FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

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

For the quarterly period ended June 30, 1997

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 incorporation or organization)	(I.R.S. Employer 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)

Not applicable
(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 X No ____

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ____ No ____

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. As of August 8, 1997, there were 21,973,806 shares outstanding of the registrant's common stock.

Item 1. Financial Statements

REGENCY REALTY CORPORATION
Consolidated Balance Sheets
June 30, 1997 and December 31, 1996

	June 30, 1997	December 31, 1996
Assets		
Real estate investments, at cost:		
Land	$184,028,552	85,395,120

Buildings and improvements	563,057,246	305,277,505
Construction in progress for resale	16,406,330	1,695,062
	763,492,128	392,367,687
Less: accumulated depreciation	32,950,739	26,213,225
	730,541,389	366,154,462
Investments in real estate partnerships	1,052,244	1,035,107
Real estate investments, net	731,593,633	367,189,569
Cash and cash equivalents	13,412,380	8,293,229
Tenant receivables, net of allowance for uncollectible accounts of $1,856,136 and $832,091 at June 30, 1997 and December 31, 1996, respectively	3,763,121	5,281,419
Deferred costs, less accumulated amortization of $3,121,090 and $2,519,019 at June 30, 1997 and December 31, 1996, respectively	4,143,534	3,961,439
Other assets	2,070,106	1,798,393
	$754,982,774	386,524,049
Liabilities and Stockholders' Equity		
Liabilities:		
Mortgage loans payable	245,106,691	97,906,288
Acquisition and development line of credit	111,331,185	73,701,185
Accounts payable and other liabilities	15,165,334	6,300,640
Tenants' security deposits	2,084,679	1,381,673
Total liabilities	373,687,889	179,289,786
Redeemable partnership units	13,821,093	-
Limited partners' interest in consolidated partnerships	8,447,480	508,486
Total minority interest	22,268,573	508,486
Stockholders' equity:		
Common stock $.01 par value per share: 150,000,000 shares authorized; 17,766,527 and 10,614,905 shares issued and outstanding at June 30, 1997 and December 31, 1996, respectively	177,665	106,149
Special common stock - 10,000,000 shares authorized:		
Class B $.01 par value per share, 2,500,000 shares issued and outstanding	25,000	25,000
Additional paid in capital	378,635,972	223,080,831
Distributions in excess of net income	(17,471,537)	(13,981,770)
Stock loans	(2,340,788)	(2,504,433)
Total stockholders' equity	359,026,312	206,725,777
	$754,982,774	386,524,049

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION
Consolidated Statements of Operations
For the Three Months Ended June 30, 1997 and 1996

	June 30, 1997	June 30, 1996
Revenues:		
Minimum rent	18,061,032	8,097,696
Percentage rent	637,339	233,840
Recoveries from tenants	3,890,704	1,797,000
Management, leasing and brokerage fees	2,046,334	809,485
Equity in income of real estate partnership investments	(9,654)	13,892
Total revenues	24,625,755	10,951,913
Operating expenses:		
Depreciation and amortization	4,231,170	1,838,445
Operating and maintenance	3,505,909	1,757,117
General and administrative	2,995,008	1,338,320
Real estate taxes	1,778,745	991,792
Total operating expenses	12,510,832	5,925,674
Interest expense (income):		
Interest expense	6,484,343	2,567,786
Interest income	(280,335)	(170,461)
Net interest expense	6,204,008	2,397,325
Income before minority interest	5,910,915	2,628,914
Minority interest of redeemable partnership units	969,731	-
Minority interest of limited partners' interest in consolidated partnerships	214,406	-
Net income	4,726,778	2,628,914
Preferred stock dividends	-	32,171
Net income for common stockholders	4,726,778	2,596,743
Weighted average common shares outstanding	19,050,009	9,849,738
Earnings per share (EPS):		
Primary EPS	.30	.26
Fully diluted EPS	.28	.26

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION
Consolidated Statements of Operations
For the Six Months Ended June 30, 1997 and 1996

	June 30, 1997	June 30, 1996
Revenues:		
Minimum rent	30,560,604	16,001,151
Percentage rent	1,107,937	423,720
Recoveries from tenants	6,985,904	3,486,933
Management, leasing and brokerage fees	3,687,525	1,520,502
Equity in income of real estate partnership investments	17,137	21,345
Total revenues	42,359,107	21,453,651
Operating expenses:		
Depreciation and amortization	7,074,670	3,565,840
Operating and maintenance	5,988,690	3,459,652
General and administrative	5,216,014	2,603,640
Real estate taxes	3,598,834	1,911,857
Total operating expenses	21,878,208	11,540,989
Interest expense (income):		
Interest expense	10,221,374	4,969,647
Interest income	(452,602)	(287,178)
Net interest expense	9,768,772	4,682,469
Income before minority interest	10,712,127	5,230,193
Minority interest of redeemable partnership units	1,603,436	-
Minority interest of limited partners' interest in consolidated partnerships	345,142	-
Net income	8,763,549	5,230,193
Preferred stock dividends	-	57,721
Net income for common stockholders	8,763,549	5,172,472
Weighted average common shares outstanding	17,160,764	9,817,812
Earnings per share (EPS):		
Primary EPS	.60	.53
Fully diluted EPS	.56	.53

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION
Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 1997 and 1996

	1997	1996
Cash flows from operating activities:		
Net income	$ 8,763,549	5,230,193
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,074,670	3,565,840
Deferred financing cost amortization	441,004	339,269
Minority interest in redeemable partnership units	1,603,436	-
Limited partners' minority interest in consolidated partnerships	345,142	-
Equity in income of real estate partnership investments	(17,137)	(21,345)
Changes in assets and liabilities:		
Decrease in tenant receivables	2,186,499	664,691
Increase in deferred leasing commissions	(273,695)	(244,959)
Increase in other assets	(447,801)	(436,158)
Increase in tenants' security deposits	245,481	55,197
Increase (decrease) in accounts payable and other liabilities	5,011,309	(887,502)
Net cash provided by operating activities	24,932,457	8,265,226
Cash flows from investing activities:		
Acquisition and development of real estate	(92,456,414)	(9,007,954)
Investment in real estate partnership	-	(881,308)
Capital improvements	(1,451,400)	(1,291,717)
Construction in progress for resale	(8,248,018)	(5,023,011)
Distributions received from real estate partnership investments	-	8,160
Net cash received from purchase of real estate	2,742,914	-
Net cash used in investing activities	(99,412,918)	(16,195,830)
Cash flows from financing activities:		
Proceeds from common stock issuance	68,275,213	-
Proceeds from issuance of redeemable partnership units	2,255,140	-
Distributions to redeemable partnership unit holders	(1,466,428)	-
Dividends paid to stockholders	(12,253,317)	(7,262,093)
Proceeds from acquisition and development line of credit	37,630,000	16,517,453
Proceeds from mortgage loans payable	15,148,753	2,435,743
Repayments of mortgage loans payable	(29,479,278)	(387,981)
Deferred financing costs	(510,471)	(607,216)
Net cash provided by financing activities	79,599,612	10,695,906
Net increase in cash and cash equivalents	5,119,151	2,765,302
Cash and cash equivalents at beginning of period	8,293,229	3,401,701
Cash and cash equivalents at end of period	$13,412,380	6,167,003

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

(a) General. Regency Realty Corporation (the Company) was incorporated in the State of Florida for the purpose of owning, operating and developing neighborhood shopping centers. At June 30, 1997, the Company owned 86 properties in the eastern United States. The Company also provides management, leasing, brokerage and development services for real estate not owned by the Company (third parties). The Company commenced operations effective with the completion of its initial public offering on November 5, 1993.

The accompanying consolidated financial statements include the accounts of Regency Realty Group II, Inc. (the "Management Company"), its subsidiaries and their wholly owned or majority owned properties and joint ventures. All significant intercompany balances and transactions have been eliminated.

These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 1996 Form 10-K filed with the Securities and Exchange Commission on March 25, 1997. Certain amounts for 1996 have been reclassified to conform to the presentation adopted in 1997.

(b) Basis of Presentation. The accompanying interim unaudited financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission, and 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 pursuant to such rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading.

(c) Financial Accounting Standard No. 128. During February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 128, (SFAS 128) "Earnings per Share". SFAS 128 governs the computation, presentation, and disclosure requirements for earnings per share (EPS) for entities with publicly held Common Stock. SFAS 128 was issued to simplify the computation of EPS and replaces the Primary and Fully diluted EPS calculations currently in use with calculations of Basic and Diluted EPS. SFAS 128 is effective for financial statements for both interim and annual periods ending after December 15, 1997, and earlier application is not permitted. The Company will begin to calculate its EPS in compliance with SFAS 128 for the year ended December 31, 1997.

2. Acquisition and Development of Real Estate

On March 7, 1997, the Company acquired, through its partnership, Regency Retail Partnership, L.P. (the "Partnership") of which a subsidiary of the Company is the sole general partner, substantially all the assets of Branch Properties, L.P. ("Branch"), a privately held real estate firm based in Atlanta, Georgia. The assets acquired from Branch include 26 shopping centers totaling approximately 2,496,921 SF of gross leasable area including 473,682 SF currently under development or redevelopment. The Partnership acquired (i) a 100% fee simple interest in 19 of these operating properties and (ii) partnership interests (ranging from 70% to 97%) in 4 partnerships with outside investors ("Limited Partners' Interest") that own the remaining seven properties. In addition, the Company, through Regency Realty Group II, Inc., acquired Branch's third party development business, including build-to-suit projects, and third party management and leasing contracts for approximately 3.6 million square feet of shopping centers owned by third party investors.

At closing, the Company invested $26 million in the Partnership to pay transaction costs and reduce debt assumed. The Partnership issued 3,373,801 redeemable partnership units ("Units") and the Company issued 155,797 shares of Common Stock to the sellers of Branch ("Unit Holders") at $26.85 for $94,769,706 and assumed $105,302,169 of debt (net of a $25,728,111 paydown at the date of closing). Subsequent to the acquisition of Branch, the Company issued 198,626 Units to acquire the partnership interests of two outside investors that had partial interests in two properties. Limited partners' interest in consolidated

partnerships of $7,925,479 was recorded for the four partnerships with outside investors. The operations of Branch are included from the date of acquisition and contributed $920,781 to net income for Common stockholders net of the minority interest of redeemable partnership units of $1,603,436. For purposes of determining minority interest, the Company owned 32.6% of the outstanding Units in the Partnership until the approval by the Company's shareholders at its annual meeting on June 12, 1997, at which time 3,027,080 of the outstanding

Units held by Unit Holders were redeemed for Common Stock. At completion of the redemption, the Company owns approximately 88% of the outstanding Units of the Partnership.

In addition to the Branch acquisition, the Company completed the acquisition of eight shopping centers which were accounted for as purchases during the six months ending June 30, 1997. The properties are 100% owned unless noted otherwise as follows:

Shopping Center	Location	Total Acquisition Price	Date Acquired by the Company	Company GLA
Oakley Plaza	Asheville, N.C.	$ 8,057,000	03-14-97	118,727
Mariners Village	Orlando, FL	7,400,000	03-25-97	117,665
Carmel Commons	Charlotte, N.C.	11,210,000	03-28-97	132,647
Mainstreet Square	Orlando, FL	5,792,911	04-15-97	107,159
East Port Plaza	Port St. Lucie, FL	14,810,305	04-25-97	232,270
Hyde Park Plaza	Cincinnati, OH	42,000,000	06-06-97	374,537
Rivermont Station	Atlanta, GA	13,066,035	06-30-97	90,323
Lovejoy Station	Clayton, GA	7,057,662	06-30-97	77,336

3. Acquisition and Development Line of Credit

The Company has a $150 million unsecured revolving line of credit ("the Line") which is primarily used to acquire and develop real estate. The interest rate is Libor + 150 basis points with interest only for two years, and if then terminated, becomes a two year term loan with principal due in seven equal quarterly installments. The borrower may request a one year extension of the interest only revolving period annually in May of each year.

4. Stockholders' Equity

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. The Agreement primarily granted SC-USREALTY (i) the right to acquire 7,499,400 shares for approximately $132 million and also participation rights entitling it to purchase additional equity in the Company, at the same price as that offered to other purchasers, each time that the Company sells additional shares of capital stock or options or other rights to acquire capital stock, in order to preserve SC-USREALTY's pro rata ownership position; and (ii) the right to nominate a proportionate number of directors on the Company's Board, rounded down to the nearest whole number, based upon SC-USREALTY's percentage ownership of outstanding Common Stock (but not to exceed 49% of the Board). As of June 30, 1997, SC-USREALTY has acquired all of the 7,499,400 shares related to the Agreement.

For a period of at least five years (subject to certain exceptions), SC-USREALTY is precluded from, among other things, (i) acquiring more than 45% of the outstanding Common Stock on a fully diluted basis, (ii) transferring shares without the Company's approval in a negotiated transaction that would result in any transferee beneficially owning more than 9.8% of the Company's capital stock, or (iii) acting in concert with any third parties as part of a 13D group. Subject to certain exceptions, SC-USREALTY is required to vote its shares either as recommended by the Board of Directors or proportionately in accordance with the vote of the other shareholders.

In connection with the Units and shares of Common Stock issued in exchange for Branch's assets on March 7, 1997, SC-USREALTY had the right to acquire up to 3,771,622 shares of Common Stock at a price of $22-1/8 per share. However, pursuant to Amendment No. 1 to its Stockholders Agreement with the Company, SC-USREALTY elected (i) to waive such rights with respect to all but 1,750,000 shares (or such lesser number, not less than 850,000 shares, as will not result in the Company ceasing to be a domestically controlled real estate investment trust), (ii) to initially defer its rights with respect to the 1,750,000 shares to no later than August 31, 1997, and (iii) to defer its rights with respect to any such shares, not to exceed 1,050,000 shares, that remain unpurchased on August 31, 1997 to

no later than the first Earn-Out Closing, in order to permit Unit holders who are Non-U.S. Persons (as defined in the Company's Articles of Incorporation) to redeem their Units for Common Stock. SC-USREALTY's participation rights (i) remain in effect, with respect to Units and shares issued at the Earn-Out Closings, and (ii) also remain in effect, at a price equal to the then market price of the Common Stock, with respect to shares issued upon the redemption of Units for Common Stock provided that SC-USREALTY did not exercise its participation rights at the time of issuance of such Units.

On July 11, 1997, the Company sold 2,415,000 shares to the public at $27.25 per share. In connection with that offering, SC-USREALTY purchased an additional 1,785,000 shares at $27.25 directly from the Company. On August 11, 1997, the Underwriters exercised the over-allotment option and the Company issued an additional 129,800 shares to the public and 95,939 shares to SC-USREALTY at $27.25 per share. Total net proceeds from the sale of common stock to the public and SC-USREALTY of approximately $117 million was used to reduce the balance of the Line down to approximately $7.5 million.

5. Earnings Per Share

Additional Units and shares of Common Stock may be issued on the fifteenth day after the first, second and third anniversaries of the closing of the acquisition of Branch (each an "Earn-Out Closing"), based on the performance of certain of the Partnership's properties (the "Property Earn-Out"). The formula for the Property Earn-Out provides for calculating any increases in value on a property-by-property basis, based on any increases in net income for certain properties in the Partnership's portfolio as of February 15 of the year of calculation. The Property Earn-Out is limited to $15,974,188 at the first Earn-Out Closing and $22,568,851 at all Earn-Out Closings (including the first Earn-Out Closing). Since issuance of additional consideration is contingent upon increased earnings, for purposes of calculating fully diluted earning per share, net income has been adjusted to give effect to the increase in earnings specified by the Contribution Agreement with Branch Properties, L.P. that results in the largest potential dilution, and outstanding shares have been adjusted to include those shares contingently issuable upon attainment of the increased earnings level. The following summarizes the calculation of primary and fully diluted earnings per share for the quarter ended and year to date ended, June 30, 1997 (in thousands):

Primary Earnings Per Share (EPS) Calculation:	Second Quarter	Year to Date
Weighted average common shares outstanding including redeemable partnership units	19,050	17,161
Net income for common stockholders	$ 4,727	$ 8,764
Minority interest of redeemable partnership units	970	1,603
Net income for Primary EPS	$ 5,697	$10,367
Primary EPS	$ .30	$ .60
Fully Diluted Earnings Per Share Calculation:		
Primary common shares	19,050	17,161
Contingent units or shares that could be issued to previous owners of Branch in 1998, 1999, and 2000 if earned per the terms of the contribution agreement	1,020	1,020
Total fully diluted shares	20,070	18,181
Required quarterly increase in income from real estate operations necessary to earn contingent shares, less applicable depreciation on increased purchase price	$ (154)	$ (262)
Net income for Primary EPS	$ 5,697	$10,367
Net income for common stockholders for computation of fully diluted earnings per share	$ 5,543	$10,105
Fully diluted EPS	$ .28	$ .56

PART II

Item 1. Legal Proceedings

None

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (dollar amounts in thousands).

The following discussion should be read in conjunction with the accompanying Consolidated Financial Statements and Notes thereto of Regency Realty Corporation (the "Company") appearing elsewhere in this Form 10-Q, the Company's December 31, 1996 Form 10-K, and the Company's Form 8-K dated March 7, 1997.

Business

The Company's principal business is owning, operating and developing grocery anchored neighborhood shopping centers in targeted infill markets in the eastern Unites States. At June 30, 1997 the Company owned 86 properties or approximately 9.2 million square feet (SF or GLA); 52% and 27% of the GLA of the properties are located in Florida and Georgia, respectively, and 66 are grocery anchored. At June 30, 1996, the Company owned 38 properties or approximately 4.2 million SF. The Company's four largest grocery anchor tenants in order by number of leased store locations, including properties under development, are Publix Supermarkets (27), Winn-Dixie Stores (13), The Kroger Co. (6) and Harris Teeter (4).

Acquisition and Development

On March 7, 1997, the Company acquired, through its partnership, Regency Retail Partnership, L.P. (the "Partnership") of which a subsidiary of the Company is the sole general partner, substantially all the assets of Branch Properties, L.P. ("Branch"), a privately held real estate firm based in Atlanta, Georgia. The assets acquired from Branch included 26 shopping centers totaling approximately 2,496,921 SF (the "Branch Properties"). The Partnership acquired (i) a 100% fee simple interest in 19 of these operating properties and (ii) partnership interests (ranging from 70% to 97%) in four partnerships with outside investors that owned the remaining seven properties. The Company also acquired the third party property management business of Branch with contracts on approximately 3.6 million SF of shopping center GLA that generate management fees and leasing commission revenues.

The Partnership issued 3,373,801 units of limited partnership interest (the "Units") and the Company issued 155,797 shares of Common Stock in exchange for the assets acquired and the liabilities assumed from Branch. Subsequent to the acquisition of Branch, the Company issued 198,626 Units to acquire the partnership interests of two outside investors that had partial interests in two properties. The Units are redeemable on a one-for-one basis in exchange for shares of Common Stock which was approved by the Company's shareholders at the Company's 1997 annual meeting on June 12, 1997. On June 13, 1997, 3,027,080 partnership units were converted to Common Stock. The Company and Branch agreed to the Units and shares to be issued based upon a purchase price of approximately $78 million (initially 3,529,598 combined Units and shares at $22.125, the fair market value of the Company's Common Stock on the date the terms of the acquisition were reached) plus the assumption of Branch's existing liabilities. On the date the acquisition was publicly announced, the average fair market value of the Company's common stock had risen to $26.85 per share. Accordingly, the purchase price of Branch as reflected in the Company's financial statements was increased to approximately $100 million (initially 3,529,598 Units and shares at $26.85 and approximately $5 million in related reserves and transaction costs) plus the assumption of Branch's existing liabilities.

Additional Units and shares of Common Stock may be issued on the fifteenth day after the first, second and third anniversaries of the closing (each an "Earn-Out Closing"), based on the performance of certain of the Partnership's properties (the "Property Earn-Out"), and additional shares of Common Stock may be issued at the first and second Earn-Out Closings based on revenues earned from third party management and leasing contracts (the "Third Party Earn-Out" estimated to be approximately $750). The formula for the Property Earn-Out provides for calculating any increases in value on a property-by-property basis, based on any increases in net income for certain properties in the Partnership's portfolio as of February 15 of the year of calculation. The Property Earn-Out is limited to $15.9 million at the first Earn-Out Closing and $22.6 million at all Earn-Out Closings (including the first Earn-Out Closing). The acquisition of Branch is discussed further in note 2, Acquisition and Development of Real Estate, of the notes to Consolidated Financial Statements.

During the first six months of 1997, the Company also acquired eight shopping centers (the "1997 Acquisitions") unrelated to the Branch Properties for $112 million (including certain budgeted capital improvements designed to improve the performance of the acquired properties) representing 1,250,664 SF. In addition to the acquisition of the Branch Properties and the 1997 Acquisitions, the Company also has six grocery anchored shopping centers under development and is redeveloping three existing shopping centers, all of which when completed in 1998, will represent a total investment of approximately $66.2 million. During the first six months of 1996, the Company had acquired two shopping centers totaling 204,239 square feet for $12.5 million. Liquidity and Capital Resources

The Company's total indebtedness at June 30, 1997 and 1996 was approximately $356 million and $138 million, respectively, of which $205.7 million and $94.5 million had fixed interest rates averaging 7.4% and 7.5%, respectively. The weighted average interest rate on total debt at June 30, 1997 and 1996 was 7.5% and 7.6%, respectively. Based upon the Company's total market capitalization (total debt and the market value of equity) at June 30, 1997 of $937 million (closing common stock price of $27.25 per share and total common stock and equivalents outstanding of 21.3 million), the Company's debt to total market capitalization ratio was 38% vs. 39.8% at June 30, 1997 and 1996, respectively. Included in outstanding debt at June 30, 1997 is $105 million of outstanding debt assumed as part of the Branch acquisition.

The 1997 Acquisitions were financed from the Company's $150 million line of credit (the "Line"). At June 30, 1997, the balance of the Line was $111 million and had a variable rate of interest equal to the London Inter-bank Offered Rate ("Libor") plus 150 basis points, or approximately 7.25%.

During 1996, the Company entered into a Stock Purchase Agreement (the "Agreement") with SC-USREALTY. Under the Agreement, the Company agreed to sell 7,499,400 shares of common stock to SC-USREALTY at a price of $17.625 per share (the fair market value of the Company's Common Stock on the date the terms of the Agreement were reached) representing total maximum proceeds of approximately $132 million. During 1996, the Company sold 3,651,800 shares to SC-USREALTY for approximately $64.4 million and the proceeds were used to pay down the Line. The Company sold 1,475,178 shares to US Realty on March 3, 1997 and the $26 million proceeds were used to reduce debt assumed as part of the Branch transaction by $25.7 million. On June 26, 1997, the Company sold 2,372,422 shares to SC-USREALTY generating proceeds of approximately $41.8 million which were used to pay down the Line, completing the issuance of common stock under the Agreement. As part of the Agreement, US Realty also has participation rights entitling them to purchase additional equity in the Company at the same price as that offered to other purchasers in order to preserve their pro rata ownership in the Company. For further discussion of the Agreement, see note 4, Stockholders' Equity, of the notes to Consolidated Financial Statements.

On July 11, 1997, the Company sold 2,415,000 shares to the public at $27.25 per share. In connection with that offering, SC-USREALTY purchased an additional 1,785,000 shares at $27.25 directly from the Company. On August 11, 1997, the Underwriters exercised the over-allotment option and the Company issued an additional 129,800 shares to the public and 95,939 shares to SC-USREALTY at $27.25 per share. Total net proceeds from the sale of common stock to the public and SC-USREALTY of approximately $117 million was used to reduce the balance of the Line down to approximately $7.5 million. The unused commitment currently available under the Line for future acquisition and development activity is approximately $142.5 million.

The Company's principal demands for liquidity are dividends to stockholders, distributions to unit holders, the operation, maintenance and improvement of real estate, and scheduled interest and principal payments. The Company paid dividends and distributions of $13.7 million and $7.3 million to its stockholders and Unit holders during the six months ended June 30, 1997 and 1996, respectively. In January 1997, the Company increased its quarterly common dividend to $.42 per share vs. $.405 per share in 1996. Total dividends and distributions expected to be paid by the Company during 1997 will increase substantially over 1996 due to the common stock dividend increase, the sale of common stock to US Realty, the shares and Units issued as part of the Branch acquisition, and the public offering.

As of June 30, 1997 and 1996, the Company's net cash used in investing activities was $99.4 million and $16.2 million, respectively, due primarily to the real estate acquisitions, developments and redevelopments previously discussed above. The Company anticipates that cash provided by operating activities, unused amounts available under the Line, and cash reserves are adequate to meet liquidity requirements. At June 30, 1997, the Company had cash balances of $13.4 million, a significant portion of which are escrows for the future payment of real estate taxes.

The Company has made an election to be taxed, and is operating so as to qualify, as a Real Estate Investment Trust ("REIT") for Federal income tax purposes, and accordingly has paid no Federal income tax since its Initial Public Offering in 1993. While the Company intends to continue to pay dividends to its stockholders, the Company 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 1997 as a result of the acquisitions and developments discussed above. In addition to the Branch acquisition, during 1997 the Company has already exceeded the 1996 level of real estate acquisitions of $107 million and intends to continue to acquire shopping centers which meet its investment criteria. The Company expects to meet the related capital requirements,principally for the acquisition or development of new properties, from borrowings on the Line, and from additional public equity and debt offerings. 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.

Results of Operations

Comparison of the Six Months Ended June 30, 1997 to 1996

Revenues increased $20.9 million or 97% to $42.4 million in 1997. The increase is due primarily to the acquisition of the Branch Properties and the 1997 Acquisitions providing $13.1 million in revenues in 1997, and the 1996 Acquisitions providing $7.4 million in 1997 compared with only $92 during 1996, the majority of which were owned less than three months during 1996. At June 30, 1997, the real estate portfolio contained approximately 9.2 million SF, was 95.4% leased and had average rents of $9.21 per SF. Minimum rent increased $14.6 million or 91%, and recoveries from tenants increased $3.5 million or 100%. On a same property basis (excluding the 1997, 1996 and Branch Properties Acquisitions) revenues increased $567 or 2.6%, primarily due to higher occupancy levels. Revenues from property management, leasing, brokerage, and development services provided on properties not owned by the Company were $3.7 million in 1997 compared to $1.5 million in 1996, the increase due to the property management and leasing contracts acquired as part of the acquisition of Branch. At June 30, 1997, the Company managed properties for third party owners containing approximately 4.8 million SF vs. 1.2 million SF at June 30, 1996.

Operating expenses increased $10.3 million or 89.6% to $21.9 million in 1997. Combined operating and maintenance, and real estate taxes increased $4.2 million or 78% during 1997 to $9.6 million. The increases are due to the acquisition of the Branch Properties and the 1997 Acquisitions generating $4.5 million in operating expenses in 1997 and the 1996 Acquisitions generating $2.9 million in operating expenses in 1997 compared with $52 in expenses during 1996, the majority of which were owned less than three months during 1996. General and administrative expense increased 100% during 1997 to $5.2 million due to the hiring of new employees and related costs necessary to manage the properties recently acquired and expected to be acquired during 1997. Depreciation and amortization was 98.4% higher than 1996 due to the acquisition of the Branch Properties and the 1997 and 1996 Acquisitions.

Interest expense increased to $10.2 million in 1997 from $5 million in 1996 or 106% due primarily to increased average outstanding loan balances as previously discussed. Net income for common stockholders was $8.8 million or $.60 per share in 1997 vs. $5.2 million or $.53 per share in 1996.

Comparison of the Three Months Ended June 30, 1997 to 1996

Revenues increased $13.8 million or 125% to $24.6 million in 1997. The increase is due primarily to the acquisition of Branch Properties and the 1997 Acquisitions providing $9.8 million in revenues in 1997, and the 1996 Acquisitions providing $3.7 million in 1997 compared with only $92 in 1996, the majority of which were owned less than three months during 1996. Minimum rent increased $10 million or 123%, and recoveries from tenants increased $2.1 million or 117%. On a same property basis (excluding the 1997, 1996 and Branch Properties Acquisitions) revenues increased $158 or 1.4%. Revenues from property management, leasing, brokerage, and development services provided on properties not owned by the Company were $2 million in 1997 compared to $809 in 1996, the increase due to the property management and leasing contracts acquired as part of the acquisition of Branch.

Operating expenses increased $6.6 million or 111% to $12.5 million in 1997. Combined operating and maintenance expense and real estate taxes increased $2.5 million or 92% during 1997 to $5.3 million. The increase is due primarily to the acquisition of the Branch Properties and the 1997 Acquisitions generating $3.4 million in operating expenses in 1997 and the 1996 Acquisitions producing $1.5 million in operating expenses in 1997 compared with $52 during 1996, the majority of which were owned less than three months during 1996. General and administrative expense increased 124% during 1997 to $3 million for the same reasons discussed above. Depreciation and amortization was 130% higher than 1996 due to the acquisition of the Branch Properties and the 1997 and 1996 Acquisitions.

Interest expense increased to $6.5 million in 1997 from $2.6 million in 1996 or 153% due primarily to increased average outstanding loan balances as discussed above. Net income for common stockholders was $4.7 million or $.30 per share in 1997 vs. $2.6 million or $.26 per share in 1996.

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 property, 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 for the six months ended June 30 increased $8.4 million or 96% from 1996 to 1997 as a result of the acquisition activity discussed above under "Results of Operations". FFO for the periods ended June 30, 1997 and 1996 are summarized in the following table:

	1997	1996
Net income for common stockholders	$ 8,764	5,172
Add back:		
Real estate depreciation and amortization, net	6,773	3,560
Minority interests in net income of redeemable operating partnership units	1,603	0
Funds from operations	$ 17,140	8,732
Cash flow provided by (used by):		
Operating activities	$ 24,932	8,265
Investing activities	(99,413)	(16,196)
Financing activities	79,600	10,696
Weighted average shares outstanding	17,161	9,818

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. 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.

Economic Conditions

A substantial number of the Company's long-term leases contain provisions designed to mitigate the adverse impact of inflation on the Company's net income. Such provisions include percentage rentals, rental escalation clauses and reimbursements to the Company for actual common area maintenance, insurance, and real estate taxes paid. In addition, 41% of the Company's leases have terms of five years or less, which allows the Company the opportunity to increase rents upon lease expiration. Approximately 36% of the Company's leases expire beyond 10 years and are generally anchor tenants. Unfavorable economic conditions could result in the inability of certain tenants to meet their lease obligations and otherwise could adversely affect the Company's ability to attract and retain desirable tenants. Lurias currently has four leases with the Company, all stores of which are closed. As of June 30, 1997, Lurias is current on three of the leases, and is in default under the fourth lease. Rent from the Lurias leases represents approximately 0.7% of the Company's annualized total rent. The Company considers Lurias to be bound by the lease terms, however, the outcome of the default is uncertain. The Company has reserved for the potential loss of past due rents due from Lurias. The Company had no other individually significant defaults or bankruptcies during the first six months of 1997.

At June 30, 1997 approximately 9.9%, 4.0%, 3.1% and 2.6% of the Company's annualized total rent is received from Publix, Winn-Dixie, Kroger, and Harris Teeter, respectively (the "Four Major Tenants"). Although the Company considers the financial condition and its relationship with the Four Major Tenants to be good, a significant downturn in business or the non-renewal of expiring leases of the Four Major Tenants could adversely affect the Company. Management also believes that the shopping centers are relatively well positioned to withstand adverse economic conditions since they are typically anchored by supermarkets, drug stores and discount department stores that offer day-to-day necessities rather than luxury goods.

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

The annual meeting of shareholders was held on Thursday, June 12, 1997 at 2:00 p.m. 12,323,183 shares were entitled to vote. The following summarizes the results of the proposals submitted for shareholder approval:

To elect two Class II directors and three Class I directors to serve terms expiring at the annual meeting of shareholders to be held in 1999 and 2000, respectively, and until their successors have been elected and qualified. Votes were cast as follows: 10,729,565 Common Stock votes For and 521,443 Common Stock votes Abstained. Accordingly, the proposal passed.

To consider and vote on the issuance of Common Stock in connection with transactions contemplated by a Contribution Agreement and Plan of Reorganization among the Company, Branch Properties, L.P. ("Branch") and Branch Realty, Inc. pursuant to which the Company has acquired substantially all of Branch's assets in exchange for shares of Common Stock and units of limited partnership interest that are redeemable for Common Stock. Votes were cast as follows: 10,701,456 Common Stock votes For, 18,553 Common Stock votes Against and 15,049 Common Stock votes Abstained. Accordingly, the proposal passed.

To consider and vote on a proposed amendment to the Company's Articles of Incorporation that would permit the Company's major beneficial shareholder, SC-USREALTY and its subsidiary, to waive the presumption that SC-USREALTY owns 45% of the outstanding Common Stock, on a fully diluted basis, which waiver is necessary in order to permit the redemption of limited partnership interests for Common Stock pursuant to the Transaction by limited partners who, directly or indirectly, are Non-U.S. Persons (as defined in the Articles of Incorporation). Votes were cast as follows: 10,694,693 Common Stock votes For, 22,848 Common Stock votes Against and 17,518 Common Stock votes Abstained. Accordingly, the proposal passed.

To consider and vote on a proposed amendment to the Company's Articles of Incorporation that would increase the number of authorized shares of Common Stock from 25 million to 150 million shares. Votes were cast as follows: 9,494,724 Common Stock votes For, 1,704,167 Common Stock votes Against and 4,794 Common Stock votes Abstained. Accordingly, the proposal passed.

Item. 5. Other Information

A copy of the Company's Supplemental Financial Report for the quarter ended June 30, 1997 is available to all interested parties upon written request to Brenda Paradise, Investor Relations, Regency Realty Corporation, 121 West Forsyth Street, Suite 200, Jacksonville, Florida 32202. The report includes information such as real estate statistics, major tenants, lease expirations, summary of outstanding debt, and the Company's quarterly press release.

Item 6. Exhibits and Reports on Form 8-K

A. Exhibits:

3. Articles of Incorporation and Bylaws

(a) Restated Articles of Incorporation of Regency Realty Corporation as amended to date.

(i) Amendment to Restated Articles of Incorporation of Regency Realty Corporation as amended to date.

(b) Restated Bylaws of Regency Realty Corporation as amended to date.

10. Material Contracts:

(a) Purchase and Sale Agreement, dated May 22, 1997 between Cousins Real Estate Corporation, as Seller and RRC Acquisitions, Inc., a wholly-owned subsidiary of the Company, as Buyer relating to the acquisition of Lovejoy Station and Rivermont Station.

* (b) Purchase and Sale Agreement dated May 30, 1997, between The Community Center Fund III, L.P., a Delaware limited partnership and Midland Hyde Park Partners, L.P., a Missouri limited partnership, as Sellers, and Regency Centers of Ohio, Inc., an Ohio corporation, as Buyer relating to the acquisition of Hyde Park Plaza.

B. Reports on Form 8-K:

(a) The Company's March 31, 1997 Supplemental Financial Package reported under Item 5.Other Information to the Registrant's Form 8-K report which was filed on June 18, 1997.

(b) Branch Properties Proforma reported under Item 7. Financial Statements to the Registrant's Form 8-K report which was filed on May 12, 1997.

27. Financial Data Schedule

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* Included as an exhibit to the Registrant's Form 8-K report filed on June 20, 1997 and is incorporated herein by reference.

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: August 11, 1997

REGENCY REALTY CORPORATION

By: /s/ J. Christian Leavitt
Treasurer and Secretary

RESTATED 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 Section 607.1007, Florida Business Corporation Act, restated Articles of Incorporation were approved at a meeting of the directors of this corporation on October 28, 1996. The Restated Articles of Incorporation adopted by the directors incorporate previously filed amendments and omit items of historical interest only. Accordingly, shareholder approval was not required.

ARTICLE 1

NAME AND ADDRESS

Section 1.1 Name. The name of the corporation is Regency Realty Corporation (the "Corporation").

Section 1.2 Address of Principal Office. The address of the principal office of the Corporation is 121 West Forsyth Street, Jacksonville, Florida 32202.

ARTICLE 2

DURATION

Section 2.1 Duration. The Corporation shall exist perpetually.

ARTICLE 3

PURPOSES

Section 3.1 Purposes. This corporation is organized for the purpose of transacting any or all lawful business permitted under the laws of the United States and of the State of Florida.

ARTICLE 4

CAPITAL STOCK

Section 4.1 Authorized Capital. The maximum number of shares of stock which the Corporation is authorized to have outstanding at any one time is forty-five million (45,000,000) shares (the "Capital Stock") divided into classes as follows:

(a) Ten million (10,000,000) shares of preferred stock having a par value of $0.01 per share (the "Preferred Stock"), and which may be issued in one or more classes or series as further described in Section ; and

(b) Twenty-five million (25,000,000) shares of voting common stock having a par value of $0.01 per share (the "Common Stock"); and

(c) Ten million (10,000,000) shares of common stock having a par value of $0.01 per share (the "Special Common Stock") and which may be issued in one or more classes or series as further described in Section .

All such shares shall be issued fully paid and nonassessable.

Section 4.2 Preferred Stock. The Board of Directors is authorized to provide for the issuance of the Preferred Stock in one or more classes and in one or more series within a class and, by filing the appropriate Articles of Amendment with the Secretary of State of Florida which shall be effective without shareholder action, is authorized to establish the number of shares to be included in each class and each series and the preferences, limitations and relative rights of each class and each series. Such preferences must include the preferential right to receive distributions of dividends or the preferential

right to receive distributions of assets upon the dissolution of the Corporation before shares of Common Stock are entitled to receive such distributions.

Section 4.3 Voting Common Stock. Holders of Voting Common Stock are entitled to one vote per share on all matters required by Florida law to be approved by the shareholders. Subject to the rights of any outstanding classes or series of Preferred Stock having preferential dividend rights, holders of Common Stock are entitled to such dividends as may be declared by the Board of Directors out of funds lawfully available therefor. Upon the dissolution of the Corporation, holders of Common Stock are entitled to receive, pro rata in accordance with the number of shares owned by each, the net assets of the Corporation remaining after the holders of any outstanding classes or series of Preferred Stock having preferential rights to such assets have received the distributions to which they are entitled.

Section 4.4 Special Common Stock. The Board of Directors is authorized to provide for the issuance of the Special Common Stock in one or more classes and in one or more series within a class and, by filing the appropriate Articles of Amendment with the Secretary of State

of Florida which shall be effective without shareholder action, is authorized to establish the number of shares to be included in each class and each series and the limitations and relative rights of each class and each series. Each class or series of Special Common Stock (1) shall bear dividends, pari passu with dividends on the Common Stock, in such amount as the Board of Directors shall determine, (2) shall vote together with the Common Stock, and not separately as a class except where otherwise required by law, on all matters on which the Common Stock is entitled to vote, unless the Board of Directors determines that any such class or series shall have limited voting rights or shall not be entitled to vote except as otherwise required by law, (3) may be convertible or redeemable on such terms as the Board of Directors may determine, and (4) may have such other relative rights and limitations as the Board of Directors is allowed by law to determine.

ARTICLE 5

REIT PROVISIONS

Section 5.1 Definitions. For the purposes of this Article 5, the following terms shall have the following meanings:

(a) "Acquire" shall mean the acquisition of Beneficial Ownership of shares of Capital Stock by any means including, without limitation, acquisition pursuant to the exercise of any option, warrant, pledge or other security interest or similar right to acquire shares, but shall not include the acquisition of any such rights, unless, as a result, the acquirer would be considered a Beneficial Owner as defined below. The term "Acquisition" shall have the correlative meaning.

(b) "Actual Owner" shall mean, with respect to any Capital Stock, that Person who is required to include in its gross income any dividends paid with respect to such Capital Stock.

(c) "Beneficial Ownership" shall mean ownership of Capital Stock by a Person who would be treated as an owner of such shares of Capital Stock, either directly or indirectly, under Section 542(a)(2) of the Code, taking into account for this purpose (i) constructive ownership determined under Section 544 of the Code, as modified by Section 856(h)(1)(B) of the Code (except where expressly provided otherwise); and (ii) any future amendment to the Code which has the effect of modifying the ownership rules under Section 542(a)(2) of the Code. The terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned" shall have the correlative meanings.

(d) "Code" shall mean the Internal Revenue Code of 1986, as amended. In the event of any future amendments to the Code involving the renumbering of Code sections, the Board of Directors may, in its sole discretion, determine that any reference to a Code section herein shall mean the successor Code section pursuant to such amendment.

(e) "Constructive Ownership" shall mean ownership of Capital Stock by a Person who would be treated as an owner of such Capital Stock, either directly or constructively, through the application of Section 318 of the Code, as modified by Section 856(d)(5) of the Code. The terms "Constructive Owner', "Constructively Owns" and "Constructively Owned" shall have the correlative meanings.

(f) "Existing Holder" shall mean any of The Regency Group, Inc., MEP, Ltd., and The Regency Group II, Ltd. (and any Person who is a Beneficial Owner of Capital Stock as a result of attribution of the Beneficial Ownership from any of the Persons previously identified) who at the opening of business on the date after the Initial Public Offering was the Beneficial Owner of Capital Stock in excess of the Ownership Limit; and any Person who Acquires Beneficial Ownership from another Existing Holder, except by Acquisition on the open market, so long as, but only so long as, such Person Beneficially Owns Capital Stock in excess of the Ownership Limit.

(g) "Existing Holder Limit" for an Existing Holder shall mean, initially, the percentage by value of the outstanding Capital Stock Beneficially Owned by such Existing Holder at the opening of business on the date after the Initial Public Offering, and after any adjustment pursuant to Section 5.8 hereof, shall mean such percentage of the outstanding Capital Stock as so adjusted; provided, however, that the Existing Holder Limit shall not be a percentage which is less than the Ownership Limit or in excess of 9.8%. Beginning with the date after the Initial Public Offering, the Secretary of the Corporation shall maintain and, upon request, make available to each Existing Holder, a schedule which sets forth the then current Existing Holder Limits for each Existing Holder.

(h) "Initial Public Offering" means the closing of the sale of shares of Common Stock pursuant to the Corporation's first effective registration statement for such Common Stock filed under the Securities Act of 1933, as amended.

(i) "Non-U.S. Person" shall mean any Person who is not (i) a citizen or resident of the United States, (ii) a partnership created or organized in the United States or under the laws of the United States or any state therein (including the District of Columbia), (iii) a corporation created or organized in the United States or under the laws of the United States or any state therein (including the District of Columbia), or (iv) any estate or trust (other than a foreign estate or foreign trust, within the meaning of Section 7701(a)(31) of the Code).

(j) "Ownership Limit" shall initially mean 7% by value of the outstanding Capital Stock of the Corporation, and after any adjustment as set forth in Section 5.9, shall mean such greater percentage (but not greater than 9.8%) by value of the outstanding Capital Stock as so adjusted.

(k) "Person" shall mean an individual, corporation, partnership, estate, trust (including a trust qualified under Section 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity, and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended; but does not include an underwriter retained by the Company which participates in a public offering of the Capital Stock for a period of 90 days following the purchase by such underwriter of the Capital Stock, provided that ownership of Capital Stock by such underwriter would not result in the Corporation being "closely held" within the meaning of Section 856(h) of the Code and would not otherwise result in the Corporation failing to quality as a REIT.

(l) "REIT" shall mean a real estate investment trust under Section 856 of the Code.

(m) "Redemption Price" shall mean the lower of (i) the price paid by the transferee from whom shares are being redeemed and (ii) the average of the last reported sales price, regular way, on the New York Stock Exchange of the relevant class of Capital Stock on the ten trading days immediately preceding the date fixed for redemption by the Board of Directors, or if the relevant class of Capital Stock is not then traded on the New York Stock Exchange, the average of the last reported sales prices, regular way, of such class of Capital Stock (or, if sales prices, regular way, are not reported, the average of the closing bid and asked prices) on the ten trading days immediately preceding the relevant date as reported on any exchange or quotation system over which the Capital Stock may be traded, or if such class of Capital Stock is not then traded over any exchange or quotation system, then the price determined in good faith by the Board of Directors of the Corporation as the fair market value of such class of Capital Stock on the relevant date.

(n) "Related Tenant Owner" shall mean any Constructive Owner who also owns, directly or indirectly, an interest in a Tenant, which interest is equal to or greater than (i) 10% of the combined voting power of all classes of stock of such Tenant, (ii) 10% of the total number of shares of all classes of stock of such Tenant, or (iii) if such Tenant is not a corporation, 10% of the assets or net profits of such Tenant.

(o) "Related Tenant Limit" shall mean 9.8% by value of the outstanding Capital Stock of the Corporation.

(p) "Restriction Termination Date" shall mean the first day after the date of the Initial Public Offering on which the Corporation determines pursuant to Section 5.13 that it is no longer in the best interest of the Corporation to attempt to, or continue to, qualify as a REIT.

(q) "Special Shareholder" shall mean any of (i) Security Capital U.S. Realty, Security Capital Holdings S.A. and any Affiliate (as such term is defined in the Stockholders Agreement) of Security Capital U.S. Realty or Security Capital Holdings S.A., (ii) any Investor (as such term is defined in Section 5.2 of the Stockholders Agreement), (iii) any bona fide financial institution to whom Capital Stock is Transferred in connection with any bona fide indebtedness of any Investor or any Person previously identified, (iv) any Person who is considered a Beneficial Owner of Capital Stock as a result of the attribution of Beneficial Ownership from any of the Persons previously identified and (v) any one or more Persons who Acquire Beneficial Ownership from a Special Shareholder, except by Acquisition on the open market.

(r) "Special Shareholder Limit" for a Special Shareholder shall mean, initially, 45% of the outstanding shares of Common Stock, on a fully diluted basis, of the Corporation and after any adjustment pursuant to Section 5.8 shall mean the percentage of the outstanding Capital Stock as so adjusted; provided, however, that 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.

(s) "Stock Purchase Agreement" shall mean that Stock Purchase Agreement dated as of June 11, 1996, by and among the Corporation, Security Capital Holdings S.A., and Security Capital U.S. Realty, as the same may be amended from time to time.

(t) "Stockholders Agreement" shall mean that Stockholders Agreement dated as of July 10, 1996, by and among the Corporation, Security Capital Holdings S.A., and Security Capital U.S. Realty, as the same may be amended from time to time.

(u) "Tenant" shall mean any tenant of (i) the Corporation, (ii) a subsidiary of the Corporation which is deemed to be a "qualified REIT subsidiary" under Section 856(i)(2) of the Code, or (iii) a partnership in which the Corporation or one or more of its qualified REIT subsidiaries is a partner.

(v) "Transfer" shall mean any sale, transfer, gift, assignment, devise, or other disposition of Capital Stock or the right to vote or receive dividends on Capital Stock (including (i) the granting of any option or entering into any agreement for the sale, transfer or other disposition of Capital Stock or the right to vote or receive dividends on the Capital Stock or (ii) the sale, transfer, assignment or other disposition or grant of any securities or rights convertible or exchangeable for Capital Stock), whether voluntarily or involuntarily, whether of record or Beneficially, and whether by operation of law or otherwise; provided, however, that any bona fide pledge of Capital Stock shall not be deemed a Transfer until such time as the pledgee effects an actual change in ownership of the pledged shares of Capital Stock.

Section 5.2 Restrictions on Transfer. Except as provided in Section 5.11 and Section 5.16, during the period commencing at the Initial Public Offering:

(a) No Person (other than an Existing Holder or a Special Shareholder) shall Beneficially Own Capital Stock in excess of the Ownership Limit, no Existing Holder shall Beneficially Own Capital Stock in excess of the Existing Holder Limit for such Existing Holder and no Special Shareholder shall Beneficially Own Capital Stock in excess of the Special Shareholder Limit.

(b) No Person shall Constructively Own Capital Stock in excess of the Related Tenant Limit for more than thirty (30) days following the date such Person becomes a Related Tenant Owner.

(c) Any Transfer that, if effective, would result in any Person (other than an Existing Holder or a Special Shareholder) Beneficially Owning Capital Stock in excess of the Ownership Limit shall be void ab initio as to the Transfer of such Capital Stock which would be otherwise Beneficially Owned by such Person in excess of the Ownership Limit, and the intended transferee shall Acquire no rights in such Capital Stock.

(d) Any Transfer that, if effective, would result in any Existing Holder Beneficially Owning Capital Stock in excess of the applicable Existing Holder Limit shall be void ab initio as to the Transfer of such Capital Stock which would be otherwise Beneficially Owned by such Existing Holder in excess of the applicable Existing Holder Limit, and such Existing Holder shall Acquire no rights in such Capital Stock.

(e) Any Transfer that, if effective, would result in any Special Shareholder Beneficially Owning Capital Stock in excess of the applicable Special Shareholder Limit shall be void ab initio as to the Transfer of such Capital Stock which would be otherwise

Beneficially Owned by such Special Shareholder in excess of the applicable Special Shareholder Limit, and such Special Shareholder shall Acquire no rights in such Capital Stock.

(f) Any Transfer that, if effective, would result in any Related Tenant Owner Constructively Owning Capital Stock in excess of the Related Tenant Limit shall be void ab initio as to the Transfer of such Capital Stock which would be otherwise Constructively Owned by such Related Tenant Owner in excess of the Related Tenant Limit, and the intended transferee shall Acquire no rights in such Capital Stock.

(g) Any Transfer that, if effective, would result in the Capital Stock being beneficially owned by less than 100 Persons (within the meaning of Section 856(a)(5) of the Code) shall be void ab initio as to the Transfer of such Capital Stock which would be otherwise beneficially owned by the transferee, and the intended transferee shall Acquire no rights in such Capital Stock.

(h) Any Transfer that, if effective, would result in the Corporation being "closely held" within the meaning of Section 856(h) of the Code shall be void ab initio as to the portion of any Transfer of the Capital Stock which would cause the Corporation to be "closely held" within the meaning of Section 856(h) of the Code, and the intended transferee shall Acquire no rights in such Capital Stock.

(i) Any other Transfer that, if effective, would result in the disqualification of the Corporation as a REIT by virtue of actual, Beneficial or Constructive Ownership of Capital Stock shall be void ab initio as to such portion of the Transfer resulting in the disqualification, and the intended transferee shall Acquire no rights in such Capital Stock.

Section 5.3 Remedies for Breach.

(a) If the Board of Directors or a committee thereof shall at any time determine in good faith that a Transfer has taken place that falls within the scope of Section 5.2 or that a Person intends to Acquire Beneficial Ownership of any shares of the Corporation that would result in a violation of Section 5.2 (whether or not such violation is intended), the Board of Directors or a committee thereof shall take such action as it or they deem advisable to refuse to give effect to or to prevent such Transfer, including, but not limited to, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer, subject, however, in all cases to the provisions of Section 5.16.

(b) Without limitation to Sections 5.2 and 5.3(a), any purported transferee of shares Acquired in violation of Section 5.2 and any Person retaining shares in violation of Section 5.2(b) shall be deemed to have acted as agent on behalf of the Corporation in holding those shares Acquired or retained in violation of Section 5.2 and shall be deemed to hold such shares in trust on behalf of and for the benefit of the Corporation. Such shares shall be deemed a separate class of stock until such time as the shares are sold or redeemed as provided in

Section 5.3(c). The holder shall have no right to receive dividends or other distributions with respect to such shares, and shall have no right to vote such shares. Such holder shall have no claim, cause of action or any other recourse whatsoever against any transferor of shares Acquired in violation of Section 5.2. The holder's sole right with respect to such shares shall be to receive, at the Corporation's sole and absolute discretion, either (i) consideration for such shares upon the resale of the shares as directed by the Corporation pursuant to Section 5.3(c) or (ii) the Redemption Price pursuant to Section 5.3(c). Any distribution by the Corporation in respect of such shares Acquired or retained in violation of Section 5.2 shall be repaid to the Corporation upon demand.

(c) The Board of Directors shall, within six months after receiving notice of a Transfer or Acquisition that violates Section 5.2 or a retention of shares in violation of Section 5.2(b), either (in its sole and absolute discretion, subject to the requirements of Florida law applicable to redemption) (i) direct the holder of such shares to sell all shares held in trust for the Corporation pursuant to Section 5.3(b) for cash in such manner as the Board of Directors directs or (ii) redeem such shares for the Redemption Price in cash on such date within such six month period as the Board of Directors may determine. If the Board of Directors directs the holder to sell the shares, the holder shall receive such proceeds as the trustee for the Corporation and pay the Corporation out of the proceeds of such sale (i) all expenses incurred by the Corporation in connection with such sale, plus (ii) any remaining amount of such proceeds that exceeds the amount paid by the holder for the shares, and the holder shall be entitled to retain only the amount of such proceeds in excess of the amount required to be paid to the Corporation.

Section 5.4 Notice of Restricted Transfer. Any Person who Acquires, attempts or intends to Acquire, or retains shares in violation of Section 5.2 shall immediately give written notice to the Corporation of such event and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer, attempted or intended Transfer, or retention, on the Corporation's status as a REIT.

Section 5.5 Owners Required to Provide Information. From the date of the Initial Public Offering and prior to the Restriction Termination Date:

(a) Every shareholder of record of more than 5% by value (or such lower percentage as required by the Code or the regulations promulgated thereunder) of the outstanding Capital Stock of the Corporation shall, within 30 days after December 31 of each year, give written notice to the Corporation stating the name and address of such record shareholder, the number and class of shares of Capital Stock Beneficially Owned by it, and a description of how such shares are held; provided that a shareholder of record who holds outstanding Capital Stock of the Corporation as nominee for another Person, which Person is required to include in its gross income the dividends received on such Capital Stock (an "Actual Owner"), shall give written notice to the Corporation stating the name and address of such Actual Owner and the number and class of shares of such Actual Owner with respect to which the shareholder of record is nominee. Each

such shareholder of record shall provide to the Corporation such additional information as the Corporation may request in order to determine the effect, if any, of such Beneficial Ownership on the Corporation's status as a REIT.

(b) Every Actual Owner of more than 5% by value (or such lower percentage as required by the Code or Regulations promulgated thereunder) of the outstanding Capital Stock of the Corporation who is not a shareholder of record of the Corporation, shall within 30 days after December 31 of each year, give written notice to the Corporation stating the name and address of such Actual Owner, the number and class of shares Beneficially Owned, and a description of how such shares are held.

(c) Each Person who is a Beneficial Owner of Capital Stock and each Person (including the shareholder of record) who is holding Capital Stock for a Beneficial Owner shall provide to the Corporation such information as the Corporation may request, in good faith, in order to determine the Corporation's status as a REIT.

(d) Nothing in this Section 5.5 or any request pursuant hereto shall be deemed to waive any limitation in Section 5.2.

Section 5.6 Remedies Not Limited. Except as provided in Section 5.15, nothing contained in this Article shall limit the authority of the Board of Directors to take such other action as it deems necessary or advisable to protect the Corporation and the interests of its shareholders in preserving the Corporation's status as a REIT.

Section 5.7 Ambiguity. In the case of an ambiguity in the application of any of the provisions of this Article 5, including without limitation any definition contained in Section 5.1 and any determination of Beneficial Ownership, the Board of Directors in its sole discretion shall have the power to determine the application of the provisions of this Article 5 with respect to any situation based on the facts known to it.

Section 5.8 Modification of Existing Holder Limits and Special Shareholder Limits. Subject to the provisions of Section 5.10, the Existing Holder Limits may or shall, as provided below, be modified as follows:

(a) Any Existing Holder or Special Shareholder may Transfer Capital Stock to another Person, and, so long as such Transfer is not on the open market, any such Transfer will decrease the Existing Holder Limit or Special Shareholder Limit, as applicable, for such transferor (but not below the Ownership Limit) and increase the Existing Holder Limit or Special Shareholder Limit, as applicable, for such transferee by the percentage of the outstanding Capital Stock so transferred. The transferor Existing Holder or Special Shareholder, as applicable, shall give the Board of Directors of the Corporation prompt written notice of any such transfer. Any Transfer by an Existing Holder or Special Shareholder on the open market shall neither reduce its

Existing Holder Limit or Special Shareholder Limit, as applicable, nor increase the Ownership Limit, Existing Holder Limit or Special Shareholder Limit of the transferee.

(b) Any grant of Capital Stock or a stock option pursuant to any benefit plan for directors or employees shall increase the Existing Holder Limit or Special Shareholder Limit for the affected Existing Holder or Special Shareholder, as the case may be, to the maximum extent possible under Section 5.10 to permit the Beneficial Ownership of the Capital Stock granted or issuable under such employee benefit plan.

(c) The Board of Directors may reduce the Existing Holder Limit of any Existing Holder, with the written consent of such Existing Holder, after any Transfer permitted in this Article 5 by such Existing Holder on the open market.

(d) Any Capital Stock issued to an Existing Holder or Special Shareholder pursuant to a dividend reinvestment plan adopted by the Corporation shall increase the Existing Holder Limit or Special Shareholder Limit, as the case may be, for the Existing Holder or Special Shareholder to the maximum extent possible under Section 5.10 to permit the Beneficial Ownership of such Capital Stock.

(e) Any Capital Stock issued to an Existing Holder or Special Shareholder in exchange for the contribution or sale to the Corporation of real property, including Capital Stock issued pursuant to an "earn-out" provision in connection with any such sale, shall increase the Existing Holder Limit or Special Shareholder Limit, as the case may be, for the Existing Holder or Special Shareholder to the maximum extent possible under Section 5.10 to permit the Beneficial Ownership of such Capital Stock.

(f) The Special Shareholder Limit shall be increased, from time to time, whenever there is an increase in Special Shareholders' percentage 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 the Capital Stock (or any other capital stock) of the Corporation due to any event other than the purchase of Capital Stock (or any other capital stock) of the Corporation by a Special Shareholder, by an amount equal to such percentage increase multiplied by the Special Shareholder Limit.

(g) The Board of Directors may reduce the Special Shareholder Limit for any Special Shareholder and the Existing Holder Limit for any Existing Holder, as applicable, after the lapse (without exercise) of an option described in Clause (b) of this Section 5.8 by the percentage of Capital Stock that the option, if exercised, would have represented, but in either case no Existing Holder Limit or Special Shareholder Limit shall be reduced to a percentage which is less than the Ownership Limit.

Section 5.9 Modification of Ownership Limit. Subject to the limitations provided in Section 5.10, the Board of Directors may from time to time increase or decrease the Ownership Limit; provided, however, that any decrease may only be made prospectively as to subsequent

holders (other than a decrease as a result of a retroactive change in existing law that would require a decrease to retain REIT status, in which case such decrease shall be effective immediately).

Section 5.10 Limitations on Modifications. Notwithstanding any other provision of this Article 5:

(a) Neither the Ownership Limit, the Special Shareholder Limit nor any Existing Holder Limit may be increased if, after giving effect to such increase, five Persons who are considered individuals pursuant to Section 542(a)(2) of the Code (taking into account all of the then Existing Holders and Special Shareholders) could Beneficially Own, in the aggregate, more than 49.5% by value of the outstanding Capital Stock.

(b) Prior to the modification of any Existing Holder Limit or Ownership Limit pursuant to Section 5.8 or 5.9, the Board of Directors of the Corporation may require such opinions of counsel, affidavits, undertakings or agreements as it may deem necessary or advisable in order to determine or insure the Corporation's status as a REIT.

(c) No Existing Holder Limit or Special Shareholder Limit may be a percentage which is less than the Ownership Limit.

(d) The Ownership Limit may not be increased to a percentage which is greater than 9.8%.

Section 5.11 Exceptions. The Board of Directors may, upon receipt of either a certified copy of a ruling of the Internal Revenue Service, an opinion of counsel satisfactory to the Board of Directors or such other evidence as the Board of Directors deems appropriate, but shall in no case be required to, exempt a Person (the "Exempted Holder") from the Ownership Limit, the Special Shareholder Limit, the Existing Holder Limit or the Related Tenant Limit, as the case may be, if the ruling or opinion concludes or the other evidence shows (A) that no Person who is an individual as defined in Section 542(a)(2) of the Code will, as the result of the ownership of the shares by the Exempted Holder, be considered to have Beneficial Ownership of an amount of Capital Stock that will violate the Ownership Limit, the Special Shareholder Limit or the applicable Existing Holder Limit, as the case may be, or (B) in the case of an exception of a Person from the Related Tenant Limit that the exemption from the Related Tenant Limit would not cause the Corporation to fail to qualify as a REIT. The Board of Directors may condition its granting of a waiver on the Exempted Holder's agreeing to such terms and conditions as the Board of Directors determines to be appropriate in the circumstances.

Section 5.12 Legend. All certificates representing shares of Capital Stock of the Corporation shall bear a legend referencing the restrictions on ownership and transfer as set forth in these Articles. The form and content of such legend shall be determined by the Board of Directors.

Section 5.13 Termination of REIT Status. The Board of Directors may revoke the Corporation's election of REIT status as provided in Section 856(g)(2) of the Code if, in its discretion, the qualification of the Corporation as a REIT is no longer in the best interests of the Corporation. Notwithstanding any such revocation or other termination of REIT status, the provisions of this Article 5 shall remain in effect unless amended pursuant to the provisions of Article 10.

Section 5.14 Certain Transfers to Non-U.S. Persons Void. Any Transfer of shares of Capital Stock of the Corporation to any Person (other than a Special Shareholder) that results in the fair market value of the shares of Capital Stock of the Corporation owned directly and indirectly by Non-U.S. Persons to comprise 50% or more of the fair market value of the issued and outstanding shares of Capital Stock of the Corporation (determined, until the 15% Termination Date (as defined in the Stockholders Agreement), if any, by assuming that the Special Shareholders are Non-U.S. Persons, and own a percentage of the outstanding shares of Common Stock of the Corporation equal to 45%, on a fully diluted basis), 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 foregoing provision 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 and indirectly by Non-U.S. Persons to comprise 50% or more of the fair market value of the issued and outstanding shares of Capital Stock of the Corporation (determined, until the 15% Termination Date, if any, assuming that the Special Shareholders are Non-U.S. Persons, and own a percentage of the outstanding shares of Common Stock of the Corporation equal to 45%, on a fully diluted basis), (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.

Section 5.15 Severability. If any provision of this Article or any application of any such provision is determined to be invalid by any federal or state court having jurisdiction over the issues, the validity of the remaining provisions shall not be affected and the application of such provisions shall be affected only to the extent necessary to comply with the determination of such court.

Section 5.16 New York Stock Exchange Transactions. Nothing in this Article 5 shall preclude the settlement of any transaction entered into through the facilities of the New York Stock Exchange."

ARTICLE 6

REGISTERED OFFICE AND AGENT

Section 6.1 Name and Address. The street address of the registered office of the Corporation is 200 Laura Street, Jacksonville, Florida 32202, and the name of the initial registered agent of this Corporation at that address is F & L Corp.

ARTICLE 7

DIRECTORS

Section 7.1 Number. The number of directors may be increased or diminished from time to time by the bylaws, but shall never be more than fifteen (15) or less than three (3).

Section 7.2 Classification. The Directors shall be classified into three classes, as nearly equal in number as possible. At each annual meeting of the shareholders of the Corporation, the date of which shall be fixed by or pursuant to the Bylaws of the Corporation, the successors of the class of directors whose terms expire at that meeting shall be elected to hold office for a term expiring at the annual meeting of shareholders held in the third year following the year of their election.

ARTICLE 8

BYLAWS

Section 8.1 Bylaws. The Bylaws may be amended or repealed from time to time by either the Board of Directors or the shareholders, but the Board of Directors shall not alter, amend or repeal any Bylaw adopted by the shareholders if the shareholders specifically provide that the Bylaw is not subject to amendment or repeal by the Board of Directors.

ARTICLE 9

INDEMNIFICATION

Section 9.1 Indemnification. The Board of Directors is hereby specifically authorized to make provision for indemnification of directors, officers, employees and agents to the full extent permitted by law.

ARTICLE 10

AMENDMENT

Section 10.1 Amendment. The Corporation reserves the right to amend or repeal any provision contained in these Amended and Restated Articles of Incorporation, and any right conferred upon the shareholders is subject to this reservation.

IN WITNESS WHEREOF, the undersigned President of the Corporation has executed these Restated Articles this 1st day of November, 1996.

/s/ Martin E. Stein, Jr.
Martin E. Stein, Jr., President

ACCEPTANCE BY REGISTERED AGENT

Having been named to accept service of process for the above-stated corporation, at the place designated in the above Articles of Incorporation, I hereby agree to act in this capacity, and I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties. I am familiar with and I accept the obligations of a registered agent.

F & L CORP., Registered Agent

/s/ Charles V. Hedrick
Charles V. Hedrick, Authorized Signatory
Date: November 4, 1996

ADDENDUM TO RESTATED ARTICLES OF INCORPORATION

of

REGENCY REALTY CORPORATION

DESIGNATION OF
CLASS B NON-VOTING COMMON STOCK
$0.01 PAR VALUE
(Filed with the Florida Department of State on December 20, 1995)

Pursuant to Section 607.0602 of the
Florida Business Corporation Act

Pursuant to the authority expressly conferred upon the Board of Directors by Section 4.4 of the Restated Articles of Incorporation of the Corporation, as amended, in accordance with the provisions of Section 607.0602 of the Florida Business Corporation Act, the Board of Directors, at meetings duly held on October 23, 1995 and December 14, 1995, duly adopted the following resolution providing for an issue of a class of the Corporation's Special Common Stock to be designated Class B Non-Voting Common Stock, $0.01 par value. Shareholder action was not required with respect to such designation.

"RESOLVED, that pursuant to the authority expressly granted to the Corporation's Board of Directors by Section 4.4 of the Restated Articles of Incorporation of the Corporation, as amended, the Board of Directors hereby establishes a class of the Corporation's Special Common Stock, $0.01 par value per share, and hereby fixes the designation, the number of shares and the relative rights, preferences and limitations thereof as follows:

1. Designation. The designation of the class of Special Common Stock created by this resolution shall be Class B Non-Voting Convertible Common Stock, $0.01 par value (hereinafter referred to as "Class B Common Stock"), and the number of shares constituting such class shall be two million five hundred thousand (2,500,000) shares.

2. Dividend Rights.

(a) Subject to the rights of classes or series of Preferred Stock now in existence or which may from time to time come into existence, the holders of shares of Class B Common Stock shall be entitled to receive dividends, when, as and if declared by the Board of Directors, out of any assets legally available therefor, pari passu with any dividend (payable other than in voting common stock of the Corporation (hereinafter referred to as the "Common Stock")) on the Common Stock of the Corporation, in the amount per share equal to the Class B Dividend Amount, as in effect from time to time. The initial per share Class B Dividend Amount per annum shall be equal to $1.9369. Each calendar quarter hereafter (or if the

Original Issue Date is not on the first day of a calendar quarter, the period beginning on the date of issuance and ending on the last day of the calendar quarter of issuance) is referred to hereinafter as a "Dividend Period." The amount of dividends payable with respect to each full Dividend Period for the Class B Common Stock shall be computed by dividing the Class B Dividend Amount by four. The amount of dividends on the Class B Common Stock payable with respect to the initial Dividend Period, or any other period shorter or longer than a full Dividend Period, shall be computed ratably on the basis of the actual number of days in such Dividend Period. In the event of any change in the quarterly cash dividend per share applicable to the Common Stock after the date of these Articles of Amendment, the quarterly cash dividend per share on the Class B Common Stock shall be adjusted for the same dividend period by an amount computed by (1) multiplying the amount of the change in the Common Stock dividend (2) times the Conversion Ratio (as defined in Section).

(b) In the event the Corporation shall declare a distribution payable in (i) securities of other persons, (ii) evidences of indebtedness issued by the Corporation or other persons, (iii) assets (excluding cash dividends) or (iv) options or rights to purchase capital stock or evidences of indebtedness in the Corporation or other persons, then, in each such case for the purpose of this Section , the holders of the Class B Common Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of the Corporation into which their shares of Class B Common Stock are or would be convertible (assuming such shares of Class B Common Stock were then convertible).

3. Liquidation Preference. The holders of record of Class B Common Stock shall not be entitled to any liquidation preference. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the holders of record of Class B Common Stock shall be treated pari passu with the holders of record of Common Stock, with each holder of record of Class B Common Stock being entitled to receive that amount which such holder would be entitled to receive if such holder had converted all its Class B Common Stock into Common Stock immediately prior to the liquidating distribution in question.

4. Conversion.

(a) Conversion Date and Conversion Ratio. Beginning on the three- year anniversary date of the Original Issue Date thereof (the "Third Anniversary"), the holders of shares of Class B Common Stock shall have the right, at their option, at any time and from time to time, to convert each such shares into 1.1901872 (hereinafter referred to as "Conversion Ratio", which shall be subject to adjustment as hereinafter provided) shares of fully paid and nonassessable shares of Common Stock; provided, however, that no holder of Class B Common Stock shall be entitled to convert shares of Class B Common Stock into Common Stock pursuant to the foregoing provision, if, as a result of such conversion such person (x) would become the Beneficial Owner of more than 4.9% of the Corporation's outstanding Common Stock (the "Percentage Limit"), or (y) would acquire upon such conversion during any consecutive three-

month period more than 495,911 shares of Common Stock (the "Share Limit," which shall be subject to adjustment as hereinafter provided). Beneficial Owner shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934 (or any successor provision thereto). Notwithstanding the foregoing, such conversion right may be exercised from time to time after the Third Anniversary irrespective of the Percentage Limit or the Share Limit (and no conversion limit shall apply) as follows:

(A) If the holder duly exercises piggyback registration rights in connection with an underwritten public offering pursuant to a Registration Rights Agreement executed by the Corporation on August 25, 1995, the holder shall be entitled to convert shares of Class B Common Stock effective at the closing of the offering in an amount sufficient to enable the holder to honor its sale obligations to the underwriters at such closing, even though the amount so converted exceeds the Percentage Limit or the Share Limit; and

(B) If (x) the holder arranges for the sale of Common Stock issuable upon conversion of Class B Common Stock in a transaction that complies with applicable securities laws and with the Corporation's Amended and Restated Articles of Incorporation as then in effect which transaction will not be effected on a securities exchange or through an established quotation system or in the over-the-counter market, and (y) the holder provides the Corporation with copies of written documentation relating to the transaction sufficient to enable the Corporation to determine whether the transaction meets the requirements of the preceding clause, the holder shall be entitled to convert shares of Class B Common Stock effective at the closing of the sale in an amount sufficient for the holder to effect the transaction at such closing, even though the amount so converted exceeds the Percentage Limit or the Share Limit.

In addition, notwithstanding the foregoing, the conversion right set forth above may be exercised without regard to the Percentage Limit or the Share Limit (and no conversion limit shall apply) before the Third Anniversary if one of the following conditions has occurred:

(i) For any two consecutive fiscal quarters, the aggregate amount outstanding as of the end of the quarter under (1) all mortgage indebtedness of the Corporation and its consolidated entities and (2) unsecured indebtedness of the Corporation and its consolidated entities for money borrowed that has not been made generally subordinate to any other indebtedness for borrowed money of the Corporation or any consolidated entity exceeds sixty five percent (65%) of the amount arrived at by (A) taking the Corporation's consolidated gross revenues less property-related expenses, including real estate taxes, insurance, maintenance and utilities, but excluding depreciation, amortization and corporate general and administrative expenses, for the quarter in question and the immediately preceding quarter, (B) multiplying the amount in clause A by two (2), and (C) dividing the resulting product in clause B by nine percent (9%) (all as such items of indebtedness, revenues and

expenses are reported in consolidated financial statements contained in the Corporation's Form 10-Ks and Form 10-Qs as filed with the Securities and Exchange Commission); or

(ii) In the event that (1) Martin E. Stein, Jr. has ceased to be an executive officer of the Corporation, or (2) Bruce M. Johnson and any one of (a) Richard E. Cook, (b) Robert C. Gillander, Jr. or (c) James D. Thompson have ceased to be executive officers of the Corporation, or (3) all of Richard E. Cook, Robert C. Gillander, Jr., and James. D. Thompson have ceased to be executive officers of the Corporation; or

(iii) If (A) the Corporation shall be party to, or shall have announced or entered into an agreement for, any transaction (including, without limitation, a merger, consolidation, statutory share exchange or sale of all or substantially all of its assets (each of the foregoing being referred to herein as a "Transaction")), in each case as a result of which shares of Common Stock shall have been or will be converted into the right to receive stock, securities or other property (including cash or any combination thereof) or which has resulted or will result in the holders of Common Stock immediately prior to the Transaction owning less than 50% of the Common Stock after the Transaction, or (B) a "change of control" as defined in the next sentence occurs with respect to the Corporation. A change of control shall mean the acquisition (including by virtue of a merger, share exchange or other business combination) by one stockholder or a group of stockholders acting in concert of the power to elect a majority of the Corporation's board of directors. The Corporation shall notify the holder of Class B Common Stock promptly if any of the events listed in this Section shall occur.

Calculations set forth in Section shall be made without regard to unconsolidated indebtedness incurred as a joint venture partner, and the effect of any unconsolidated joint venture, including any income from such unconsolidated joint venture, shall be excluded for purposes of the calculation set forth in Section .

(b) Procedure for Conversion. In order to convert shares of Class B Common Stock into Common Stock, the holder thereof shall surrender the certificate(s) therefor, duly endorsed if the Corporation shall so require, or accompanied by appropriate instruments of transfer satisfactory to the Corporation, at the office of any transfer agent for the Class B Common Stock, or if there is no such transfer agent, at the principal offices of the Corporation, or at such other office as may be designated by the Corporation, together with written notice that such holder irrevocably elects to convert such shares. Such notice shall also state the name(s) and address(es) in which such holder wishes the certificate(s) for the shares of Common Stock issuable upon conversion to be issued. As soon as practicable thereafter, the Corporation shall issue and deliver at said office a certificate or certificates for the number of shares of Common Stock issuable upon conversion of the shares of Class B Common Stock duly surrendered for conversion, to the person(s) entitled to receive the same. Shares of Class B Common Stock shall be deemed to have been converted immediately prior to the close of business on the date on which the certificates therefor and notice of election to convert the same are duly received by

the Corporation in accordance with the foregoing provisions, and the person(s) entitled to receive the Common Stock issuable upon such conversion shall be deemed for all purposes as record holder(s) of such Common Stock as of the close of business on such date.

(c) No Fractional Shares. No fractional shares shall be issued upon conversion of the Class B Common Stock into Common Stock, and the number of shares of Common Stock to be issued shall be rounded to the nearest whole share. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Class B Common Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

(d) Payment of Adjusted Accrued Dividends Upon Conversion. On the next dividend payment date (or such later date as is permitted in this Section following any conversion hereunder, the Corporation shall pay in cash Adjusted Accrued Dividends (as defined below) on shares of Class B Common Stock so converted. The holder shall be entitled to receive accrued and unpaid dividends accrued to and including the conversion date on the shares of Class B Common Stock converted (assuming that such dividends accrue ratably each day that such shares are outstanding), less an amount equal to the pre-conversion portion of the dividends paid on the shares of Common Stock issued upon such conversion the record date for which such Common Stock dividend occurs on or after the conversion date but before the three-month anniversary date of the conversion date (the "Subsequent Record Date"). The pre-conversion portion of such Common Stock dividend means that portion of such dividend as is attributable to the period ending on the conversion date, assuming that such dividend accrues ratably during the period that (i) begins on the day after the last Common Stock dividend record date occurring before such Subsequent Record Date and (ii) ends on such Subsequent Record Date. The term "Adjusted Accrued Dividends" means the amount arrived at through the application of the foregoing formula. Adjusted Accrued Dividends shall not be less than zero. The formula for Adjusted Accrued Dividends shall be applied to effectuate the Corporation's intent that the holder converting shares of Class B Common Stock to Common Stock shall be entitled to receive dividends on such shares of Class B Common Stock up to and including the conversion date and shall be entitled to the dividends on the shares of Common Stock issued upon such conversion which are deemed to accrue beginning on the first day after the conversion date, but shall not be entitled to dividends attributable to the same period for both the shares of Class B Common Stock converted and the shares of Common Stock issued upon such conversion. The Corporation shall be entitled to withhold (to the extent consistent with the intent to avoid double dividends for overlapping portions of Class B Common Stock and Common Stock dividend periods) the payment of Adjusted Accrued Dividends until the Common Stock dividend declaration date for the applicable Subsequent Record Date, even though such date occurs after the applicable dividend payment date with respect to the Class B Common Stock, in which event the Corporation shall mail to each holder who converted Class B Common Stock a check for the Adjusted Accrued Dividends thereon within five (5) business days after such Common Stock dividend declaration date. Adjusted Accrued Dividends shall be accompanied by an explanation of how such Adjusted Accrued Dividends have been calculated. Adjusted Accrued Dividends shall not bear interest.

5. Adjustments.

(a) In the event the Corporation shall at any time (i) pay a dividend or make a distribution to holders of Common Stock in shares of Common Stock, (ii) subdivide its outstanding shares of Common Stock into a larger number of shares, or (iii) combine its outstanding shares of Common Stock into a smaller number of shares, the Conversion Ratio and the Share Limit shall be adjusted on the effective date of the dividend, distribution, subdivision or combination by multiplying the Conversion Ratio or the Share Limit (as the case may be) by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such dividend, distribution, subdivision or combination and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such dividend, distribution, subdivision or combination.

(b) Whenever the Conversion Ratio and the Share Limit shall be adjusted as herein provided, the Corporation shall cause to be mailed by first class mail, postage prepaid, as soon as practicable to each holder of record of shares of Class B Common Stock a notice stating that the Conversion Ratio and the Share Limit has been adjusted and setting forth the adjusted Conversion Ratio and the Share Limit, together with an explanation of the calculation of the same.

(c) If the Corporation shall be party to any Transaction in each case as a result of which shares of Common Stock shall be converted into the right to receive stock, securities or other property (including cash or any combination thereof), the holder of each share of Class B Common Stock shall have the right, after such Transaction to convert such share pursuant to the conversion provisions hereof, into the number and kind of shares of stock or other securities and the amount and kind of property receivable upon such Transaction by a holder of the number of shares of Common Stock issuable upon conversion of such share of Class B Common Stock immediately prior to such Transaction. The Corporation shall not be party to any Transaction unless the terms of such Transaction are consistent with the provisions of this Section , and it shall not consent to 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 Class B Common Stock, thereby enabling the holders of the Class B Common Stock to receive the benefits of this Section and the other provisions of these Articles of Amendment. Without limiting the generality of the foregoing, provision shall be made for adjustments in the Conversion Ratio which shall be as nearly equivalent as may be practicable to the adjustments provided for in Section . The provisions of this Section shall similarly apply to successive Transactions. In the event that the Corporation shall propose to effect any Transaction which would result in an adjustment under Section , the Corporation shall cause to be mailed to the holders of record of Class B Common Stock at least 20 days prior to the applicable date hereinafter specified a notice stating the date on which such Transaction is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such Transaction.

Failure to give such notice, or any defect therein, shall not affect the legality or validity of such Transaction.

6. Other.

(a) The Corporation shall at all times reserve and keep available out of its authorized but unissued Common Stock the maximum number of shares of Common Stock issuable upon the conversion of all shares of Class B Common Stock then outstanding and if, at any time, the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Class B Common Stock, in addition to such other remedies as shall be available to the holder of such Class B Common Stock, the Corporation shall take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes.

(b) The Corporation shall pay any taxes that may be payable in respect of the issuance of shares of Common Stock upon conversion of shares of Class B Common Stock, but the Corporation shall not be required to pay any taxes which may be payable in respect of any transfer of shares of Class B Common Stock or any transfer involved in the issuance of shares of Common Stock in a name other than that in which the shares of Class B Common Stock so converted are registered, and the Corporation shall not be required to transfer any such shares of Class B Common Stock or to issue or deliver any such shares of Common Stock unless and until the person(s) requesting such transfer or issuance shall have paid to the Corporation the amount of any such taxes, or shall have established to the satisfaction of the Corporation that such taxes have been paid.

(c) The Corporation will not, by amendment of the Articles of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in carrying out of all the provisions of these Articles of Amendment and in the taking of all such action as may be necessary or appropriate to protect the conversion rights of the holders of the Class B Common Stock against impairment.

(d) Holders of Class B Common Stock shall be entitled to receive copies of all communications by the Corporation to its holders of Common Stock, concurrently with the distribution to such shareholders.

7. Voting Rights. The holders of record of Class B Common Stock shall not be entitled to vote on any matter on which the holders of record of Common Stock are entitled to vote, except where a separate vote of the Class B Common Stock is required by law.

8. Reacquired Shares. Shares of Class B Common Stock converted, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of Non-Voting Common Stock without designation as to class or series.

ARTICLES OF AMENDMENT
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, Florida Business Corporation Act, amendments to the Articles of Incorporation, as restated on November 4, 1996, were approved by the Board of Directors at a meeting held on January 27, 1997 and adopted by the shareholders of the corporation on June 12, 1997. The only voting group entitled to vote on the adoption of the amendment to 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. The Restated Articles of Incorporation of the Company are hereby amended as follows (amended language is underscored):

Section 4.1 is amended to read as follows:

"Section 4.1 Authorized Capital. The maximum number of shares of stock which the corporation is authorized to have outstanding at any one time is one hundred seventy million (170,000,000) shares (the "Capital Stock") divided into classes as follows:

1. Ten million (10,000,000) shares of preferred stock having a par value of $0.01 per share (the "Preferred Stock"), and which may be issued in one or more classes or series as further described in Section 4.2;

2. One hundred fifty million (150,000,000) shares of voting common stock having a par value of $0.01 per share (the "Common Stock"); and

3. Ten million (10,000,000) shares of common stock having a par value of $0.01 per share (the "Special Common Stock") and which may be issued in one or more classes or series as further described in Section 4.4.

All such shares shall be issued fully paid and non assessable."

Section 5.14 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 (other than a Special Shareholder) that results in the fair market value of the shares of Capital Stock of the Corporation owned directly and indirectly by Non-U.S. Persons to comprise 50% or more of the fair market value of the issued and outstanding shares of Capital Stock of the Corporation (determined, until the 15% Termination Date (as defined in the Stockholders Agreement), if any, by

assuming that the Special Shareholders (i) are Non-U.S. Persons and (ii) own (A) a percentage of the outstanding shares of Common Stock of the Corporation equal to 45%, on a fully diluted basis, and (B) a percentage of the outstanding shares of each class of Capital Stock of the Corporation (other than Common Stock) equal to the quotient obtained by dividing the sum of its actual ownership thereof and, without duplication of shares included in clause (A), the shares it has a right to acquire by the number of outstanding shares of such class (clauses (i) and (ii) are referred to collectively as the "Presumption") 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 foregoing provision 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 and indirectly by Non-U.S. Persons to comprise 50% or more of the fair market value of the issued and outstanding shares of Capital Stock of the Corporation (determined, until the 15% Termination Date, if any, by applying the Presumption, (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 and the approval of the Board of Directors, waive in writing all or any portion of the Presumption, on such terms and conditions as they in their sole discretion determine.

IN WITNESS WHEREOF, the undersigned Executive Vice President of this corporation has executed these Articles of Amendment this 12th day of June, 1997.

Bruce M. Johnson, Managing Director

AMENDED AND RESTATED BYLAWS

OF

REGENCY REALTY CORPORATION
(a Florida corporation)

(as last amended on April 28, 1997)

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ARTICLE 1

Definitions

Section 1.1 Definitions. The following terms shall have the following meanings for purposes of these bylaws:

"Act" means the Florida Business Corporation Act, as it may be amended from time to time, or any successor legislation thereto.

"Deliver" or "delivery" includes delivery by hand; United States mail; facsimile, telegraph, teletype or other form of electronic transmission; and private mail carriers handling nationwide mail services.

*Distribution" means a direct or indirect transfer of money or other property (except shares in the corporation) or an incurrence of indebtedness by the corporation to or for the benefit of shareholders in respect of any of the corporation's shares. A distribution may be in the form of a declaration or payment of a dividend; a purchase, redemption, or other acquisition of shares; a distribution of indebtedness; or otherwise.

"Principal office" means the office (within or without the State of Florida) where the corporation's principal executive offices are located, as designated in the Articles of Incorporation until an annual report has been filed with the Florida Department of State, and thereafter as designated in the annual report.

ARTICLE 2

Offices

Section 2.1 Principal and Business Offices. The corporation may have such principal and other business offices, either within or without the State of Florida, as the Board of Directors may designate or as the business of the corporation may require from time to time.

Section 2.2 Registered Office. The registered office of the corporation required by the Act to be maintained in the State of Florida may but need not be identical with the principal office if located in the State of Florida, and the address of the registered office may be changed from time to time by the Board of Directors or by the registered agent. The business office of the registered agent of the corporation shall be identical to such registered office.

ARTICLE 3

Shareholders

Section 3.1 Annual Meeting. The annual meeting of shareholders shall be held within four months after the close of each fiscal year of the corporation on a date and at a time and place designated by the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of directors shall not be held on the day fixed as herein provided for any annual meeting of shareholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of shareholders as soon thereafter as is practicable.

Section 3.2 Special Meetings.

(a) Call by Directors or President. Special meetings of shareholders, for any purpose or purposes, may be called by the Board of Directors, the Chairman of the Board (if any) or the President.

(b) Call by Shareholders. The corporation shall call a special meeting of shareholders in the event that the holders of at least ten percent of all of the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date, and deliver to the Secretary one or more written demands for the meeting describing one or more purposes for which it is to be held. The corporation shall give notice of such a special meeting within sixty days after the date that the demand is delivered to the corporation.

Section 3.3 Place of Meeting. The Board of Directors may designate any place, either within or without the State of Florida, as the place of meeting for any annual or special meeting of shareholders. If no designation is made, the place of meeting shall be the principal office of the corporation.

Section 3.4 Notice of Meeting.

(a) Content and Delivery. Written notice stating the date, time, and place of any meeting of shareholders and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten days nor more than sixty days before the date of the meeting by or at the direction of the President or the Secretary, or the officer or persons duly calling the meeting, to each shareholder of record entitled to vote at such meeting and to such other persons as required by the Act. Unless the Act requires otherwise, notice of an

annual meeting need not include a description of the purpose or purposes for which the meeting is called. If mailed, notice of a meeting of shareholders shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his or her address as it appears on the stock record books of the corporation, with postage thereon prepaid.

(b) Notice of Adjourned Meetings. If an annual or special meeting of shareholders is adjourned to a different date, time, or place, the corporation shall not be required to give notice of the new date, time, or place if the new date, time, or place is announced at the meeting before adjournment; provided, however, that if a new record date for an adjourned meeting is or must be fixed, the corporation shall give notice of the adjourned meeting to persons who are shareholders as of the new record date who are entitled to notice of the meeting.

(c) No Notice Under Certain Circumstances. Notwithstanding the other provisions of this Section, no notice of a meeting of shareholders need be given to a shareholder if: (1) an annual report and proxy statement for two consecutive annual meetings of shareholders, or (2) all, and at least two, checks in payment of dividends or interest on securities during a twelve-month period have been sent by first-class, United States mail, addressed to the shareholder at his or her address as it appears on the share transfer books of the corporation, and returned undeliverable. The obligation of the corporation to give notice of a shareholders' meeting to any such shareholder shall be reinstated once the corporation has received a new address for such shareholder for entry on its share transfer books.

Section 3.5 Waiver of Notice.

(a) Written Waiver. A shareholder may waive any notice required by the Act or these bylaws before or after the date and time stated for the meeting in the notice. The waiver shall be in writing and signed by the shareholder entitled to the notice, and be delivered to the corporation for inclusion in the minutes or filing with the corporate records. Neither the business to be transacted at nor the purpose of any regular or special meeting of shareholders need be specified in any written waiver of notice.

(b) Waiver by Attendance. A shareholder's attendance at a meeting, in person or by proxy, waives objection to all of the following: (1) lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and (2) consideration of a particular matter at the meeting that is not within the purpose

or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

Section 3.6 Fixing of Record Date.

(a) General. The Board of Directors may fix in advance a date as the record date for the purpose of determining shareholders entitled to notice of a shareholders' meeting, entitled to vote, or take any other action. In no event may a record date fixed by the Board of Directors be a date preceding the date upon which the resolution fixing the record date is adopted or a date more than seventy days before the date of meeting or action requiring a determination of shareholders.

(b)Special Meeting. The record date for determining shareholders entitled to demand a special meeting shall be the close of business on the date the first shareholder delivers his or her demand to the corporation.

(c) Shareholder Action by Written Consent. If no prior action is required by the Board of Directors pursuant to the Act, the record date for determining shareholders entitled to take action without a meeting shall be the close of business on the date the first signed written consent with respect to the action in question is delivered to the corporation, but if prior action is required by the Board of Directors pursuant to the Act, such record date shall be the close of business on the date on which the Board of Directors adopts the resolution taking such prior action unless the Board of Directors otherwise fixes a record date.

(d) Absence of Board Determination for Shareholders' Meeting. If the Board of Directors does not determine the record date for determining shareholders entitled to notice of and to vote at an annual or special shareholders' meeting, such record date shall be the close of business on the day before the first notice with respect thereto is delivered to shareholders.

(e) Adjourned Meeting. A record date for determining shareholders entitled to notice of or to vote at a shareholders' meeting is effective for any adjournment of the meeting unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

(f) Certain Distributions. If the Board of Directors does not determine the record date for determining shareholders entitled to a distribution (other than one involving a purchase, redemption, or other acquisition of the corporation's shares or

a share dividend), such record date shall be the close of business on the date on which the Board of Directors authorizes the distribution.

Section 3.7 Shareholders' List for Meetings.

(a) Preparation and Availability. After a record date for a meeting of shareholders has been fixed, the corporation shall prepare an alphabetical list of the names of all of the shareholders entitled to notice of the meeting. The list shall be arranged by class or series of shares, if any, and show the address of and number of shares held by each shareholder. Such list shall be available for inspection by any shareholder for a period of ten days prior to the meeting or such shorter time as exists between the record date and the meeting date, and continuing through the meeting, at the corporation's principal office, at a place identified in the meeting notice in the city where the meeting will be held, or at the office of the corporation's transfer agent or registrar, if any. A shareholder or his or her agent may, on written demand, inspect the list, subject to the requirements of the Act, during regular business hours and at his or her expense, during the period that it is available for inspection pursuant to this Section. The corporation shall make the shareholders' list available at the meeting and any shareholder or his or her agent or attorney may inspect the list at any time during the meeting or any adjournment thereof.

(b) Prima Facie Evidence. The shareholders' list is prima facie evidence of the identity of shareholders entitled to examine the shareholders' list or to vote at a meeting of shareholders.

(c) Failure to Comply. If the requirements of this Section have not been substantially complied with, or if the corporation refuses to allow a shareholder or his or her agent or attorney to inspect the shareholders' list before or at the meeting, on the demand of any shareholder, in person or by proxy, who failed to get such access, the meeting shall be adjourned until such requirements are complied with.

(d) Validity of Action Not Affected. Refusal or failure to prepare or make available the shareholders' list shall not affect the validity of any action taken at a meeting of shareholders.

Section 3.8 Quorum.

(a) What Constitutes a Quorum. Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. If the corporation has only one class of

stock outstanding, such class shall constitute a separate voting group for purposes of this Section. Except as otherwise provided in the Act, a majority of the votes entitled to be cast on the matter shall constitute a quorum of the voting group for action on that matter.

(b) Presence of Shares. Once a share is represented for any purpose at a meeting, other than for the purpose of objecting to holding the meeting or transacting business at the meeting, it is considered present for purposes of determining whether a quorum exists for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for the adjourned meeting.

(c) Adjournment in Absence of Quorum. Where a quorum is not present, the holders of a majority of the shares represented and who would be entitled to vote at the meeting if a quorum were present may adjourn such meeting from time to time.

Section 3.9 Voting of Shares. Except as provided in the Articles of Incorporation or the Act, each outstanding share, regardless of class, is entitled to one vote on each matter voted on at a meeting of shareholders.

Section 3.10 Vote Required.

(a) Matters Other Than Election of Directors. If a quorum exists, except in the case of the election of directors, action on a matter shall be approved by a majority of the votes cast at such meeting, unless the Act or the Articles of Incorporation require a greater number of affirmative votes.

(b) Election of Directors. Each director shall be elected by a plurality of the votes cast by the shares entitled to vote in the election of directors at a meeting at which a quorum is present. Each shareholder who is entitled to vote at an election of directors has the right to vote the number of shares owned by him or her for as many persons as there are directors to be elected. Shareholders do not have a right to cumulate their votes for directors.

Section 3.11 Conduct of Meeting. The Chairman of the Board of Directors, and if there be none, or in his or her absence, the President, and in his or her absence, a Vice President in the order provided under the Section of these bylaws titled "Vice Presidents," and in their absence, any person chosen by the shareholders present shall call a shareholders' meeting to order and shall act as presiding officer of the meeting, and the Secretary of the corporation shall act as secretary of all meetings of the

shareholders, but, in the absence of the Secretary, the presiding officer may appoint any other person to act as secretary of the meeting. The presiding officer of the meeting shall have broad discretion in determining the order of business at a shareholders' meeting. The presiding officer's authority to conduct the meeting shall include, but in no way be limited to, recognizing shareholders entitled to speak, calling for the necessary reports, stating questions and putting them to a vote, calling for nominations, and announcing the results of voting. The presiding officer also shall take such actions as are necessary and appropriate to preserve order at the meeting. The rules of parliamentary procedure need not be observed in the conduct of shareholders' meetings; however, meetings shall be conducted in accordance with accepted usage and common practice with fair treatment to all who are entitled to take part.

Section 3.12 Inspectors of Election. Inspectors of election may be appointed by the Board of Directors to act at any meeting of shareholders at which any vote is taken. If inspectors of election are not so appointed, the presiding officer of the meeting may, and on the request of any shareholder shall, make such appointment. The inspectors of election shall determine the number of shares outstanding, the voting rights with respect to each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies; receive votes, ballots, consents, and waivers; hear and determine all challenges and questions arising in connection with the vote; count and tabulate all votes, consents, and waivers; determine and announce the result; and do such acts as are proper to conduct the election or vote with fairness to all shareholders. No inspector, whether appointed by the Board of Directors or by the person acting as presiding officer of the meeting, need be a shareholder.

Section 3.13 Proxies.

(a) Appointment. At all meetings of shareholders, a shareholder may vote his or her shares in person or by proxy. A shareholder may appoint a proxy to vote or otherwise act for the shareholder by signing an appointment form, either personally or by his or her attorney-in-fact. If an appointment form expressly provides, any proxy holder may appoint, in writing, a substitute to act in his or her place. A telegraph, telex, or a cablegram, a facsimile transmission of a signed appointment form, or a photographic, photostatic, or equivalent reproduction of a signed appointment form is a sufficient appointment form.

(b) When Effective. An appointment of a proxy is effective when received by the Secretary or other officer or agent of the corporation authorized to tabulate votes. An appointment is valid for up to eleven months unless a longer

period is expressly provided in the appointment form. An appointment of a proxy is revocable by the shareholder unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest.

Section 3.14 Shareholder Nominations and Proposals. Any shareholder nomination or proposal for action at a forthcoming shareholder meeting must be delivered to the corporation no later than the deadline for submitting shareholder proposals pursuant to Securities Exchange Commission Regulations Section 240.14a- 8. The presiding officer at any shareholder meeting shall not be required to recognize any proposal or nomination which did not comply with such deadline.

Section 3.15 Action by Shareholders Without Meeting.

(a) Requirements for Written Consents. Any action required or permitted by the Act to be taken at any annual or special meeting of shareholders may be taken without a meeting, without prior notice, and without a vote if one or more written consents describing the action taken shall be signed and dated by the holders of outstanding stock entitled to vote thereon having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Such consents must be delivered to the principal office of the corporation in Florida, the corporation's principal place of business, the Secretary, or another officer or agent of the corporation having custody of the books in which proceedings of meetings of shareholders are recorded. No written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the date of the earliest dated consent delivered in the manner required herein, written consents signed by the number of holders required to take action are delivered to the corporation by delivery as set forth in this Section.

(b) Revocation of Written Consents. Any written consent may be revoked prior to the date that the corporation receives the required number of consents to authorize the proposed action. No revocation is effective unless in writing and until received by the corporation at its principal office in Florida or its principal place of business, or received by the Secretary or other officer or agent having custody of the books in which proceedings of meetings of shareholders are recorded.

(c) Notice to Nonconsenting Shareholders. Within ten days after obtaining such authorization by written consent, notice must be given in writing to those shareholders who have not consented in writing or who are not entitled to vote on the action. The notice shall fairly summarize the material features of the authorized action and, if the action be such for which dissenters' rights are provided

under the Act, the notice shall contain a clear statement of the right of shareholders dissenting therefrom to be paid the fair value of their shares upon compliance with the provisions of the Act regarding the rights of dissenting shareholders.

(d) Same Effect as Vote at Meeting. A consent signed under this Section has the effect of a meeting vote and may be described as such in any document. Whenever action is taken by written consent pursuant to this Section, the written consent of the shareholders consenting thereto or the written reports of inspectors appointed to tabulate such consents shall be filed with the minutes of proceedings of shareholders.

Section 3.16 Acceptance of Instruments Showing Shareholder Action. If the name signed on a vote, consent, waiver, or proxy appointment corresponds to the name of a shareholder, the corporation, if acting in good faith, may accept the vote, consent, waiver, or proxy appointment and give it effect as the act of a shareholder. If the name signed on a vote, consent, waiver, or proxy appointment does not correspond to the name of a shareholder, the corporation, if acting in good faith, may accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the shareholder if any of the following apply:

(a) The shareholder is an entity and the name signed purports to be that of an officer or agent of the entity;

(b) The name signed purports to be that of a administrator, executor, guardian, personal representative, or conservator representing the shareholder and, if the corporation requests, evidence of fiduciary status acceptable to the corporation is presented with respect to the vote, consent, waiver, or proxy appointment;

(c) The name signed purports to be that of a receiver or trustee in bankruptcy, or assignee for the benefit of creditors of the shareholder and, if the corporation requests, evidence of this status acceptable to the corporation is presented with respect to the vote, consent, waiver, or proxy appointment;

(d) The name signed purports to be that of a pledgee, beneficial owner, or attorney-in-fact of the shareholder and, if the corporation requests, evidence acceptable to the corporation of the signatory's authority to sign for the shareholder is presented with respect to the vote, consent, waiver, or proxy appointment; or

(e) Two or more persons are the shareholder as cotenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of all co-owners.

The corporation may reject a vote, consent, waiver, or proxy appointment if the Secretary or other officer or agent of the corporation who is authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder.

ARTICLE 4

Board of Directors

Section 4.1 General Powers and Number. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation managed under the direction of, the Board of Directors. The corporation shall have three (3) directors initially. The number of directors may be increased or decreased from time to time by vote of a majority of the entire Board of Directors, but shall never be less than three nor more than eleven. Within fifteen (15) days after consummation of the initial public offering of the corporation, a majority of such directors shall be Independent Directors. For purposes of this section, "Independent Director" shall mean a person other than an officer or employee of the corporation or its subsidiaries or any other individual having a relationship which, in the opinion of the board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Section 4.2 Qualifications. Directors must be natural persons who are eighteen years of age or older but need not be residents of this state or shareholders of the corporation.

Section 4.3 Term of Office. The directors shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible. The first class shall be established for a term expiring at the annual meeting of shareholders to be held in 1994 and shall consist initially of one director. The second class shall be established for a term expiring at the annual meeting of shareholders to be held in 1995 and shall consist initially of one director. The third and final class shall be established for a term expiring at the annual meeting of shareholders to be held in 1996 and shall consist initially of two directors. Each class shall hold office until its successors are elected and qualified. At each annual meeting of the shareholders of the corporation, the successors of the class of directors whose terms expire at that meeting shall be elected to hold office for a term expiring at the annual meeting of shareholders held in the third year following the year of their election.

Section 4.4 Removal. The shareholders may remove one or more directors with or without cause. A director may be removed by the shareholders at a meeting of shareholders, provided that the notice of the meeting states that the purpose, or one of the purposes, of the meeting is such removal.

Section 4.5 Resignation. A director may resign at any time by delivering written notice to the Board of Directors or its Chairman (if any) or to the corporation. A director's resignation is effective when the notice is delivered unless the notice specifies a later effective date.

Section 4.6 Vacancies.

(a) Who May Fill Vacancies. Except as provided below, whenever any vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of directors, it may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors, or by the shareholders. Any director elected in accordance with the preceding sentence shall hold office until the next annual meeting of the corporation, at which time a successor shall be elected to finish the remaining term of such director's position. If the directors first fill a vacancy, the shareholders shall have no further right with respect to that vacancy, and if the shareholders first fill the vacancy, the directors shall have no further rights with respect to that vacancy.

(b) Directors Electing by Voting Groups. Whenever the holders of shares of any voting group are entitled to elect a class of one or more directors by the provisions of the Articles of Incorporation, vacancies in such class may be filled by holders of shares of that voting group or by a majority of the directors then in office elected by such voting group or by a sole remaining director so elected. If no director elected by such voting group remains in office, unless the Articles of Incorporation provide otherwise, directors not elected by such voting group may fill vacancies.

(c) Prospective Vacancies. A vacancy that will occur at a specific later date, because of a resignation effective at a later date or otherwise, may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

Section 4.7 Compensation. The Board of Directors, irrespective of any personal interest of any of its members, may establish reasonable compensation of all directors for services to the corporation as directors, officers, or otherwise, or may delegate such authority to an appropriate committee. The Board of Directors also shall have authority to provide for or delegate authority to an appropriate committee

to provide for reasonable pensions, disability or death benefits, and other benefits or payments, to directors, officers, and employees and to their families, dependents, estates, or beneficiaries on account of prior services rendered to the corporation by such directors, officers, and employees.

Section 4.8 Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this bylaw immediately after the annual meeting of shareholders and each adjourned session thereof. The place of such regular meeting shall be the same as the place of the meeting of shareholders which precedes it, or such other suitable place as may be announced at such meeting of shareholders. The Board of Directors may provide, by resolution, the date, time, and place, either within or without the State of Florida, for the holding of additional regular meetings of the Board of Directors without notice other than such resolution.

Section 4.9 Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board (if any), the President or one-third of the members of the Board of Directors. The person or persons calling the meeting may fix any place, either within or without the State of Florida, as the place for holding any special meeting of the Board of Directors, and if no other place is fixed, the place of the meeting shall be the principal office of the corporation in the State of Florida.

Section 4.10 Notice. Special meetings of the Board of Directors must be preceded by at least two days' notice of the date, time, and place of the meeting. The notice need not describe the purpose of the special meeting.

Section 4.11 Waiver of Notice. Notice of a meeting of the Board of Directors need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director states, at the beginning of the meeting or promptly upon arrival at the meeting, any objection to the transaction of business because the meeting is not lawfully called or convened.

Section 4.12 Quorum and Voting. A quorum of the Board of Directors consists of a majority of the number of directors prescribed by these bylaws. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors. A director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless: (a) he or she objects at the beginning of the meeting (or promptly upon his or her arrival) to holding it or

transacting specified business at the meeting; or (b) he or she votes against or abstains from the action taken.

Section 4.13 Conduct of Meetings.

(a) Presiding Officer. The Board of Directors may elect from among its members a Chairman of the Board of Directors, who shall preside at meetings of the Board of Directors. The Chairman, and if there be none, or in his or her absence, the President, and in his or her absence, a Vice President in the order provided under the Section of these bylaws titled "Vice Presidents," and in their absence, any director chosen by the directors present, shall call meetings of the Board of Directors to order and shall act as presiding officer of the meeting.

(b) Minutes. The Secretary of the corporation shall act as secretary of all meetings of the Board of Directors but in the absence of the Secretary, the presiding officer may appoint any other person present to act as secretary of the meeting. Minutes of any regular or special meeting of the Board of Directors shall be prepared and distributed to each director.

(c) Adjournments. A majority of the directors present, whether or not a quorum exists, may adjourn any meeting of the Board of Directors to another time and place. Notice of any such adjourned meeting shall be given to the directors who are not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other directors.

(d) Participation by Conference Call or Similar Means. The Board of Directors may permit any or all directors to participate in a regular or a special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 4.14 Committees. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members an Executive Committee and one or more other committees (which may include, by way of example and not as a limitation, a Compensation Committee and an Audit Committee) each of which, to the extent provided in such resolution, shall have and may exercise all the authority of the Board of Directors, except that no such committee shall have the authority to:

(a) approve or recommend to shareholders actions or proposals required by the Act to be approved by shareholders;

(b) fill vacancies on the Board of Directors or any committee thereof;

(c) adopt, amend, or repeal these bylaws;

(d) authorize or approve the reacquisition of shares unless pursuant to a general formula or method specified by the Board of Directors; or

(e) authorize or approve the issuance or sale or contract for the sale of shares, or determine the designation and relative rights, preferences, and limitations of a voting group except that the Board of Directors may authorize a committee (or a senior executive officer of the corporation) to do so within limits specifically prescribed by the Board of Directors.

Each committee must have two or more members, who shall serve at the pleasure of the Board of Directors. The Board of Directors, by resolution adopted in accordance with this Section, may designate one or more directors as alternate members of any such committee, who may act in the place and stead of any absent member or members at any meeting of such committee. The provisions of these bylaws which govern meetings, notice and waiver of notice, and quorum and voting requirements of the Board of Directors apply to committees and their members as well.

Section 4.15 Action Without Meeting. Any action required or permitted by the Act to be taken at a meeting of the Board of Directors or a committee thereof may be taken without a meeting if the action is taken by all members of the Board or of the committee. The action shall be evidenced by one or more written consents describing the action taken, signed by each director or committee member and retained by the corporation. Such action shall be effective when the last director or committee member signs the consent, unless the consent specifies a different effective date. A consent signed under this Section has the effect of a vote at a meeting and may be described as such in any document.

ARTICLE 5

Officers

Section 5.1 Number. The principal officers of the corporation shall be a President, the number of Managing Directors and Vice Presidents as authorized from time to time by the Board of Directors, a Secretary, and a Treasurer, each of whom

shall be elected by the Board of Directors. The President and the Managing Directors shall be the executive officers of the corporation responsible for all policy making functions, under the direction of the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. The Board of Directors may also authorize any duly appointed officer to appoint one or more officers or assistant officers. The same individual may simultaneously hold more than one office.

Section 5.2 Election and Term of Office. The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is practicable. Each officer shall hold office until his or her successor shall have been duly elected or until his or her prior death, resignation, or removal.

Section 5.3 Removal. The Board of Directors may remove any officer and, unless restricted by the Board of Directors, an officer may remove any officer or assistant officer appointed by that officer, at any time, with or without cause and notwithstanding the contract rights, if any, of the officer removed. The appointment of an officer does not of itself create contract rights.

Section 5.4 Resignation. An officer may resign at any time by delivering notice to the corporation. The resignation shall be effective when the notice is delivered, unless the notice specifies a later effective date and the corporation accepts the later effective date. If a resignation is made effective at a later date and the corporation accepts the future effective date, the pending vacancy may be filled before the effective date but the successor may not take office until the effective date.

Section 5.5 Vacancies. A vacancy in any principal office because of death, resignation, removal, disqualification, or otherwise, shall be filled as soon thereafter as practicable by the Board of Directors for the unexpired portion of the term.

Section 5.6 Chairman. The Chairman shall be a member of the Board of Directors of the corporation and shall preside over all meetings of the Board of Directors and shareholders of the corporation. The Chairman shall have authority to sign certificates for shares of the corporation the issuance of which shall have been authorized by resolution of the Board of Directors. In general, he or she shall perform all duties as may be prescribed by the Board of Directors from time to time.

Section 5.7 President. The President shall be the principal executive officer of the corporation and, subject to the direction of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. If the Chairman of the Board is not present, the President shall preside at all meetings of the Board of Directors and shareholders. The President shall have authority, subject to such rules as may be prescribed by the Board of Directors, to appoint such agents and employees of the corporation as he or she shall deem necessary, to prescribe their powers, duties and compensation, and to delegate authority to them. Such agents and employees shall hold office at the discretion of the President. The President shall have authority to sign certificates for shares of the corporation the issuance of which shall have been authorized by resolution of the Board of Directors, and to execute and acknowledge, on behalf of the corporation, all deeds, mortgages, bonds, contracts, leases, reports, and all other documents or instruments necessary or proper to be executed in the course of the corporation's regular business, or which shall be authorized by resolution of the Board of Directors; and, except as otherwise provided by law or the Board of Directors, the President may authorize any Managing Director, Vice President or other officer or agent of the corporation to execute and acknowledge such documents or instruments in his or her place and stead. In general he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5.8 Managing Directors. In the absence of the President or in the event of the President's death, inability or refusal to act, or in the event for any reason it shall be impracticable for the President to act personally, the Managing Director (or in the event there be more than one Managing Director, the Managing Directors in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their seniority with the corporation), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Managing Director may sign certificates for shares of the corporation the issuance of which shall have been authorized by resolution of the Board of Directors; and shall perform such other duties and have such authority as from time to time may be delegated or assigned to him or her by the President or by the Board of Directors. The execution of any instrument of the corporation by any Managing Director shall be conclusive evidence, as to third parties, of his or her authority to act in the stead of the President.

Section 5.9 Vice Presidents. The Board of Directors may appoint one or more Executive Vice Presidents, Senior Vice Presidents and other Vice Presidents, prescribe their powers and duties, including performing the duties of a Managing Director in such officer's absence, and specify to which Managing Director or other officer a Vice President should report. The Board of Directors may authorize the President to

appoint one or more Vice Presidents, to prescribe their powers, duties and compensation, and to delegate authority to them.

Section 5.10 Secretary. The Secretary shall: (a) keep, or cause to be kept, minutes of the meetings of the shareholders and of the Board of Directors (and of committees thereof) in one or more books provided for that purpose (including records of actions taken by the shareholders or the Board of Directors (or committees thereof) without a meeting); (b) be custodian of the corporate records and of the seal of the corporation, if any, and if the corporation has a seal, see that it is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (c) authenticate the records of the corporation; (d) maintain a record of the shareholders of the corporation, in a form that permits preparation of a list of the names and addresses of all shareholders, by class or series of shares and showing the number and class or series of shares held by each shareholder; (e) have general charge of the stock transfer books of the corporation; and (f) in general perform all duties incident to the office of Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned by the President or by the Board of Directors.

Section 5.11 Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) maintain appropriate accounting records; (c) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositaries as shall be selected in accordance with the provisions of these bylaws; and (d) in general perform all of the duties incident to the office of Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

Section 5.12 Assistant Secretaries and Assistant Treasurers. There shall be such number of Assistant Secretaries and Assistant Treasurers as the Board of Directors may from time to time authorize. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties and have such authority as shall from time to time be delegated or assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.

Section 5.13 Other Assistants and Acting Officers. The Board of Directors shall have the power to appoint, or to authorize any duly appointed officer of the corporation to appoint, any person to act as assistant to any officer, or as agent for the corporation in his or her stead, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer or other agent so appointed by the Board of Directors or an authorized officer shall have the power to perform all the duties of the office to which he or she is so appointed to be an assistant, or as to which he or she is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors or the appointing officer.

Section 5.14 Salaries. The salaries of the principal officers shall be fixed from time to time by the Board of Directors or by a duly authorized committee thereof, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the corporation.

ARTICLE 6

Contracts, Checks and Deposits; Special Corporate Acts

Section 6.1 Contracts. The Board of Directors may authorize any officer or officers, or any agent or agents to enter into any contract or execute or deliver any instrument in the name of and on behalf of the corporation, and such authorization may be general or confined to specific instances. In the absence of other designation, all deeds, mortgages, and instruments of assignment or pledge made by the corporation shall be executed in the name of the corporation by the President or one of the Vice Presidents; the Secretary or an Assistant Secretary, when necessary or required, shall attest and affix the corporate seal, if any, thereto; and when so executed no other party to such instrument or any third party shall be required to make any inquiry into the authority of the signing officer or officers.

Section 6.2 Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by or under the authority of a resolution of the Board of Directors.

Section 6.3 Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositaries as may be selected by or under the authority of a resolution of the Board of Directors.

Section 6.4 Voting of Securities Owned by Corporation. Subject always to the specific directions of the Board of Directors, (a) any shares or other securities issued by any other corporation and owned or controlled by this corporation may be voted at any meeting of security holders of such other corporation by the President of this corporation if he or she be present, or in his or her absence by any Vice President of this corporation who may be present, and (b) whenever, in the judgment of the President, or in his or her absence, of any Vice President, it is desirable for this corporation to execute a proxy or written consent in respect of any such shares or other securities, such proxy or consent shall be executed in the name of this corporation by the President or one of the Vice Presidents of this corporation, without necessity of any authorization by the Board of Directors, affixation of corporate seal, if any, or countersignature or attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of this corporation shall have full right, power, and authority to vote the shares or other securities issued by such other corporation and owned or controlled by this corporation the same as such shares or other securities might be voted by this corporation.

ARTICLE 7

Certificates for Shares; Transfer of Shares

Section 7.1 Consideration for Shares. The Board of Directors may authorize shares to be issued for consideration consisting of any tangible or intangible property or benefit to the corporation, including cash, promissory notes, services performed, promises to perform services evidenced by a written contract, or other securities of the corporation. Before the corporation issues shares, the Board of Directors shall determine that the consideration received or to be received for the shares to be issued is adequate. The determination of the Board of Directors is conclusive insofar as the adequacy of consideration for the issuance of shares relates to whether the shares are validly issued, fully paid, and nonassessable. The corporation may place in escrow shares issued for future services or benefits or a promissory note, or make other arrangements to restrict the transfer of the shares, and may credit distributions in respect of the shares against their purchase price, until the services are performed, the note is paid, or the benefits are received. If the services are not performed, the note is not paid, or the benefits are not received, the corporation may cancel, in whole or in part, the shares escrowed or restricted and the distributions credited.

Section 7.2 Certificates for Shares. Every holder of shares in the corporation shall be entitled to have a certificate representing all shares to which he or she is entitled unless the Board of Directors authorizes the issuance of some or all shares without certificates. Any such authorization shall not affect shares already

represented by certificates until the certificates are surrendered to the corporation. If the Board of Directors authorizes the issuance of any shares without certificates, within a reasonable time after the issue or transfer of any such shares, the corporation shall send the shareholder a written statement of the information required by the Act or the Articles of Incorporation to be set forth on certificates, including any restrictions on transfer. Certificates representing shares of the corporation shall be in such form, consistent with the Act, as shall be determined by the Board of Directors. Such certificates shall be signed (either manually or in facsimile) by the President or any Vice President or any other persons designated by the Board of Directors and may be sealed with the seal of the corporation or a facsimile thereof. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. Unless the Board of Directors authorizes shares without certificates, all certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except as provided in these bylaws with respect to lost, destroyed, or stolen certificates. The validity of a share certificate is not affected if a person who signed the certificate (either manually or in facsimile) no longer holds office when the certificate is issued.

Section 7.3 Transfer of Shares. Prior to due presentment of a certificate for shares for registration of transfer, the corporation may treat the registered owner of such shares as the person exclusively entitled to vote, to receive notifications, and otherwise to have and exercise all the rights and power of an owner. Where a certificate for shares is presented to the corporation with a request to register a transfer, the corporation shall not be liable to the owner or any other person suffering loss as a result of such registration of transfer if (a) there were on or with the certificate the necessary endorsements, and (b) the corporation had no duty to inquire into adverse claims or has discharged any such duty. The corporation may require reasonable assurance that such endorsements are genuine and effective and compliance with such other regulations as may be prescribed by or under the authority of the Board of Directors.

Section 7.4 Restrictions on Transfer. The face or reverse side of each certificate representing shares shall bear a conspicuous notation as required by the Act or the Articles of Incorporation of the restrictions imposed by the corporation upon the transfer of such shares.

Section 7.5 Lost, Destroyed, or Stolen Certificates. Unless the Board of Directors authorizes shares without certificates, where the owner claims that

certificates for shares have been lost, destroyed, or wrongfully taken, a new certificate shall be issued in place thereof if the owner (a) so requests before the corporation has notice that such shares have been acquired by a bona fide purchaser, (b) files with the corporation a sufficient indemnity bond if required by the Board of Directors or any principal officer, and (c) satisfies such other reasonable requirements as may be prescribed by or under the authority of the Board of Directors.

Section 7.6 Stock Regulations. The Board of Directors shall have the power and authority to make all such further rules and regulations not inconsistent with law as they may deem expedient concerning the issue, transfer, and registration of shares of the corporation.

ARTICLE 8

Seal

Section 8.1 Seal. The Board of Directors may provide for a corporate seal for the corporation.

ARTICLE 9

Books and Records

Section 9.1 Books and Records.

(a) The corporation shall keep as permanent records minutes of all meetings of the shareholders and Board of Directors, a record of all actions taken by the shareholders or Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the corporation.

(b) The corporation shall maintain accurate accounting records.

(c) The corporation or its agent shall maintain a record of the shareholders in a form that permits preparation of a list of the names and addresses of all shareholders in alphabetical order by class of shares showing the number and series of shares held by each.

(d) The corporation shall keep a copy of all written communications within the preceding three years to all shareholders generally or to all shareholders of

a class or series, including the financial statements required to be furnished by the Act, and a copy of its most recent annual report delivered to the Department of State.

Section 9.2 Shareholders' Inspection Rights. Shareholders are entitled to inspect and copy records of the corporation as permitted by the Act.

Section 9.3 Distribution of Financial Information. The corporation shall prepare and disseminate financial statements to shareholders as required by the Act.

Section 9.4 Other Reports. The corporation shall disseminate such other reports to shareholders as are required by the Act, including reports regarding indemnification in certain circumstances and reports regarding the issuance or authorization for issuance of shares in exchange for promises to render services in the future.

ARTICLE 10

Indemnification

Section 10.1 Provision of Indemnification. The corporation shall, to the fullest extent permitted or required by the Act, including any amendments thereto (but in the case of any such amendment, only to the extent such amendment permits or requires the corporation to provide broader indemnification rights than prior to such amendment), indemnify its Directors and Executive Officers against any and all Liabilities, and advance any and all reasonable Expenses, incurred thereby in any Proceeding to which any such Director or Executive Officer is a Party or in which such Director or Executive Officer is deposed or called to testify as a witness because he or she is or was a Director of the corporation. The rights to indemnification granted hereunder shall not be deemed exclusive of any other rights to indemnification against Liabilities or the advancement of Expenses which a Director or Executive Officer may be entitled under any written agreement, Board resolution, vote of shareholders, the Act, or otherwise. The corporation may, but shall not be required to, supplement the foregoing rights to indemnification against Liabilities and advancement of Expenses by the purchase of insurance on behalf of any one or more of its Directors or Executive Officers whether or not the corporation would be obligated to indemnify or advance Expenses to such Director or Executive Officer under this Article. For purposes of this Article, the term "Directors" includes former directors and any directors who are or were serving at the request of the corporation as directors, officers, employees, or agents of another corporation, partnership, joint venture, trust, or other enterprise, including, without limitation, any employee benefit plan (other than in the capacity as agents separately retained and compensated for the provision

of goods or services to the enterprise, including, without limitation, attorneys-at-law, accountants, and financial consultants). The term "Executive Officers" refers to those persons described in Securities Exchange Commission Regulations Section 240.3b-7.

All other capitalized terms used in this Article and not otherwise defined herein shall have the meaning set forth in Section 607.0850, Florida Statutes (1991). The provisions of this Article are intended solely for the benefit of the indemnified parties described herein, their heirs and personal representatives and shall not create any rights in favor of third parties. No amendment to or repeal of this Article shall diminish the rights of indemnification provided for herein prior to such amendment or repeal.

ARTICLE 11

Amendments

Section 11.1 Power to Amend. These bylaws may be amended or repealed by either the Board of Directors or the shareholders, unless the Act reserves the power to amend these bylaws generally or any particular bylaw provision, as the case may be, exclusively to the shareholders or unless the shareholders, in amending or repealing these bylaws generally or any particular bylaw provision, provide expressly that the Board of Directors may not amend or repeal these bylaws or such bylaw provision, as the case may be.

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made as of the 22nd day of May, 1997, between COUSINS REAL ESTATE CORPORATION, a Georgia corporation ("Seller"), and RRC ACQUISITIONS, INC., a Florida corporation, its designees, successors and assigns ("Buyer").

Background

Seller recently completed construction of two shopping centers which Buyer wishes to purchase, each of which are owned by Seller. Lovejoy Station is located in Clayton County, Georgia and Rivermont Station is located in Fulton County,Georgia;

Seller wishes to sell the two shopping centers to Buyer;

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

1. DEFINITIONS

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

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

1.2 Allocation Date means midnight of the Closing Date.

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

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

1.5 Closing means generally the execution and delivery of the sale documents and the wiring of funds by Buyer in accordance with Section .

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

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

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

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

1.10 Environmental Claim means any investigation, notice, violation, demand, allegation, action, suit, injunction, judgment, order, consent decree, penalty, fine, lien, proceeding, or claim (whether administrative, judicial, or private in nature) arising (a) from a violation of any Environmental Law, (b) in connection with any Hazardous Material Activity, or (c) from any abatement, removal, remedial, corrective, or other response action in connection with a Hazardous Material Activity, Environmental Law or order of a governmental authority.

1.11 Environmental Law means any legal requirement in effect as of the Closing Date pertaining to (a) the protection of health, and the environment, (b) the conservation, management, protection or use of natural resources and wildlife, (c) the protection or use of groundwater, (d) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation or handling of, or exposure to, any Hazardous Material, except as related to the operation and maintenance of the Real Property and the Improvements, and except for any Hazardous Material lawfully sold in the ordinary course of business by retailers at the Real Property, or (e) any Release to air, soil, surface water, and groundwater; and includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 USC 9601 et seq.,

Solid Waste Disposal Act, as amended by the Resource Conservation Act of 1976 and Hazardous and Solid Waste Amendments of 1984, 42 USC 6901 et seq., Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC 1251 et seq., Clean Air Act of 1966, as amended, 42 USC 7401 et seq., Toxic Substances Control Act of 1976, 15 USC 2601 et seq., Hazardous Materials Transportation Act, 49 USC App. 1801, Occupational Safety and Health Act of 1970, as amended, 29 USC 651 et seq., Oil Pollution Act of 1990, 33 USC 2701 et seq., Emergency Planning and Community Right-to-Know Act of 1986, 42 USC App. 11001 et seq., National Environmental Policy Act of 1969, 42 USC 4321 et seq., Safe Drinking Water Act of 1974, as amended by 42 USC 300(f) et seq., and any rule, regulation, order or directive, issued thereunder.

1.12 Escrow Agent means First American Title Insurance Company, attention Robert Newman, whose address is 255 North Liberty Street, Jacksonville, Florida 32202 (Fax 904/354-5980), or any successor Escrow Agent.

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

1.14 Hazardous Material means any petroleum, petroleum product, drycleaning solvent or any other hazardous or toxic substance as defined in or regulated by any Environmental Law.

1.15 Hazardous Material Activity means any activity, event, or occurrence at or prior to the Closing Date involving a Hazardous Material, including, without limitation, the manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation, handling or corrective or response action to any Hazardous Material, except as related to the operation and maintenance of the Real Property and the Improvements, and except for any Hazardous Material lawfully sold in the ordinary course of business by retailers at the Real Property.

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

1.17 Inspection Period means the period of time which expires at the end of business on June 23, 1997. If such expiration date is a weekend or national holiday, the Inspection Period shall expire at the end of business on the next immediately succeeding business day.

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

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

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

(a) Liens for ad valorem taxes not payable on or before Closing;

(b) Rights of tenants under Leases; and

(c) Other matters determined by Buyer within the period prescribed for examination of title to be acceptable.

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

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

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

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

1.25 Real Property means the lands more particularly described on Exhibit 1.25, and depicted on the site plans attached as Exhibit 1.25(a), as to Rivermont, and Exhibit 1.25(b), as to Lovejoy Station, together with all easements, licenses, privileges, rights of way and other appurtenances pertaining to or accruing to the benefit of such lands.

1.26 Release means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of Hazardous Material at, in, under or upon the Real Property, and/or the abandonment or discarding of barrels, drums, containers, tanks, and other receptacles containing or previously containing any Hazardous Material at or prior to the Closing Date.

1.27 Rent Roll means the list of Leases attached hereto as Exhibit 1.27, identifying with particularity the space leased by each tenant, the term (including extensions), square footage and applicable rent, common area maintenance, tax and other reimbursements, security deposits and similar data.

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

1.29 Seller Financial Statements means the unaudited statements of income and cash flows of Seller for the Property, for 1996, and for any earlier calendar years in which the particular Shopping Center was operating and owned or managed by Seller, and all monthly reports of income, expense and cash flow prepared by Seller for the Property, which shall be consistent with past practice, for any periods after December 31, 1996 and ending prior to Closing.

1.30 Shopping Center refers collectively to Lovejoy Station Shopping Centerin Clayton County, Georgia, and Rivermont Station Shopping Center in Fulton County, Georgia. "Lovejoy" shall mean Lovejoy Station and "Rivermont" shall mean Rivermont Station.

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

1.32 Tenant Estoppel Letter means a letter or other certificate from a tenant certifying to Buyer and Seller, as to certain matters regarding such tenant's Lease, in substantially the same form as attached hereto as Exhibit 1.32, or in the case of national or regional "credit" tenants identified as such on the Rent Roll, the form customarily used by such tenant, or, in the case of a tenant whose lease prescribes the form of tenant estoppel, the form required thereby, provided the information disclosed in any case by such Tenant Estoppel Letter must be acceptable to Buyer.

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

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

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

1.36 Transaction Documents means this Agreement, the deed conveying the Property, the assignment of leases, the bill of sale conveying the Personal Property

and all other documents required or appropriate in connection with the transactions contemplated hereby.

2. PURCHASE PRICE AND PAYMENT

2.1 Purchase Price; Payment.

(a) Purchase Price and Terms. The total Purchase Price for the Property (subject to adjustment as provided herein) shall be $20,500,000. The Purchase Price, subject to adjustments and prorations as provided herein, shall be paid by wire transfer by Buyer to First American Title Insurance Company ("First American"), 255 N. Liberty St., Jacksonville, Florida 32202, Attn: Robert Newman. The Purchase Price proceeds shall be held in escrow by First American and shall be disbursed to Seller by First American on July 1, 1997. All interest earned on the funds deposited with First American from the date of Closing to the date of disbursement by First American to Seller shall be paid to Buyer. Buyer shall provide Buyer's federal tax identification number to First American at or prior to Closing. Seller and Buyer shall enter into First American's standard form escrow agreement for deposit of the Purchase Price proceeds, subject to the reasonable approval of each.

(b) Adjustments to the Purchase Price. The Purchase Price shall be adjusted by:

(1) prorating the Closing year's real and tangible personal property taxes as of the Allocation Date by crediting Buyer with all 1997 tax reimbursement payments paid prior to Closing to Seller by tenants of the Shopping Center (Seller to retain such payments, subject to the post-Closing adjustment provided in Section 2.3 of this Agreement).

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

(3) subtracting the amount of security deposits, prepaid rents from tenants under the Leases, and credit balances, if any, of any tenants. Any rents, percentage rents or tenant reimbursements payable after the Allocation Date but applicable to periods on or prior to the Allocation Date shall be remitted to Seller by Buyer within thirty (30) days after receipt with such information, if any, concerning percentage rents (such as by way of example, year end sales reports and other supporting documentation) which is actually furnished to Buyer by the particular tenant paying percentage rent. Buyer will invoice and use reasonable efforts (short of litigation or eviction) to collect 1997 percentage rents, if any, due

from tenants. Buyer shall have no obligation to collect delinquencies, but should Buyer collect any delinquent rents or other sums which cover periods prior to the Allocation Date and for which Seller have received no proration or credit, Buyer shall remit same to Seller within thirty (30) days after receipt, less any costs of collection. Buyer will not interfere in Seller's efforts to collect sums due it prior to the Closing. Seller will remit to Buyer promptly after receipt any rents, percentage rents or tenant reimbursements received by Seller after Closing which are attributable to periods occurring after the Allocation Date. Undesignated receipts after Closing of either Buyer or Seller from tenants in the Shopping Center shall be applied first to then current rents and reimbursements for such tenant(s), then to delinquent rents and reimbursements attributable to post-Allocation Date periods, and then to pre-Allocation Date periods; and

(4) Seller retaining amounts, if any, paid to or escrowed with Seller by tenants for reimbursement of 1997 common area maintenance and insurance payments, but crediting Buyer with the portion of such amounts which is allocable to periods beyond the Allocation Date.

2.2 Lovejoy Outparcels. Buyer acknowledges and agrees that two (2) outparcels at Lovejoy, as identified on the Lovejoy site plan, are included in the Property and that Seller may enter into (or continue current) negotiations from and after the date hereof to the Closing Date for the sale or ground leasing of one or both of such outparcels to Chick-Fil-A, McDonald Corp. or Wendy's Corp. (the "Preferred Retailers"). In the event that one or both of such outparcels are sold by Seller to one or more of such Preferred Retailers prior to the Closing, this Agreement shall be amended by Seller and Buyer to delete the outparcel(s) sold from the description of the Property and the Purchase Price shall be reduced by the amount of $175,000.00 for each outparcel sold. In the event Seller has an executed contract for the purchase and sale of one or both of such outparcels, but the closing date thereunder is after the date of Closing, Seller may give written notice thereof to Buyer not less than five (5) business days prior to the date of Closing and Seller and Buyer shall amend this Agreement to delete the outparcel(s) under contract from the description of the Property and to reduce the Purchase Price by the amount of $175,000.00 for each outparcel excluded from the Property. Further in such event, if the purchase and sale of such outparcel(s) shall fail to close for any reason whatsoever and such contract(s) are terminated, Seller shall promptly give notice thereof to Buyer, whereupon (i) Seller shall have the right, for a period of one hundred twenty (120) days following the date of delivery of such notice(s), to require Buyer to purchase such outparcel(s) for a purchase price equal to $175,000.00 for each such outparcel upon the terms and conditions set forth herein, and (ii) Buyer shall have the right, for a period of one hundred thirty (130) days following the date of delivery of such notice(s), to require Seller to convey such outparcel(s) to Buyer for a purchase price equal to $175,000.00 for each such

outparcel upon the terms and conditions stated herein. Such right(s) shall be exercisable by written notice from Seller to Buyer or from Buyer to Seller, as the case may be, and the sale of such outparcel(s) shall be consummated on the thirtieth (30th) day after such exercise notice(s) at the offices of Seller's counsel at 600 Peachtree Street, N.E., Suite 5200, Atlanta, Georgia 30308, at 10:00 A.M., or at such time and on such date as is mutually agreed upon by Seller and Buyer. The outparcel(s) shall be conveyed by Seller to Buyer by limited warranty deed, subject only to the Permitted Exceptions hereunder which are applicable to such outparcel(s). The costs of closing shall be paid and prorations shall be made in the manner set forth in the Agreement for the sale of the Property, as applicable. Buyer acknowledges and agrees that such closings may occur, if at all, on two (2) different dates for the two (2) different outparcels, as long as notice is given within the specified time periods.

Seller and Buyer acknowledge and agree that, in the event one or both of the outparcels is sold to a Preferred Retailer the outparcel(s) shall be conveyed (i) burdened by restrictive covenants which will be imposed upon such outparcel(s) reflective of any Lease restrictions thereon, and (ii) burdened and benefitted by non-exclusive easements for pedestrian and vehicular access, the installation, use, maintenance, repair and replacement of utilities (including rights for drainage of storm and surface water), and for parking. Prior to any sale of such outparcel(s), and in any event prior to the Closing in the event Seller is to retain ownership of the outparcel(s), Seller shall draft a restrictive covenant and easement agreement covering such matters (and which is also consistent with the Leases), for Buyer's review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. The parties agree to cooperate with each other, in good faith, to determine the form of such agreement promptly upon Seller's determination to sell any such outparcel(s) to any of the Preferred Retailers.

Buyer further agrees that Seller shall have the right prior to Closing to enter into a ground lease with any of the Preferred Retailers for one or both of the outparcels at Lovejoy in form and substance reasonably acceptable to Buyer and for a term of not less than twenty (20) years and for a net base rent of not less than $25,000.00 per year, on a "triple net" basis. Any such leases shall be assigned by Seller to Buyer at Closing with the other Leases, subject to Seller's continuing obligations thereunder as herein provided, and any such leases shall contain the restrictions and easements required above for a sale. All broker's commissions and tenant allowances payable by the Landlord in connection with such lease(s) shall be the responsibility of Seller. In the event Seller shall enter into such a ground lease with one or more of the Preferred Retailers for one or both of the outparcel(s) prior to Closing (or failing that, should Buyer do so within one hundred twenty [120] days after Closing), Buyer shall pay to Seller, with respect to each such ground lease, as additional Purchase Price hereunder, an amount equal

to the difference obtained by subtracting $150,000 from the sum obtained by dividing (i) the base rent payable for a one (1) year period commencing with the rent commencement date under such lease (or leases), by (ii) ten percent (10%). Such additional Purchase Price shall be payable within ten (10) days after the date upon which (i) such tenant(s) shall have become obligated to pay full rent under such lease(s) (eg., beyond any "free rent" period, if any), and (ii) any rights of the tenant to cancel the lease for failure of a condition (other than the landlord's default) shall have expired, provided however, should there be a material default by such tenant(s) under such lease(s) during such ten (10) day period, the Buyer's payment obligation shall be deferred until ten (10) days following the date by which the default has been cured. Buyer's obligation to pay Seller additional Purchase Price under this paragraph shall terminate if such default by the tenant is not cured and Buyer, as landlord, elects by notice to the tenant (with a copy to Seller) to terminate such lease; provided that Buyer's obligation to pay Seller additional consideration for such terminated lease shall be reinstated if Buyer rescinds the termination or otherwise permits the occupancy of leased premises by such tenant within ninety (90) days after such termination. Any such ground lease shall be assigned by Seller to Buyer at Closing with the other Leases, subject to Seller's continuing obligations thereunder as herein provided.

The provisions of this Section shall expressly survive the Closing.

2.3 Post-Closing Adjustment. Seller and Buyer agree to adjust the prorations provided for in subparagraphs (b), (1), (2), (3) and (4) above as necessary, upon receipt of actual bills for such prorated items and upon receipt of reimbursement from the tenants of the Property, if applicable. Seller and Buyer acknowledge and agree that the provisions of this Section shall expressly survive the Closing until the date the tenant reimbursements are reconciled and received.

2.4 Earnest Money Deposit. An Earnest Money Deposit in the amount of $25,000 shall be delivered to Escrow Agent within three (3) days after the date of execution by the last of Buyer or Seller to execute and transmit a copy of this Agreement to the other. This Agreement may be terminated by Seller if the Earnest Money Deposit is not received by Escrow Agent by such deadline. The Earnest Money Deposit paid by Buyer shall be held as specifically provided in this Agreement and shall be applied to the Purchase Price at the Closing.

2.5 Rivermont ECR Reimbursement. Buyer acknowledges and agrees that the ECR (as such term is defined in Section) contemplates the reimbursement by the owner of the "Wallace Tract" (as such term is defined in the ECR) to Seller of certain costs incurred by Seller, as such costs are more particularly described and set forth in the ECR. Such costs are payable by the owner of the Wallace Tract to Seller upon the later to occur of the completion of one or more buildings on the

Wallace Tract. Buyer acknowledges and agrees that Seller shall retain the right of such reimbursement to the extent of such ECR costs heretofore incurred by Seller, and that such right shall not be conveyed to Buyer and shall not be transferred to, nor inure to the benefit of, Buyer as the future owner of the "Cousins Tract" (as such term is defined in the ECR). In the amendment to the ECR which is contemplated in Section hereof, Seller shall clarify the same. This section shall expressly survive the Closing without limitation notwithstanding any other provision of this Agreement to the contrary.

2.6 Closing Costs.

(a) Seller shall pay:

(1) Georgia transfer taxes imposed upon the transactions contemplated hereby;

(2) Cost of satisfying any deed(s) to secure debt and construction liens on the Property which may be satisfied by the payment of money;

(3) Costs, if any, of curing title defects and recording any curative title documents, should Seller elect to cure as permitted by Section of this Agreement;

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

(b) Buyer shall pay:

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

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

(3) Cost of the Title Insurance and Survey;

(4) Brokerage commission payable to Eric Zimmerman of Ben Carter Associates;

(5) Cost of recording the deed; and

(6) Buyer's attorneys' fees.

3. INSPECTION PERIOD AND CLOSING

3.1 Inspection Period.

(a) Buyer agrees that it will have the Inspection Period to physically inspect the Property, review the economic data, underwrite the tenants and review their leases, and to otherwise conduct its due diligence review of the Property and all books, records and accounts of Seller related thereto. Buyer hereby agrees to indemnify and hold Seller harmless from any damages, liabilities or claims for property damage or personal injury arising out of such inspection and investigation by Buyer or its agents or independent contractors, pursuant to this Section , which indemnity shall survive the Closing or termination of this Agreement. Buyer's indemnity obligations as set forth herein shall not be limited to the Earnest Money deposited hereunder and Seller's right to recover from Buyer under such indemnity shall not be limited by any provisions of this Agreement providing for liquidated damages in the event of Buyer's default hereunder. Within the Inspection Period, Buyer may, in its sole discretion and for any reason or no reason, elect to go forward with this Agreement to Closing, which election shall be made by notice to Seller given within the Inspection Period. If such notice is not timely given, this Agreement and all rights, duties and obligations of Buyer and Seller hereunder, except any which expressly survive termination, shall terminate and Escrow Agent shall forthwith return to Buyer the Earnest Money Deposit. If Buyer so elects to go forward, Buyer shall deliver an additional $225,000 to Escrow Agent which shall be included in the Earnest Money Deposit and the Earnest Money Deposit shall not be refundable except upon the terms otherwise set forth herein.

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

Buyer furnishes Seller (eg. Robert S. Wordes, at 770/857-2443) no less than 2 days' prior telephone notice of the time and place of any such interview(s) and affords Seller an opportunity to be present (Seller agreeing to make available sufficient personnel to attend such interview(s) in accordance with Buyer's schedule).

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

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

3.3 Time and Place of Closing. Unless otherwise agreed by the parties, the Closing shall take place at the offices of Escrow Agent on June 30, 1997.

4. WARRANTIES, REPRESENTATIONS AND COVENANTS OF SELLER

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

4.1 Organization; Authority. Seller is duly organized, validly existing and in good standing under the laws of the state of its organization and the state in which the Shopping Center is located, and has full corporate power and authority to enter into and perform this Agreement in accordance with its terms. Seller is not a "foreign person" under Sections 1445 or 897 of the Internal Revenue Code nor is this transaction subject to any withholding under any state or federal law.

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

4.3 Title. Seller is the owner in fee simple of all of the Property.

4.4 Commissions. Seller has neither dealt with nor does it have any knowledge of any broker or other party who has or may have any claim against Seller or the Property for a brokerage commission or finder's fee or like payment arising out of or in connection with the transaction provided herein except for Eric Zimmermann of Ben Carter Associates, whose commissions shall be paid by Buyer. Seller agrees to indemnify Buyer from any other such brokerage claim arising by, through or under Seller.

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

4.6 Litigation. Except as described in Section of this Agreement or in Exhibit attached hereto, there is no litigation or proceeding pending, or to the best of Seller's knowledge, threatened against Seller relating to the Property.

4.7 Leases. There are no Leases affecting the Property, oral or written, except as listed on the Rent Roll, and any Leases or modifications entered into between the date of this Agreement and the Closing Date with the consent of Buyer. Copies of the Leases, which have been delivered to Buyer or shall be delivered to Buyer within five (5) days from the date hereof, are, to the best knowledge of Seller, true, correct and complete copies thereof, subject to the matters set forth on the Rent Roll and in this Agreement. Between the date hereof and the Closing Date, Seller will not terminate or modify existing Leases or enter into any new Leases without the consent of Buyer, subject to the provisions of Sections and of this Agreement. To the best of Seller's knowledge, all of the Property's tenant leases are in good standing and to the best of Seller's knowledge no defaults exist thereunder except as noted on the Rent Roll. No rent or reimbursement has been paid more than one (1) month in advance and no security deposit has been paid, except as stated on the Rent Roll. No tenants under the Leases are entitled to interest on any security deposits. No tenant under any Lease has or will be promised any inducement, concession or consideration by Seller other than as expressly stated in such Lease, and except as stated therein there are and will be no side agreements between Seller and any tenant. Seller hereby discloses that Roswell Rivermont Station CVS, Inc. ("CVS"), a tenant in Rivermont claims that Seller is obligated to reimburse CVS for the costs of installing an "Energy Management System" in its premises. Seller believes that it is not obligated for such reimbursement and hereby agrees to indemnify and hold Buyer harmless from such claim.

4.8 Financial Statements. Each of the Seller Financial Statements delivered or to be delivered to Buyer hereunder has or will have been prepared in accordance with the books and records of Seller and presents fairly in all material respects the

financial condition, results of operations and cash flows for the Property as of and for the periods to which they relate. All are in conformity with sound accounting practice and applied on a consistent basis. There has been no material adverse change in the operations of the Property since the date of the most recent Seller Financial Statements. Seller covenants to furnish promptly to Buyer copies of the Seller Financial Statements together with unaudited updated monthly reports of cash flow for interim periods beginning after December 31, 1996. Buyer and its independent certified accountants shall be given access to Seller's books and records at any time during the Inspection Period upon reasonable advance notice in order that they may verify the Seller Financial Statements. Seller agrees to execute and deliver to Buyer or its accountants at Closing, the Audit Representation Letter should Buyer's accountants audit the records of the Shopping Center.

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

4.10 Maintenance and Operation of Property. From and after the date hereof and until the Closing, Seller covenants to keep and maintain and operate the Property substantially in the manner in which it is currently being maintained and operated and covenants not to cause or permit any waste of the Property nor undertake any action with respect to the operation thereof outside the ordinary course of business without Buyer's prior written consent. Subject to the provisions of Section of this Agreement, Seller covenants to cause the Shopping Center to be in substantially the same quality and condition at the time of Closing as on the date hereof, ordinary wear and tear excepted. Seller covenants not to remove from the Improvements or the Real Property any article included in the Personal

Property. Seller covenants to maintain such casualty and liability insurance on the Property as is presently being maintained.

4.11 Permits and Zoning. To the best of Seller's knowledge, there are no material permits and licenses (collectively referred to as "Permits") required to be issued to Seller by any governmental body, agency or department having jurisdiction over the Property which materially affect the ownership or the use thereof which have not been issued, except that whereas the Easement Agreement with Covenants and Restrictions (the "ECR") affecting Rivermont (recorded in Deed Book 20439, Page 240), contemplates three exit/entrances along Holcomb Bridge Road, Rivermont received permits only for two of such exit/entrances. Buyer consents to a modification of the ECR to reflect the actual status of such exits/entrances. Seller has received no notice of outstanding assessments, impact fees or other charges related to the Property, other than 1997 taxes, which are not yet due.

4.12 Rent Roll; Tenant Estoppel Letters. To the best of Seller's knowledge, the Rent Roll is true and correct in all material respects. Seller agrees to use reasonable efforts to obtain current Tenant Estoppel Letters acceptable to Buyer from all Tenants under Leases.

4.13 Condemnation. Seller has received no notice that the whole or any portion of the Property, including access thereto or any easement benefitting the Property, is or will be subject to temporary requisition of use by any governmental authority or has been condemned, or taken in any proceeding similar to a condemnation proceeding, nor has Seller received notice of nor is Seller aware of any pending condemnation, expropriation, requisition or similar proceeding against the Property or any portion thereof.

4.14 Governmental Matters. Except for customary permit and zoning applications executed by Seller in the ordinary course of business in connection with obtaining its permits and governmental approvals for construction of the Improvements (which, to Seller's actual knowledge, do not contain any agreements or commitments of Seller which are as yet unperformed, other than ongoing conditions of zoning), Seller has not entered into any commitments or agreements with any governmental authorities or agencies affecting the Property that have not been disclosed in writing to Buyer and Seller has received no notices from any such governmental authorities or agencies of uncured violations at the Property of building, fire or zoning codes, rules, ordinances or regulations, Environmental Laws, or other rules, ordinances or regulations relating to the Property.

4.15 Repairs. Seller has received no notice of any requirements or recommendations by any lender, insurance companies, or governmental body or

agencies requiring or recommending any repairs or work to be done on the Property.

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

4.17 Environmental Matters.Seller represents and warrants as of the date hereof and as of the Closing that:

(a) Seller has not, and has no knowledge of any other person who has, caused any Release at the Property in any material quantity; and

(b) To Seller's actual knowledge, except as may be set forth in the Materials, the Property does not now contain any: (a) underground storage tank, (b) material amounts of asbestos-containing building material, (c) landfills or dumps, (d) drycleaning plant; or (e) hazardous waste management facility as defined pursuant to the Resource Conservation and Recovery Act ("RCRA") or any comparable state law. Seller has received no notice that the Property is claimed to be a site on or has been nominated for the National Priority List promulgated pursuant to Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") or any state remedial priority list promulgated or published pursuant to any comparable state law.

4.18 Representations and Warranties to be Remade at Closing. The foregoing warranties and representations shall be reaffirmed and restated by Seller in their entirety as of the date of Closing, except for any changes in any foregoing warranty or representation that occurs at any time and from time to time prior to Closing. In the event any of the foregoing warranties or representations shall become untrue or misleading, Seller shall promptly inform Buyer of the same, in writing, prior to Closing. In the event that Seller does not elect to cure all such changes prior to Closing, then notwithstanding anything herein to the contrary and as it sole remedy,

Buyer may elect to either (i) close and consummate the transaction contemplated by this Agreement and waive any such breach, or (ii) terminate this Agreement by written notice to Seller, whereupon Escrow Agent shall return the Earnest Money to Buyer and thereafter the parties hereto shall have no further rights or obligations hereunder whatsoever, except for such rights or obligations that, by the express terms hereof, survive any termination of this Agreement.

Prior to Closing, Buyer shall have fully examined and inspected the Property and shall have become thoroughly familiar with the condition, status and usability of the same. Buyer is willing to and shall accept the Property "AS IS, WHERE IS" "WITH ALL FAULTS" on the date of the Closing, subject only to the express representations and warranties made by Seller in this Agreement and/or in the closing documents, and except for such express representations and warranties (which shall survive Closing as provided in Section of this Agreement), Buyer does hereby waive and release Seller, Seller's agents, employees, officers, directors and stockholders of and from any and all claims, demands, liabilities and obligations of whatsoever kind of nature, direct or indirect, and whether contingent, conditional or otherwise, known or unknown, arising under, pursuant to, from or by reason of or in connection with, any and all federal, state and local laws (including but not limited to decisional law), statutes, ordinances, rules, regulations, permits, or standards and all Environmental Laws (all of the foregoing being herein referred to collectively as "Applicable Laws"). EXCEPT FOR SUCH REPRESENTATIONS AND WARRANTIES, SELLER HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES TO BUYER WHATSOEVER, EXPRESS OR IMPLIED, WITH REGARD TO THE CONDITION OR COMPLIANCE OF THE PROPERTY WITH RESPECT TO ANY LAWS GOVERNING ENVIRONMENTAL PROTECTION, POLLUTION CONTROL OR LAND USE OR OTHERWISE CONCERNING THE PROPERTY OR THE FITNESS, MERCHANTABILITY, USE OR CONDITION OF THE PROPERTY OR ANY MATTERS RELATED TO THE SUBJECT TRANSACTION OR THE PROPERTY. This section shall expressly survive the Closing.

4.19 Certain Limitations on Seller's knowledge. Buyer expressly acknowledges and agrees that wherever in this Agreement a statement, certification, representation or warranty is made by Seller to its knowledge (however qualified), such information is limited to the actual knowledge, after reasonable inquiry and examination of Seller's files of Robert S. Wordes and Cassandra Mora as to Lovejoy, and of Robert S. Wordes as to Rivermont. Seller represents that such persons are the most knowledgeable employees of Seller with respect to matters involving the respective shopping centers, and to date have been charged by Seller with the responsibility for the operation, management and leasing thereof.

5. WARRANTIES, REPRESENTATIONS AND COVENANTS OF BUYER

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

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

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

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

5.4 Audit Representation Letter. The common shares of Buyer's parent, Regency Realty Corporation ("Regency") are publicly traded on the New York Stock Exchange. The quarterly filing requirements of the Securities Exchange Commission impose upon Regency a duty to file, inter alia, audited financial statements covering properties acquired by Regency or its subsidiaries during the prior quarter. The Audit Representation Letter to be given by Seller under Section of this Agreement is to be provided as part of those requirements. Buyer acknowledges that such Audit Representation Letter is for the benefit of Buyer's auditors (KPMG Peat Marwick LLP) only and no person including Buyer, other than Buyer's auditor, is or will be authorized by Seller or Buyer to rely thereon.Buyer agrees to indemnify Seller for any costs incurred by Seller in responding to any inquiry and/or litigation and/or other claim related to the Audit Representation Letter unless such Audit Representation Letter contains a material or fraudulent misstatement.

6. POSSESSION; RISK OF LOSS

6.1 Possession. Possession of the Property will be transferred to Buyer at the conclusion of the Closing, subject to the rights of tenants under the Leases.

6.2 Risk of Loss. All risk of loss to the Property shall remain upon Seller until the conclusion of the Closing. If, before the possession of the Property has been transferred to Buyer, any material portion of the Property is damaged by fire or other casualty and will not be restored by the Closing Date or if any material portion of the Property is taken by eminent domain or there is a material obstruction of access to the Improvements by virtue of a taking by eminent domain, Seller shall, within ten (10) days of such damage or taking, notify Buyer thereof and Buyer shall have the option to:

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

(b) proceed with the purchase of the Property, in which event Seller shall assign to Buyer all Seller's right, title and interest in all amounts due or collected by Seller under the insurance policies or as condemnation awards. In such event, the Purchase Price shall be reduced by the amount of any insurance deductible in excess of $25,000.00, to the extent it reduces the insurance proceeds payable.

7. TITLE MATTERS

7.1 Title.

(a) Title Insurance. Buyer shall promptly order the Title Insurance Commitment from First American Title Insurance Company and the Survey from a reputable surveyor familiar with the Property (Seller agreeing to furnish to Buyer copies of any existing surveys and title information in its possession promptly after execution of this Agreement). Buyer will have the Inspection Period within which to notify Seller in writing of any Title Defect, encroachments or other matters not acceptable to Buyer which are not permitted by this Agreement. Any Title Defect or other objection disclosed by the Title Insurance Commitment (other than deeds to secure debt and construction lien[s] removable by the payment of money) or the Survey which is not timely specified in Buyer's written notice to Seller of Title Defects shall be deemed a Permitted Exception. Seller shall notify Buyer in writing within three (3) days of Buyer's notice if Seller intends to cure any Title Defect or other objection. If Seller elects to cure, Seller shall use diligent efforts to cure the Title Defects and/or objections by the Closing Date (as it may be extended by

mutual agreement of the parties). If Seller elects not to cure or if such Title Defects and/or objections are not cured, Buyer shall have the right, in lieu of any other remedies, to: (i) refuse to purchase the Property, terminate this Agreement by notice to Seller given within two (2) days after notice from Seller that Seller will not cure, in which event Buyer shall receive a return of the Earnest Money Deposit; or (ii) waive such Title Defects and/or objections and close the purchase of the Property subject to them. If Seller does not respond to Buyer's notice of Title Defects within such three (3) day period, Seller shall be deemed to have elected not to cure such Title Defects.

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

8. CONDITIONS PRECEDENT

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

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

(b) All obligations of Seller contained in this Agreement, shall have been fully performed in all material respects.

(c) There shall have been no material adverse change in the Property, its operations or future prospects, the Leases or the financial condition of Publix, Harris Teeter or CVS.

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

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

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

(B) Originals, if available, or if not, true copies of the Leases and of the Contracts;

(C) A blanket assignment to Buyer of all Leases and the Contracts, as they affect the Property, including an indemnity by Seller against all matters first arising or accruing prior to the date of such assignment and an indemnity by Buyer for all matters first arising or accruing from and after the date of such assignment, subject however to the respective post-Closing obligations of Seller and Buyer, as the case may be, under or with respect to any such Leases and Contracts, as may be imposed under this Agreement;

(D) A quit-claim bill of sale with respect to the Personal Property;

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

(F) All Tenant Estoppel Letters obtained by Seller, which must include Harris Teeter, CVS Drugs, Blockbuster Video, Calico Corners, Publix, Video Wonderland and Family MedCare and seventy-five percent (75%) of the other tenants, by number, who have signed leases for any portion of the Property, without any material exceptions, covenants, or changes to the form approved by Buyer and distributed to the tenants by Seller (except that the excision of paragraphs 8 and 10 from the Tenant Estoppel Letter by any tenant shall not in and of itself be deemed a material exception), the substance of which Tenant Estoppel Letters must be reasonably acceptable to Buyer in all material respects;

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

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

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

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

(K) Materials; and

(L) Such other documents as Buyer may reasonably request to effect the transactions contemplated by this Agreement.

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

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

(a) Buyer's warranties and representations under this Agreement shall be true and correct in all material respects as of the Closing Date.

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

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

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

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

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

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

9. BREACH; REMEDIES

9.1 Pre-Closing Breach by Seller. In the event of a default by Seller herein and failure by Seller to cure such default within the time provided for Closing, Buyer may, at Buyer's election and as its sole remedy elect to either (i) terminate this Agreement and receive a return of the Earnest Money Deposit, and the parties shall have no further rights or obligations under this Agreement (except as survive termination); (ii) enforce this Agreement by suit for specific performance; or (iii) waive such default and close the purchase contemplated hereby, notwithstanding such default.

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

9.3 Breach of Post-Closing Obligations. Each party shall be limited to the remedy of specific performance for breaches by either party of post-Closing obligations imposed upon it under this Agreement, together with costs and attorneys fees as contemplated by Section 10.6 hereof.

10. MISCELLANEOUS

10.1 Disclosure. Neither party shall disclose the transactions contemplated by this Agreement or any information obtained in connection with preparation for Closing and/or the conducting of due diligence without the prior approval of the other, except to its attorneys, accountants and other consultants, their lenders and prospective lenders, or where disclosure is required by law.

10.2 Entire Agreement; Counterparts. This Agreement together with the Exhibits attached hereto, when executed singly or in counterparts, shall constitute the entire agreement between the parties hereto with respect to the subject matter hereof and may not be modified, amended or otherwise changed in any manner except by a writing executed by Buyer and Seller.

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

to Seller:	Cousins Real Estate Corporation Attention: Robert S. Wordes 2500 Windy Ridge Parkway, Suite 1600 Atlanta, Georgia 30339 Facsimile: (770) 857-2363
with a copy to:	Troutman Sanders LLP Attention: Maureen T. Callahan, Esq. NationsBank Plaza 600 Peachtree St., N.E., Suite 5200 Atlanta, Georgia 30308-2216 Facsimile: (404) 885-3900
to Buyer:	RRC Acquisitions, Inc. Attention: Robert L. Miller Suite 200, 121 W. Forsyth St. Jacksonville, Florida 32202 Facsimile: (904) 634-3428
with a copy to:	Rogers, Towers, Bailey, Jones & Gay Attention: William E. Scheu, Esq. 1301 Riverplace Blvd., Suite 1500 Jacksonville, Florida 32207 Facsimile: (904) 396-0663

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

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

10.5 Validity. If any of the provisions of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or

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

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

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

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

10.9 Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. No third parties, including any brokers or creditors, shall be beneficiaries hereof. Buyer may not assign this Agreement other than to a wholly owned subsidiary of Regency Realty Corporation without the consent of Seller.

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

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

10.12 Further Instruments, Etc. Seller and Buyer shall, at or after Closing, execute any and all documents and perform any and all acts reasonably necessary to fully implement this Agreement.

10.13 Survival. The representations, warranties and covenants made respectively, by Seller and Buyer in Articles and of this Agreement shall survive the Closing for a period of one (1) year. The post-Closing obligations of the parties as set forth in the closing documents and in Sections , , , , , , , , , , , , , , , and hereof, shall also survive Closing. Otherwise the terms and provisions of this Agreement shall merge with the execution and delivery of the Closing documents and shall not survive the Closing.

10.14 No Recording. This Agreement nor any notice, memorandum or other notice or document incorporating this Agreement generally shall be recorded, but a memorandum concerning post-Closing obligations under Section of this Agreement shall be executed at Closing and recorded at the request of either party.

10.15 Like-Kind Exchange by Seller. Seller reserves the right to effectuate the sale of the Property by means of an exchange of "like-kind" property which will qualify as such under Section 1031 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. Seller expressly reserves the right to assign its rights, but not its obligations, hereunder to a qualified intermediary as provided in I.R.c. Reg. 1.1031(k)-1(g)(4) on or before the date of Closing. Upon written notice from Seller to Buyer, Buyer agrees to cooperate with Seller to effect a like-kind exchange, provided that such cooperation shall be subject to the following conditions: (a) such exchange shall not delay the date of Closing and shall occur either simultaneously with the Closing or the sale proceeds payable to seller shall be paid to a third party escrow agent or intermediary and title conveyed to Buyer, such that Buyer shall not be required to participate in any subsequent closing, (b) Buyer shall not be obligated to spend any sums or incur any expenses in excess of the sums and expenses which would have been spent or incurred by Buyer if there had been no exchange, and (c) Buyer shall not be obligated to acquire, accept title to or convey any property other than the Property to be conveyed to Buyer pursuant to this Agreement. Buyer makes no representation or warranty that the conveyance of the Property by Seller to Buyer shall qualify for a like-kind exchange.

10.16 Effective Date. The effective date of this Agreement shall be the date upon which this Agreement shall be fully executed by Seller and Buyer and each of Seller and Buyer have received a fully executed counterpart hereof.

10.17 Rivermont Consent Order. Buyer acknowledges that the portion of the Property which is known as Rivermont Station shall be sold subject to that certain Final Consent Judgment dated April 6, 1992, as amended by the First

Amendment to Consent Judgment dated December 15, 1995, entered in Civil Action D82953, in the Superior Court of Fulton County, Georgia (the "Consent Agreement"). Seller is currently negotiating a second amendment to the Consent Agreement whereby Seller is seeking to set forth the final resolution of all issues arising under the Consent Agreement and an acknowledgment by the parties to the Consent Agreement that all obligations to be performed by Seller thereunder have been performed, or if not which obligations of Seller remain. Seller shall keep Buyer informed of the status of such second amendment and will continue such negotiations in good faith and with all due diligence. In the event that a second amendment acceptable to Seller and Buyer has not been finalized by the date which occurs five (5) business days prior to the end of the Inspection Period, and/or if Seller is unwilling to indemnify Seller for post-Closing obligations arising under the Consent Agreement, whether or not amended, Buyer shall have its termination rights under this Agreement as stated herein or Buyer, at its option, may accept the Property subject to the Consent Agreement, and Seller shall thereafter cooperate with Buyer, in good faith, to pursue a second amendment to the Consent Agreement as aforesaid. Buyer acknowledges and agrees that Seller makes no representation or warranty to Buyer as to the ability of Seller to obtain such second amendment.

10.18 Agreements Concerning Certain Buildout Expenses and Tenant Improvement Allowances. Seller has executed leases and delivered stores to four tenants in Rivermont (Bruegger's Bagels [Store 140], Details [Store 150], Calico Corner [Store 170] and Pride Cleaners [Store 230]); and to five tenants in Lovejoy (Georgia Medical [Store 100], China Kitchen [Store 135], Nail Expo [Store 155], Supercuts [Store 200] and Subway [Store 240]), each of which tenants has accepted its store, and each of which is responsible for the buildout and fixturing of the store leased to it. Seller is obligated to pay to each of the tenants a tenant improvement allowance. Seller acknowledges that the payment of such tenant improvement allowances is the obligation of Seller and that such obligation shall survive Closing. Seller will include in the Tenant Estoppel Letter for each of the foregoing tenants a certification as to the amounts remaining due from the Seller, as landlord, to such tenant(s). If a particular allowance has not been paid by Closing, Seller and Buyer shall escrow with the Escrow Agent with respect to each tenant to whom such allowance remains unpaid, an amount to be agreed upon by Seller and Buyer during the Inspection Period sufficient to cover the unpaid tenant improvement allowance due each of such tenants. The portion of the escrowed sums due to each such tenant shall be disbursed to the tenant by the Escrow Agent upon delivery to Escrow Agent (with copies to Seller and Buyer) of the following with respect to each space:

(a) Certificate of occupancy;

(b) Final payment affidavit and release of lien from the contractor concerning such space (or alternatively, if such is not obtainable, the expiration of the period during which construction liens may be filed with respect to such work).

The portion of any sum escrowed for a particular tenant which is in excess of that due and disbursed to the particular tenant shall be disbursed to Seller. If the conditions for disbursement have not occurred by the date which is six (6) months after Closing, Escrow Agent shall disburse to Seller any sums remaining in escrow, Seller shall pay the remaining allowance(s) due each tenant as and when due under the tenant's lease, and Seller shall indemnify and hold Buyer harmless from any loss, expense or damage suffered by Buyer as a result of Seller failing to do so.

10.19 Harris Teeter Reimbursement. As of the execution of this Agreement Harris Teeter, Inc. ("Harris Teeter"), which is a tenant at Rivermont, has not reimbursed Seller the sums due Seller under Sections 5.1 and 7.3(d) of the Harris Teeter lease. Seller shall endeavor to collect said sums prior to Closing, but if Seller shall be unable to do so, Seller shall retain its right to such payment after Closing (which right shall be reserved in the Assignment of Leases), but Seller agrees to look only to Harris Teeter to collect said sums. Seller may institute such actions at law as it may deem appropriate to collect said sums, but Seller shall not seek to dispossess Harris Teeter or interfere with its use and enjoyment of its premises under the Harris Teeter lease.

10.20 Certain Unleased Space. As of the execution of this Agreement Spaces 115 (consisting of 1370 square feet) and 125 (consisting of 2123 square feet) in Lovejoy are unleased. Should Seller prior to Closing lease either of such spaces under an Approved Lease, Buyer shall pay to Seller at Closing an amount equal to the product of $2.50 multiplied by the square footage of store area leased (the "Unleased Space Payment"). An "Approved Lease" is defined as a lease acceptable in all respects to Buyer, in its sole and absolute discretion, having an initial term of no less than three (3) and no more than ten (10) years with a tenant who is a bonafide third party unaffiliated with Seller. In the event Seller obtains a proposed tenant and proposed lease for either of such spaces and submits said proposed tenant and proposed lease to Buyer for its approval, Buyer shall have a period of five (5) business days after the receipt of the proposed lease and any related materials within which to respond to Seller in writing. If the response is in the negative, said response must be supplied to Seller in writing within said five (5) business days, along with a detailed list which defines and sets forth in clear and understandable terms the reasons for turning down or negating said potential tenant or potential lease. In the event Buyer does not respond or take any action in regard to the written request or notice of a potential tenant or potential lease (when and if said lease and reasonable supporting financial and operating expense information are enclosed in the package) within said five (5) business day period,

said potential tenant and potential lease shall be conclusively deemed to have been approved by Buyer as of the end of such five (5) business day period, and shall become an Approved Lease which Buyer shall be obligated to execute and perform. An Approved Lease hereunder shall be deemed to be a Lease and included with those to be assigned to Buyer at Closing. Should Buyer have rejected a particular Approved Lease but subsequently within six (6) months following Closing enter into a lease with the rejected tenant(s) on substantially the same terms as the rejected lease, Buyer shall be obligated to pay Seller the Unleased Space Payment which would be due Seller for such lease as if it had been an Approved Lease prior to Closing. This Section shall expressly survive Closing.

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

Witnesses:

	RRC ACQUISITIONS, INC.,
_____	a Florida corporation
[- - - - - - - - - - - - - - - -]	
Name (Please Print)	
Official Witness (Notary)	By:_____
	Its:_____
- ----------	
[_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _]	Date: April _____, 1997
Name (Please Print)	
Unofficial Witness	Tax Identification No. 59-3210155

"BUYER"

COUSINS REAL ESTATE CORPORATION,
_____ a Georgia corporation

[- - - - - - - - - - - - - - - - -]
Name (Please Print)
Official Witness (Notary)

By:_____
Its:_____

- ----------

[_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _]
Name (Please Print)
Unofficial Witness

Date: April _____, 1997

Tax Identification No:_____

"SELLER"

JOINDER OF ESCROW AGENT

1. Duties. Escrow Agent joins herein for the purpose of acknowledging receipt of the initial Earnest Money Deposit and agrees to comply with the terms hereof insofar as they apply to Escrow Agent. Escrow Agent shall receive and hold the Earnest Money Deposit in an interest bearing account in trust, to be disposed of in accordance with the provisions of this joinder and Section of the foregoing Agreement.

2. Indemnity. Escrow Agent shall not be liable to either party except for claims resulting from the gross negligence or willful misconduct of Escrow Agent. If the escrow is involved in any controversy or litigation, the parties hereto shall jointly and severally indemnify and hold Escrow Agent free and harmless from and against any and all loss, cost, damage, liability or expense, including costs of reasonable attorneys' fees to which Escrow Agent may be put or which may incur by reason of or in connection with such controversy or litigation, except to the extent it is finally determined that such controversy or litigation resulted from Escrow Agent's gross negligence or willful misconduct. If the indemnity amounts payable hereunder result from the fault of Buyer or Seller (or their respective agents), the party at fault shall pay, and hold the other party harmless against, such amounts.

3. Conflicting Demands. If conflicting demands are made upon Escrow Agent with respect to the escrow, the parties hereto expressly agree that Escrow Agent shall have the absolute right to do either or both of the following: (i) withhold and stop all proceedings in performance of this escrow and await settlement of the controversy by final appropriate legal proceedings or otherwise as it may require; or (ii) file suit for declaratory relief and/or interpleader and

obtain an order from the court requiring the parties to interplead and litigate in such court their several claims and rights between themselves. Upon the filing of any such declaratory relief or interpleader suit and tender of the Earnest Money Deposit to the court, Escrow Agent shall thereupon be fully released and discharged from any and all obligations to further perform the duties or obligations imposed upon it. Buyer and Seller agree to respond promptly in writing to any request by Escrow Agent for clarification, consent or instructions. Any action proposed to be taken by Escrow Agent for which approval of Buyer and/or Seller is requested shall be considered approved if Escrow Agent does not receive written notice of disapproval within fourteen (14) days after a written request for approval is received by the party whose approval is being requested. Escrow Agent shall not be required to take any action for which approval of Buyer and/or Seller has been sought unless such approval has been received. No disbursements shall be made, other than as provided in Sections and of the foregoing Agreement, or to a court in an interpleader action, unless Escrow Agent shall have given written notice of the proposed disbursement to Buyer and Seller and neither Buyer nor Seller shall have delivered any written objection to the disbursement within 14 days after receipt of Escrow Agent's notice. No notice by Buyer or Seller to Escrow Agent of disapproval of a proposed action shall affect the right of Escrow Agent to take any action as to which such approval is not required.

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

FIRST AMERICAN TITLE INSURANCE
COMPANY

By:_____
Its Authorized Agent

Date: April _____, 1997

"ESCROW AGENT"

EXHIBIT 1.3

Audit Representation Letter

(Acquisition Completion Date)

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

Dear Sirs:

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

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

2. There have been no undisclosed:

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

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

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

3. There are no undisclosed:

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

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

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

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

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

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

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

Very truly yours,

"Seller/Manager"

Name
Title

EXHIBIT 1.25

Legal Description of Real Property

EXHIBIT 1.25(a)

Site Plan - Rivermont

(To be attached)

EXHIBIT 1.25(b)

Site Plan - Lovejoy Station

(To be attached)

EXHIBIT 1.27

Rent Roll

EXHIBIT 1.32

Form of Estoppel Letter

_____, 199_

RRC Centers, Inc.
Attention: Robert L. Miller
Suite 200, 121 W. Forsyth St.
Jacksonville, Florida 32202

Cousins Real Estate Corporation
Attention: Robert S. Wordes
2500 Windy Ridge Parkway, Suite 1600
Atlanta, Georgia 30339

RE: _____ (Name of Shopping Center)

Ladies and Gentlemen:

The undersigned (Tenant) has been advised that Regency Centers, Inc., or its affiliate, may purchase the above Shopping Center, and we hereby confirm to you that:

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

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

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

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

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

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

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

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

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

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

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

The undersigned makes this statement for your benefit and protection with the understanding that each of you intends to rely upon this statement in connection with the intended purchase of the above described Premises from Landlord. The

undersigned agrees that it will, upon receipt of written notice from you, commence to pay all rents to Regency Centers, Inc., or to its designee.

Very truly yours,

_____(Tenant)

Mailing Address:

_____

By:_____

Its:_____

- ---

EXHIBIT 4.6

Pending Litigation

None.

WARNING: THE EDGAR SYSTEM ENCOUNTERED ERROR(S) WHILE PROCESSING THIS SCHEDULE.

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THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM REGENCY REALTY CORPORATION'S QUARTERLY REPORT FOR THE PERIOD ENDED 6/30/97

REGENCY REALTY CORPORATION
1

6-MOS
DEC-31-1997
JUN-30-1997
13,412,380
0
5,619,257
1,856,136
0
0
764,544,372
32,950,739
754,982,774
0
0
0
0
177,665
358,848,647
754,982,774
0
42,359,107
0
9,587,524
7,074,670
0
10,221,374
8,763,549
0
8,763,549
0
0
0
8,763,549
0.60
0.56