights in the case of any similar future arrearages in twelve quarterly dividends), and the terms of office of the person elected as director by the holders of the Series 2 Preferred Stock and the Voting Preferred Stock shall forthwith terminate and the number of members of the Board shall be reduced accordingly. At any time after such voting power shall have been so vested in the holders of Series 2 Preferred Stock and the Voting Preferred Stock (or if any vacancy shall occur in respect of the director previously elected by the holders of the Series 2 Preferred Stock and the Voting Preferred Stock), the secretary of the Corporation shall call a special meeting of the holders of the Series 2 Preferred Stock and of the Voting Preferred Stock for the election of the director to be elected by them as herein provided, such call to be made by notice similar to that provided in the Bylaws of the Corporation for a special meeting of the shareholders or as required by law. If any such special meeting required to be called as above provided shall not be called by the secretary within 30 days after the end of the most recent Dividend Period during which the right to elect such additional director arose or such vacancy occurred, then any holder of Series 2 Preferred Stock may call such meeting, upon the notice above provided, and for that purpose shall have access to the stock records of the Corporation. The director elected at any such special meeting shall hold office until the next annual meeting of the shareholders or special meeting held in lieu thereof if such office shall not have previously terminated as above provided. (c) So long as any Series 2 Preferred Stock is outstanding, in addition to any other vote or consent of shareholders required by law or by the Charter, the affirmative vote of at least 66 2/3% of the votes entitled to be cast by the holders of the Series 2 Preferred Stock, together with the holders of Voting Preferred Stock, at the time outstanding, acting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating: (i) Any amendment, alteration or repeal of any of the provisions of the Charter or these Articles of

Amendment that materially and adversely affects the voting powers, rights or preferences of the holders of the Series 2 Preferred Stock or the Voting Preferred Stock; provided, however, that the amendment of the provisions of the Charter so as to authorize or create or to increase the authorized amount of, any Fully Junior Stock, Junior Stock that is not senior in any respect to the Series 2 Preferred Stock, or any stock of any class ranking on a parity with the Series 2 Preferred Stock or the Voting Preferred Stock shall not be deemed to materially adversely affect the voting powers, rights or preferences of the holders of Series 2 Preferred Stock; and provided, further, that if any such amendment, alteration or repeal would materially and adversely affect any voting powers, rights or preferences of the Series 2 Preferred Stock or another series of Voting Preferred Stock that are not enjoyed by some or all of the other series otherwise entitled to vote in accordance herewith, the affirmative vote of at least 66 2/3% of the votes entitled to be cast by the holders of all series similarly affected, similarly given, shall be required in lieu of the affirmative vote of at least 66 2/3% of the votes entitled to be cast by the holders of the Series 2 Preferred Stock and the Voting Preferred Stock otherwise entitled to vote in accordance herewith; or

(ii) A share exchange that affects the Series 2 Preferred Stock, a consolidation with or merger of the Corporation into another Person, or a consolidation with

or merger of another Person into the Corporation, unless in each such case each share of Series 2 Preferred Stock (A) shall remain outstanding without a material and adverse change to its terms and rights or (B) shall be converted into or exchanged for convertible preferred stock of the surviving entity having preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms or conditions of redemption thereof identical to that of a share of Series 2 Preferred Stock (except for changes that do not materially and adversely affect the holders of the Series 2 Preferred Stock); or (iii) The authorization or creation of, or the increase in the authorized amount of, any shares of any class or any security convertible into shares of any class ranking prior to the Series 2 Preferred Stock in the distribution of assets on any liquidation, dissolution or winding up of the Corporation or in the payment of dividends. (d) For purposes of voting in respect to those matters referred to in subparagraphs (b) and (c) of this Section 9, unless otherwise provided under applicable law, each Series 2 Preferred Stock shall have one (1) vote per share, except that when any other series of Preferred Stock shall have the right to vote with the Series 2 Preferred Stock as a single class on any matter, then the Series 2 Preferred Stock and such other series shall have with respect to such matters one (1) vote per \$20.8333 of stated liquidation preference. Except as otherwise required by applicable law or as set forth herein, the Series 2 Preferred Stock shall not have any relative, participating, optional or other special voting rights and powers other than as set forth herein, and the consent of the holders thereof shall not be required for the taking of any corporate action.

Section 10. Record Holders. The Corporation and the Transfer Agent may deem and treat the record holder of any shares of Series 2 Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor the Transfer Agent shall be affected by any notice to the contrary.

Section 11. Sinking Fund. The Series 2 Preferred Stock shall not be entitled to the benefits of any retirement or sinking fund.

THIRD: The Series 2 Preferred Stock has been classified and designated by the Board of Directors under the authority contained in Section 4.2 of the Charter.

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

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

[Signature Page Follows]

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be executed under seal in its name and on its behalf by its President and attested to by its Secretary on this 26th day of February, 1999.

REGENCY REALTY CORPORATION

By:  
Name: Mary Lou Rogers  
Title: President

[SEAL]

ATTEST:

Name: J. Christian Leavitt  
Title: Secretary



ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION OF  
REGENCY REALTY CORPORATION  
DESIGNATING THE PREFERENCES, RIGHTS AND  
LIMITATIONS OF 1,600,000 SHARES OF

8.125% SERIES A CUMULATIVE REDEEMABLE PREFERRED STOCK  
\$0.01 Par Value

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

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

2

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

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

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

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

"equity securities" does not include debt securities, which will rank senior to the Series A Preferred Stock prior to conversion.

Section 3. Distributions. (a) Payment of Distributions. Subject to the rights of holders of Parity Preferred Stock as to the payment of distributions and holders of equity securities issued after the date hereof in accordance herewith ranking senior to the Series A Preferred Stock as to payment of distributions, holders of Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation, out of funds legally available for the payment of distributions, cumulative cash distributions at the rate per annum of 8.125% of the \$50.00 liquidation preference per share of Series A Preferred Stock. Such distributions shall be cumulative, shall accrue from the original date of issuance and will be payable in cash (A) quarterly in arrears, on or before March 31, June 30, September 30 and December 31 of each year commencing on the first of such dates to occur after the original date of issuance and, (B) in the event of a redemption, on the redemption date (each a "Preferred Stock Distribution Payment Date"). The amount of the distribution payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and for any period shorter than a full quarterly period for which distributions are computed, the amount of the distribution payable will be computed on the basis of the actual number of days elapsed in such a 30-day month. If any date on which distributions are to be made on the Series A Preferred Stock is not a Business Day (as defined herein), then payment of the distribution to be made on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Distributions on the Series A Preferred Stock will be made to the holders of record of the Series A Preferred Stock on the relevant record dates to be fixed by the Board of Directors of the Corporation, which record dates shall be not less than 10 days and not more than 30 Business Days prior to the relevant Preferred Stock Distribution Payment Date (each a "Distribution Record Date"). Notwithstanding anything to the contrary set forth herein, each share of Series A Preferred Stock shall also continue to accrue all accrued and unpaid distributions, whether or not declared, up to the exchange date on any Series A Preference Unit (as defined in the Second Amended and Restated Agreement of Limited Partnership of Regency Centers, L.P., dated as March 5, 1998 as amended by that certain Amendment No. One to Second Amendment and Restatement of Agreement of Limited Partnership dated as of June 25, 1998 (as amended the APartnership Agreement")) validly exchanged into such share of Series A Preferred Stock in accordance with the provisions of such Partnership Agreement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Right to Elect Directors. (i) If at any time distributions shall be in arrears (which means that, as to any such quarterly distributions, the same have not been paid in full) with respect to six (6) prior quarterly distribution periods (including quarterly periods on the Series A Preferred Units prior to the exchange into Series A Preferred Stock), whether or not consecutive, and shall not have been paid in full (a "Preferred Distribution Default"), the authorized number of members of the Board of Directors shall automatically be increased by two and the holders of record of such Series A Preferred Stock, voting together as a single class with the holders of each class or series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable, will be entitled to fill the vacancies so

created by electing two additional directors to serve on the Corporation's Board of Directors (the "Preferred Stock Directors") at a special meeting called in accordance with Section 6(b)(ii) at the next annual meeting of stockholders, and at each subsequent annual meeting of stockholders or special meeting held in place thereof, until all such distributions in arrears and distributions for the current quarterly period on the Series A Preferred Stock and each such class or series of Parity Preferred Stock have been paid in full.

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

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

(c) Certain Voting Rights. So long as any Series A Preferred Stock remains outstanding, the Corporation shall not, without the affirmative vote of the holders of at least two-thirds of the Series A Preferred Stock outstanding at the time (i) designate or create, or increase the authorized or issued amount of, any class or series of shares ranking prior to the Series A Preferred Stock with respect to payment of distributions or rights upon liquidation, dissolution or winding-up or reclassify any authorized shares of the Corporation into any such shares, or create, authorize or issue any obligations or securities convertible into or evidencing the right to purchase any such shares, (ii) designate or create, or increase the authorized or issued amount of, any Parity Preferred Stock or reclassify any authorized shares of the Corporation into any such shares, or create, authorize or issue any obligations or securities convertible into or evidencing the right to purchase any such shares, but only to the extent such Parity Preferred Stock is issued to an affiliate of the Corporation (other than Security Capital U.S. Realty, Security Capital Holdings, S.A. or their affiliates), or (iii) either (A) consolidate, merge into or with, or convey, transfer or lease its assets substantially as an entirety, to any corporation or other entity, or (B) amend, alter or repeal the provisions of the Corporation's Charter (including these Articles of Amendment) or By-laws, whether by merger, consolidation or otherwise, in each case that would materially and adversely affect the powers, special rights, preferences, privileges or voting power of the Series A Preferred Stock or the holders thereof; provided, however, that with respect to the occurrence of a merger, consolidation or a sale or lease of all of the Corporation's assets as an entirety, so long as (a) the Corporation is the surviving entity and the Series

A Preferred Stock remains outstanding with the terms thereof unchanged, or (b) the resulting, surviving or transferee entity is a corporation organized under the laws of any state and substitutes the Series A Preferred Stock for other preferred stock having substantially the same terms and same rights as the Series A Preferred Stock, including with respect to distributions, voting rights and rights upon liquidation, dissolution or winding-up, then the occurrence of any such event shall not be deemed to materially and adversely affect such rights, privileges or voting powers of the holders of the Series A Preferred Stock and no vote of the Series A Preferred Stock shall be required in such case and provided further that any increase in the amount of authorized Preferred Stock or the creation or issuance of any other class or series of Preferred Stock, or any increase in an amount of authorized shares of each class or series, in each case ranking either (a) junior to the Series A Preferred Stock with respect to payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up, or (b) on a parity with the Series A Preferred Stock with respect to payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up to the extent such Preferred Stock is not issued to a affiliate of the Corporation, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers and no vote of the Series A Preferred Stock shall be required in such case.

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

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

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

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

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

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

[Signature Page Follows]



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

REGENCY REALTY CORPORATION

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

[SEAL]

ATTEST:

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Name: J. Christian Leavitt  
Title: Secretary

## AMENDMENT TO ARTICLES OF INCORPORATION

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

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

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

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

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

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

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

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

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

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

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

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