

United States

SECURITIES AND EXCHANGE COMMISSION

Washington DC 20549

FORM 10-Q

(Mark One)

For the quarterly period ended September 30, 2000

-or-

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

For the transition period from _____ to _____

Commission File Number 1-12298

REGENCY REALTY CORPORATION

(Exact name of registrant as specified in its charter)

Florida 59-3191743

(State or other jurisdiction of (IRS Employer
incorporation or organization) Identification No.)

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

(904) 356-7000

(Registrant's telephone number, including area code)

Unchanged

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

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

(Applicable only to Corporate Registrants)

As of November 6, 2000, there were 56,928,870 shares outstanding of the Registrant's common stock.

Part I

Item 1. Financial Statements

REGENCY REALTY CORPORATION
Consolidated Balance Sheets
September 30, 2000 and December 31, 1999
(unaudited)

	2000 ----	1999 ----
Assets		
Real estate investments:		
Land	\$ 585,041,902	567,673,872
Buildings and improvements	1,865,609,460	1,834,279,432
	-----	-----
	2,450,651,362	2,401,953,304
Less: accumulated depreciation	137,085,242	104,467,176
	-----	-----
	2,313,566,120	2,297,486,128
Properties in development	258,683,760	167,300,893
Operating properties held for sale	124,098,255	-
Investments in real estate partnerships	66,159,432	66,938,784
	-----	-----
Net real estate investments	2,762,507,567	2,531,725,805
Cash and cash equivalents	36,870,913	54,117,443
Notes receivable	37,962,720	15,673,125
Tenant receivables, net of allowance for uncollectible accounts of \$3,257,390 and \$1,883,547 at September 30, 2000 and December 31, 1999	29,672,141	33,515,040
Deferred costs, less accumulated amortization of \$12,285,823 and \$8,802,559 at September 30, 2000 and December 31, 1999	18,340,711	12,530,546
Other assets	7,710,185	7,374,019
	-----	-----
	\$ 2,893,064,237	2,654,935,978
	=====	=====

Liabilities and Stockholders' Equity

Liabilities:

Notes payable	894,733,544	764,787,207
Unsecured line of credit	305,000,000	247,179,310
Accounts payable and other liabilities	39,887,575	48,886,111
Tenants' security and escrow deposits	8,413,577	7,952,707

Total liabilities	1,248,034,696	1,068,805,335
-------------------	---------------	---------------

Preferred units	375,438,252	283,816,274
Exchangeable operating partnership units	35,125,451	44,589,873
Limited partners' interest in consolidated partnerships	6,514,687	10,475,321

Total minority interest	417,078,390	338,881,468
-------------------------	-------------	-------------

Stockholders' equity:

Cumulative convertible preferred stock Series 1 and paid in capital \$.01 par value per share: 542,532 shares authorized; 537,107 issued and outstanding at September 30, 2000 and December 31, 1999, respectively; liquidation preference \$20.83 per share	12,528,032	12,528,032
Cumulative convertible preferred stock Series 2 and paid in capital \$.01 par value per share: 1,502,532 shares authorized; 950,400 shares issued and outstanding at September 30, 2000 and December 31, 1999, respectively liquidation preference \$20.83 per share	22,168,080	22,168,080
Common stock \$.01 par value per share: 150,000,000 shares authorized; 60,198,129 and 59,639,536 shares issued at September 30, 2000 and December 31, 1999	601,981	596,395
Treasury stock; 3,284,947 and 2,715,851 shares held at September 30, 2000 and December 31, 1999, at cost	(65,864,705)	(54,536,612)
Additional paid in capital	1,316,651,553	1,304,257,610
Distributions in excess of net income	(47,298,641)	(26,779,538)
Stock loans	(10,835,149)	(10,984,792)

Total stockholders' equity	1,227,951,151	1,247,249,175
----------------------------	---------------	---------------

Commitments and contingencies		
-------------------------------	--	--

	\$ 2,893,064,237	2,654,935,978
--	------------------	---------------

See accompanying notes to consolidated financial statements

REGENCY REALTY CORPORATION
Consolidated Statements of Operations
For the Three Months ended September 30, 2000 and 1999
(unaudited)

	2000 ----	1999 ----
Revenues:		
Minimum rent	\$ 65,487,039	59,410,015
Percentage rent	325,785	291,303
Recoveries from tenants	17,999,790	14,664,162
Service operations revenue	6,021,017	4,014,664
Equity in income of investments in real estate partnerships	2,804,787	1,218,075
Total revenues	----- 92,638,418	----- 79,598,219
Operating expenses:		
Depreciation and amortization	14,776,780	13,112,164
Operating and maintenance	11,992,681	10,733,732
General and administrative	4,996,685	4,795,323
Real estate taxes	9,004,241	7,835,440
Other expenses	830,000	375,000
Total operating expenses	----- 41,600,387	----- 36,851,659
Interest expense (income):		
Interest expense	18,791,545	15,575,115
Interest income	(1,160,925)	(491,730)
Net interest expense	----- 17,630,620	----- 15,083,385
Income before minority interests	33,407,411	27,663,175
Minority interest preferred unit distributions	(7,977,919)	(2,334,376)
Minority interest of exchangeable partnership units	(662,600)	(769,851)
Minority interest of limited partners	(186,203)	83,702
Net income	----- 24,580,689	----- 24,642,650
Preferred stock dividends	(699,459)	(677,165)
Net income for common stockholders	----- \$ 23,881,230	----- 23,965,485
Net income per share:		
Basic	\$ 0.42	0.40
Diluted	\$ 0.42	0.40

See accompanying notes to consolidated financial statements

REGENCY REALTY CORPORATION
Consolidated Statements of Operations
For the Nine Months ended September 30, 2000 and 1999
(unaudited)

	2000 ----	1999 ----
Revenues:		
Minimum rent	\$ 189,389,963	157,352,236
Percentage rent	1,378,246	1,179,302
Recoveries from tenants	51,081,827	39,042,943
Service operations revenue	15,387,761	9,755,287
Equity in income of investments in real estate partnerships	2,865,450	3,354,278
Total revenues	260,103,247	210,684,046
Operating expenses:		
Depreciation and amortization	43,163,768	34,893,216
Operating and maintenance	33,095,724	27,602,063
General and administrative	13,253,951	13,576,216
Real estate taxes	25,326,122	20,073,559
Other expenses	1,749,715	900,000
Total operating expenses	116,589,280	97,045,054
Interest expense (income):		
Interest expense	52,681,417	43,567,458
Interest income	(2,823,483)	(1,612,733)
Net interest expense	49,857,934	41,954,725
Income before minority interests, gain and provision on real estate investments	93,656,033	71,684,267
Gain on sale of operating properties	18,310	-
Provision for loss on operating properties held for sale	(6,909,625)	-
Income before minority interests	86,764,718	71,684,267
Minority interest preferred unit distributions	(21,232,432)	(5,584,378)
Minority interest of exchangeable partnership units	(1,848,094)	(2,108,362)
Minority interest of limited partners	(666,517)	(663,331)
Net income	63,017,675	63,328,196
Preferred stock dividends	(2,098,377)	(1,577,165)
Net income for common stockholders	\$ 60,919,298	61,751,031
Net income per share:		
Basic	\$ 1.07	1.16
Diluted	\$ 1.07	1.16

See accompanying notes to consolidated financial statements

REGENCY REALTY CORPORATION
Consolidated Statement of Stockholders' Equity
For the Nine Months ended September 30, 2000
(unaudited)

	Series 1 Preferred Stock -----	Series 2 Preferred Stock -----	Common Stock -----	Treasury Stock -----
Balance at				
December 31, 1999	\$ 12,528,032	22,168,080	596,395	(54,536,612)
Common stock issued as compensation or purchased by directors or officers, or issued under stock options	-	-	1,606	-
Common stock cancelled under stock loans	-	-	5	(239,674)
Common stock issued for partnership units redeemed	-	-	3,940	-
Common stock issued to acquire real estate	-	-	35	-
Reallocation of minority interest	-	-	-	-
Repurchase of common stock	-	-	-	(11,088,419)
Cash dividends declared:				
Common stock (\$.48 per share) and preferred stock	-	-	-	-
Net income	-	-	-	-
	-----	-----	-----	-----
Balance at				
September 30, 2000	\$ 12,528,032	22,168,080	601,981	(65,864,705)
	=====	=====	=====	=====

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION
Consolidated Statement of Stockholders' Equity
For the Nine Months ended September 30, 2000
(unaudited)

	Additional Paid In Capital	Distributions in excess of Net Income	Stock Loans	Total Stockholders' Equity
	-----	-----	-----	-----
Balance at December 31, 1999	1,304,257,610	(26,779,538)	(10,984,792)	1,247,249,175
Common stock issued as compensation or purchased by directors or officers, or issued under stock options	3,665,194	-	-	3,666,800
Common stock cancelled under stock loans	(55,829)	-	149,643	(145,855)
Common stock issued for partnership units redeemed	9,270,937	-	-	9,274,877
Common stock issued to acquire real estate	88,889	-	-	88,924
Reallocation of minority interest	(575,248)	-	-	(575,248)
Repurchase of common stock	-	-	-	(11,088,419)
Cash dividends declared: Common stock (\$.48 per share) and preferred stock	-	(83,536,778)	-	(83,536,778)
Net income	-	63,017,675	-	63,017,675
	-----	-----	-----	-----
Balance at September 30, 2000	1,316,651,553	(47,298,641)	(10,835,149)	1,227,951,151
	=====	=====	=====	=====

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2000 and 1999
(unaudited)

	2000 -----	1999 -----
Cash flows from operating activities:		
Net income	\$ 63,017,675	63,328,196
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	43,163,768	34,893,216
Deferred financing cost and debt premium amortization	554,273	347,204
Stock based compensation	3,592,406	1,921,831
Minority interest preferred unit distribution	21,232,432	5,584,378
Minority interest of exchangeable partnership units	1,848,094	2,108,362
Minority interest of limited partners	666,517	663,331
Equity in income of investments in real estate partnerships	(2,865,450)	(3,354,278)
Gain on sale of operating properties	(18,310)	-
Provision for loss on operating properties held for sale	6,909,625	-
Changes in assets and liabilities:		
Tenant receivables	5,549,265	(9,368,533)
Deferred costs	(5,385,197)	(3,378,467)
Other assets	(1,448,389)	1,439,804
Tenants' security and escrow deposits	313,158	711,577
Accounts payable and other liabilities	(9,448,374)	5,347,438
	-----	-----
Net cash provided by operating activities	127,681,493	100,244,059
	-----	-----
Cash flows from investing activities:		
Acquisition and development of real estate, net	(238,488,759)	(145,301,370)
Acquisition of Pacific, net of cash acquired	-	(9,046,230)
Acquisition of partners' interest in investments in real estate partnerships, net of cash acquired	(1,402,371)	-
Investment in real estate partnerships	(49,515,795)	(23,714,109)
Capital improvements	(12,920,698)	(10,894,912)
Proceeds from sale of operating properties	7,491,870	-
Repayment of notes receivable	15,673,125	-
Distributions received from investments in real estate partnerships	-	704,474
	-----	-----
Net cash used in investing activities	(279,162,628)	(188,252,147)
	-----	-----
Cash flows from financing activities:		
Net proceeds from common stock issuance	22,476	105,809
Repurchase of common stock	(11,088,419)	-
Purchase of limited partner's interest in consolidated partnership	(2,527,264)	-
Redemption of partnership units	(1,396,946)	(1,377,523)
Net distributions to limited partners in consolidated partnerships	(2,099,886)	(940,763)
Distributions to exchangeable partnership unit holders	(2,847,960)	(2,576,197)
Distributions to preferred unit holders	(21,232,432)	(5,584,378)
Dividends paid to common stockholders	(81,438,401)	(67,978,066)
Dividends paid to preferred stockholders	(2,098,377)	(1,352,165)
Net proceeds from fixed rate unsecured notes	149,728,500	249,845,300
Net proceeds from issuance of preferred units	91,621,978	205,250,000
Proceeds (repayment) of unsecured line of credit, net	57,820,690	(245,051,875)
Proceeds from mortgage loans	8,118,953	2,555,836
Repayment of mortgage loans	(40,881,096)	(32,536,707)
Scheduled principal payments	(4,785,445)	(4,339,228)
Deferred financing costs	(2,681,766)	(4,346,828)
	-----	-----
Net cash provided by financing activities	134,234,605	91,673,215
	-----	-----
Net (decrease) increase in cash and cash equivalents	(17,246,530)	3,665,127
Cash and cash equivalents at beginning of period	54,117,443	19,919,693
	-----	-----
Cash and cash equivalents at end of period	\$ 36,870,913	23,584,820
	=====	=====

REGENCY REALTY CORPORATION
Consolidated Statements of Cash Flows
For the nine Months Ended September 30, 2000 and 1999
(unaudited)
continued

	2000 -----	1999 -----
Supplemental disclosure of cash flow information - cash paid for interest (net of capitalized interest of approximately \$8,873,000 and \$7,485,000 in 2000 and 1999, respectively)	\$ 59,643,181 =====	43,333,640 =====
Supplemental disclosure of non-cash transactions:		
Mortgage loans assumed for the acquisition of Pacific and real estate	\$ 19,947,565 =====	402,582,015 =====
Exchangeable operating partnership units and common stock issued for investments in real estate partnerships	\$ 329,948 =====	1,949,020 =====
Exchangeable operating partnership units and common stock issued for the acquisition of partners' interest in investments in real estate partnerships	\$ 1,287,111 =====	- =====
Exchangeable operating partnership units, preferred and common stock issued for the acquisition of Pacific and real estate	\$ 103,885 =====	771,351,617 =====
Other liabilities assumed to acquire Pacific	\$ - =====	13,897,643 =====
Notes receivable taken in connection with sales of development properties	\$ 37,962,720 =====	- =====

See accompanying notes to consolidated financial statements.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

September 30, 2000

(unaudited)

1. Summary of Significant Accounting Policies

(a) Organization and Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Regency Realty Corporation, its wholly owned qualified REIT subsidiaries, and its majority owned or controlled subsidiaries and partnerships (the "Company" or "Regency"). All significant intercompany balances and transactions have been eliminated in the consolidated financial statements. The Company owns approximately 97% of the outstanding common partnership units ("Units") of Regency Centers, L.P., ("RCLP" or the "Partnership") and partnership interests ranging from 51% to 55% in two majority owned real estate partnerships (the "Majority Partnerships"). The equity interests of third parties held in RCLP and the Majority Partnerships are included in the consolidated financial statements as preferred or exchangeable operating partnership units and limited partners' interests in consolidated partnerships. The Company is a qualified real estate investment trust ("REIT") which began operations in 1993.

The financial statements reflect all adjustments which are of a normal recurring nature, and in the opinion of management, are necessary to properly state the results of operations and financial position. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted although management believes that the disclosures are adequate to make the information presented not misleading. The financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 1999 Form 10-K filed with the Securities and Exchange Commission.

(b) Investments in Real Estate Partnerships

The Company accounts for all investments in which it owns less than 50% and does not have controlling financial interest using the equity method.

(c) Reclassifications

Certain reclassifications have been made to the 1999 amounts to conform to classifications adopted in 2000.

2. Acquisition and Development of Shopping Centers

On August 3, 2000, the Company acquired the non-owned portion of two properties in one joint venture for \$2.5 million in cash. The net assets of the joint venture were and continue to be consolidated by the Company. Prior to acquiring the non-owned portion, the joint venture partner's interest was reflected as limited partners' interest in consolidated partnerships in the Company's financial statements.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

September 30, 2000

(unaudited)

2. Acquisition and Development of Shopping Centers (continued)

On June 30, 2000 the Company acquired the non-owned portion of nine properties in five joint ventures, previously accounted for using the equity method, for \$4.4 million in cash, common stock and Units. As a result, these joint ventures are wholly-owned by the Company and are consolidated for financial reporting purposes.

On February 28, 1999, the Company acquired Pacific Retail Trust ("Pacific") for approximately \$1.157 billion. The operating results of Pacific are included in the Company's consolidated financial statements from the date each property was acquired. The following unaudited pro forma information presents the consolidated results of operations as if the acquisition of Pacific had occurred on January 1, 1999. Such pro forma information reflects adjustments to 1) increase depreciation, interest expense, and general and administrative costs, 2) adjust the weighted average common shares, and common equivalent shares outstanding issued to acquire the properties. Pro forma revenues would have been \$233.0 million as of September 30, 1999. Pro forma net income for common stockholders would have been \$68.2 million as of September 30, 1999. Pro forma basic net income per share and pro forma diluted net income per share would have been \$1.14 and \$1.14, respectively, as of September 30, 1999. This data does not purport to be indicative of what would have occurred had the Pacific acquisition been made on January 1, 1999, or of results which may occur in the future.

3. Operating Properties Held for Sale

Operating properties held for sale include properties that no longer fit the Company's long-term investment strategies and properties acquired or developed with the intent to sell. These properties are carried at the lower of cost or fair value less the estimated cost to sell. Depreciation and amortization are suspended during the period held for sale. During the second quarter, the Company recorded a provision for loss on operating properties held for sale of \$6.9 million.

4. Segments

The Company was formed, and currently operates, for the purpose of 1) operating and developing Company owned retail shopping centers (Retail segment), and 2) providing services including property management and commissions earned from third parties, and development related profits and fees earned from the sales of shopping centers and build to suit properties to third parties (Service operations segment). The Company's reportable segments offer different products or services and are managed separately because each requires different strategies and management expertise. There are no material inter-segment sales or transfers.

The accounting policies of the segments are the same as those described in note 1. The revenues, diluted FFO, and assets for each of the reportable segments are summarized as follows for the nine month periods ended September 30, 2000 and 1999. Assets not attributable to a particular segment consist primarily of cash and deferred costs.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

September 30, 2000

(unaudited)

4. Segments (continued)

	2000	1999
	----	----
Revenues:		
Retail segment	\$ 244,715,486	200,928,759
Service operations segment	15,387,761	9,755,287
	-----	-----
Total revenues	\$ 260,103,247	210,684,046
	=====	=====
Funds from Operations:		
Retail segment net operating income	\$ 186,311,950	153,253,137
Service operations segment income	15,387,761	9,755,287
Adjustments to calculate diluted FFO:		
Interest expense	(52,681,417)	(43,567,458)
Interest income	2,823,483	1,612,733
General and administrative and other	(15,003,666)	(14,476,216)
Non-real estate depreciation	(970,908)	(661,600)
Minority interest of limited partners	(666,517)	(663,331)
Minority interest in depreciation and amortization	(411,774)	(433,578)
Share of joint venture depreciation and amortization	1,102,167	461,768
Distributions on preferred units	(21,232,432)	(5,584,378)
	-----	-----
Funds from Operations - diluted	114,658,647	99,696,364
	-----	-----
Reconciliation to net income for common stockholders:		
Real estate related depreciation and amortization	(42,211,170)	(34,231,616)
Minority interest in depreciation and amortization	411,774	433,578
Share of joint venture depreciation and amortization	(1,102,167)	(461,768)
Provision for loss on operating properties held for sale	(6,909,625)	-
Gain on sale of operating properties	18,310	-
Minority interest of exchangeable partnership units	(1,848,094)	(2,108,362)
	-----	-----
Net income	\$ 63,017,675	63,328,196
	=====	=====
Assets (in thousands):	Sept. 30,	December 31,
	2000	1999
	----	----
Retail segment	\$ 2,483,350	2,463,808
Service operations segment	346,792	117,106
Cash and other assets	62,922	74,022
	-----	-----
Total assets	\$ 2,893,064	2,654,936
	=====	=====

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

September 30, 2000

(unaudited)

5. Notes Payable and Unsecured Line of Credit

The Company's outstanding debt at September 30, 2000 and December 31, 1999 consists of the following (in thousands):

	2000	1999
	----	----
Notes Payable:		
Fixed rate mortgage loans	\$ 342,233	382,715
Variable rate mortgage loans	32,438	11,376
Fixed rate unsecured loans	520,063	370,696
	-----	-----
Total notes payable	894,734	764,787
Unsecured line of credit	305,000	247,179
	-----	-----
Total	\$ 1,199,734	1,011,966
	=====	=====

On August 29, 2000 the Company, through RCLP, completed a \$150 million unsecured debt offering with an interest rate of 8.45%. The notes were priced at 99.819%, are due on September 1, 2010 and are guaranteed by the Company. The net proceeds of the offering were used to reduce the balance of the unsecured line of credit (the "Line").

During July, 2000, the Company modified the terms of its Line by reducing the commitment to \$625 million. The Line matures in March 2002, but may be extended annually for one-year periods. Borrowings under the Line bear interest at a variable rate based on LIBOR plus a 1% spread (7.625% at September 30, 2000) compared to LIBOR plus a 1.075% spread (6.5125% at September 30, 1999), and is dependent on the Company maintaining its investment grade rating. The Company is required to comply and is in compliance with certain financial and other covenants customary with this type of unsecured financing. The Line is used primarily to finance the acquisition and development of real estate, but is also available for general working capital purposes.

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

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

September 30, 2000

(unaudited)

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

As of September 30, 2000, scheduled principal repayments on notes payable and the Line were as follows (in thousands):

Scheduled Payments by Year -----	Scheduled Principal Payments	Term Loan Maturities	Total Payments
-----	-----	-----	-----
2000	\$ 1,462	56,985	58,447
2001	5,631	69,445	75,076
2002 (includes the Line)	4,955	349,094	354,049
2003	4,946	13,302	18,248
2004	5,342	199,890	205,232
Beyond 5 Years	36,604	441,782	478,386
Net unamortized debt premiums	-	10,296	10,296
	-----	-----	-----
Total	\$ 58,940	1,140,794	1,199,734
	=====	=====	=====

Unconsolidated partnerships and joint ventures had mortgage loans payable of \$14.9 million at September 30, 2000, and the Company's proportionate share of these loans was \$6.2 million.

The fair value of the Company's notes payable and Line are estimated based on the current rates available to the Company for debt of the same remaining maturities. Variable rate notes payable, and the Line, are considered to be at fair value since the interest rates on such instruments reprice based on current market conditions. Notes payable with fixed rates, that have been assumed in connection with acquisitions, are recorded in the accompanying financial statements at fair value. The Company considers the carrying value of all other fixed rate notes payable to be a reasonable estimation of their fair value based on the fact that the rates of such notes are similar to rates available to the Company for debt of the same terms.

6. Stockholders' Equity and Minority Interest

On September 8, 2000, the Company through RCLP issued \$24 million of 8.75% Series F Cumulative Redeemable Preferred Units ("Series F Preferred Units") to an institutional investor in a private placement. The issuance involved the sale of 240,000 Series F Preferred Units for \$100.00 per unit. The Series F Preferred Units, which may be called by the Partnership at par on or after September 8, 2005 have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 8.75%. At any time after September 8, 2010, the Series F Preferred Units may be exchanged for shares of 8.75% Series F Cumulative Redeemable Preferred Stock ("Series F Preferred Stock") of the Company at an exchange rate of one share of Series F Preferred Stock for one Series F Preferred Unit. The Series F Preferred Units and Series F Preferred Stock are not convertible into common stock of the Company. The net proceeds of the offering were used to reduce the Line.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

September 30, 2000

(unaudited)

6. Stockholders' Equity and Minority Interest (continued)

On May 25, 2000, the Company through RCLP issued \$70 million of 8.75% Series E Cumulative Redeemable Preferred Units ("Series E Preferred Units") to an institutional investor in a private placement. The issuance involved the sale of 700,000 Series E Preferred Units for \$100.00 per unit. The Series E Preferred Units, which may be called by the Partnership at par on or after May 25, 2005 have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 8.75%. At any time after May 25, 2010, the Series E Preferred Units may be exchanged for shares of 8.75% Series E Cumulative Redeemable Preferred Stock ("Series E Preferred Stock") of the Company at an exchange rate of one share of Series E Preferred Stock for one Series E Preferred Unit. The Series E Preferred Units and Series E Preferred Stock are not convertible into common stock of the Company. The net proceeds of the offering were used to reduce the Line.

During 1999, the Board of Directors authorized the repurchase of approximately \$65 million of the Company's outstanding shares through periodic open market transactions or privately negotiated transactions. At March 31, 2000 the Company had completed the program by purchasing 3.25 million shares.

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

September 30, 2000

(unaudited)

7. Earnings Per Share

The following summarizes the calculation of basic and diluted earnings per share for the three month periods ended, September 30, 2000 and 1999, respectively (in thousands except per share data):

	2000 ----	1999 ----
Basic Earnings Per Share (EPS) Calculation:		
Weighted average common shares outstanding	56,895	59,572
Net income for Basic EPS	\$ 23,881	23,965
Basic EPS	\$ 0.42	0.40
Diluted Earnings Per Share (EPS) Calculation		
Weighted average shares outstanding for Basic EPS	56,895	59,572
Exchangeable operating partnership units	1,685	2,085
Incremental shares to be issued under common stock options using the Treasury Method	103	5
Total diluted shares	58,683	61,662
Net income for Basic EPS	\$ 23,881	23,965
Add: minority interest of exchangeable partnership units	663	770
Net income for Diluted EPS	\$ 24,544	24,735
Diluted EPS	\$ 0.42	0.40

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

REGENCY REALTY CORPORATION

Notes to Consolidated Financial Statements

September 30, 2000

(unaudited)

7. Earnings Per Share (continued)

The following summarizes the calculation of basic and diluted earnings per share for the nine month periods ended, September 30, 2000 and 1999, respectively (in thousands except per share data):

	2000 ----	1999 ----
Basic Earnings Per Share (EPS) Calculation:		
Weighted average common shares outstanding	56,697	51,796
	=====	=====
Net income for common stockholders	\$ 60,919	61,751
Less: dividends paid on Class B common stock	-	(1,410)
	-----	-----
Net income for Basic EPS	\$ 60,919	60,341
	=====	=====
Basic EPS	\$ 1.07	1.16
	=====	=====
Diluted Earnings Per Share (EPS) Calculation		
Weighted average shares outstanding for Basic EPS	56,697	51,796
Exchangeable operating partnership units	1,909	1,979
Incremental shares to be issued under common stock options using the Treasury Method	45	4
	-----	-----
Total diluted shares	58,651	53,779
	=====	=====
Net income for Basic EPS	\$ 60,919	60,341
Add: minority interest of exchangeable partnership units	1,848	2,109
	-----	-----
Net income for Diluted EPS	\$ 62,767	62,450
	=====	=====
Diluted EPS	\$ 1.07	1.16
	=====	=====

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

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

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

Organization

The Company is a qualified real estate investment trust ("REIT") which began operations in 1993. The Company invests in real estate primarily through its general partnership interest in Regency Centers, L.P., ("RCLP" or "Partnership") an operating partnership, in which the Company currently owns approximately 97% of the outstanding common partnership units ("Units"). Of the 235 properties included in the Company's portfolio at September 30, 2000, 217 properties were owned either fee simple or through partnership interests by RCLP. At September 30, 2000, the Company had an investment in real estate of approximately \$2.9 billion of which \$2.8 billion was owned by RCLP.

Shopping Center Business

The Company's principal business is owning, operating and developing grocery anchored neighborhood infill retail shopping centers. The Company's properties summarized by state and in order by largest holdings including their gross leasable areas (GLA) follows:

Location	# Properties	September 30, 2000		December 31, 1999		
		GLA	% Leased *	# Properties	GLA	% Leased *
Florida	52	6,268,882	92.8%	48	5,909,534	91.7%
California	38	4,661,349	97.9%	36	3,858,628	98.2%
Texas	32	4,089,891	94.3%	29	3,849,549	94.2%
Georgia	27	2,729,150	95.0%	27	2,716,763	92.3%
Ohio	12	1,706,295	97.4%	13	1,822,854	94.0%
North Carolina	13	1,302,751	98.0%	12	1,241,639	97.9%
Washington	10	1,180,009	98.7%	9	1,066,962	98.1%
Colorado	10	897,788	98.7%	10	903,502	98.0%
Oregon	8	738,460	94.3%	7	616,070	94.2%
Alabama	5	516,062	97.9%	5	516,061	99.5%
Arizona	6	454,574	99.6%	2	326,984	99.7%
Tennessee	4	423,326	99.6%	3	271,697	98.9%
Missouri	2	369,045	95.8%	1	82,498	95.8%
Kentucky	2	304,347	90.7%	2	305,307	91.8%
Virginia	3	297,965	95.1%	2	197,324	96.1%
Michigan	3	251,212	94.7%	3	250,655	98.7%
Delaware	1	228,169	98.6%	1	232,754	96.3%
Mississippi	2	185,061	97.7%	2	185,061	96.6%
Illinois	1	178,601	86.4%	1	178,600	85.9%
South Carolina	2	162,056	98.2%	2	162,056	98.8%
New Jersey	1	88,867	-	-	-	-
Wyoming	1	87,771	-	1	75,000	-
Total	235	27,121,631	95.6%	216	24,769,498	95.0%

* Excludes properties under construction

The Company is focused on building a platform of grocery anchored neighborhood shopping centers because grocery stores provide convenience shopping of daily necessities, foot traffic for adjacent local tenants, and should withstand adverse economic conditions. The Company's current investment markets have continued to offer strong stable economies, and accordingly, the Company expects to realize growth in net income as a result of increasing occupancy in the portfolio, increasing rental rates, development and acquisition of shopping centers in targeted markets, and redevelopment of existing shopping centers.

The following table summarizes the four largest grocery tenants (based on annualized base rent) occupying the Company's shopping centers at September 30, 2000:

Grocery Anchor	Number of Stores *	% of Total GLA	% of Annualized Base Rent	Avg Remaining Lease Term
Kroger	57	12.3%	11.1%	16 yrs
Safeway	41	5.5%	4.9%	12 yrs
Publix	41	6.8%	4.8%	13 yrs
Albertsons	21	2.6%	2.3%	13 yrs

* Includes grocery owned stores

Periodically, the Company identifies operating shopping centers that no longer meet its long-term investment standards. Once identified, these properties are segregated on the balance sheet as operating properties held for sale, and are carried at the lower of cost or fair value less estimated selling costs.

Acquisition and Development of Shopping Centers

The Company has implemented a growth strategy dedicated to developing high-quality shopping centers and build to suit properties. This development process can require 12 to 36 months from initial land or redevelopment acquisition through construction and leaseup and finally stabilized income, depending upon the size and type of project. Generally, anchor tenants begin operating their stores prior to construction completion of the entire center, resulting in rental income during the development phase. At September 30, 2000, the Company had 57 projects under construction or undergoing major renovations, which when complete will represent an investment of \$598.9 million. Total cost necessary to complete these developments is estimated to be \$240.0 million and will be expended through 2001. These developments are approximately 63% complete and 70% leased.

On August 3, 2000, the Company acquired the non-owned portion of two properties in one joint venture for \$2.5 million in cash. The net assets of the joint venture were and continue to be consolidated by the Company. Prior to acquiring the non-owned portion, the joint venture partner's interest was reflected as limited partners' interest in consolidated partnerships in the Company's financial statements.

On June 30, 2000, the Company acquired the non-owned portion of nine properties in five joint ventures, previously accounted for using the equity method, for \$4.4 million in cash, common stock and Units. As a result, these joint ventures are wholly-owned by the Company and are consolidated for financial reporting purposes.

On February 28, 1999, the Company acquired Pacific Retail Trust ("Pacific") for approximately \$1.157 billion. At the date of the acquisition, Pacific was operating or had under development 71 retail shopping centers representing 8.4 million SF of gross leaseable area.

Liquidity and Capital Resources

Management anticipates that cash generated from operating activities will provide the necessary funds on a short-term basis for its operating expenses, interest expense and scheduled principal payments on outstanding indebtedness, recurring capital expenditures necessary to properly maintain the shopping centers, and distributions to share and unit holders. Net cash provided by operating activities was \$127.7 million and \$100.2 million for the nine months ended September 30, 2000 and 1999, respectively. The Company incurred recurring and non-recurring capital expenditures (non-recurring expenditures pertain to immediate building improvements on new acquisitions and tenant improvements on new leases) of \$12.9 million and \$10.9 million during the first nine months of 2000 and 1999, respectively. The Company paid scheduled principal payments of \$4.8 million and \$4.3 million for the nine months ended September 30, 2000 and 1999, respectively. The Company paid dividends and distributions of \$107.6 million and \$77.5 million, for the nine months ended September 30, 2000 and 1999, respectively, to its share and unit holders.

Management expects to meet long-term liquidity requirements for term debt payoffs at maturity, non-recurring capital expenditures, and acquisition, renovation and development of shopping centers from: (i) excess cash generated from operating activities, (ii) working capital reserves, (iii) additional debt borrowings, and (iv) additional equity raised in the private and public markets. Net cash used in investing activities was \$279.2 million and \$188.3 million, during 2000 and 1999, respectively, primarily for the acquisition and development of shopping centers and build to suit projects. Net cash provided by financing activities was \$134.2 million and \$91.7 for the nine months ended September 30, 2000 and 1999, respectively.

During 1999, the Board of Directors authorized the repurchase of approximately \$65 million of the Company's outstanding shares through periodic open market transactions or privately negotiated transactions. At March 31, 2000 the Company had completed the program by purchasing 3.25 million shares.

The Company's outstanding debt at September 30, 2000 and December 31, 1999 consists of the following (in thousands):

	2000	1999
	----	----
Notes Payable:		
Fixed rate mortgage loans	\$ 342,233	382,715
Variable rate mortgage loans	32,438	11,376
Fixed rate unsecured loans	520,063	370,696
	-----	-----
Total notes payable	894,734	764,787
Unsecured line of credit	305,000	247,179
	-----	-----
Total	\$ 1,199,734	1,011,966
	=====	=====

On September 8, 2000, the Company through RCLP issued \$24 million of 8.75% Series F Cumulative Redeemable Preferred Units ("Series F Preferred Units") to an institutional investor in a private placement. The issuance involved the sale of 240,000 Series F Preferred Units for \$100.00 per unit. The Series F Preferred Units, which may be called by the Partnership at par on or after September 8, 2005 have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 8.75%. At any time after September 8, 2010, the Series F Preferred Units may be exchanged for shares of 8.75% Series F Cumulative Redeemable Preferred Stock ("Series F Preferred Stock") of the Company at an exchange rate of one share of Series F Preferred Stock for one Series F Preferred Unit. The Series F Preferred Units and Series F Preferred Stock are not convertible into common stock of the Company. The net proceeds of the offering were used to reduce the unsecured line of credit (the "Line").

On August 29, 2000 the Company, through RCLP, completed a \$150 million unsecured debt offering with an interest rate of 8.45%. The notes were priced at 99.819%, are due on September 1, 2010 and are guaranteed by the Company. The net proceeds of the offering were used to reduce the balance of the unsecured line of credit (the "Line").

During July, 2000, the Company modified the terms of the Line by reducing the commitment to \$625 million and extending the term. The Line matures in March 2002, but may be extended annually for one-year periods. Borrowings under the Line bear interest at a variable rate based on LIBOR plus 1% (7.625% at September 30, 2000) compared to LIBOR plus a 1.075% spread (6.5125% at September 30, 1999), which is dependent on the Company maintaining its investment grade rating. The Company is required to comply and is in compliance with certain financial and other covenants customary with this type of unsecured financing. The Line is used primarily to finance the acquisition and development of real estate, but is also available for general working capital purposes.

On May 25, 2000, the Company issued \$70 million of 8.75% Series E Cumulative Redeemable Preferred Units ("Series E Preferred Units") to an institutional investor in a private placement. The issuance involved the sale of 700,000 Series E Preferred Units for \$100.00 per unit. The Series E Preferred Units, which may be called by the Partnership at par on or after May 25, 2005 have no stated maturity or mandatory redemption, and pay a cumulative, quarterly dividend at an annualized rate of 8.75%. At any time after May 25, 2010, the Series E Preferred Units may be exchanged for shares of 8.75% Series E Cumulative Redeemable Preferred Stock ("Series E Preferred Stock") of the Company at an exchange rate of one share of Series E Preferred Stock for one Series E Preferred Unit. The Series E Preferred Units and Series E Preferred Stock are not convertible into common stock of the Company. The net proceeds of the offering were used to reduce the Line. During September 1999, the Company issued similar preferred units in several series in the amount of \$210.0 million with an average fixed distribution rate of 8.93%. At September 30, 2000, the face value of total preferred units issued was \$384.0 million with an average fixed distribution rate of 8.72% vs. \$290.0 million with an average fixed distribution rate of 8.71% at September 30, 1999.

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

As of September 30, 2000, scheduled principal repayments on notes payable and the Line were as follows (in thousands):

Scheduled Payments by Year -----	Scheduled Principal Payments	Term Loan Maturities	Total Payments -----
2000	\$ 1,462	56,985	58,447
2001	5,631	69,445	75,076
2002 (includes the Line)	4,955	349,094	354,049
2003	4,946	13,302	18,248
2004	5,342	199,890	205,232
Beyond 5 Years	36,604	441,782	478,386
Net unamortized debt premiums	-	10,296	10,296
Total	\$ 58,940	1,140,794	1,199,734
	=====	=====	=====

Unconsolidated partnerships and joint ventures had mortgage loans payable of \$14.9 million at September 30, 2000, and the Company's proportionate share of these loans was \$6.2 million.

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

The Company intends to continue to acquire and develop shopping centers and expects to meet the related capital requirements from borrowings on the Line. The Company expects to repay the Line from time to time from additional public and private equity or debt offerings, such as those transactions previously completed. Because such acquisition and development activities are discretionary in nature, they are not expected to burden the Company's capital resources currently available for liquidity requirements. The Company expects that cash provided by operating activities, unused amounts available under the Line, and cash reserves are adequate to meet liquidity requirements and costs necessary to complete properties in development.

Results from Operations

Comparison of the nine months ended September 30, 2000 to 1999

Revenues increased \$49.4 million or 23.5% to \$260.1 million in 2000. The increase was due to the Pacific acquisition, revenues from new developments that began operating after September 30, 1999, and from same property growth in rental rates and occupancy increases. Minimum rent increased \$32.0 million or 20.4%, and recoveries from tenants increased \$12.0 million or 30.8%. At September 30, 2000, the Company was operating or developing 235 shopping centers of which 187 centers were considered stabilized and 95.6% leased. At September 30, 1999, the stabilized properties were 95.8% leased. Rental rates grew by 7.3% from renewal leases and new leases replacing previously occupied spaces in the stabilized properties.

Service operations revenue includes fees earned as part of the Company's service operations segment and includes property management and commissions earned from third parties, and development related profits and fees earned from the sales of shopping centers and build to suit properties to third parties. Service operations revenue increased by \$5.6 million to \$15.4 million in 2000, or 57.7%. The increase was primarily due to a \$8.1 million increase in development related profits and fees, offset by a \$2.5 million reduction in property management fees.

Operating expenses increased \$19.5 million or 20.1% to \$116.6 million in 2000. Combined operating and maintenance and real estate taxes increased \$10.7 million or 22.5% during 2000 to \$58.4 million. The increase was due to the Pacific acquisition, expenses incurred by new developments that began operating after September 30, 1999, and general increases in costs on the stabilized properties. General and administrative expenses were \$13.3 million during 2000 vs. \$13.6 million in 1999 or 2.4% lower as a result of increased capitalization of direct costs incurred during 2000 related to development activities. Depreciation and amortization increased \$8.3 million during 2000 or 23.7% primarily due to the Pacific acquisition and developments that began operating after September 30, 1999.

Operating properties held for sale include properties held for investment that no longer fit the Company's long-term investment strategies and properties acquired or developed with the intent to sell. These properties are carried at the lower of cost or fair value less the estimated cost to sell. Depreciation and amortization are suspended during the period held for sale. At June 30, 2000, the Company recorded a provision for loss on operating properties held for sale of \$6.9 million.

Interest expense increased to \$52.7 million in 2000 from \$43.6 million in 1999 or 20.9%. The increase was due to higher LIBOR rates, higher average balances on the Line, the assumption of \$402.6 million of debt of Pacific, the financing cost of new developments that began operating after September 30, 1999, and the higher fixed interest rate of the \$250 million debt offering completed in April, 1999.

Preferred unit distributions increased \$15.6 million to \$21.2 million during 2000 as a result of the preferred units issued in 1999 and 2000. Weighted average fixed rates of the preferred units were 8.72% at September 30, 2000 vs. 8.71% at September 30, 1999.

Net income for common stockholders was \$60.9 million in 2000 vs. \$61.8 million in 1999, a \$832,000 or 1.4% decrease primarily a result of the provision for loss on operating properties held for sale and the other reasons as described above. Diluted earnings per share in 2000 was \$1.07 vs. \$1.16 in 1999, a result of the decline in net income and the increased weighted average shares in 2000 issued in connection with the acquisition of Pacific in 1999.

Comparison of the three months ended September 30, 2000 to 1999

Revenues increased \$13.0 million or 16.4% to \$92.6 million in 2000. Minimum rent increased \$6.1 million or 10.2%, and recoveries from tenants increased \$3.3 million or 22.8%. The increase was due to revenues from new developments that began operating after September 30, 1999, and from same property growth in rental rates and occupancy increases as described in the nine month comparison.

Service operations revenue includes fees earned as part of the Company's service operations segment and includes property management and commissions earned from third parties, and development related profits and fees earned from the sales of shopping centers and build to suit properties to third parties. Service operations revenue increased by \$2.0 million to \$6.0 million in 2000, or 50.0%. The increase was primarily due to a \$2.6 million increase in development related profits and fees, offset by a \$600,000 reduction in property management fees.

Operating expenses increased \$4.7 million or 12.9% to \$41.6 million in 2000. Combined operating and maintenance, and real estate taxes increased \$2.4 million or 13.1% during 2000 to \$21.0 million. The increase was due primarily to expenses incurred by new developments that began operating after September 30, 1999 and general increases in operating costs on the stabilized properties. General and administrative expenses were \$5.0 million in 2000 vs. \$4.8 million in 1999 a 4.2% increase. Depreciation and amortization increased \$1.7 million during 2000 or 12.7% primarily related to developments that began operating after September 30, 1999.

Interest expense increased to \$18.8 million in 2000 from \$15.6 million in 1999 or 20.7%. The increase was due to higher LIBOR rates, higher average balances on the Line, and the financing cost of new developments that began operating after September 30, 1999.

Preferred unit distributions increased \$5.6 million to \$8.0 million during 2000 as a result of the preferred units issued in 1999 and 2000. Weighted average fixed rates of the preferred units were 8.72% at September 30, 2000 vs. 8.71% at September 30, 1999.

Net income for common stockholders was \$23.9 million in 2000 vs. \$24.0 million in 1999, a \$100,000 decrease primarily a result of the reasons as described above. Diluted earnings per share in 2000 was \$0.42 vs. \$0.40 in 1999, due to the decrease in 2000 of the weighted average number of shares outstanding from the stock repurchase program initiated in the fourth quarter of 1999.

New Accounting Standards and Accounting Changes

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133), which is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000. FAS 133 establishes accounting and reporting standards for derivative instruments and hedging activities. FAS 133 requires entities to recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. FAS 133 will have no impact to the financial statements as the Company has no derivative instruments.

Environmental Matters

The Company, like others in the commercial real estate industry, is subject to numerous environmental laws and regulations and the operation of dry cleaning plants at the Company's shopping centers is the principal environmental concern. The Company believes that the dry cleaners are operating in accordance with current laws and regulations and has established procedures to monitor their operations. The Company has approximately 39 properties that will require or are currently undergoing varying levels of environmental remediation. These remediations are not expected to have a material financial effect on the Company due to financial statement reserves and various state-regulated programs that shift the responsibility and cost for remediation to the state. Based on information presently available, no additional environmental accruals were made and management believes that the ultimate disposition of currently known matters will not have a material effect on the financial position, liquidity, or operations of the Company.

Inflation

Inflation has remained relatively low during 2000 and 1999 and has had a minimal impact on the operating performance of the shopping centers; however, substantially all of the Company's long-term leases contain provisions designed to mitigate the adverse impact of inflation. Such provisions include clauses enabling the Company to receive percentage rentals based on tenants' gross sales, which generally increase as prices rise, and/or escalation clauses, which generally increase rental rates during the terms of the leases. Such escalation clauses are often related to increases in the consumer price index or similar inflation indices. In addition, many of the Company's leases are for terms of less than ten years, which permits the Company to seek increased rents upon re-rental at market rates. Most of the Company's leases require the tenants to pay their share of operating expenses, including common area maintenance, real estate taxes, insurance and utilities, thereby reducing the Company's exposure to increases in costs and operating expenses resulting from inflation.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market Risk

The Company is exposed to interest rate changes primarily as a result of its Line and long-term debt used to maintain liquidity and fund capital expenditures and expansion of the Company's real estate investment portfolio and operations. The Company's interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows and to lower its overall borrowing costs. To achieve its objectives the Company borrows primarily at fixed rates and may enter into derivative financial instruments such as interest rate swaps, caps and treasury locks in order to mitigate its interest rate risk on a related financial instrument. The Company has not been party to any market risk sensitive instruments during the reporting period ending September 30, 2000 and does not plan to enter into derivative or interest rate transactions for speculative purposes.

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

	2000	2001	2002	2003	2004	Thereafter	Total	Fair Value
	----	----	----	----	----	-----	-----	-----
Fixed rate debt	58,413	42,671	49,049	18,248	205,232	478,387	852,000	862,296
Avg. interest rate for all debt	7.93%	7.92%	7.86%	7.84%	8.02%	8.19%	-	-
Variable rate LIBOR debt	33	32,405	305,000	-	-	-	337,438	337,438
Avg. interest rate for all debt	7.60%	7.59%	-	-	-	-	-	-

As the table incorporates only those exposures that exist as of December 31, 1999, it does not consider those exposures or positions which could arise after that date. Moreover, because firm commitments are not presented in the table above, the information presented therein has limited predictive value. As a result, the Company's ultimate realized gain or loss with respect to interest rate fluctuations will depend on the exposures that arise during the period, the Company's hedging strategies at that time, and interest rates.

Forward Looking Statements

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

Part II

Item 2 Changes in Securities and Use of Proceeds

(c) See the first paragraph of Note 6 to the Consolidated Financial Statements included herein, which is incorporated by reference.

Item 6 Exhibits and Reports on Form 8-K:

(a) Exhibits

3 Restated Articles of Incorporation of Regency Realty Corporation as amended to date.

10. Material Contracts

Wells Fargo Second Amended and Restated Credit Agreement

27. Financial Data Schedule

(b) Reports on Form 8-K

None

SIGNATURE

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

Date: November 6, 2000

REGENCY REALTY CORPORATION

By: /s/ J. Christian Leavitt

Senior Vice President,
and Chief Accounting Officer

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM REGENCY
 REALTY CORPORATION'S QUARTERLY REPORT FOR THE QUARTER ENDED 9/30/00

0000910606
 REGENCY REALTY CORPORATION
 1

9-MOS		
DEC-31-2000		
SEP-30-2000	36,870,913	
	0	
	32,929,531	
	3,257,390	
	0	
	2,899,592,809	
	137,085,242	
	2,893,064,237	
	0	
	0	0
	0	0
	601,981	
	1,227,349,170	
2,893,064,237		0
	260,103,247	0
	58,421,846	
	43,163,768	
	0	
	52,681,417	
	63,017,675	
	0	
	63,017,675	
	0	
	0	
	0	0
	60,919,298	
	1.07	
	1.07	

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION OF
REGENCY REALTY CORPORATION
DESIGNATING THE PREFERENCES, RIGHTS AND
LIMITATIONS OF 240,000 SHARES OF
8.75% SERIES F CUMULATIVE REDEEMABLE PREFERRED STOCK
\$0.01 Par Value

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

FIRST: Pursuant to the authority expressly vested in the Board of Directors of the Corporation by Section 4.2 of the Amended and Restated Articles of Incorporation of the Corporation (the "Charter") and Section 607.0602 of the FBCA, the Board of Directors of the Corporation (the "Board of Directors"), by resolutions duly adopted on May 15, 2000 and resolutions duly adopted by the Pricing Committee, a committee of the Board of Directors, on September 8, 2000 has classified 240,000 shares of the authorized but unissued Preferred Stock par value \$0.01 per share ("Preferred Stock") as a separate class of Preferred Stock, authorized the issuance of a maximum of 240,000 shares of such class of Preferred Stock, set certain of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such class of Preferred Stock, and pursuant to the powers contained in the Bylaws of the Corporation and the FBCA, appointed a committee (the "Committee") of the Board of Directors and delegated to the Committee, to the fullest extent permitted by the FBCA and the Charter and Bylaws of the Corporation, all powers of the Board of Directors with respect to designating, and setting all other preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of, such class of Preferred Stock determining the number of shares of such class of Preferred Stock (not in excess of the aforesaid maximum number) to be issued and the consideration and other terms and conditions upon which such shares of such class of Preferred Stock are to be issued. Shareholder approval was not required under the Charter with respect to such designation.

SECOND: Pursuant to the authority conferred upon the Committee as aforesaid, the Committee has unanimously adopted resolutions designating the aforesaid class of Preferred Stock as the "8.75% Series F Cumulative Redeemable Preferred Stock," setting the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such 8.75% Series F Cumulative Redeemable Preferred Stock (to the extent not set by the Board of Directors in the resolutions referred to in Article FIRST of these Articles of Amendment) and authorizing the issuance of up to 240,000 shares of 8.75% Series F Cumulative Redeemable Preferred Stock.

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

(i) Designation and Number. A series of Preferred Stock, designated the "8.75% Series F Cumulative Redeemable Preferred Stock" (the "Series F Preferred Stock") is hereby established. The number of shares of Series F Preferred Stock shall be 240,000.

(ii) Rank. The Series F Preferred Stock will, with respect to distributions and rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Corporation, rank senior to all classes or series of Common Stock (as defined in the Charter) and to all classes or series of equity securities of the Corporation now or hereafter authorized, issued or outstanding, other than any class or series of equity securities of the Corporation expressly designated as ranking on a parity with or senior to the Series F Preferred Stock as to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Corporation or both. For purposes of these Articles of Amendment, the term "Parity Preferred Stock" shall be used to refer to any class or series of equity securities of the Corporation now or hereafter authorized, issued or outstanding expressly designated by the Corporation to rank on a parity with Series F Preferred Stock with respect to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Corporation or both, as the context may require, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share or conversion rights or exchange rights shall be different from those of the Series F Preferred Stock and includes the Series A Cumulative Redeemable Preferred Stock, the Series B Cumulative Redeemable Preferred Stock, the Series C Cumulative Redeemable Preferred Stock, the Series D Cumulative Redeemable Preferred Stock, the Series E Cumulative Redeemable Preferred Stock, the Series 1 Cumulative Convertible Redeemable Preferred Stock and the Series 2 Cumulative Convertible Redeemable Preferred Stock of the Corporation. The term "equity securities" does not include debt securities, which will rank senior to the Series F Preferred Stock prior to conversion.

(iii) Distributions.

1) Payment of Distributions. Subject to the rights of holders of Parity Preferred Stock as to the payment of distributions and holders of equity securities issued after the date hereof in accordance herewith ranking senior to the Series F Preferred Stock as to payment of distributions, holders of Series F Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation, out of funds legally available for the payment of distributions, cumulative cash distributions at the rate per annum of 8.75% of the \$100.00 liquidation preference per share of Series F Preferred Stock. Such distributions shall be cumulative, shall accrue from the original date of issuance and will be payable in cash (A) quarterly (such quarterly periods for purposes of payment and accrual will be the quarterly periods ending on the dates specified in this sentence) in arrears, on or before March 31, June 30, September 30 and December 31 of each year commencing on the first of such dates to occur after the original date of issuance and, (B) in the event of a redemption, on the redemption date (each a "Preferred Stock Distribution Payment Date"). The amount of the distribution payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and for any period shorter than a full quarterly period for which distributions are computed, the amount of the distribution payable will be computed on the basis of the ratio of the actual number of days elapsed in such period to ninety (90) days. If any date on which distributions are to be made on the Series F Preferred Stock is not a Business Day (as defined herein), then a payment of the distribution to be made on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Distributions on the Series F Preferred Stock will be made to the holders of record of the Series F Preferred Stock on the relevant record dates to be fixed by the Board of Directors of the Corporation, which record dates shall be not less than 10 days and not more than 30 Business Days prior to the relevant Preferred Stock Distribution Payment Date (each a "Distribution Record Date "). Notwithstanding anything to the contrary set forth herein, each share of Series F Preferred Stock shall also continue to accrue all accrued and unpaid distributions, whether or not declared, up to the exchange date on any Series F Preferred Unit (as defined in the Third Amended and Restated Agreement of Limited Partnership of Regency Centers, L.P., dated as September 1, 1999 as amended by Amendment No. 1 to the Third Amended and Restated Agreement of Limited Partnership of Operating Partnership, dated as of September 3, 1999, Amendment No. 2 to the Third Amended and Restated Agreement of Limited Partnership of Operating Partnership, dated as of September 3, 1999, that certain Third Amendment to Third Amended and Restated Agreement of Limited Partnership dated as of September 29, 1999, Amendment No. 4 to the Third Amended and Restated Agreement of Limited Partnership of Operating Partnership, undated, Amendment No. 5 to the Third Amended and Restated Agreement of Limited Partnership of Operating Partnership, dated as of September 7, 2000, and that certain Amendment No. 6 to the Third Amended and Restated Agreement of Limited Partnership of Operating Partnership, dated as of September 8, 2000 (as amended the "Partnership Agreement")) validly exchanged into such share of Series F Preferred Stock in accordance with the provisions of such Partnership Agreement.

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

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

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

4) Priority as to Distributions.

a) So long as any Series F Preferred Stock is outstanding, no distribution of cash or other property shall be authorized, declared, paid or set apart for payment on or with respect to any class or series of Common Stock or any class or series of other stock of the Corporation ranking junior to the Series F Preferred Stock as to the payment of distributions (such Common Stock or other junior stock, collectively, "Junior Stock"), nor shall any cash or other property be set aside for or applied to the purchase, redemption or other acquisition for consideration of any Series F Preferred Stock, any Parity

Preferred Stock with respect to distributions or any Junior Stock, unless, in each case, all distributions accumulated on all Series F Preferred Stock and all classes and series of outstanding Parity Preferred Stock with respect to distributions have been paid in full. Without limiting Section 6(b) hereof, the foregoing sentence will not prohibit (i) distributions payable solely in shares of Junior Stock, (ii) the conversion of Junior Stock or Parity Preferred Stock into Junior Stock, and (iii) purchases by the Corporation of such Series F Preferred Stock or Parity Preferred Stock or Junior Stock pursuant to Article 5 of the Charter to the extent required to preserve the Corporation's status as a real estate investment trust.

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

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

(iv) Liquidation Preference.

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

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

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

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

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

(v) Optional Redemption.

1) Right of Optional Redemption. The Series F Preferred Stock may not be

redeemed prior to September 8, 2005. On or after such date, the Corporation shall have the right to redeem the Series F Preferred Stock, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' written notice, at a redemption price, payable in cash, equal to \$100 per share of Series F Preferred Stock plus accumulated and unpaid distributions, whether or not declared, to the date of redemption. If fewer than all of the outstanding shares of Series F Preferred Stock are to be redeemed, the shares of Series F Preferred Stock to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional units).

2) Limitation on Redemption.

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

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

3) Procedures for Redemption.

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

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

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

(vi) Voting Rights.

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

2) Right to Elect Directors.

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

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

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

3) Certain Voting Rights. So long as any Series F Preferred Stock remains outstanding, the Corporation shall not, without the affirmative vote of the holders of at least two-thirds of the Series F Preferred Stock and the Series F Preferred Units outstanding at such time and not previously surrendered in

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

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

(viii) No Sinking Fund. No sinking fund shall be established for the retirement or redemption of Series F Preferred Stock.

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

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 4.2; 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 4.4.

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 qualify 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 4.(a)).

(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 2.(b), 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 share 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 4.(a)(iii) shall occur.

Calculations set forth in Section 4.(a)(i) 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 4.(a)(i).

(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 4.(d) 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 5.(c), 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 5.(c) 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 5.(a). The provisions of this Section 5.(c) 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 5.(c), 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:

(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 4.2;

(b) 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

(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 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.

/s/ Bruce M. Johnson

Bruce M. Johnson, Managing Director

ARTICLES OF MERGER
OF
RRC FL TWO, INC. AND REGENCY ATLANTA, INC.
WITH AND INTO
REGENCY REALTY CORPORATION

Pursuant to the provisions of Sections 607.1105 and 607.1107 of the Florida Business Corporation Act (the "Florida Act") and Sections 14-2-1105 and 14-2-1107 of the Georgia Business Corporation Code (the "Georgia Act"), the undersigned corporations enter into these Articles of Merger by which RRC FL Two, Inc., a Florida corporation and Regency Atlanta, Inc., a Georgia corporation, both of which are wholly owned subsidiaries of Regency Realty Corporation, shall be merged with and into Regency Realty Corporation, a Florida corporation, and Regency Realty Corporation shall be the surviving corporation, in accordance with a Plan of Merger (the "Plan"), adopted pursuant to Section 607.1104 of the Florida Act and Section 14-2-1104 of the Georgia Act, and the undersigned corporations hereby certify as follows:

FIRST, a copy of the Plan is attached hereto and made a part hereof.

SECOND, the merger shall become effective at the close of business on the date on which these Articles of Merger are filed with the Department of State of Florida and the Secretary of State of Georgia.

THIRD, pursuant to Sections 607.1101 and 607.1103 of the Florida Act, the Plan was adopted the Board of Directors of Regency Realty Corporation on February 3, 1998. Shareholder approval of the Plan was not required. Pursuant to Sections 607.1101 and 607.1103 of the Florida Act, the Plan was adopted the Board of Directors of RRC FL Two, Inc. on February 3, 1998. Shareholder approval of the Plan was not required. Pursuant to Sections 14-2-1101 and 14-2-1103 of the Georgia Act, the Plan was adopted by the Board of Directors of Regency Atlanta, Inc. on February 3, 1998. Shareholder approval of the Plan was not required.

IN WITNESS WHEREOF, these Articles of Merger have been executed by RRC FL Two, Inc. and Regency Atlanta, Inc., as the merging corporations, and by Regency Realty Corporation, as surviving corporation, this 16th day of February, 1998.

WITNESSES RRC FL TWO, INC., a Florida corporation

/s/ Yona C. Sharp
Yona C. Sharp
By: /s/ J. Christian Leavitt
J. Christian Leavitt, Vice President
121 West Forsyth Street, Suite 200
Jacksonville, Florida 32202

/s/ Karen R. Peterson
Karen R. Peterson

REGENCY ATLANTA, INC., a Georgia corporation

/s/ Yona C. Sharp
Yona C. Sharp
By: /s/ J. Christian Leavitt
J. Christian Leavitt, Vice President
121 West Forsyth Street, Suite 200
Jacksonville, Florida 32202

/s/ Karen R. Peterson
Karen R. Peterson

REGENCY REALTY CORPORATION, a Florida corporation

/s/ Yona C. Sharp
Yona C. Sharp
By: /s/ J. Christian Leavitt
J. Christian Leavitt, Vice President
121 West Forsyth Street, Suite 200
Jacksonville, Florida 32202

/s/ Karen R. Peterson

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 16th day of February, 1998, by J. Christian Leavitt, Vice President of RRC FL Two, Inc. Such person did take an oath and: (notary must check applicable box)

- is/are personally known to me.
 produced a current Florida driver's license as identification.
 produced _____ as identification.

{Notary Seal must be affixed}

/s/ Yona C. Sharp

Signature of Notary

Yona C. Sharp

Name of Notary (Typed, Printed or Stamped)

Commission Number (if not legible on seal): CC 578957

My Commission Expires (if not legible on seal): September 15, 2000

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 16th day of February, 1998, by J. Christian Leavitt, Vice President of Regency Atlanta, Inc. Such person did take an oath and: (notary must check applicable box)

- is/are personally known to me.
 produced a current Florida driver's license as identification.
 produced _____ as identification.

{Notary Seal must be affixed}

/s/ Yona C. Sharp

Signature of Notary

Yona C. Sharp

Name of Notary (Typed, Printed or Stamped)

Commission Number (if not legible on seal): CC 578957

My Commission Expires (if not legible on seal): September 15, 2000

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 16th day of February, 1998, by J. Christian Leavitt, Vice President of Regency Realty Corporation. Such person did take an oath and: (notary must check applicable box)

- is/are personally known to me.
 produced a current Florida driver's license as identification.
 produced _____ as identification.

{Notary Seal must be affixed}

/s/ Yona C. Sharp

Signature of Notary

Yona C. Sharp

Name of Notary (Typed, Printed or Stamped)

Commission Number (if not legible on seal): CC 578957

My Commission Expires (if not legible on seal): September 15, 2000

PLAN OF MERGER

This Plan of Merger (the "Plan") provides for the merger of RRC FL TWO, INC., a Florida corporation, and REGENCY ATLANTA, INC., a Georgia corporation, with and into REGENCY REALTY CORPORATION, a Florida corporation as follows:

1. Merger of Subsidiaries into Parent. RRC FL Two, Inc. and Regency Atlanta, Inc. (the "Merging Corporations") are both wholly owned subsidiaries of Regency Realty Corporation (the "Surviving Corporation"). The Merging Corporations shall be merged with and into the Surviving Corporation, the separate corporate existence of the Merging Corporations shall cease and the Surviving Corporation shall be the surviving corporation.

2. Effective Date. The Merger shall become effective at the close of business on the date on which Articles of Merger are filed with the Florida Department of State and the Georgia Secretary of State (the "Effective Date").

3. Cancellation of Merging Corporation Stock. Each share of common stock of the Merging Corporations which is issued and outstanding on the Effective Date shall be deemed retired and canceled by virtue of the Merger, automatically, without any action on the part of the Merging Corporations or otherwise.

4. Effect of Merger. On the Effective Date, the separate existence of the Merging Corporations shall cease, and the Surviving Corporation shall succeed to all the rights, privileges, immunities, and franchises, and to all the property, real, personal and mixed, of the Merging Corporations, without the necessity for any separate transfer. The Surviving Corporation shall thereafter be responsible and liable for all liabilities and obligations of the Merging Corporations, including but not limited to the obligations of Regency Atlanta, Inc. as general partner of Regency Retail Partnership, L.P., and neither the rights of creditors nor any liens on the property of the Merging Corporations shall be impaired by the Merger. If at any time after the Effective Date the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments or assurances or any other acts or things are necessary, desirable or proper (a) to vest, perfect or confirm, of record or otherwise, in the Surviving Corporation, its right, title or interest in, to or under any of the rights, privileges, powers, franchises, properties or assets of the Merging Corporations acquired or to be acquired as a result of the Merger, or (b) otherwise to carry out the purposes of this Plan, the Surviving Corporation and its officers and directors or their designees shall be authorized to execute and deliver, in the name and on behalf of the Merging Corporations, all deeds, bills of sale, assignments and assurances, and to do, in the name and on behalf of the Merging Corporations, all other acts and things necessary, desirable or proper to vest, perfect or confirm the Surviving Corporation's right, title or interest in, to or under any of the rights, privileges, powers, franchises, properties or assets of the Merging Corporations acquired or to be acquired as a result of the Merger and otherwise to carry out the purposes of this Plan.

5. Waiver of Notice. The Surviving Corporation, being the sole shareholder of both of the Merging Corporations, by execution of the Articles of Merger waives the notice requirements of Section 607.1104 of the Florida Business Corporation Act and Section 14-2-1104 of the Georgia Business Corporation Code.

6. Abandonment. This Plan may be abandoned at any time prior to the Effective Date by either of the Merging Corporations or the Surviving Corporation, without further shareholder action and, if Articles of Merger have been filed with the Department of State of Florida, the Department of State of Alabama, and the Department of State of Georgia, by filing a Notice of Abandonment with each such Department.

REGENCY REALTY CORPORATION
AMENDMENT TO ARTICLES OF INCORPORATION

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

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

1. occurs prior to the 15% Termination Date and results in the fair market value of the shares of Capital Stock of the Corporation owned directly or indirectly by Non-U.S. Persons (other than a Special Shareholder who is a Non-U.S. Person) comprising five percent (5%) or more of the fair market value of the issued and outstanding shares of Capital Stock of the Corporation; or
2. results in the fair market value of the shares of Capital Stock of the Corporation owned directly or indirectly by Non-U.S. Persons (including Special Shareholders who are Non-U.S. Persons) comprising fifty percent (50%) or more of the fair market value of the issued and outstanding shares of Capital Stock of the Corporation.

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

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned Chairman of this corporation has executed these Articles of Amendment this 26th day of May, 1998.

/s/ Martin E. Stein, Jr.

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

ARTICLES OF MERGER
 OF
 REGENCY RETAIL CENTERS OF OHIO, INC.
 WITH AND INTO
 REGENCY REALTY CORPORATION

Pursuant to the provisions of Sections 607.1104 and 607.1105 of the Florida Business Corporation Act (the "Florida Act"), the undersigned corporations enter into these Articles of Merger by which Regency Retail Centers of Ohio, Inc., an Ohio corporation shall be merged with and into Regency Realty Corporation, a Florida corporation, and Regency Realty Corporation shall be the surviving corporation, in accordance with an Agreement and Plan of Merger (the "Plan"), adopted pursuant to Section 607.1104 of the Act and Section 1701.80 of the Ohio General Corporation Law (the "Ohio Act"). The undersigned corporations hereby certify as follows:

FIRST, a copy of the Plan is attached hereto and made a part hereof.

SECOND, the merger shall become effective at the close of business on the date on which these Articles of Merger are filed with the Department of State of Florida and a Certificate of Merger is filed with the Secretary of State of Ohio.

THIRD, pursuant to Section 607.1104 of the Florida Act and Section 1701.80 of the Ohio Act, the Plan was adopted the Board of Directors of Regency Realty Corporation, the sole shareholder of Regency Retail Centers of Ohio, Inc., on December 15, 1998. Approval by shareholders of Regency Realty Corporation was not required.

IN WITNESS WHEREOF, these Articles of Merger have been executed by Regency Retail Centers of Ohio, Inc., as the merging corporation, and by Regency Realty Corporation., as the surviving corporation, this 28th day of December, 1998.

WITNESSES

REGENCY RETAIL CENTERS OF
 OHIO, INC., an Ohio corporation

By:
 J. Christian Leavitt, Vice President
 121 West Forsyth Street, Suite 200
 Jacksonville, Florida 32202

REGENCY REALTY CORPORATION., a
 Florida corporation

By:
 J. Christian Leavitt, Vice President
 121 West Forsyth Street, Suite 200
 Jacksonville, Florida 32202

STATE OF FLORIDA
 COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 28th day of December, 1998, by J. Christian Leavitt, Vice President of Regency Retail Centers of Ohio, Inc. Such person did take an oath and: (notary must check applicable box)

- is/are personally known to me.
- produced a current Florida driver's license as identification.
- produced _____ as identification.

{Notary Seal must be affixed}

 Signature of Notary

 Name of Notary (Typed, Printed or Stamped)
 Commission Number (if not legible on seal): _____ My
 Commission Expires (if not legible on seal): _____

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 28th day of December, 1998, by J. Christian Leavitt, Vice President of Regency Realty Corporation Such person did take an oath and: (notary must check applicable box)

- is/are personally known to me.
- produced a current Florida driver's license as identification.
- produced _____ as identification.

{Notary Seal must be affixed}

Signature of Notary

Name of Notary (Typed, Printed or Stamped)
Commission Number (if not legible on seal): _____ My
Commission Expires (if not legible on seal): _____

ARTICLES OF MERGER AND PLAN OF MERGER
Merging
PACIFIC RETAIL TRUST
(a real estate investment trust formed under the laws of the
State of Maryland)
with and into
REGENCY REALTY CORPORATION
(a corporation incorporated under the laws of the State of Florida)

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

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

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

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

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

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

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

SIXTH: The merger was duly (a) advised by the board of trustees of Pacific Retail by the adoption of a resolution declaring that the merger set forth in these Articles of Merger was advisable on substantially the terms and

conditions set forth or referred to in the resolution and directing that the proposed merger be submitted for consideration at a special meeting of the shareholders of Pacific Retail and (b) approved by the shareholders of Pacific Retail on February 26, 1999 by the vote required by its declaration of trust and the Maryland Code.

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

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

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

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

(b) Conversion of Pacific Retail Common Stock. Each issued and outstanding share of Pacific Retail Common Stock, other than shares cancelled pursuant to paragraph (a) of this Article or shares as to which a demand for dissenter's rights has been duly perfected in accordance with the Maryland Code, shall be converted into the right to receive 0.48 validly issued, fully paid, and nonassessable shares of Regency Common Stock. The consideration to be issued to the holders of Pacific Retail Common Stock is referred to herein as the "Common Stock Merger Consideration." No fractional shares shall be issued as part of the Common Stock Merger Consideration.

(c) Conversion of Pacific Retail Series A Preferred Stock. Each issued and outstanding share of Pacific Retail Series A Preferred Stock, other than shares cancelled pursuant to paragraph (a) of this Article or shares as to which a demand for dissenters rights has been duly perfected in accordance with the Maryland Code, shall be converted into the right to receive 0.48 validly issued, fully paid and nonassessable shares of Series 1 Cumulative Convertible Redeemable Preferred Stock of Regency ("Regency Series 1 Preferred Stock"). The consideration to be issued to holders of Pacific Retail Series A Preferred Stock is referred to as the "Series A Merger Consideration."

(d) Conversion of Pacific Retail Series B Preferred Stock. Each issued and outstanding share of Pacific Retail Series B Preferred Stock, other than shares cancelled pursuant to paragraph (a) of this Article or shares as to which a demand for dissenters rights has been duly perfected in accordance with the Maryland Code, shall be converted into the right to receive 0.48 validly issued, fully paid and nonassessable shares of Series 2 Cumulative Convertible Redeemable Preferred Stock of Regency ("Regency Series 2 Preferred Stock"). The consideration to be issued to holders of Pacific Retail Series B Preferred Stock is referred to as the "Series B Merger Consideration." The Common Stock Merger Consideration, Series A Merger Consideration and Series B Merger Consideration are referred to collectively herein as the "Merger Consideration."

(e) No Fractional Shares. Each holder of Pacific Retail Common Stock, Pacific Retail Series A Preferred Stock or Pacific Retail Series B Preferred Stock exchanged pursuant to the Merger who would otherwise have been entitled to receive a fraction of a share of (i) Regency Common Stock, (ii) Regency Series A Preferred Stock or (iii) Regency Series B Preferred Stock, as the case may be (after taking into account all shares of Pacific Retail Common Stock, Pacific Retail Series A Preferred Stock or Pacific Retail Series B Preferred Stock held of record by such holder at the Effective Time), shall receive, in lieu of such fraction of a share, cash in an amount arrived at by multiplying such fraction times the average closing price of a share of Regency Common Stock on the New York Stock Exchange on the ten (10) consecutive trading days ending on the fifth day immediately preceding the Effective Time.

(f) Cancellation and Retirement of Shares of Beneficial Interest of Pacific Retail. As of the Effective Time, all shares of beneficial interest of Pacific

Retail converted into the right to receive the applicable Merger Consideration pursuant to this Article shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of a certificate evidencing any such shares of beneficial interest of Pacific Retail shall cease to have any rights with respect thereto, except the right to receive the applicable Merger Consideration in accordance with this Article, and any cash in lieu of fractional shares of Regency Common Stock, Regency Series 1 Preferred Stock or Regency Series 2 Preferred Stock paid in cash by Regency based on the average of the closing price of the Regency Common Stock on the New York Stock Exchange for the ten (10) consecutive trading days ending on the fifth day immediately preceding the Effective Time.

(g) Conversion of Pacific Retail Stock Options. Each option granted by Pacific Retail to purchase shares of Pacific Retail Common Stock (a "Pacific Retail Stock Option") which is outstanding and unexercised immediately prior to the Effective Time shall cease to represent a right to acquire such shares and shall be converted into an option to purchase shares of Regency Common Stock (a "Regency Stock Option") in an amount and at an exercise price determined as provided below and otherwise subject to the terms and conditions of Regency's Long-Term Omnibus Plan and the agreements evidencing grants thereunder but having the same vesting, exercise, and termination dates that such Pacific Retail Stock Options had immediately prior to the Effective Time except that departing officers' options shall fully vest and shall terminate on the dates set forth in agreements between the departing officers and Regency.

(i) the number of shares of Regency Common Stock to be subject to the new Regency Stock Option will be equal to the product of (A) the number of shares of Pacific Retail Common Stock subject to the existing Pacific Retail Stock Option immediately prior to the Effective Time and (B) the ratio of the value per share of Pacific Retail Common Stock immediately prior to the Effective Time to the value per share of Regency Common Stock immediately after the Effective Time, and

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

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

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

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

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

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

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

(c) Article V of the Articles of Incorporation of Regency is hereby amended as set forth in Exhibit C hereto.

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

REGENCY REALTY CORPORATION,
a Florida corporation

By: _____
Mary Lou Rogers, President

Attest:

J. Christian Leavitt, Secretary

PACIFIC RETAIL TRUST,
a Maryland real estate investment trust

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

Attest:

Kelli Hlavenka, Assistant Secretary

EXHIBIT "A"

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION OF
REGENCY REALTY CORPORATION
DESIGNATING THE PREFERENCES, RIGHTS AND
LIMITATIONS OF 542,532 SHARES OF
SERIES 1 CUMULATIVE CONVERTIBLE REDEEMABLE PREFERRED STOCK
\$0.01 Par Value

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

FIRST: Pursuant to the authority expressly vested in the Board of Directors of the Corporation by Section 4.2 of the Restated Articles of Incorporation of the Corporation, as amended (the "Charter") and Section 607.0602 of the FBCA, the Board of Directors of the Corporation, by resolutions duly adopted on September 23, 1998 has classified 542,532 shares of the authorized but unissued Preferred Stock par value \$0.01 per share (the "Series 1 Preferred Stock") as a separate class of Preferred Stock, authorized the issuance of a maximum of 542,532 shares of such class of Series 1 Preferred Stock, set certain of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such class of Series 1 Preferred Stock. Shareholder approval was not required under the Charter with respect to such designation.

SECOND: The class of Series 1 Preferred Stock of the Corporation created by the resolutions duly adopted by the Board of Directors of the Corporation shall have the following designation, number of shares, preferences, conversion and other rights, voting powers, restrictions and limitation as to dividends, qualifications, terms and conditions of redemption and other terms and conditions:

Section 1. Number of Shares and Designation. The number of shares of Series 1 Preferred Stock which shall constitute such series shall not be more than 542,532 shares, par value \$0.01 per share, which number may be decreased (but not below the number thereof then outstanding plus the number required to fulfill the Corporation's obligations under certain agreements, options, warrants or similar rights issued by the Corporation) from time to time by the Board of Directors of the Corporation. Except as otherwise specifically stated herein, the Series 1 Preferred Stock shall have the same rights and privileges as Common Stock under Florida law.

Section 2. Definitions. For purposes of the Series 1 Preferred Stock, the following terms shall have the meanings indicated:

"Board" shall mean the Board of Directors of the Corporation or any committee authorized by such Board of Directors to perform any of its responsibilities with respect to the Series 1 Preferred Stock.

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

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

"Common Stock" shall mean the common capital stock of the Corporation, par value \$0.01 per share.

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

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

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

"Fully Junior Stock" shall mean any class or series of capital stock of the Corporation now or hereafter issued and outstanding over which the Series 1 Preferred Stock has preference or priority in both (i) the payment of dividends and (ii) the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Funds from Operations per Share" shall mean the amount determined by dividing (a) the net income of the Corporation before extraordinary items (determined in accordance with generally accepted accounting

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

"Issue Date" shall mean the first date on which the Series 1 Preferred Stock is issued.

"Junior Stock" shall mean the Common Stock and any other class or series of capital stock of the Corporation now or hereafter issued and outstanding over which the Series 1 Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

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

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

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

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

"PRT Issue Date" means October 13, 1995.

"Series 1 Preferred Stock" shall have the meaning set forth in Article FIRST hereof.

"Series 2 Preferred Stock" shall mean the Series 2 Cumulative Convertible Redeemable Preferred Stock of the Corporation, par value \$0.01 per share.

"set apart for payment" shall be deemed to include, without any action other than the following, the recording by the Corporation in its accounting ledgers of any accounting or bookkeeping entry which indicates, pursuant to a declaration of dividends or other distribution by the Board, the allocation of funds to be so paid on any series or class of capital stock of the Corporation; provided, however, that if any funds for any class or series of Junior Stock, Fully Junior Stock or any class or series of shares of capital stock ranking on a parity with the Series 1 Preferred Stock as to the payment of dividends are placed in a separate account of the Corporation or delivered to a disbursing, paying or other similar agent, then "set apart for payment" with respect to the Series 1 Preferred Stock shall mean placing such funds in a separate account or delivering such funds to a disbursing, paying or other similar agent.

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

"Transfer Agent" means initially the Corporation and shall include such other agent or agents of the Corporation as may be designated by the Board or their designee as the transfer agent for the Series 1 Preferred Stock.

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

Section 3. Dividends.

(a) The holders of Series 1 Preferred Stock shall be entitled to receive, when, as and if declared by the Board out of funds legally available for that purpose, quarterly dividends payable in cash in an amount per share equal to the greater of (i) the Minimum Amount or (ii) an amount equal to \$0.02708 less than the dividends (determined on each Dividend Payment Date) on a share of Common Stock, or portion thereof, into which a share of Series 2 Preferred Stock is convertible upon conversion of a share of Series 1 Preferred Stock. For purposes of clause (ii) of the preceding sentence, such dividends shall equal the number of shares of Common Stock, or portion thereof, into which a share of Series 2 Preferred Stock is convertible upon conversion of a share of Series 1 Preferred Stock, multiplied by the most current quarterly dividend paid or payable on a share of Common Stock on or before the applicable Dividend Payment Date. Dividends on the Series 1 Preferred Stock shall begin to accrue and shall be

fully cumulative from the Issue Date, whether or not for any Dividend Period or Periods there shall be funds of the Corporation legally available for the payment of such dividends, and shall be payable quarterly, when, as and if declared by the Board, in arrears on Dividend Payment Dates, commencing on the first Dividend Payment Date after the Issue Date. Accrued and unpaid dividends on shares of Series 1 Preferred Stock shall include any accrued and unpaid dividends on the Series A Cumulative Convertible Redeemable Preferred Shares of Beneficial Interest of Pacific Retail Trust which are exchanged by operation of law into such shares of Series 1 Preferred Stock pursuant to the merger of Pacific Retail Trust into the Corporation. Each dividend on the Series 1 Preferred Stock shall be payable to the holders of record of Series 1 Preferred Stock, as they appear on the stock records of the Corporation at the close of business on such record dates as shall be fixed by the Board. Accrued and unpaid dividends for any past Dividend Periods may be declared and paid at any time and for such interim periods, without reference to any regular Dividend Payment Date, to holders of record on such date as may be fixed by the Board.

(b) The amount of dividends payable for any dividend period shorter or longer than a full Dividend Period, on the Series 1 Preferred Stock shall be computed on the basis of twelve 30-day months and a 360-day year. Holders of Series 1 Preferred Stock shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of current and cumulative but unpaid dividends, as herein provided, on the Series 1 Preferred Stock. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series 1 Preferred Stock that may be in arrears.

(c) So long as any Series 1 Preferred Stock is outstanding, no dividends, except as described in the immediately following sentence, shall be declared or paid or set apart for payment on any class or series of Parity Stock for any period unless full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on the Series 1 Preferred Stock for all Dividend Periods terminating on or prior to the Dividend Payment Date on such class or series of Parity Stock. When dividends are not paid in full or a sum sufficient for such payment is not set apart, as aforesaid, all dividends declared upon Series 1 Preferred Stock and all dividends declared upon any other class or series of Parity Stock shall be declared ratably in proportion to the respective amounts of dividends accumulated and unpaid on the Series 1 Preferred Stock and accumulated and unpaid on such Parity Stock.

(d) So long as any Series 1 Preferred Stock is outstanding, no dividends (other than dividends or distributions paid solely in shares of, or options, warrants or rights to subscribe for or purchase shares of, Fully Junior Stock) shall be declared or paid or set apart for payment or other distribution declared or made upon Junior Stock, nor shall any Junior Stock be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of Common Stock made for purposes of an employee incentive or benefit plan of the Corporation or any subsidiary) for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Corporation, directly or indirectly (except by conversion into or exchange for Fully Junior Stock), unless in each case (i) the full cumulative dividends on all outstanding Series 1 Preferred Stock and any other Parity Stock of the Corporation shall have been paid or declared and set apart for payment for all past Dividend Periods with respect to the Series 1 Preferred Stock and all past dividend periods with respect to such Parity Stock and (ii) sufficient funds shall have been paid or declared and set apart for the payment of the dividend for the current Dividend Period with respect to the Series 1 Preferred Stock and the current dividend period with respect to such Parity Stock.

Section 4. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for payment to the holders of Junior Stock or Fully Junior Stock, the holders of the Series 1 Preferred Stock shall be entitled to receive \$20.8333 per share of Series 1 Preferred Stock plus an amount equal to all dividends declared but unpaid thereon to the date of final distribution to such holders; but such holders shall not be entitled to any further payment. If, upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the Series 1 Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other shares of any class or series of Parity Stock, then such assets, or the proceeds thereof, shall be distributed among the holders of Series 1 Preferred Stock and any such other Parity Stock ratably in accordance with the respective amounts that would be payable on such Series 1 Preferred Stock and any such other Parity Stock if all amounts payable thereon were paid in full. For the purposes of this Section 4, (i) a consolidation or merger of the Corporation with one or more Persons, (ii) a sale or transfer of all or substantially all of the Corporation's assets or (iii) a statutory share exchange shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Corporation.

(b) Subject to the rights of the holders of shares of any series or class or classes of shares of capital stock ranking on a parity with or prior to the Series 1 Preferred Stock upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the holders of the Series 1 Preferred Stock, as provided in this Section 4, any other series or class or classes of Junior Stock or Fully Junior Stock shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series 1 Preferred Stock shall not be entitled to share therein.

Section 5. Redemption at the Option of the Corporation.

(a) The Series 1 Preferred Stock shall not be redeemable by the Corporation prior to October 20, 2010. On and after October 20, 2010, the Corporation, at its option, may redeem the Series 1 Preferred Stock, in whole at any time or from time to time in part at the option of the Corporation at a redemption price of \$20.8333 per share of Series 1 Preferred Stock, plus the amounts indicated in Section 5(b).

(b) Upon any redemption of Series 1 Preferred Stock pursuant to this Section 5, the Corporation shall pay in full any and all accrued and unpaid dividends (without interest or sum of money in lieu of interest) for any and all Dividend Periods ending on or prior to the Call Date. If the Call Date falls after a dividend payment record date and prior to the corresponding Dividend Payment Date, then each holder of Series 1 Preferred Stock at the close of business on such dividend payment record date shall be entitled to the dividend payable on such shares on the corresponding dividend payment date notwithstanding the redemption of such shares before such Dividend Payment Date.

(c) If full cumulative dividends on the Series 1 Preferred Stock and any other class or series of Parity Stock of the Corporation have not been paid or declared and set apart for payment, the Series 1 Preferred Stock may not be redeemed under this Section 5 in part and the Corporation may not purchase or acquire shares of Series 1 Preferred Stock, otherwise than pursuant to a voluntary purchase or exchange offer made on the same terms to all holders of Series 1 Preferred Stock.

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

As promptly as practicable after the surrender in accordance with said notice of the certificates for any such shares so redeemed (properly endorsed or assigned for transfer, if the Corporation shall so require and if the notice shall so state), such shares shall be exchanged for any cash (including accumulated and unpaid dividends but without interest thereon) for which such shares have been redeemed. If fewer than all the outstanding shares of Series 1 Preferred Stock are to be redeemed, shares to be redeemed shall be selected by the Corporation from outstanding Series 1 Preferred Stock not previously called for redemption by lot or pro rata (as nearly as may be) or by any other method determined by the Corporation in its sole discretion to be equitable. If fewer than all shares of the Series 1 Preferred Stock represented by any certificate are redeemed, then new certificates representing the unredeemed shares shall be issued without cost to the holder thereof.

Section 6. Conversion. Subject to subparagraph (f) of this Section 6, holders of Series 1 Preferred Stock shall have the right, at any time and from time to time, to convert all or a portion of such shares into Series 2 Preferred Stock, as follows:

(a) Subject to and upon compliance with the provisions of this Section 6, a holder of Series 1 Preferred Stock shall have the right, at such holder's option, at any time to convert each share of Series 1 Preferred Stock into one fully paid and non-assessable share of Series 2 Preferred Stock by surrendering such shares to be converted, such surrender to be made in the manner provided in paragraph (b) of this Section 6. In addition, upon conversion of Series 1

Preferred Stock any holder may elect to simultaneously convert the Series 2 Preferred Stock issuable upon such conversion into that number of shares of Common Stock into which such Series 2 Preferred Stock is then convertible pursuant to the terms of the Series 2 Preferred Stock.

(b) In order to exercise the conversion right, the holder of each share of Series 1 Preferred Stock to be converted shall surrender the certificate representing such share, duly endorsed or assigned to the Corporation or in blank, at the office of the Transfer Agent, accompanied by written notice to the Corporation that the holder thereof elects to convert such Series 1 Preferred Stock and payment of the amount, if any, determined pursuant to subparagraph (f) of this Section 6. Unless the shares issuable on conversion are to be issued in the same name as the name in which such Series 1 Preferred Stock is registered, each share surrendered for conversion shall be accompanied by instruments of transfer, in form satisfactory to the Corporation, duly executed by the holder or such holder's duly authorized attorney and an amount sufficient to pay any transfer or similar tax (or evidence reasonably satisfactory to the Corporation demonstrating that such taxes have been paid).

Holders of Series 1 Preferred Stock at the close of business on a dividend payment record date shall be entitled to receive the dividend payable on such shares on the corresponding dividend payment date notwithstanding the conversion thereof following such dividend payment record date and on or prior to such dividend payment date. In no event shall a holder of Series 1 Preferred Stock be entitled to receive a dividend payment on Series 2 Preferred Stock issued or issuable upon conversion of Series 1 Preferred Stock if such holder is entitled to receive a dividend in respect of the Series 1 Preferred Stock surrendered for conversion. The Corporation shall make no payment or allowance for unpaid dividends, whether or not in arrears, on converted shares or for dividends on the Series 2 Preferred Stock issued upon such conversion, except as contemplated pursuant to subparagraph (f) of this Section 6.

As promptly as practicable after the surrender of certificates for Series 1 Preferred Stock as aforesaid, the Corporation shall issue and shall deliver at such office to such holder, or such holder's written order, a certificate or certificates for the number of full shares of Series 2 Preferred Stock issuable upon the conversion of such shares in accordance with provisions of this Section 6.

Each conversion shall be deemed to have been effected immediately prior to the close of business on the date on which the certificates for Series 1 Preferred Stock shall have been surrendered and such notice (together with the undertaking described below if such conversion occurs on or prior to the fifth anniversary of the PRT Issue Date) received by the Corporation as aforesaid, and the person or persons in whose name or names any certificate or certificates for Series 2 Preferred Stock shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the shares represented thereby at such time on such date unless the stock transfer books of the Corporation shall be closed on that date, in which event such person or persons shall be deemed to have become such holder or holders of record at the close of business on the next succeeding day on which such stock transfer books are open. Concurrently with the delivery of any notice of conversion prior to the fifth anniversary of the PRT Issue Date, any holder converting its Series 1 Preferred Stock shall deliver to the Corporation an undertaking to pay the amount, if any, pursuant to the last sentence of subparagraph (f) of this Section 6.

(c) If the Corporation shall be a party to any transaction (including without limitation a merger, consolidation, statutory share exchange, self tender offer for all or substantially all Series 2 Preferred Stock, sale of all or substantially all of the Corporation's assets or recapitalization of the Series 2 Preferred Stock) (each of the foregoing being referred to herein as a "Transaction"), in each case as a result of which all or substantially all Series 2 Preferred Stock is converted into the right to receive stock, securities or other property (including cash or any combination thereof) of another Person, each share of Series 1 Preferred Stock, which is not converted into a Series 2 Preferred Share prior to such Transaction, shall thereafter be convertible into the kind and amount of shares of stock, securities and other property (including cash or any combination thereof) receivable upon the consummation of such Transaction by a holder of that number of shares of Series 2 Preferred Stock into which one share of Series 1 Preferred Stock was convertible immediately prior to such Transaction, assuming such holder of Series 2 Preferred Stock (i) is not a Person with which the Corporation consolidated or into which the Corporation merged or which merged into the Corporation or to which such sale or transfer was made, as the case may be ("Constituent Person"), or an affiliate of a Constituent Person and (ii) failed to exercise his rights of election, if any, as to the kind or amount of stock, securities and other property (including cash) receivable upon such Transaction (provided that if the kind or amount of stock, securities and other property (including cash) receivable upon such Transaction is not the same for each share of Series 2 Preferred Share held immediately prior to such Transaction by other than a Constituent Person or an affiliate thereof and in respect of which such rights of election shall not have been exercised ("Non-Electing Share"), then for the purpose of this paragraph (c) the kind and amount of stock, securities and other property (including cash) receivable upon such Transaction by each Non-Electing Share shall be deemed to be the kind and amount so receivable per share by a plurality of the Non-Electing Shares). The Corporation shall not be a party to any Transaction unless the terms of such Transaction are consistent with the provisions of this paragraph (c), and it shall not consent or agree to the occurrence of any Transaction until the Corporation has entered into an agreement with the successor or purchasing entity, as the case may be, for the benefit of the holders of the Series 1 Preferred Stock that will contain provisions enabling the holders of the Series 1 Preferred Stock that remain outstanding after such Transaction to convert into the consideration received by holders of Series 2 Preferred Stock at the conversion price in effect immediately prior to such Transaction. The provisions of this paragraph (c)

shall similarly apply to successive Transactions.

(d) The Corporation covenants that it will at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued shares of Series 2 Preferred Stock, for the purpose of effecting conversion of the Series 1 Preferred Stock, the full number of shares of Series 2 Preferred Stock deliverable upon the conversion of all outstanding Series 1 Preferred Stock not theretofore converted.

The Corporation covenants that any shares of Series 2 Preferred Stock issued upon conversion of the Series 1 Preferred Stock shall be validly issued, fully paid and non-assessable.

Prior to the delivery of any securities that the Corporation shall be obligated to deliver upon conversion of the Series 1 Preferred Stock, the Corporation shall endeavor to comply with all federal and state laws and regulations thereunder requiring the registration of such securities with, or any approval of or consent to the delivery thereof by, any governmental authority.

(e) The Corporation will pay any and all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of Series 2 Preferred Stock or other securities or property on conversion of the Series 1 Preferred Stock pursuant hereto; provided, however, that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer involved in the issue or delivery of Series 2 Preferred Stock or other securities or property in a name other than that of the holder of the Series 1 Preferred Stock to be converted, and no such issue or delivery shall be made unless and until the person requesting such issue or delivery has paid to the Corporation the amount of any such tax or established, to the reasonable satisfaction of the Corporation, that such tax has been paid.

(f) In the event that any holder of Series 1 Preferred Stock shall exercise its right to convert such shares into Series 2 Preferred Stock prior to the fifth anniversary of the PRT Issue Date, upon any such conversion, the holder of the Series 1 Preferred Stock surrendered for conversion shall pay an amount in cash to the Corporation equal to the amount obtained by multiplying (i) 0.0052 times (ii) the quotient obtained by dividing (A) the actual number of days that will elapse beginning on and including the date on which the conversion is deemed to have been effected and ending on and including the fifth anniversary of the PRT Issue Date by (B) 365 times (iii) the difference between (X) the aggregate liquidation preference (excluding accrued and unpaid dividends) of the Series 1 Preferred Stock being converted and (Y) the aggregate amount of accrued and unpaid dividends on the Series 1 Preferred Stock being converted (provided that the amount determined pursuant to this clause (iii) shall not be less than zero). In addition, immediately after the dividend payment record date next following the conversion date with respect to the Series 2 Preferred Stock into which the Series 1 Preferred Stock is convertible (or the Common Stock into which such Series 2 Preferred Stock is convertible, whichever is applicable), the holder of the Series 1 Preferred Stock shall pay to the Corporation an amount, if any, necessary to ensure that the holder has received an aggregate amount of \$0.02708 per share being converted less than the dividend payable on Common Stock for the dividend period during which the conversion was effected.

Section 7. Shares to Be Retired. All shares of Series 1 Preferred Stock which shall have been issued and reacquired in any manner by the Corporation shall be restored to the status of authorized but unissued shares of Preferred Stock of the Corporation, without designation as to class or series.

Section 8. Ranking. Any class or series of shares of capital stock of the Corporation shall be deemed to rank:

(a) prior to the Series 1 Preferred Stock, as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up, if the holders of such class or series shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of Series 1 Preferred Stock;

(b) on a parity with the Series 1 Preferred Stock, as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up, whether or not the dividend rates, dividend payment dates or liquidation prices per share thereof shall be different from those of the Series 1 Preferred Stock, if the holders of such class or series and the Series 1 Preferred Stock shall be entitled to the receipt of dividends and of amounts distributable upon liquidation, dissolution or winding up in proportion to their respective amounts of accrued and unpaid dividends per share or liquidation preferences, without preference or priority one over the other ("Parity Stock");

(c) junior to the Series 1 Preferred Stock, as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up, if such class or series shall be Junior Stock; and

(d) junior to the Series 1 Preferred Stock, as to the payment of dividends and as to the distribution of assets upon liquidation, dissolution or winding up, if such class or series shall be Fully Junior Stock.

The Corporation's Series 2 Cumulative Convertible Redeemable Preferred Stock and the Corporation's 8.125% Series A Cumulative Redeemable Preferred Stock shall constitute Parity Stock.

Section 9. Voting.

(a) Each issued and outstanding share of Series 1 Preferred Stock shall entitle the holder thereof to the number of votes per share of Common Stock into which a

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

(b) If and whenever twelve consecutive quarterly dividends payable on the Series 1 Preferred Stock or any series or class of Parity Stock shall be in arrears (which shall, with respect to any such quarterly dividend, mean that any such dividend has not been paid in full), whether or not earned or declared, the number of directors then constituting the Board shall be increased by one and the holders of Series 1 Preferred Stock, together with the holders of shares of every other series of Parity Stock, including the Series 2 Preferred Stock (any such other series, the "Voting Preferred Stock"), voting as a single class regardless of series, shall be entitled to elect, at a special meeting of the holders of the Series 1 Preferred Stock and the Voting Preferred Stock called as hereinafter provided, the additional director to serve on the Board. Whenever all arrearages in dividends on the Series 1 Preferred Stock and the Voting Preferred Stock then outstanding shall have been paid and dividends thereon for the current quarterly dividend period shall have been paid or declared and set apart for payment, then the right of the holders of the Series 1 Preferred Stock and the Voting Preferred Stock to elect such additional director shall cease (but subject always to the same provision for the vesting of such voting rights in the case of any similar future arrearages in twelve quarterly dividends), and the terms of office of the person elected as director by the holders of the Series 1 Preferred Stock and the Voting Preferred Stock shall forthwith terminate and the number of members of the Board shall be reduced accordingly. At any time after such voting power shall have been so vested in the holders of Series 1 Preferred Stock and the Voting Preferred Stock (or if any vacancy shall occur in respect of the director previously elected by the holders of the Series 1 Preferred Stock and the Voting Preferred Stock), the secretary of the Corporation shall call a special meeting of the holders of the Series 1 Preferred Stock and of the Voting Preferred Stock for the election of the director to be elected by them as herein provided, such call to be made by notice similar to that provided in the Bylaws of the Corporation for a special meeting of the shareholders or as required by law. If any such special meeting required to be called as above provided shall not be called by the secretary within 30 days after the end of the most recent Dividend Period during which the right to elect such additional director arose or such vacancy occurred, then any holder of Series 1 Preferred Stock may call such meeting, upon the notice above provided, and for that purpose shall have access to the stock records of the Corporation. The director elected at any such special meeting shall hold office until the next annual meeting of the shareholders or special meeting held in lieu thereof if such office shall not have previously terminated as above provided.

(c) So long as any Series 1 Preferred Stock is outstanding, in addition to any other vote or consent of shareholders required by law or by the Charter, the affirmative vote of at least 66 2/3% of the votes entitled to be cast by the holders of the Series 1 Preferred Stock, together with the holders of Voting Preferred Stock, at the time outstanding, acting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) Any amendment, alteration or repeal of any of the provisions of the Charter or these Articles of Amendment that materially and adversely affects the voting powers, rights or preferences of the holders of the Series 1 Preferred Stock or the Voting Preferred Stock; provided, however, that the amendment of the provisions of the Charter so as to authorize or create or to increase the authorized amount of any Fully Junior Stock, Junior Stock that is not senior in any respect to the Series 1 Preferred Stock, or any stock of any class ranking on a parity with the Series 1 Preferred Stock or the Voting Preferred Stock shall not be deemed to materially adversely affect the voting powers, rights or preferences of the holders of Series 1 Preferred Stock; and provided, further, that if any such amendment, alteration or repeal would materially and adversely affect any voting powers, rights or preferences of the Series 1 Preferred Stock or another series of Voting Preferred Stock that are not enjoyed by some or all of the other series otherwise entitled to vote in accordance herewith, the affirmative vote of at least 66 2/3% of the votes entitled to be cast by the holders of all series similarly affected, similarly given, shall be required in lieu of the affirmative vote of at least 66 2/3% of the votes entitled to be cast by the holders of the Series 1 Preferred Stock and the Voting Preferred Stock otherwise entitled to vote in accordance herewith; or

(ii) A share exchange that affects the Series 1 Preferred Stock, a consolidation with or merger of the Corporation into another Person, or a consolidation with or merger of another Person into the Corporation, unless in each such case each share of Series 1 Preferred Stock (A) shall remain outstanding without a material and adverse change to its terms and rights or (B) shall be converted into or exchanged for convertible preferred stock of the surviving entity having preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms or conditions of redemption thereof identical to that of a share of Series 1 Preferred Stock (except for changes that do not materially and adversely affect the holders of the Series 1 Preferred Stock); or

(iii) The authorization or creation of, or the increase in the authorized amount of, any shares of any class or any

security convertible into shares of any class ranking prior to the Series 1 Preferred Stock in the distribution of assets on any liquidation, dissolution or winding up of the Corporation or in the payment of dividends.

(d) For purposes of voting in respect to those matters referred to in subparagraphs (b) and (c) of this Section 9, unless otherwise provided under applicable law, each share of Series 1 Preferred Stock shall have one (1) vote per share, except that when any other series of Preferred Stock shall have the right to vote with the Series 1 Preferred Stock as a single class on any matter, then the Series 1 Preferred Stock and such other series shall have with respect to such matters one (1) vote per \$20.8333 of stated liquidation preference. Except as otherwise required by applicable law or as set forth herein, the Series 1 Preferred Stock shall not have any relative, participating, optional or other special voting rights and powers other than as set forth herein, and the consent of the holders thereof shall not be required for the taking of any corporate action.

Section 10. Record Holders. The Corporation and the Transfer Agent may deem and treat the record holder of any shares of Series 1 Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor the Transfer Agent shall be affected by any notice to the contrary.

Section 11. Sinking Fund. The Series 1 Preferred Stock shall not be entitled to the benefits of any retirement or sinking fund.

THIRD: The Series 1 Preferred Stock has been classified and designated by the Board of Directors under the authority contained in Section 4.2 of the Charter.

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

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

[Signature Page Follows]

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

REGENCY REALTY CORPORATION

By: /s/ Mary Lou Rogers
Name: Mary Lou Rogers
Title: President

[SEAL]

ATTEST:

/s/ J. Christian Leavitt
Name: J. Christian Leavitt
Title: Secretary

EXHIBIT "B"

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION OF

REGENCY REALTY CORPORATION

DESIGNATING THE PREFERENCES, RIGHTS AND

LIMITATIONS OF 1,502,532 SHARES OF

SERIES 2 CUMULATIVE CONVERTIBLE REDEEMABLE PREFERRED STOCK
\$0.01 Par Value

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

FIRST: Pursuant to the authority expressly vested in the Board of Directors of the Corporation by Section 4.2 of the Restated Articles of Incorporation of the Corporation, as amended (the "Charter") and Section 607.0602 of the FBCA, the Board of Directors of the Corporation, by resolutions duly adopted on September 23, 1998 has classified 1,502,532 shares of the authorized but unissued Preferred Stock par value \$0.01 per share (the "Series 2 Preferred Stock") as a separate class of Preferred Stock, authorized the issuance of a maximum of 1,502,532 shares of such class of Series 2 Preferred Stock, set certain of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such class of Series 2 Preferred Stock. Shareholder approval was not required under the Charter with respect to such designation.

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

Section 1. Number of Shares and Designation. The number of shares of Series 2 Preferred Stock which shall constitute such series shall not be more than 1,502,532 shares, par value \$0.01 per share, which number may be decreased (but not below the number thereof then outstanding plus the number required to fulfill the Corporation's obligations under certain agreements, options, warrants or similar rights issued by the Corporation) from time to time by the Board of Directors of the Corporation. Except as otherwise specifically stated herein, the Series 2 Preferred Stock shall have the same rights and privileges as Common Stock under Florida law.

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

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

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

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

"Common Stock" shall mean the common capital stock of the Corporation, par value \$0.01 per share.

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

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

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

the average of the closing bid and asked prices as furnished by any member of the National Association of Securities Dealers, Inc. selected from time to time by the Corporation for such purpose, or, if no such prices are furnished, the fair market value of the security as determined in good faith by the Board.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Transfer Agent" means initially the Corporation and shall include such other agent or agents of the Corporation as may be designated by the Board or their designee as the transfer agent for the Series 2 Preferred Stock.

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

Section 3. Dividends.

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

(b) The amount of dividends payable for any dividend period shorter or longer than a full Dividend Period, on the Series 2 Preferred Stock shall be computed on the basis of twelve 30-day months and a 360-day year. Holders of Series 2 Preferred Stock shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of current and cumulative but unpaid dividends, as herein provided, on the Series 2 Preferred Stock. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series 2 Preferred Stock that may be in arrears.

(c) So long as any Series 2 Preferred Stock is outstanding, no dividends, except as described in the immediately following sentence, shall be declared or paid or set apart for payment on any class or series of Parity Stock for any period unless full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on the Series 2 Preferred Stock for all Dividend Periods terminating on or prior to the Dividend Payment Date on such class or series of Parity Stock. When dividends are not paid in full or a sum sufficient for such payment is not set apart, as aforesaid, all dividends declared upon Series 2 Preferred Stock and all dividends declared upon any other class or series of Parity Stock shall be declared ratably in proportion to the respective amounts of dividends accumulated and unpaid on the Series 2 Preferred Stock and accumulated and unpaid on such Parity Stock.

(d) So long as any Series 2 Preferred Stock is outstanding, no dividends (other than dividends or distributions paid solely in shares of, or options, warrants or rights to subscribe for or purchase shares of, Fully Junior Stock) shall be declared or paid or set apart for payment or other distribution declared or made upon Junior Stock, nor shall any Junior Stock be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of Common Stock made for purposes of an employee incentive or benefit plan of the Corporation or any subsidiary) for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Corporation, directly or indirectly (except by conversion into or exchange for Fully Junior Stock), unless in each case (i) the full cumulative dividends on all outstanding Series 2 Preferred Stock and any other Parity Stock of the Corporation shall have been paid or declared and set apart for payment for all past Dividend Periods with respect to the Series 2 Preferred Stock and all past dividend periods with respect to such Parity Stock and (ii) sufficient funds shall have been paid or declared and set apart for the payment of the dividend for the current Dividend Period with respect to the Series 2 Preferred Stock and the current dividend period with respect to such Parity Stock.

Section 4. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for payment to the holders of Junior Stock or Fully Junior Stock, the holders of the Series 2 Preferred Stock shall be entitled to receive \$20.8333 per share of Series 2 Preferred Stock plus an amount equal to all dividends declared but unpaid thereon to the date of final distribution to such holders; but such holders shall not be entitled to any further payment. If,

upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the Series 2 Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other shares of any class or series of Parity Stock, then such assets, or the proceeds thereof, shall be distributed among the holders of Series 2 Preferred Stock and any such other Parity Stock ratably in accordance with the respective amounts that would be payable on such Series 2 Preferred Stock and any such other Parity Stock if all amounts payable thereon were paid in full. For the purposes of this Section 4, (i) a consolidation or merger of the Corporation with one or more Persons, (ii) a sale or transfer of all or substantially all of the Corporation's assets or (iii) a statutory share exchange shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Corporation.

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

Section 5. Redemption at the Option of the Corporation.

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

(b) Upon any redemption of Series 2 Preferred Stock pursuant to this Section 5, the Corporation shall pay in full any and all accrued and unpaid dividends (without interest or sum of money in lieu of interest) for any and all Dividend Periods ending on or prior to the Call Date. If the Call Date falls after a dividend payment record date and prior to the corresponding Dividend Payment Date, then each holder of Series 2 Preferred Stock at the close of business on such dividend payment record date shall be entitled to the dividend payable on such shares on the corresponding dividend payment date notwithstanding the redemption of such shares before such Dividend Payment Date.

(c) If full cumulative dividends on the Series 2 Preferred Stock and any other class or series of Parity Stock of the Corporation have not been paid or declared and set apart for payment, the Series 2 Preferred Stock may not be redeemed under this Section 5 in part and the Corporation may not purchase or acquire shares of Series 2 Preferred Stock, otherwise than pursuant to a voluntary purchase or exchange offer made on the same terms to all holders of Series 2 Preferred Stock.

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

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

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

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

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

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

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

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

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

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

(i) If the Corporation shall after the Issue Date (A) pay a dividend or make a distribution in shares of Common Stock on its Common Stock, (B) subdivide its outstanding shares of Common Stock into a greater number of shares, (C) combine its outstanding shares of Common Stock into a smaller number of shares or (D) issue any shares of Common

Stock by reclassification of its Common Stock, the Conversion Price in effect at the opening of business on the day following the date fixed for the determination of shareholders entitled to receive such dividend or distribution or at the opening of business on the Business Day next following the day on which such subdivision, combination or reclassification becomes effective, as the case may be, shall be adjusted so that the holder of any shares of Series 2 Preferred Stock thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock that such holder would have owned or have been entitled to receive after the happening of any of the events described above as if such shares of Series 2 Preferred Stock had been converted immediately prior to the record date in the case of a dividend or distribution or the effective date in the case of a subdivision, combination or reclassification. An adjustment made pursuant to this subparagraph (i) shall become effective immediately after the opening of business on the Business Day next following the record date (except as provided in paragraph (g) below) in the case of a dividend or distribution and shall become effective immediately after the opening of business on the Business Day next following the effective date in the case of a subdivision, combination or reclassification.

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

(iii) If the Corporation shall issue after the Issue Date any shares of capital stock or security convertible or exchangeable for Common Stock (excluding rights, options or warrants referred to in subparagraph (ii) above) and the price per share for which Common Stock is issuable upon the conversion or exchange of such convertible or exchangeable securities is less than the lesser of the Conversion Price then in effect and the Current Market Price per share of Common Stock on the date such convertible or exchangeable securities are issued, then the Conversion Price in effect at the opening of business on the Business Day next following such issue date shall be adjusted to equal the price determined by multiplying (A) the Conversion Price in effect immediately prior to the opening of business on the Business Day next following the issue date by (B) a fraction, the numerator of which shall be the sum of (I) the number of shares of Common Stock outstanding on the close of business on the Business Day immediately preceding the issue date and (II) the number of shares of Common Stock that the aggregate proceeds to the Corporation from the conversion into or in exchange for Common Stock would purchase at such Conversion Price or Current Market Price, as applicable, and the denominator of which shall be the sum of (A) the number of shares of Common Stock outstanding on the close of business on the Business Day immediately preceding the issue date and (B) the number of additional shares of Common Stock issuable upon conversion or exchange of such convertible or exchangeable securities. Such adjustment shall become effective immediately after the opening of business on the day next following such issue date (except as provided in paragraph (g) below). In

determining whether any securities are convertible for or exchangeable into Common Stock at less than such Conversion Price or Current Market Price, as applicable, there shall be taken into account any consideration received by the Corporation upon issuance and upon conversion or exchange of such convertible or exchangeable securities, the value of such consideration, if other than cash, to be determined in good faith by the Board.

(iv) If the Corporation shall distribute to all holders of its Common Stock any shares of capital stock of the Corporation (other than Common Stock) or evidence of its indebtedness or assets (excluding cash dividends or distributions) or rights, options or warrants to subscribe for or purchase any of its securities (excluding those rights, options and warrants referred to in subparagraph (ii) above and excluding those convertible or exchangeable securities referred to in subparagraph (iii) above (any of the foregoing being hereinafter in this subparagraph (iv) collectively called the "Securities" and individually a "Security"), then in each such case the Conversion Price shall be adjusted so that it shall equal the price determined by multiplying (A) the Conversion Price in effect immediately prior to the close of business on the date fixed for the determination of shareholders entitled to receive such distribution by (B) a fraction, the numerator of which shall be the lesser of the Conversion Price then in effect and the Current Market Price per share of Common Stock on the record date mentioned below less the then fair market value (as determined in good faith by the Board) of the portion of the shares of capital stock or assets or evidences of indebtedness so distributed or of such rights, options or warrants applicable to one share of Common Stock, and the denominator of which shall be the lesser of the Conversion Price then in effect and the Current Market Price per share of Common Stock on the record date mentioned below. Such adjustment shall become effective immediately at the opening of business on the Business Day next following (except as provided in paragraph (g) below) the record date for the determination of shareholders entitled to receive such distribution. For the purposes of this clause (iv), the distribution of a Security, which is distributed not only to the holders of the Common Stock on the date fixed for the determination of shareholders entitled to such distribution of such Security, but also is distributed with each share of Common Stock delivered to a Person converting Series 2 Preferred Stock after such determination date, shall not require an adjustment of the Conversion Price pursuant to this clause (iv); provided that on the date, if any, on which a Person converting a share of Series 2 Preferred Stock would no longer be entitled to receive such Security with a share of Common Stock (other than as a result of the termination of all such Securities), a distribution of such Securities shall be deemed to have occurred and the Conversion Price shall be adjusted as provided in this clause (iv) (and such day shall be deemed to be "the date fixed for the determination of the shareholders entitled to receive such distribution" and "the record date" within the meaning of the two preceding sentences).

(v) No adjustment in the Conversion Price shall be required unless such adjustment would require a cumulative increase or decrease of at least 1% in such price; provided, however, that any adjustments that by reason of this subparagraph (v) are not required to be made shall be carried forward and taken into account in any subsequent adjustment until made; and provided, further, that any adjustment shall be required and made in accordance with the provisions of this Section 6 (other than this subparagraph (v)) not later than such time as may be required in order to preserve the tax-free nature of a distribution to the holders of Common Stock. Notwithstanding any other provisions of this Section 6, the Corporation shall not be required to make any adjustment of the Conversion Price for the issuance of any Common Stock pursuant to (A) any plan providing for the reinvestment of dividends or interest payable on securities of the Corporation and the investment of additional optional amounts in Common Stock under such plan or (B) any right, option or warrant to acquire Common Stock granted to any employee (as such term is defined in General Instruction A to Form S-8 under the Securities Act) of the Corporation under a plan providing for the granting of such securities to employees; provided, however, that such plan is approved by the shareholders and the aggregate amount of Common Stock issuable under the rights, options and warrants granted under such plan shall not exceed 20% of the shares of Common Stock issued and outstanding on the date such plan is approved by shareholders. In addition, the Corporation shall not be required to make any adjustment of the Conversion Price for the issuance of any Common Stock or any other class or series of shares of capital stock pursuant to the terms of that certain Shareholders' Agreement among Pacific Retail Trust (to which the Corporation is successor by merger), Security Capital Holdings S.A. and Opportunity Capital Partners Limited Partnership. All calculations under this Section 6 shall be made to the nearest cent (with \$.005 being rounded upward) or to the nearest one-tenth of a share (with .05 of a share being rounded upward), as the case may be. Anything in this paragraph (d) to the contrary notwithstanding, the Corporation shall be entitled, to the extent permitted by law, to make such reductions in the Conversion Price, in addition to those required by this paragraph (d), as it in its discretion shall determine to be advisable in order that any share dividends, subdivision of shares, reclassification or combination of shares, distribution of rights, options or warrants to purchase stock or securities, or a distribution of other assets (other than cash dividends) hereafter made by the Corporation to its shareholders shall not be taxable.

(e) If the Corporation shall be a party to any transaction (including without

limitation a merger, consolidation, statutory share exchange, self tender offer for all or substantially all Common Stock, sale of all or substantially all of the Corporation's assets or recapitalization of the Common Stock and excluding any transaction as to which subparagraph (d)(i) of this Section 6 applies) (each of the foregoing being referred to herein as a "Transaction"), in each case as a result of which all or substantially all shares of Common Stock are converted into the right to receive stock, securities or other property (including cash or any combination thereof) of another Person, each share of Series 2 Preferred Stock, which is not converted into the right to receive stock, securities or other property of such Person prior to such Transaction (and each share of Series 2 Preferred Stock issuable after such Transaction upon conversion of securities convertible into Series 2 Preferred Stock), shall thereafter be convertible into the kind and amount of shares of stock, securities and other property (including cash or any combination thereof) receivable upon the consummation of such Transaction by a holder of that number of shares of Common Stock into which one share of Series 2 Preferred Stock was convertible immediately prior to such Transaction, assuming such holder of Common Stock (i) is not a Person with which the Corporation consolidated or into which the Corporation merged or which merged into the Corporation or to which such sale or transfer was made, as the case may be ("Constituent Person"), or an affiliate of a Constituent Person and (ii) failed to exercise his rights of election, if any, as to the kind or amount of stock, securities and other property (including cash) receivable upon such Transaction (provided that if the kind or amount of stock, securities and other property (including cash) receivable upon such Transaction is not the same for each share of Common Stock held immediately prior to such Transaction by other than a Constituent Person or an affiliate thereof and in respect of which such rights of election shall not have been exercised ("Non-Electing Share"), then for the purpose of this paragraph (e) the kind and amount of stock, securities and other property (including cash) receivable upon such Transaction by each Non-Electing Share shall be deemed to be the kind and amount so receivable per share by a plurality of the Non-Electing Shares). The Corporation shall not be a party to any Transaction unless the terms of such Transaction are consistent with the provisions of this paragraph (e), and it shall not consent or agree to the occurrence of any Transaction until the Corporation has entered into an agreement with the successor or purchasing entity, as the case may be, for the benefit of the holders of the Series 2 Preferred Stock (and securities convertible into Series 2 Preferred Stock) that will contain provisions enabling the holders of the Series 2 Preferred Stock that remain outstanding (or are issuable upon conversion of securities convertible into Series 2 Preferred Stock) after such Transaction to convert into the consideration received by holders of Common Stock at the Conversion Price in effect immediately prior to such Transaction. The provisions of this paragraph (e) shall similarly apply to successive Transactions.

(f) Whenever the Conversion Price is adjusted as herein provided, the Corporation shall promptly mail notice of such adjustment of the Conversion Price to each holder of Series 2 Preferred Stock at such holder's last address as shown on the share records of the Corporation.

(g) In any case in which paragraph (d) of this Section 6 provides that an adjustment shall become effective on the day next following the record date for an event, the Corporation may defer until the occurrence of such event (A) issuing to the holder of any Series 2 Preferred Stock converted after such record date and before the occurrence of such event the additional shares of Common Stock issuable upon such conversion by reason of the adjustment required by such event over and above the shares of Common Stock issuable upon such conversion before giving effect to such adjustment and (B) paying to such holder any amount of cash in lieu of any fraction pursuant to paragraph (c) of this Section 6.

(h) There shall be no adjustment of the Conversion Price in case of the issuance of any shares of capital stock of the Corporation in a reorganization, acquisition or other similar transaction except as specifically set forth in this Section 6. If any action or transaction would require adjustment of the Conversion Price pursuant to more than one paragraph of this Section 6, only one adjustment shall be made and such adjustment shall be the adjustment that yields the highest absolute value.

(i) The Corporation covenants that it will at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued Common Stock, for the purpose of effecting conversion of the Series 2 Preferred Stock, the full number of shares of Common Stock deliverable upon the conversion of all outstanding Series 2 Preferred Stock not theretofore converted. For purposes of this paragraph (i), the number of shares of Common Stock that shall be deliverable upon the conversion of all outstanding Series 2 Preferred Stock shall be computed as if at the time of computation all such outstanding shares were held by a single holder.

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

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

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

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

Section 8. Ranking. Any class or series of shares of capital stock of the Corporation shall be deemed to rank:

(a) prior to the Series 2 Preferred Stock, as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up, if the holders of such class or series shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of Series 2 Preferred Stock;

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

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

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

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

Section 9. Voting.

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

(b) If and whenever twelve consecutive quarterly dividends payable on the Series 2 Preferred Stock or any series or class of Parity Stock shall be in arrears (which shall, with respect to any such quarterly dividend, mean that any such dividend has not been paid in full), whether or not earned or declared, the number of directors then constituting the Board shall be increased by one and the holders of Series 2 Preferred Stock, together with the holders of shares of every other series of Parity Stock, including the Series 1 Preferred Stock (any such other series, the "Voting Preferred Stock"), voting as a single class regardless of series, shall be entitled to elect, at a special meeting of the holders of the Series 2 Preferred Stock and the Voting Preferred Stock called as hereinafter provided, the additional director to serve on the Board. Whenever all arrearages in dividends on the Series 2 Preferred Stock and the Voting Preferred Stock then outstanding shall have been paid and dividends thereon for the current quarterly dividend period shall have been paid or declared and set apart for payment, then the right of the holders of the Series 2 Preferred Stock and the Voting Preferred Stock to elect such additional director shall cease (but subject always to the same provision for the vesting of such voting rights in the case of any similar future arrearages in twelve quarterly dividends), and the terms of office of the person elected as director by the holders of the Series 2 Preferred Stock and the Voting Preferred Stock shall forthwith terminate and the number of members of the Board shall be reduced accordingly. At any time after such voting power shall have been so vested in the holders of Series 2 Preferred Stock and the Voting Preferred Stock (or if any vacancy shall occur in respect of the director previously elected by the holders of the Series 2 Preferred Stock and the Voting Preferred Stock), the secretary of the Corporation shall call a special meeting of the holders of the Series 2 Preferred Stock and of the Voting Preferred Stock for the election of the director to be elected by them as herein provided, such call to be made by notice similar to that provided in the Bylaws of the Corporation for a special meeting of the shareholders or as required by law. If any such special meeting required to be called as above provided shall not be called by the secretary within 30 days after the end of the most recent Dividend Period during which the right to elect such additional director arose or such vacancy occurred, then any

holder of Series 2 Preferred Stock may call such meeting, upon the notice above provided, and for that purpose shall have access to the stock records of the Corporation. The director elected at any such special meeting shall hold office until the next annual meeting of the shareholders or special meeting held in lieu thereof if such office shall not have previously terminated as above provided.

(c) So long as any Series 2 Preferred Stock is outstanding, in addition to any other vote or consent of shareholders required by law or by the Charter, the affirmative vote of at least 66 2/3% of the votes entitled to be cast by the holders of the Series 2 Preferred Stock, together with the holders of Voting Preferred Stock, at the time outstanding, acting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

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

(ii) A share exchange that affects the Series 2 Preferred Stock, a consolidation with or merger of the Corporation into another Person, or a consolidation with or merger of another Person into the Corporation, unless in each such case each share of Series 2 Preferred Stock (A) shall remain outstanding without a material and adverse change to its terms and rights or (B) shall be converted into or exchanged for convertible preferred stock of the surviving entity having preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms or conditions of redemption thereof identical to that of a share of Series 2 Preferred Stock (except for changes that do not materially and adversely affect the holders of the Series 2 Preferred Stock); or

(iii) The authorization or creation of, or the increase in the authorized amount of, any shares of any class or any security convertible into shares of any class ranking prior to the Series 2 Preferred Stock in the distribution of assets on any liquidation, dissolution or winding up of the Corporation or in the payment of dividends.

(d) For purposes of voting in respect to those matters referred to in subparagraphs (b) and (c) of this Section 9, unless otherwise provided under applicable law, each Series 2 Preferred Stock shall have one (1) vote per share, except that when any other series of Preferred Stock shall have the right to vote with the Series 2 Preferred Stock as a single class on any matter, then the Series 2 Preferred Stock and such other series shall have with respect to such matters one (1) vote per \$20.8333 of stated liquidation preference. Except as otherwise required by applicable law or as set forth herein, the Series 2 Preferred Stock shall not have any relative, participating, optional or other special voting rights and powers other than as set forth herein, and the consent of the holders thereof shall not be required for the taking of any corporate action.

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

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

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

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

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

[Signature Page Follows]

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

REGENCY REALTY CORPORATION

By: /s/ Mary Lou Rogers
Name: Mary Lou Rogers
Title: President

[SEAL]

ATTEST:

/s/ J. Christian Leavitt
Name: J. Christian Leavitt
Title: Secretary

AMENDMENT TO ARTICLES OF INCORPORATION
OF
REGENCY REALTY CORPORATION

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

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

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

Section 5.14 is hereby amended in its entirety as follows:

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

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

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

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

all times be presumed to be Non-U.S. Persons) comprising fifty percent (50%) or more of the fair market value of the issued and outstanding shares of Capital Stock the Corporation.

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

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

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

/s/ Mary Lou Rogers
Mary Lou Rogers, President

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION OF
 REGENCY REALTY CORPORATION
 AMENDING AND RESTATING THE DESIGNATION OF THE PREFERENCES,
 RIGHTS AND LIMITATIONS OF 1,600,000 SHARES OF
 8.125% SERIES A CUMULATIVE REDEEMABLE PREFERRED STOCK
 \$0.01 Par Value

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

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

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

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

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

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

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

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

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

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

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

(d) Priority as to Distributions. (i) So long as any Series A Preferred Stock is outstanding, no distribution of cash or other property shall be authorized, declared, paid or set apart for payment on or with respect to any class or series of Common Stock or any class or series of other stock of the Corporation ranking junior as to the payment of distributions to the Series A Preferred Stock (such Common Stock or other junior stock, collectively, "Junior Stock"), nor shall any cash or other property be set aside for or applied to the purchase, redemption or other acquisition for consideration of any Series A Preferred Stock, any Parity Preferred Stock with respect to distributions or any

Junior Stock, unless, in each case, all distributions accumulated on all Series A Preferred Stock and all classes and series of outstanding Parity Preferred Stock as to payment of distributions have been paid in full. The foregoing sentence will not prohibit (i) distributions payable solely in Junior Stock, (ii) the conversion of Series A Preferred Stock, Junior Stock or Parity Preferred Stock into stock of the Corporation ranking junior to the Series A Preferred Stock as to distributions, and (iii) purchases by the Corporation of such Series A Preferred Stock or Parity Preferred Stock with respect to distributions or Junior Stock pursuant to Article 5 of the Charter to the extent required to preserve the Corporation's status as a real estate investment trust.

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

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

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

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

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

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

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

Section 5. Optional Redemption. (a) Right of Optional Redemption. The Series A Preferred Stock may not be redeemed prior to June 25, 2003. On or after such date, the Corporation shall have the right to redeem the Series A Preferred Stock, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' written notice, at a redemption

price, payable in cash, equal to \$50 per share of Series A Preferred Stock plus accumulated and unpaid distributions, whether or not declared, to the date of redemption. If fewer than all of the outstanding shares of Series A Preferred Stock are to be redeemed, the shares of Series A Preferred Stock to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional shares).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[Signature Page Follows]

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

REGENCY REALTY CORPORATION

By: _____ /s/ Bruce M. Johnson

Name: Bruce M. Johnson
Title: Executive Vice President

[SEAL]ATTEST:

_____/s/ J. Christian Leavitt
Name: J. Christian Leavitt
Title: Secretary

Fax Audit No.

Fax Audit No. _____

10

Fax Audit No.

Prepared by: Linda Y. Kelso (FL Bar No. 298662)

Foley & Lardner

P.O. Box 240

Jacksonville, FL 32202

Telephone No. (904)359-2000

Fax Audit No.

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION OF
REGENCY REALTY CORPORATION
DESIGNATING THE PREFERENCES, RIGHTS AND
LIMITATIONS OF 850,000 SHARES OF
8.75% SERIES B CUMULATIVE REDEEMABLE PREFERRED STOCK
\$0.01 Par Value

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

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

SECOND: Pursuant to the authority conferred upon the Committee as aforesaid, the Committee has unanimously adopted resolutions designating the aforesaid class of Preferred Stock as the "8.75% Series B Cumulative Redeemable Preferred Stock," setting the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such 8.75% Series B Cumulative Redeemable Preferred Stock (to the extent not set by the Board of Directors in the resolutions referred to in Article First of these Articles of Amendment) and authorizing the issuance of up to 850,000 shares of 8.75% Series B Cumulative Redeemable Preferred Stock.

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

Section 1. Designation and Number. A series of Preferred Stock, designated the "8.75% Series B Cumulative Redeemable Preferred Stock" (the "Series B Preferred Stock") is hereby established. The number of shares of Series B Preferred Stock shall be 850,000.

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

Stock.

Section 3. Distributions. (a) Payment of Distributions. Subject to the rights of holders of Parity Preferred Stock as to the payment of distributions and holders of equity securities issued after the date hereof in accordance herewith ranking senior to the Series B Preferred Stock as to payment of distributions, holders of Series B Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation, out of funds legally available for the payment of distributions, cumulative cash distributions at the rate per annum of 8.75% of the \$100.00 liquidation preference per share of Series B Preferred Stock (the "Distribution Rate"). Notwithstanding anything herein to the contrary, the Distribution Rate shall be equal to the Coupon Rate (as defined in Amendment No. 1 to the Third Amended and Restated Agreement of Limited Partnership of Regency Centers, L.P.) in effect at the time of issuance of the Series C Preferred Stock. Such distributions shall be cumulative, shall accrue from the original date of issuance and will be payable in cash (A) quarterly in arrears, on or before March 1, June 1, September 1 and December 1 of each year commencing on the first of such dates to occur after the original date of issuance and, (B) in the event of a redemption, on the redemption date (each a "Series B Preferred Stock Distribution Payment Date"). The amount of the distribution payable for any period will be computed based on the ratio basis of a 360-day year of twelve 30-day months and for any period shorter than a full quarterly period for which distributions are computed, the amount of the distribution payable will be computed on the basis of the actual number of days elapsed in such quarterly period to 90 days. If any date on which distributions are to be made on the Series B Preferred Stock is not a Business Day (as defined herein), then payment of the distribution to be made on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Distributions on the Series B Preferred Stock will be made to the holders of record of the Series B Preferred Stock on the relevant record dates to be fixed by the Board of Directors of the Corporation, which record dates shall be not less than 10 days and not more than 30 Business Days prior to the relevant Series B Preferred Stock Distribution Payment Date (each a "Distribution Record Date"). Notwithstanding anything to the contrary set forth herein, each share of Series B Preferred Stock shall also continue to accrue all accrued and unpaid distributions, whether or not declared, up to the exchange date on any Series B Preferred Unit (as defined in the Third Amended and Restated Agreement of Limited Partnership of Regency Centers, L.P., dated as September 1, 1999 as amended by that certain Amendment No. 1 to Third Amended and Restated Agreement of Limited Partnership dated as of September 3, 1999 (as amended, the "Partnership Agreement")) validly exchanged into such share of Series B Preferred Stock in accordance with the provisions of such Partnership Agreement.

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

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

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

(ii) So long as distributions have not been paid in full (or a sum sufficient for such full payment is not irrevocably deposited in trust for payment) upon the Series B Preferred Stock, all distributions authorized and declared on the Series B Preferred Stock and all classes or series of outstanding Parity Preferred Stock with respect to distributions shall be authorized and declared so that the amount of distributions authorized and declared per share of Series B Preferred Stock and such other classes or series

of Parity Preferred Stock shall in all cases bear to each other the same ratio that accrued distributions per share on the Series B Preferred Stock and such other classes or series of Parity Preferred Stock (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such class or series of Parity Preferred Stock do not have cumulative distribution rights) bear to each other.

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

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

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

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

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

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

Section 5. Optional Redemption. (a) Right of Optional Redemption. The Series B Preferred Stock may not be redeemed prior to September 3, 2004. On or after such date, the Corporation shall have the right to redeem the Series B Preferred Stock, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' written notice, at a redemption price, payable in cash, equal to \$100.00 per share of Series B Preferred Stock plus accumulated and unpaid distributions, whether or not declared, to the date of redemption. If fewer than all of the outstanding shares of Series B Preferred Stock are to be redeemed, the shares of Series B Preferred Stock to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional shares).

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

(ii) The Corporation may not redeem fewer than all of the outstanding shares of Series B Preferred Stock unless all accumulated and unpaid distributions have been paid on all Series B Preferred Stock for all quarterly

distribution periods terminating on or prior to the date of redemption.

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

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

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

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

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

(ii) At any time when such voting rights shall have vested, a proper officer of the Corporation shall call or cause to be called, upon written request of holders of record of at least 10% of the outstanding shares of Series B Preferred Stock, a special meeting of the holders of Series B Preferred Stock and all the series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable (collectively, the "Parity Securities") by mailing or causing to be mailed to such holders a notice of such special meeting to be held not less than ten and not more than 45 days after the date such notice is given. The record date for determining holders of the Parity Securities entitled to notice of and to vote at such special meeting will be the close of business on the third Business Day preceding the day on which such

notice is mailed. At any annual or special meeting at which Parity Securities are entitled to vote, all of the holders of the Parity Securities, by plurality vote, voting together as a single class without regard to series will be entitled to elect two directors on the basis of one vote per \$25.00 of liquidation preference to which such Parity Securities are entitled by their terms (excluding amounts in respect of accumulated and unpaid dividends) and not cumulatively. The holder or holders of the Parity Securities representing one-third of the total voting power of the Parity Securities then outstanding, present in person or by proxy, will constitute a quorum for the election of the Preferred Stock Directors except as otherwise provided by law. Notice of all meetings at which holders of the Series B Preferred Stock shall be entitled to vote will be given to such holders at their addresses as they appear in the transfer records. At any such meeting or adjournment thereof in the absence of a quorum, subject to the provisions of any applicable law, the holders of the Parity Securities representing a majority of the voting power of the Parity Securities present in person or by proxy shall have the power to adjourn the meeting for the election of the Preferred Stock Directors, without notice other than an announcement at the meeting, until a quorum is present. If a Series B Preferred Distribution Default shall terminate after the notice of an annual or special meeting has been given but before such special meeting has been held, the Corporation shall, as soon as practicable after such termination, mail or cause to be mailed notice of such termination to holders of the Series B Preferred Stock that would have been entitled to vote at such meeting.

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

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

dissolution or winding-up to the extent such Preferred Stock is not issued to an affiliate of the Corporation (other than Security Capital U.S. Realty, Security Capital Holdings, S.A. or their affiliates purchasing preferred stock of the same series on the same terms as non-affiliates), shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers and no vote of the Voting Securities shall be required in such case.

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

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

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

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

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

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

[Signature Page Follows]

Fax Audit No. _____

11

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

REGENCY REALTY CORPORATION

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

[SEAL]

[ATTEST]

/s/ J. Christian Leavitt
Name: J. Christian Leavitt
Title: Secretary

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION OF
REGENCY REALTY CORPORATION
DESIGNATING THE PREFERENCES, RIGHTS AND
LIMITATIONS OF 750,000 SHARES OF
9.0% SERIES C CUMULATIVE REDEEMABLE PREFERRED STOCK
\$0.01 Par Value

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

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

SECOND: Pursuant to the authority conferred upon the Committee as aforesaid, the Committee has unanimously adopted resolutions designating the aforesaid class of Preferred Stock as the "9.0% Series C Cumulative Redeemable Preferred Stock," setting the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such 9.0% Series C Cumulative Redeemable Preferred Stock (to the extent not set by the Board of Directors in the resolutions referred to in Article First of these Articles of Amendment) and authorizing the issuance of up to 750,000 shares of 9.0% Series C Cumulative Redeemable Preferred Stock.

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

Section 1. Designation and Number. A series of Preferred Stock, designated the "9.0% Series C Cumulative Redeemable Preferred Stock" (the "Series C Preferred Stock") is hereby established. The number of shares of Series C Preferred Stock shall be 750,000.

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

Section 3. Distributions. (a) Payment of Distributions. Subject to the rights of holders of Parity Preferred Stock as to the payment of distributions and holders of equity securities issued after the date hereof in accordance herewith ranking senior to the Series C Preferred Stock as to payment of distributions, holders of Series C Preferred Stock shall be entitled to

receive, out of funds legally available for the payment of distributions, cumulative preferential cash distributions at the rate per annum of 9.0% of the \$100.00 liquidation preference per share of Series C Preferred Stock. Such distributions shall be cumulative, shall accrue from the original date of issuance and will be payable in cash when, as and if declared by the Board of Directors of the Corporation (A) quarterly in arrears, on or before March 31, June 30, September 30 and December 31 of each year commencing on the first of such dates to occur after the original date of issuance and, (B) in the event of a redemption, on the redemption date (each a "Series C Preferred Stock Distribution Payment Date"). The amount of the distribution payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and for any period shorter than a full quarterly period for which distributions are computed, the amount of the distribution payable will be computed based on the ratio of the actual number of days elapsed in such quarterly period to 90 days. If any date on which distributions are to be made on the Series C Preferred Stock is not a Business Day (as defined herein), then payment of the distribution to be made on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Distributions on the Series C Preferred Stock will be made to the holders of record of the Series C Preferred Stock on the relevant record dates to be fixed by the Board of Directors of the Corporation, which record dates shall be not less than 10 days and not more than 30 Business Days prior to the relevant Series C Preferred Stock Distribution Payment Date (each a "Distribution Record Date"). Notwithstanding anything to the contrary set forth herein, each share of Series C Preferred Stock shall also continue to accrue all accrued and unpaid distributions, whether or not declared, up to the exchange date on any Series C Preferred Unit (as defined in the Third Amended and Restated Agreement of Limited Partnership of Regency Centers, L.P., dated as September 1, 1999 as amended by that certain Amendment No. 2 to Third Amended and Restated Agreement of Limited Partnership dated as of September 3, 1999 (as amended, the "Partnership Agreement")) validly exchanged into such share of Series C Preferred Stock in accordance with the provisions of such Partnership Agreement.

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

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

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

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

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

Section 4. Liquidation Preference. (a) Payment of Liquidation

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

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

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

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

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

Section 5. Optional Redemption. (a) Right of Optional Redemption. The Series C Preferred Stock may not be redeemed prior to September 3, 2004. On or after such date, the Corporation shall have the right to redeem the Series C Preferred Stock, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' written notice, at a redemption price, payable in cash, equal to \$100.00 per share of Series C Preferred Stock plus accumulated and unpaid distributions, whether or not declared, to the date of redemption. If fewer than all of the outstanding shares of Series C Preferred Stock are to be redeemed, the shares of Series C Preferred Stock to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional shares).

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

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

(c) Procedures for Redemption. (i) Notice of redemption will be (i) faxed, and (ii) mailed by the Corporation, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the respective holders of record of the Series C Preferred Stock to be redeemed at their respective addresses as they appear on the transfer records of the Corporation. No failure to give or defect in such notice shall affect the validity of the proceedings for the redemption of any Series C Preferred Stock

except as to the holder to whom such notice was defective or not given. In addition to any information required by law or by the applicable rules of any exchange upon which the Series C Preferred Stock may be listed or admitted to trading, each such notice shall state: (i) the redemption date, (ii) the redemption price, (iii) the number of shares of Series C Preferred Stock to be redeemed, (iv) the place or places where such shares of Series C Preferred Stock are to be surrendered for payment of the redemption price, (v) that distributions on the Series C Preferred Stock to be redeemed will cease to accumulate on such redemption date and (vi) that payment of the redemption price and any accumulated and unpaid distributions will be made upon presentation and surrender of such Series C Preferred Stock. If fewer than all of the shares of Series C Preferred Stock held by any holder are to be redeemed, the notice mailed to such holder shall also specify the number of shares of Series C Preferred Stock held by such holder to be redeemed.

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

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

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

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

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

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

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

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

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

Section 8. No Sinking Fund. No sinking fund shall be established for the

retirement or redemption of Series C Preferred Stock.

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

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

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

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

[Signature Page Follows]

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

REGENCY REALTY CORPORATION

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

[SEAL]

[ATTEST]

J. Christian Leavitt
Name: J. Christian Leavitt
Title: Secretary

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION OF
REGENCY REALTY CORPORATION
DESIGNATING THE PREFERENCES, RIGHTS AND
LIMITATIONS OF 500,000 SHARES OF
9.125% SERIES D CUMULATIVE REDEEMABLE PREFERRED STOCK
\$0.01 Par Value

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

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

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

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

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

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

rights shall be different from those of the Series D Preferred Stock and includes the Series A Cumulative Redeemable Preferred Stock, the Series B Cumulative Redeemable Preferred Stock, the Series C Cumulative Redeemable Preferred Stock, the Series 1 Cumulative Convertible Redeemable Preferred Stock and the Series 2 Cumulative Convertible Redeemable Preferred Stock of the Corporation. The term "equity securities" does not include debt securities, which will rank senior to the Series D Preferred Stock prior to conversion.

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

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

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

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

(d) Priority as to Distributions. (i) So long as any Series D Preferred Stock is outstanding, no distribution of cash or other property shall be authorized, declared, paid or set apart for payment on or with respect to any class or series of Common Stock or any class or series of other stock of the Corporation ranking junior to the Series D Preferred Stock as to the payment of distributions (such Common Stock or other junior stock, collectively, "Junior Stock"), nor shall any cash or other property be set aside for or applied to the purchase, redemption or other acquisition for consideration of any Series D

Preferred Stock, any Parity Preferred Stock with respect to distributions or any Junior Stock, unless, in each case, all distributions accumulated on all Series D Preferred Stock and all classes and series of outstanding Parity Preferred Stock with respect to distributions have been paid in full. Without limiting Section 6(b) hereof, the foregoing sentence will not prohibit (i) distributions payable solely in shares of Junior Stock, (ii) the conversion of Junior Stock or Parity Preferred Stock into Junior Stock, and (iii) purchases by the Corporation of such Series D Preferred Stock or Parity Preferred Stock or Junior Stock pursuant to Article 5 of the Charter to the extent required to preserve the Corporation's status as a real estate investment trust.

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

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

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

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

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

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

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

Section 5. Optional Redemption. (a) Right of Optional Redemption. The Series D Preferred Stock may not be redeemed prior to September 29, 2004. On or after such date, the Corporation shall have the right to redeem the Series D Preferred Stock, in whole or in part, at any time or from time to

time, upon not less than 30 nor more than 60 days' written notice, at a redemption price, payable in cash, equal to \$100 per share of Series D Preferred Stock plus accumulated and unpaid distributions, whether or not declared, to the date of redemption. If fewer than all of the outstanding shares of Series D Preferred Stock are to be redeemed, the shares of Series D Preferred Stock to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional units).

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

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

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

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

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

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

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

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

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

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

(c) Certain Voting Rights. So long as any Series D Preferred Stock remains outstanding, the Corporation shall not, without the affirmative vote of the holders of at least two-thirds of the Series D Preferred Stock and the Series D Preferred Units outstanding at such time and not previously surrendered in exchange for Series D Preferred Stock together, if applicable, voting as a single class based on the number of shares into which such Series D Preferred Units are then convertible (collectively, the "Series D Voting Securities") (i) designate or create, or increase the authorized or issued amount of, any class or series of shares ranking senior to the Series D Preferred Stock with respect to payment of distributions or rights upon liquidation, dissolution or winding-up or reclassify any authorized shares of the Corporation into any such shares, or create, authorize or issue any obligations or securities convertible into or evidencing the right to purchase

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

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

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

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

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

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

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

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

REGENCY REALTY CORPORATION

By: /s/ Robert L. Miller
Name: Robert L. Miller
Title: Sr. Vice President

[SEAL]

ATTEST:

/s/ J. Christian Leavitt
Name: J. Christian Leavitt
Title: Secretary

004.160941.1

004.160941.1

2

004.160941.1

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION OF
REGENCY REALTY CORPORATION
AMENDING THE DESIGNATION OF THE PREFERENCES, RIGHTS
AND LIMITATIONS OF 542,532 SHARES OF
SERIES 1 CUMULATIVE CONVERTIBLE REDEEMABLE PREFERRED STOCK
\$0.01 Par Value

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

The Corporation was incorporated on July 8, 1993, effective July 9, 1993, under the name Regency Realty Corporation. By resolutions duly adopted on July 29, 1999, the Board of Directors of the Corporation has approved an amendment ("Amendment") to the Articles of Amendment to the Charter (the "Designation") designating the preferences, rights and limitations of 542,532 shares of Series 1 Cumulative Convertible Redeemable Preferred Stock, par value \$0.01 per share (the "Series 1 Preferred Stock"). Pursuant to Section 9(c) of the Designation and pursuant to Sections 607.0704 and 607.1004 of the FBCA, the Amendment was approved by the written consent of the holders of record of a majority of the outstanding shares of the Series 1 Preferred Stock effective August __, 1999. The number of votes cast by such voting group was sufficient for approval of the Amendment by such voting group. No other voting group was entitled to vote on the Amendment.

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

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

[Signature Page Follows]

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

REGENCY REALTY CORPORATION

By:

Name: Bruce M. Johnson

Title: Executive Vice President and
Managing Director

[SEAL]

004.160941.1

004.160941.1

2

004.160941.1

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

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

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

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

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

[Signature Page Follows]

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

REGENCY REALTY CORPORATION

By:

Name: Bruce M. Johnson

Title: Executive Vice President and
Managing Director

[SEAL]

AMENDED AND RESTATED BYLAWS
OF
REGENCY REALTY CORPORATION
(a Florida corporation)
(as last amended on September 23, 1998)

i
TABLE OF CONTENTS

	Page
ARTICLE 1	
Definitions	
SECTION 1.1	DEFINITIONS.....1
ARTICLE 2	
Offices	
SECTION 2.1	PRINCIPAL AND BUSINESS OFFICES.....1
SECTION 2.2	REGISTERED OFFICE.....1
ARTICLE 3	
Shareholders	
SECTION 3.1	ANNUAL MEETING.....1
SECTION 3.2	SPECIAL MEETINGS.....2
SECTION 3.3	PLACE OF MEETING.....2
SECTION 3.4	NOTICE OF MEETING.....2
SECTION 3.5	WAIVER OF NOTICE.....3
SECTION 3.6	FIXING OF RECORD DATE.....3
SECTION 3.7	SHAREHOLDERS' LIST FOR MEETINGS.....4
SECTION 3.8	QUORUM.....4
SECTION 3.9	VOTING OF SHARES.....5
SECTION 3.10	VOTE REQUIRED.....5
SECTION 3.11	CONDUCT OF MEETING.....5
SECTION 3.12	INSPECTORS OF ELECTION.....5
SECTION 3.13	PROXIES.....5
SECTION 3.14	SHAREHOLDER NOMINATIONS AND PROPOSALS.....6
SECTION 3.15	ACTION BY SHAREHOLDERS WITHOUT MEETING.....6
SECTION 3.16	ACCEPTANCE OF INSTRUMENTS SHOWING SHAREHOLDER ACTION.....7
ARTICLE 4	
Board of Directors	
SECTION 4.1	GENERAL POWERS AND NUMBER.....7
SECTION 4.2	QUALIFICATIONS.....8
SECTION 4.3	TERM OF OFFICE.....8
SECTION 4.4	REMOVAL.....8
SECTION 4.5	RESIGNATION.....8
SECTION 4.6	VACANCIES.....8
SECTION 4.7	COMPENSATION.....8
SECTION 4.8	REGULAR MEETINGS.....9
SECTION 4.9	SPECIAL MEETINGS.....9
SECTION 4.10	NOTICE.....9
SECTION 4.11	WAIVER OF NOTICE.....9
SECTION 4.12	QUORUM AND VOTING.....9
SECTION 4.13	CONDUCT OF MEETINGS.....9
SECTION 4.14	COMMITTEES.....10
SECTION 4.15	ACTION WITHOUT MEETING.....10

ARTICLE 5

Officers

SECTION 5.1 NUMBER.....11
SECTION 5.2 ELECTION AND TERM OF OFFICE.....11
SECTION 5.3 REMOVAL.....11
SECTION 5.4 RESIGNATION.....11
SECTION 5.5 VACANCIES.....11
SECTION 5.6 CHAIRMAN.....11
SECTION 5.7 PRESIDENT.....12
SECTION 5.8 MANAGING DIRECTORS.....12
SECTION 5.9 VICE PRESIDENTS.....12
SECTION 5.10 SECRETARY.....13
SECTION 5.11 TREASURER.....13
SECTION 5.12 ASSISTANT SECRETARIES AND ASSISTANT TREASURERS.....13
SECTION 5.13 OTHER ASSISTANTS AND ACTING OFFICERS.....13
SECTION 5.14 SALARIES.....13

ARTICLE 6

Contracts, Checks and Deposits; Special Corporate Acts

SECTION 6.1 CONTRACTS.....14
SECTION 6.2 CHECKS, DRAFTS, ETC.....14
SECTION 6.3 DEPOSITS.....14
SECTION 6.4 VOTING OF SECURITIES OWNED BY CORPORATION.....14

ARTICLE 7

Certificates for Shares; Transfer of Shares

SECTION 7.1 CONSIDERATION FOR SHARES.....14
SECTION 7.2 CERTIFICATES FOR SHARES.....15
SECTION 7.3 TRANSFER OF SHARES.....15
SECTION 7.4 RESTRICTIONS ON TRANSFER.....15
SECTION 7.5 LOST, DESTROYED, OR STOLEN CERTIFICATES.....15
SECTION 7.6 STOCK REGULATIONS.....16

ARTICLE 8

Seal

SECTION 8.1 SEAL.....16

ARTICLE 9

Books and Records

SECTION 9.1 BOOKS AND RECORDS.....16
SECTION 9.2 SHAREHOLDERS' INSPECTION RIGHTS.....16
SECTION 9.3 DISTRIBUTION OF FINANCIAL INFORMATION.....16
SECTION 9.4 OTHER REPORTS.....16

ARTICLE 10

Indemnification

SECTION 10.1 PROVISION OF INDEMNIFICATION.....16

ARTICLE 11

Amendments

SECTION 11.1 POWER TO AMEND.....17

ARTICLE 1

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, or 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.

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, a majority of whom shall be Independent Directors. The number of directors shall be established from time to time by resolution of the Board of 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 Elected 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 of the Board of Directors shall be the principal executive officer of the corporation and, subject to the direction of the Board of Directors, shall in general supervise all of the business operations and affairs of the corporation, the daily operations of which shall be under the control of the President. The Chairman shall, when present, preside over all meetings of the Board of Directors and shareholders of the corporation. The Chairman shall have authority, subject to such rules as may be prescribed by the Board of Directors, to direct the President in the performance of the President's duties. The Chairman 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 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 Chairman. 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, 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 Chairman may authorize the President, any Managing Director, Vice President or other officer or agent of the corporation to execute and acknowledge such documents or instruments in his place and stead. 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 operating officer of the corporation and, subject to the direction of the Board of Directors and the Chairman, 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, subject to such rules as may be prescribed by the Board of Directors and/or the Chairman, 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 or the Chairman, 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 depositories 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.

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 depositories 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.

THIRD AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
REGENCY CENTERS, L.P.
(formerly known as Regency Retail Partnership, L.P.)

004.197245.1

vi

TABLE OF CONTENTS

Article 1
Defined Terms

Article 2
Organizational Matters

Section 2.1	Organization; Application of Act.....	16
Section 2.2	Name.....	16
Section 2.3	Registered Office and Agent; Principal Office.....	17
Section 2.4	Term.....	17

Article 3
Purpose

Section 3.1	Purpose and Business.....	17
Section 3.2	Powers.....	17

Article 4
Capital Contributions; Issuance Of Units;
Capital Accounts

Section 4.1	Capital Contributions of the Partners.....	18
Section 4.2	Issuances of Additional Partnership Interests.....	19
Section 4.3	No Preemptive Rights.....	21
Section 4.4	Capital Accounts of the Partners.....	21
Section 4.5	Issuance of Series A Preferred Units.....	22

Article 5
Distributions

Section 5.1	Requirement and Characterization of Distributions.....	34
Section 5.2	Amounts Withheld.....	36
Section 5.3	Withholding.....	36
Section 5.4	Distributions Upon Liquidation.....	38

Article 6
Allocations

Section 6.1	Allocations of Net Income and Net Loss.....	38
Section 6.2	Special Allocation Rules.....	42
Section 6.3	Allocations for Tax Purposes.....	45

Article 7
Management And Operations Of Business

Section 7.1 Management.....46

Section 7.2 Certificate of Limited Partnership.....51

Section 7.3 Restriction on General Partner's Authority.....52

Section 7.4 Responsibility for Expenses.....52

Section 7.5 Outside Activities of the General Partner.....53

Section 7.6 Contracts with Affiliates.....53

Section 7.7 Indemnification.....54

Section 7.8 Liability of the General Partner.....55

Section 7.9 Other Matters Concerning the General Partner.....56

Section 7.10 Title to Partnership Assets.....57

Section 7.11 Reliance by Third Parties.....57

Article 8
Rights And Obligations Of Limited Partners

Section 8.1 Limitation of Liability.....58

Section 8.2 Management of Business.....58

Section 8.3 Outside Activities of Limited Partners.....58

Section 8.4 Priority Among Partners.....59

Section 8.5 Rights of Limited Partners Relating
to the Partnership..... ..59

Section 8.6 Redemption of Units.....60

Section 8.7 Regency's Assumption of Right.....63

Article 9
Books, Records, Accounting And Reports

Section 9.1 Records and Accounting.....64

Section 9.2 Fiscal Year.....64

Section 9.3 Reports.....64

Article 10
Tax Matters

Section 10.1	Preparation of Tax Returns.....	65
Section 10.2	Tax Elections.....	65
Section 10.3	Tax Matters Partner.....	65
Section 10.4	Organizational Expenses.....	66

Article 11
Transfers And Withdrawals

Section 11.1	Transfer.....	67
Section 11.2	Transfer of General Partner's Partnership Interests.	...67
Section 11.3	Limited Partners' Rights to Transfer.....	68
Section 11.4	Substituted Limited Partners.....	71
Section 11.5	Assignees.....	71
Section 11.6	General Provisions.....	71

Article 12
Admission Of Partners

Section 12.1	Admission of Successor General Partner.....	72
Section 12.2	Admission of Additional Limited Partners.....	73
Section 12.3	Amendment of Agreement and Certificate.....	73
Section 12.4	Representations and Warranties of Additional Limited Partners.	..73

Article 13
Dissolution And Liquidation

Section 13.1	Dissolution.....	74
Section 13.2	Winding Up.....	75
Section 13.3	Compliance with Timing Requirements of Regulations; Allowance for Contingent or Unforeseen Liabilities or Obligations.....	77
Section 13.4	Deficit Capital Account Restoration.....	78
Section 13.5	Deemed Distribution and Recontribution.....	79
Section 13.6	Rights of Limited Partners.....	79
Section 13.7	Notice of Dissolution.....	80
Section 13.8	Cancellation of Certificate of Limited Partnership....	80
Section 13.9	Reasonable Time for Winding-Up.....	80

Article 14
Amendment Of Partnership Agreement; Meetings

Section 14.1	Amendments.....	80
Section 14.2	Meetings of Limited Partners.....	83

Article 15
General Provisions

Section 15.1	Addresses and Notice.....	84
Section 15.2	Titles and Captions.....	85
Section 15.3	Pronouns and Plurals.....	85
Section 15.4	Further Action.....	85
Section 15.5	Binding Effect.....	85
Section 15.6	Waiver of Partition.....	85

Section 15.7 Entire Agreement.....85
Section 15.8 Remedies Not Exclusive.....86
Section 15.9 Time.....86
Section 15.10 Creditors.....86
Section 15.11 Waiver.....86
Section 15.12 Execution Counterparts.....86
Section 15.13 Applicable Law.....86
Section 15.14 Invalidity of Provisions.....86

Article 16
Power Of Attorney

Section 16.1 Power of Attorney.....86

SCHEDULES

Schedule 7.8(b)...Regency's PFIC Obligations

Schedule 8.6(a)...Transfer Restrictions in Regency's Articles of Incorporation

Schedule 13.4(a)..Electing Partners with Deficit Capital Account Make-up
Requirement

EXHIBITS

Exhibit A.....Partners and Partnership Interests (addresses)

Exhibit B.....Notice of Redemption

Exhibit C.....Security Capital Waiver and Consent Agreement

Exhibit D.....Class Z Branch Partners and Class Z Midland Partners

Exhibit E Fourth Amended and Restated Agreement of Limited Partnership
 of Regency Centers, L.P.

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

THIS THIRD AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP is dated as of _____, 1999, by and among Regency Realty Corporation, a Florida corporation, as general partner (the "General Partner"), and those additional persons who from time to time agree to be bound by this Agreement as limited partners (the "Limited Partners"), and amends and restates the Second Amended and Restated Agreement of Limited Partnership of the Partnership dated as of March 5, 1998 (the "Second Amended Agreement"), as amended by Amendment No. 1 dated as of June 25, 1998.

Background

Limited Partners (the "Original Limited Partners") who formerly were partners of Branch Properties, L.P. or its affiliates were admitted to the Partnership on March 7, 1997 pursuant to an Amended Restated Agreement of Limited Partnership as of that date (as amended, the "Initial Agreement").

In February 1998, Regency Realty Corporation ("Regency") merged with Regency Atlanta, Inc., which was then the general partner of the Partnership, with Regency being the surviving corporation in the merger. Accordingly, Regency became the General Partner of the Partnership. Regency also caused the merger into the Partnership of its subsidiary, Regency Centers, Inc., which owned at least 35 shopping center properties immediately prior to the merger.

In connection with the first admission of Class 2 Unit holders, the General Partner amended and restated the Initial Agreement on March 5, 1998 (the "Second Amended Agreement") (i) to provide for admitting Additional Limited Partners (as defined below) to the Partnership from time to time, (ii) to make certain changes of an inconsequential nature to the form of the provisions governing the maintenance of Capital Accounts, and (iii) to delete matters of historical interest.

In connection with the issuance by the Partnership of \$80 million Series A Preferred Units (as defined below) to an institutional investor pursuant to Section 4.2 hereof, the General Partner and Security Capital (as defined below) entered into Amendment No. 1 to the Second Amended Agreement on June 25, 1998 (the "Preferred Unit Amendment"). The Preferred Unit Amendment designated the rights, preferences and limitations of the Series A Preferred Units and was approved by the holders of a majority of the Original Limited Partnership Units and the holders of a majority of the Class 2 Units.

Pursuant to authority granted to the General Partner in Section 14.1(b)(iv), the General Partner wishes to amend and restate the Second Amended Agreement, as amended, (i) to reflect the admission of the Series A Preferred Partners (as defined below), (ii) to incorporate the Preferred Unit Amendment, and (iii) to delete matters of historical interest that are no longer relevant.

The General Partner anticipates that it will contribute all or substantially all its assets to the Partnership, subject to applicable consents of third parties or in the case of shopping centers securing \$51 million of securitized mortgage debt due November 5, 2000, upon the repayment of such debt, so as to cause the Partnership to become an "UPREIT".

Pursuant to Section 14.1(a), a majority in interest of the Original Limited Partners and a majority in interest of the Additional Limited Partners have consented to amending and restating the Second Amended Agreement, as amended, (i) to make certain changes to the allocations of Net Income and Net Loss and (ii) to approve the form of the Partnership's Fourth Amended and Restated Agreement of Limited Partnership attached hereto (the "Fourth Amended Agreement") to be effective upon the Partnership becoming an UPREIT and upon the unanimous consent of the remaining Limited Partners, subject to Section 14.1(g). Consent to this Third Amended and Restated Agreement of Limited Partnership shall be deemed an irrevocable consent to the form of Fourth Amended Agreement.

Pursuant to Section 4.2, a majority in interest of the Original Limited Partners and a majority in interest of the Additional Limited Partners have consented to (i) the issuance of Preferred Units from time to time, subject to the conditions set forth in Section 4.2(b)(i).

NOW, THEREFORE, the Second Amended Agreement shall be amended and restated as follows (matters in italics are agreements with the Original Limited Partners only).

Defined Terms

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

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

"Additional Limited Partner" means a Person admitted to the Partnership as a Limited Partner pursuant to Section 4.2 hereof (other than (i) a Preferred Partner, (ii) the General Partner or (iii) any Affiliate of the General Partner other than a Property Affiliate) and who is shown as such on the books and records of the Partnership, including the Persons admitted in connection with the Partnership's acquisition of assets from Midland Development Group, Inc. and certain of its affiliated entities.

"Additional Units" means Units issued to an Additional Limited Partner. As provided in Section 5.2, the distribution rights of the Additional Units are subordinate to the distribution rights of the Original Limited Partnership Units but senior to distribution rights of the Class B Units.

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

"Adjusted Capital Account Deficit" means, with respect to any Partner, the deficit balance, if any, in such Partner's Adjusted Capital Account as of the end of the relevant Partnership Year.

"Adjusted Series A Preferred Units" of a Partner means the number of Series A Preferred Units owned by the Partner multiplied by the quotient obtained by dividing \$50 by \$24.25 (the Value of a Share on June 25, 1998).

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

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

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

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

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

- (a) all cash revenues and funds received by the Partnership from whatever source (excluding the proceeds of any Capital Contribution other than a Capital Contribution made by the General Partner for the purpose of funding distributions to Limited Partners and excluding Capital Transaction Proceeds) plus the amount of any reduction (including, without limitation, a reduction resulting because the General Partner determines such amounts are no longer necessary) in reserves of the Partnership, which reserves are referred to in clause (b)(iv) below;
- (b) less the sum of the following (except to the extent made with the proceeds of any Capital Contribution and except to the extent taken into account in determining Capital Transaction Proceeds), all of which shall be paid subject to Section 7.1(h):
 - (i) all interest, principal and other debt payments made during such period by the Partnership,
 - (ii) all other cash expenditures (including capital expenditures) made by the Partnership during such period,
 - (iii) investments in any entity (including loans made thereto) to the extent that such investments are not otherwise described in clauses (b)(i) or (ii), and
 - (iv) the amount of any increase in reserves established during such period which the General Partner determines is necessary or appropriate in its sole and absolute discretion.

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

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

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

"Capital Contribution" means, with respect to any Partner, any cash, cash equivalents or the value (as set forth by separate agreement) of property which such Partner contributes or is deemed to contribute to the Partnership pursuant to Section 4.1, Section 4.2 or Section 4.5 hereof and which shall be treated as a contribution to the Partnership pursuant to Section 721(a) of the Code.

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

"Capital Transaction Proceeds" means the net cash proceeds of a Capital Transaction, after deducting all expenses incurred in connection therewith and after application of any proceeds, at the sole discretion of the General Partner, toward the payment of any indebtedness of the Partnership whether or not secured by the property that is the subject of that Capital Transaction, the purchase, improvement or expansion of Partnership property, or the establishment of any reserves deemed reasonably necessary by the General Partner, including reserves for the purchase, improvement or expansion of Partnership property.

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

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

"Class B Units" means the Partnership Interest in the Partnership owned by the General Partner or any Affiliate other than a Property Affiliate but shall exclude any Series A Preferred Units and any other Preferred Units issued pursuant to Section 4.2(b)(i). As provided in Section 5.1(a) and Section 5.1(b), the distribution rights of the Class B Units are subordinate to the distribution rights of the non-Class B Units.

"Class 2 Units" means the Partnership Interests issued in connection with the Partnership's acquisition of assets from Midland Development Group, Inc. and certain of its affiliated entities. Pursuant to this Third Amended and Restated Agreement of Limited Partnership of the Partnership, all Class 2 Units have been reclassified as Additional Units.

"Class Z Branch Partners" means the Original Limited Partners listed on Exhibit D, who have failed to consent within 30 days after the Third Amendment Date to the adoption of this Third Amended Agreement; provided that an Original Limited Partner who consents to the Third Amended Agreement after such 30 day period, which consent may not be revoked, shall not be deemed a Class Z Branch Partner effective the first day of January after the date that the General Partner receives such consent.

"Class Z Midland Partners" means the Additional Limited Partners listed on Exhibit D, who have failed to consent within 30 days after the Third Amendment Date to the adoption of this Third Amended Agreement; provided that an Additional Limited Partner who consents to the Third Amended Agreement after such 30 day period, which consent may not be revoked, shall not be deemed a Class Z Midland Partner effective the first day of January after the date that the General Partner receives such consent.

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

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

"Common Units" means the Original Limited Partnership Units, the Additional Units and any other Partnership Interests in the Partnership other than Class B Units hereafter authorized, issued or outstanding which are entitled to distributions and to rights upon voluntary or involuntary liquidation, winding-up or dissolution only out of any assets remaining after all Preferred Units have received the amounts to which they are entitled. Common Units shall rank senior to the Class B Units as to distributions made pursuant to Section 5.1(a) or Section 5.1(b).

"Consent" means, except where this Agreement expressly specifies otherwise, with respect to Limited Partners holding any class of Units (other than Series A Preferred Units), the written consent or affirmative vote of those Limited Partners holding a majority of such Units outstanding at the time in question. Except where this Agreement expressly specifies otherwise, the Consent of the Original Limited Partners means the written consent or affirmative vote of the Original Limited Partners holding a majority of the Original Limited Partnership Units outstanding at the time in question. Consent of the Limited Partners means the written consent of the Original Limited Partners and the Additional Limited Partners holding a majority of the Units

outstanding at the time in question, treating such Units as a single class, and shall exclude any Partners holding Preferred Units unless this Agreement is amended to expressly provide for a particular class or series of Preferred Units to vote together with the holders of Common Units as a single class. "Consent of the Limited Partners" shall be determined excluding any Units held by the General Partner or any of its Affiliates other than a Property Affiliate who shall have no right to vote on any matter for which the consent of the Limited Partners is solicited.

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

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

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

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

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

"Excess Units" has the meaning set forth in Section 4.5(g)(i)(C).

"Exchange Notice" has the meaning set forth in Section 4.5(g)(ii)(A).

"Exchange Price" has the meaning set forth in Section 4.5(g)(i)(A).

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

"Fourth Amended Agreement" means the Fourth Amended and Restated Agreement of Limited Partnership attached hereto as Exhibit E.

"General Partner" means Regency Realty Corporation or its permitted successors as a general partner of the Partnership.

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

"Gross Asset Value" means with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the fair market value (exclusive of liabilities) of such asset, as determined by the General Partner, unless required to be determined in some other manner herein;

(b) The Gross Asset Values of all Partnership assets shall be adjusted to equal their respective fair market values (exclusive of liabilities), as determined by the General Partner, as of the following times: (i) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis capital contribution; (ii) the distribution by the Partnership to a Partner of more than a de minimis amount of property as consideration for an interest in the Partnership; and (iii) the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (i) and (ii) above shall be made only if the General Partner reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership;

- (c) The Gross Asset Value of any Partnership asset distributed to any Partner shall be adjusted to equal the fair market value (exclusive of liabilities) of such asset on the date of distribution as determined by the General Partner; and
- (d) The Gross Asset Values of Partnership assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant to this paragraph (d) to the extent the General Partner determines that an adjustment pursuant to paragraph (b) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this paragraph (d).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to paragraphs (a), (b), or (d) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing profits and losses.

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

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

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

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

"Junior Units" has the meaning set forth in Section 4.5(c)(iv).

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

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

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

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

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

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

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

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

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

(d) Any income, gain or loss attributable to the taxable disposition of any Partnership property shall be determined as if the adjusted basis of such property as of such date of disposition were equal in amount to the Partnership's Gross Asset Value with respect to such property as of such date.

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

(f) In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to clause (b) or (c) of the definition thereof, the amount of any such adjustment shall be taken into account as gain or loss from the disposition of such asset and shall be allocated pursuant to Section 6.2(g).

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

Solely for purposes of allocating Net Income or Net Loss in any Fiscal Year to the holders of the Series A Preferred Units, items of Net Income and Net Loss, as the case may be, shall not include Depreciation with respect to properties (or groupings of properties selected by the General Partner using any method determined by it to be reasonable) that are "ceiling limited" in respect of the holders of the Series A Preferred Units. For purposes of the preceding sentence, Partnership property shall be considered ceiling limited in respect of a holder of Series A Preferred Units if Depreciation attributable to such Partnership property which would otherwise be allocable to such Partner, without regard to this paragraph, exceeded depreciation determined for federal income tax purposes attributable to such Partnership property which would otherwise be allocated to such Partner by more than 5%.

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

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

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

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

"Original Limited Partner" means the Partners who received Original Limited Partnership Units distributed by Branch Properties, L.P. to its respective partners pursuant to the Contribution Agreement. The Original Limited Partners are listed on Exhibit A attached hereto. The term "Original Limited Partner" shall also include any permitted transferee of an Original Limited Partner pursuant to Section 11.3 other than (i) the General Partner or (ii) any Affiliate of the General Partner other than a Property Affiliate.

"Original Limited Partnership Unit" means a Partnership Unit issued to an Original Limited Partner. The term "Original Limited Partnership Unit" does not include or refer to any Preferred Units, Additional Units or Class B Units.

"Parity Preferred Units" means any class or series of Partnership Interests of the Partnership now or hereafter authorized, issued or outstanding expressly designated by the Partnership to rank on a parity with Series A Preferred Units with respect to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Partnership, or both, as the context may require, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per Unit or conversion rights or exchange rights shall be different from those of the Series A Preferred Units.

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

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

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

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

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

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

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

"Partnership Record Date" means the record date established by the General Partner for the distribution of Available Cash pursuant to Section 5.1(a) hereof to Partners holding Common Units, which record date shall be the same as the record date established by Regency for a dividend to the holders of Common Stock.

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

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

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

"Pledged Units" means any Units pledged by a Limited Partner to the Partnership or the General Partner, whether pursuant to this Agreement or by separate agreement.

"Preexisting Partner" has the meaning set forth in Section 14.1(g)(iv) of this Agreement. Preexisting Partner shall not include any Person who is not a transferee of a Preexisting Partner and who first became a Limited Partner after the Third Amendment Date.

"Preferred Partner" means a Partner who holds Preferred Units.

"Preferred Unit Distribution Payment Date" has the meaning set forth in Section 4.5(c)(i).

"Preferred Unit Partnership Record Date" has the meaning set forth in Section 4.5(c)(i).

"Preferred Units" means the Series A Preferred Units and any Partnership Interests in the Partnership hereafter authorized, issued or outstanding from time to time pursuant to Section 4.2(b)(i) expressly designated by the Partnership to rank senior to the Common Units and Class B Units with respect to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Partnership, or both.

"Property Affiliate" means a Person, other than any Subsidiary of Regency, who contributed property in exchange for a Limited Partnership Interest and who may be deemed an Affiliate of the General Partner, e.g., because such person is a director of Regency or owns a significant number of Units or shares of Regency stock.

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

"Priority Distribution Amount" means with respect to an Original Limited Partnership Unit or Additional Unit outstanding on a Partnership Record Date (i) the cash dividend per share of Common Stock (including any dividend designated by Regency as capital gain pursuant to Section 857(b)(3)(C) of the Code) declared by Regency on the Partnership Record Date, multiplied by (ii) the Unit Adjustment Factor in effect on such Partnership Record Date except that on the first Partnership Record Date that occurs with respect to an Additional Unit, the General Partner may require that the Priority Distribution Amount be prorated to the extent that the Unit has not been outstanding each day since the immediately preceding Partnership Record Date.

"PTP" means a "publicly traded partnership" within the meaning of Section 7704 of the Code.

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

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

"Redeeming Partner" means a Limited Partner who duly exercised a Redemption Right.

"Redemption Amount" means the Share Amount or, as determined by the General Partner in its sole and absolute discretion, the Cash Amount or any combination of the Share Amount and the Cash Amount.

"Redemption Right" with respect to the Original Limited Partners has the meaning set forth in Section 8.6(a) hereof and with respect to Additional Limited Partners means any right granted to such Partners by separate agreement of the Partnership to redeem such Partners' Limited Partnership Interests for Common Stock and/or cash.

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

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

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

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

"Security Capital" means Security Capital U.S. Realty, a Luxembourg corporation, Security Capital Holdings, S.A., a Luxembourg corporation, and their Affiliates.

"Series A Preferred Partner" means the Limited Partners who received Series A Preferred Units and also include any permitted transferee of a Series A Preferred Partner pursuant to Section 11.3 and the General Partner or any Affiliate of Regency upon exchange or redemption of the Series A Preferred Units pursuant to Section 4.5.

"Series A Preferred Stock" has the meaning set forth in Section 4.5(g)(i)(A).

"Series A Preferred Units" means the Partnership Interest in the Partnership issued pursuant to Section 4.2 and Section 4.5 hereof representing 8.125% Series A Cumulative Redeemable Preferred Units. The term "Series A Preferred Unit" does not include or refer to any Original Limited Partnership Units, Additional Units or Class B Units.

"Series A Priority Return" means an amount equal to 8.125% per annum, determined on the basis of a 360 day year of twelve 30 day months (or actual days for any month which is shorter than a full monthly period), cumulative to the extent not distributed for any given distribution period, of the stated value of \$50 per Series A Preferred Unit, commencing on the date of issuance of such Series A Preferred Unit.

"Series A Redemption Price" has the meaning set forth in Section 4.5(e)(i).

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

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

"Specified Redemption Date" means the later of (i) 5:00 p.m.

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

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

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

"Third Amended Agreement" means this Third Amended and Restated Agreement of Limited Partnership dated as of _____, 1999.

"Third Amendment Date" means _____, 1999, the effective date of the Third Amended Agreement.

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

"Unit," "Limited Partnership Unit" or "Partnership Unit" means the Partnership Interest in the Partnership to be issued to and held by the Limited Partners pursuant to Section 4.1, Section 4.2 or Section 4.5. The ownership of Units may be evidenced by such form of certificate as the General Partner may determine, in its discretion, and the transfer of the Units evidenced by such certificates shall be governed by Article 11.

"Unit Adjustment Factor" means initially 1.0; provided that, in order to prevent dilution of the Redemption Right, in the event that Regency (i) declares or pays a dividend on its outstanding Common Stock in Common Stock or makes a distribution to all holders of its outstanding Common Stock in Common Stock, (ii) subdivides its outstanding Common Stock, or (iii) combines its outstanding Common Stock into a smaller number of shares, except as provided below, the Unit Adjustment Factor shall be adjusted by multiplying the Unit Adjustment Factor by a fraction, the numerator of which shall be the number of Shares issued and outstanding on the record date (assuming for such purposes that such dividend, distribution, subdivision or combination has occurred as of such time), and the denominator of which shall be the actual number of Shares (determined without the above assumption) issued and outstanding on the record date for such dividend, distribution, subdivision or combination. Any adjustment to the Unit Adjustment Factor shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event. If the General Partner (i) makes a distribution to all holders of outstanding Units in Units, (ii) subdivides the outstanding Units, or (iii) combines the outstanding Units into a smaller number of Units at the same time as a distribution, subdivision or combination, as the case may be, occurs with respect to the Common Stock, in such manner as to prevent enlargement or dilution of the right to redeem one Unit for one share of Common Stock, then no adjustment shall be made to the Unit Adjustment Factor, and such distribution, subdivision or combination of Units shall take the place of an adjustment to the Unit Adjustment Factor so as to preserve the one-Share-for-one Unit equivalency for purposes of any Redemption Right.

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

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

Article 2.....

Organizational Matters

Section 2.1.....Organization; Application of Act.

(a) Organization and Formation of Partnership. The Partnership has been formed as a limited partnership under the Act. The General Partner is the sole general partner and the Limited Partners are the sole limited partners of the Partnership.

(b) Application of Act. The Partnership is a limited partnership pursuant to the

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

Section 2.2.....Name. The name of the Partnership is Regency Centers, L.P. The Partnership's business may be conducted under any other name or names deemed advisable by the General Partner, including the name of the General Partner or any Affiliate thereof. The words "Limited Partnership," "L.P.," "Ltd." or similar words or letters shall be included in the Partnership's name where necessary for the purposes of complying with the laws of any jurisdiction that so requires. The General Partner in its sole and absolute discretion may change the name of the Partnership at any time and from time to time and shall promptly notify the Limited Partners of such change; provided, that the name of the Partnership may not be changed to include the name, or any variant thereof, of any Limited Partner without the written consent of that Limited Partner.

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

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

Article 3.....

Purpose

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

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

Article 4.....

Capital Contributions; Issuance Of Units; Capital Accounts

Section 4.1.....Capital Contributions of the Partners.

(a) Initial Capital Contributions of Original Limited Partners. Branch Properties, L.P. has contributed property to the Partnership which shall be deemed to have been contributed by its respective partners as Original Limited Partners. The Original Limited Partners who have not exercised a Redemption Right with respect to all their Units are set forth on Exhibit A, together with their respective Percentage Interests. Percentage Interests of the Original Limited Partners shall be adjusted in Exhibit A from time to time by the General Partner to the extent permitted by this Agreement to reflect accurately redemptions, Capital Contributions, the issuance of Additional Units or Class B Units, or similar events having an effect on a Partner's Percentage Interest. Any Partnership Interests held by the General Partner or any Affiliate other than a Property Affiliate (including Partnership Interests acquired under Section 4.2, Section 8.6 and Section 8.7) shall be Class B Units, other than the Series A Preferred Units, the issuance of which has been approved by the Limited Partners pursuant to Section 4.2, and any Preferred Units issued pursuant to Section 4.2(b)(i).

(b) Initial Capital Contributions of Additional Limited Partners. Midland Development Group, Inc. and certain of its affiliated entities and PP Center Limited have contributed property to the Partnership which shall be deemed to have been contributed by their respective equity owners as Additional Limited Partners. Such Additional Limited Partners who have not exercised a Redemption Right with respect to all their Units are set forth on Exhibit A, together with their respective Percentage Interests.

(c) Capital Contributions by General Partner. The General Partner has contributed cash or other assets to the Partnership in exchange for the number of Class B Units set forth on Exhibit A. The General Partner also owns the number of Class B Units set forth on Exhibit A which were acquired by Regency upon the exchange by Regency pursuant to the exercise by former Limited Partners of Redemption Rights.

(d) Capital Contributions of Series A Preferred Partners. The Series A Preferred Partners have contributed cash to the Partnership in the amount of \$50 per Series A Preferred Unit. The distribution rights for the Series A Preferred Units shall be senior to the distribution rights of the Original Limited Partnership Units, the Additional Units and the Class B Units. The number of Series A Preferred Units issued to the Series A Preferred Partners is set forth on Exhibit A.

(e) Additional Capital Contributions or Assessments. No Partner shall be assessed or be required to contribute additional funds or other property to the Partnership, except for any such amounts which a Limited Partner may be obligated to repay under Section 5.3 or Section 13.4 and such amounts which the General Partner may be obligated to contribute as provided under Section 7.1(a)(iii). Any additional funds required by the Partnership, as determined by the General Partner in its reasonable business judgment, may, at the option of the General Partner and without an obligation to do so, be contributed by the General Partner as additional Capital Contributions. If and as the General Partner or any other Partner makes additional Capital Contributions to the Partnership, each such Partner shall receive Additional Units, Class B Units or other Partnership Interests, subject to the provisions of Section 4.2 and Section 4.5, and such Partner's Capital Account shall be adjusted as provided in Section 4.4.

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

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

Section 4.2.....Issuances of Additional Partnership Interests.

(a) Limitations. Separate agreements relating to the admission of Additional Limited Partners set forth the provisions, if any, upon which any Additional Units shall be issued to Additional Limited Partners in the form of earn-out or as consideration for additional assets to be contributed by such Additional Limited Partners to the Partnership. The General Partner shall cause the earn-out Additional Units to be issued to the Additional Limited Partners entitled to receive the same, and shall cause the amendment of this Agreement to reflect the issuance of any such Additional Units. Subject to the restrictions set forth below and in Section 4.5(f)(ii), the General Partner is hereby authorized to cause the Partnership at any time or from time to time to issue to the Partners or to other Persons such Partnership Interests in one or more classes, or one or more series of any such classes, with such designations, preferences and relative, participating, optional or other special rights, powers and duties, and for such consideration as shall be determined by the General Partner in its sole and absolute discretion, subject to Delaware law, including, without limitation, (i) the allocations of items of Partnership income, gain, loss, deduction and credit to each such class or series of Partnership Interests, (ii) the right of each such class or series of Partnership Interests to share in Partnership distributions, and (iii) the rights of each such class or series of Partnership Interests upon dissolution and liquidation of the Partnership; provided, however, that so long as there shall be any Original Limited Partnership Units outstanding, without the Consent of the Original Limited Partners, (a) any Partnership Interests issued shall be subordinate to the Original Limited Partnership Units and will not affect the priority of distributions with respect to the Original Limited Partnership Units as set forth in Section 5.1 hereof, (b) no Partnership Interests other than Class B Units shall be issued to the General Partner or any Affiliate of the General Partner other than a Property Affiliate, and (c) no Partnership Interests on a parity with the Original Limited Partnership Units shall be issued to any Person, and provided, further, that without the Consent of the Additional Limited Partners holding Additional Units, (a) no Partnership Interests other than Class B Units shall be issued to the General Partner or any Affiliate of the General Partner other than a Property Affiliate, and (b) except as provided in Section 6.2(g), no Partnership Interests senior to the Additional Units shall be issued to any Person.

(b) Consent Granted by Limited Partners for Certain Issuances. Pursuant to

Section 4.2(a), the Consent of Limited Partners holding Original Limited Partnership Units and the Consent of Limited Partners holding Additional Units has been obtained for, and no further Consent of the Limited Partners or of any class of Limited Partners shall be required for, the issuance of additional Units from time to time as follows:

(i) Issuance of Preferred Units. Subject to Section 4.5(f)(ii), Preferred Units may be issued to any Limited Partner if, as a result of such issuance and the application of the proceeds therefrom, the sum of (i) the aggregate liquidation preference of all outstanding Preferred Units entitled to priority upon liquidation and (ii) the Partnership's gross sales price of outstanding Preferred Units entitled to priority only with respect to distributions of Available Cash would not exceed twenty percent (20%) of the Partnership's book value before depreciation and amortization as of the end of the calendar quarter preceding the date of issuance, determined in accordance with generally accepted accounting principles. Nothing in this Section 4.2(b)(i) shall be construed to prohibit the General Partner from (i) redeeming Series A Preferred Units or other Preferred Units issued from time to time pursuant to this Section 4.2(b)(i) to third parties who are not Affiliates of the General Partner and (ii) holding and receiving distributions on such Redeemed Preferred Units where such Units are redeemed in exchange for preferred stock of the General Partner having designations, preferences and other rights substantially similar to the designations, preferences and other rights of the Units so redeemed.

(c) Certain Issuances in the Nature of Stock Split. Nothing herein shall prohibit the General Partner from issuing Units pro rata to the holders of existing Units in lieu of adjusting the Unit Adjustment Factor in connection with a stock split, stock dividend or similar event with respect to the Common Stock.

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

Section 4.4.....Capital Accounts of the Partners.

(a) General. The Partnership shall maintain for each Partner a separate Capital Account in accordance with the rules of Regulations Section 1.704-1(b)(2)(iv). Such Capital Account shall be increased by (i) the amount of all Capital Contributions made by such Partner to the Partnership pursuant to this Agreement, (ii) all items of Partnership income and gain (including income and gain exempt from tax) allocated to such Partner pursuant to Section 6.1 and Section 6.2 of this Agreement, and (iii) the amount of any Partnership liabilities assumed by such Partner or which are secured by any property distributed to such Partner, and decreased by (x) the amount of cash or Gross Asset Value of all actual and deemed distributions of cash or property made to such Partner pursuant to this Agreement, (y) all items of Partnership deduction and loss allocated to such Partner pursuant to Section 6.1 and Section 6.2 of this Agreement, and (z) the amount of any liabilities of such Partner assumed by the Partnership or which are secured by any property contributed by such Partner to the Partnership. Additional Capital Contributions shall be deemed to be made by reason of the issuance, and the Additional Limited Partner's Capital Account shall be adjusted by an amount equal to the agreed value (as set forth by separate agreement), of additional Partnership Interests issued to an Additional Limited Partner pursuant to any earn-out provisions in the agreement governing such Additional Limited Partner's admission to the Partnership. Any such additional Capital Contributions shall be allocated to the items of contributed property contributed by each such Additional Limited Partner in proportion to their book values at the time of issuance of the additional Partnership Interests.

(b) Transfers of Partnership Units. A transferee of a Partnership Interest shall succeed to a pro rata portion of the Capital Account of the transferor.

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

Section 4.5.....Issuance of Series A Preferred Units. Pursuant to authority granted by Section 4.2 with the Consent of the Original Limited Partners and the Consent of the Additional Limited Partners, the General Partner caused the Partnership to establish a series of Partnership Interests representing the Series A Preferred Units, with such designations, preferences and relative, participating, optional or other special rights, powers and duties as are set forth in this Section 4.5. In the event of a conflict between this Section 4.5 and any other provision of this Agreement as to the Series A Preferred Units, the provisions of this Section 4.5 shall control.

(a) Designation and Number. A series of Partnership Units in the Partnership designated as the "8.125% Series A Cumulative Redeemable Preferred Units" is

hereby established. The number of Series A Preferred Units shall be 1,600,000.

(b) Rank. The Series A Preferred Units will, with respect to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Partnership, or both, rank senior to all classes or series of Partnership Interests now or hereafter authorized, issued or outstanding, other than any class or series of equity securities of the Partnership issued after the issuance of the Series A Preferred Units and expressly designated in accordance with this Agreement as ranking on a parity with or senior to the Series A Preferred Units as to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Partnership, or both.

(c) Distributions.

(i) Payment of Distributions. Subject to the rights of holders of Parity Preferred Units and any holders of Partnership Interests issued after the date of issuance of the Series A Preferred Units in accordance herewith ranking senior to the Series A Preferred Units as to the payment of distributions, holders of Series A Preferred Units shall be entitled to receive, when, as and if declared by the Partnership acting through the General Partner, out of Available Cash and Capital Transaction Proceeds, cumulative preferential cash distributions at the rate per annum of 8.125% of the original Capital Contribution per Series A Preferred Unit. Such distributions shall be cumulative, shall accrue from the original date of issuance and will be payable (A) quarterly in arrears, on or before March 31, June 30, September 30 and December 31 of each year commencing on June 30, 1998 and, (B), in the event of (i) an exchange of Series A Preferred Units into Series A Preferred Stock, or (ii) a redemption of Series A Preferred Units, on the exchange date or redemption date, as applicable (each a "Preferred Unit Distribution Payment Date"). The amount of the distribution payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and for any period shorter than a full quarterly period for which distributions are computed, the amount of the distribution payable will be computed on the basis of the actual number of days elapsed in such a 30-day month. If any date on which distributions are to be made on the Series A Preferred Units is not a Business Day, then payment of the distribution to be made on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Distributions on June 30, 1998 and thereafter on the Series A Preferred Units will be made to the holders of record of the Series A Preferred Units on the relevant record dates to be fixed by the Partnership acting through the General Partner, which record dates shall be not less than ten (10) days and not more than thirty (30) Business Days prior to the relevant Preferred Unit Distribution Payment Date (the "Preferred Unit Partnership Record Date").

(ii) Limitation on Distributions. No distribution on the Series A Preferred Units shall be declared or paid or set apart for payment by the Partnership at such time as the terms and provisions of any agreement of the Partnership relating to its indebtedness (other than any agreement with the holder of Partnership Interests or an Affiliate thereof), prohibits such declaration, payment or setting apart for payment or provide, that such declaration, payment or setting apart for payment would constitute a breach thereof or a default thereunder, or if such declaration, payment or setting apart for payment shall be restricted or prohibited by law. Nothing in this Section 4.5(c)(ii) shall be deemed to modify or in any manner limit the provisions Section 4.5(c)(iii) and (iv).

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

(iv) Priority as to Distributions.

(A) So long as any Series A Preferred Units are outstanding, no distribution of cash or other property shall be authorized, declared, paid or set apart for payment on or with respect to any class or series of Partnership Interests of the Partnership ranking junior as to the payment of distributions to the Series A Preferred Units (collectively, "Junior Units"), nor shall any cash or other property be set aside for or applied to the purchase, redemption or other acquisition for consideration of any Series A Preferred Units, any Parity Preferred Units with respect to distributions or any Junior Units, unless, in each case, all distributions accumulated on all Series A Preferred Units and all classes and series of outstanding Parity Preferred Units as to payment of distributions have been paid in full. The foregoing sentence will not prohibit (a) distributions payable solely in Junior Units, (b) the conversion of Junior Units or Parity Preferred Units into Partnership Interests of the Partnership ranking junior to the Series A Preferred Units as to distributions,

or (c) the redemption of Partnership Interests corresponding to any Series A Preferred Stock, Parity Preferred Stock with respect to distributions or Junior Stock (as such terms are defined herein or in the Articles of Incorporation) to be purchased by the General Partner pursuant to Article 5 of the Articles of Incorporation to preserve the General Partner's status as a real estate investment trust, provided that such redemption shall be upon the same terms as the corresponding purchase pursuant to Article 5 of the Articles of Incorporation.

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

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

(d) Liquidation Preference.

(i) Payment of Liquidating Distributions. Subject to the rights of holders of Parity Preferred Units with respect to rights upon any voluntary or involuntary liquidation, dissolution or winding-up of the Partnership and subject to Partnership Interests ranking senior to the Series A Preferred Units with respect to rights upon any voluntary or involuntary liquidation, dissolution or winding-up of the Partnership, the holders of Series A Preferred Units shall be entitled to receive out of the assets of the Partnership legally available for distribution or the proceeds thereof, after payment or provision for debts and other liabilities of the Partnership, but before any payment or distributions of the assets shall be made to holders of any class or series of Partnership Interest that ranks junior to the Series A Preferred Units as to rights upon liquidation, dissolution or winding-up of the Partnership, an amount equal to the sum of (i) a liquidation preference equal to their positive Capital Account balances, determined after taking into account all Capital Account adjustments for the Partnership taxable year during which the liquidation occurs (other than those made as a result of the liquidating distribution set forth in this Section 4.5(d)(i) and (ii) an amount equal to any accumulated and unpaid distributions thereon, whether or not declared, to the date of payment. In the event that, upon such voluntary or involuntary liquidation, dissolution or winding-up, there are insufficient assets to permit full payment of liquidating distributions to the holders of Series A Preferred Stock and any Parity Preferred Units as to rights upon liquidation, dissolution or winding-up of the Partnership, all payments of liquidating distributions on the Series A Preferred Units and such Parity Preferred Units shall be made so that the payments on the Series A Preferred Units and such Parity Preferred Units shall in all cases bear to each other the same ratio that the respective rights of the Series A Preferred Unit and such other Parity Preferred Units (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such Parity Preferred Units do not have cumulative distribution rights) upon liquidation, dissolution or winding-up of the Partnership bear to each other.

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

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

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

(e) Optional Redemption.

(i) Right of Optional Redemption. The Series A Preferred Units may not be redeemed prior to the fifth anniversary of the issuance date. On or after such date, the Partnership shall have the right to redeem the Series A Preferred Units, in whole or in part, at any time or from time to time, upon not less than

30 nor more than 60 days' written notice, at a redemption price, payable in cash, equal to the Capital Account balance of the holder of Series A Preferred Units (the "Series A Redemption Price"); provided, however, that no redemption pursuant to this Section 4.5(e) will be permitted if the Series A Redemption Price does not equal or exceed the original Capital Contribution of such holder plus the cumulative Series A Priority Return, whether or not declared, to the redemption date to the extent not previously distributed or distributed on the redemption date pursuant to Section 4.5(c)(i). If fewer than all of the outstanding Series A Preferred Units are to be redeemed, the Series A Preferred Units to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional units).

(ii) Limitation on Redemption.

(A) The Series A Redemption Price of the Series A Preferred Units (other than the portion thereof consisting of accumulated but unpaid distributions) will be payable solely out of the sale proceeds of capital stock of the General Partner, which will be contributed by the General Partner to the Partnership as additional capital contribution, or out of the sale of limited partner interests in the Partnership and from no other source. For purposes of the preceding sentence, "capital stock" means any equity securities (including Common Stock and Preferred Stock (as such terms are defined in the Articles of Incorporation)), shares, participation or other ownership interests (however designated) and any rights (other than debt securities convertible into or exchangeable for equity securities) or options to purchase any of the foregoing.

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

(iii) Procedures for Redemption.

(A) Notice of redemption will be (i) faxed, and (ii) mailed by the Partnership, by certified mail, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the respective holders of record of the Series A Preferred Units at their respective addresses as they appear on the records of the Partnership. No failure to give or defect in such notice shall affect the validity of the proceedings for the redemption of any Series A Preferred Units except as to the holder to whom such notice was defective or not given. In addition to any information required by law, each such notice shall state: (i) the redemption date, (ii) the Series A Redemption Price, (iii) the aggregate number of Series A Preferred Units to be redeemed and if fewer than all of the outstanding Series A Preferred Units are to be redeemed, the number of Series A Preferred Units to be redeemed held by such holder, which number shall equal such holder's pro rata share (based on the percentage of the aggregate number of outstanding Series A Preferred Units the total number of Series A Preferred Units held by such holder represents) of the aggregate number of Series A Preferred Units to be redeemed, (iv) the place or places where such Series A Preferred Units are to be surrendered for payment of the Series A Redemption Price, (v) that distributions on the Series A Preferred Units to be redeemed will cease to accumulate on such redemption date and (vi) that payment of the Series A Redemption Price will be made upon presentation and surrender of such Series A Preferred Units.

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

(f) Voting Rights.

(i) General. Notwithstanding anything to the contrary contained in this Agreement, Series A Preferred Partners will not have any voting rights or right to consent to any matter requiring the consent or approval of the Limited Partners, except as otherwise expressly set forth in this Agreement and except as set forth below.

(ii) Certain Voting Rights. So long as any Series A Preferred Units remain outstanding, the Partnership shall not, without the affirmative vote of the holders of at least two-thirds of the Series A Preferred Units outstanding at the time (A) authorize or create, or increase the authorized or issued amount of, any class or series of Partnership Interests ranking prior to the Series A Preferred Units with respect to payment of distributions or rights upon liquidation, dissolution or winding-up or reclassify any Partnership Interests of the Partnership into any such Partnership Interest, or create, authorize or issue any obligations or security convertible into or evidencing the right to purchase any such Partnership Interests, (B) authorize or create, or increase the authorized or issued amount of any Parity Preferred Units or reclassify any Partnership Interest of the Partnership into any such Partnership Interest or create, authorize or issue any obligations or security convertible into or evidencing the right to purchase any such Partnership Interests but only to the extent such Parity Preferred Units are issued to an affiliate of the Partnership, other than (I) Security Capital or (II) the General Partner to the extent the issuance of such interests was to allow the General Partner to issue corresponding preferred stock to persons who are not affiliates of the Partnership or (C) either (I) consolidate, merge into or with, or convey, transfer or lease its assets substantially as an entirety to, any corporation or other entity or (II) amend, alter or repeal the provisions of this Agreement, whether by merger, consolidation or otherwise, that would materially and adversely affect the powers, special rights, preferences, privileges or voting power of the Series A Preferred Units or the holders thereof; provided, however, that with respect to the occurrence of a merger, consolidation or a sale or lease of all of the Partnership's assets as an entirety, so long as (a) the Partnership is the surviving entity and the Series A Preferred Units remain outstanding with the terms thereof unchanged, or (b) the resulting, surviving or transferee entity is a partnership, limited liability company or other pass-through entity organized under the laws of any state and substitutes the Series A Preferred Units for other interests in such entity having substantially the same terms and rights as the Series A Preferred Units, including with respect to distributions, voting rights and rights upon liquidation, dissolution or winding-up, then the occurrence of any such event shall not be deemed to materially and adversely affect such rights, privileges or voting powers of the holders of the Series A Preferred Units and no vote of the Series A Preferred Units shall be required in such case; and provided further that any increase in the amount of Partnership Interests or the creation or issuance of any other class or series of Partnership Interests, in each case ranking (a) junior to the Series A Preferred Units with respect to payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up, or (b) on a parity to the Series A Preferred Units with respect to payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up to the extent such Partnership Interest are not issued to an affiliate of the Partnership, other than the General Partner to the extent the issuance of such interests was to allow the General Partner to issue corresponding preferred stock to persons who are not affiliates of the Partnership, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers and no vote of the Series A Preferred Units shall be required in such case.

(g) Exchange Rights.

(i) Right to Exchange.

(A) Series A Preferred Units will be exchangeable in whole or in part at anytime on or after the tenth anniversary of the date of issuance, at the option of the holders thereof, for authorized but previously unissued shares of 8.125% Series A Cumulative Redeemable Preferred Stock of Regency (the "Series A Preferred Stock") at an exchange rate of one share of Series A Preferred Stock for one Series A Preferred Unit, subject to adjustment as described below (the "Exchange Price"), provided that the Series A Preferred Units will become exchangeable at any time, in whole or in part, at the option of the holders of Series A Preferred Units for Series A Preferred Stock if (I) at any time full distributions shall not have been timely made on any Series A Preferred Unit with respect to six (6) prior quarterly distribution periods, whether or not consecutive, provided, however, that a distribution in respect of Series A Preferred Units shall be considered timely made if made within two (2) Business Days after the applicable Preferred Unit Distribution Payment Date if at the time of such late payment there shall not be any prior quarterly distribution periods in respect of which full distributions were not timely made or (II) upon receipt by a holder or holders of Series A Preferred Units of (a) notice from the General Partner that the General Partner or a Subsidiary of the General Partner has taken the position that the Partnership is, or upon the occurrence of a defined event in the immediate future will be, a PTP and (b) an opinion rendered by an outside nationally recognized independent counsel familiar with such matters addressed to a holder or holders of Series A Preferred Units, that the Partnership is or likely is, or upon the occurrence of a defined event in the immediate future will be or likely will be, a PTP. In addition, the Series A Preferred Units may be exchanged for Series A Preferred Stock, in whole or in part, at the option of any holder prior to the tenth anniversary of the issuance date and after the third anniversary thereof if such holder of a Series A Preferred Units shall deliver to the General Partner either (i) a private ruling letter addressed to such holder of Series A Preferred Units or (ii) an opinion of independent counsel reasonably acceptable to the General Partner based on the enactment of temporary or final Regulations or the publication of a Revenue Ruling, in either case to the effect that an exchange of the Series A Preferred Units at such earlier time would not cause the Series A Preferred Units to be considered "stock and securities" within the meaning of Section 351(e) of the Code for purposes of determining whether the holder of such Series A Preferred Units is an "investment company" under Section 721(b) of the Code if an exchange is permitted at such earlier date. Furthermore, the Series A Preferred Units may be exchanged in whole or in part for Series A Preferred Stock at any time after the date hereof, if both (x) the holder thereof concludes based on results or

projected results that there exists (in the reasonable judgement of the holder) an imminent and substantial risk that the holder's interest in the Partnership does or will represent more than 19.5% of the total profits or capital interests in the Partnership (determined in accordance with Regulations Section 1.731-2(e)(4)) for a taxable year, and (y) the holder delivers to the General Partner an opinion of nationally recognized independent counsel to the effect that there is an imminent and substantial risk that the holder's interest in the Partnership does or will represent more than 19.5% of the total profits or capital interests in the Partnership (determined in accordance with Regulations Section 1.731-2(e)(4)) for a taxable year.

(B) Notwithstanding anything to the contrary set forth in Section 4.5(g)(i)(A), if an Exchange Notice has been delivered to the General Partner, then the General Partner may, at its option, elect to redeem or cause the Partnership to redeem all or a portion of the outstanding Series A Preferred Units for cash in an amount equal to the original Capital Contribution per Series A Preferred Unit and all accrued and unpaid distributions thereon to the date of redemption. The General Partner may exercise its option to redeem the Series A Preferred Units for cash pursuant to this Section 4.5(g)(i)(B) by giving each holder of record of Series A Preferred Units notice of its election to redeem for cash, within five (5) Business Days after receipt of the Exchange Notice, by (i) fax, and (ii) registered mail, postage paid, at the address of each holder as it may appear on the records of the Partnership stating (i) the redemption date, which shall be no later than sixty (60) days following the receipt of the Exchange Notice, (ii) the redemption price, (iii) the place or places where the Series A Preferred Units are to be surrendered for payment of the redemption price, (iv) that distributions on the Series A Preferred Units will cease to accrue on such redemption date; (v) that payment of the redemption price will be made upon presentation and surrender of the Series A Preferred Units and (vi) the aggregate number of Series A Preferred Units to be redeemed, and if fewer than all of the outstanding Series A Preferred Units are to be redeemed, the number of Series A Units to be redeemed held by such holder, which number shall equal such holder's pro-rata share (based on the percentage of the aggregate number of outstanding Series A Preferred Units the total number of Series A Preferred Units held by such holder represents) of the aggregate number of Series A Preferred Units being redeemed.

(C) Upon the occurrence of an event giving rise to exchange rights pursuant to Section 4.5(g)(i)(A), in the event an exchange of all or a portion of Series Preferred A Preferred Units pursuant to Section 4.5(g)(i)(A) would violate the provisions on ownership limitation of the General Partner set forth in Article 5 of the Articles of Incorporation, the General Partner shall give written notice thereof to each holder of record of Series A Preferred Units, within five (5) Business Days following receipt of the Exchange Notice, by (i) fax, and (ii) registered mail, postage prepaid, at the address of each such holder set forth in the records of the Partnership. In such event, each holder of Series A Preferred Units shall be entitled to exchange, pursuant to the provision of Section 4.5(g)(ii) a number of Series A Preferred Units which would comply with the provisions on the ownership limitation of the General Partner set forth in such Article 5 of the Articles of Incorporation and any Series A Preferred Units not so exchanged (the "Excess Units") shall be redeemed by the Partnership for cash in an amount equal to the original Capital Contribution per Excess Unit, plus any accrued and unpaid distributions thereon, whether or not declared, to the date of redemption. The written notice of the General Partner shall state (i) the number of Excess Units held by such holder, (ii) the redemption price of the Excess Units, (iii) the date on which such Excess Units shall be redeemed, which date shall be no later than sixty (60) days following the receipt of the Exchange Notice, (iv) the place or places where such Excess Units are to be surrendered for payment of the Series A Redemption Price, (v) that distributions on the Excess Units will cease to accrue on such redemption date, and (vi) that payment of the redemption price will be made upon presentation and surrender of such Excess Units. In the event an exchange would result in Excess Units, as a condition to such exchange, each holder of such units agrees to provide representations and covenants reasonably requested by the General Partner relating to (i) the widely held nature of the interests in such holder, sufficient to assure the General Partner that the holder's ownership of stock of the General Partner (without regard to the limits described above) will not cause any individual to own in excess of 9.8% of the stock of the General Partner; and (ii) to the extent such holder can so represent and covenant without obtaining information from its owners, the holder's ownership of tenants of the Partnership and its affiliates.

(D) The redemption of Series A Preferred Units described in Section 4.5(g)(i)(B) and (C) shall be subject to the provisions of Section 4.5(e)(ii)(A) and Section 4.5(e)(iii)(B); provided, however, that for purposes hereof the term "Series A Redemption Price" in Section 4.5(e)(ii)(A) and Section 4.5(e)(iii)(B) shall be read to mean the original Capital Contribution per Series A Preferred Unit being redeemed plus all accrued and unpaid distributions to the redemption date.

(ii) Procedure for Exchange.

(A) Any exchange shall be exercised pursuant to a notice of exchange (the "Exchange Notice") delivered to the General Partner by the holder who is exercising such exchange right, by (i) fax and (ii) by certified mail postage prepaid. Upon request of the General Partner, such holder delivering the Exchange Notice shall provide to the General Partner in writing such information as the General Partner may reasonably request to determine whether any portion of the exchange by the delivering holder will result in the violation of the restrictions of Article 5 of the Articles of Incorporation, including the Ownership Limit and the Related Tenant Limit. The exchange of Series A Preferred

Units, or a specified portion thereof, may be effected after the fifth (5th) Business Days following receipt by the General Partner of the Exchange Notice and such requested information by delivering certificates, if any, representing such Series A Preferred Units to be exchanged together with, if applicable, written notice of exchange and a proper assignment of such Series A Preferred Units to the office of the General Partner maintained for such purpose. Currently, such office is 121 West Forsyth Street, Suite 200, Jacksonville, Florida 32202. Each exchange will be deemed to have been effected immediately prior to the close of business on the date on which such Series A Preferred Units to be exchanged (together with all required documentation) shall have been surrendered and notice shall have been received by the General Partner as aforesaid and the Exchange Price shall have been paid. Any Series A Preferred Stock issued pursuant to this Section 4.5(g) shall be delivered as shares which are duly authorized, validly issued, fully paid and nonassessable, free of pledge, lien, encumbrance or restriction other than those provided in the Articles of Incorporation, the Bylaws of the General Partner, the Securities Act and relevant state securities or blue sky laws.

(B) In the event of an exchange of Series A Preferred Units for shares of Series A Preferred Stock, an amount equal to the accrued and unpaid distributions which are not paid pursuant to Section 4.5(c)(i) hereof, whether or not declared, to the date of exchange on any Series A Preferred Units tendered for exchange shall (i) accrue and be payable by the General Partner from and after the date of exchange on the shares of the Series A Preferred Stock into which such Series A Preferred Units are exchanged, and (ii) continue to accrue on such Series A Preferred Units, which shall remain outstanding following such exchange, with the General Partner as the holder of such Series A Preferred Units. Notwithstanding anything to the contrary set forth herein, in no event shall a holder of a Series A Preferred Unit that was validly exchanged into Series A Preferred Stock pursuant to this section (other than the General Partner now holding such Series A Preferred Unit), receive a distribution out of Available Cash or Capital Transaction Proceeds of the Partnership with respect to any Series A Preferred Units so exchanged.

(C) Fractional shares of Series A Preferred Stock are not to be issued upon exchange but, in lieu thereof, the General Partner will pay a cash adjustment based upon the fair market value of the Series A Preferred Stock on the day prior to the exchange date as determined in good faith by the Board of Directors of the General Partner.

(iii) Adjustment of Exchange Price.

(A) The Exchange Price is subject to adjustment upon certain events, including, (i) subdivisions, combinations and reclassification of the Series A Preferred Stock, and (ii) distributions to all holders of Series A Preferred Stock of evidences of indebtedness of the General Partner or assets (including securities, but excluding dividends and distributions paid in cash out of equity applicable to Series A Preferred Stock).

(B) In case the General Partner shall be a party to any transaction (including, without limitation, a merger, consolidation, statutory share exchange, tender offer for all or substantially all of the General Partner's capital stock or sale of all or substantially all of the General Partner's assets), in each case as a result of which the Series A Preferred Stock will be converted into the right to receive shares of capital stock, other securities or other property (including cash or any combination thereof), each Series A Preferred Unit will thereafter be exchangeable into the kind and amount of shares of capital stock and other securities and property receivable (including cash or any combination thereof) upon the consummation of such transaction by a holder of that number of shares of Series A Preferred Stock or fraction thereof into which one Series A Preferred Unit was exchangeable immediately prior to such transaction. The General Partner may not become a party to any such transaction unless the terms thereof are consistent with the foregoing.

(h) No Conversion Rights. The holders of the Series A Preferred Units shall not have any rights to convert such shares into shares of any other class or series of stock or into any other securities of, or interest in, the Partnership.

(i) No Sinking Fund. No sinking fund shall be established for the retirement or redemption of Series A Preferred Units.

Article 5 Distributions

Section 5.1 Requirement and Characterization of Distributions.

(a) Subject to Section 5.1(c), the General Partner shall distribute quarterly an amount equal to 100% of Available Cash generated by the Partnership during such quarter to the Partners who are Partners on the Partnership Record Date with respect to such quarter as follows:

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

(ii) Next, if any Original Limited Partners have a positive

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

- (iii) Next, if any Original Limited Partners have a positive Cumulative Unpaid Priority Distribution Account, one hundred percent (100%) to such Original Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Priority Distribution Accounts, until each such Cumulative Unpaid Priority Distribution Account reaches zero;
- (iv) Next, one hundred percent (100%) to the Additional Limited Partners, pro rata based on the relative amounts of their Priority Distribution Amounts, until each has received an amount equal to the Priority Distribution Amount for the quarter for each Unit held by such Additional Limited Partner on the applicable Partnership Record Date;
- (v) Next, if any Additional Limited Partners have a positive Cumulative Unpaid Accrued Return Account, one hundred percent (100%) to such Additional Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Accrued Return Accounts, until each such Cumulative Unpaid Accrued Return Account reaches zero;
- (vi) Next, if any Additional Limited Partners have a positive Cumulative Unpaid Priority Distribution Account, one hundred percent (100%) to such Additional Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Priority Distribution Accounts, until each such Cumulative Unpaid Priority Distribution Account reaches zero; and
- (vii) Thereafter, to the General Partner and any other holders of Class B Units, pro rata in accordance with the relative number of Class B Units held by each.

(b) Subject to Section 5.1(c), the General Partner shall distribute Capital Transaction Proceeds received by the Partnership within 30 days after the date of such Capital Transaction, provided that the General Partner has given the Limited Partners 20 days' prior written notice of the date for any such distribution (the "Capital Transaction Record Date"), as follows:

- (i) First, if any Original Limited Partners have a positive Cumulative Unpaid Accrued Return Account, one hundred percent (100%) to such Original Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Accrued Return Accounts, until each such Cumulative Unpaid Accrued Return Account reaches zero;
- (ii) Next, if any Original Limited Partners have a positive Cumulative Unpaid Priority Distribution Account, one hundred percent (100%) to such Original Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Priority Distribution Accounts, until each such Cumulative Unpaid Priority Distribution Account reaches zero;
- (iii) Next, if any Additional Limited Partners have a positive Cumulative Unpaid Accrued Return Account, one hundred percent (100%) to such Additional Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Accrued Return Accounts, until each such Cumulative Unpaid Accrued Return Account reaches zero;
- (iv) Next, if any Additional Limited Partners have a positive Cumulative Unpaid Priority Distribution Account, one hundred percent (100%) to such Additional Limited Partners, pro rata based on the relative amounts of their Cumulative Unpaid Priority Distribution Accounts, until each such Cumulative Unpaid Priority Distribution Account reaches zero; and
- (v) Thereafter, to the General Partner and any other holders of Class B Units, pro rata in accordance with the relative number of Class B Units held by each.

(c) Anything herein to the contrary notwithstanding, no Available Cash or Capital Transaction Proceeds shall be distributed pursuant to Section 5.1(a), Section 5.1(b) or any other provision of this Article 5 unless all distributions accumulated on all Series A Preferred Units pursuant to Section 4.5 have been paid in full and unless all distributions accumulated on any other outstanding Preferred Units have been paid in full.

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

Section 5.3 Withholding. Each Limited Partner hereby authorizes the Partnership to withhold from or pay on behalf of or with respect to such Limited Partner any

amount of federal, state, local, or foreign taxes that the General Partner determines that the Partnership is required to withhold or pay with respect to any amount distributable or allocable to such Limited Partner pursuant to this Agreement or with respect to the exercise by such Limited Partner of the Redemption Rights set forth in Section 8.6 or in any separate agreement, including, without limitation, any taxes required to be withheld or paid by the Partnership pursuant to Sections 1441, 1442, 1445, or 1446 of the Code and Section 48-7-129 of the Official Code of Georgia Annotated. Any amount paid on behalf of or with respect to a Limited Partner shall constitute a loan by the Partnership to such Limited Partner, which loan shall be repaid by such Limited Partner within 15 days after notice from the General Partner that such payment must be made unless (i) the Partnership withholds such payment from a distribution which would otherwise be made to the Limited Partner or (ii) the General Partner determines, in its sole and absolute discretion, that such payment may be satisfied out of the available funds of the Partnership which would, but for such payment, be distributed to the Limited Partner. Any amounts withheld pursuant to the foregoing clauses (i) or (ii) shall be treated as having been distributed to such Limited Partner and shall be promptly paid, solely out of funds of the Partnership, by the General Partner to the appropriate taxing authority. Each Limited Partner hereby unconditionally and irrevocably grants to the Partnership a security interest in such Limited Partner's Partnership Interest as to secure such Limited Partner's obligation to pay to the Partnership any amounts required to be paid pursuant to this Section 5.3 (together with attorney's fees and other costs in enforcing the Partnership's rights against the collateral). In the event that a Limited Partner or Redeeming Partner fails to pay any amounts owed to the Partnership pursuant to this Section 5.3 when due, the General Partner may, in its sole and absolute discretion, elect to make the payment on behalf of such defaulting Partner, and in such event shall be deemed to have loaned such amount to such defaulting Partner and shall succeed to all rights and remedies of the Partnership as against such defaulting Partner (including, without limitation, in the case of a default by other than a Redeeming Partner the right to receive distributions from the Partnership). Any amounts payable by a Limited Partner or a Redeeming Partner hereunder shall bear interest at the Prime Rate, plus two percentage points (but not higher than the maximum lawful rate) from the date such amount is due (i.e., 15 days after demand) until such amount is paid in full. In the event that the Partnership or the General Partner is required to withhold tax with respect to the exercise by a Limited Partner of a Redemption Right, the Limited Partner exercising the Redemption Right shall make arrangements with the Partnership or the General Partner, as the case may be, to provide the funds to the Partnership necessary to effect the required withholding. In the event that, pursuant to applicable laws and regulations, the General Partner may withhold a reduced amount pending a determination by applicable taxing authorities as to whether any additional withholding tax must subsequently be deposited, the General Partner shall have the right to require the Redeeming Partner to pledge a first priority security interest in a portion of the Redemption Amount as collateral for the Redeeming Partner's obligation to provide the funds necessary to effect any subsequent required holding (together with attorney's fees and other costs in enforcing the Partnership's rights against the collateral), in an amount in the case of a Share Amount equal to Shares having a Value on the date of the pledge equal to 125% of the maximum possible subsequent required withholding (or 100% of the maximum possible subsequent required withholding if the Redemption Amount is paid in the form of the Cash Amount) (the "Withholding Collateral"). The General Partner shall be entitled to retain possession of the Withholding Collateral until either the Redeeming Partner provides funds to the General Partner sufficient to make any subsequent required withholding deposit or the General Partner receives a determination from the applicable authorities that no subsequent withholding is required. All dividends, distributions, interest or other income on the Withholding Collateral while subject to the pledge hereunder shall be paid to the Redeeming Partner pledging the Withholding Collateral. If the applicable authorities advise that subsequent withholding is required and the Redeeming Partner does not deliver the necessary funds to the General Partner within 20 days after receipt of the General Partner's request therefor, the General Partner shall be entitled to exercise all rights and remedies of a secured party under the Uniform Commercial Code with respect to the Withholding Collateral. Each Limited Partner and each Redeeming Partner shall take such actions as the Partnership or the General Partner shall request in order to perfect or enforce the security interest created hereunder.

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

Article 6

Allocations

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

(a) Net Income. After giving effect to the special allocations set forth in Section 6.2 below, Net Income shall be allocated as follows:

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

Partners in an amount equal to the excess, if any, of (A) the cumulative Net Losses allocated to the Series A Preferred Partners pursuant to Section 6.1(b)(viii) for all prior fiscal years, over (B) the cumulative Net Income allocated pursuant to this Section 6.1(a)(ii), including any amounts allocated pursuant to Section 6.2(g) which were attributable to this Section 6.1(a)(ii), for all prior fiscal years;

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

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

(v) Fifth, one hundred percent (100%) to the Series A Preferred Partners until the Series A Preferred Partners have been allocated an amount equal to the excess of the cumulative Series A Priority Return through the last day of the current fiscal year (determined without reduction for distributions made to date in satisfaction thereof) over the cumulative Net Income allocated to the Series A Preferred Partners pursuant to this Section 6.1(a)(v), including any amounts allocated pursuant to Section 6.2(g) which were attributable to this Section 6.1(a)(v), for all prior periods;

(vi) Sixth, one hundred percent (100%) to the Original Limited Partners until the cumulative allocations of Net Income to each Original Limited Partner under this Section 6.1(a)(vi) for the current and all prior fiscal years equal the cumulative distributions paid to the Original Limited Partner pursuant to Section 5.1(a)(i) and Section 13.2(a)(iv), provided, however, in the case of Original Limited Partners other than Class Z Branch Partners, no allocations of Net Income shall be made under this Section 6.1(a)(vi) to such Limited Partners with respect to distributions made under Section 5.1(a)(i) and Section 13.2(a)(iv) after the Third Amendment Date;

(vii) Seventh, one hundred percent (100%) to the Original Limited Partners until the cumulative allocations of Net Income to each Original Limited Partner under this Section 6.1(a)(vii) for the current and all prior fiscal years equal the sum of the cumulative amounts credited to such Partner's Cumulative Unpaid Priority Distribution Account and Cumulative Unpaid Accrued Return Account for the current and all prior fiscal years, provided, however, in the case of Original Limited Partners other than Class Z Branch Partners, no allocations of Net Income shall be made under this Section 6.1(a)(vii) with respect to amounts credited to such Partners' Cumulative Unpaid Priority Distribution Accounts and Cumulative Unpaid Accrued Return Accounts after the Third Amendment Date; and

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

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

(x) Tenth, one hundred percent (100%) to the Additional Limited Partners until the cumulative allocations of Net Income to each Additional Limited Partner under this Section 6.1(a)(x) for the current and all prior fiscal years equal the cumulative distributions paid to the Additional Limited Partners pursuant to Section 5.1(a)(iv) and Section 13.2(a)(v), provided, however, in the case of Additional Limited Partners other than Class Z Midland Partners, no allocations of Net Income shall be made under this Section 6.1(a)(x) to such Limited Partners with respect to distributions made under Section 5.1(a)(iv) and Section 13.2(a)(v) after the Third Amendment Date;

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

Return Account for the current and all prior fiscal years and (B) the cumulative Net Losses allocated to the Additional Limited Partner pursuant to Section 6.1(b)(v) for all prior fiscal years, provided, however, in the case of Additional Limited Partners other than Class Z Midland Partners, no allocation of Net Income shall be made under this Section 6.1(a)(xi) with respect to amounts credited to such Partners' Cumulative Unpaid Priority Distribution Accounts and Cumulative Unpaid Accrued Return Accounts after the Third Amendment Date; and

(xii) Thereafter, to the Original and Additional Limited Partners other than Class Z Branch Partners or Class Z Midland Partners, to the General Partner and to any other holders of Class B Units, pro rata in accordance with the relative amounts of Available Cash and Capital Transaction Proceeds distributed to each of them during the taxable year.

(b) Net Losses. After giving effect to the special allocations set forth in Section 6.2 below, Net Losses shall be allocated as follows:

(i) First, one hundred percent (100%) to the Original and Additional Limited Partners other than Class Z Branch Partners or Class Z Midland Partners, to the General Partner and to the Class B Unit holders in an amount equal to the excess, if any, of (A) the cumulative Net Income allocated pursuant to Section 6.1(a)(xii) hereof for all prior fiscal years in excess of distributions of Available Cash to such Partners for which no corresponding allocation of Net Income had been made (or is required to be made) under Sections 6.1(a)(i)-(xi) hereof, over (B) the cumulative Net Losses allocated pursuant to this Section 6.1(b)(i) for all prior fiscal years;

(ii) Second, to the Original Limited Partners until the cumulative allocations of Net Losses under this Section 6.1(b)(ii) equal the excess, if any, of the cumulative allocations of Net Income under Section 6.1(a)(vii) to such Partners for all prior fiscal years over the cumulative distributions to such Partners under Section 5.1(a)(ii) and (iii) and Section 5.1(b)(i) and (ii) for the current and all prior fiscal years (such allocation being made in proportion to such Partners' respective excess amounts);

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

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

(v) Fifth, to the Additional Limited Partners until the cumulative allocations of Net Losses under this Section 6.1(b)(v) equal the excess, if any, of the cumulative allocations of Net Income under Section 6.1(a)(xi) to such Partners for all prior fiscal years over the cumulative distributions to such Partners under Section 5.1(a)(v) and (vi) and Section 5.1(b)(iii) and (iv) for the current and all prior fiscal years (such allocation being made in proportion to such Partners' respective excess amounts);

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

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

(viii) Eighth, to the Series A Preferred Partners until their Adjusted Capital Account balance (determined, solely for purposes of this Section 6.1(b)(viii), without regard to any obligation of a Partner to restore a negative Capital Account under Section 13.4), has been reduced to zero; and

(ix) Any remaining Net Loss shall be allocated to the General Partner and any other holders of Class B Units.

Notwithstanding the foregoing, Net Losses shall not be allocated to any Limited Partner pursuant to this Section 6.1(b) to the extent that such allocation would

cause such Limited Partner to have an Adjusted Capital Account Deficit at the end of such taxable year (or increase any existing Adjusted Capital Account Deficit). All Net Losses in excess of the limitations set forth in the preceding sentence of this Section 6.1(b) shall be allocated to the General Partner.

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

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

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

(a) Minimum Gain Chargeback. Notwithstanding any other provisions of Article 6, if there is a net decrease in Partnership Minimum Gain during any Partnership Year, each Partner shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Partner's share of the net decrease in Partnership Minimum Gain, as determined under Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(f)(6). This Section 6.2(a) is intended to comply with the minimum gain chargeback requirements in Regulations Section 1.704-2(f) and for purposes of this Section 6.2(a) only, each Partner's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to Section 6.1 of the Agreement with respect to such fiscal year and without regard to any decrease in Partner Minimum Gain during such Partnership Year.

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

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

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

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

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

(g) Capital Account Adjustments. Notwithstanding anything herein to the contrary other than the last sentence of Section 14.1(g), any gain or loss arising from an adjustment to the Gross Asset Value of any Partnership asset pursuant to clause (b) or (c) of the definition thereof shall be allocated (i) first, to the Series A Preferred Partners, but only to the extent that they would have been allocated such gain pursuant to Section 6.1(a)(ii) or Section 6.1(a)(v) of this Agreement or such loss pursuant to Section 6.1(b)(viii) of this Agreement, as

applicable, if such gain or loss had been actually realized; and (ii) second, and subject to Section 6.2(h) hereof, one hundred percent (100%) of the remainder of such gain or loss to the General Partner and the Additional Limited Partners pro-rata in accordance with the relative number of Units held by each; provided, however, that for this purpose, the General Partner shall be treated as owning all of the outstanding Original Limited Partnership Units in addition to the actual number of Units which the General Partner holds. An Additional Limited Partner, at the time of admission to the Partnership, may elect with the consent of the General Partner to not receive special allocations of any gain or loss resulting from such adjustments.

(h) Special Adjustments. Notwithstanding anything herein to the contrary, the following adjustments shall be made to the amount of income, gain, losses and deductions allocated under Section 6.1 and Section 6.2 of this Agreement and the amounts distributed to the Partners under Section 13.2(a)(vi):

(i) In the event that (A) a Liquidating Transaction shall occur and (B) the Original and Additional Limited Partners other than the Class Z Branch Partners and the Class Z Midland Partners would, after giving effect to all contributions, distributions and allocations for all periods, receive amounts under Section 13.2(a)(vi) of this Agreement which are less than they would have received had they not consented to the Third Amended Agreement, then the General Partner shall (1) cause to be distributed to each of these Partners out of amounts otherwise distributable to the General Partner pursuant to Section 13.2(a)(vi) amounts equal to such shortfall amount and (2) cause to be allocated to each of these Partners out of income (including gross income) or gain otherwise allocable to the General Partner an amount of income (including gross income) or gain equal to such deficit amount;

(ii) In the event that (A) any gain or loss arises from an adjustment to the Gross Asset Value of any Partnership asset pursuant to clause (b) or (c) of the definition thereof and (B) any such gain or loss would, but for Section 6.2(g), have been allocated to the Original Limited Partners pursuant to Sections 6.1 and 6.2 hereof (other than Section 6.2(g)) if such gain or loss were included in the definition of Net Profits and Net Losses, then (1) any gain or loss which would have been so allocated shall be allocated to the Original Limited Partners to the fullest extent possible out of gains or losses otherwise allocable to the General Partner pursuant to Section 6.2(g), or to the extent the gains or losses otherwise allocable to the General Partner are insufficient to permit such an allocation, out of the first items of income, gain, loss or deduction thereafter allocable to the General Partner and (2) in the event that a Liquidating Transaction shall occur at a time when gain or loss is required to be allocated to the Original Limited Partners pursuant to this Section 6.2(h)(ii), but which allocation has not been made as of the time of the liquidating distribution, the General Partner shall, (x) in the case of net unallocated gain, distribute to the Original Limited Partners out of amounts otherwise distributable to the General Partner amounts equal to the amounts the Original Limited Partners would have received under Section 13.2(a)(vi) if the net unallocated gain had been allocated thereunder or (y) in the case of net unallocated loss, distribute to the General Partner out of amounts otherwise distributable to the Original Limited Partners amounts equal to the amounts the General Partner would have received under Section 13.2(a)(vi) if the net unallocated loss had been allocated thereunder; and

(iii) In the event that (A) a Liquidating Transaction shall occur and (B) an Original Limited Partner would, after giving effect to all contributions, distributions and allocations for all periods, receive amounts under Section 13.2(a)(vi) of this Agreement which are less than they would have received had the order of subsections 6.1(b)(ii), (iii) and (iv) on the one hand and subsections 6.1(b)(v), (vi) and (vii) on the other hand been reversed effective as of the date of the Second Amended Agreement, then the General Partner shall (1) cause to be distributed to these Partners out of amounts otherwise distributable to the General Partner under Section 13.2(a)(vi) amounts equal to such deficit amount and (2) cause to be allocated to these Partners out of income (including gross income) or gain otherwise allocable to the General Partner an amount of income (including gross income) or gain equal to such deficit amount.

Section 6.3 Allocations for Tax Purposes.

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

(b) Other Allocation Rules.

(i) For purposes of determining Net Income, Net Losses, or other items allocable to any period, Net Income, Net Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the General Partner using any permissible method under Section 706 of the Code and the Regulations thereunder.

(ii) In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its initial Gross Asset Value.

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

(iv) In the event the Gross Asset Value of any Partnership asset is adjusted, subsequent allocations of income, gain, loss, and deductions with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder. Any elections or other decisions relating to Code Section 704(c) allocations shall be made by the General Partner; provided, however, that the "traditional method" of making Section 704(c) allocations without curative allocations described in Section 1.704-3(b) of the Regulations shall be used. Allocations pursuant to Sections 6.3(b)(ii), (iii) and (iv) hereof are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Net Income, Net Losses, other items, or distributions pursuant to any provision of this Agreement.

Article 7

Management And Operations Of Business

Section 7.1 Management.

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

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

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

(iii) the acquisition, disposition, conveyance, mortgage, pledge, encumbrance, hypothecation or exchange of all or any assets of the Partnership or the merger or other combination of the Partnership with or into another entity (provided that such merger or other combination does not result in the Partnership recognizing taxable gain or loss for federal income tax purposes) on such terms as the General Partner deems proper (subject to Section 7.6 in the case of transactions between the Partnership and the General Partner or any Affiliate), and no approval of the Limited Partners shall be required for the exercise of such powers, which powers shall include, without limitation, the power to pledge any or all of the assets of the Partnership to secure a loan or other financing to the General Partner (the proceeds of which are not required to be contributed or loaned to the Partnership), provided, however, that to the extent that any payment of debt service or closing costs on any such mortgage, pledge, encumbrance or hypothecation shall result in the Partnership being unable to pay the maximum amount payable with respect to any distributions to the Limited Partners pursuant to Section 5.1, then Regency shall cause the General Partner to make such additional Capital Contributions as are necessary to enable the Partnership to pay the maximum amount payable with respect to any distributions to the Limited Partners pursuant to Section 5.1 (provided that the General Partner shall have no obligation to make such additional Capital Contributions in an amount exceeding the amount of debt service and closing costs paid), and provided, further, that the General Partner shall use reasonable efforts to effect all dispositions of the Partnership's assets that were contributed by the Limited Partners in accordance with Section 1031 of the Code although, except as provided in Section 7.1(c) hereof, it shall not be required to do so;

(iv) subject to the provisions of Section 7.1(h) hereof, the use of the assets of the Partnership (including, without limitation, cash on hand) for any purpose consistent with the terms of this Agreement and on any terms it sees

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

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

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

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

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

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

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

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

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

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

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

(b) No Approval Required for Above Powers. Subject to any other restriction set forth in this Agreement, each of the Limited Partners agrees that the General Partner is authorized to execute, deliver and perform the above-mentioned agreements and transactions on behalf of the Partnership without any further act, approval or vote of the Partners, notwithstanding any other provision of this Agreement (except where Limited Partner Consent, Original Limited Partner Consent or the consent of the Series A Preferred Partners or of any other class or series of Partnership Interests is expressly required herein), the Act or any applicable law, rule or regulation. The execution, delivery or performance by

the General Partner or the Partnership of any agreement authorized or permitted under this Agreement shall not constitute a breach by the General Partner of any duty that the General Partner may owe the Partnership or the Limited Partners or any other Persons under this Agreement or of any duty stated or implied by law or equity.

(c) Approval of Sale of Briarcliff Village. Except pursuant to the dissolution and liquidation of the Partnership in accordance with Article 13 hereof, the property commonly known as Briarcliff Village (the "Briarcliff Village Property") shall not be sold by the Partnership or the General Partner on or before December 19, 2005 (other than in a transaction in which the Partnership recognizes no taxable gain or loss for federal income purposes) without the approval of a Majority-in-Interest of the Original Briarcliff Partners (as defined below) who continue, as of such time, to hold Original Limited Partnership Units attributable to the contribution of the Briarcliff Village Property to Branch Properties, L.P. and Branch Properties, L.P.'s subsequent contribution of the Briarcliff Village Property to the Partnership (the "Original Briarcliff Partners"). Such approval right of the Original Briarcliff Partners is personal to the Original Briarcliff Partners and shall terminate upon the death of an Original Briarcliff Partner or a sale, assignment, conveyance, or other transfer by an Original Briarcliff Partner, with respect to that Partner's Original Limited Partnership Units, and shall not be exercisable by any successor, transferee or assignee of an Original Briarcliff Partner. In the event of a like-kind exchange involving the Briarcliff Village Property by the Partnership, then such approval right for the benefit of the Original Briarcliff Partners will continue to be enforceable after such like-kind exchange, but shall relate to the property (whether real, personal or mixed, tangible or intangible) acquired by the Partnership in such like-kind exchange. Nothing herein shall be deemed to require that the Partnership or the General Partner take any action to avoid or prevent an involuntary disposition of all or part of said Briarcliff Village pursuant to a condemnation proceeding or other taking. For purposes of this Section 7.1(c), Majority-In-Interest of the Original Briarcliff Partners shall mean the Original Briarcliff Partners who hold, in the aggregate, more than fifty percent (50%) of the Percentage Interests then allocable to and held by all of the Original Briarcliff Partners with respect to the Original Limited Partnership Units received by the Original Briarcliff Partners as a result of the contribution of the Briarcliff Village Property to Branch Properties, L.P. and Branch Properties, L.P.'s subsequent contribution of the Briarcliff Village Property to the Partnership. The Partnership shall not engage in any merger, consolidation or other business combination with or into another Person unless the Partnership has entered into an agreement with such Person in which such Person expressly agrees to be bound by the provisions of this Section 7.1(c).

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

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

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

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

(h) Distributions. Notwithstanding anything contained in this Agreement to the contrary, the General Partner, acting as a fiduciary, shall use its reasonable

best efforts and act in good faith to operate the Partnership's assets and manage the Partnership's business, including its indebtedness, so as to produce sufficient Available Cash and Capital Transaction Proceeds to fund to the Limited Partners the Priority Distribution Amount on a current basis and any balance in the Cumulative Unpaid Accrued Return Accounts and Cumulative Unpaid Priority Distribution Accounts of the Limited Partners pursuant to Section 5.1 hereof.

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

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

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

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

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

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

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

Section 7.4 Responsibility for Expenses.

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

(b) Responsibility for Ownership and Operation Expenses. The Partnership shall be responsible for and shall pay all expenses relating to the Partnership's ownership of its assets, and the operation of, or for the benefit of, the Partnership, and the General Partner shall be reimbursed on a monthly basis, or such other basis as the General Partner may determine in its sole and absolute discretion, for all expenses it incurs relating to the Partnership's ownership of its assets and the operation of, or for the benefit of, the Partnership; provided, that the amount of any such reimbursement shall be reduced by any interest earned by the General Partner with respect to bank accounts or other instruments held by it as permitted in Section 7.10 and not contributed to the Partnership. Such reimbursements shall be in addition to any reimbursement to the General Partner pursuant to Section 10.3(c) and as a result of indemnification pursuant to Section 7.7. The General Partner shall determine in good faith the amount of expenses incurred by it relating to the operation of, or that inure to the benefit of, the Partnership. In the event that certain expenses are incurred for the benefit of the Partnership and other Persons (including the General Partner), such expenses will be allocated to the Partnership and such other Persons in such a manner as the General Partner deems fair and reasonable, subject to the provisions of Section 7.1(h) hereof.

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

(d) Partnership Interest Issuance Expenses. The General Partner shall be reimbursed for all expenses it incurs relating to any issuance of additional Partnership Interests pursuant to Section 4.2 or Section 4.5 hereof, all of which shall be expenses of the Partnership.

Section 7.5 Outside Activities of the General Partner. Nothing contained in this Agreement shall prevent or prohibit the General Partner or any employee, officer, director, agent, shareholder or Affiliate of the General Partner from entering into, engaging in or conducting any other activity or performing for a fee any service including (without limiting the generality of the foregoing) engaging in any business dealing with real property of any type or location, including, without limitation, property of a type similar to those properties owned by the Partnership, its Subsidiaries or any other Person in which the Partnership has an equity investment; acting as a director, officer or employee of any corporation, as a trustee of any trust, as a general partner of any partnership, or as an administrative official of any other business entity; or receiving compensation for services to, or participating in profits derived from, the investments of any such corporation, trust, partnership or other entity, regardless of whether such activities are competitive, directly or indirectly, with the Partnership. Nothing herein shall require the General

Partner or any employee, agent, shareholder or Affiliate thereof to offer any interest in such activities or any particular opportunity to the Partnership or any Partner, and neither the Partnership nor any Partner shall have any right by virtue of this Agreement or the partnership relationship established hereby in or to such other activities or to the income or proceeds derived therefrom. The pursuit of such activities, even if competitive with the business of the Partnership (including, without limitation, causing tenants to transfer from one of the Partnership's properties to other properties in which the General Partner has an interest, directly or indirectly, without compensation to the Partnership, or taking other actions for the benefit of the General Partner or Affiliates of the General Partner that are detrimental to the Partnership), shall not be deemed wrongful or improper.

Section 7.6 Contracts with Affiliates.

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

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

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

Section 7.7 Indemnification.

(a) General. The Partnership shall indemnify an Indemnitee from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, settlements, and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of the Partnership as set forth in this Agreement in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, unless it is established that: (i) the act or omission of the Indemnitee was material to the matter giving rise to the proceeding and constituted willful misconduct or fraud; (ii) the Indemnitee actually received an improper personal benefit in money, property or services; or (iii) in the case of any criminal proceeding, the Indemnitee had reasonable cause to believe that the act or omission was unlawful. The termination of any proceeding by judgment, order or settlement does not create a presumption that the Indemnitee did not meet the requisite standard of conduct set forth in this Section 7.7(a). The termination of any proceeding by conviction or upon a plea of nolo contendere or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the Indemnitee acted in a manner contrary to that specified in this Section 7.7(a). Any indemnification pursuant to this Section 7.7 shall be made only out of the assets of the Partnership.

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

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

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

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

(f) Interested Transactions. An Indemnitee shall not be denied indemnification in whole or in part under this Section 7.7 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(g) Benefit. The provisions of this Section 7.7 are for the benefit of the Indemnitees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

Section 7.8 Liability of the General Partner.

(a) General. Notwithstanding anything to the contrary set forth in this Agreement, the General Partner shall not be liable for monetary damages to the Partnership, any Partners or any Assignees for losses sustained or liabilities incurred as a result of errors in judgment or of any act or omission if the General Partner acted in good faith.

(b) No Obligation to Consider Interests of Limited Partners. The Limited Partners expressly acknowledge that the General Partner is acting on behalf of the Partnership, the General Partner and Regency's shareholders collectively, that except as provided in Section 7.1(e) with respect to the establishment and maintenance of working capital reserves, except as provided in Section 7.1(f) with respect to tax consequences, except as provided in Section 7.1(h) with respect to the generation of funds for distributions and except as expressly provided otherwise in Section 7.1(a)(iv), Section 7.1(a)(ix) and Section 7.1(a)(xi) with respect to the powers of the General Partner, the General Partner is under no obligation to consider the separate interests of the Limited Partners (including, without limitation, the tax consequences to Limited Partners or Assignees except as expressly provided otherwise in Section 7.1(f) and Section 7.1(h)) in deciding whether to cause the Partnership to take (or decline to take) any actions which the General Partner has undertaken in good faith on behalf of the Partnership, and that the General Partner shall not be liable for monetary damages for losses sustained, liabilities incurred, or benefits not derived by Limited Partners in connection with such decisions, provided that the General Partner has acted in good faith and in accordance with the provisions of this Agreement. For purposes hereof, a Person acting in a manner which furthers compliance by Regency with the REIT requirements of the Code, shall be deemed to satisfy the standards of conduct hereunder. The Limited Partners further expressly acknowledge that Regency is obligated to cause the Partnership to take (or decline to take) certain actions in order to assist Security Capital and its Affiliates in avoiding classification as a passive foreign investment company within the meaning of Section 1296 of the Code. Such obligation is set forth on Schedule 7.8(b).

(c) Acts of Agents. Subject to its obligations and duties as General Partner set forth in Section 7.1(a) hereof, the General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents. The General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by it in good faith.

(d) Effect of Amendment. Any amendment, modification or repeal of this Section 7.8 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the General Partner's liability to the Partnership and the Limited Partners under this Section 7.8 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

Section 7.9 Other Matters Concerning the General Partner.

(a) Reliance on Documents. The General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Reliance on Consultants and Advisers. The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon and in accordance with the opinion of such Persons as to matters which such General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

(c) Action Through Officers and Attorneys. The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers and a duly appointed attorney or attorneys-in-fact. Each such attorney shall, to the extent provided by the General Partner in the power of attorney, have full power and authority to do and perform all and every act and duty which is permitted or required to be done by the General Partner hereunder.

(d) Actions to Maintain REIT Status or Avoid Taxation of the General Partner. Notwithstanding any other provisions of this Agreement or the Act, any action of the General Partner on behalf of the Partnership or any decision of the General Partner to refrain from acting on behalf of the Partnership, undertaken in the good faith belief that such action or omission is necessary or advisable in order (i) to protect the ability of Regency to continue to qualify as a REIT or (ii) to avoid Regency incurring any taxes under Section 857 or Section 4981 of the Code, is expressly authorized under this Agreement and is deemed approved by all of the Limited Partners.

(e) Sales of Assets. In the event that Regency or any of its Affiliates in which it owns, directly or indirectly, an interest disposes of properties or assets (other than those properties or assets owned by the Partnership) in transactions or exchanges which Regency reasonably believes create capital gains to Regency and a resulting distribution or dividend to Regency's shareholders, the General Partner shall provide the Original Limited Partners with at least 20 days prior written notice of the record date for any distribution of the proceeds thereof, together with relevant information concerning such dividend, including the amount, to enable the Original Limited Partners to exercise the Redemption Right prior to said record date.

Section 7.10 Title to Partnership Assets. Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the General Partner or one or more nominees, as the General Partner may determine, including Affiliates of the General Partner. The General Partner hereby declares and warrants that any Partnership assets for which legal title is held in the name of the General Partner or any nominee or Affiliate of the General Partner shall be held by the General Partner for the use and benefit of the Partnership in accordance with the provisions of this Agreement; provided, however, that the General Partner shall use its best efforts to cause beneficial and record title to such assets to be vested in the Partnership as soon as reasonably practicable. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which legal title to such Partnership assets is held.

Section 7.11 Reliance by Third Parties. Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Partnership (including, without limitation, in connection with any pledge of Partnership assets to secure a loan or other financing to the General Partner as provided by Section 7.1(a)(iii)) and to enter into any contracts on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner as if it were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other remedies which may be available against such Person to contest, negate or disaffirm any action of the General Partner in connection with any such dealing. In no event shall any Person dealing with the General Partner or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the General Partner or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (i) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (ii) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (iii) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

Article 8

Rights And Obligations Of Limited Partners

Section 8.1 Limitation of Liability. The Limited Partners shall have no liability under this Agreement except as expressly provided in Section 5.3 hereof, or under the Act.

Section 8.2 Management of Business. No Limited Partner or Assignee (other than the General Partner, any of its Affiliates or any officer, director, employee, partner, agent or trustee of the General Partner, the Partnership or any of their Affiliates, in their capacity as such) shall take part in the operation, management or control (within the meaning of the Act) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. The transaction of any such business by the General Partner, any of its Affiliates or any officer, director, employee, partner, agent or trustee of the General Partner, the Partnership or any of their Affiliates, in their capacity as such, shall not affect, impair or eliminate the limitations on the liability of the Limited Partners or Assignees under this Agreement.

Section 8.3 Outside Activities of Limited Partners. Subject to any agreements entered into by a Limited Partner or its Affiliates with the General Partner, the Partnership or a Subsidiary or an Affiliate of any of them, the following rights shall govern outside activities of Limited Partners: (i) any Limited Partner and any officer, director, employee, agent, trustee, Affiliate, partner, beneficiary or shareholder of any such Limited Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities in direct competition with the Partnership, the General Partner or their Affiliates; (ii) neither the Partnership nor any Partners shall have any rights by virtue of this Agreement in any business ventures of any Partner or Assignee; (iii) none of the Partners nor any other Person shall have any rights by virtue of this Agreement or the partnership relationship established hereby in any business ventures of any other Person, and such Person shall have no obligation pursuant to this Agreement to offer any interest in any such business ventures to the Partnership, any Partner or any such other Person, even if such opportunity is of a character which, if presented to the Partnership, any Partner or such other Person, could be taken by such Person; (iv) the fact that a Partner may encounter opportunities to purchase, otherwise acquire, lease,

sell or otherwise dispose of real or personal property and may take advantage of such opportunities himself or introduce such opportunities to entities in which it has or has not any interest, shall not subject such Partner to liability to the Partnership or any of the other Partners on account of the lost opportunity; and (v) except as otherwise specifically provided herein, nothing contained in this Agreement shall be deemed to prohibit a Partner or any Affiliate of a Partner from dealing, or otherwise engaging in business, with Persons transacting business with the Partnership or from providing services relating to the purchase, sale, rental, management or operation of real or personal property (including real estate brokerage services) and receiving compensation therefor, from any Persons who have transacted business with the Partnership or other third parties.

Section 8.4 Priority Among Partners. Except to the extent provided by Section 4.2, Section 4.5, Section 5.1(a), Section 5.1(b), Section 5.1(c), Section 6.1(a), Section 6.1(b), Section 6.2 or Section 6.3 hereof (with respect to the respective priority of the Series A and any other Preferred Units and the Original Limited Partnership Units and the subordination of the Class B Units to the Original Limited Partners Units and Additional Units), or except as otherwise expressly provided in this Agreement, no Partner (Limited or General) or Assignee shall have priority over any other Partner (Limited or General) or Assignee either as to the return of Capital Contributions or as to profits, losses or distributions.

Section 8.5 Rights of Limited Partners Relating to the Partnership.

(a) Copies of Business Records. In addition to other rights provided by this Agreement or by the Act, and except as limited by Section 8.5(c) hereof, each Limited Partner shall be provided the following without demand, except as otherwise provided below, at the Partnership's expense:

- (i) promptly after becoming available, a copy of the most recent annual, quarterly and current reports and proxy statements filed with the Securities and Exchange Commission by Regency pursuant to the Securities Exchange Act of 1934, if any;
- (ii) promptly after becoming available, a copy of the Partnership's federal, state and local income tax returns for each Partnership Year;
- (iii) upon written demand and for a purpose reasonably related to such Limited Partner's interest as a Limited Partner in the Partnership, a current list of the name and last known business, residence or mailing address of each Partner;
- (iv) a copy of this Agreement and (upon written demand) the Certificate and all amendments hereto or (upon written demand) to the Certificate, together with executed copies of all powers of attorney pursuant to which this Agreement, the Certificate and all amendments hereto and thereto have been executed; and
- (v) upon written demand, true and full information regarding the amount of cash and a description and statement of any other property or services contributed by each Partner and which each Partner has agreed to contribute in the future, and the date on which each became a Partner.

(b) Notification of Changes in Unit Adjustment Factor. The General Partner shall notify each Limited Partner (other than any Partner who does not have a Redemption Right) in writing of any change made to the Unit Adjustment Factor within 10 Business Days of the date such change becomes effective.

(c) Confidential Information. Notwithstanding any other provision of this Section 8.5, the General Partner may keep confidential from the Limited Partners, for such period of time as the General Partner determines in its discretion to be reasonable, any information (i) relating to the General Partner or any of its Affiliates or the conduct of their business that the General Partner believes, in its good faith judgment, the disclosure of which information would adversely affect a material financing, acquisition, disposition of assets or securities or other comparable transaction to which the General Partner or any of its Affiliates is a party, (ii) that the General Partner believes to be in the nature of trade secrets of Regency or its Affiliates or (iii) that the Partnership, Regency or any of their Affiliates is required by law or by agreements with unaffiliated third parties to keep confidential. Nothing contained in this Section 8.5(c) shall permit the General Partner to keep confidential from the Limited Partners any information relating to the Partnership or its business.

Section 8.6 Redemption of Units. The Redemption Rights of the Original Limited Partners are set forth in this Section 8.6. Any Redemption Rights granted to Additional Limited Partners shall be set forth in amendments to this Agreement or in separate redemption agreements.

(a) Exercise. Subject to the provisions of this Section 8.6, the Original Limited Partners shall have the right (the "Redemption Right") to require the Partnership to redeem any Unit held by such Original Limited Partner in exchange for the Redemption Amount to be paid by the Partnership. A Redemption Right shall be exercised pursuant to a Notice of Redemption delivered to the General Partner by the Original Limited Partner who is exercising the Redemption Right (the "Redeeming Partner"), which shall be irrevocable except as set forth in this Section 8.6(a). The redemption shall occur on the Specified Redemption Date; provided, however, a Specified Redemption Date shall not occur until such later date as may be specified pursuant to any agreement with an Original Limited Partner. An Original Limited Partner may exercise a Redemption Right any

time and any number of times. A Redeeming Partner may not exercise the Redemption Right for less than 1,000 Units or, if such Redeeming Partner holds less than 1,000 Units, all of the Units held by such Redeeming Partner. If (i) an Original Limited Partner acquires any Units after the First Closing from another Original Limited Partner or holds or acquires any Shares otherwise than pursuant to the exercise of a Redemption Right hereunder and (ii) the issuance of a Share Amount pursuant to the exercise of a Redemption Right would violate the provisions of Section 5.2 of the Articles of Incorporation as a result of the ownership of such additional Units or Shares so acquired by such Original Limited Partner (the number of Shares in excess of the number of Shares permitted pursuant to said Section 5.2 is herein referred to as the "Excess Shares") and (iii) such Original Limited Partner does not revoke or amend the exercise of such Redemption Right to comply with the provisions of said Section 5.2 of the Articles of Incorporation within five days after receipt of written notice from the General Partner that the redemption would be in violation thereof, then the Partnership shall pay to such Redeeming Partner, in lieu of the Share Amount or the Cash Amount attributable to the Excess Shares, the amount which would be payable to such Redeeming Partner pursuant to Section 5.3 of the Articles of Incorporation if such Excess Shares were issued in violation of Section 5.2 of the Articles of Incorporation and Regency exercised the remedies pursuant to said Section 5.3 of the Articles of Incorporation. The relevant provisions of the Articles of Incorporation as presently in effect are attached hereto as Schedule 8.6(a). This Section 8.6(a) shall in no way or manner be construed as limiting the application of the Articles of Incorporation or constitute any form of waiver or exemption thereunder.

(b) Payment. The General Partner shall have the right to elect to fund the Redemption Amount through the issuance of (i) the Share Amount or (ii) the Cash Amount. The Redeeming Partner shall have no right, with respect to any Unit so redeemed, to receive any distributions paid by the Partnership after the Specified Redemption Date.

(c) Exceptions for Payment. Notwithstanding anything contained in this Section 8.6 to the contrary, the following provisions shall apply with respect to the payment of a Redemption Amount:

(i) If the funding of the Share Amount with respect to the exercise of a Redemption Right would cause the issuance of the Shares in connection therewith to violate Article 5.14 of the Articles of Incorporation of Regency, then the Redeeming Partner shall not have the right to receive the Share Amount with respect to the issuance of any Shares resulting in such a violation, and the balance of any Redemption Amount relating to the exercise of such Redemption Right shall be paid by a Cash Amount. A Non-U.S. Person who (i) has signed a Waiver and Consent Agreement in the form of Exhibit C attached hereto for the benefit of Regency and Security Capital (the "Security Capital Waiver and Consent") and (ii) is exercising a Redemption Right (and will receive a Share Amount) in compliance with the Security Capital Waiver and Consent, will not be in violation of the provisions of Article 5.14 of the Articles of Incorporation if (x) the aggregate number of Shares to be issued on such Specified Redemption Date to all Redeeming Partners who are Non-U.S. Persons is equal to or less than (y) the aggregate number of Shares to be issued on such Specified Redemption Date to all Redeeming Partners who are other than Non-U.S. Persons (the maximum number of Shares which may be issued to Redeeming Partners on a Specified Redemption Date who are Non-U.S. Persons in order to satisfy the foregoing requirement is herein referred to as the "Matching Share Amount"). If more than one Redeeming Partner who is a Non-U.S. Person exercises a Redemption Right for the same Specified Redemption Date and if the aggregate Share Amount payable to all such Redeeming Partners would cause the issuance of Shares to such Non-U.S. Persons to exceed the Matching Share Amount on such Specified Redemption Date, then the Matching Share Amount shall be allocated among such Redeeming Partners who are Non-U.S. Persons pro rata in proportion to the respective Share Amounts otherwise payable to such Redeeming Partners, and any balance of a Redemption Amount payable to any such Redeeming Partner on such Specified Redemption Date shall be paid by a Cash Amount.

(ii) If the issuance of Shares for a Share Amount to a Redeeming Partner would be in violation of the Securities Act and applicable state securities laws then such Redeeming Partner shall not have the right to receive the Share Amount, and the Redemption Amount shall be paid by the Cash Amount; provided, however, the issuance of Shares for a Share Amount shall not violate the registration requirements of the Securities Act as in effect on the date hereof if such Shares are issued to an "accredited investor" as defined in the Securities Act.

(d) [Intentionally Omitted.]

(e) Conditions. As a condition to exercising a Redemption Right, each Redeeming Partner shall execute a Notice of Redemption in the form attached as Exhibit B and, if a Non-U.S. Person, the Security Capital Waiver and Consent in the form attached as Exhibit C; and execute such other documents and take such other actions as the General Partner may reasonably require, including a Foreign Investment and Real Property Tax Act ("FIRPTA") or similar state and/or local affidavit (or make appropriate arrangements for deposit with the General Partner for payment to the Internal Revenue Service or any state or local governmental authority of the amount required for the General Partner to comply with the withholding provisions of such federal, state and local laws, and if applicable, providing a withholding certificate evidencing the Redeeming Partner's right to a reduced rate of FIRPTA withholding). As a further condition to exercising a Redemption Right, the Units to be redeemed shall be delivered to the Partnership or Regency, as the case may be, free and clear of all liens, security interests, deeds of trust, pledges and other encumbrances of any nature whatsoever (collectively the "Liens"), subject to the provisions of Section 5.3 hereof. In the event any Lien exists on the Specified Redemption Date with respect to the Units to be redeemed, neither the Partnership nor Regency (if Regency assumes

the Redemption Right pursuant to Section 8.7) shall have any obligation to redeem such Units, unless, in connection therewith, the General Partner has elected to pay a portion of the Redemption Amount in cash and such cash is sufficient to discharge such Lien, subject to the provisions of Section 5.3 hereof. Each Redeeming Partner hereby expressly authorizes the General Partner to apply such portion of such cash as may be necessary to discharge such Lien in full.

(f) [Intentionally Omitted.]

(g) Regency Agreement. Regency agrees (i) to perform Regency's obligations described in this Section 8.6, (ii) to cause the General Partner to perform the General Partner's obligations described in this Section 8.6 and (iii) to cause the General Partner to cause the Partnership to perform the Partnership's obligations described in this Section 8.6.

(h) Additional Rights. In case Regency shall issue rights, options or warrants to all holders of its Shares entitling them to subscribe for or purchase Shares or other securities convertible into Shares at a price per share less than the current per share market price as of the day before the "ex date" with respect to the issuance or distribution requiring such computation, each Original Limited Partner holding Redemption Rights shall be entitled to receive such number of such rights, options or warrants, as the case may be, as he would have been entitled to receive had he exercised all of his then existing Redemption Rights immediately prior to the record date for such issuance by Regency. The term "ex date" shall mean the first date on which Shares trade regularly without the right to receive such issuance or distribution. In case the Shares shall be changed into the same or a different number of shares of any class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than subdivision or combination of Shares or a stock dividend described in this definition), then and in each such event the Original Limited Partners holding Redemption Rights shall have the right thereafter to exercise their Redemption Rights for the kind and amount of shares and other securities and property that would have been received upon such reorganization, reclassification or other change by holders of the number of Shares with respect to which such Redemption Rights could have been exercised immediately prior to such reorganization, reclassification or change.

(i) Distributions. A Redeeming Partner exercising a Redemption Right with a Specified Redemption Date after a Partnership Record Date and prior to the payment of the distribution of Available Cash relating to such Partnership Record Date shall retain the right to receive such distribution with respect to such Units redeemed on such Specified Redemption Date.

Section 8.7 Regency's Assumption of Right. Notwithstanding the provisions of Section 8.6, Regency may, in its sole and absolute discretion, assume directly and satisfy a Redemption Right by paying to the Redeeming Partner the Share Amount on the Specified Redemption Date, whereupon Regency shall acquire the Units offered for redemption by the Redeeming Partner and shall be treated for all purposes of this Agreement as the owner of such Units, which shall become Class B Units. In the event Regency shall exercise its right to satisfy the Redemption Right in the manner described in the preceding sentence, the Partnership shall have no obligation to pay any amount to the Redeeming Partner with respect to such Redeeming Partner's exercise of the Redemption Right, and each of the Redeeming Partner, the Partnership, the General Partner and Regency shall treat the transaction between Regency and the Redeeming Partner as a sale of the Redeeming Partner's Units to Regency for federal income tax purposes. Regency agrees that if the General Partner elects to pay the Redemption Amount through the payment of the Share Amount, Regency shall guarantee the General Partner's payment thereof.

Article 9

Books, Records, Accounting And Reports

Section 9.1 Records and Accounting. The General Partner shall keep or cause to be kept at the principal office of the Partnership appropriate books and records with respect to the Partnership's business, including, without limitation, all books and records necessary to provide to the Limited Partners any information, lists and copies of documents required to be provided pursuant to Section 8.5 or Section 9.3 hereof. Any records maintained by or on behalf of the Partnership in the regular course of its business may be kept on, or be in the form of, magnetic tape, photographs, micrographics or any other information storage device; provided, that the records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained for financial purposes on an accrual basis in accordance with generally accepted accounting principles and for tax reporting purposes on the accrual basis.

Section 9.2 Fiscal Year. The fiscal year of the Partnership shall be the calendar year.

Section 9.3 Reports.

(a) Annual Reports. As soon as practicable, but in no event later than the date when mailed to Regency's shareholders, the General Partner shall cause to be mailed to each Limited Partner as of the close of the Partnership Year, an annual report containing financial statements of the Partnership, or of Regency if such statements are prepared solely on a consolidated basis with Regency for such Partnership Year, presented in accordance with generally accepted accounting principles, such statements to be audited by a nationally recognized firm of independent public accountants selected by the General Partner.

(b) Quarterly Reports. As soon as practicable, but in no event later than the

date when mailed to Regency's shareholders, the General Partner shall cause to be mailed to each Limited Partner as of the last day of the calendar quarter (except the last calendar quarter of each year) who has asked to be placed on the mailing list for the same, a report containing unaudited financial statements of the Partnership, or of Regency if such statements are prepared solely on a consolidated basis with Regency, and such other information as may be required by applicable law or regulation, or as the General Partner determines to be appropriate.

(c) Other. During the pendency of the Redemption Rights, Limited Partners holding Redemption Rights shall receive in a timely manner all other communications transmitted from time to time by Regency to its shareholders.

Article 10

Tax Matters

Section 10.1 Preparation of Tax Returns. The General Partner shall arrange for the preparation and timely filing of all returns of Partnership income, gains, deductions, losses and other items required of the Partnership for federal and state income tax purposes and shall use all reasonable efforts to furnish, within 90 days of the close of each taxable year, the tax information reasonably required by Limited Partners for federal and state income tax reporting purposes.

Section 10.2 Tax Elections. Except as otherwise provided herein, the General Partner shall, in its sole and absolute discretion, determine whether to make any available election pursuant to the Code; provided, however, that the General Partner shall make the election under Section 754 of the Code in accordance with applicable Regulations thereunder. The General Partner shall have the right to seek to revoke any such election (including, without limitation, the election under Section 754 of the Code) upon the General Partner's determination in its sole and absolute discretion that such revocation is in the best interests of the Partners.

Section 10.3 Tax Matters Partner.

(a) General. The General Partner shall be the "tax matters partner" of the Partnership for federal income tax purposes. Pursuant to Section 6223(c) of the Code, upon receipt of notice from the IRS of the beginning of an administrative proceeding with respect to the Partnership, the tax matters partner shall furnish the IRS with the name, address and profit interest of each of the Limited Partners; provided, however, that such information is provided to the Partnership by the Limited Partners.

(b) Powers. The tax matters partner is authorized, but not required:

(i) to enter into any settlement with the IRS with respect to any administrative or judicial proceedings for the adjustment of Partnership items required to be taken into account by a Partner for income tax purposes (such administrative proceedings being referred to as a "tax audit" and such judicial proceedings being referred to as "judicial review"), and in the settlement agreement the tax matters partner may expressly state that such agreement shall bind all Partners, except that such settlement agreement shall not bind any Partner (1) who (within the time prescribed pursuant to the Code and Regulations) files a statement with the IRS providing that the tax matters partner shall not have the authority to enter into a settlement agreement on behalf of such Partner or (2) who is a "notice partner" (as defined in Section 6231 of the Code) or a member of a "notice group" (as defined in Section 6223(b)(2) of the Code), and, to the extent provided by law, the General Partner shall cause each Limited Partner to be designated a notice partner;

(ii) in the event that a notice of a final administrative adjustment at the Partnership level of any item required to be taken into account by a Partner for tax purposes (a "final adjustment") is mailed or otherwise given to the tax matters partner, to seek judicial review of such final adjustment, including the filing of a petition for readjustment with the Tax Court or the United States Claims Court, or the filing of a complaint for refund with the District Court of the United States for the district in which the Partnership's principal place of business is located;

(iii) to intervene in any action brought by any other Partner for judicial review of a final adjustment;

(iv) to file a request for an administrative adjustment with the IRS at any time and, if any part of such request is not allowed by the IRS, to file an appropriate pleading (petition, complaint or other document) for judicial review with respect to such request;

(v) to enter into an agreement with the IRS to extend the period for assessing any tax which is attributable to any item required to be taken into account by a Partner for tax purposes, or an item affected by such item; and

(vi) to take any other action on behalf of the Partners of the Partnership in connection with any tax audit or judicial review proceeding to the extent permitted by applicable law or regulations.

The taking of any action and the incurring of any expense by the tax matters partner in connection with any such proceeding, except to the extent required by law, is a matter in the

sole and absolute discretion of the tax matters partner, and the provisions relating to indemnification of the General Partner set forth in Section 7.7 of this Agreement shall be fully applicable to the tax matters partner in its capacity as such.

(c) Reimbursement. The tax matters partner shall receive no compensation for its services. All third-party costs and expenses incurred by the tax matters partner in performing its duties as such (including legal and accounting fees) shall be borne by the Partnership. Nothing herein shall be construed to restrict the Partnership from engaging an accounting firm and a law firm to assist the tax matters partner in discharging his duties hereunder, so long as the compensation paid by the Partnership for such services is reasonable.

Section 10.4 Organizational Expenses. The Partnership shall elect to deduct expenses, if any, incurred by it in organizing the Partnership ratably over a 60 month period as provided in Section 709 of the Code.

Article 11

Transfers And Withdrawals

Section 11.1 Transfer. -----

(a) Definition. The term "transfer," when used in this Article 11 with respect to a Partnership Unit, shall be deemed to refer to a transaction by which the General Partner purports to assign its General Partnership Interest to another Person or by which a Limited Partner purports to assign its Limited Partnership Interest to another Person, and includes a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise. The term "transfer" when used in this Article 11 does not include any redemption of Partnership Units by a Limited Partner.

(b) Requirements. No Partnership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article 11. Any transfer or purported transfer of a Partnership Interest not made in accordance with this Article 11 shall be null and void.

Section 11.2 Transfer of General Partner's Partnership Interests. -----

(a) General Partnership Interest. The General Partner may not transfer any of its General Partnership Interest (other than any transfer to an Affiliate of the General Partner) or withdraw as General Partner (other than pursuant to a permitted transfer), other than in connection with a transaction described in Section 11.2(b). Any transfer or purported transfer of the General Partner's Partnership Interest not made in accordance with this Section 11.2 shall be null and void. Notwithstanding any permitted transfer of its General Partnership Interest or withdrawal as General Partner hereunder (other than in connection with a transaction described in Section 11.2(b)), Regency shall remain subject to Section 7.1(a)(iii), Section 7.9(e), Section 8.6 and Section 8.7 of this Agreement unless such transferee General Partner provides substantially similar rights to the Limited Partners and Consent of the Limited Partners is obtained. Nothing contained in this Section 11.2(a) shall entitle the General Partner to withdraw as General Partner unless a successor General Partner has been appointed and approved by obtaining (i) the Consent of the Original Limited Partners and (ii) the Consent of the Additional Limited Partners. Any General Partner other than Regency admitted to the Partnership by reason of being an Affiliate of Regency shall be a subsidiary of Regency so long as it is the General Partner, unless (i) the Consent of the Original Limited Partners and (ii) the Consent of the Additional Limited Partners is obtained.

(b) Transfer in Connection With Reclassification, Recapitalization, or Business Combination Involving General Partner. Subject to the provisions of Section 4.5(f), neither the General Partner nor Regency shall engage in any merger, consolidation or other business combination or transaction with or into another Person or sale of all or substantially all of its assets, or any reclassification, or recapitalization (other than a change in par value, or a change in the number of shares of Common Stock resulting from a subdivision or combination as described in the definition of Unit Adjustment Factor) ("Transaction"), unless as a result of the Transaction such other Person (i) agrees that each Limited Partner who holds a Redemption Right shall thereafter remain entitled to exchange each Partnership Unit owned by such Limited Partner (after application of the Unit Adjustment Factor) for an amount of cash, securities, or other property equal to the greatest amount of cash, securities or other property paid to a holder of one Share in consideration of one Share which a Limited Partner holding a Redemption Right would have received at any time during the period from and after the date on which the Transaction is consummated, as if the Limited Partner had exercised its Redemption Right immediately prior to the Transaction and received the Share Amount, and (ii) agrees to assume the General Partner's obligations pursuant to Section 8.6 hereof, provided, that if, in connection with the Transaction, a purchase, tender or exchange offer shall have been made to and accepted by the holders of more than 50 percent of the outstanding shares of Common Stock, the holders of such Partnership Units shall receive the greatest amount of cash, securities, or other property which a Limited Partner holding a Redemption Right would have received had it exercised the Redemption Right and received the Share Amount in redemption of its Partnership Units immediately prior to the expiration of such purchase, tender or exchange offer. Prior to consummating any such Transaction, Regency shall cause appropriate amendments to be made to this Agreement pursuant to Section 14.1(b) (including the definitions of Shares, Unit Adjustment Factor and Value) to carry out the intent of the parties that the rights of the Limited Partners holding Redemption Rights hereunder shall not be prejudiced as the result of any such Transaction. Notwithstanding anything contained in this Section 11.2(b) to the contrary, the General Partner shall not engage in a Transaction that causes the Original Limited Partners to recognize gain or loss

for federal income tax purposes.

(c) Limited Partnership Interests. The General Partner may transfer all or any portion of its Limited Partnership Interests represented by Class B Units, or any of the rights associated with such Limited Partnership Interests, to any party without the consent of the Partnership or any Partner (regardless of whether such transfer triggers a termination of the Partnership for tax purposes under Section 708 of the Code).

(d) Admission of Additional General Partner. Except as provided in Section 11.2(a) and Section 11.2(b), the General Partner may not admit an additional general partner other than an Affiliate of the General Partner pursuant to Section 11.2(a).

Section 11.3 Limited Partners' Rights to Transfer.

(a) General. No transfer of a Limited Partnership Interest by a Limited Partner is permitted without the prior written consent of the General Partner, which it may withhold in its sole and absolute discretion; provided, that a Limited Partner may transfer Units without the consent of the General Partner: (i) to members of the Limited Partner's Immediate Family or one or more trusts for their benefit pursuant to applicable laws of descent and distribution, gift or otherwise; (ii) among its Affiliates; (iii) to a lender, provided that the Units are not Pledged Units, where such Units are pledged to secure a bona fide obligation of the Limited Partner and any transfer in accordance with the rights of such lender under the instruments evidencing such obligation (provided that the General Partner receives 10 days prior written notice of any transfer under this clause (a)); (iv) if the Limited Partner is a trust, to the beneficiaries of the Limited Partner or to another trust (1) that is either established by the same grantor as the Limited Partner or (2) whose beneficiaries consist of members of the Immediate Family of the grantor of the Limited Partner or (3) whose beneficiaries consist of beneficiaries of the transferor trust or members of their Immediate Family; (v) if the Limited Partner is an entity, to the direct or indirect equity holders of the Limited Partner; and (vi) to other Limited Partners. In order to effect any transfer under this Section 11.3, the Limited Partner must deliver to the General Partner a duly executed copy of the instrument making such transfer and such instrument must evidence the written acceptance by the assignee of all of the terms and conditions of this Agreement, including, where applicable, the security interest described in Section 5.3, and represent that such assignment was made in accordance with all applicable laws and regulations.

(b) Incapacitated Limited Partners. If a Limited Partner is subject to Incapacity, the executor, administrator, trustee, committee, guardian, conservator or receiver of such Limited Partner's estate shall have all the rights of a Limited Partner, but not more rights than those enjoyed by other Limited Partners for the purpose of settling or managing the estate and such power as the Incapacitated Limited Partner possessed to transfer all or any part of his or its interest in the Partnership. The Incapacity of a Limited Partner, in and of itself, shall not dissolve or terminate the Partnership.

(c) No Transfers Violating Securities Laws. The General Partner may prohibit any transfer by a Limited Partner of his Partnership Units if, in the opinion of legal counsel to the Partnership, such transfer would require filing of a registration statement under the Securities Act of 1933 or would otherwise violate any federal or state securities laws or regulations applicable to the Partnership or the Partnership Units.

(d) Transfers Resulting in Corporation Status. Regardless of whether the General Partner is required to provide or has provided its consent under Section 11.3(a), no transfer by a Limited Partner of his Partnership Units (or any economic or other interest, right or attribute therein) may be made to any Person if legal counsel for the Partnership renders an opinion letter that it creates a substantial risk that the Partnership would be treated as an association taxable as a corporation.

(e) Transfers Causing Termination. Regardless of whether the General Partner is required to provide or has provided its consent under Section 11.3(a), no transfer of any Partnership Interests other than the exercise of Redemption Rights shall be effective if such transfer would, in the opinion of counsel for the Partnership, result in the termination of the Partnership for federal income tax purposes, in which event such transfer shall be made effective as of the first fiscal quarter in which such termination would not occur, if the Partner making such transfer continues to desire to effect the transfer.

(f) Transfer to Certain Lenders. Notwithstanding anything contained herein to the contrary, no transfer of any Partnership Units may be made to a lender to the Partnership or any Person who is related (within the meaning of Section 1.752-4(b) of the Regulations) to any lender to the Partnership whose loan constitutes a Nonrecourse Liability, without the consent of the General Partner, which consent may be given or withheld by the General Partner in its sole and absolute discretion, provided, that as a condition to such consent the lender will be required to enter into an arrangement with the Partnership and the General Partner to redeem for the Redemption Amount any Partnership Units in which a security interest is held, simultaneously with the time at which such lender would be deemed to be a partner in the Partnership for purposes of allocating liabilities to such lender under Section 752 of the Code.

(g) Transfers by Limited Partners Requiring 1934 Act Registration. Regardless of whether the General Partner is required to provide or has provided its consent under Section 11.3(a), no transfer by a Limited Partner of his or its Limited Partnership Interest (or any economic or other interest, right or attribute therein) may be made to any Person if (i) such transfer would require the Partnership to register its equity securities under the Securities Exchange Act

of 1934 and (ii) the Partnership does not then have any class of equity securities so registered.

(h) Transfers by Series A Preferred Partners. In addition to the other restrictions on transfer set forth in this Article 11, which apply to Series A Preferred Units, no transfer of the Series A Preferred Units may be made without the consent of the General Partner, which consent may be given or withheld in its sole and absolute discretion, if such transfer would result in more than four partners holding all outstanding Series A Preferred Units within the meaning of Regulation Section 1.7704-1(h)(3).

(i) Transfers Violating PTP Obligations. Regardless of whether the General Partner is required to provide or has provided its consent under Section 11.3(a), at any time on or before December 31, 2004, unless the provisions of this Section 11.3(i) are waived in writing by the General Partner, no transfer (or purported transfer) by a Limited Partner of his or its Partnership Units (or any economic or other interest, right or attribute therein) other than a transfer to the General Partner or any of its Subsidiaries may be made to any Person, and any such transfer (or purported transfer) shall be void ab initio, and no Person shall otherwise become a Partner if (a) legal counsel to the Partnership renders an opinion letter that such transfer creates a substantial risk that the Partnership would be treated as a PTP within the meaning of Section 7704 of the Code or (b) such transfer would cause the Partnership to have more than 100 Partners within the meaning of Regulation Section 1.7704-1(h)(3) immediately after such transfer ("Prohibited PTP Transfer"). If a Limited Partner presents any Units to the General Partner for transfer, the General Partner shall advise the Limited Partner within ten Business Days after receiving the transfer request if the purported transfer would constitute a Prohibited Transfer. Notwithstanding the foregoing, a transfer of Partnership Units which occurs by operation of law or as a result of a bona fide foreclosure of a lender's security interest and which would otherwise constitute a Prohibited PTP Transfer shall result in the mandatory redemption of such Units for the Share Amount simultaneously with the time at which the respective transferee would otherwise be deemed a Partner in the Partnership but for this sentence; provided, however, if the issuance of the Share Amount pursuant to this sentence would violate the provisions of Section 5.2 of the Articles of Incorporation, then the Partnership shall pay the Cash Amount in lieu of the Share Amount in satisfaction of such mandatory redemption. (For purposes of this Section 11.3, "Valuation Date" shall mean the date the Partnership receives notice of the Prohibited PTP Transfer.)

Section 11.4 Substituted Limited Partners.

(a) Consent of General Partner Required. The Limited Partner shall have the right to substitute a transferee as a Limited Partner in his place, but only if such transferee is a permitted transferee under Section 11.3, in which event such substitution shall occur if the Limited Partner so provides. With respect to any other transfers, the General Partner shall have the right to consent to the admission of a transferee of the interest of a Limited Partner pursuant to this Section 11.4 as a Substituted Limited Partner, which consent may be given or withheld by the General Partner in its sole and absolute discretion. The General Partner's failure or refusal to permit a transferee of any such interests to become a Substituted Limited Partner shall not give rise to any cause of action against the Partnership or any Partner.

(b) Rights and Duties of Substituted Limited Partners. A transferee who has been admitted as a Substituted Limited Partner in accordance with this Article 11 shall have all the rights and powers and be subject to all the restrictions and liabilities of a Limited Partner under this Agreement.

(c) Amendment of Exhibit A. Upon the admission of a Substituted Limited Partner, the General Partner shall amend Exhibit A to reflect the name, address, number of Partnership Units, and Percentage Interest of such Substituted Limited Partner and to eliminate or adjust, if necessary, the name, address and interest of the predecessor of such Substituted Limited Partner.

Section 11.5 Assignees. If a transferee is not admitted as a Substituted Limited Partner in accordance with Section 11.4(a), such transferee shall be considered an Assignee for purposes of this Agreement. An Assignee shall be entitled to all the rights of an assignee of a limited partnership interest under the Act, including (if applicable) the right to redeem Units under Section 8.6 or any separate redemption agreement, and the right to receive distributions from the Partnership and the share of Net Income, Net Losses, gain, loss and Recapture Income attributable to the Partnership Units assigned to such transferee, but shall not be deemed to be a holder of Partnership Units for any other purpose under this Agreement, and shall not be entitled to vote such Partnership Units in any matter presented to the Limited Partners for a vote (such Partnership Units being deemed to have been voted on such matter in the same proportion as all Partnership Units of the same class held by Limited Partners are voted). In the event any such transferee desires to make a further assignment of any such Partnership Units, such transferee shall be subject to all the provisions of this Article 11 to the same extent and in the same manner as any Limited Partner desiring to make an assignment of Partnership Units.

Section 11.6 General Provisions.

(a) Withdrawal of Limited Partner. No Limited Partner may withdraw from the Partnership other than as a result of a permitted transfer of all of such Limited Partner's Partnership Units in accordance with this Article 11 or pursuant to the redemption of all of his Partnership Units.

(b) Termination of Status as Limited Partner. Any Limited Partner who shall transfer all of his Partnership Units in a transfer permitted pursuant to this

Article 11 or pursuant to the redemption of all of his Partnership Units shall cease to be a Limited Partner.

(c) Timing of Transfers. Transfers pursuant to this Article 11 may only be made on the first day of a fiscal quarter, unless the General Partner otherwise agrees, or unless resulting by operation of law.

(d) Allocation When Transfer Occurs. If any Partnership Interest is transferred during any quarterly segment of the Partnership's fiscal year in compliance with the provisions of this Article 11 or redeemed pursuant to Section 8.6, Net Income, Net Losses, each item thereof and all other items attributable to such interest for such fiscal year shall be divided and allocated between the transferor Partner and the transferee Partner by taking into account their varying interests during the fiscal year in accordance with Section 706(d) of the Code, using the interim closing of the books method (other than Net Income or Net Loss attributable to a Capital Transaction, which shall be allocated as of the Capital Transaction Record Date). Solely for purposes of making such allocations, each of such items for the calendar month in which the transfer or redemption occurs shall be allocated to the Person who is a Partner as of midnight on the last day of said month. All distributions of Available Cash with respect to which the Partnership Record Date is before the date of such transfer or redemption shall be made to the transferor Partner, and all distributions of Available Cash thereafter shall be made to the transferee Partner.

(e) Continued Obligations Following Redemption by Certain Additional Limited Partners. Anything herein to the contrary notwithstanding, if an Additional Limited Partner is an Electing Partner (as defined in Section 13.4), and if such Additional Limited Partner exercises a Redemption Right with respect to such Additional Limited Partner's entire Limited Partnership Interest, and the General Partner determines in good faith that such Redeeming Partner has exercised a Redemption Right in order to avoid such Additional Limited Partner's deficit Capital Account restoration obligations in Section 13.4, the General Partner may require, upon delivery of written notice to the Redeeming Partner no later than thirty (30) days after the applicable Specified Redemption Date, that the Redeeming Partner remain liable to restore his "Hypothetical Negative Capital Account Balance" if the Partnership adopts a plan of liquidation within three hundred sixty five (365) days following such applicable Specified Redemption Date. A Redeeming Partner's Hypothetical Negative Capital Account Balance is the hypothetical amount such Redeeming Partner would have had to pay to the Partnership pursuant to his obligations under Section 13.4 hereof if he had remained as an Additional Limited Partner until the liquidation of the Partnership.

Article 12

Admission Of Partners

Section 12.1 Admission of Successor General Partner. A successor to all of the General Partner's General Partnership Interest pursuant to Section 11.2 hereof who is proposed and permitted to be admitted as a successor General Partner shall be admitted to the Partnership as the General Partner, effective upon such transfer. Any such transferee shall assume all of the General Partner's obligations under this Agreement and shall carry on the business of the Partnership without dissolution. In each case, the admission shall be subject to the successor General Partner executing and delivering to the Partnership an acceptance of all of the terms and conditions of this Agreement and such other documents or instruments as may be required to effect the admission.

Section 12.2 Admission of Additional Limited Partners.

(a) General. A Person who makes a Capital Contribution to the Partnership in accordance with Section 4.2 of this Agreement shall be admitted to the Partnership as an Additional Limited Partner upon furnishing to the General Partner (i) evidence of acceptance in form satisfactory to the General Partner of all of the terms and conditions of this Agreement, including, without limitation, the power of attorney granted in Article 16 hereof and (ii) such other documents or instruments as may be required in the sole and absolute discretion of the General Partner in order to effect such Person's admission as an Additional Limited Partner.

(b) Consent of General Partner Required. Notwithstanding anything to the contrary in this Section 12.2, no Person shall be admitted as an additional Limited Partner without the consent of the General Partner (other than a Person to whom a Limited Partner may transfer Units pursuant to Section 11.3(a) without the consent of the General Partner), which consent may be given or withheld in the General Partner's sole and absolute discretion. The admission of any Person as an additional Limited Partner shall become effective on the date upon which the name of such Person is recorded on the books and records of the Partnership, following the consent of the General Partner to such admission.

Section 12.3 Amendment of Agreement and Certificate. For the admission to the Partnership of any Partner, the General Partner shall, subject to the requirements of Section 4.2, take all steps necessary and appropriate under the Act to amend the records of the Partnership and, if necessary, to prepare as soon as practical an amendment of this Agreement (including an amendment of Exhibit A) and, if required by law, shall prepare and file an amendment to the Certificate and may for this purpose exercise the power of attorney granted pursuant to Article 16 hereof.

Section 12.4 Representations and Warranties of Additional Limited Partners. As inducement for their admission to the Partnership, each Additional Limited Partner hereby represents and warrants that such Limited Partner (a) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Partnership; (b) has been given the opportunity to examine all documents and to ask questions of, and

to receive answers from, the General Partner and its representatives concerning the terms and conditions of the acquisition by it of Units in the Partnership, and to obtain any additional information which it deems necessary to verify the accuracy of the information with respect thereto; and (c) understands that there will be no public market for the Units. Such Additional Limited Partner has received and carefully reviewed copies of the reports filed by Regency for its two most recent fiscal years and the interim period to date under the Securities Exchange Act of 1934 and such additional information concerning Regency, the Partnership and the transactions contemplated by this Agreement, to the extent that Regency could acquire such information without unreasonable effort or expense, as such Additional Limited Partner deems necessary for purposes of making an investment in the Partnership. The Units in the Partnership acquired by such Additional Limited Partner are being acquired by such Limited Partner for its own account for investment and not with a view to, or for resale in connection with, the public distribution or other disposition thereof. Such Additional Limited Partner agrees as a condition to the issuance of such Units in its name that any transfer, sale, assignment, hypothecation, offer or other disposition of such Units may not be effected except in accordance with the terms of this Agreement and pursuant to an effective registration statement under the Securities Act and the rules and regulations promulgated thereunder, or an exemption therefrom, and in compliance with all other applicable securities and "blue sky" laws. Each Additional Limited Partner acknowledges that the Partnership is not required to register any of the Units under the Securities Act or any other applicable securities or "blue sky" laws. Each such Additional Limited Partner represents and warrants that it has relied on its own advisors for advice in connection with structuring the transactions contemplated by this Agreement and is not relying on the General Partner or its accountants, attorneys or other advisors with regard to such matters.

Article 13

Dissolution And Liquidation

Section 13.1 Dissolution. The Partnership shall not be dissolved by the admission of Substituted Limited Partners or Additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the withdrawal of the General Partner, any successor General Partner shall continue the business of the Partnership. Notwithstanding anything contained herein to the contrary, except as provided below in this Section 13.1, the General Partner and the Partnership shall not dissolve the Partnership, adopt a plan of liquidation for the Partnership or sell all or substantially all of the assets of the Partnership in a Liquidating Transaction or otherwise without the (i) Consent of the Original Limited Partners and (ii) the Consent of the Additional Limited Partners. The Partnership shall dissolve, and its affairs shall be wound up, upon the first to occur of any of the following (each an "Event of Dissolution"):

(a) Expiration of Term-- the expiration of its term as provided in Section 2.4 hereof;

(b) Withdrawal of General Partner -- an event of withdrawal of the last remaining General Partner, as defined in the Act (other than an event of bankruptcy), unless, within 90 days after the withdrawal, all the remaining Limited Partners agree in writing to continue the business of the Partnership and to the appointment, effective as of the date of withdrawal, of a substitute General Partner;

(c) Judicial Dissolution Decree-- entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Act; or

(d) Bankruptcy or Insolvency of General Partner -- the last remaining General Partner shall be Incapacitated by reason of its bankruptcy unless, within 90 days after the withdrawal, all the remaining Limited Partners agree in writing to continue the business of the Partnership and to the appointment, effective as of the date of withdrawal, of a substitute General Partner.

Section 13.2 Winding Up.

(a) General. The General Partner shall provide written notice to the Limited Partners of the occurrence of an Event of Dissolution, giving them at least 20 days in which to exercise any Redemption Right prior to the distribution of any proceeds from the liquidation of the Partnership pursuant to this Section 13.2(a). Upon the occurrence of an Event of Dissolution, the Partnership shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Partners. No Partner shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Partnership's business and affairs. The General Partner (or, in the event there is no remaining General Partner, any Person elected by a majority in interest of the Limited Partners (the "Liquidator")) shall be responsible for overseeing the winding up and dissolution of the Partnership and shall take full account of the Partnership's liabilities and property and the Partnership property (subject to Section 13.2(b) and Section 13.2(c)) shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom shall be applied and distributed in the following order:

(i) First, to the payment and discharge of all of the Partnership's debts and liabilities to creditors other than the Partners;

(ii) Second, to the payment and discharge of all of the Partnership's debts and liabilities to the Partners, pro rata in accordance with amounts owed to each such Partner;

(iii) Third, to the Series A Preferred Partners in accordance with the provisions of Section 4.5(d);

- (iv) Fourth, to the Original Limited Partners, pro rata based on the number of Original Limited Partnership Units held by such Partners, until each such Partner has received an amount equal to the aggregate Priority Distribution Amounts for each Partnership Record Date (if any) occurring subsequent to the Event of Dissolution;
- (v) Fifth, one hundred percent (100%) to the Additional Limited Partners, pro rata based on the number of Additional Units held by such Partners, until each such Partner has received an amount equal to the aggregate Priority Distribution Amounts for each Partnership Record Date (if any) occurring subsequent to the Event of Dissolution; and
- (vi) The balance, if any, to the General Partner and Limited Partners in accordance with their Capital Accounts, after giving effect to all contributions, distributions, and allocations for all periods.

The General Partner shall not receive any additional compensation for any services performed pursuant to this Article 13.

(b) **Deferred Liquidation.** Notwithstanding the provisions of Section 13.2(a) hereof which require liquidation of the assets of the Partnership, but subject to the order of priorities set forth therein, and further subject to Section 13.2(c) hereof and any separate agreement of the Partnership or the General Partner with respect to the distribution in kind to Additional Limited Partners of assets contributed by such Additional Limited Partners (or assets exchanged for such assets), if prior to or upon dissolution of the Partnership the Liquidator determines that an immediate sale of part or all of the Partnership's assets would be impractical or would cause undue loss to the Partners, the Liquidator may, in its sole and absolute discretion, defer for a reasonable time the liquidation of any assets except those necessary to satisfy liabilities of the Partnership (including to those Partners as creditors) and/or distribute to the Partners, in lieu of cash, as tenants in common and in accordance with the provisions of Section 13.2(a) and Section 13.2(c) hereof and any such separate agreement, undivided interests in such Partnership assets as the Liquidator deems not suitable for liquidation. Any such distributions in kind shall be made only if, in the good faith judgment of the Liquidator, such distributions in kind are in the best interest of the Partners, and shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operation of such properties at such time. The Liquidator shall determine the fair market value of any property distributed in kind using such reasonable method of valuation as it may adopt.

(c) **Distribution of Briarcliff Village.**

(i) In the event that the Partnership is dissolved in accordance with this Article 13, the Briarcliff Village Property (as defined in Section 7.1(c)) will be distributed in-kind to the Original Briarcliff Partners (as defined in Section 7.1(c)) who continue, as of such time, to hold Original Limited Partnership Units attributable to the contribution of the Briarcliff Village Property to Branch Properties, L.P. and Branch Properties, L.P.'s subsequent contribution of the Briarcliff Village Property to the Partnership, with such Partners to take title to the Briarcliff Village Property in any manner which they are able to agree among themselves. In the event that such Partners are to receive the Briarcliff Village Property pursuant to this Section 13.2(c), then the Briarcliff Village Property shall have the net value agreed upon by the General Partner and the Partners receiving an interest in the Briarcliff Village Property, or, if they cannot agree, then the Briarcliff Village Property shall be valued in accordance with Section 13.2(d).

(ii) If the net value of the Briarcliff Village Property determined pursuant to Section 13.2(c)(i) exceeds the amount to which the Partners receiving the Briarcliff Village Property are entitled pursuant to this Article 13, then such partners may contribute to the capital of the Partnership the amount of cash equal to such excess, pro rata in proportion to the relative number of Units of each such Partners attributable to the contribution of the Briarcliff Village Property to Branch Properties, L.P. and Branch Properties, L.P.'s subsequent contribution of the Briarcliff Village Property to the Partnership. If such a contribution is not made in full, then Section 13.2(c)(i) shall not apply and the Liquidator shall be entitled to sell the Briarcliff Village Property in connection with the dissolution of the Partnership.

(d) **Appraisal.** In the event that the Briarcliff Village Property is to be distributed to the Original Briarcliff Partners in liquidation of the Partnership pursuant to the provisions of this Section 13.1(d), then the amount of such distribution shall be determined as follows if the net value thereof has not been agreed on pursuant to Section 13.2(c)(i):

- (i) Within twenty (20) days after the determination that the Partnership shall distribute the Briarcliff Village Property to the Original Briarcliff Partners, the General Partner and a Majority-In-Interest of the Original Briarcliff Partners (as defined in Section 7.1(c)) shall each select an independent, regionally or nationally recognized appraiser or appraisal group which is experienced in valuing separate real estate property ("Appraiser"), and the two Appraisers selected by the parties shall jointly select a third Appraiser. Each party shall pay the cost of their respective Appraiser and shall split the cost of the third Appraiser.

(ii) Within sixty (60) days of selection of the third Appraiser, each of the three Appraisers shall determine the gross fair market value of the Briarcliff Village Property as of the date of the election to liquidate the Partnership, calculated based on the net fair market value of Briarcliff Village (net of the loans encumbering Briarcliff Village), taking into consideration the terms and relative value of the loans encumbering Briarcliff Village, the fact that Briarcliff Village is not being sold and the loans are not being repaid.

(iii) Upon receipt of the three appraisals determining the gross fair market value of the Briarcliff Village Property, the two closest gross fair market values shall be averaged, with such average to constitute the distribution value of the Briarcliff Village Property.

Section 13.3 Compliance with Timing Requirements of Regulations; Allowance for Contingent or Unforeseen Liabilities or Obligations. Notwithstanding anything to the contrary in this Agreement, in the event the Partnership is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), distributions shall be made pursuant to this Article 13 to the General Partner and Limited Partners who have positive Capital Accounts in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(2) (including any timing requirements therein). Except as provided in Section 13.4, if any Limited Partner has a deficit balance in his Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which such liquidation occurs), such Partner shall have no obligation to make any contribution to the capital of the Partnership with respect to such deficit, and such deficit shall not be considered a debt owed to the Partnership or to any other Person for any purpose whatsoever. In the sole and absolute discretion of the General Partner, a pro rata portion of the distributions that would otherwise be made to the General Partner and Limited Partners pursuant to this Article 13 may be: (i) distributed to a liquidating trust established for the benefit of the General Partner and Limited Partners for the purposes of liquidating Partnership assets, collecting amounts owed to the Partnership, and paying any contingent or unforeseen liabilities or obligations of the Partnership or of the General Partner arising out of or in connection with the Partnership (the assets of any such trust shall be distributed to the General Partner and Limited Partners from time to time, in the reasonable discretion of the General Partner, in the same proportions as the amount distributed to such trust by the Partnership would otherwise have been distributed to the General Partner and Limited Partners pursuant to this Agreement); or (ii) withheld to provide a reasonable reserve for Partnership liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Partnership; provided, that such withheld amounts shall be distributed to the General Partner and Limited Partners as soon as practicable.

Section 13.4 Deficit Capital Account Restoration.

(a) Subject to Section 13.4(b), if an Original Limited Partner listed on Schedule 13.4(a) (who constituted an "Electing Partner" of Branch and is referred to hereinafter as an "Electing Partner") and any Additional Limited Partner who elects to be added to such Schedule (also an "Electing Partner"), on the date of the "liquidation" of his respective interest in the Partnership (within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g)), has a negative balance in his Capital Account, then such Electing Partner shall contribute in cash to the capital of the Partnership the lesser of (i) the maximum amount (if any such maximum amount is stated) listed beside such Electing Partner's name on Schedule 13.4(a) or (ii) the amount required to increase his Capital Account as of such date to zero. Any such contribution required of a Partner hereunder shall be made on or before the later of (i) the end of the Partnership fiscal year in which the interest of such Partner is liquidated or (ii) the ninetieth (90th) day following the date of such liquidation. Notwithstanding any provision hereof to the contrary, all amounts so contributed by a partner to the capital of the Partnership shall, upon the liquidation of the Partnership under this Article 13, be first paid to any then creditors of the Partnership, including Partners that are Partnership creditors (in the order provided in Section 13.2(a)), and any remaining amount shall be distributed to the other Partners then having positive balances in their respective Capital Accounts in proportion to such positive balances.

(b) After the death of an Electing Partner, the executor of the estate of such an Electing Partner may elect to reduce (or eliminate) the deficit Capital Account restoration obligation of such an Electing Partner pursuant to Section 13.4(a). Such election may be made by such executor by delivering to the General Partner within two hundred seventy (270) days of the death of such an Electing Partner a written notice setting forth the maximum deficit balance in his Capital Account that such executor agrees to restore under Section 13.4(a), if any. If such executor does not make a timely election pursuant to this Section 13.4(b) (whether or not the balance in his Capital Account is negative at such time), then such Electing partner's estate (and the beneficiaries thereof who receive distribution of Partnership Units therefrom) shall be deemed to have a deficit Capital Account restoration obligation as set forth pursuant to the terms of Section 13.4(a).

(c) If the General Partner, on the date of "liquidation" of its interest in the Partnership, within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations, has a negative balance in its Capital Account, then the General Partner shall contribute in cash to the capital of the Partnership the amount needed to restore its Capital Account balance to zero. Any such contribution required to be made by the General Partner shall be made by the General Partner on or before the later of (i) the end of the Partnership Year in which the General Partner's interest is liquidated, or (ii) the ninetieth (90th) calendar day following the date of such liquidation. Notwithstanding any provision of

this Agreement to the contrary, all amounts so contributed to the capital of the Partnership in accordance with this Section 13.4 shall be distributed in accordance with Section 13.2(a). Regency unconditionally guarantees the obligation of the General Partner under this Section 13.4(c) for the benefit of the Partnership and the other Partners.

Section 13.5 Deemed Distribution and Recontribution. Notwithstanding any other provision of this Article 13 (but subject to Section 13.3), in the event the Partnership is liquidated within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g) but no Event of Dissolution has occurred, the Partnership's property shall not be liquidated, the Partnership's liabilities shall not be paid or discharged, and the Partnership's affairs shall not be wound up. Instead, the Partnership shall be deemed to have distributed the Property in kind to the General Partner and Limited Partners, who shall be deemed to have assumed and taken such property subject to all Partnership liabilities, all in accordance with their respective Capital Accounts. Immediately thereafter, the General Partner and Limited Partners shall be deemed to have recontributed the Partnership property in kind to the Partnership, which shall be deemed to have assumed and taken such property subject to all such liabilities.

Section 13.6 Rights of Limited Partners. Except as specifically provided in this Agreement, including Section 7.1(a)(iii), Section 8.6, Section 8.7 and Section 13.4, each Limited Partner shall look solely to the assets of the Partnership for the return of his Capital Contribution and shall have no right or power to demand or receive property other than cash from the Partnership. Except as specifically provided in this Agreement, including Section 4.5 with respect to the Series A Preferred Units, no Limited Partner shall have priority over any other Limited Partner as to the return of his Capital Contributions, distributions, or allocations.

Section 13.7 Notice of Dissolution. In the event an Event of Dissolution or an event occurs that would, but for the provisions of Section 13.1, result in a dissolution of the Partnership, the General Partner shall, within 30 days thereafter, provide written notice thereof to each of the Partners and to all other parties with whom the Partnership regularly conducts business (as determined in the sole and absolute discretion of the General Partner) and shall publish notice thereof in a newspaper of general circulation in each place in which the Partnership regularly conducts business (as determined in the sole and absolute discretion of the General Partner).

Section 13.8 Cancellation of Certificate of Limited Partnership. Upon the completion of the liquidation of the Partnership as provided in Section 13.2 hereof, the Partnership shall be terminated and the Certificate and all qualifications of the Partnership as a foreign limited partnership in jurisdictions other than the State of Delaware shall be canceled and such other actions as may be necessary to terminate the Partnership shall be taken.

Section 13.9 Reasonable Time for Winding-Up. A reasonable time shall be allowed for the orderly winding-up of the business and affairs of the Partnership and the liquidation of its assets pursuant to Section 13.2 hereof, in order to minimize any losses otherwise attendant upon such winding-up, and the provisions of this Agreement shall remain in effect between the Partners during the period of liquidation.

Article 14 Amendment Of Partnership Agreement; Meetings

Section 14.1 Amendments. -----

(a) **General.** Amendments to this Agreement may be proposed only by the General Partner, who shall submit any proposed amendment (other than an amendment pursuant to Section 14.1(b)) to the Limited Partners. The General Partner shall seek the written vote of the applicable Partners on the proposed amendment or shall call a meeting to vote thereon and to transact any other business that it may deem appropriate. Except as provided in Section 4.5(f)(ii) and Section 14.1(b), Section 14.1(c), Section 14.1(d), Section 14.1(e) or Section 14.1(f) or except as may be expressly provided to the contrary elsewhere herein, a proposed amendment shall be adopted and be effective as an amendment hereto if it is approved by the General Partner and it receives (i) the Consent of the Original Limited Partners and (ii) the Consent of the Additional Limited Partners.

(b) **General Partner's Power to Amend.** Notwithstanding Section 14.1(a), the General Partner shall have the power, without the consent of the Limited Partners, to amend this Agreement as may be required to facilitate or implement any of the following purposes:

(i) to add to the obligations of the General Partner or surrender any right or power granted to the General Partner or any Affiliate of the General Partner for the benefit of the Limited Partners;

(ii) to add to or change the name of the Partnership;

(iii) to reflect the admission, substitution, termination, or withdrawal of Partners in accordance with this Agreement;

(iv) to set forth the rights, powers, duties and preferences of the holders of any additional Partnership Interests issued pursuant to Section 4.2;

(v) to reflect a change that is of an inconsequential nature and does not adversely affect the Limited Partners in any material respect, or to cure any ambiguity, correct or supplement any provision in this Agreement not inconsistent with law or with other provisions, or make other changes with respect to matters arising under this Agreement that will not be

inconsistent with law or with the provisions of this Agreement; and

- (vi) to satisfy any requirements, conditions, or guidelines contained in any order, directive, opinion, ruling or regulation of a federal or state agency or contained in federal or state.

The General Partner will provide 10 days' prior written notice to the Limited Partners when any action under this Section 14.1(b) is taken.

(c) Consent of Adversely Affected Partner Required. Notwithstanding Section 14.1(a) hereof and subject to Section 4.5(f)(ii) hereof, this Agreement shall not be amended without the consent of each Partner (other than a Series A Preferred Partner) adversely affected if such amendment would (i) convert a Limited Partner's interest in the Partnership into a general partner's interest, (ii) modify the limited liability of a Limited Partner, (iii) alter rights of the Partner to receive distributions pursuant to Article 5 or Article 13, or the allocations specified in Article 6 (except as permitted pursuant to Section 4.2 or Section 4.4(c) hereof), (iv) alter or modify the Redemption Right or Redemption Amount as set forth in Section 8.6 and related definitions hereof, or (v) amend Section 4.2(a) (issuances of additional Partnership Interests), Section 7.1(a)(iii) (Section 1031 exchanges), Section 7.1(h) (distributions), Section 7.3 (restrictions on General Partner's authority), or (vi) amend this Section 14.1(c).

(d) When Consent of Limited Partnership Interests Required. Notwithstanding Section 14.1(a) hereof and subject to Section 4.5(f)(ii), the General Partner shall not amend Section 4.2 (issuances of additional Partnership Interests), Section 7.1(h) (distributions), Section 7.6 (contracts with Affiliates) or Section 11.2 (transfer of General Partnership Interest) without the Consent of the Limited Partners and the General Partner shall not amend this Section 14.1(d) without the unanimous consent of the Limited Partners (other than Series A Preferred Partners and any other Preferred Partners unless such other Preferred Partners are expressly granted voting rights under this Section 14.1(d)).

(e) When Consent of Other Limited Partners Required.

(i) Matters Relating to Briarcliff. Notwithstanding Section 14.1(a) hereof, Section 7.1(c) (sale of Briarcliff Village), Section 13.2(c) (distribution of Briarcliff Village) and this Section 14.1(e)(i) may be amended only with the Consent of a Majority in Interest of the Original Briarcliff Partners (as defined in Section 7.1(c)).

(ii) Matters Relating to Other Classes of Partners. Notwithstanding Section 14.1(a) hereof, except as provided in Section 14.1(c) and Section 4.5(f)(ii), any amendment that would adversely affect only a class of Limited Partners, including the Original Limited Partners, may be amended with the Consent of such class of Limited Partners.

(f) Security Capital Consent. So long as the Stockholders Agreement referred to in Schedule 7.8(b) remains in effect, this Agreement shall not be amended, modified or supplemented, in any such case, without the prior written consent of Security Capital. Any amendment, modification or supplement adopted without Security Capital's consent shall be void.

(g) UPREIT Amendment. On the first day of the month immediately after the date that the General Partner Meets the UPREIT Test (as defined below), this Agreement shall be automatically amended and restated in the form of the Fourth Amended Agreement attached hereto as Exhibit E, and such Fourth Amended Agreement shall govern the Partnership from such date. In its discretion, the General Partner may defer the effective date of the Fourth Amendment until the first day of the calendar quarter immediately after the General Partner meets the UPREIT Test. "Meets the UPREIT Test" means that:

(i) from the most recent date that any distribution has been paid pursuant to Article 5 until the date on which the test is being applied, one hundred percent (100%) of the revenues of the General Partner, determined on a consolidated basis in accordance with generally accepted accounting principles, are attributable to revenues of the Partnership and its Subsidiaries, including revenues attributable to the Partnership pursuant to one or more nominee agreements between the Partnership and Regency and its Subsidiaries in which the economic benefit and detriment of assets governed by such agreements are attributed to the Partnership even though record title to such assets is held by Regency and/or its Subsidiaries which are not also Subsidiaries of the Partnership but excluding any revenues attributable to outside activities of the General Partner permitted by Section 7.5 of the Fourth Amended Agreement;

(ii) the General Partner holds (x) the number of Class B Units equal to the total number of Shares of Common Stock then outstanding and (y) the number of additional Units equal to the number and having designations, preferences and other rights substantially similar to the designations, preferences and other rights of other classes of equity of the General Partner then outstanding, whether consisting of preferred stock or special common stock, and the General Partner is hereby authorized to issue or redeem such Units as are necessary to effectuate the foregoing;

(iii) on the date on which the test is being applied, no Original Limited Partner or Additional Limited Partner has a positive

Cumulative Unpaid Accrued Return Account or a positive Cumulative Unpaid Priority Distribution Account; and

(iv) Persons (or their transferees) who are Limited Partners on the Third Amendment Date (the "Preexisting Partners," which term includes any transferee of a Preexisting Partner) have unanimously consented to the Fourth Amended Agreement attached hereto as Exhibit E; provided, however, that this unanimous consent requirement may be reduced, in the General Partner's discretion, to the consent of Preexisting Partners holding not less than eighty-five (85%) of the outstanding Units held by the Preexisting Partners (excluding any Units acquired as transferee from a Limited Partner who is not a Preexisting Partner). A non-consenting Preexisting Partner may consent in writing at any time after the Third Amendment Date to the provisions of such Fourth Amended Agreement by delivering written notice of such consent to the General Partner in such form as the General Partner may require. Once a consent is delivered hereunder, it may not be revoked. Any Limited Partner that consented to this Third Amended Agreement shall be deemed to have irrevocably consented to the Fourth Amended Agreement, such consent shall be included for the purpose of determining the percentage of Preexisting Partners who have consented thereto and no further consent of such Limited Partner or of any Partner who is not a Preexisting Partner is required for the effectiveness of the Fourth Amended Agreement.

Contemporaneously with the adoption of the Fourth Amended Agreement and the General Partner's most recent contribution of asset(s) to the Partnership, the Gross Asset Values of all Partnership assets shall be adjusted to equal their fair market values (exclusive of liabilities), as determined by the General Partner, and, notwithstanding anything else herein to the contrary, any resulting unrealized gain or loss shall be allocated first to the Series A Preferred Partners to the extent required by Section 6.2(g) hereof and thereafter in a manner which will cause the remaining Partners' Capital Account balances to be in proportion with the number of Units which each Partner will own immediately following the time that the Fourth Amended Agreement is adopted.

Section 14.2 Meetings of Limited Partners.

(a) General. Meetings of the Limited Partners may be called only by the General Partner. Such meeting shall be held at the principal office of the Partnership, or at such other place as may be designated by the General Partner. Notice of any such meeting shall be given to all Limited Partners not less than fifteen days nor more than sixty days prior to the date of such meeting. The notice shall state the purpose or purposes of the meeting. Limited Partners may vote in person or by proxy at such meeting. Whenever the vote or consent of Limited Partners is permitted or required under this Agreement, such vote or consent may be given at a meeting of Limited Partners or may be given in accordance with the procedure prescribed in Section 14.1 hereof. Except as otherwise expressly provided in this Agreement, including without limitation Section 4.5(f)(ii), the Consent of the Original Limited Partners and the Consent of the Additional Limited Partners shall be required.

(b) Actions Without a Meeting. Any action required or permitted to be taken at a meeting of the Limited Partners may be taken without a meeting if a written consent setting forth the action so taken is signed by the Limited Partners holding the number and type of Units that would be sufficient to approve the action if taken at a meeting. Such consent may be in one instrument or in several instruments, and shall have the same force and effect as a vote of such Limited Partners at a meeting. Such consent shall be filed with the General Partner. An action so taken shall be deemed to have been taken at a meeting held on the effective date so certified.

(c) Proxy. Each Limited Partner may authorize any Person or Persons to act for him by proxy on all matters in which a Limited Partner is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Limited Partner or his attorney-in-fact. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Limited Partner executing it.

(d) Conduct of Meeting. Each meeting of Limited Partners shall be conducted by the General Partner or such other Person as the General Partner may appoint pursuant to such rules for the conduct of the meeting as the General Partner or such other Person deems appropriate.

Article 15
General Provisions

Section 15.1 Addresses and Notice. All notices and demands under this Agreement shall be in writing, and may be either delivered personally (which shall include deliveries by courier) by U.S. mail or a nationally recognized overnight courier, by telefax, telex or other wire transmission (with request for assurance of receipt in a manner appropriate with respect to communications of that type; provided, that a confirmation copy is concurrently sent by a nationally recognized express courier for overnight delivery) or mailed, postage prepaid, by certified or registered mail, return receipt requested, directed to the parties at their respective addresses set forth on Exhibit A attached hereto, as it may be amended from time to time, and, if to the Partnership, such notices and demands sent in the aforesaid manner must be delivered at its principal place of business set forth above. Notices and demands shall be effective upon receipt. Any party hereto may designate a different address to which notices and demands shall thereafter be directed by written notice given in the same manner and directed to the Partnership at its office hereinabove set forth.

Section 15.2 Titles and Captions. All article or section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this

Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof. Except as specifically provided otherwise, references to "Articles" and "Sections" are to Articles and Sections of this Agreement.

Section 15.3 Pronouns and Plurals. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

Section 15.4 Further Action. The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 15.5 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns. Section 14.1(f) shall inure to the benefit of Security Capital.

Section 15.6 Waiver of Partition. The Partners hereby agree that the Partnership properties are not and will not be suitable for partition. Accordingly, each of the Partners hereby irrevocably waives any and all rights (if any) that it may have to maintain any action for partition of any of the Partnership properties.

Section 15.7 Entire Agreement. This Agreement supersedes any prior agreements or understandings among the parties with respect to the matters contained herein and it may not be modified or amended in any manner other than pursuant to Article 14. Matters (including but not limited to Redemption Rights) affecting Additional Limited Partners who are admitted to the Partnership from time to time may be set forth from time to time in separate agreements, provided that such agreements would not require the consent of any other Limited Partners if included as part of this Agreement, and in the event of any inconsistency between this Agreement and any such separate agreement permitted hereunder, the provisions of the separate agreement shall control.

Section 15.8 Remedies Not Exclusive. Any remedies herein contained for breaches of obligations hereunder shall not be deemed to be exclusive and shall not impair the right of any party to exercise any other right or remedy, whether for damages, injunction or otherwise.

Section 15.9 Time. Time is of the essence of this Agreement.

Section 15.10 Creditors. None of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

Section 15.11 Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

Section 15.12 Execution Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

Section 15.13 Applicable Law. This Agreement shall be construed in accordance with and governed by the laws and judicial decisions of the State of Delaware, without regard to the principles of conflicts of law.

Section 15.14 Invalidity of Provisions. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

Article 16
Power Of Attorney

Section 16.1 Power of Attorney.

(a) Scope. Each Limited Partner and each Assignee hereby constitutes and appoints the General Partner, any liquidator, and authorized officers and attorneys-in-fact of each, and each of those acting singly, in each case with full power of substitution and resubstitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead to:

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (1) all certificates, documents and other instruments (including, without limitation, this Agreement and the Certificate and all amendments or restatements thereof) that the General Partner or the Liquidator deems appropriate or necessary to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware and in all other jurisdictions in which the Partnership may conduct business or own property; (2) all instruments that the General Partner deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms; (3) all conveyances and other instruments or documents that the General Partner deems appropriate or necessary to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement, including, without limitation, a certificate of cancellation; (4) all instruments or documents and all certificates and acknowledgments relating to any mortgage, pledge, or other form of encumbrance in connection with any loan or other financing to the General Partner as provided by Section 7.1(a)(iii); (5) all instruments relating to the admission,

withdrawal, removal or substitution of any Partner pursuant to, or other events described in, Article 11, Article 12 or Article 13 hereof or the Capital Contribution of any Partner; (6) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges of Partnership Interests; and (7) all financing statements, continuation statements and similar documents which the General Partner deems appropriate to perfect and to continue perfection of the security interest referred to in Section 5.3; and

(ii) execute, swear to, acknowledge and file all ballots, consents, approvals, waivers, certificates and other instruments appropriate or necessary, to evidence, confirm or ratify any vote, consent, approval, agreement or other action which is made or given by the Partners hereunder or is consistent with the terms of this Agreement or appropriate or necessary, to effectuate the terms or intent of this Agreement.

Nothing contained herein shall be construed as authorizing the General Partner to amend this Agreement except in accordance with Article 14 hereof or as may be otherwise expressly provided for in this Agreement.

(b) Additional Power of Attorney of Limited Partners. Each Additional Limited Partner hereby grants to the General Partner and any Liquidator and authorizes officers and attorneys-in-fact of such Persons, and each of those acting singly, in each case with full power of substitution and resubstitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead to execute and file in such Additional Limited Partner's name any financing statements, continuation statements and similar documents and to perform all other acts which the General Partner deems appropriate to perfect and to continue perfection of the security interest in any Pledged Units owned by such Additional Limited Partner.

(c) Irrevocability. The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, in recognition of the fact that each of the Partners will be relying upon the power of the General Partner and any Liquidator to act as contemplated by this Agreement in any filing or other action by it on behalf of the Partnership, and it shall survive and not be affected by the subsequent Incapacity of any Limited Partner or Assignee and the transfer of all or any portion of such Limited Partner's or Assignee's Partnership Units and shall extend to such Limited Partner's or Assignee's heirs, successors, assigns and personal representatives. Each such Limited Partner or Assignee hereby agrees to be bound by any representation made by the General Partner, acting in good faith pursuant to such power of attorney; and each such Limited Partner or Assignee hereby waives any and all defenses which may be available to contest, negate or disaffirm the action of the General Partner, taken in good faith under such power of attorney. Each Limited Partner or Assignee shall execute and deliver to the General Partner or the Liquidator, within 15 days after receipt of the General Partner's request therefor, such further designations, powers of attorney and other instruments as the General Partner or the Liquidator, as the case may be, deems necessary to effectuate this Agreement and the purposes of the Partnership.

Signature Pages to Regency Centers, L.P. Third Amended and Restated Agreement of Limited Partnership

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

GENERAL PARTNER:

REGENCY REALTY CORPORATION

By: _____
Name: Bruce M. Johnson
Title: Managing Director

SECURITY CAPITAL U.S. REALTY,
a Luxembourg corporation

By: _____
Name: _____
Title: _____

SECURITY CAPITAL HOLDINGS, S.A.,
a Luxembourg corporation

By: _____
Name: _____
Title: _____

ARDEN SQUARE HOLDINGS SARL

By: _____
Name: _____
Title: _____

BLOSSOM VALLEY HOLDINGS SARL

By: _____
Name: _____
Title: _____

COOPER STREET PLAZA HOLDINGS SARL

By: _____
Name: _____
Title: _____

DALLAS HOLDINGS SARL

By: _____
Name: _____
Title: _____

EL CAMINO HOLDINGS SARL

By: _____
Name: _____
Title: _____

FRIARS MISSION HOLDINGS SARL

By: _____
Name: _____
Title: _____

Series B Amendment to Partnership Agreement

Regency Centers, L.P.
 Amendment No. 1 to Third Amended and Restated Agreement of
 Limited Partnership (the "Partnership Agreement")
 Relating to 8.75% Series B Cumulative Redeemable Preferred Units

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meaning assigned thereto in the Partnership Agreement. For purposes of this Amendment, the term "Series B Limited Partner" means a Limited Partner holding Series B Preferred Units. The term "Parity Preferred Units" shall be used to refer to Series A Preferred Units, Series B Preferred Units (as hereafter defined) and any class or series of Partnership Interests of the Partnership now or hereafter authorized, issued or outstanding expressly designated by the Partnership to rank on a parity with Series A Preferred Units or Series B Preferred Units with respect to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Partnership, or both, as the context may require, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per unit or conversion rights or exchange rights shall be different from those of the Series A Preferred Units. The term "Series B Priority Return" shall mean, an amount equal to 8.75% per annum, determined on the basis of a 360 day year of twelve 30 day months (or actual days for any month which is shorter than a full monthly period), cumulative to the extent not distributed for any given distribution period, of the stated value of \$100 per Series B Preferred Unit, commencing on the date of issuance of such Series B Preferred Unit. The Partnership Agreement shall be amended to add such definitions, and shall be further amended to add the following definition: "Priority Returns" means the Series A Priority Return and the Series B Priority Return or similar amount payable with respect to any other Parity Preferred Units. The term "Junior Stock" means any class or series of capital stock of the General Partner ranking junior as to the payment of distributions or rights upon voluntary or involuntary liquidation, winding up or dissolution of the General Partner to the Series B Preferred Stock. The term "PTP" shall mean a "publicly traded partnership" within the meaning of Section 7704 of the Code (as hereafter defined). The final Paragraph in the definition of "Net Income" and "Net Loss" in the Partnership Agreement shall be restated in its entirety as follows:

"Solely for purposes of allocating Net Income or Net Loss in any Fiscal Year to the holders of the Parity Preferred Units, items of Net Income and Net Loss, as the case may be, shall not include Depreciation with respect to properties (or groupings of properties selected by the General Partner using any method determined by it to be reasonable) that are "ceiling limited" in respect of the holders of the Parity Preferred Units. For purposes of the preceding sentence, Partnership property shall be considered ceiling limited in respect of a holder of Parity Preferred Units if Depreciation attributable to such Partnership property which would otherwise be allocable to such Partner, without regard to this paragraph, exceeded depreciation determined for federal income tax purposes attributable to such Partnership property which would otherwise be allocated to such Partner by more than 5%."

Section 2. Designation and Number. A series of Partnership Units in the Partnership designated as the "8.75% Series B Cumulative Redeemable Preferred Units" (the "Series B Preferred Units") is hereby established. The number of Series B Preferred Units shall be 850,000.

Section 3. Rank.

(a) The Series B Preferred Units will, with respect to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Partnership, or both, rank senior to all classes or series of Partnership Interests now or hereafter authorized, issued or outstanding other than any class or series of equity securities of the Partnership issued after the issuance of the Series B Preferred Units and expressly designated in accordance with the Partnership Agreement as ranking on a parity with the Series B Preferred Units as to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Partnership, or both. The Series B Preferred Units are expressly designated as ranking on a parity with the Series A Preferred Units.

(b) The last sentence of Section 4.1(a) of the Partnership Agreement shall be amended to read in full as follows (new language is underscored):

Any Partnership Interests held by the General Partner or any Affiliate other than a Property Affiliate (including Partnership Interests acquired under Sections 4.2, 8.6 and 8.7) shall be Class B Units, other than Parity Preferred Units, the issuance of which has been approved by the Limited Partners pursuant to Section 4.2, and any Preferred Units

issued pursuant to Section 4.2(b)(i).

Section 4. Distributions.

(a) Payment of Distributions. Subject to the rights of holders of Parity Preferred Units, holders of Series B Preferred Units shall be entitled to receive, when, as and if declared by the Partnership acting through the General Partner, out of Available Cash and Capital Transaction Proceeds, cumulative preferential cash distributions at the rate per annum of 8.75% of the original Capital Contribution per Series B Preferred Unit (the "Original Coupon Rate"; as it may be adjusted from time to time, the "Coupon Rate"). If (i) on or prior to January 31, 2000, the Partnership or the General Partner consummates a merger or consolidation (the "Merger") with another entity (the "Merger Partner") having an equity market capitalization in excess of \$1 billion, and (ii) after the date of consummation of the Merger and on or before the later of the 180th day following the first public announcement of the proposed Merger and the 90th day following the consummation of the Merger (the "Adjustment Period"), either Moody's or Standard & Poor's (each a "Rating Agency") changes (a "Rating Change") its unconditional, published rating of the General Partner's preferred stock (such Agency's "GP Rating"), then, from and after the date of each such Rating Change by either such Rating Agency during the Adjustment Period, the Coupon Rate shall be adjusted to equal an amount determined by decreasing (if the product described below is a positive number) or increasing (if the product described below is a negative number) the Original Coupon Rate by the product of (A) the positive number of grade levels of such Rating Agency by which its new GP Rating exceeds, or the negative number of grade levels of such Rating Agency by which its new GP Rating is less than, its GP Rating as of September 3, 1999, multiplied by (B) 12.5 basis points. In the case of each such Rating Change, the designation of the Series B Preferred Units will change accordingly to reflect such new Coupon Rate. Promptly after the expiration of the Adjustment Period, the parties hereto shall execute, acknowledge and deliver or cause to be executed, acknowledged and delivered all instruments and documents as may be reasonably necessary or desirable to memorialize the revised Coupon Rate, including making a corresponding change to the Series B Priority Return. Such distributions shall be cumulative, shall accrue from the original date of issuance and will be payable (A) quarterly in arrears, on or before March 1, June 1, September 1 and December 1 of each year commencing on December 1, 1999 and (B) in the event of (i) an exchange of Series B Preferred Units into Series B Preferred Stock, or (ii) a redemption of Series B Preferred Units, on the exchange date or redemption date, as applicable (each a "Series B Preferred Unit Distribution Payment Date"). The amount of the distribution payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and for any period shorter than a full quarterly period for which distributions are computed, the amounts of the distribution payable will be computed based on the ratio of the actual number of days elapsed in period to ninety (90) days. If any date on which distributions are to be made on the Series B Preferred Units is not a Business Day (as defined herein), then payment of the distribution to be made on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Distributions on December 31, 1999 and thereafter on the Series B Preferred Units will be made to the holders of record of the Series B Preferred Units on the relevant record dates to be fixed by the Partnership acting through the General Partner, which record dates shall be not less than ten (10) days and not more than thirty (30) Business Days prior to the relevant Preferred Unit Distribution Payment Date (the "Series B Preferred Unit Partnership Record Date").

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

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

(c) Priority as to Distributions.

(i) So long as any Series B Preferred Units are outstanding, no distribution of cash or other property shall be authorized, declared, paid or set apart for payment on or with respect to any class or series of Partnership Interests of the Partnership ranking junior as to the payment of distributions to Parity Preferred Units (collectively, "Junior Units"), nor shall any cash or other property be set aside for or applied to the purchase, redemption or other acquisition for consideration of any Series B Preferred Units, any Parity Preferred Units with respect to distributions or any Junior Units, unless, in each case, all distributions accumulated on all Series B Preferred Units and all classes and series of outstanding Parity Preferred Units as to payment of distributions have been paid in full. The foregoing sentence will not prohibit

(a) distributions payable solely in Junior Units, (b) the conversion of Junior Units or Parity Preferred Units into Partnership Interests of the Partnership ranking junior to the Series B Preferred Units as to distributions, or (c) the redemption of Partnership Interests corresponding to any Series B Preferred Stock, Parity Preferred Stock with respect to distributions or Junior Stock to be purchased by the General Partner pursuant to Article 5 of the Articles of Incorporation of the General Partner (the "Charter") to preserve the General Partner's status as a real estate investment trust, provided that such redemption shall be upon the same terms as the corresponding purchase pursuant to Article 5 of the Charter.

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

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

(e) Section 5.1(c) of the Partnership Agreement shall be amended to read in full as follows (new language is underscored):

"Anything herein to the contrary notwithstanding, subject to Section 4(c)(i) of Amendment No. 1 to this Agreement, no Available Cash or Capital Transaction Proceeds shall be distributed pursuant to Section 5.1(a), Section 5.1(b) or any other provisions of this Article 5 unless all distributions accumulated on all Series A Preferred Units pursuant to Section 4.5 have been paid in full and unless all distributions accumulated on any other outstanding Preferred units have been paid in full."

Section 5. Allocations.

(a) Section 6.1(a) and 6.1(b) of the Agreement are hereby deleted and the following inserted as new Sections 6.1(a) and 6.1(b) in lieu thereof (new language is underscored):

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

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

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

(ii) Second, one hundred percent (100%) to the holders of Parity Preferred Units in an amount equal to the excess, if any, of (A) the cumulative Net Losses allocated to the holders of Parity Preferred Units pursuant to Section 6.1(b)(viii) for all prior fiscal years, over (B) the cumulative Net Income allocated pursuant to this Section 6.1(a)(ii), including any amounts allocated pursuant to Section 6.2(g) which were attributable to this Section 6.1(a)(ii), for all prior fiscal years;

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

(iv) Fourth, one hundred percent (100%) to the Original Limited Partners in an amount equal to the excess, if any, of (A) the cumulative

Net Losses allocated to such Partners pursuant to Section 6.1(b)(iii) for all prior fiscal years, over (B) the cumulative Net Income allocated pursuant to this Section 6.1(a)(iv) for all prior fiscal years, which amount shall be allocated among such Partners in the same proportions and in the reverse order as the Net Losses were allocated pursuant to Section 6.1(b)(iii);

(v) Fifth, one hundred percent (100%) to the holders of Parity Preferred Units until the holders of Parity Preferred Units have been allocated an amount equal to the excess of their respective cumulative Priority Returns through the last day of the current fiscal year (determined without reduction for distributions made to date in satisfaction thereof) over the cumulative Net Income allocated to the holders of Parity Preferred Units pursuant to this Section 6.1(a)(v), including any amounts allocated pursuant to Section 6.2(g) which were attributable to this Section 6.1(a)(v), for all prior periods;

(vi) Sixth, one hundred percent (100%) to the Original Limited Partners until the cumulative allocations of Net Income to each Original Limited Partner under this Section 6.1(a)(vi) for the current and all prior fiscal years equal the cumulative distributions paid to the Original Limited Partner pursuant to Section 5.1(a)(i) and Section 13.2(a)(iv), provided, however, in the case of Original Limited Partners other than Class Z Branch Partners, no allocations of Net Income shall be made under this Section 6.1(a)(vi) to such Limited Partners with respect to distributions made under Section 5.1(a)(i) and Section 13.2(a)(iv) after the Third Amendment Date;

(vii) Seventh, one hundred percent (100%) to the Original Limited Partners until the cumulative allocations of Net Income to each Original Limited Partner under this Section 6.1(a)(vii) for the current and all prior fiscal years equal the sum of the cumulative amounts credited to such Partner's Cumulative Unpaid Priority Distribution Account and Cumulative Unpaid Accrued Return Account for the current and all prior fiscal years, provided, however, in the case of Original Limited Partners other than Class Z Branch Partners, no allocations of Net Income shall be made under this Section 6.1(a)(vii) with respect to amounts credited to such Partners' Cumulative Unpaid Priority Distribution Accounts and Cumulative Unpaid Accrued Return Accounts after the Third Amendment Date;

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

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

(x) Tenth, one hundred percent (100%) to the Additional Limited Partners until the cumulative allocations of Net Income to each Additional Limited Partner under this Section 6.1(a)(x) for the current and all prior fiscal years equal the cumulative distributions paid to the Additional Limited Partners pursuant to Section 5.1(a)(iv) and Section 13.2(a)(v), provided, however, in the case of Additional Limited Partners other than Class Z Midland Partners, no allocations of Net Income shall be made under this Section 6.1(a)(x) to such Limited Partners with respect to distributions made under Section 5.1(a)(iv) and Section 13.2(a)(v) after the Third Amendment Date;

(xi) Eleventh, one hundred percent (100%) to the Additional Limited Partners until the cumulative allocations of Net Income to each Additional Limited Partner under this Section 6.1(a)(xi) for the current and all prior fiscal years equal the sum of (A) the cumulative amounts credited to such Partner's Cumulative Unpaid Priority Distribution Account and Cumulative Unpaid Accrued Return Account for the current and all prior fiscal years and (B) the cumulative Net Losses allocated to the Additional Limited Partner pursuant to Section 6.1(b)(v) for all prior fiscal years, provided, however, in the case of Additional Limited Partners other than Class Z Midland Partners, no allocation of Net Income shall be made under this Section 6.1(a)(xi) with respect to amounts credited to such Partners' Cumulative Unpaid Priority Distribution Accounts and Cumulative Unpaid Accrued Return Accounts after the Third Amendment Date; and

(xii) Thereafter, to the Original and Additional Limited Partners other than Class Z Branch Partners or Class Z Midland Partners, to the General Partner and to any other holders of Class B Units, pro rata in accordance with the relative amounts of Available Cash and Capital Transaction Proceeds distributed to each of them during the taxable year.

(b) Net Losses. After giving effect to the special allocations set forth in Section 6.2 below, Net Losses shall be allocated as follows:

(i) First, one hundred percent (100%) to the Original and Additional Limited Partners other than Class Z Branch Partners or Class Z Midland Partners, to the General Partner and the Class B Unit holders in an amount equal to the excess, if any, of (A) the cumulative Net Income allocated pursuant to Section 6.1(a)(xii) hereof for all prior fiscal years in excess of distributions of Available Cash to such Partners for which no corresponding allocation of Net Income had been made (or is required to be made) under Sections 6.1(a)(i)-(xi) hereof, over (B) the cumulative Net Losses allocated pursuant to this Section 6.1(b)(i) for all prior fiscal years;

(ii) Second, to the Original Limited Partners until the cumulative allocations of Net Losses under this Section 6.1(b)(ii) equal the excess, if any, of the cumulative allocations of Net Income under Section 6.1(a)(vii) to such Partners for all prior fiscal years over the cumulative distributions to such Partners under Section 5.1(a)(ii) and (iii) and Section 5.1(b)(i) and (ii) for the current and all prior fiscal years (such allocation being made in proportion to such Partners' respective excess amounts);

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

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

(v) Fifth, to the Additional Limited Partners until the cumulative allocations of Net Losses under this Section 6.1(b)(v) equal the excess, if any, of the cumulative allocations of Net Income under Section 6.1(a)(xi) to such Partners for all prior fiscal years over the cumulative distributions to such Partners under Section 5.1(a)(v) and (vi) and Section 5.1(b)(iii) and (iv) for the current and all prior fiscal years (such allocation being made in proportion to such Partners' respective excess amounts);

(vi) Sixth, to the Additional Limited Partners with positive Adjusted Capital Accounts balances (determined, solely for purposes of this Section 6.1(b)(vi), without regard to any obligation of a Partner to restore a negative Capital

Account under Section 13.4), in proportion to such balances, until such balances are reduced to zero;

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

(viii) Eighth, to the holders of Parity Preferred Units until their respective Adjusted Capital Account Balance (determined, solely for purposes of this Section 6.1(b)(viii), without regard to any obligation of a Partner to restore a negative Capital Account under Section 13.4), has been reduced to zero; and

(ix) Any remaining Net Loss shall be allocated to the General Partner and any other holders of Class B Units.

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

(b) Section 6.2(g) of the Agreement is hereby deleted and the following inserted as new Section 6.2(g) in lieu thereof (new language is underscored):

(g) Capital Account Adjustments. Notwithstanding anything herein to the contrary other than the last sentence of Section 14.1(g), any gain or loss arising from an adjustment to the Gross Asset Value of any Partnership asset pursuant to clause (b) or (c) of the definition thereof shall be allocated (i) first, to the holders of the Parity Preferred Units, but only to the extent that they would have been allocated such gain pursuant to Section 6.1(a)(ii) or Section 6.1(a)(v) of this Agreement or such loss pursuant to Section 6.1(b)(viii) of this Agreement, as applicable, if such gain or loss had been actually realized; and (ii) second, and subject to section 6.2(h) hereof, one hundred percent (100%) of the remainder of such gain or loss to the General Partner and the Additional Limited Partners (other than holders of Parity Preferred Units) pro rata in accordance with the relative number of Units held by each; provided, however, that for this purpose, the General Partner shall be treated as owning all of the outstanding Class A Units and all of the outstanding Original Limited Partnership Units in addition to the actual number of Units which the General Partner holds. An Additional Limited Partner (except for holders of Parity Preferred Units), at the time of admission to the Partnership, may elect with the consent of the General Partner to not receive special allocations of any gain or loss resulting from such adjustments.

Section 6. Liquidation Preference.

(a) Payment of Liquidating Distributions. Subject to the rights of holders of Parity Preferred Units with respect to rights upon any voluntary or involuntary liquidation, dissolution or winding-up of the Partnership the holders of Series B Preferred Units shall be entitled to receive out of the assets of the Partnership legally available for distribution or the proceeds thereof, after payment or provision for debts and other liabilities of the Partnership, but before any payment or distributions of the assets shall be made to holders of any class or series of Partnership Interest that ranks junior to the Series B Preferred Units as to rights upon liquidation, dissolution or winding-up of the Partnership, an amount equal to the sum of (i) a liquidation preference equal to their positive Capital Account balances, determined after taking into account all Capital Account adjustments for the Partnership taxable year during which the liquidation occurs (other than those made as a result of the liquidating distribution set forth in this Section 6(a)), and (ii) an amount equal to any accumulated and unpaid distributions thereon, whether or not declared, to the date of payment. In the event that, upon such voluntary or involuntary liquidation, dissolution or winding-up, there are insufficient assets to permit full payment of liquidating distributions to the holders of Series B Preferred Stock and any Parity Preferred Units as to rights upon liquidation, dissolution or winding-up of the Partnership, all payments of liquidating distributions on the Series B Preferred Units and such Parity Preferred Units shall in all cases bear to each other the same ratio that the respective rights of the Series B Preferred Unit and such other Parity Preferred Units (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such Parity Preferred Units do not have cumulative distribution rights) upon liquidation, dissolution or winding-up of the Partnership bear to each other.

(b) Notice. Written notice of any such voluntary or involuntary liquidation,

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

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

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

Section 7. Optional Redemption.

(a) Right of Optional Redemption. The Series B Preferred Units may not be redeemed prior to the fifth anniversary of the issuance date. On or after such date, the Partnership shall have the right to redeem the Series B Preferred Units, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' written notice, at a redemption price, payable in cash, equal to the Capital Account balance of the holder of Series B Preferred Units (the "Redemption Price"); provided, however, that no redemption pursuant to this Section 7 will be permitted if the Redemption Price does not equal or exceed the original Capital Contribution of such holder plus the cumulative Series B Priority Return, whether or not declared, to the redemption date to the extent not previously distributed or distributed on the redemption date pursuant to Section 4(a). If fewer than all of the outstanding Series B Preferred Units are to be redeemed, the Series B Preferred Units to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional units).

(b) Limitation on Redemption.

(i) The Redemption Price of the Series B Preferred Units (other than the portion thereof consisting of accumulated but unpaid distributions) will be payable solely out of the sale proceeds of capital stock of the General Partner, which will be contributed by the General Partner to the Partnership as additional capital contribution, or out of the sale of limited partner interests in the Partnership and from no other source. For purposes of the preceding sentence, "capital stock" means any equity securities (including Common Stock and Preferred Stock (as such terms are defined in the Charter)), shares, participation or other ownership interests (however designated) and any rights (other than debt securities convertible into or exchangeable for equity securities) or options to purchase any of the foregoing.

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

(c) Procedures for Redemption.

(i) Notice of redemption will be (i) faxed, and (ii) mailed by the Partnership, by certified mail, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the respective holders of record of the Series B Preferred Units at their respective addresses as they appear on the records of the Partnership. No failure to give or defect in such notice shall affect the validity of the proceedings for the redemption of any Series B Preferred Units except as to the holder to whom such notice was defective or not given. In addition to any information required by law, each such notice shall state: (i) the redemption date, (ii) the Redemption Price, (iii) the aggregate number of Series B Preferred Units to be redeemed and if fewer than all of the outstanding Series B Preferred Units are to be redeemed, the number of Series B Preferred Units to be redeemed held by such holder, which number shall equal such holder's pro rata share (based on the percentage of the aggregate number of outstanding Series B Preferred Units the total number of Series B Preferred Units held by such holder represents) of the aggregate number of Series B Preferred Units to be redeemed, (iv) the place or places where such Series B Preferred Units are to be surrendered for payment of the Redemption Price, (v) that distributions on the Series B Preferred Units to be redeemed will cease to accumulate on such redemption date and (vi) that payment of the Redemption Price will be made upon presentation and surrender of such Series B Preferred Units.

(ii) If the Partnership gives a notice of redemption in respect of Series B Preferred Units (which notice will be irrevocable) then, by 12:00 noon, New York City time, on the redemption date, the Partnership will deposit irrevocably in trust for the benefit of the Series B Preferred Units being redeemed funds sufficient to pay the applicable Redemption Price and will give irrevocable instructions and authority to pay such Redemption Price to the holders of the Series B Preferred Units upon surrender of the Series B Preferred Units by such holders at the place designated in the notice of redemption. If the Series B Preferred Units are evidenced by a certificate and if fewer than all Series B Preferred Units evidenced any certificate are being redeemed, a new certificate shall be issued upon surrender of the certificate evidencing all Series B

Preferred Units, evidencing the unredeemed Series B Preferred Units without cost to the holder thereof. On and after the date of redemption, distributions will cease to accumulate on the Series B Preferred Units or portions thereof called for redemption, unless the Partnership defaults in the payment thereof. If any date fixed for redemption of Series B Preferred Units is not a Business Day, then payment of the Redemption Price payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day falls in the next calendar year, such payment will be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date fixed for redemption. If payment of the Redemption Price is improperly withheld or refused and not paid by the Partnership, distributions on such Series B Preferred Units will continue to accumulate from the original redemption date to the date of payment, in which case the actual payment date will be considered the date fixed for redemption for purposes of calculating the applicable Redemption Price.

Section 8. Voting Rights.

(a) General. Holders of the Series B Preferred Units will not have any voting rights or right to consent to any matter requiring the consent or approval of the Limited Partners, except as otherwise expressly set forth in the Partnership Agreement and except as set forth below.

(b) Certain Voting Rights. So long as any Series B Preferred Units remain outstanding, the Partnership shall not, without the affirmative vote of the holders of at least two-thirds of the Series B Preferred Units outstanding at the time (i) authorize or create, or increase the authorized or issued amount of, any class or series of Partnership Interests ranking prior to the Series B Preferred Units with respect to payment of distributions or rights upon liquidation, dissolution or winding-up or reclassify any Partnership Interests of the Partnership into such Partnership Interest, or create, authorize or issue any obligations or security convertible into or evidencing the right to purchase any such Partnership Interest, (ii) authorize or create, or increase the authorized or issued amount of any Parity Preferred Units or reclassify any Partnership interest of the Partnership into any such Partnership Interest or create, authorize or issue any obligations or security convertible into or evidencing the right to purchase any such Partnership Interests but only to the extent such Parity Preferred Units are issued to an affiliate of the Partnership, other than (A) Security Capital U.S. Realty, Security Capital Holdings, S.A. or their affiliates purchasing preferred stock of the same series on the same terms as non-affiliates or (B) the General Partner to the extent the issuance of such interests was to allow the General Partner to issue corresponding preferred stock to persons who are not affiliates of the Partnership in the same transaction or (iii) either (A) consolidate, merge into or with, or convey, transfer or lease its assets substantially as an entirety to, any corporation or other entity or (B) amend, alter or repeal the provisions of the Partnership Agreement, whether by merger, consolidation or otherwise, that would materially and adversely affect the powers, special rights, preferences, privileges or voting power of the Series B Preferred Units or the holders thereof; provided, however, that with respect to the occurrence of a merger, consolidation or a sale or lease of all of the Partnership's assets as an entirety, so long as (a) the Partnership is the surviving entity and the Series B Preferred Units remain outstanding with the terms thereof unchanged, or (b) the resulting, surviving or transferee entity is a partnership, limited liability company or other pass-through entity organized under the laws of any state and substitutes the Series B Preferred Units for other interests in such entity having substantially the same terms and rights as the Series B Preferred Units, including with respect to distributions, voting rights and rights upon liquidation, dissolution or winding-up, then the occurrence of any such event shall not be deemed to materially and adversely affect such rights, privileges or voting powers of the holders of the Series B Preferred Units and no vote of the Series B Preferred Units shall be required in such case; and provided further than any increase in the amount of Partnership Interests or the creation or issuance of any other class or series of Partnership Interests, in each case ranking (a) junior to the Series B Preferred Units with respect to payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up, or (b) on a parity to the Series B Preferred Units with respect to payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up to the extent such Partnership Interests are not issued to an affiliate of the Partnership, other than (A) Security Capital U.S. Realty, Security Capital Holdings, S.A. or their affiliates purchasing Partnership interests of the same series on the same terms as non-affiliates, or (B) the General Partner to the extent the issuance of such interests was to allow the General Partner to issue corresponding preferred stock to persons who are not affiliates of the Partnership, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers and no vote of the Series B Preferred Units shall be required in such case.

In addition to the foregoing, the Partnership will not (x) enter into any contract, mortgage, loan or other agreement that prohibits or restricts, or has the effect of prohibiting or restricting, the ability of a Preferred Partner to exercise its rights set forth herein to effect in full an exchange or redemption pursuant to Section 10, except with the written consent of the holders of at least two-thirds of the Series B Preferred Units outstanding at the time; or (y) amend, alter, or repeal or waive Section 7.5 of the Fourth Amended Agreement (to the extent in effect) or, until December 31, 2000, Section 11.3(i) of the Partnership Agreement if such amendment, alteration or waiver adversely affects the holders of Series B Preferred Units without the affirmative vote of at least two-thirds of the Series B Preferred Units outstanding at the time.

Notwithstanding anything to the contrary in this Section 8, in no event shall the General Partner or any of its affiliates have any voting,

consent or approval rights in respect of any Series B Preferred Units it or they may hold, and any percentage or portion of outstanding Series B Preferred Units that may be required hereunder for any vote, consent or approval of holders thereof shall be determined as if all Series B Preferred Units then held by the General Partner or any of its affiliates were not outstanding.

Section 9. Transfer Restrictions.

(a) The Series B Preferred Units shall not be subject to the provisions of Article 11 of the Partnership Agreement other than Sections 11.1(a), 11.3(b), 11.3(c), 11.3(d), 11.3(e), 11.3(f), 11.3(g), 11.3(i) and 11.6.

(b) No transfer of the Series B Preferred Units may be made without the consent of the General Partner, which consent may be given or withheld in its sole and absolute discretion, if such transfer would result in more than four partners holding all outstanding Series B Preferred Units within the meaning of Treasury Regulation Section 1.7704-1(h)(1)(ii) (without regard to Treasury Regulation Section 1.7704-1(h)(3)(ii)); provided, however, that the General Partner's consent may not be unreasonably withheld if (a) such transfer would not result in more than four (4) partners holding all outstanding Series B Preferred Units within the meaning of such Treasury Regulation Sections or (b) the General Partner is relying on a provision other than Treasury Regulation Section 1.7704-1(h) to avoid classification of Operating Partnership as a PTP. In addition, no transfer may be made to any person if such transfer would cause the exchange of the Series B Preferred Units for Series B Preferred Stock, as provided herein, to be required to be registered under the Securities Act, or any state securities laws. Notwithstanding anything in this Agreement to the contrary, the Series B Preferred Units shall be freely transferable to LLC, which shall upon such transfer be admitted as a Limited Partner hereunder.

Section 10. Exchange Rights.

(a) Right to Exchange.

(i) Series B Preferred Units will be exchangeable in whole or in part at anytime on or after the tenth anniversary of the date of issuance, at the option of the holders thereof, for authorized but previously unissued shares of 8.75% Series B Cumulative Redeemable Preferred Stock of the General Partner (the "Series B Preferred Stock") at an exchange rate of one share of Series B Preferred Stock for one Series B Preferred Unit, subject to adjustment as described below (the "Exchange Price"), provided that the Series B Preferred Units will become exchangeable at any time, in whole or in part, at the option of the holders of Series B Preferred Units for Series B Preferred Stock if (y) at any time full distributions shall not have been timely made on any Series B Preferred Unit with respect to six (6) prior quarterly distribution periods, whether or not consecutive, provided, however, that a distribution in respect of Series B Preferred Units shall be considered timely made if made within two (2) Business Days after the applicable Preferred Unit Distribution Payment Date if at the time of such late payment there shall not be any prior quarterly distribution periods in respect of which full distributions were not timely made or (z) upon receipt by a holder or holders of Series B Preferred Units of (A) notice from the General Partner that the General Partner or a subsidiary of the General Partner has become aware of facts that will or likely will cause the Partnership to become a PTP and (B) an opinion rendered by an outside nationally recognized independent counsel familiar with such matters addressed to a holder or holders of Series B Preferred Units, that the Partnership is or likely is, or upon the occurrence of a defined event in the immediate future will be or likely will be, a PTP. In addition, the Series B Preferred Units may be exchanged for Series B Preferred Stock, in whole or in part, at the option of any holder prior to the tenth anniversary of the issuance date and after the third anniversary thereof if such holder of a Series B Preferred Units shall deliver to the General Partner either (i) a private letter ruling addressed to such holder of Series B Preferred Units or (ii) an opinion of independent counsel reasonably acceptable to the General Partner based on the enactment of temporary or final Treasury Regulations or the publication of a Revenue Ruling, in either case to the effect that an exchange of the Series B Preferred Units at such earlier time would not cause the Series B Preferred Units to be considered "stock and securities" within the meaning of Section 351(e) of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of determining whether the holder of such Series B Preferred Units is an "investment company" under Section 721(b) of the Code if an exchange is permitted at such earlier date. Furthermore, the Series B Preferred Units may be exchanged in whole or in part for Series B Preferred Stock at any time after the date hereof, if both (1) the holder thereof concludes based on results or projected results that there exists (in the reasonable judgment of the holder) an imminent and substantial risk that the holder's interest in the Partnership does or will represent more than 19.5% of the total profits or capital interests in the Partnership (determined in accordance with Treasury Regulations Section 1.731-2(e)(4)) for a taxable year, and (2) the holder delivers to the General Partner an opinion of nationally recognized independent counsel to the effect that there is an imminent and substantial risk that the holder's interest in the Partnership does or will represent more than 19.5% of the total profits or capital interests in the Partnership (determined in accordance with Treasury Regulations Section 1.731-2(e)(4)) for a taxable year.

(ii) Notwithstanding anything to the contrary set forth in Section 10(a)(i), if an Exchange Notice (as defined herein) has been delivered to the General Partner, then the General Partner may, at its option, elect to redeem or cause the Partnership to redeem all or a portion of the outstanding Series B preferred Units for cash in an amount equal to the original Capital Contribution per Series B Preferred Unit and all accrued and unpaid distributions thereon to the date of redemption. The General Partner may exercise its option to redeem the

Series B Preferred Units for cash pursuant to this Section 10(a)(ii) by giving each holder of record of Series B Preferred Units notice of its election to redeem for cash, within five (5) Business Days after receipt of the Exchange Notice, by (i) fax, and (ii) registered mail, postage paid, at the address of each holder as it may appear on the records of the Partnership stating (i) the redemption date, which shall be no later than sixty (60) days following the receipt of the Exchange Notice, (ii) the redemption price, (iii) the place or places where the Series B Preferred Units are to be surrendered for payment of the redemption price, (iv) that distribution on the Series B Preferred Units will cease to accrue on such redemption date; (v) that payment of the redemption price will be made upon presentation and surrender of the Series B Preferred Units and (vi) the aggregate number of Series B Preferred Units to be redeemed, and if fewer than all of the outstanding Series B Preferred Units are to be redeemed, the number of Series B Preferred Units to be redeemed held by such holder, which number shall equal such holder's pro-rata share (based on the percentage of the aggregate number of outstanding Series B Preferred Units the total number of Series B Preferred Units held by such holder represents) of the aggregate number of Series B Preferred Units being redeemed.

(iii) Upon the occurrence of an event giving rise to exchange rights pursuant to Section 10(a)(i), in the event an exchange of all or a portion of Series B Preferred Units pursuant to Section 10(a)(i) would violate the provisions on ownership limitation of the General Partner set forth in Article 5 of the Charter, the General Partner shall give written notice thereof to each holder of record of Series B Preferred Units, within five (5) Business Days following receipt of the Exchange Notice, by (i) fax, and (ii) registered mail, postage prepaid, at the address of each such holder set forth in the records of the Partnership. In such event, each holder of Series B Preferred Units shall be entitled to exchange, pursuant to the provision of Section 10(b) a number of Series B Preferred Units which would comply with the provisions on the ownership limitation of the General Partner set forth in such Article 5 of the Charter and any Series B Preferred Units not so exchanged (the "Excess Units") shall be redeemed by the Partnership for cash in an amount equal to the original Capital Contribution per Excess Unit, plus any accrued and unpaid distributions thereon, whether or not declared, to the date of redemption. The written notice of the General Partner shall state (i) the number of Excess Units held by such holder, (ii) the redemption price of the Excess Units, (iii) the date on which such Excess Units shall be redeemed, which date shall be no later than sixty (60) days following the receipt of the Exchange Notice, (iv) the place or places where such Excess Units are to be surrendered for payment of the Redemption Price, (v) that distributions on the Excess Units will cease to accrue on such redemption date, and (vi) that payment of the redemption price will be made upon presentation and surrender of such Excess Units. In the event an exchange would result in Excess Units, as a condition to such exchange, each holder of such units agrees to provide representations and covenants reasonably requested by the General Partner relating to (i) the widely held nature of the interests in such holder, sufficient to assure the General Partner that the holder's ownership of stock of the General Partner (without regard to the limits described above) will not cause any individual to own in excess of 9.8% of the stock of the General Partner, to the extent such holder can reasonably make such representation; and (ii) to the extent such holder can so represent and covenant without obtaining information from its owners, the holder's ownership of tenants of the Partnership and its affiliates.

To the extent the General Partner would not be able to pay the cash set forth above in exchange for the Excess Units, and to the extent consistent with the Charter, the General Partner agrees that it will grant to the holders of the Series B Preferred Units exceptions to the Beneficial Ownership Limit and Constructive Ownership Limit set forth in the Series B Articles Supplementary sufficient to allow such holders to exchange all of their Series B Preferred Units for Series B Preferred Stock, provided such holders furnish to the General Partner representations acceptable to the General Partner in its sole and absolute discretion which assure the General Partner that such exceptions will not jeopardize the General Partner's tax status as a REIT for purposes of federal and applicable state law.

Notwithstanding any provision of this Agreement to the contrary, no Series B Limited Partner shall be entitled to effect an exchange of Series B Preferred Units for Series B Preferred Stock to the extent that ownership or right to acquire such shares would cause the Partner or any other Person or, in the opinion of counsel selected by the General Partner, may cause the Partner or any other Person, to violate the restrictions on ownership and transfer of Series B Preferred Stock set forth in the Charter. To the extent any such attempted exchange for Series B Preferred Stock would be in violation of the previous sentence, it shall be void ab initio and such Series B Limited Partner shall not acquire any rights or economic interest in the Series B Preferred Stock otherwise issuable upon such exchange.

(iv) The redemption of Series B Preferred Units described in Section 10(a)(ii) and (iii) shall be subject to the provisions of Section 7(b)(i) and Section 7(c)(ii); provided, however, that for purposes hereof the term "Redemption Price" in Sections 7(b)(i) and 7(c)(ii) shall be read to mean the original Capital Contribution per Series B Preferred Unit being redeemed plus all accrued and unpaid distributions to the redemption date.

(b) Procedure for Exchange.

(i) Any exchange shall be exercised pursuant to a notice of exchange (the "Exchange Notice") delivered to the General Partner by the holder who is exercising such exchange right, by (i) fax and (ii) by certified mail postage prepaid. Upon request of the General Partner, such holder delivering the Exchange Notice shall provide to the General Partner in writing such information as the General Partner may reasonably request to determine whether any portion of the exchange by the delivering holder will result in the violation of the

restrictions of Article 5 of the Charter, including the Ownership Limit and the Related Tenant Limit. The exchange of Series B Preferred Units, or a specified portion thereof, may be effected after the fifth (5th) Business Days following receipt by the General Partner of the Exchange Notice and such requested information by delivering certificates, if any, representing such Series B Preferred Units to be exchanged together with, if applicable, written notice of exchange and a proper assignment of such Series B Preferred Units to the office of the General Partner maintained for such purpose. Currently, such office is 121 West Forsyth Street, Suite 200, Jacksonville, Florida 32202. Each exchange will be deemed to have been effected immediately prior to the close of business on the date on which such Series B Preferred Units to be exchanged (together with all required documentation) shall have been surrendered and notice shall have been received by the General Partner as aforesaid and the Exchange Price shall have been paid. Any Series B Preferred Stock issued pursuant to this Section 10 shall be delivered as shares which are duly authorized, validly issued, fully paid and nonassessable, free of pledge, lien, encumbrance or restriction other than those provided in the Charter, the Bylaws of the General Partner, the Securities Act and relevant state securities or blue sky laws.

(ii) In the event of an exchange of Series B Preferred Units for shares of Series B Preferred Stock, an amount equal to the accrued and unpaid distributions which are not paid pursuant to Section 4(a) hereof, whether or not declared, to the date of exchange on any Series B Preferred Units tendered for exchange shall (i) accrue and be payable by the General Partner from and after the date of exchange on the shares of the Series B Preferred Stock into which such Series B Preferred Units are exchanged, and (ii) continue to accrue on such Series B Preferred Units, which shall remain outstanding following such exchange, with the General Partner as the holder of such Series B Preferred Units. Notwithstanding anything to the contrary set forth herein, in no event shall a holder of a Series B Preferred Unit that was validly exchanged into Series B Preferred Stock pursuant to this section (other than the General Partner now holding such Series B Preferred Unit), receive a distribution out of Available Cash or Capital Transaction Proceeds of the Partnership with respect to any Series B Preferred Units so exchanged.

(iii) Fractional shares of Series B Preferred Stock are not to be issued upon exchange but, in lieu thereof, the General Partner will pay a cash adjustment based upon the fair market value of the Series B Preferred Stock on the day prior to the exchange date as determined in good faith by the Board of Directors of the General Partner.

(c) Adjustment of Series B Exchange Price. In case the General Partner shall be a party to any transaction (including, without limitation, a merger, consolidation, statutory share exchange, tender offer for all or substantially all of the General Partner's capital stock or sale of all or substantially all of the General Partner's assets), in each case as a result of which the Series B Preferred Stock will be converted into the right to receive shares of capital stock, other securities or other property (including cash or any combination thereof), each Series B Preferred Unit will thereafter be exchangeable into the kind and amount of shares of capital stock and other securities and property receivable (including cash or any combination thereof) upon the consummation of such transaction by a holder of that number of Series B Preferred Stock or fraction thereof into which one Series B Preferred Unit was exchangeable immediately prior to such transaction. The General Partner may not become a party to any such transaction, whether or not any Series B Preferred Stock are then outstanding: (i) which does not preserve the existence of the Series B Preferred Stock with their current rights, preferences and privileges, or (ii) if the terms thereof are inconsistent with the foregoing. In addition, so long as a Preferred Partner or any of its permitted successors or assigns holds any Series B Preferred Units as the case may be, the General Partner shall not, without the affirmative vote of the holders of at least two-thirds of the Series B Preferred Units (voting together as a class with any outstanding Series B Preferred Stock) outstanding at the time: (a) designate or create, or increase the authorized or issued amount of, any class or series of shares ranking senior to the Series B Preferred Stock with respect to the payment of distributions or rights upon liquidation, dissolution or winding-up or reclassify any authorized shares of the General Partner into any such shares, or create, authorize or issue any obligations or securities convertible into or evidencing the right to purchase any such shares; (b) designate or create, or increase the authorized or issued amount of, any Parity Preferred Stock or reclassify any authorized shares of the General Partner into any such shares, or create, authorize or issue any obligations or security convertible into or evidencing the right to purchase any such shares, but only to the extent that such Parity Preferred Stock are issued to an Affiliate of the General Partner other than (A) Security Capital U.S. Realty, Security Capital Holdings, S.A. or their affiliates if issued on the same terms in the transaction as to non-affiliates, or (B) the General Partner to the extent the issuance of such interests was to allow the General Partner to issue corresponding preferred stock in the same transaction to persons who are not affiliates of the Partnership; (c) amend, alter or repeal the provisions of the Charter or bylaws of the General Partner, whether by merger, consolidation or otherwise, that would materially and adversely affect the powers, special rights, preferences, privileges or voting power of the Series B Preferred Stock or the holders thereof; provided, however, that any increase in the amount of authorized Preferred Stock or the creation or issuance of any other series or class of Preferred Stock, or any increase in the amount of authorized shares of each class or series, in each case ranking either (1) junior to the Series B Preferred Stock with respect to the payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up, or (2) on a parity with the Series B Preferred Stock with respect to the payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up to the extent such Preferred Stock are not issued to an Affiliate of the Company, other than the General Partner to the extent the issuance of such interests was to allow the General Partner to issue corresponding preferred stock to persons who are not affiliates of the Partnership, shall not be deemed to materially and adversely affect such rights, preferences, privileges or

voting powers.

Section 11. No Conversion Rights. The holders of the Series B Preferred Units shall not have any rights to convert such Partnership Units into any other class of Partnership Interests or any interest in the Partnership.

Section 12. No Sinking Fund. No sinking fund shall be established for the retirement or redemption of the Series B Preferred Units.

Section 13. Miscellaneous.

(a) The terms "Original Limited Partnership Units," "Class B Units," "Class 2 Units," "Class Z Branch Partners," "Class Z Midland Partners" "Additional Units," "Additional Limited Partners," "Common Units" and "General Partner Units" and "Percentage Interest" in the Partnership Agreement shall not be deemed to include the Series B Preferred Units. The terms "Limited Partnership Interest" and "Partnership Interest" shall be deemed to include the Series B Preferred Units.

(b) Exhibit A to the Partnership Agreement is hereby amended to include the Series B Preferred Units as Limited Partnership Interests.

(c) Section 7.1(h) of the Partnership Agreement is hereby amended to include the Series B Priority Return Amount.

(d) Nothing contained in Section 8.4 or the last sentence of Section 13.6 of the Partnership Agreement shall be deemed to limit the issuance of, and provisions applicable to, the Series B Preferred Units.

(e) Notwithstanding anything to the contrary contained in Section 8.6 of the Partnership Agreement, in no event shall the rights of the holders of the Series B Preferred Units set forth in Section 10 of this Agreement be subordinate to the Redemption Rights set forth in Section 8.6 of the Partnership Agreement.

(f) Notwithstanding any other provisions of this Amendment, this Amendment shall not be amended, and no action may be taken by the General Partner, without the Consent of each Partner adversely affected if such amendment or action would alter the redemption or exchange rights as set forth in Sections 7 and 10 hereof, respectively or amend this Section 14(f).

(g) Upon effectiveness of the Fourth Amended Agreement, the Fourth Amended Agreement shall be amended, to the extent applicable, to incorporate this Amendment and be consistent herewith.

(h) At such time, and in the event that, the Company authorizes sufficient additional shares of preferred stock, the holders of a majority in interest of the Series B Preferred Units and Series B Preferred Stock in the aggregate may request in writing to the Company that the stated value of the Series B Priority Return may be reduced to \$25, with all reference herein to "\$100" to thereafter be deemed references to "\$25," and with appropriate proportionate adjustments to be made herein, mutatis mutandis, in distributions, liquidation preferences, shares issuable upon exchange, and otherwise as necessary and appropriate to preserve the economic value of Series B Preferred Units and the Series B Preferred Stock, and the Company shall take all reasonable steps necessary and appropriate to give effect to such request.

004.197245.1

Series B Amendment to Partnership Agreement

004.197245.1

Series B Amendment to Partnership Agreement

GENERAL PARTNER

Regency Realty Corporation

By: _____

Bruce M. Johnson

Its Managing Director and Executive
Vice President

CONTRIBUTOR

TIMES MIRROR COMPANY

By: _____

Name:

Title:

SECURITY CAPITAL U.S. REALTY

By: _____

Name: _____

Title: _____

SECURITY CAPITAL HOLDINGS S.A.

By: _____

Name: _____

Title: _____

ARDEN SQUARE HOLDINGS SARL

By: _____

Name: _____

Title: _____

BLOSSOM VALLEY HOLDINGS SARL

By: _____
Name: _____
Title: _____

COOPER STREET PLAZA HOLDINGS SARL

By: _____
Name: _____
Title: _____

DALLAS HOLDINGS SARL

By: _____
Name: _____
Title: _____

EL CAMINO HOLDINGS SARL

By: _____
Name: _____
Title: _____

FRIARS MISSION HOLDINGS SARL

By: _____
Name: _____
Title: _____

004.197245.1

004.197245.1

Series C Amendment to Partnership Agreement

Regency Centers, L.P.
Amendment No. 2 to Third Amended and Restated Agreement of
Limited Partnership (the "Partnership Agreement")
Relating to 9.0% Series C Cumulative Redeemable Preferred Units

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meaning assigned thereto in the Partnership Agreement. For purposes of this Amendment the term "Series C Limited Partner" shall mean a Limited Partner holding Series C Preferred Units. The term "Parity Preferred Units" shall be used to refer to Series A Preferred Units, Series B Preferred Units, Series C Preferred Units (as hereafter defined) and any class or series of Partnership Interests of the Partnership now or hereafter authorized, issued or outstanding expressly designated by the Partnership to rank on a parity with Series A Preferred Units or Series B Preferred Units with respect to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Partnership, or both, as the context may require, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per unit or conversion rights or exchange rights shall be different from those of the Series A Preferred Units. The term "Series C Priority Return" shall mean, an amount equal to 9.0% per annum, determined on the basis of a 360 day year of twelve 30 day months (or actual days for any month which is shorter than a full monthly period), cumulative to the extent not distributed for any given distribution period, of the stated value of \$100.00 per Series C Preferred Unit, commencing on the date of issuance of such Series C Preferred Unit. The Partnership Agreement shall be amended to add such definitions, and shall be further amended to add the following definition: "Priority Returns" means the Series A Priority Return, the Series B Priority Return and the Series C Priority Return or similar amount payable with respect to any other Parity Preferred Units. The term "Junior Stock" means any class or series of capital stock of the General Partner ranking junior as to the payment of distributions or rights upon voluntary or involuntary liquidation, winding up or dissolution of the General Partner to the Series C Preferred Stock or other Parity Preferred Shares. The term "PTP" shall mean a "publicly traded partnership" within the meaning of Section 7704 of the Code (as hereafter defined). The final Paragraph in the definition of "Net Income" and "Net Loss" in the Partnership Agreement shall be restated in its entirety as follows (new language is underscored):

"Solely for purposes of allocating Net Income or Net Loss in any Fiscal Year to the holders of the Parity Preferred Units, items of Net Income and Net Loss, as the case may be, shall not include Depreciation with respect to properties (or groupings of properties selected by the General Partner using any method determined by it to be reasonable) that are "ceiling limited" in respect of the holders of the Parity Preferred Units. For purposes of the preceding sentence, Partnership property shall be considered ceiling limited in respect of a holder of Parity Preferred Units if Depreciation attributable to such Partnership property which would otherwise be allocable to such Partner, without regard to this paragraph, exceeded depreciation determined for federal income tax purposes attributable to such Partnership property which would otherwise be allocated to such Partner by more than 5%."

Section 2. Designation and Number. A series of Partnership Units in the Partnership designated as the "9.0% Series C Cumulative Redeemable Preferred Units" (the "Series C Preferred Units") is hereby established. The number of Series C Preferred Units shall be 750,000.

Section 3. Rank.

(a) The Series C Preferred Units will, with respect to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Partnership, or both, rank senior to all classes or series of Partnership Interests now or hereafter authorized, issued or outstanding other than any class or series of equity securities of the Partnership issued after the issuance of the Series C Preferred Units and expressly designated in accordance with the Partnership Agreement as ranking on a parity with the Series C Preferred Units as to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Partnership, or both. The Series C Preferred Units are expressly designated as ranking on a parity with the Series A Preferred Units and the Series B Preferred Units.

(b) The last sentence of Section 4.1(a) of the Partnership Agreement shall be amended to read in full as follows (new language is underscored):

Any Partnership Interests held by the General Partner or any Affiliate other than a Property Affiliate (including Partnership Interests acquired under Sections 4.2, 8.6 and 8.7) shall be Class B Units, other than Parity Preferred

Units, the issuance of which has been approved by the Limited Partners pursuant to Section 4.2, and any Preferred Units issued pursuant to Section 4.2(b)(i).

Section 4. Distributions.

(a) Payment of Distributions. Subject to the rights of holders of Parity Preferred Units, holders of Series C Preferred Units shall be entitled to receive, out of Available Cash and Capital Transaction Proceeds, cumulative preferential cash distributions at the rate per annum of 9.0% of the original Capital Contribution per Series C Preferred Unit. Such distributions shall be cumulative, shall accrue from the original date of issuance and will be payable in cash when, as and if declared by the Partnership acting through the General Partner, (A) quarterly in arrears, on or before March 31, June 30, September 30 and December 31 of each year commencing on September 30, 1999 and (B) in the event of (i) an exchange of Series C Preferred Units into Series C Preferred Stock, or (ii) a redemption of Series C Preferred Units, on the exchange date or redemption date, as applicable (each a "Series C Preferred Unit Distribution Payment Date"). The amount of the distribution payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and for any period shorter than a full quarterly period for which distributions are computed, the amounts of the distribution payable will be computed based on the ratio of the actual number of days elapsed in the quarterly period to ninety (90) days. If any date on which distributions are to be made on the Series C Preferred Units is not a Business Day (as defined herein), then payment of the distribution to be made on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Distributions on the Series C Preferred Units will be made to the holders of record of the Series C Preferred Units on the relevant record dates to be fixed by the Partnership acting through the General Partner, which record dates shall be not less than ten (10) days and not more than thirty (30) Business Days prior to the relevant Preferred Unit Distribution Payment Date (the "Series C Preferred Unit Partnership Record Date").

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

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

(c) Priority as to Distributions.

(i) So long as any Series C Preferred Units are outstanding, no distribution of cash or other property shall be authorized, declared, paid or set apart for payment on or with respect to any class or series of Partnership Interests of the Partnership ranking junior as to the payment of distributions to Parity Preferred Units (collectively, "Junior Units"), nor shall any cash or other property be set aside for or applied to the purchase, redemption or other acquisition for consideration of any Series C Preferred Units, any Parity Preferred Units with respect to distributions or any Junior Units, unless, in each case, all distributions accumulated on all Series C Preferred Units and all classes and series of outstanding Parity Preferred Units as to payment of distributions have been paid in full. The foregoing sentence will not prohibit (a) distributions payable solely in Junior Units, (b) the conversion of Junior Units or Parity Preferred Units into Partnership Interests of the Partnership ranking junior to the Series C Preferred Units as to distributions, or (c) the redemption of Partnership Interests corresponding to any Series C Preferred Stock, Parity Preferred Stock with respect to distributions or Junior Stock to be purchased by the General Partner pursuant to Article 5 of the Articles of Incorporation of the General Partner (the "Charter") to preserve the General Partner's status as a real estate investment trust, provided that such redemption shall be upon the same terms as the corresponding purchase pursuant to Article 5 of the Charter.

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

Preferred Units do not have cumulative distribution rights) bear to each other.

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

(e) Section 5.1(c) of the Partnership Agreement shall be amended to read in full as follows (new language is underscored):

"Anything herein to the contrary notwithstanding, subject to Section 4(d)(i) of Amendment No. 2 to this Agreement, no Available Cash or Capital Transaction Proceeds shall be distributed pursuant to Section 5.1(a), Section 5.1(b) or any other provisions of this Article 5 unless all distributions accumulated on all Series A Preferred Units pursuant to Section 4.5 have been paid in full and unless all distributions accumulated on any other outstanding Preferred Units have been paid in full."

Section 2. Allocations.

(a) Section 6.1(a) and 6.1(b) of the Agreement are hereby deleted and the following inserted as new Sections 6.1(a) and 6.1(b) in lieu thereof (new language is underscored):

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

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

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

(ii) Second, one hundred percent (100%) to the holders of Parity Preferred Units in an amount equal to the excess, if any, of (A) the cumulative Net Losses allocated to the holders of Parity Preferred Units pursuant to Section 6.1(b)(viii) for all prior fiscal years, over (B) the cumulative Net Income allocated pursuant to this Section 6.1(a)(ii), including any amounts allocated pursuant to Section 6.2(g) which were attributable to this Section 6.1(a)(ii), for all prior fiscal years;

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

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

(v) Fifth, one hundred percent (100%) to the holders of Parity Preferred Units until the holders of Parity Preferred Units have been allocated an amount equal to the excess of their respective cumulative Priority Returns through the last day of the current fiscal year (determined without reduction for distributions made to date in satisfaction thereof) over the cumulative Net Income allocated to the holders of Parity Preferred Units pursuant to this Section 6.1(a)(v), including any amounts allocated pursuant to Section 6.2(g) which were attributable to this Section 6.1(a)(v), for all prior periods;

(vi) Sixth, one hundred percent (100%) to the Original Limited Partners until the cumulative allocations of Net Income to each Original Limited Partner under this Section 6.1(a)(vi) for the current and all prior fiscal years equal the cumulative distributions paid to the Original Limited Partner pursuant to Section 5.1(a)(i) and Section 13.2(a)(iv), provided, however, in the case of Original Limited Partners other than Class Z Branch Partners, no allocations of Net Income shall be made under this Section 6.1(a)(vi) to such Limited Partners with respect to distributions made under Section 5.1(a)(i) and Section 13.2(a)(iv) after the Third Amendment Date;

(vii) Seventh, one hundred percent (100%) to the Original Limited Partners until the cumulative allocations of Net Income to each Original Limited Partner under this Section 6.1(a)(vii) for the current and all prior fiscal years equal the sum of the cumulative amounts credited to such Partner's Cumulative Unpaid Priority Distribution Account and Cumulative Unpaid Accrued Return Account for the current and all prior fiscal years, provided, however, in the case of Original Limited Partners other than Class Z Branch Partners, no allocations of Net Income shall be made under this Section 6.1(a)(vii) with respect to amounts credited to such Partners' Cumulative Unpaid Priority Distribution Accounts and Cumulative Unpaid Accrued Return Accounts after the Third Amendment Date;

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

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

(x) Tenth, one hundred percent (100%) to the Additional Limited Partners until the cumulative allocations of Net Income to each Additional Limited Partner under this Section 6.1(a)(x) for the current and all prior fiscal years equal the cumulative distributions paid to the Additional Limited Partners pursuant to Section 5.1(a)(iv) and Section 13.2(a)(v), provided, however, in the case of Additional Limited Partners other than Class Z Midland Partners, no allocations of Net Income shall be made under this Section 6.1(a)(x) to such Limited Partners with respect to distributions made under Section 5.1(a)(iv) and Section 13.2(a)(v) after the Third Amendment Date;

(xi) Eleventh, one hundred percent (100%) to the Additional Limited Partners until the cumulative allocations of Net Income to each Additional Limited Partner under this Section 6.1(a)(xi) for the current and all prior fiscal years equal the sum of (A) the cumulative amounts credited to such Partner's Cumulative Unpaid Priority Distribution Account and Cumulative Unpaid Accrued Return Account for the current and all prior fiscal years and (B) the cumulative Net Losses allocated to the Additional Limited Partner pursuant to Section 6.1(b)(v) for all prior fiscal years, provided, however, in the case of Additional Limited Partners other than Class Z Midland Partners, no allocation of Net Income shall be made under this Section 6.1(a)(xi) with respect to amounts credited to such Partners' Cumulative Unpaid Priority Distribution Accounts and Cumulative Unpaid Accrued Return Accounts after the Third Amendment Date; and

(xii) Thereafter, to the Original and Additional Limited Partners other than Class Z Branch Partners or Class Z Midland Partners, to the General Partner and to any other holders of Class B Units,

pro rata in accordance with the relative amounts of Available Cash and Capital Transaction Proceeds distributed to each of them during the taxable year.

(b) Net Losses. After giving effect to the special allocations set forth in Section 6.2 below, Net Losses shall be allocated as follows:

(i) First, one hundred percent (100%) to the Original and Additional Limited Partners other than Class Z Branch Partners or Class Z Midland Partners, to the General Partner and the Class B Unit holders in an amount equal to the excess, if any, of (A) the cumulative Net Income allocated pursuant to Section 6.1(a)(xii) hereof for all prior fiscal years in excess of distributions of Available Cash to such Partners for which no corresponding allocation of Net Income had been made (or is required to be made) under Sections 6.1(a)(i)-(xi) hereof, over (B) the cumulative Net Losses allocated pursuant to this Section 6.1(b)(i) for all prior fiscal years;

(ii) Second, to the Original Limited Partners until the cumulative allocations of Net Losses under this Section 6.1(b)(ii) equal the excess, if any, of the cumulative allocations of Net Income under Section 6.1(a)(vii) to such Partners for all prior fiscal years over the cumulative distributions to such Partners under Section 5.1(a)(ii) and (iii) and Section 5.1(b)(i) and (ii) for the current and all prior fiscal years (such allocation being made in proportion to such Partners' respective excess amounts);

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

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

(v) Fifth, to the Additional Limited Partners until the cumulative allocations of Net Losses under this Section 6.1(b)(v) equal the excess, if any, of the cumulative allocations of Net Income under Section 6.1(a)(xi) to such Partners for all prior fiscal years over the cumulative distributions to such Partners under Section 5.1(a)(v) and (vi) and Section 5.1(b)(iii) and (iv) for the current and all prior fiscal years (such allocation being made in proportion to such Partners' respective excess amounts);

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

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

(viii) Eighth, to the holders of Parity Preferred Units until their respective Adjusted Capital Account Balance (determined, solely for purposes of this Section 6.1(b)(viii), without regard to any obligation of a Partner to restore a negative Capital Account under Section 13.4), has been reduced to zero; and

(ix) Any remaining Net Loss shall be allocated to the General Partner and any other holders of Class B Units.

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

(b) Section 6.2(g) of the Agreement is hereby deleted and the following inserted as new Section 6.2(g) in lieu thereof (new language is underscored):

(g) Capital Account Adjustments. Notwithstanding anything herein to the contrary other than the last sentence of Section 14.1(g), any gain or loss arising from an adjustment to the Gross Asset Value of any Partnership asset pursuant to clause (b) or (c) of the definition thereof shall be allocated (i) first, to the holders of the Parity Preferred Units, but only to the extent that they would have been allocated such gain pursuant to Section 6.1(a)(ii) or Section 6.1(a)(v) of this Agreement or such loss pursuant to Section 6.1(b)(viii) of this Agreement, as applicable, if such gain or loss had been actually realized; and (ii) second, and subject to Section 6.2(h) hereof, one hundred percent (100%) of the remainder of such gain or loss to the General Partner and the Additional Limited Partners (other than holders of Parity Preferred Units) pro rata in accordance with the relative number of Units held by each; provided, however, that for this purpose, the General Partner shall be treated as owning all of the outstanding Class A Units and all of the outstanding Original Limited Partnership Units in addition to the actual number of Units which the General Partner holds. An Additional Limited Partner (except for holders of Parity Preferred Units), at the time of admission to the Partnership, may elect with the consent of the General Partner to not receive special allocations of any gain or loss resulting from such adjustments.

Section 3. Liquidation Preference.

(a) Payment of Liquidating Distributions. Subject to the rights of holders of Parity Preferred Units with respect to rights upon any voluntary or involuntary liquidation, dissolution or winding-up of the Partnership and subject to Partnership Interests ranking senior to the Series C Preferred Units with respect to rights upon any voluntary or involuntary liquidation, dissolution or winding up of the Partnership, the holders of Series C Preferred Units shall be entitled to receive out of the assets of the Partnership legally available for distribution or the proceeds thereof, after payment or provision for debts and other liabilities of the Partnership, but before any payment or distributions of the assets shall be made to holders of any class or series of Partnership Interest that ranks junior to the Series C Preferred Units as to rights upon liquidation, dissolution or winding-up of the Partnership, an amount equal to a liquidation preference equal to their positive Capital Account balances, determined after taking into account all Capital Account adjustments for the Partnership taxable year during which the liquidation occurs, including the allocation of Net Income or Net Loss (and any specially allocated items) computed after adjusting the Gross Asset Values of the Partnership's assets immediately prior to any such liquidation if failure to make such adjustment to the Gross Asset Values would have an adverse economic impact the Series C Preferred Units (other than those made as a result of the liquidating distribution set forth in this Section 6(a)). In the event that, upon such voluntary or involuntary liquidation, dissolution or winding-up, there are insufficient assets to permit full payment of liquidating distributions to the holders of Series C Preferred Units and any Parity Preferred Units as to rights upon liquidation, dissolution or winding-up of the Partnership, all payments of liquidating distributions on the Series C Preferred Units and such Parity Preferred Units shall in all cases bear to each other the same ratio that the respective rights of the Series C Preferred Unit and such other Parity Preferred Units (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such Parity Preferred Units do not have cumulative distribution rights) upon liquidation, dissolution or winding-up of the Partnership bear to each other.

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

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

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

Section 4. Optional Redemption.

(a) Right of Optional Redemption. The Series C Preferred Units may not be redeemed prior to the fifth anniversary of the issuance date. On or after such date, the Partnership shall have the right to redeem the Series C Preferred Units, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' written notice, at a redemption price, payable in cash, equal to the Capital Account balance of the holder of Series C Preferred Units (the "Redemption Price"); provided, however, that no redemption pursuant to this Section 7 will be permitted if such Redemption Price does not equal or exceed the original Capital Contribution of such holder plus the cumulative Series C Priority Return, whether or not declared, to the redemption date to the extent not previously distributed or distributed on the redemption date pursuant to Section 4(a). If fewer than all of the outstanding Series C Preferred Units are to be redeemed, the Series C Preferred Units to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional units).

(b) Limitation on Redemption.

(i) The Redemption Price of the Series C Preferred Units (other than the portion thereof consisting of accumulated but unpaid distributions) will be payable solely out of the sale proceeds of capital stock of the General Partner, which will be contributed by the General Partner to the Partnership as an additional capital contribution, or out of the sale of limited partner interests in the Partnership and from no other source. For purposes of the preceding sentence, "capital stock" means any equity securities (including Common Stock and Preferred Stock (as such terms are defined in the Charter)), shares, participation or other ownership interests (however designated) and any rights (other than debt securities convertible into or exchangeable for equity securities) or options to purchase any of the foregoing.

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

(c) Procedures for Redemption.

(i) Notice of redemption will be (i) faxed, and (ii) mailed by the Partnership, by certified mail, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the respective holders of record of the Series C Preferred Units at their respective addresses as they appear on the records of the Partnership. No failure to give or defect in such notice shall affect the validity of the proceedings for the redemption of any Series C Preferred Units except as to the holder to whom such notice was defective or not given. In addition to any information required by law, each such notice shall state: (i) the redemption date, (ii) the Redemption Price, (iii) the aggregate number of Series C Preferred Units to be redeemed and if fewer than all of the outstanding Series C Preferred Units are to be redeemed, the number of Series C Preferred Units to be redeemed held by such holder, which number shall equal such holder's pro rata share (based on the percentage of the aggregate number of outstanding Series C Preferred Units the total number of Series C Preferred Units held by such holder represents) of the aggregate number of Series C Preferred Units to be redeemed, (iv) the place or places where such Series C Preferred Units are to be surrendered for payment of the Redemption Price, (v) that distributions on the Series C Preferred Units to be redeemed will cease to accumulate on such redemption date and (vi) that payment of the Redemption Price will be made upon presentation and surrender of such Series C Preferred Units.

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

Section 5. Voting Rights.

(a) General. Holders of the Series C Preferred Units will not have any voting

rights or right to consent to any matter requiring the consent or approval of the Limited Partners, except as otherwise expressly set forth in the Partnership Agreement and except as set forth below.

(b) Certain Voting Rights. So long as any Series C Preferred Units remain outstanding, the Partnership shall not, without the affirmative vote of the holders of at least two-thirds of the Series C Preferred Units outstanding at the time (i) authorize or create, or increase the authorized or issued amount of, any class or series of Partnership Interests ranking prior to the Series C Preferred Units with respect to payment of distributions or rights upon liquidation, dissolution or winding-up or reclassify any Partnership Interests of the Partnership into such Partnership Interest, or create, authorize or issue any obligations or security convertible into or evidencing the right to purchase any such Partnership Interest, (ii) authorize or create, or increase the authorized or issued amount of any Parity Preferred Units or reclassify any Partnership Interest of the Partnership into any such Partnership Interest or create, authorize or issue any obligations or security convertible into or evidencing the right to purchase any such Partnership Interests but only to the extent such Parity Preferred Units are issued to an affiliate of the Partnership, other than (A) Security Capital U.S. Realty, Security Capital Holdings, S.A. or their affiliates or (B) the General Partner to the extent the issuance of such interests was to allow the General Partner to issue corresponding preferred stock to persons who are not affiliates of the Partnership or (iii) either (A) consolidate, merge into or with, or convey, transfer or lease its assets substantially as an entirety to, any corporation or other entity or (B) amend, alter or repeal the provisions of the Partnership Agreement (including without limitation this Amendment No. 2 to Third Amended and Restated Agreement of Limited Partnership), whether by merger, consolidation or otherwise, in each case in a manner that would materially and adversely affect the powers, special rights, preferences, privileges or voting power of the Series C Preferred Units or the holders thereof; provided, however, that with respect to the occurrence of a merger consolidation or a sale or lease of all of the Partnership's assets as an entirety, so long as (a) the Partnership is the surviving entity and the Series C Preferred Units remain outstanding with the terms thereof unchanged, or (b) the resulting, surviving or transferee entity is a partnership, limited liability company or other pass-through entity organized under the laws of any state and substitutes the Series C Preferred Units for other interests in such entity having substantially the same terms and rights as the Series C Preferred Units, including with respect to distributions, redemptions, transfers, voting rights and rights upon liquidation, dissolution or winding-up, then the occurrence of any such event shall not be deemed to materially and adversely affect such rights, privileges or voting powers of the holders of the Series C Preferred Units and no vote of the Series C Preferred Units shall be required in such case; and provided further than any increase in the amount of Partnership Interests or the creation or issuance of any other class or series of Partnership Interests, in each case ranking (a) junior to the Series C Preferred Units with respect to payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up, or (b) on a parity to the Series C Preferred Units with respect to payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up to the extent such Partnership Interests are not issued to an affiliate of the Partnership, other than (A) Security Capital U.S. Realty, Security Capital Holdings, S.A. or their affiliates or (B) the General Partner to the extent the issuance of such interests was to allow the General Partner to issue corresponding preferred stock to persons who are not affiliates of the Partnership, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers and no vote of the Series C Preferred Units shall be required in such case.

Section 6. Transfer Restrictions.

(a) The Series C Preferred Units shall be subject to the provisions of Article 11 of the Partnership Agreement.

(b) No transfer of the Series C Preferred Units may be made without the consent of the General Partner, which consent may be given or withheld in its sole and absolute discretion, if such transfer would result in more than four partners holding all outstanding Series C Preferred Units within the meaning of Treasury Regulation Section 1.7704-1(h)(1)(ii) (without regard to Treasury Regulation Section 1.7704-1(h)(3)(ii)); provided, however, that the General Partner's consent may not be unreasonably withheld if (a) such transfer would not result in more than four (4) partners holding all outstanding Series C Preferred Units within the meaning of such Treasury Regulation Sections or (b) the General Partner is relying on a provision other than Treasury Regulation Section 1.7704-1(h) to avoid classification of Operating Partnership as a PTP. In addition, no transfer may be made to any person if such transfer would cause the exchange of the Series C Preferred Units for Series C Preferred Shares, as provided herein, to be required to be registered under the Securities Act, or any state securities laws.

Section 7. Exchange Rights.

(a) Right to Exchange.

(i) Series C Preferred Units will be exchangeable in whole or in part at anytime on or after the tenth anniversary of the date of issuance, at the option of the holders thereof, for authorized but previously unissued shares of 9.0% Series C Cumulative Redeemable Preferred Stock of the General Partner (the "Series C Preferred Stock") at an exchange rate of one share of Series C Preferred Stock for one Series C Preferred Unit, subject to adjustment as described below (the "Exchange Price"), provided that the Series C Preferred Units will become exchangeable at any time, in whole or in part, at the option of the holders of

Series C Preferred Units for Series C Preferred Stock if (y) at any time full distributions shall not have been timely made on any Series C Preferred Unit with respect to six (6) prior quarterly distribution periods, whether or not consecutive, provided, however, that a distribution in respect of Series C Preferred Units shall be considered timely made if made within two (2) Business Days after the applicable Preferred Unit Distribution Payment Date if at the time of such late payment there shall not be any prior quarterly distribution periods in respect of which full distributions were not timely made or (z) upon receipt by a holder or holders of Series C Preferred Units of (A) notice from the General Partner that the General Partner or a subsidiary of the General Partner has become aware of facts that will or likely will cause the Partnership to become a PTP and (B) an opinion rendered by an outside nationally recognized independent counsel familiar with such matters addressed to a holder or holders of Series C Preferred Units, that the Partnership is or likely is, or upon the occurrence of a defined event in the immediate future will be or likely will be, a PTP. In addition, the Series C Preferred Units may be exchanged for Series C Preferred Stock, in whole or in part, at the option of any holder prior to the tenth anniversary of the issuance date and after the third anniversary thereof if such holder of a Series C Preferred Units shall deliver to the General Partner either (i) a private ruling letter addressed to such holder of Series C Preferred Units or (ii) an opinion of independent counsel reasonably acceptable to the General Partner based on the enactment of temporary or final Treasury Regulations or the publication of a Revenue Ruling, in either case to the effect that an exchange of the Series C Preferred Units at such earlier time would not cause the Series C Preferred Units to be considered "stock and securities" within the meaning of Section 351(e) of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of determining whether the holder of such Series C Preferred Units is an "investment company" under Section 721(b) of the Code if an exchange is permitted at such earlier date. Furthermore, the Series C Preferred Units may be exchanged in whole or in part for Series C Preferred Shares at any time after the date hereof, if both (1) the holder thereof concludes based on results or projected results that there exists (in the reasonable judgment of the holder) a material risk that the holder's interest in the Partnership does or will represent more than 19.5% of the total profits or capital interests in the Partnership (determined in accordance with Treasury Regulations Section 1.731-2(e)(4)) for a taxable year, and (2) the holder delivers to the General Partner an opinion of nationally recognized independent counsel to the effect that there is a material risk that the holder's interest in the Partnership does or will represent more than 19.5% of the total profits or capital interests in the Partnership (determined in accordance with Treasury Regulations Section 1.731(e)(4)) for a taxable year. In addition, Series C Preferred Units, if the holder thereof so determines, may be exchanged in whole or in part for Series C Preferred Stock at any time after the date hereof, if (1) the holder concludes (in the reasonable judgment of the holder) that less than 90% of the gross income of the Partnership for any taxable year will or likely will constitute "qualifying income" within the meaning of Section 7704(d) of the Code and (2) the holder delivers to the General Partner an opinion of nationally recognized independent counsel to the effect that less than 90% of the gross income of the Partnership for a taxable year will or likely will constitute "qualifying income" within the meaning of Section 7704(d) of the Code.

(ii) Notwithstanding anything to the contrary set forth in Section 10(a)(i), if an Exchange Notice (as defined herein) has been delivered to the General Partner, then the General Partner may, at its option, elect to redeem or cause the Partnership to redeem all or a portion of the outstanding Series C Preferred Units for cash in an amount equal to the holder's positive Capital Account balance as apportioned with respect to such redeemed Units, determined after adjusting the holder's Capital Account for its allocable share of the Partnership's Net Income or Net Loss (and specially allocated items) up to the redemption date computed after adjusting the Gross Asset Values of the Partnership's assets immediately prior to such redemption if failure to make such adjustment to Gross Asset Values would have an adverse economic impact the Series C Preferred Units. The General Partner may exercise its option to redeem the Series C Preferred Units for cash pursuant to this Section 10(a)(ii) by giving each holder of record of Series C Preferred Units notice of its election to redeem for cash, within five (5) Business Days after receipt of the Exchange Notice, by (i) fax, and (ii) registered mail, postage paid, at the address of each holder as it may appear on the records of the Partnership stating (i) the redemption date, which shall be no later than sixty (60) days following the receipt of the Exchange Notice, (ii) the redemption price, (iii) the place or places where the Series C Preferred Units are to be surrendered for payment of the redemption price, (iv) that distribution on the Series C Preferred Units will cease to accrue on such redemption date; (v) that payment of the redemption price will be made upon presentation and surrender of the Series C Preferred Units and (vi) the aggregate number of Series C Preferred Units to be redeemed, and if fewer than all of the outstanding Series C Preferred Units are to be redeemed, the number of Series C Preferred Units to be redeemed held by such holder, which number shall equal such holder's pro-rata share (based on the percentage of the aggregate number of outstanding Series C Preferred Units the total number of Series C Preferred Units held by such holder represents) of the aggregate number of Series C Preferred Units being redeemed.

(iii) Upon the occurrence of an event giving rise to exchange rights pursuant to Section 10(a)(i), in the event an exchange of all or a portion of Series C Preferred Units pursuant to Section 10(a)(i) would violate the ownership limitation provisions of the General Partner set forth in Article 5 of the Charter, the General Partner shall give written notice thereof to each holder of record of Series C Preferred Units, within five (5) Business Days following receipt of the Exchange Notice, by (i) fax, and (ii) registered mail, postage prepaid, at the address of each such holder set forth in the records of the Partnership. In such event, each holder of Series C Preferred Units shall be entitled to exchange, pursuant to the provisions of Section 10(b) a number of Series C Preferred Units which would comply with the ownership limitation provisions of the General Partner set forth in such Article 5 of the Charter and

any Series C Preferred Units not so exchanged (the "Excess Units") shall be redeemed by the Partnership for cash in an amount equal to the original Capital Contribution per Excess Unit, plus any accrued and unpaid distributions thereon, whether or not declared, to the date of redemption. The written notice of the General Partner shall state (i) the number of Excess Units held by such holder, (ii) the redemption price of the Excess Units, (iii) the date on which such Excess Units shall be redeemed, which date shall be no later than sixty (60) days following the receipt of the Exchange Notice, (iv) the place or places where such Excess Units are to be surrendered for payment of the Redemption Price, (v) that distributions on the Excess Units will cease to accrue on such redemption date, and (vi) that payment of the redemption price will be made upon presentation and surrender of such Excess Units. In the event an exchange would result in Excess Units, as a condition to such exchange, each holder of such units agrees to provide representations and covenants reasonably requested by the General Partner relating to (i) the widely held nature of the interests in such holder, sufficient to assure the General Partner that the holder's ownership of stock of the General Partner (without regard to the limits described above) will not cause any individual to own in excess of 9.8% of the stock of the General Partner, to the extent such holder can reasonably make such representation; and (ii) to the extent such holder can so represent and covenant without obtaining information from its owners, the holder's ownership of tenants of the Partnership and its affiliates.

Notwithstanding any provision of this Agreement to the contrary, no Series C Limited Partner shall be entitled to effect an exchange of Series C Preferred Units for Series C Preferred Stock to the extent that ownership or right to acquire such shares would cause the Partner or any other Person or, in the opinion of counsel selected by the General Partner, may cause the Partner or any other Person, to violate the restrictions on ownership and transfer of Series C Preferred Stock set forth in the Charter. To the extent any such attempted exchange for Series C Preferred Stock would be in violation of the previous sentence, it shall be void ab initio and such Series C Limited Partner shall not acquire any rights or economic interest in the Series C Preferred Stock otherwise issuable upon such exchange.

(iv) The redemption of Series C Preferred Units described in Section 10(a)(ii) and (iii) shall be subject to the provisions of Section 7(b)(i) and Section 7(c)(ii); provided, however, that for purposes hereof the term "Redemption Price" in Sections 7(b)(i) and 7(c)(ii) shall be read to mean the original Capital Contribution per Series C Preferred Unit being redeemed plus all accrued and unpaid distributions to the redemption date.

(b) Procedure for Exchange.

(i) Any exchange shall be exercised pursuant to a notice of exchange (the "Exchange Notice") delivered to the General Partner by the holder who is exercising such exchange right, by (i) fax and (ii) by certified mail postage prepaid. Upon request of the General Partner, such holder delivering the Exchange Notice shall provide to the General Partner in writing such information as the General Partner may reasonably request to determine whether any portion of the exchange by the delivering holder will result in the violation of the restrictions of Article 5 of the Charter, including the Ownership Limit and the Related Tenant Limit. The exchange of Series C Preferred Units, or a specified portion thereof, may be effected after the fifth (5th) Business Day following receipt by the General Partner of the Exchange Notice and such requested information by delivering certificates, if any, representing such Series C Preferred Units to be exchanged together with, if applicable, written notice of exchange and a proper assignment of such Series C Preferred Units to the office of the General Partner maintained for such purpose. Currently, such office is 121 West Forsyth Street, Suite 200, Jacksonville, Florida 32202. Each exchange will be deemed to have been effected immediately prior to the close of business on the date on which such Series C Preferred Units to be exchanged (together with all required documentation) shall have been surrendered and notice shall have been received by the General Partner as aforesaid and the Exchange Price shall have been paid. Any Series C Preferred Shares issued pursuant to this Section 10 shall be delivered as shares which are duly authorized, validly issued, fully paid and nonassessable, free of pledge, lien, encumbrance or restriction other than those provided in the Charter, the Bylaws of the General Partner, the Securities Act and relevant state securities or blue sky laws.

(ii) In the event of an exchange of Series C Preferred Units for shares of Series C Preferred Stock, an amount equal to the accrued and unpaid distributions which are not paid pursuant to Section 4(a) hereof, whether or not declared, to the date of exchange on any Series C Preferred Units tendered for exchange shall (i) accrue and be payable by the General Partner from and after the date of exchange on the shares of the Series C Preferred Stock into which such Series C Preferred Units are exchanged, and (ii) continue to accrue on such Series C Preferred Units, which shall remain outstanding following such exchange, with the General Partner as the holder of such Series C Preferred Units. Notwithstanding anything to the contrary set forth herein, in no event shall a holder of a Series C Preferred Unit that was validly exchanged into Series C Preferred Stock pursuant to this section (other than the General Partner now holding such Series C Preferred Unit), receive a distribution out of Available Cash or Capital Transaction Proceeds of the Partnership with respect to any Series C Preferred Units so exchanged.

(iii) Fractional shares of Series C Preferred Stock are not to be issued upon exchange but, in lieu thereof, the General Partner will pay a cash adjustment based upon the fair market value of the Series C Preferred Stock on the day prior to the exchange date as determined in good faith by the Board of Directors of the General Partner.

(c) Adjustment of Series C Exchange Price. In case the General Partner shall be a party to any transaction (including, without limitation, a merger,

consolidation, statutory share exchange, tender offer for all or substantially all of the General Partner's capital stock or sale of all or substantially all of the General Partner's assets), in each case as a result of which the Series C Preferred Stock will be converted into the right to receive shares of capital stock, other securities or other property (including cash or any combination thereof), each Series C Preferred Unit will thereafter be exchangeable into the kind and amount of shares of capital stock and other securities and property receivable (including cash or any combination thereof) upon the consummation of such transaction by a holder of that number of Series C Preferred Stock or fraction thereof into which one Series C Preferred Unit was exchangeable immediately prior to such transaction. The General Partner may not become a party to any such transaction unless the terms thereof are consistent with the foregoing.

Section 8. No Conversion Rights. The holders of the Series C Preferred Units shall not have any rights to convert such Partnership Units into any other class of Partnership Interests or any other interest in the Partnership.

Section 9. No Sinking Fund. No sinking fund shall be established for the retirement or redemption of the Series C Preferred Units.

Section 10. Miscellaneous.

(a) The terms "Original Limited Partnership Units," "Class B Units," "Class 2 Units," "Class Z Branch Partners," "Class Z Midland Partners," "Additional Limited Partners," "Common Units," "General Partner Units" and "Percentage Interest" in the Partnership Agreement shall not be deemed to include the Series C Preferred Units. The terms "Limited Partnership Interest" and "Partnership Interest" shall be deemed to include the Series C Preferred Units.

(b) Exhibit A to the Partnership Agreement is hereby amended to include the Series C Preferred Units as Limited Partnership Interests.

(c) Section 7.1(h) of the Partnership Agreement is hereby amended to include the Series C Priority Return Amount.

(d) Nothing contained in Section 8.4 or the last sentence of Section 13.6 of the Partnership Agreement shall be deemed to limit the issuance of, and provisions applicable to, the Series C Preferred Units.

(e) Notwithstanding anything to the contrary contained in Section 8.6 of the Partnership Agreement, in no event shall the rights of the holders of the Series C Preferred Units set forth in Section 10 of this Agreement be subordinate to the Redemption Rights set forth in Section 8.6 of the Partnership Agreement.

(f) All references to Section 4.5(f) and Section 4.5(f)(ii) shall be deemed to include a reference to Section 8 and Section 8(b) hereof, respectively.

(g) Simultaneously with the effectiveness of the Fourth Amended Agreement, this Amendment No. 2 to the Partnership Agreement shall be deemed Amendment No. 2 to the Fourth Amended Agreement, mutatis mutandis, and the Series C Preferred Units shall continue to be outstanding upon the terms and conditions set forth herein.

(h) This Amendment may be executed in one or more counterparts, all of which shall constitute one and the same agreement.

004.197245.1

Series C Amendment to Partnership Agreement

004.197245.1

Series C Amendment to Partnership Agreement

GENERAL PARTNER

Regency Realty Corporation

By: _____

Bruce M. Johnson
Its Managing Director and Executive
Vice President

CONTRIBUTOR

GOLDMAN SACHS 1999 EXCHANGE PLACE FUND, L.P.

By: Goldman Sachs Management Partners, L.P., as its general
partner

By: Goldman Sachs Management, Inc., as its general partner

By: _____

Name: Elizabeth C. Groves
Title: Vice President

SECURITY CAPITAL U.S. REALTY

By: _____

Name: _____

Title: _____

SECURITY CAPITAL HOLDINGS S.A.

By: _____

Name: _____

Title: _____

ARDEN SQUARE HOLDINGS SARL

By: _____

Name: _____

Title: _____

BLOSSOM VALLEY HOLDINGS SARL

By: _____

Name: _____

Title: _____

COOPER STREET PLAZA HOLDINGS SARL

By: _____

Name: _____

Title: _____

DALLAS HOLDINGS SARL

By: _____

Name: _____

Title: _____

EL CAMINO HOLDINGS SARL

By: _____

Name: _____

Title: _____

FRIARS MISSION HOLDINGS SARL

By: _____

Name: _____

Title: _____

004.197245.1

NYDOCS03/486233 5

004.197245.1

Series C Amendment to Partnership Agreement

Regency Centers, L.P.
Amendment No. 3 to Third Amended and Restated Agreement of
Limited Partnership
Relating to 9.125% Series D Cumulative Redeemable Preferred Units

This Amendment No. 3 (this "Amendment") to the Third Amended and Restated Agreement of Limited Partnership, dated as of September 1, 1999 (as amended through the date hereof, the "Partnership Agreement"), of Regency Centers, L.P., a Delaware limited partnership (the "Partnership"), is made as of the 29th day of September, 1999 by Regency Realty Corporation, Inc., a Florida corporation, as general partner (the "General Partner"), and the undersigned Limited Partners that are being admitted to the Partnership on the date hereof.

W I T N E S S E T H:
- - - - -

WHEREAS, the General Partner and the Limited Partners desire to amend the Partnership Agreement to create a class of Preferred Units and to set forth the rights, powers, duties and preferences of such Preferred Units.

NOW THEREFORE, pursuant to the authority contained in Section 4.2(b) of the Partnership Agreement, the General Partner hereby amends the Partnership Agreement as follows:

A. Defined Terms. Capitalized terms used in this Amendment and not otherwise defined herein shall have the meaning assigned thereto in the Partnership Agreement.

B. Amendments. Effective as of the date hereof, the Partnership Agreement is hereby amended as follows:

Section 1. Amendments to Article 1 - Defined Terms.

(a) New Definitions

The following terms are hereby added to Article 1 in their correct alphabetical order"

"Series D Excess Units" has the meaning set forth in Section 4.8(g)(i)(C).

"Series D Exchange Notice" has the meaning set forth in Section 4.8(g)(ii)(A).

"Series D Exchange Price" has the meaning set forth in Section 4.8(g)(i)(A).

"Series D Preferred Partner" means the Limited Partners who received Series D Preferred Units and also include any permitted transferee of a Series D Preferred Partner pursuant to Section 11.3 and the General Partner or any Affiliate of Regency upon exchange or redemption of the Series D Preferred Units pursuant to Section 4.8.

NYDOCS03/486233 5

"Series D Preferred Stock" has the meaning set forth in Section 4.8(g)(i)(A).

"Series D Preferred Units" means the Partnership Interest in the Partnership issued pursuant to Section 4.2 and Section 4.8 hereof representing 9.125% Series D Cumulative Redeemable Preferred Units. The term "Series D Preferred Unit" does not include or refer to any Original Limited Partnership Units, Additional Units or Class B Units.

"Series D Preferred Unit Distribution Payment Date" has the meaning set forth in Section 4.8(c)(i).

"Series D Preferred Unit Partnership Record Date" has the meaning set forth in Section 4.8(c)(i).

"Series D Priority Return" means an amount equal to 9.125% per annum, determined on the basis of a 360 day year of twelve 30 day months (or actual days for any month which is shorter than a full monthly period), cumulative to the extent not distributed for any given distribution period, of the stated value of \$100 per Series D Preferred Unit, commencing on the date of issuance of such Series D Preferred Unit.

"Series D Redemption Price" has the meaning set forth in Section 4.8(e)(i).

(b) Amendment to Existing Definitions

(i) All references in Article I and elsewhere in the Partnership Agreement to: "Excess Units", "Exchange Notice", "Exchange Price", "Preferred Unit Distribution Payment Date", "Preferred Unit Partnership Record Date" and "Priority Return" shall be deemed references to "Series A Excess Units", "Series A Exchange Notice", "Series A Exchange Price", "Series A Preferred Unit Distribution Payment Date", "Series A Preferred Unit Partnership Record Date" and "Series A Priority Return" respectively.

(ii) The definition of "Percentage Interest" is hereby amended by deleting the words "Adjusted Series A Preferred Units" each time such words appear in said definition.

(iii) The definition of "Adjusted Series A Preferred Units" is hereby deleted.

Section 2. Section 4.1 - Capital Contributions of Series A Preferred Partners and Series D Preferred Partners.

Section 4.1(d) of the Partnership Agreement is hereby deleted and the following inserted in lieu thereof:

"(d) (i) The Series A Preferred Partners have contributed cash to the Partnership in the amount of \$50 per Series A Preferred Unit. The distribution rights for the Series A Preferred Units shall be senior to the distribution rights of the Original Limited Partnership Units, the Additional Units, the Common Units, the Class 2 Units and the Class B Units. The number of Series A Preferred Units issued to the Series A Preferred Partners is set forth on Exhibit A. (ii) The Series D Preferred Partners have contributed cash to the Partnership in the amount of \$100 per Series D Preferred Unit. The distribution rights for the Series D Preferred Units shall be senior to the distribution rights of the Original Limited Partnership Units, the Additional Units, Common Units, the Class 2 Units and the Class B Units. The number of Series D Preferred Units issued to the Series D Preferred Partners is set forth on Exhibit A."

Section 3. Section 4.2 - Issuance of Additional Partnership Interests.

(a) Section 4.2(a) is hereby amended by inserting the words "and Section 4.8(f)(ii)" after the reference to "Section 4.5 (f)(ii)" in the third sentence thereof.

(b) Section 4.2(b)(i) is hereby amended by inserting the words "and Section 4.8(f)(ii)" after the reference to "Section 4.5 (f)(ii)" in the first line thereof.

Section 4. Section 4.5

(a) Section 4.5(c)(i) is hereby amended by (i) inserting the parenthetical "(such quarterly periods to be the quarterly periods ending on the dates specified in this sentence)" after the first reference to "quarterly" in clause (A) in the second sentence thereof; and (ii) deleting the words "computed on the basis of the actual number of days elapsed in such a 30-day month" in the third sentence thereof and inserting "computed on the basis of the ratio of the actual number of days elapsed in such quarterly period to ninety (90) days" therefor.

(b) Section 4.5(c)(iv)(A) is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"(A) So long as any Series A Preferred Units are outstanding, no distribution of cash or other property shall be authorized, declared, paid or set apart for payment on or with respect to any class or series of Junior Units as to distributions, nor shall any cash or other property be set aside for or applied to the purchase, redemption or other acquisition for consideration of any Series A Preferred Units, any Parity Preferred Units as to distributions or any Junior Units, unless, in each case, all distributions accumulated on all Series A Preferred Units and all classes and series of outstanding Parity Preferred Units as to distributions have been paid in full. The foregoing sentence will not prohibit (a) distributions payable solely in Junior Units, (b) the conversion of Junior Units or Parity Preferred Units into Junior Units, or (c) the redemption of Partnership Interests corresponding to any Series A Preferred Stock, Parity Preferred Stock or Junior Stock to be purchased by the General Partner pursuant to Article 5 of the Articles of Incorporation to preserve the General Partner's status as a real estate investment trust, provided that such redemption shall be upon the same terms as the corresponding purchase pursuant to Article 5 of the Articles of Incorporation."

(c) Section 4.5(d)(i) is hereby amended by (A) deleting the words "and (ii) an amount equal to any accumulated and unpaid distributions thereon, whether or not declared, to the date of payment" from the end of the first sentence and deleting the reference to "(i)" after the words "an amount equal to the sum of" in that sentence and (B) inserting the words "(including all accumulated and unpaid distributions, whether or not declared, to the date of payment to the extent not previously credited to such Capital Account balances)" after the words "Capital Account balances" in the former clause (i) thereof.

(d) Section 4.5(f)(ii) is hereby amended by inserting the words "if issued upon arm's length terms in the good faith determination of the board of directors of the General Partner" after the words "Security Capital" in clause (B)(I) thereof.

(e) The last sentence of Section 4.5(g)(i)(A) is hereby deleted and the following inserted in lieu thereof:

"Furthermore, the Series A Preferred Units may be exchanged in whole but not in part by any holder thereof which is a real estate investment trust within the meaning of Sections 856 through 859 of the Code for Series A Preferred Stock (but only if the exchange in whole may be accomplished consistently with the ownership limitations set forth under Article 5 of the Articles of Incorporation (taking into account exceptions thereto)) if at any time (i) the Partnership reasonably determines that the assets and income of the Partnership for a taxable year after 1999 would not satisfy the income and assets tests of Section 856 of the Code for such taxable year if the Partnership were a real estate investment trust within the meaning of the Code or (ii) any such holder of Series A Preferred Units shall deliver to the Partnership and the General Partner an opinion of independent counsel reasonably acceptable to the General Partner to the effect that, based on the assets and income of the Partnership for a taxable year after 1999, the Partnership would not satisfy the income and assets tests of Section 856 of the Code for such taxable year if the Partnership were a real estate investment trust within the meaning of the Code and that such failure would create a meaningful risk that a holder of the Series A Preferred Units would fail to maintain qualification as a real estate investment trust.

(f) The following Section 4.5(g)(iii)(C) is hereby added to the Partnership Agreement:

(C) So long as a Preferred Partner or any of its permitted successors or assigns holds any Series A Preferred Units as the case may be, the General Partner shall not, without the affirmative vote of the holders of at least two-thirds of the Series A Preferred Units (excluding any Series A Preferred Units surrendered to the General Partner in exchange for Series A Preferred Stock) and Series A Preferred Stock (voting together as a class based on the number of shares into which such Series A Preferred Units are then convertible) outstanding at the time: (a) designate or create, or increase the authorized or issued amount of, any class or series of shares ranking senior to the Series A Preferred Stock with respect to the payment of distributions or rights upon liquidation, dissolution or winding-up or reclassify any authorized shares of the General Partner into any such shares, or create, authorize or issue any obligations or securities convertible into or evidencing the right to purchase any such shares; (b) designate or create, or increase the authorized or issued amount of, any Parity Preferred Stock or reclassify any authorized shares of the General Partner into any such shares, or create, authorize or issue any obligations or security convertible into or evidencing the right to purchase any such shares, but only to the extent that such Parity Preferred Stock are issued to an Affiliate of the General Partner other than (A) Security Capital U.S. Realty, Security Capital Holdings, S.A. or their affiliates (if issued on arm's length terms in the good faith determination of the board of directors of the General Partner), or (B) the General Partner to the extent the issuance of such interests was to allow the General Partner to issue corresponding preferred stock in the same transaction to persons who are not affiliates of the Partnership; (c) amend, alter or repeal the provisions of the Charter or bylaws of the General Partner, whether by merger, consolidation or otherwise, that would materially and adversely affect the powers, special rights, preferences, privileges or voting power of the Series A Preferred Stock or the holders thereof; provided, however, that any increase in the amount of authorized Preferred Stock or the creation or issuance of any other series or class of Preferred Stock, or any increase in the amount of authorized shares of each class or series, in each case ranking either (1) junior to the Series A Preferred Stock with respect to the payment of distributions or the distribution of assets upon liquidation, dissolution or winding-up, or (2) on a parity with the Series A Preferred Stock with respect to the payment of distributions or the distribution of assets upon liquidation, dissolution or winding-up to the extent such Preferred Stock are not issued to an Affiliate of the General Partner (other than Security Capital U.S. Realty, Security Capital Holdings, S.A. or their affiliates if issued on arm's length terms in the good faith determination of the board of directors of the General Partner), or (B) General Partner to the extent the issuance of such interests was to allow the General Partner to issue corresponding preferred stock to persons who are not affiliates of the Partnership, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers."

Section 5. Section 4.8 - Series D Preferred Units

The Partnership Agreement is hereby amended by inserting the following as a new Section 4.8:

"Section 4.8 Issuance of Series D Preferred Units.

(a) Designation and Number. A series of Partnership Units in the Partnership designated as the "9.125%" Series D Cumulative Redeemable Preferred Units (the "Series D Preferred Units") is hereby established. The number of Series D Preferred Units shall be 500,000.

(b) Rank.

The Series D Preferred Units will, with respect to distributions and rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Partnership, rank senior to all classes or series of Partnership Interests now or hereafter authorized, issued or outstanding, other than the Series A Preferred Units, Series B Preferred Units and Series C Preferred Units and any class or series of equity securities of the Partnership issued after the issuance of the Series D Preferred Units and expressly designated in accordance with the Partnership Agreement as ranking on a parity with or senior to the Series D Preferred Units as to distributions or rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Partnership. The Series D Preferred Units are expressly designated as ranking on a parity with the Series A Preferred Units, the Series B Preferred Units and the Series C Preferred Units as to both distributions and rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Partnership.

(c) Distributions.

(i) Payment of Distributions. Subject to the rights of holders of Parity Preferred Units and any holders of Partnership Interests issued after the date hereof in accordance herewith ranking senior to the Series D Preferred Units as to the payment of distributions, holders of Series D Preferred Units shall be entitled to receive, when, as and if declared by the Partnership acting through the General Partner, out of Available Cash and Capital Transaction Proceeds, cumulative preferential cash distributions at the rate per annum of 9.125% of the original Capital Contribution per Series D Preferred Unit. Such distributions shall be cumulative, shall accrue from the original date of issuance and will be payable (A) quarterly (such quarterly periods to be the quarterly periods ending on the dates set forth in this sentence) in arrears, on or before March 31, June 30, September 30 and December 31 of each year, commencing on December 31, 1999 (with the first such payment to include the amount accrued from the period commencing September 29, 1999 and ending December 31, 1999) and, (B) in the event of (i) an exchange of Series D Preferred Units into Series D Preferred Stock, or (ii) a redemption of Series D Preferred Units, on the exchange date or redemption date, as applicable (each a "Series D Preferred Unit Distribution Payment Date"). The amount of the distribution payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and for any period shorter than a full quarterly period for which distributions are computed, the amount of the distribution payable will be computed on the basis of the ratio of the actual number of days elapsed in such period to ninety (90) days. If any date on which distributions are to be made on the Series D Preferred Units is not a Business Day (as defined herein), then payment of the distribution to be made on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Distributions on December 31, 1999 and thereafter will be made to the holders of record of the Series D Preferred Units on the relevant record dates to be fixed by the Partnership acting through the General Partner, which record dates shall be not less than ten (10) days and not more than thirty (30) Business Days prior to the relevant Preferred Unit Distribution Payment Date (the "Series D Preferred Unit Partnership Record Date").

(ii) Limitation on Distributions. No distribution on the Series D Preferred Units shall be declared or paid or set apart for payment by the Partnership at such time as the terms and provisions of any agreement of the Partnership relating to its indebtedness (other than any agreement with the holder of Partnership Interests or an Affiliate thereof), prohibits such declaration, payment or setting apart for payment or provide, that such declaration, payment or setting apart for payment would constitute a breach thereof or a default thereunder, or if such declaration, payment or setting apart for payment shall be restricted or prohibited by law. Nothing in this Section 4(c)(ii) shall be deemed to modify or in any manner limit the provisions of Sections 4.8(c)(iii) or 4.8(c)(iv).

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

(iv) Priority as to Distributions.

(A) So long as any Series D Preferred Units are outstanding, no distribution of cash or other property shall be authorized, declared, paid or set apart for payment on or with respect to any class or series of Junior Units with respect to distributions, nor shall any cash or other property be set aside for or applied to the purchase, redemption or other acquisition for consideration of any Series D Preferred Units, any Parity Preferred Units with respect to distributions or any Junior Units, unless, in each case, all distributions accumulated on all Series D Preferred Units and all classes and series of outstanding Parity Preferred Units as to the payment of distributions have been paid in full. Without limiting Section 4.8(f)(ii), the foregoing sentence will not prohibit (a) distributions payable solely in Junior Units, (b) the conversion of Junior Units or Parity Preferred Units into Junior Units, or (c) the redemption of Partnership Interests corresponding to any Series D Preferred Stock, Parity Preferred Stock or Junior Stock to be purchased by the General Partner pursuant to Article 5 of the Articles of Incorporation to preserve the General Partner's status as a real estate investment trust, provided that such redemption shall be upon the same terms as the corresponding purchase pursuant to Article 5 of the Articles of Incorporation.

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

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

(d) Liquidation Preference.

(i) Payment of Liquidating Distributions. Subject to the rights of holders of Parity Preferred Units with respect to rights upon any voluntary or involuntary liquidation, dissolution or winding-up of the Partnership and subject to Partnership Interests ranking senior to the Series D Preferred Units with respect to rights upon any voluntary or involuntary liquidation, dissolution or winding-up of the Partnership, the holders of Series D Preferred Units shall be entitled to receive out of the assets of the Partnership legally available for distribution or the proceeds thereof, after payment or provision for debts and other liabilities of the Partnership, but before any payment or distributions of the assets shall be made to holders of any class or series of Partnership Interest that ranks junior to the Series D Preferred Units as to rights upon liquidation, dissolution or winding-up of the Partnership, an amount equal to the sum of a liquidation preference equal to their positive Capital Account balances (including, without limitation, any accumulated and unpaid distributions, whether or not declared, to the date of payment to the extent not previously credited to such Capital Account balances), determined after taking into account all Capital Account adjustments for the Partnership taxable year during which the liquidation occurs (other than those made as a result of the liquidating distribution set forth in this 4.8(d)(i)). In the event that, upon such voluntary or involuntary liquidation, dissolution or winding-up, there are insufficient assets to permit full payment of liquidating distributions to the holders of Series D Preferred Stock and any Parity Preferred Units as to rights upon liquidation, dissolution or winding-up of the Partnership, all payments of liquidating distributions on the Series D Preferred Units and such Parity Preferred Units shall be made so that the payments on the Series D Preferred Units and such Parity Preferred Units shall in all cases bear to each other the same ratio that the respective rights of the Series D Preferred Unit and such other Parity Preferred Units (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such Parity Preferred Units do not have cumulative distribution rights) upon liquidation, dissolution or winding-up of the Partnership bear to each other.

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

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

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

(e) Optional Redemption.

(i) Right of Optional Redemption. The Series D Preferred Units may not be redeemed prior to the fifth anniversary of the issuance date. On or after such date, the Partnership shall have the right to redeem the Series D Preferred Units, in whole or in part, at any time or from time to time, upon not less than 30 nor more than 60 days' written notice, at a redemption price, payable in cash, equal to the Capital Account balance of the holder of Series D Preferred Units (the "Series D Redemption Price"); provided, however, that no redemption pursuant to this Section 4.8(e)(i) will be permitted if the Series D Redemption Price does not equal or exceed the original Capital Contribution of such holder plus the cumulative Series D Priority Return, whether or not declared, to the redemption date to the extent not previously distributed or distributed on the redemption date pursuant to Section 4.8(c)(i). If fewer than all of the outstanding Series D Preferred Units are to be redeemed, the Series D Preferred Units to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional units).

(ii) Limitation on Redemption.

(A) The Series D Redemption Price (other than the portion thereof consisting of accumulated but unpaid distributions) will be payable solely out of the sale proceeds of capital stock of the General Partner, which will be contributed by the General Partner to the Partnership as additional capital contribution, or out of the sale of limited partner interests in the Partnership and from no other source. For purposes of the preceding sentence, "capital stock" means any equity securities (including Common Stock and Preferred Stock (as such terms are defined in the Articles of Incorporation)), shares, participation or other ownership interests (however designated) and any rights (other than debt securities convertible into or exchangeable for equity securities) or options to purchase any of the foregoing.

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

(iii) Procedures for Redemption.

(A) Notice of redemption will be (i) faxed, and (ii) mailed by the Partnership, by certified mail, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the respective holders of record of the Series D Preferred Units at their respective addresses as they appear on the records of the Partnership. No failure to give or defect in such notice shall affect the validity of the proceedings for the redemption of any Series D Preferred Units except as to the holder to whom such notice was defective or not given. In addition to any information required by law, each such notice shall state: (i) the redemption date, (ii) the Series D Redemption Price, (iii) the aggregate number of Series D Preferred Units to be redeemed and if fewer than all of the outstanding Series D Preferred Units are to be redeemed, the number of Series D Preferred Units to be redeemed held by such holder, which number shall equal such holder's pro rata share (based on the percentage of the aggregate number of outstanding Series D Preferred Units the total number of Series D Preferred Units held by such holder represents) of the aggregate number of Series D Preferred Units to be redeemed, (iv) the place or places where such Series D Preferred Units are to be surrendered for payment of the Series D Redemption Price, (v) that distributions on the Series D Preferred Units to be redeemed will cease to accumulate on such redemption date and (vi) that payment of the Series D Redemption Price will be made upon presentation and surrender of such Series D Preferred Units.

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

(f) Voting Rights.

(i) General. Holders of the Series D Preferred Units will not have any voting rights or right to consent to any matter requiring the consent or approval of the Limited Partners, except as otherwise expressly set forth in the Partnership Agreement and except as set forth below.

(ii) Certain Voting Rights. So long as any Series D Preferred Units remain outstanding, the Partnership shall not, without the affirmative vote of the holders of at least two-thirds of the Series D Preferred Units outstanding at the time (i) authorize or create, or increase the authorized or issued amount of, any class or series of Partnership Interests ranking prior to the Series D Preferred Units with respect to payment of distributions or rights upon liquidation, dissolution or winding-up or create, authorize or issue any obligations or security convertible into or evidencing the right to purchase any such Partnership Interests, (ii) authorize or create, or increase the authorized or issued amount of any Parity Preferred Units or reclassify any Partnership Interest of the Partnership into any such Partnership Interest or create, authorize or issue any obligations or security convertible into or evidencing the right to purchase any such Partnership Interests but only to the extent such Parity Preferred Units are issued to an affiliate of the Partnership, other than (A) Security Capital U.S. Realty, Security Capital Holdings, S.A. or their affiliates (if issued upon arm's length terms in the good faith determination of the board of directors of the General Partner) or (B) the General Partner to the extent the issuance of such interests was to allow the General Partner to issue corresponding preferred stock to persons who are not affiliates of the Partnership or (iii) either (A) consolidate, merge into or with, or convey, transfer or lease its assets substantially as an entirety to, any corporation or other entity or (B) amend, alter or repeal the provisions of the Partnership Agreement, whether by merger, consolidation or otherwise, that would materially and adversely affect the powers, special rights, preferences, privileges or voting power of the Series D Preferred Units or the holders thereof; provided, however, that with respect to the occurrence of a merger, consolidation or a sale or lease of all of the Partnership's assets as an entirety, so long as (a) the Partnership is the surviving entity and the Series D Preferred Units remain outstanding with the terms thereof unchanged, or (b) the resulting, surviving or transferee entity is a partnership, limited liability company or other pass-through entity organized under the laws of any state and substitutes the Series D Preferred Units for other interests in such entity having substantially the same terms and rights as the Series D Preferred Units, including with respect to distributions, voting rights and rights upon liquidation, dissolution or winding-up, then the occurrence of any such event shall not be deemed to materially and adversely affect such rights, privileges or voting powers of the holders of the Series D Preferred Units and no vote of the Series D Preferred Units shall be required in such case; and provided further that any increase in the amount of Partnership Interests or the creation or issuance of any other class or series of Partnership Interests, in each case ranking (a) junior to the Series D Preferred Units with respect to payment of distributions or the distribution of assets upon liquidation, dissolution or winding-up, or (b) on a parity to the Series D Preferred Units with respect to payment of distributions or the distribution of assets upon liquidation, dissolution or winding-up to the extent such Partnership Interest are not issued to an affiliate of the Partnership, other than the General Partner to the extent the issuance of such interests was to allow the General Partner to issue corresponding preferred stock to persons who are not affiliates of the Partnership, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers and no vote of the Series D Preferred Units shall be required in such case.

(g) Exchange Rights.

(i) Right to Exchange.

(A) Series D Preferred Units will be exchangeable in whole or in part at anytime on or after the tenth anniversary of the date of issuance, at the option of the holders thereof, for authorized but previously unissued shares of 9.125% Series D Cumulative Redeemable Preferred Stock of the General Partner (the "Series D Preferred Stock") at an exchange rate of one share of Series D Preferred Stock for one Series D Preferred Unit, subject to adjustment as described below (the "Series D Exchange Price"), provided that the Series D Preferred Units will become exchangeable at any time, in whole or in part, at the option of the holders of Series D Preferred Units for Series D Preferred Stock if (y) at any time full distributions shall not have been made on the applicable Series D Preferred Unit Distribution Payment Date on any Series D Preferred Unit with respect to six (6) prior quarterly distribution periods, whether or not consecutive, provided, however, that a distribution in respect of Series D Preferred Units shall be considered timely made if made within two (2) Business Days after the applicable Series D Preferred Unit Distribution Payment Date if at the time of such late payment there shall not be any prior quarterly distribution periods in respect of which full distributions were made more than two (2) Business Days after the applicable Series D Preferred Unit Distribution Payment Date or (z) upon receipt by a holder or holders of Series D Preferred Units of (A) notice from the General Partner that the General Partner or a Subsidiary of the General Partner has taken the position that the Partnership is, or upon the occurrence of a defined event in the immediate future will be, a PTP and (B) an opinion rendered by an outside nationally recognized independent counsel familiar with such matters addressed to a holder or holders of Series D Preferred Units, that the Partnership is or likely is, or upon the occurrence of a defined event in the immediate future will be or likely will be, a PTP. In addition, the Series D Preferred Units may be exchanged for Series D Preferred Stock, in whole or in part, at the option of any holder prior to the tenth anniversary of the issuance date and after the third anniversary thereof if such holder of a Series D Preferred Units shall deliver to the General Partner either (i) a private ruling letter addressed to such holder of Series D Preferred Units or (ii) an opinion of independent counsel reasonably acceptable to the General Partner based on the enactment of temporary or final Treasury Regulations or the publication of a Revenue Ruling, in either case to the effect that an exchange of the Series D Preferred Units at such earlier time would not cause the Series D Preferred Units to be considered "stock and securities" within the meaning of section 351(e) of the Code for purposes of determining whether the holder of such Series D Preferred Units is an "investment company" under section 721(b) of the Code if an exchange is permitted at such earlier date. Furthermore, the Series D Preferred Units may be exchanged in whole but not in part by any holder thereof which is a real estate investment trust within the meaning of Sections 856 through 859 of the Code for Series D Preferred Stock (but only if the exchange in whole may be accomplished consistently with the ownership limitations set forth under Article 5 of the Articles of Incorporation (taking into account exceptions thereto) if at any time (i) the Partnership reasonably determines that the assets and income of the Partnership for a taxable year after 1999 would not satisfy the income and assets tests of Section 856 of the Code for such taxable year if the Partnership were a real estate investment trust within the meaning of the Code or (ii) any such holder of Series D Preferred Units shall deliver to the Partnership and the General Partner an opinion of independent counsel reasonably acceptable to the General Partner to the effect that, based on the assets and income of the Partnership for a taxable year after 1999, the Partnership would not satisfy the income and assets tests of Section 856 of the Code for such taxable year if the Partnership were a real estate investment trust within the meaning of the Code and that such failure would create a meaningful risk that a holder of the Series D Preferred Units would fail to maintain qualification as a real estate investment trust.

(B) Notwithstanding anything to the contrary set forth in Section 4.8(G)(i)(A), if an Series D Exchange Notice (as defined herein) has been delivered to the General Partner, then the General Partner may, at its option, elect to redeem or cause the Partnership to redeem all or a portion of the outstanding Series D Preferred Units for cash in an amount equal to the original Capital Contribution per Series D Preferred Unit and all accrued and unpaid distributions thereon to the date of redemption. The General Partner may exercise its option to redeem the Series D Preferred Units for cash pursuant to this Section 4.8(g)(i)(B) by giving each holder of record of Series D Preferred Units notice of its election to redeem for cash, within five (5) Business Days after receipt of the Series D Exchange Notice, by (i) fax, and (ii) registered mail, postage paid, at the address of each holder as it may appear on the records of the Partnership stating (i) the redemption date, which shall be no later than sixty (60) days following the receipt of the Series D Exchange Notice, (ii) the redemption price, (iii) the place or places where the Series D Preferred Units are to be surrendered for payment of the redemption price, (iv) that distributions on the Series D Preferred Units will cease to accrue on such redemption date; (v) that payment of the redemption price will be made upon presentation and surrender of the Series D Preferred Units and (vi) the aggregate number of Series D Preferred Units to be redeemed, and if fewer than all of the outstanding Series D Preferred Units are to be redeemed, the number of Series D Preferred Units to be redeemed held by such holder, which number shall equal such holder's pro-rata share (based on the percentage of the aggregate number of outstanding Series D Preferred Units the total number of Series D Preferred Units held by such holder represents) of the aggregate number of Series D Preferred Units being redeemed.

(C) Upon the occurrence of an event giving rise to exchange rights pursuant to Section 4.8(g)(i)(A), in the event an exchange of all or a portion of Series D Preferred Units pursuant to Section 4.8(g)(i)(A) would violate the provisions on ownership limitation of the General Partner set forth in Article 5 of the Articles of Incorporation, the General Partner shall give written notice thereof to each holder of record of Series D Preferred Units, within five (5) Business Days following receipt of the Series D Exchange Notice, by (i) fax, and (ii) registered mail, postage prepaid, at the address of each such holder set forth in the records of the Partnership. In such event, each holder of Series D Preferred Units shall be entitled to exchange, pursuant to the provision of Section 4.8(g)(ii) a number of Series D Preferred Units which would comply with the provisions on the ownership limitation of the General Partner set forth in such Article 5 of the Articles of Incorporation and any Series D Preferred Units not so exchanged (the "Series D Excess Units") shall be redeemed by the Partnership for cash in an amount equal to the original Capital Contribution per Series D Excess Unit, plus any accrued and unpaid distributions thereon, whether or not declared, to the date of redemption. The written notice of the General Partner shall state (i) the number of Series D Excess Units held by such holder, (ii) the redemption price of the Series D Excess Units, (iii) the date on which such Series D Excess Units shall be redeemed, which date shall be no later than sixty (60) days following the receipt of the Series D Exchange Notice, (iv) the place or places where such Series D Excess Units are to be surrendered for payment of the Series D Redemption Price, (iv) that distributions on the Series D Excess Units will cease to accrue on such redemption date, and (v) that payment of the redemption price will be made upon presentation and surrender of such Series D Excess Units. In the event an exchange would result in Series D Excess Units, as a condition to such exchange, each holder of such units agrees to provide representations and covenants reasonably requested by the General Partner relating to (i) the widely held nature of the interests in such holder, sufficient to assure the General Partner that the holder's ownership of stock of the General Partner (without regard to the limits described above) will not cause any individual to own in excess of 9.8% of the stock of the General Partner; and (ii) to the extent such holder can so represent and covenant without obtaining information from its owners, the holder's ownership of tenants of the Partnership and its affiliates.

(D) The redemption of Series D Preferred Units described in Section 4.8(g)(i)(B) and (C) shall be subject to the provisions of Section 4.8(e)(ii)(A) and Section 4.8(e)(iii)(B); provided, however, that for purposes hereof the term "Redemption Price" in Sections 4.8(e)(ii)(A) and 4.8(e)(iii)(B) shall be read to mean the original Capital Contribution per Series D Preferred Unit being redeemed plus all accrued and unpaid distributions to the redemption date.

(ii) Procedure for Exchange.

(A) Any exchange shall be exercised pursuant to a notice of exchange (the "Series D Exchange Notice") delivered to the General Partner by the holder who is exercising such exchange right, by (i) fax and (ii) by certified mail postage prepaid. Upon request of the General Partner, such holder delivering the Series D Exchange Notice shall provide to the General Partner in writing such information as the General Partner may reasonably request to determine whether any portion of the exchange by the delivering holder will result in the violation of the restrictions of Article 5 of the Articles of Incorporation, including the Ownership Limit and the Related Tenant Limit. The exchange of Series D Preferred Units, or a specified portion thereof, may be effected after the fifth (5th) Business Days following receipt by the General Partner of the Series D Exchange Notice and such requested information by delivering certificates, if any, representing such Series D Preferred Units to be exchanged together with, if applicable, written notice of exchange and a proper assignment of such Series D Preferred Units to the office of the General Partner maintained for such purpose. Currently, such office is 121 West Forsyth Street, Suite 200, Jacksonville, Florida 32202. Each exchange will be deemed to have been effected immediately prior to the close of business on the date on which such Series D Preferred Units to be exchanged (together with all required documentation) shall have been surrendered and notice shall have been received by the General Partner as aforesaid and the Series D Exchange Price shall have been paid. Any Series D Preferred Stock issued pursuant to this Section 4.8(g) shall be delivered as shares which are duly authorized, validly issued, fully paid and nonassessable, free of pledge, lien, encumbrance or restriction other than those provided in the Articles of Incorporation, the Bylaws of the General Partner, the Securities Act and relevant state securities or blue sky laws.

(B) In the event of an exchange of Series D Preferred Units for shares of Series D Preferred Stock, an amount equal to the accrued and unpaid distributions which are not paid pursuant to Section 4(a) hereof, whether or not declared, to the date of exchange on any Series D Preferred Units tendered for exchange shall (i) accrue and be payable by the General Partner from and after the date of exchange on the shares of the Series D Preferred Stock into which such Series D Preferred Units are exchanged, and (ii) continue to accrue on such Series D Preferred Units, which shall remain outstanding following such exchange, with the General Partner as the holder of such Series D Preferred Units. Notwithstanding anything to the contrary set forth herein, in no event shall a holder of a Series D Preferred Unit that was validly exchanged into Series D Preferred Stock pursuant to this section (other than the General Partner now holding such Series D Preferred Unit), receive a distribution out of Available Cash or Capital Transaction Proceeds of the Partnership with respect to any Series D Preferred Units so exchanged.

(C) Fractional shares of Series D Preferred Stock are not to be issued upon exchange but, in lieu thereof, the General Partner will pay a cash adjustment based upon the fair market value of the Series D Preferred Stock on the day prior to the exchange date as determined in good faith by the Board of Directors of the General Partner.

(iii) Adjustment of Exchange Price.

(A) The Series D Exchange Price is subject to adjustment upon certain events, including, (i) subdivisions, combinations and reclassification of the Series D Preferred Stock, and (ii) distributions to all holders of Series D Preferred Stock of evidences of indebtedness of the General Partner or assets (including securities, but excluding dividends and distributions paid in cash out of equity applicable to Series D Preferred Stock).

(B) In case the General Partner shall be a party to any transaction (including, without limitation, a merger, consolidation, statutory share exchange, tender offer for all or substantially all of the General Partner's capital stock or sale of all or substantially all of the General Partner's assets), in each case as a result of which the Series D Preferred Stock will be converted into the right to receive shares of capital stock, other securities or other property (including cash or any combination thereof), each Series D Preferred Unit will thereafter be exchangeable into the kind and amount of shares of capital stock and other securities and property receivable (including cash or any combination thereof) upon the consummation of such transaction by a holder of that number of shares of Series D Preferred Stock or fraction thereof into which one Series D Preferred Unit was exchangeable immediately prior to such transaction. The General Partner may not become a party to any such transaction unless the terms thereof are consistent with the foregoing.

(C) So long as a Preferred Partner or any of its permitted successors or assigns holds any Series D Preferred Units as the case may be, the General Partner shall not, without the affirmative vote of the holders of at least two-thirds of the Series D Preferred Units (excluding any Series D Preferred Units surrendered to the General Partner in exchange for Series D Preferred Stock) and Series D Preferred Stock (voting together as a class on the basis of number of shares into which Series D Preferred Units are exchangeable) outstanding at the time: (a) designate or create, or increase the authorized or issued amount of, any class or series of shares ranking senior to the Series D Preferred Stock with respect to the payment of distributions or rights upon liquidation, dissolution or winding-up or reclassify any authorized shares of the General Partner into any such shares, or create, authorize or issue any obligations or securities convertible into or evidencing the right to purchase any such shares; (b) designate or create, or increase the authorized or issued amount of, any Parity Preferred Stock or reclassify any authorized shares of the General Partner into any such shares, or create, authorize or issue any obligations or security convertible into or evidencing the right to purchase any such shares, but only to the extent that such Parity Preferred Stock are issued to an Affiliate of the General Partner other than (A) Security Capital U.S. Realty, Security Capital Holdings, S.A. or their affiliates (if issued on arm's length terms in the good faith determination of the board of directors of the General Partner), or (B) the General Partner to the extent the issuance of such interests was to allow the General Partner to issue corresponding preferred stock in the same transaction to persons who are not affiliates of the Partnership; (c) amend, alter or repeal the provisions of the Charter or bylaws of the General Partner, whether by merger, consolidation or otherwise, that would materially and adversely affect the powers, special rights, preferences, privileges or voting power of the Series D Preferred Stock or the holders thereof; provided, however, that any increase in the amount of authorized Preferred Stock or the creation or issuance of any other series or class of Preferred Stock, or any increase in the amount of authorized shares of each class or series, in each case ranking either (1) junior to the Series D Preferred Stock with respect to the payment of distributions or the distribution of assets upon liquidation, dissolution or winding-up, or (2) on a parity with the Series D Preferred Stock with respect to the payment of distributions or the distribution of assets upon liquidation, dissolution or winding-up to the extent such Preferred Stock are not issued to an Affiliate of the General Partner (other than Security Capital U.S. Realty, Security Capital Holdings, S.A. or their affiliates if issued on arm's length terms in the good faith determination of the board of directors of the General Partner), or (B) General Partner to the extent the issuance of such interests was to allow the General Partner to issue corresponding preferred stock to persons who are not affiliates of the Partnership, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

(h) No Conversion Rights. The holders of the Series D Preferred Units shall not have any rights to convert such shares into shares of any other class or series of stock or into any other securities of, or interest in, the Partnership.

(i) No Sinking Fund. No sinking fund shall be established for the retirement or redemption of Series D Preferred Units."

Section 6. Article 7 - Management and Operating of Business.

Section 7.1(h) is hereby amended by inserting the words "Series A Priority Return, Series D Priority Return and" before the words "Priority Distribution Amount" therein.

Section 7. Article 8 - Rights and Obligations of Limited Partners.

Section 8.4 is hereby amended by (i) inserting the words "Section 4.8," after the words "Section 4.5," therein and (ii) inserting the words "Preferred Units" after the words "Series A" therein.

Section 8. Article 11 - Transfers and Withdrawals.

(a) Section 11.2(b) is hereby amended by inserting the words "and Section 4.8(f)" after the words "4.5(f)" in the first sentence thereof.

(b) The Series A Preferred Partners and Series D Preferred Partners may, subject to Sections 11.3(b)-(j), assign their Units to any Person, and any such assignee shall be admitted as a Substituted Limited Partner.

(c) Section 11.3(h) is hereby amended by adding the following at the end of the section:

"; provided, however, that the General Partner shall not unreasonably withhold its consent to a waiver of the limitations set forth in this Section 11.3(h) if the Partnership is (1) relying on a provision other than Treasury Regulation Section 1.7704-1(h) to avoid classification of Partnership as a PTP or (2) a PTP."

(d) The following is inserted as a new Section 11.3(j):

"(j) Transfers by Series D Preferred Partners. In addition to the other restrictions on transfer set forth in this Article 11, which apply to Series D Preferred Units, no transfer of the Series D Preferred Units may be made without the consent of the General Partner, which consent may be given or withheld in its sole and absolute discretion, if such transfer would result in more than four partners holding all outstanding Series D Preferred Units within the meaning of Regulation Section 1.7704-1(h)(3)"; provided, however, that the General Partner shall not unreasonably withhold its consent to a waiver of the limitations set forth in this Section 11.3(j) if the Partnership is (1) relying on a provision other than Treasury Regulation Section 1.7704-1(h) to avoid classification of Partnership as a PTP or (2) a PTP."

Section 9. Article 12 - Admission of Partners.

Section 12.2(a) and 12.4 are hereby amended by deleting all references therein to "Additional Limited Partners" and inserting the words "additional Limited Partners" therefor.

Section 10. Article 13 - Dissolution and Liquidation.

(a) The first reference to "Additional Limited Partners" in the first paragraph of Section 13.1 is hereby deleted and the words "additional Limited Partners" are hereby inserted in lieu thereof.

(b) Clause (iii) of Section 13.2(a) is hereby deleted and the following inserted in lieu thereof:

"(iii) Third, one hundred percent (100%) to the Series A Preferred Partners in accordance with the provisions of Section 4.5(d) and to the Series D Preferred Partners in accordance with the provisions of Section 4.8(d)."

(c) The words "and Section 4.8 with respect to the Series D Preferred Units" is hereby inserted after the words "Section 4.5 with respect to the Series A Preferred Units" in Section 13.6.

Section 11. Article 14 - Amendment of Partnership Agreement; Meetings.

(a) Sections 14.1(a), 14.1(c) and 14.1(d) are hereby amended by inserting the words "and 4.8(f)(ii)" after each reference to "4.5(f)(ii)" therein.

(b) Section 14.1(c) is hereby amended by replacing the words "Series A Preferred Partner" with the words "holder of Parity Preferred Units."

(c) The last paragraph of Section 14.1(g) is hereby amended by replacing the words "Series A Preferred Partners" with the words "holders of Parity Preferred Units."

Section 12. Miscellaneous.

(a) Notwithstanding anything to the contrary contained in Section 8.6 of the Partnership Agreement, in no event shall the rights of the holders of the Series D Preferred Units set forth in Section 5 of this Amendment be subordinate to the Redemption Rights set forth in Section 8.6 of the Partnership Agreement.

(b) The Partnership and the General Partner represent and warrant that the issuance of the Series D Preferred Units pursuant to this Amendment is permitted pursuant to Section 4.2(b)(i).

(c) The Partnership and General Partner (i) represent and warrant that, except as disclosed on Schedule 1 attached hereto, no Redemption Rights contemplated in Section 8.6 require the Partnership or General Partner to pay cash in lieu of the Share Amount in exchange for Units (other than at the election of the Partnership or General Partner) and (ii) covenant and agree not to grant, without the consent of the Series A Preferred Partners and Series D Preferred Partners, any Redemption Rights requiring the Partnership or General Partner to pay cash in lieu of the Share Amount in exchange for Units (other than at the election of the Partnership or General Partner) except (i) redemption rights assumed by Partnership or General Partner in connection with the acquisition of an existing operating partnership and (ii) redemption rights as to less than 5% of the Common Units arising from a tender offer by the Partnership intended to reduce the number of partners of the Partnership, unless (i) the cash used to effectuate any such cash redemption is raised from the issuance of Common Stock of the General Partner issued for such purpose or (ii) the Partnership shall allow the holders of the Series A Preferred Units and Series D Preferred Units to redeem their Units for the Series A Redemption Price and Series D Redemption Price, respectively, immediately prior to the time of such other redemption.

Section 13. Fourth Amended and Restated Agreement of Limited Partnership.

The form of Fourth Amended and Restated Agreement of Limited Partnership (the "Restated Form") attached to the Partnership Agreement is hereby amended to conform to the amendments set forth in this Amendment, all of which shall be deemed incorporated in said Fourth Amended and Restated Agreement of Limited Partnership (the "Restated Agreement") upon the effectiveness thereof (with such conforming changes as may be necessary to give substantive effect thereto). Additionally, the Restated Agreement Form and, upon its effectiveness, the Restated Agreement are hereby amended as follows:

(a) Section 4.2(b)(i)(A) is hereby amended by inserting the words "subject to Sections 4.5(f)(ii) and 4.8(f)(ii)," at the beginning of clause (ii);

(b) Section 4.2(b)(i)(B) is hereby amended by inserting the words "and Sections 4.5(f)(ii) and 4.8(f)(ii) after the reference to "Section 14.1(g)(ii)" in clause (ii);

(c) Section 13.4(c) is hereby amended by inserting the words "subject to the priorities set forth in Section 13.2(a)" after the word "balances" at the end of the next to last sentence thereof; and

(d) Section 14.1(g) is hereby amended by inserting the following at the end thereof:

"Nothing contained in Section 14(g) shall be deemed to modify or affect the rights, preferences and priorities of the Series A Preferred Partners and Series D Preferred Partners as to distributions and allocations."

Section 14. Reaffirmation. Except as modified herein, all terms and conditions of the Partnership Agreement shall remain in full force and effect, which terms and conditions the General Partner hereby ratifies and affirms.

Signature Page to Partnership Agreement Amendment

IN WITNESS WHEREOF, this Amendment has been executed as of the date first above written.

GENERAL PARTNER

Regency Realty Corporation

By:

Name:
Title:

BELAIR REAL ESTATE CORPORATION

By:

Name:
Title:

BELCREST REALTY CORPORATION

By:

Name:
Title:

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

THIS SECOND AMENDED AND RESTATED CREDIT AGREEMENT (this "Agreement") dated as of July 21, 2000 by and among REGENCY CENTERS, L.P., a Delaware limited partnership ("RCLP"), REGENCY REALTY GROUP, INC., a Florida corporation ("RRG"), each Development Joint Venture (as defined below) which becomes a party hereto pursuant to the execution and delivery of a Joinder Agreement substantially in the form of Exhibit S (RCLP, RRG and each such Development Joint Venture a "Borrower" and collectively, the "Borrowers"), REGENCY REALTY CORPORATION, a Florida corporation (the "Parent"), each of the financial institutions initially a signatory hereto together with their assignees under Section 12.8. (the "Lenders"), FIRST UNION NATIONAL BANK, as Syndication Agent (the "Syndication Agent"), WACHOVIA BANK, N.A., as Documentation Agent (the "Documentation Agent"), each of COMMERZBANK AG, NEW YORK BRANCH and pnc bank, national Association, as a Managing Agent (each a "Managing Agent"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as contractual representative of the Lenders to the extent and in the manner provided in Article XI. below (in such capacity, the "Agent").

WHEREAS, certain of the Lenders and other financial institutions have made available to RCLP a \$635,000,000 revolving credit facility on the terms and conditions contained in that certain Amended and Restated Credit Agreement dated as of February 26, 1999 (as amended and in effect immediately prior to the date hereof, the "Existing Regency Credit Agreement") by and among RCLP, the Parent, such Lenders, such other financial institutions, First Union National Bank, as Syndication Agent, Wachovia Bank, N.A., as Documentation Agent, each of Commerzbank Aktiengesellschaft, New York Branch and pnc Bank, National Association, as a Managing Agent, and Wells Fargo Bank, National Association, as Agent;

WHEREAS, RCLP, the Lenders and the Agent desire to amend and restate the terms of the Existing Regency Credit Agreement in order to make available to Borrowers a \$625,000,000 revolving credit facility, including a \$40,000,000 swingline subfacility and a \$10,000,000 letter of credit subfacility, all pursuant to the terms hereof.

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

ARTICLE I. DEFINITIONS

SECTION 1.1. Definitions.

The following terms, as used herein, have the following meanings:

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

"Absolute Rate Auction" means a solicitation of Bid Rate Quotes setting forth Absolute Rates pursuant to Section 2.2.

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

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

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

"Additional Costs" has the meaning given that term in Section 5.1.

"Adjusted Base Rents" means the total rentals from a given Property which are denominated as base rent or minimum rent under the applicable leases which shall in any event exclude all percentage rent and reimbursements for operating expenses, taxes or insurance, and shall be based on actual rents presently being paid without any rent leveling adjustments.

"Affiliate" means any Person (other than the Agent or any Lender): (a) directly or indirectly controlling, controlled by, or under common control with, a Borrower; (b) directly or indirectly owning or holding ten percent (10%) or more of any equity interest in a Borrower; or (c) ten percent (10%) or more of whose voting stock or other equity interest is directly or indirectly owned or held by a Borrower. For purposes of this definition, "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with") means the possession directly or indirectly of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or by contract or otherwise.

"Agreement Date" means the date as of which this Agreement is dated.

"Applicable Facility Fee" means the percentage set forth in the table below corresponding to the Level at which the "Applicable Margin" is determined in accordance with the definition thereof:

Level	Facility Fee

1	0.10%
2	0.15%
3	0.20%
4	0.30%
5	0.40%

As of the Agreement Date, the Applicable Facility Fee equals 0.20%.

"Applicable Law" means all applicable provisions of local, state, federal and foreign constitutions, statutes, rules, regulations, ordinances, decrees, permits, concessions and orders of all governmental bodies and all orders and decrees of all courts, tribunals and arbitrators.

"Applicable Margin" shall mean, as of any date of determination, the respective percentage rates set forth below corresponding to the Credit Ratings of RCLP and the Parent as assigned by the applicable Rating Agencies:

Level	Credit Rating (S&P/Moody's or equivalent)	Applicable Margin for LIBOR Loans	Applicable Margin for Base Rate Loans
1	A-/A3 or equivalent or higher	0.85%	0.00%
2	BBB+/Baa1 or equivalent	0.90%	0.00%
3	BBB/Baa2 or equivalent	1.00%	0.00%
4	BBB-/Baa3 or equivalent	1.15%	0.00%
5	Less than BBB-/Baa3 or equivalent	1.35%	0.00%

The Agent shall determine the Applicable Margin from time to time in accordance with the above table and the provisions of this definition and notify the Borrowers and the Lenders of such determination. If the Rating Agencies assign Credit Ratings which correspond to different Levels in the above table resulting in different Applicable Margin determinations, the Applicable Margin will be determined based on the Level corresponding to the lower of the two Credit Ratings. During any period that RCLP or the Parent receives more than two Credit Ratings and such Credit Ratings are not equivalent, the Applicable Margin shall equal the average of the Applicable Margins as determined in accordance with the two lowest of such Credit Ratings; provided that one of such Credit Ratings has been issued by either S&P or Moody's and such Credit Rating is an Investment Grade Rating. Each change in the Applicable Margin resulting from a change in a Credit Rating of RCLP or the Parent shall take effect on the first calendar day of the month following the month in which such Credit Rating is publicly announced by the relevant Rating Agency. As of the Agreement Date, the Applicable Margin for LIBOR Loans equals 1.00% and for Base Rate Loans equals 0.00%.

"Approved Grocery Store" means any of the grocery store chains identified on Schedule 1.1.(a).

"Asset Value" means

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

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

"Assignee" has the meaning given that term in Section 12.8.(c).

"Assignment and Acceptance Agreement" means an Assignment and Acceptance

Agreement among a Lender, an Assignee and the Agent, substantially in the form of Exhibit A.

"Base Rate" means the greater of (a) the rate of interest per annum established from time to time by Wells Fargo, San Francisco, California and designated as its prime rate (which rate of interest may not be the lowest rate charged by such bank, the Agent or any of the Lenders on similar loans) and (b) the Federal Funds Rate plus one-half of one percent (0.5%). Each change in the Base Rate shall become effective without prior notice to any of the Borrowers or the Lenders automatically as of the opening of business on the date of such change in the Base Rate.

"Base Rate Loan" means any Revolving Loan or Term Loan hereunder with respect to which the interest rate is calculated by reference to the Base Rate.

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

"Bid Rate Loan" means a loan made by a Lender under Section 2.2.(b).

"Bid Rate Note" means, with respect to a Borrower, a promissory note of such Borrower substantially in the form of Exhibit D, payable to the order of a Lender and otherwise duly completed, and with respect to RCLP, shall also include each Bid Rate Note (as defined in the Existing Credit Agreement) which remains outstanding after the Effective Date.

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

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

"Borrowing Base" means, without duplication, (a) with respect to RCLP, the sum of (i) the aggregate Unencumbered Pool Values of all Stabilized Retail Operating Properties of RCLP and its Subsidiaries divided by 1.75 plus (ii) the aggregate Unencumbered Pool Values of Qualified Development Properties and Pre-Stabilized Retail Operating Properties of RCLP and its Subsidiaries divided by 2.0 and (b) with respect to the Development Affiliates, the sum of (i) the aggregate Unencumbered Pool Values of all Stabilized Retail Operating Properties of the Development Affiliates divided by 1.75 plus (ii) the aggregate Unencumbered Pool Values of Qualified Development Properties and Pre-Stabilized Retail Operating Properties of the Development Affiliates divided by 2.0 plus (iii) RCLP's Borrowing Base. Notwithstanding anything set forth in this definition to the contrary, not more than 20.0% of the Borrowing Base of RCLP can be attributable to Unencumbered Pool Properties owned by Subsidiaries of RCLP that are not Wholly Owned Subsidiaries.

"Business Day" means (a) any day other than Saturday, Sunday or other day on which commercial banks in Atlanta, Georgia or San Francisco, California are authorized or required to close and (b) with reference to LIBOR Loans, any such day on which dealings in Dollar deposits are carried out in the London interbank market.

"Capitalized EBITDA" means, with respect to a Person and as of a given date, (a) such Person's EBITDA for the fiscal quarter most recently ended times (b) 4 and divided by (c) 9.25%. In determining Capitalized EBITDA (i) EBITDA attributable to real estate properties either acquired or disposed of by such Person during such fiscal quarter shall be disregarded, (ii) for each of the first three fiscal quarters of each fiscal year, EBITDA shall include the lesser of (A) 25% of the budgeted percentage rents for such fiscal year or (B) 25% of the actual percentage rents received by such Person in the immediately preceding fiscal year, (iii) for the fourth fiscal quarter of each fiscal year, EBITDA shall include 25% of the percentage rents actually received by such Person in such fiscal year, (iv) Fee Income for the applicable period shall be excluded from EBITDA, (v) any amounts deducted from the net earnings of Properties owned by Consolidated Subsidiaries in which a third party owns a minority equity interest shall be included in EBITDA; and (vi) distributions of cash received by such Person during such period from any of its Unconsolidated Affiliates shall be excluded from EBITDA.

"Capitalized Fee Income" means, with respect to a Person and as of a given date, (a) such Person's Fee Income for the fiscal quarter most recently ended times (b) 4 and divided by (c) 20.0%.

"Capitalized Lease Obligation" means Indebtedness represented by obligations under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP, and the amount of such Indebtedness shall be the capitalized amount of such obligations determined in accordance with such principles.

"Collateral Account" means a special non-interest bearing deposit account maintained by the Agent under its sole dominion and control.

"Commitment" means, as to each Lender, such Lender's obligation to make Revolving Loans pursuant to Section 2.1. and to issue (in the case of the Agent) or participate in (in the case of the Lenders other than the Agent in such capacity) Letters of Credit pursuant to Section 2.15.(a) and 2.15.(f) respectively, in an amount up to, but not exceeding (but in the case of the Agent, excluding the aggregate amount of participations in the Letters of Credit held by other Lenders), the amount set forth for such Lender on its signature page hereto as such Lender's "Commitment Amount" or as set forth in the applicable Assignment and Acceptance Agreement, as the same may be reduced from time to time pursuant to Section 2.9. or as appropriate to reflect any assignments to or by such Lender effected in accordance with Section 12.8.

"Compliance Certificate" means the certificate described in Section

8.1.(c).

"Consolidated Subsidiary" means, with respect to a Person at any date, any Subsidiary or other entity the accounts of which would be consolidated with those of such Person in its consolidated financial statements in accordance with GAAP, if such statements were prepared as of such date. The term "Consolidated Subsidiary" shall also include any Preferred Stock Entity the accounts of which are consolidated with those of such Person in its consolidated financial statements in accordance with GAAP.

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

"Construction in Process" means construction in process as determined in accordance with GAAP.

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

"Continue", "Continuation" and "Continued" each refers to the continuation of a LIBOR Loan from one Interest Period to the next Interest Period pursuant to Section 2.5.

"Convert", "Conversion" and "Converted" each refers to the conversion of a Revolving Loan of one Type into a Revolving Loan of another Type pursuant to Section 2.6.

"Credit Rating" means the lowest rating assigned by a Rating Agency to each series of rated senior unsecured long term indebtedness of RCLP or the Parent, as the case may be.

"Credit Tenant" means any Person which has entered into, and continues to be subject to, a lease of any portion of a Property and has a rating of at least BBB- assigned to its senior long-term debt obligations by S&P or Moody's. For purposes of this Agreement, Publix Super Markets, Inc. shall be deemed a Credit Tenant.

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

"Default" means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"Defaulting Lender" has the meaning given that term in Section 3.5.

"Designated Lender" means a special purpose corporation which is an affiliate of, or sponsored by, a Lender, that is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and that issues (or the parent of which issues) commercial paper rated at least P-1 (or the then equivalent grade) by Moody's or A-1 (or the then equivalent grade) by S&P that, in either case, (a) is organized under the laws of the United States of America or any state thereof, (b) shall have become a party to this Agreement pursuant to Section 12.8.(d) and (c) is not otherwise a Lender.

"Designated Lender Note" means a Bid Rate Note of a Borrower evidencing the obligation of a Borrower to repay Bid Rate Loans made by a Designated Lender to such Borrower.

"Designating Lender" has the meaning given that term in Section 12.8.(d).

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

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

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

"Development Affiliate Guaranty" means the Guaranty executed and delivered by the Development Affiliate Guarantors substantially in the form of Exhibit O-2.

"Development Affiliates" means each of RRG and any other Development Joint Venture which has, at the time of determination, satisfied all conditions contained in Section 12.15. to becoming a Borrower.

"Development Joint Venture" means a Person, all of the issued and

outstanding equity interests of which are held only by RCLP (or its Wholly Owned Subsidiaries) or RRG, and which was formed or acquired for the purpose of developing or redeveloping Properties and rendering services to tenants permitted to be performed by a "taxable REIT subsidiary" within the meaning of Section 856(e) of the Internal Revenue Code, which services, if performed by RCLP or RRG, would cause income received from such tenant to fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Internal Revenue Code.

"Development Property" means either (a) a real estate project acquired by RCLP, any Subsidiary, any Development Affiliate, any Unconsolidated Affiliate or any Preferred Stock Entity as unimproved real estate to be developed as a Property or (b) a Property acquired by any such Person on which such Person is to (A) partially or completely demolish and redevelop the improvements on such Property, (B) substantially reconfigure the existing improvements on such Property or (C) increase materially the rentable square footage of such Property, in each case for which an 80% Occupancy Rate has not been achieved. The term "Development Property" shall include real property of the type described in the immediately preceding clause (a) or (b) to be (but not yet) acquired by any such Person upon completion of construction pursuant to a contract in which the seller of such real property is required to develop or renovate prior to, and as a condition precedent to, such acquisition, but shall not include any build-to-suit Property which is 100% preleased by a single tenant having an investment grade rating assigned to its senior long-term unsecured debt obligations by a nationally recognized securities rating agency.

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

"EBITDA" means, with respect to any Person for any period and without duplication, net earnings (loss) of such Person for such period (excluding equity in net earnings or net loss of Unconsolidated Affiliates) plus the sum of the following amounts (but only to the extent included in determining net earnings (loss) for such period): (a) depreciation and amortization expense and other non-cash charges of such Person for such period plus (b) interest expense of such Person for such period plus (c) income tax expense of such Person in respect of such period plus (d) distributions of cash received by such Person during such period from any of its Unconsolidated Affiliates. EBITDA shall exclude extraordinary gains of such Person and gains from sales of assets of such Person for such period but will include extraordinary losses of such Person, losses from sales of assets of such Person and losses resulting from forgiveness by such Person of Indebtedness for such period. For purposes of this definition, net earnings (loss) shall be determined before minority interests and distributions to holders of Preferred Stock.

"Effective Date" means the date this Agreement becomes effective in accordance with Section 6.1.

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

"Eligible Property" means a Property or real estate project which satisfies all of the following requirements: (a) such Property or real estate project is owned in fee simple by only RCLP, a Development Affiliate or a Subsidiary of RCLP; (b) neither such Property or real estate project, nor any interest of RCLP, such Development Affiliate or such Subsidiary therein, is subject to any Lien other than Permitted Liens or to any agreement (other than this Agreement or any other Loan Document) that prohibits the creation of any Lien thereon as security for Indebtedness; (c) if such Property or real estate project is owned by a Subsidiary of RCLP, (i) none of RCLP's or Parent's direct or indirect ownership interest in such Subsidiary is subject to any Lien other than Permitted Liens or to any agreement (other than this Agreement or any other Loan Document) that prohibits the creation of any Lien thereon as security for Indebtedness and (ii) RCLP directly, or indirectly through a Subsidiary, has the right to take the following actions without the need to obtain the consent of any Person: (A) to create Lien on such Property or real estate project as security for Indebtedness of RCLP or such Subsidiary, as applicable and (B) to sell, transfer or otherwise dispose of such Property or real estate project; (d) such Property or real estate project is free of all structural defects or major architectural deficiencies, title defects, environmental conditions or other adverse matters except for defects, conditions or matters individually or collectively which are not material to the profitable operation of such Property or real estate project; and (e) such Property or real estate project is not subject to a ground lease (other than (i) a lease of land on such Property or real estate project owned by RCLP, such Subsidiary of RCLP or such Development Affiliate and leased to a Person which is not an Affiliate and (ii) the ground lease relating to the Property known as Heritage Plaza between Affiliates of RCLP).

"Environmental Laws" means any Applicable Law relating to environmental

protection or the manufacture, storage, disposal or clean-up of Hazardous Materials including, without limitation, the following: Clean Air Act, 42 U.S.C.ss.7401 et seq.; Federal Water Pollution Control Act, 33 U.S.C.ss.1251 et

seq.; Solid Waste Disposal Act, 42 U.S.C.ss.6901 et seq.; Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.ss. 9601 et seq.; National Environmental Policy Act, 42 U.S.C.ss.4321 et seq.; regulations of the Environmental Protection Agency and any applicable rule of common law and any judicial interpretation thereof relating primarily to the environment or Hazardous Materials.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

"ERISA Group" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control that are treated as a single employer under Section 414 of the Internal Revenue Code.

"ERISA Plan" means any employee benefit plan subject to Title I of ERISA.

"Event of Default" means the occurrence of any of the events specified in Section 10.1., whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or nongovernmental body; provided that any requirement for notice or lapse of time or any other condition has been satisfied.

"Existing Regency Credit Agreement" is defined in the recitals herein.

"Extension Request" has the meaning given that term in Section 2.10.(a).

"Federal Funds Rate" means, on any day, the rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Agent on such day on such transactions as reasonably determined by the Agent.

"Fee Income" means, with respect to a Person and for a given period, the amount of net income accrued by such Person during such period from fees, commissions and other compensation derived from (a) managing and/or leasing properties owned by third parties; (b) developing properties for third parties; (c) arranging for property acquisitions by third parties; (d) arranging financing for third parties and (e) consulting and business services performed for third parties.

"Funds From Operations" means, with respect to a Person and for a given period, net income (loss) of such Person for such period determined in accordance with GAAP (excluding equity in net earnings or net loss of Unconsolidated Affiliates) plus the sum of the following amounts (but only to the extent included in determining net income (loss) for such period): (a) depreciation and amortization expense of such Person with respect to its real estate assets for such period plus (b) losses from sales of assets of such Person for such period minus (c) gains from sales of assets of such Person for such period plus (d) such Person's pro rata share of Funds From Operations of such Person's Unconsolidated Affiliates.

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

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

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

"Gross Asset Value" means, at a given time, the sum of (a) the Capitalized EBITDA of the Parent and its Consolidated Subsidiaries at such time, plus (b) the Capitalized Fee Income of the Parent and its Consolidated Subsidiaries at such time, plus (c) the purchase price paid by the Parent or any Consolidated Subsidiary (less any amounts paid to the Parent or such Consolidated Subsidiary as a purchase price adjustment, held in escrow, retained as a contingency reserve, or other similar arrangements) for any real property acquired by the Parent or such Consolidated Subsidiary as a Property other than a Development Property during the Parent's fiscal quarter most recently ended, plus (d) all of Parent's and its Consolidated Subsidiaries' cash and cash equivalents as of the end of such fiscal quarter (excluding tenant deposits and other cash and cash equivalents the disposition of which is restricted in any way (excluding restrictions in the nature of early withdrawal penalties and restrictions on cash deposited into an escrow account for the payment of property taxes in respect of real property but only to the extent the aggregate amount of cash held in such account exceeds the amount of accrued property taxes at such time)), plus (e) with respect to each of the Parent's Unconsolidated Affiliates,

(i) with respect to any of such Unconsolidated Affiliate's Properties under construction, the Parent's pro rata share of the book value of Construction in Process for such Property as of the end of such fiscal quarter and (ii) with respect to any of such Unconsolidated Affiliate's Properties which have been completed, the Parent's pro rata share of Capitalized EBITDA of such Unconsolidated Affiliate attributable to such Properties, plus (f) the book value of all Construction in Process for real property acquired for development by the Parent or any Consolidated Subsidiary as a Property as such book value is set forth on the Parent's consolidated balance sheet most recently delivered to the Lenders under Section 8.1.(a) or (b) plus (g) the contractual purchase price of any property subject to a purchase obligation, repurchase obligation or forward commitment which at such time could be specifically enforced by the seller of such property, but only to the extent such obligations are included in the Parent's or any Consolidated Subsidiary's Total Liabilities plus (h) in the case of any property subject to a purchase obligation, repurchase obligation or forward commitment which at such time could not be specifically enforced by the seller of such property, the aggregate amount of due diligence deposits, earnest money payments and other similar payments made under the applicable contract which, at such time, would be subject to forfeiture upon termination of the contract, but only to the extent such amounts are included in the Parent's or any Consolidated Subsidiary's Total Liabilities.

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (b) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

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

"Guaranty" means the Guaranty executed and delivered by the Guarantors substantially in the form of Exhibit O-1.

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

"Hedge Agreements" means, collectively, Interest Rate Agreements, commodity future or option contracts, currency swap agreements, currency future or option contracts and other similar agreements.

"Indebtedness" means, with respect to a Person, at the time of computation thereof, all of the following (without duplication and determined on a consolidated basis): (a) obligations of such Person in respect of money borrowed; (b) obligations of such Person (other than trade debt incurred in the ordinary course of business), whether or not for money borrowed (i) represented by notes payable, or drafts accepted, in each case representing extensions of credit, (ii) evidenced by bonds, debentures, notes or similar instruments, or (iii) constituting purchase money indebtedness, conditional sales contracts, title retention debt instruments or other similar instruments, upon which interest charges are customarily paid or that are issued or assumed as full or partial payment for property; (c) Capitalized Lease Obligations of such Person; (d) all reimbursement obligations of such Person under any letters of credit or acceptances (whether or not the same have been presented for payment); (e) all Indebtedness of other Persons which (i) such Person has Guaranteed or which is otherwise recourse to such Person or (ii) is secured by a Lien on any property of such Person; (f) all Indebtedness of any other Person of which such Person is a general partner; and (g) with respect to Indebtedness of an Unconsolidated Affiliate, (i) all such Indebtedness which such Person has Guaranteed or is otherwise obligated on a recourse basis and (ii) such Person's Ownership Share of all other Indebtedness of such Unconsolidated Affiliate.

"Interest Expense" means, with respect to a Person and for any period, (a) the total interest expense (including, without limitation, capitalized interest expense and interest expense attributable to Capitalized Lease Obligations) of such Person and in any event shall include all letter of credit fees and all interest expense with respect to any Indebtedness in respect of which such Person is wholly or partially liable whether pursuant to any repayment, interest carry, performance Guarantee or otherwise, plus (b) to the extent not already included in the foregoing clause (a) such Person's Ownership Share of all paid, accrued or capitalized interest expense for such period of Unconsolidated Affiliates of such Person.

"Interest Period" means,

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

(b) with respect to any Absolute Rate Loan made, or to be made to, a Borrower, the period commencing on the date such Absolute Rate Loan is made and ending on the numerically corresponding day in the first, second, or third calendar month thereafter, as such Borrower may select as provided in Section 2.2.(b), except that each Interest Period that commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month; and

(c) with respect to any LIBOR Margin Loan made, or to be made to, a Borrower, each period commencing on the date such LIBOR Margin Loan is made and ending on the numerically corresponding day in the first, second or third calendar month thereafter, as such Borrower may select as provided in Section 2.2.(b), except that each Interest Period that commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month.

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

"Interest Rate Agreement" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar contractual agreement or arrangement entered into by a Person with a nationally recognized then rated investment grade financial institution for the purpose of protecting such Person against fluctuations in interest rates.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

"Investment" means, with respect to any Person and whether or not such investment constitutes a controlling interest in such Person: (a) the purchase or other acquisition of any share of capital stock or other equity interest, evidence of Indebtedness or other security issued by any other Person; (b) any loan, advance or extension of credit to, or contribution to the capital of, any other Person; (c) any Guarantee of the Indebtedness of any other Person; (d) the subordination of any claim against a Person to other Indebtedness of such Person; and (e) any other investment in any other Person.

"Investment Grade Rating" means a Credit Rating of BBB- or higher by S&P or Baa3 or higher by Moody's.

"Joinder Agreement" means a Joinder Agreement executed by a Development Joint Venture and substantially in the form of Exhibit S.

"L/C Commitment Amount" means an amount equal to \$10,000,000.

"Lender" means each financial institution from time to time party hereto as a "Lender" or a "Designated Lender," together with its respective successors and assigns; provided, however, that the term "Lender" shall exclude each Designated Lender when used in reference to any Loan other than a Bid Rate Loan, the Commitments or terms relating to any Loan other than a Bid Rate Loan and the Commitments and shall further exclude each Designated Lender for all other purposes hereunder except that any Designated Lender which funds a Bid Rate Loan shall, subject to Section 12.8.(d), have the rights (including the rights given to a Lender contained in Sections 12.3. and 12.5.) and obligations of a Lender associated with holding such Bid Rate Loan.

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

"Letter of Credit" has the meaning set forth in Section 2.15.(a).

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

"Letter of Credit Liabilities" shall mean, without duplication, at any time and in respect of any Letter of Credit, the sum of (a) the Stated Amount of such Letter of Credit plus (b) the aggregate unpaid principal amount of all Reimbursement Obligations of the Borrower for whose account such Letter of Credit was issued at such time due and payable in respect of all drawings made under such Letter of Credit. For purposes of this Agreement, a Lender (other than the Agent in its capacity as such) shall be deemed to hold a Letter of Credit Liability in an amount equal to its participation interest in the related Letter of Credit under Section 2.15.(f), and the Agent shall be deemed to hold a Letter of Credit Liability in an amount equal to its retained interest in the related Letter of Credit after giving effect to the acquisition by the Lenders other than the Agent of their participation interests under such Section.

"LIBO Rate" means, with respect to each Interest Period, for any LIBOR Loan or LIBOR Margin Loan, the average rate of interest per annum (rounded upwards, if necessary, to the next highest 1/16th of 1%) at which deposits in immediately available funds in Dollars are offered to Wells Fargo Bank, National Association (at approximately 9:00 a.m., two Business Days prior to the first day of such Interest Period) by first class banks in the interbank Eurodollar market, for delivery on the first day of such Interest Period, such deposits being for a period of time equal or comparable to such Interest Period and in an amount equal to or comparable to the principal amount of the LIBOR Loan to which such Interest Period relates. Each determination of the LIBO Rate by the Agent shall, in absence of demonstrable error, be conclusive and binding.

"LIBOR Auction" means a solicitation of Bid Rate Quotes setting forth LIBOR Margins based on the LIBO Rate pursuant to Section 2.2.

"LIBOR Loan" means any Revolving Loan or Term Loan hereunder with respect to which the interest rate is calculated by reference to the LIBO Rate for a particular Interest Period.

"LIBOR Margin" shall have the meaning assigned to such term in Section 2.2.(c)(ii)(D).

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

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

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

"Loan Document" means this Agreement, each of the Notes, each Letter of Credit Document, the Guaranty, each Accession Agreement, the Development Affiliate Guaranty, each Development Affiliate Accession Agreement, any agreement evidencing the fees referred to in Section 3.1.(e) and each other document or instrument executed and delivered by a Borrower or any other Loan Party in connection with this Agreement or any of the other foregoing documents.

"Loan Party" means each Borrower, each Guarantor and each Development Affiliate Guarantor.

"Majority Lenders" means, as of any date, (a) all Lenders, if there are fewer than three Lenders party hereto at such time and (b) the Lenders whose combined Pro Rata Shares equal or exceed 66-2/3%, if there are three or more Lenders party hereto at such time.

"Material Contract" means any agreement, lease, Mortgage, indenture, or other contract or other arrangement (other than Loan Documents), whether written or oral, to which any Borrower, any Guarantor or any other Subsidiary of the Parent or any Borrower is a party as to which the breach, nonperformance, cancellation or failure to renew by any party thereto could have a Materially Adverse Effect.

"Materially Adverse Effect" means a materially adverse effect on (a) the business, assets, liabilities, financial condition, results of operations or business prospects of RCLP and its Consolidated Subsidiaries, or the Parent and its Consolidated Subsidiaries, taken as a whole, (b) the ability of any Borrower or any other Loan Party to perform its obligations under any Loan Document to which it is a party, (c) the validity or enforceability of any of such Loan Documents, (d) the rights and remedies of the Lenders and the Agent under any of such Loan Documents or (e) the timely payment of the principal of or interest on the Loans or other amounts payable in connection therewith. Except with respect

to representations made or deemed made by the Borrowers under Article VII. or in any of the other Loan Documents to which it is a party, all determinations of materiality shall be made by the Agent in its reasonable judgment unless expressly provided otherwise.

"Maximum Loan Availability" means, at any time, (a) with respect to RCLP, the lesser of (i) an amount equal to the positive difference, if any, of (x) RCLP's Borrowing Base minus (y) all Unsecured Liabilities (other than the Loans and the Letter of Credit Liabilities), of the Parent and its Consolidated Subsidiaries and (ii) the aggregate amount of the Commitments at such time; and (b) with respect to the Development Affiliates, the lesser of (i) an amount equal to the positive difference, if any, of (x) the Development Affiliates' Borrowing Base minus (y) the sum of (A) all Unsecured Liabilities (other than the Loans and the Letter of Credit Liabilities), of the Parent and its Consolidated Subsidiaries and (B) all Loans and Letter of Credit Liabilities owing by RCLP (except to the extent resulting from its obligations in respect of its Guarantee of the Obligations of the Development Affiliates) and (ii) the aggregate amount of the Commitments at such time.

"Moody's" means Moody's Investors Services, Inc.

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

"Multiemployer Plan" means a multiemployer plan defined as such in Section 3(37) of ERISA to which contributions have been made by any Borrower or any ERISA Affiliate and which is covered by Title IV of ERISA.

"Net Operating Income" means, for any Property and for a given period, the sum of the following (without duplication): (a) rents and other revenues received in the ordinary course from such Property (including proceeds of rent loss insurance but excluding pre-paid rents and revenues and security deposits except to the extent applied in satisfaction of tenants' obligations for rent) minus (b) all expenses paid or accrued related to the ownership, operation or maintenance of such property, including but not limited to taxes, assessments and the like, insurance, utilities, payroll costs, maintenance, repair and landscaping expenses, marketing expenses, and general and administrative expenses (including an appropriate allocation for legal, accounting, advertising, marketing and other expenses incurred in connection with such property, but specifically excluding general overhead expenses of any Borrower and any property management fees) minus (c) the Reserve for Replacements for such Property as of the end of such period minus (d) the greater of (i) the actual property management fee paid during such period and (ii) an imputed management fee in the amount of four percent (4.0%) of the gross revenues for such Property for such period.

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

"Non-ERISA Plan" means any Plan subject to Section 4975 of the Internal Revenue Code.

"Non-Guarantor Entity" means: (a) any Subsidiary that is not required to become a party to the Guaranty under Section 8.24.(a); (b) any Unconsolidated Affiliate of the Parent or RCLP; (c) any Preferred Stock Entity, any other Development Affiliate, and any Subsidiary or Unconsolidated Affiliate of any Preferred Stock Entity or other Development Affiliate; and (d) any other Affiliate of the Parent or any Borrower in which the Parent or such Borrower holds an Investment.

"Nonrecourse Indebtedness" means, with respect to a Person, Indebtedness for borrowed money in respect of which recourse for payment (except for customary exceptions for fraud, environmental matters, waste, misapplication of insurance proceeds, and other similar exceptions acceptable to the Agent in its sole discretion) is contractually limited to specific assets of such Person encumbered by a Lien securing such Indebtedness.

"Note" means a Revolving Note, a Bid Rate Note or a Swingline Note.

"Notice of Borrowing" means a notice in the form of Exhibit F to be delivered to the Agent pursuant to Section 2.1. evidencing a Borrower's request for a borrowing of Revolving Loans.

"Notice of Continuation" means a notice in the form of Exhibit G to be delivered to the Agent pursuant to Section 2.5. evidencing a Borrower's request for the Continuation of a borrowing of Revolving Loans borrowed by such Borrower.

"Notice of Conversion" means a notice in the form of Exhibit H to be delivered to the Agent pursuant to Section 2.6. evidencing a Borrower's request for the Conversion of a borrowing of Revolving Loans borrowed by such Borrower.

"Notice of Swingline Borrowing" means a notice in the form of Exhibit L to be delivered to the Swingline Lender pursuant to Section 2.3.(b) evidencing a Borrower's request for a Swingline Loan.

"Obligations" means with respect to a Borrower, individually and collectively: (a) the aggregate principal balance of, and all accrued and unpaid interest on, all Loans owing by such Borrower; (b) all Reimbursement Obligations and all other Letter of Credit Liabilities owing by such Borrower; (c) any and all renewals and extensions of any of the foregoing and (d) all other indebtedness, liabilities, obligations, covenants and duties of such Borrower owing to the Agent and/or the Lenders and/or the Swingline Lender of every kind, nature and description, under or in respect of this Agreement or any of the other Loan Documents, whether direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any promissory note.

"Occupancy Rate" means, with respect to a Property at any time, the ratio, expressed as a percentage, of (a) the net rentable square footage of such Property actually occupied by tenants paying rent pursuant to binding leases as to which no monetary default has occurred and is continuing to (b) the aggregate net rentable square footage of such Property.

"Ownership Share" means, with respect to any Subsidiary of a Person that is not a Wholly Owned Subsidiary, and any Preferred Stock Entity or any Unconsolidated Affiliate of a Person, the greater of (a) such Person's relative nominal direct and indirect ownership interest (expressed as a percentage) in such Subsidiary, Preferred Stock Entity or Unconsolidated Affiliate or (b) subject to compliance with Section 8.1.(t), such Person's relative direct and indirect economic interest (calculated as a percentage) in such Subsidiary, Preferred Stock Entity or Unconsolidated Affiliate determined in accordance with the applicable provisions of the declaration of trust, articles or certificate of incorporation, articles of organization, partnership agreement, joint venture agreement or other applicable organizational document of such Subsidiary, Preferred Stock Entity or Unconsolidated Affiliate.

"Parent" means Regency Realty Corporation, a Florida corporation, together with its successors and assigns.

"Participant" has the meaning given that term in Section 12.8.(b).

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Permitted Liens" means (a) pledges or deposits made to secure payment of worker's compensation (or to participate in any fund in connection with worker's compensation insurance), unemployment insurance, pensions or social security programs; (b) encumbrances consisting of zoning restrictions, easements, or other restrictions on the use of real property, provided that such items do not materially impair the use of such property for the purposes intended and none of which is violated in any material respect by existing or proposed structures or land use; (c) the following to the extent no Lien has been filed in any jurisdiction or agreed to: (i) Liens for taxes not yet due and payable; or (ii) Liens imposed by mandatory provisions of Applicable Law such as for materialmen's, mechanic's, warehousemen's and other like Liens arising in the ordinary course of business, securing payment of Indebtedness the payment of which is not yet due; (d) Liens for taxes, assessments and governmental charges or assessments that are being contested in good faith by appropriate proceedings diligently conducted, and in which reserves acceptable to the Agent have been provided; (e) Liens expressly permitted under the terms of the Loan Documents; and (f) any extension, renewal or replacement of the foregoing to the extent such Lien as so extended, renewed or replaced would otherwise be permitted hereunder.

"Person" means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Plan" means at any time an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Internal Revenue Code.

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

"Preferred Stock Entity" means any Person (other than a Subsidiary) in whom RCLP or the Parent owns, directly or indirectly, at least 95% of the Preferred Stock or other equity interests which are not Voting Stock and which Preferred Stock or other equity interests entitle RCLP to receive the majority of all economic benefits associated with ownership of all equity interests issued by such Person.

"Pre-Stabilized Retail Operating Property" means an Eligible Property which satisfies all of the requirements in order to be a Stabilized Retail Operating Property except that it has an Occupancy Rate which equals or exceeds 65% but is less than 80%. For purposes of this definition only, when determining the Occupancy Rate for a given Eligible Property which is a retail shopping center, an anchor tenant who has vacated its space shall nonetheless be deemed to occupy such space if such tenant is continuing to pay all rental payments when due under its lease and either of the following two conditions apply, as the case may be: (i) if such Eligible Property has two or more anchor tenants

and the other anchor tenants still actually occupy their respective spaces or (ii) such space is undergoing construction to meet the specific needs of a new anchor tenant who has either subleased the space from the existing tenant or who is obligated to lease such space upon substantial completion of such construction.

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

"Pro Rata Share" means, with respect to any Lender, the percentage obtained by dividing (a) the amount of such Lender's Commitment by (b) the aggregate amount of Commitments of all the Lenders, or, if the Commitments shall have been terminated, the percentage obtained by dividing (i) the aggregate unpaid principal amount of Loans and Letter of Credit Liabilities owing to such Lender by (ii) the aggregate unpaid principal amount of all Loans and Letter of Credit Liabilities.

"Property" means real property improved with (a) one or more operating retail shopping centers or (b) a stand-alone building containing a grocery store occupied by a Credit Tenant, in either case that is owned directly or indirectly, in whole or in part, by a Borrower, or solely for purposes of determining Unencumbered NOI, owned directly or indirectly, in whole or in part, by the Parent.

"Property Certificate" means a certificate substantially in the form of Exhibit R.

"Qualified Development Property" means an Eligible Property which satisfies all of the following requirements: (a) such Eligible Property is either (i) a real estate project acquired as unimproved real estate and in the process of being developed as a Property or (ii) a Property on which RCLP, a Subsidiary of RCLP or a Development Affiliate, as the case may be, has begun to (A) partially or completely demolish and redevelop the improvements on such Property, (B) substantially reconfigure the existing improvements on such Property or (C) increase materially the rentable square footage of such Property; (b) at least 65% of the aggregate net rentable square footage of such Eligible Property is preleased or leased to tenants under fully executed leases; and (c) will, upon completion, be (i) a grocery store-anchored retail shopping center, (ii) a stand alone, build-to-suit building leased to Walgreen's, Eckerd's, Office Depot or CVS, (iii) a stand-alone grocery store occupied by a grocery store tenant that is a party to a fully executed lease with at least two years of occupancy remaining in the lease term, or (iv) a "side shop center" located on real property adjacent to a third party-owned, stand-alone grocery store.

"Rating Agencies" means any two nationally recognized securities rating agencies designated by RCLP and acceptable to the Agent. One of such ratings agencies must be either (a) Moody's or (b) S&P, but if both such corporations cease to act as a securities rating agency or cease to provide ratings with respect to the senior long-term unsecured debt obligations of RCLP, RCLP may designate as a replacement Rating Agency any nationally recognized securities rating agency acceptable to the Agent.

"Regulations U and X" means Regulations U and X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

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

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

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

"Reportable Event" has the meaning set forth in Section 4043(b) of ERISA, but shall not include a Reportable Event as to which the provision for 30 days' notice to the PBGC is waived under applicable regulations.

"Reserve for Replacements" means, for any period and with respect to any Property, an amount equal to (a)(i) the aggregate square footage of all completed space of such Property if such Property is owned by the Parent or any of its Subsidiaries or (ii) the Parent's or such Subsidiary's Ownership Share of the aggregate square footage of all completed space of such Property if such Property is owned by an Unconsolidated Affiliate or Preferred Stock Entity times (b) \$0.15 times (c) the number of days in such period divided by (d) 365.

"Restricted Payment" means, with respect to a Person: (a) any dividend or other distribution, direct or indirect, on account of any shares or other equity units of any class of stock, partnership interest or other equity interest, as applicable, of such Person now or hereafter outstanding, except a dividend payable solely in shares or other equity units of that class of stock, partnership interest or other equity interest, as applicable, to the holders of that class; (b) any redemption, conversion, exchange, retirement, sinking fund

or similar payment, purchase or other acquisition for value, direct or indirect, of any shares or other equity units of any class of stock, partnership interests or other equity interests, as applicable, of such Person now or hereafter outstanding, except, in the case of RCLP, for any conversion or exchange of partnership units in RCLP solely for shares of capital stock of the Parent; and (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares or other equity units of any class of stock, partnership interests or other equity interests, as applicable, of such Person now or hereafter outstanding.

"Revolving Credit Termination Date" means the earlier to occur of (a) March 26, 2002, or such later date to which such date may be extended in accordance with Section 2.10. or (b) the date on which the Revolving Loans are converted into Term Loans pursuant to Section 2.11.

"Revolving Loan" means a loan made by a Lender under Section 2.1.

"Revolving Note" means, with respect to a Borrower, a promissory note of such Borrower substantially in the form of Exhibit C, payable to the order of a Lender in a principal amount equal to the amount of such Lender's Commitment as originally in effect and otherwise duly completed, and with respect to RCLP, shall also include each Revolving Note (as defined in the Existing Credit Agreement) which remains outstanding after the Effective Date.

"Revolving Period" means the period commencing on the Effective Date and ending on the earlier of (a) the Revolving Credit Termination Date or (b) the date on which any of the Revolving Loans are converted into the Term Loan pursuant to Section 2.11.

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

"Securities Act" means the Securities Act of 1933, as amended, and all rules and regulations issued pursuant thereto.

"Security Capital Group" means Security Capital Group Incorporated, a

Maryland corporation.

"Single Asset Subsidiary" means a Subsidiary that meets all of the following requirements: (a) such Subsidiary only owns a single Property; (b) such Subsidiary is engaged only in the business of leasing such Property to other Persons; (c) such Subsidiary receives substantially all of its gross revenues from the leasing of such Property; and (d) such Subsidiary is not obligated in respect of any Indebtedness other than Indebtedness for borrowed money secured by a Lien encumbering such Property.

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

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

"Stabilized Retail Operating Property" means an Eligible Property which satisfies both of the following requirements: (a) such Eligible Property is not a Development Property and has an Occupancy Rate which equals or exceeds 80% and (b) such Property or real estate project is (i) a grocery store-anchored retail shopping center, (ii) a stand alone, build-to-suit building leased to Walgreen's, Eckerd's, Office Depot or CVS, (iii) a stand-alone grocery store occupied by a grocery store tenant that is a party to a fully executed lease with at least two years of occupancy remaining in the lease term, or (iv) a "side shop center" located on real property adjacent to a third party-owned, stand-alone grocery store.

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

"Stein Parties" means (a) (i) Joan Newton, Richard Stein, Robert Stein

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

"Subsidiary" means, for any Person, any corporation, partnership or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (without regard to the occurrence of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person. "Wholly Owned Subsidiary" means any such corporation, partnership or other entity of which all of the equity securities or other ownership interests (other than, in the case of a corporation, directors' qualifying shares) are so owned or controlled.

"Swingline Commitment" means the Swingline Lender's obligation to make Swingline Loans pursuant to Section 2.3. in an amount up to, but not exceeding, \$40,000,000, as such amount may be reduced from time to time in accordance with the terms hereof.

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

"Swingline Loan" means a loan made by the Swingline Lender to a Borrower pursuant to Section 2.3.(a).

"Swingline Note" means, with respect to a Borrower, a promissory note of such Borrower substantially in the form of Exhibit E, payable to the order of the Swingline Lender in a principal amount equal to the amount of the Swingline Commitment as originally in effect and otherwise duly completed.

"Swingline Termination Date" means the date which is seven Business Days prior to the Revolving Credit Termination Date.

"Taxes" has the meaning given that term in Section 3.10.

"Term Loan" has the meaning given that term in Section 2.11.

"Termination Date" means the date two years after the Revolving Credit Termination Date.

"Termination Event" means (a) a Reportable Event; (b) the filing of a notice of intent to terminate a Plan or the treatment of a Plan amendment as a termination under Section 4041 of ERISA or (c) the institution of proceedings to terminate a Plan by the PBGC under Section 4042 of ERISA, or the appointment of a trustee to administer any Plan.

"Total Liabilities" means, as to any Person as of a given date, all liabilities which would, in conformity with GAAP, be properly classified as a liability on the consolidated balance sheet of such Person as of such date, and in any event shall include (without duplication): (a) all Indebtedness of such Person; (b) all accounts payable of such Person; (c) all purchase and repurchase obligations and forward commitments of such Person to the extent such obligations or commitments are evidenced by a binding purchase agreement (forward commitments shall include without limitation (i) forward equity commitments and (ii) commitments to purchase any real property under development, redevelopment or renovation); (d) all unfunded obligations of such Person; (e) all lease obligations of such Person (including ground leases) to the extent required under GAAP to be classified as a liability on the balance sheet of such Person; (f) all Contingent Obligations of such Person including, without limitation, all Guarantees of Indebtedness by such Person; and (g) all liabilities of any Unconsolidated Affiliate of such Person, which liabilities such Person has Guaranteed or is otherwise obligated on a recourse basis. For purposes of clauses (c) and (d) of this definition, the amount of Total Liabilities of a Person at any given time in respect of a contract to purchase or otherwise acquire unimproved or fully developed real property shall be equal to (i) the total purchase price payable by such Person under the contract if, at such time, the seller of such real property would be entitled to specifically enforce the contract against such Person, otherwise, (ii) the aggregate amount of due diligence deposits, earnest money payments and other similar payments made by such Person under the contract which, at such time, would be subject to forfeiture upon termination of the contract. For purposes of clauses (c) and (d) of this definition, the amount of Total Liabilities of a Person at any given time in respect of a contract relating to the acquisition of real property which the seller is required to develop or renovate prior to, and as a condition precedent to, such acquisition shall equal the maximum amount reasonably estimated to be payable by such Person under the contract assuming performance by the seller of its obligations under the contract which amount shall include, without limitation, any amounts payable after consummation of such acquisition which may be based on certain performance levels or other related criteria.

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

"Unconsolidated Affiliate" shall mean, with respect to any Person, any other Person in whom such Person holds an Investment, which Investment is accounted for in the financial statements of such Person on an equity basis of accounting and whose financial results would not be consolidated under GAAP with the financial results of such Person on the consolidated financial statements of such Person. The term "Unconsolidated Affiliate" shall also include any Preferred Stock Entity in which a Person has made an Investment, which Investment is accounted for in the financial statements of such Person on an equity basis of accounting and whose financial results would not be consolidated under GAAP with the financial results of such Person on the consolidated financial statements of such Person.

"Unencumbered NOI" means, for any period, the aggregate Net Operating Income for such period of Unencumbered Pool Properties and any other Property which satisfies the following requirements: (a) such Property is owned in fee simple by only the Parent or a Subsidiary; (b) neither such Property, nor any interest of the Parent or such Subsidiary therein, is subject to any Lien other than Permitted Liens or to any agreement (other than this Agreement or any other Loan Document) that prohibits the creation of any Lien thereon as security for Indebtedness; (c) if such Property is owned by a Subsidiary, (i) none of the Parent's direct or indirect ownership interest in such Subsidiary is subject to any Lien other than Permitted Liens or to any agreement (other than this Agreement or any other Loan Document) that prohibits the creation of any Lien thereon as security for Indebtedness and (ii) the Parent directly, or indirectly

through a Subsidiary, has the right to take the following actions without the need to obtain the consent of any Person: (A) to create Lien on such Property as security for Indebtedness of the Parent or such Subsidiary, as applicable and (B) to sell, transfer or otherwise dispose of such Property; and (d) such Property is free of all structural defects, title defects, environmental conditions or other adverse matters except for defects, conditions or matters individually or collectively which are not material to the profitable operation of such Property.

"Unencumbered Pool Certificate" means a report, certified by the chief financial officer of RCLP in the manner provided for in Exhibit P, setting forth the calculations required to establish the Borrowing Bases of RCLP and of the Development Affiliates as of a specified date, all in form and detail satisfactory to the Agent.

"Unencumbered Pool Properties" means those Eligible Properties that have been approved pursuant to Article IV. for inclusion when calculating the Maximum Loan Availability.

"Unencumbered Pool Value" means, at any time, the following amount as determined for an Unencumbered Pool Property: if such Unencumbered Pool Property is (a) a Stabilized Retail Operating Property, (i) the Net Operating Income of such Unencumbered Pool Property for the fiscal quarter most recently ended times (ii) 4 and divided by (iii) 9.25%; (b) a Pre-Stabilized Retail Operating Property, (i) from the date such Unencumbered Pool Property is accepted as Unencumbered Pool Property pursuant to Section 4.1. through the last day of the eighteenth full calendar month thereafter, the book value of such Unencumbered Pool Property, and (ii) from and after that time: (A) the Net Operating Income of such Unencumbered Pool Property for the fiscal quarter most recently ended times (B) 4 and divided by (C) 9.25%; and (c) a Qualified Development Property, the book value of Construction in Process for such Unencumbered Pool Property. For purposes of this definition, the Unencumbered Pool Value for any period for any Unencumbered Pool Property owned by a Subsidiary of RCLP which is not a Wholly Owned Subsidiary shall be limited to RCLP's Ownership Share of (x) if such Unencumbered Pool Property is a Stabilized Retail Operating Property or Pre-Stabilized Retail Operating Property whose value is calculated under clause (b)(ii) above, the Unencumbered Pool Value calculated using only the Net Operating Income of such Unencumbered Pool Property distributed to RCLP for such period, (y) if such Unencumbered Pool Property is a Qualified Development Property, the book value of Construction in Process for such Unencumbered Pool Property or (z) if such Unencumbered Pool Property is a Pre-Stabilized Retail Operating Property whose value is calculated under clause (b)(i) above, the book value of such Unencumbered Pool Property.

"Unprotected Floating Rate Debt" means all Indebtedness of a Person (including, without limitation, Indebtedness of Unconsolidated Affiliates of such Person which Indebtedness is recourse to such Person) which bears interest at a variable rate that fluctuates during the scheduled life of such Indebtedness and for which such Person has not obtained Interest Rate Agreements which effectively cause such variable rates to be equivalent to fixed rates less than or equal to 9% per annum.

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

"Unsecured Liabilities" means, as to any Person as of a given date, (a) all liabilities which would, in conformity with GAAP, be properly classified as a liability on the consolidated balance sheet of such Person as at such date plus (b) all Indebtedness of such Person (to the extent not included in the preceding clause (a)) minus (c) all Secured Indebtedness of such Person. When determining the Unsecured Liabilities of the Parent and its Subsidiaries: (i) the following (to the extent not in excess of \$1,500,000 in the aggregate) shall be excluded: (A) any amounts related to contributions by RCLP paid in RCLP's capital stock to the 401(k) plan maintained by RCLP and (B) contributions paid by RCLP to RCLP's Long-term Omnibus Plan; (ii) accounts payable and accrued dividends payable shall be included only to the extent the aggregate amount thereof exceeds the aggregate amount of unrestricted cash then reportable on a consolidated balance sheet of RCLP; (iii) accrued property taxes in respect of real property shall be included only to the extent the aggregate amount thereof exceeds the aggregate amount of cash held by RCLP and its Subsidiaries in escrow for the payment of such taxes at such time and (iv) all Unsecured Liabilities of the Development Affiliates shall be included to the extent not otherwise included herein.

"Unsecured Interest Expense" means, with respect to a Person and for a given period, all Interest Expense for such period attributable the Unsecured Indebtedness of such Person.

"U.S. Realty" means Security Capital U.S. Realty, a Luxembourg societe

d'investissement a capital variable.

"Voting Stock" means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency

"Wells Fargo" means Wells Fargo Bank, National Association, together with its successors and assigns.

SECTION 1.2. General; References to Time.

Unless otherwise indicated, all accounting terms, ratios and measurements

shall be interpreted or determined in accordance with, and all financial statements required to be delivered under any Loan Document shall be prepared in accordance with, GAAP. With respect to any Property which has not been owned by a Loan Party for a full fiscal quarter, financial amounts with respect to such Property shall be adjusted appropriately to account for such lesser period of ownership unless specifically provided otherwise herein. References in this Agreement to "Sections", "Articles", "Exhibits" and "Schedules" are to sections, articles, exhibits and schedules herein and hereto unless otherwise indicated. references in this Agreement to any document, instrument or agreement (a) shall include all exhibits, schedules and other attachments thereto, (b) shall include all documents, instruments or agreements issued or executed in replacement thereof, and (c) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, supplemented, restated or otherwise modified from time to time and in effect at any given time. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter. Unless explicitly set forth to the contrary, a reference to "Subsidiary" means a Subsidiary of the Parent or a Subsidiary of such Subsidiary and a reference to an "Affiliate" means a reference to an Affiliate of any Borrower. Unless otherwise indicated, all references to time are references to San Francisco, California time.

ARTICLE II. CREDIT FACILITY

SECTION 2.1. Revolving Loans.

(a) Making of Revolving Loans. Subject to the terms and conditions set forth in this Agreement and the limitations set forth in Section 2.14., each Lender severally and not jointly agrees to make Revolving Loans during the period from and including the Effective Date to but excluding the Revolving Credit Termination Date, (i) to RCLP in an aggregate principal amount at any one time outstanding up to, but not exceeding, such Lender's Pro Rata Share of RCLP's Maximum Loan Availability and (ii) to the Development Affiliates in an aggregate principal amount at any one time outstanding up to, but not exceeding, such Lender's Pro Rata Share of the Development Affiliates' Maximum Loan Availability. Each borrowing of Revolving Loans hereunder shall be in an aggregate principal amount of \$1,000,000 and integral multiples of \$100,000 in excess of that amount (except that any such borrowing of Revolving Loans may be in the aggregate amount of the unused Commitments, which Revolving Loans, if less than \$1,000,000, must be Base Rate Loans). Within the foregoing limits and subject to the other terms of this Agreement, the Borrowers may borrow, repay and reborrow Revolving Loans. Upon the Effective Date, all Revolving Loans (as defined under the Existing Regency Credit Agreement) then outstanding under the Existing Regency Credit Agreement shall be deemed to be Revolving Loans to RCLP outstanding hereunder being of the same Types, and in the case of LIBOR Loans, having the same Interest Periods. As of the Effective Date, such Revolving Loans shall be allocated among the Lenders in accordance with their respective Pro Rata Shares. Each Lender agrees to make such payments to the other Lenders and any Person who ceased to be a "Lender" under the Existing Regency Credit Agreement upon the Effective Date in such amounts as are necessary to effect such allocation. All such payments shall be made to the Agent for the account of the Person to be paid.

(b) Requests for Revolving Loans. Not later than 9:00 a.m. at least two Business Days prior to a borrowing of Base Rate Loans and not later than 9:00 a.m. at least three Business Days prior to a borrowing of LIBOR Loans, a Borrower shall deliver to the Agent a Notice of Borrowing. Each Notice of Borrowing shall specify the identity of the Borrower, the principal amount of the Revolving Loan to be borrowed, the date such Revolving Loan is to be borrowed (which must be a Business Day), the use of the proceeds of such Revolving Loan, the Type of the requested Revolving Loan and if such Revolving Loan is to be a LIBOR Loan, the initial Interest Period for such Revolving Loan. Each Notice of Borrowing shall be irrevocable once given and binding on such Borrower. Prior to delivering a Notice of Borrowing, a Borrower may (without specifying whether a Revolving Loan will be a Base Rate Loan or a LIBOR Loan) request that the Agent provide such Borrower with the most recent LIBO Rate available to the Agent. The Agent shall provide such quoted rate to such Borrower and to the Lenders on the date of such request or as soon as possible thereafter.

(c) Funding of Revolving Loans. Promptly after receipt of a Notice of Borrowing under Section 2.1.(b), the Agent shall notify each Lender by telex or telecopy, or other similar form of transmission of the proposed borrowing. Each Lender shall deposit an amount equal to its Pro Rata Share of the Revolving Loan requested by the applicable Borrower with the Agent at the Principal Office, in immediately available funds not later than 9:00 a.m. on the date of such proposed Revolving Loan. Upon fulfillment of all applicable conditions set forth herein, the Agent shall make available to such Borrower at the Principal Office, not later than 12:00 noon on the date of the requested Revolving Loan, the proceeds of such amounts received by the Agent. The failure of any Lender to deposit the amount described above with the Agent shall not relieve any other Lender of its obligations hereunder to make its Pro Rata Share of a Revolving Loan.

(d) Unless the Agent shall have been notified by any Lender that such Lender will not make available to the Agent such Lender's Pro Rata Share of a proposed Revolving Loan, the Agent may in its discretion assume that such Lender has made such Pro Rata Share of such Revolving Loan available to the Agent in accordance with this Section and the Agent may, if it chooses, in reliance upon such assumption, make such Pro Rata Share of such Revolving Loan available to the applicable Borrower.

SECTION 2.2. Bid Rate Loans.

(a) Bid Rate Loans. In addition to borrowings of Revolving Loans, at any time during the period from the Effective Date to but excluding the Revolving Credit Termination Date, and so long as RCLP or the Parent, as the case may be, continues to maintain an Investment Grade Rating from both S&P and Moody's, each Borrower may, as set forth in this Section, request the Lenders to make offers to make Bid Rate Loans to such Borrowers in Dollars. The Lenders may, but shall have no obligation to, make such offers and a Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in this Section. Upon the Effective Date, all Bid Rate Loans owing to a Lender then outstanding under the Existing Credit Agreement shall be deemed to be Bid Rate Loans to RCLP and made by such Lender outstanding hereunder being of the same Types and having the same Interest Periods.

(b) Requests for Bid Rate Loans. When a Borrower wishes to request from the Lenders offers to make Bid Rate Loans, it shall give the Agent notice (a "Bid Rate Quote Request") so as to be received no later than 9:00 a.m. on (x) the Business Day immediately preceding the date of borrowing proposed therein, in the case of an Absolute Rate Auction and (y) on the date four Business Days prior to the proposed date of borrowing, in the case of a LIBOR Auction. The Agent shall deliver to each Lender a copy of each Bid Rate Quote Request promptly upon receipt thereof by the Agent. A Borrower may request offers to make Bid Rate Loans for up to 3 different Interest Periods in each Bid Rate Quote Request (for which purpose Interest Periods in different lettered clauses of the definition of the term "Interest Period" shall be deemed to be different Interest Periods even if they are coterminous); provided that the request for each separate Interest Period shall be deemed to be a separate Bid Rate Quote Request for a separate borrowing (a "Bid Rate Borrowing"). Each Bid Rate Quote Request shall be substantially in the form of Exhibit I and shall specify as to each Bid Rate Borrowing, in addition to the identity of the Borrower, all of the following:

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

(ii) the aggregate amount of such Bid Rate Borrowing which shall be in a minimum amount of \$15,000,000 and integral multiples of \$1,000,000 in excess thereof which shall not cause any of the limits specified in Section 2.14. to be violated;

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

(iv) the duration of the Interest Period applicable thereto.

Each Borrower shall deliver no more than one Bid Rate Quote Request in any calendar month and no Bid Rate Quote Request by a Borrower shall be delivered within five Business Days of the giving of any other Bid Rate Quote Request by such Borrower or any other Borrower, except that the Borrowers shall be permitted to deliver Bid Rate Quote Requests together on the same day.

(c) Bid Rate Quotes.

(i) Each Lender may submit one or more Bid Rate Quotes, each containing an offer to make a Bid Rate Loan in response to any Bid Rate Quote Request; provided that, if a Borrower's request under Section 2.2.(b) specified more than one Interest Period, such Lender may make a single submission containing only one Bid Rate Quote for each such Interest Period. Each Bid Rate Quote must be submitted to the Agent not later than 7:30 a.m. (x) on the proposed date of borrowing, in the case of an Absolute Rate Auction and (y) on the date three Business Days prior to the proposed date of borrowing, in the case of a LIBOR Auction, and in either case the Agent shall disregard any Bid Rate Quote received after such time; provided that the Lender then acting as the Agent may submit a Bid Rate Quote only if it notifies the applicable Borrower of the terms of the offer contained therein not later than 30 minutes prior to the latest time by which the Lenders must submit applicable Bid Rate Quotes. Subject to Articles VI. and X., any Bid Rate Quote so made shall be irrevocable. Such Bid Rate Loans may be funded by a Lender's Designated Lender (if any) as provided in Section 12.8.(d), however such Lender shall not be required to specify in its Bid Rate Quote whether such Bid Rate Loan will be funded by such Designated Lender.

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

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

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

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

(D) in the case of a LIBOR Auction, the margin above or below

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

(E) the identity of the quoting Lender; and

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

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

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

(e) Acceptance by Borrower.

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

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

(B) the aggregate principal amount of each Bid Rate Borrowing shall comply with the provisions of Section 2.2.(b)(ii) but shall not cause the limits specified in Section 2.14. to be violated;

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

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

(E) no Borrower may accept any offer that fails to comply with Section 2.2.(c) or otherwise fails to comply with the requirements of this Agreement.

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

(f) Obligation to Make Bid Rate Loans. The Agent shall promptly (and in any event not later than (x) 10:00 a.m. on the proposed date of borrowing of Absolute Rate Loans and (y) on the date three Business Days prior to the proposed date of borrowing of LIBOR Margin Loans) notify each Lender that submitted a Bid Rate Quote as to whose Bid Rate Quote has been accepted and the amount and rate thereof. A Lender who is notified that it has been selected to make a Bid Rate Loan may designate its Designated Lender (if any) to fund such Bid Rate Loan on its behalf, as described in Section 12.8. Any Designated Lender which funds a Bid Rate Loan shall on and after the time of such funding become the obligee under such Bid Rate Loan and be entitled to receive payment thereof when due. No Lender shall be relieved of its obligation to fund a Bid Rate Loan, and no Designated Lender shall assume such obligation, prior to the time the applicable Bid Rate Loan is funded. Any Lender whose offer to make any Bid Rate Loan has been accepted shall, not later than 11:00 a.m. on the date specified for the making of such Loan, make the amount of such Loan available to the Agent at its Principal Office in immediately available funds, for the account of the applicable Borrower. The amount so received by the Agent shall, subject to the terms and conditions of this Agreement, be made available to such Borrower not

later than 12:00 noon on such date by depositing the same, in immediately available funds, in an account of such Borrower designated by such Borrower.

(g) No Effect on Commitment. Except for the purpose and to the extent

expressly stated in Section 2.9., the amount of any Bid Rate Loan made by any Lender shall not constitute a utilization of such Lender's Commitment.

SECTION 2.3. Swingline Loans.

(a) Swingline Loans. Subject to the terms and conditions hereof, including, without limitation Section 2.14., if necessary to meet the various funding deadlines of the respective Borrowers, the Swingline Lender agrees to make Swingline Loans to the Borrowers, during the period from the Effective Date to but excluding the Swingline Termination Date, in an aggregate principal amount at any one time outstanding up to, but not exceeding, the amount of the Swingline Commitment. If at any time the aggregate principal amount of the Swingline Loans outstanding at such time exceeds the Swingline Commitment in effect at such time, the Borrowers shall immediately pay the Agent for the account of the Swingline Lender the amount of such excess. Subject to the terms and conditions of this Agreement, the Borrowers may borrow, repay and reborrow Swingline Loans hereunder.

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

(c) Interest. Swingline Loans owing by a Borrower shall bear interest at a per annum rate equal to the Base Rate as in effect from time to time or at such other rate or rates as such Borrower and the Swingline Lender may agree from time to time in writing. Interest payable on Swingline Loans is solely for the account of the Swingline Lender. All accrued and unpaid interest on Swingline Loans shall be payable on the dates and in the manner provided in Section 2.8. with respect to interest on Base Rate Loans (except as the Swingline Lender and a Borrower may otherwise agree in writing in connection with any particular Swingline Loan).

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

(e) Repayment and Participations of Swingline Loans. Each Borrower agrees to repay each Swingline Loan borrowed by it within one Business Day of demand therefor by the Swingline Lender and in any event, within 5 Business Days after the date such Swingline Loan was made. Notwithstanding the foregoing, each Borrower shall repay the entire outstanding principal amount of, and all accrued but unpaid interest on, the Swingline Loans borrowed by it on the Swingline Termination Date (or such earlier date as the Swingline Lender and a Borrower may agree in writing). In lieu of demanding repayment of any outstanding Swingline Loan from a Borrower, the Swingline Lender may, on behalf of such Borrower (which hereby irrevocably directs the Swingline Lender to act on its behalf), request a borrowing of Base Rate Loans from the Lenders in an amount equal to the principal balance of such Swingline Loan. The amount limitations contained in the second sentence of Section 2.1.(a) shall not apply to any borrowing of Base Rate Loans made pursuant to this subsection. The Swingline Lender shall give notice to the Agent of any such borrowing of Base Rate Loans not later than 9:00 a.m. at least one Business Day prior to the proposed date of such borrowing. Each Lender will make available to the Agent at the Principal Office for the account of Swingline Lender, in immediately available funds, the proceeds of the Base Rate Loan to be made by such Lender. The Agent shall pay the proceeds of such Base Rate Loans to the Swingline Lender, which shall apply such proceeds to repay such Swingline Loan. If the Lenders are prohibited from making Loans required to be made under this subsection for any reason whatsoever, including without limitation, the occurrence of any of the Defaults or Events of Default described in Sections 10.1.(g) or 10.1.(h), each Lender shall purchase from the Swingline Lender, without recourse or warranty, an undivided interest and participation to the extent of such Lender's Pro Rata Share of such Swingline Loan, by directly purchasing a participation in such Swingline Loan in such amount and paying the proceeds thereof to the Agent for the account of the Swingline Lender in Dollars and in immediately available funds. A Lender's obligation to purchase such a participation in a Swingline Loan shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including without limitation, (i) any claim of setoff, counterclaim, recoupment, defense or other right which such Lender or any other Person may have or claim against the Agent, the Swingline Lender or any other Person whatsoever, (ii) the occurrence or continuation of a Default or Event of Default (including without limitation, any of the Defaults or Events of Default described in Sections 10.1.(g) or 10.1.(h)) or the termination of any Lender's Commitment, (iii) the existence (or alleged existence) of an event of condition

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

SECTION 2.4. Number of Interest Periods.

Anything herein to the contrary notwithstanding, there may be no more than 8 different Interest Periods with respect to the LIBOR Loans and Bid Rate Loans of all of the Borrowers on a collective basis outstanding at the same time.

SECTION 2.5. Continuation.

So long as no Default or Event of Default shall have occurred and be continuing, each Borrower may on any Business Day, with respect to any LIBOR Loan borrowed by it, elect to maintain such LIBOR Loan or any portion thereof as a LIBOR Loan by selecting a new Interest Period for such LIBOR Loan. Each new Interest Period selected under this Section shall commence on the last day of the immediately preceding Interest Period. Each selection of a new Interest Period shall be made by a Borrower's giving of a Notice of Continuation not later than 9:00 a.m. on the third Business Day prior to the date of any such Continuation by such Borrower to the Agent. Promptly after receipt of a Notice of Continuation, the Agent shall notify each Lender by telex or telecopy, or other similar form of transmission of the proposed Continuation. Such notice by a Borrower of a Continuation shall be by telephone or telecopy, confirmed immediately in writing if by telephone, in the form of a Notice of Continuation, specifying, in addition to the identity of the Borrower, (a) the date of such Continuation, (b) the LIBOR Loan and portion thereof subject to such Continuation and (c) the duration of the selected Interest Period, all of which shall be specified in such manner as is necessary to comply with all limitations on Loans outstanding hereunder. Each Notice of Continuation shall be irrevocable by and binding on the Borrowers once given. If a Borrower shall fail to select in a timely manner a new Interest Period for any LIBOR Loan borrowed by it in accordance with this Section, such Loan will automatically, on the last day of the current Interest Period therefore, Convert into a Base Rate Loan notwithstanding failure of such Borrower to comply with Section 2.6. In the case of the Continuation of only a portion of a LIBOR Loan, such portion shall be in the aggregate amount for all of the Lenders of \$1,000,000 or integral multiples of \$100,000 in excess of that amount.

SECTION 2.6. Conversion.

So long as no Default or Event of Default shall have occurred and be continuing, each Borrower may on any Business Day, upon such Borrower's giving of a Notice of Conversion to the Agent, Convert the entire amount of all or a portion of a Revolving Loan borrowed by it of one Type into a Revolving Loan of another Type. Promptly after receipt of a Notice of Conversion, the Agent shall notify each Lender by telex or telecopy, or other similar form of transmission of the proposed Conversion. Any Conversion of a LIBOR Loan into a Base Rate Loan shall be made on, and only on, the last day of an Interest Period for such LIBOR Loan. Each such Notice of Conversion shall be given not later than 9:00 a.m. on the Business Day prior to the date of any proposed Conversion into Base Rate Loans and on the third Business Day prior to the date of any proposed Conversion into LIBOR Loans. Subject to the restrictions specified above, each Notice of Conversion shall be by telephone or telecopy confirmed immediately in writing if by telephone in the form of a Notice of Conversion specifying, in addition to the identity of the Borrower, (a) the requested date of such Conversion, (b) the Type of Revolving Loan to be Converted, (c) the portion of such Type of Revolving Loan to be Converted, (d) the Type of Revolving Loan such Revolving Loan is to be Converted into and (e) if such Conversion is into a LIBOR Loan, the requested duration of the Interest Period of such Revolving Loan. Each Notice of Conversion shall be irrevocable by and binding on the Borrowers once given. Each Conversion from a Base Rate Loan to a LIBOR Loan shall be in an aggregate amount for the Revolving Loans of all the Lenders of not less than \$1,000,000 or integral multiples of \$100,000 in excess of that amount.

SECTION 2.7. Interest Rate.

(a) All Loans. The unpaid principal of each Base Rate Loan shall bear interest from the date of the making of such Loan to but not including the date of repayment thereof at a rate per annum equal to the Base Rate in effect from day to day plus the Applicable Margin. The unpaid principal of each LIBOR Loan shall bear interest from the date of the making of such Loan to but not including the date of repayment thereof at a rate per annum equal to the LIBOR Rate for such Loan for the Interest Period therefor plus the Applicable Margin. The unpaid principal of each Absolute Rate Loan shall bear interest at the Absolute Rate for such Loan for the Interest Period therefor quoted by the

Lender making such Loan in accordance with Section 2.2. The unpaid principal of each LIBOR Margin Loan shall bear interest at the LIBO Rate for such Loan for the Interest Period therefor plus the LIBOR Margin quoted by the Lender making such Loan in accordance with Section 2.2.

(b) Default Rate. All past-due principal of, and to the extent permitted by Applicable Law, interest on, the Loans and all Reimbursement Obligations shall bear interest until paid at the Base Rate from time to time in effect plus four percent (4%).

SECTION 2.8. Repayment of Loans.

(a) Payment of Interest. All accrued and unpaid interest on the unpaid principal amount of each Loan shall be payable (i) in the case of a Base Rate Loan or a LIBOR Loan, monthly in arrears on the first day of each month, commencing with the first full calendar month occurring after the Effective Date, (ii) in the case of a Bid Rate Loan, on the last day of each Interest Period therefor and, if such Interest Period is longer than a month, monthly in arrears on the first day of each month, commencing with the first full calendar month following the first day of such Interest Period, and (iii) for all Loans, (A) on the Revolving Credit Termination Date, (B) on the Termination Date and (C) on any date on which the principal balance of such Loan is due and payable in full.

(b) Payment of Principal of Revolving Loans. Subject to Section 2.11.,

each Borrower shall repay the aggregate outstanding principal balance of all Revolving Loans borrowed by it in full on the Revolving Credit Termination Date.

(c) Bid Rate Loans. Each Borrower shall repay the entire outstanding principal amount of each Bid Rate Loan borrowed by it on the last day of the Interest Period of such Bid Rate Loan.

(d) Payment of Principal of Term Loans. Each Borrower shall repay the aggregate principal balance of the Term Loans owing by it in eight equal consecutive quarterly installments due on the first day of June first following the date of conversion of such Borrower's Revolving Loans into such Term Loans and on the first day of each subsequent September, December, March and June until such Term Loans are paid in full. Each installment owing by a Borrower shall be in an amount equal to one-eighth of the initial aggregate principal balance of the Term Loans owing by such Borrower. Notwithstanding the foregoing, the entire outstanding principal balance of each Term Loan shall be due and payable in full on the Termination Date.

(e) Optional Prepayments. A Borrower may, upon at least one Business Day's prior notice to the Agent, prepay any Revolving Loan or Term Loan owing by such Borrower in whole at any time, or from time to time in part in an amount equal to \$500,000 or integral multiples of \$100,000 in excess of that amount, by paying the principal amount to be prepaid. If a Borrower shall prepay the principal of any LIBOR Loan on any date other than the last day of the Interest Period applicable thereto, such Borrower shall pay the amounts, if any, due under Section 5.4. Bid Rate Loans may not be prepaid at the option of the Borrowers.

(f) Mandatory Prepayments.

(i) If at any time the aggregate outstanding principal balance of Loans and the aggregate amount of Letter of Credit Liabilities owing by RCLP exceeds RCLP's Maximum Loan Availability, then RCLP shall, within 15 days of RCLP obtaining actual knowledge of the occurrence of such excess, deliver to the Agent and each Lender a written plan acceptable to the Lenders to eliminate such excess, whether by the designation of additional Properties as Unencumbered Pool Properties, by RCLP repaying an appropriate amount of Loans, or otherwise. If such excess is not eliminated within 45 days of RCLP obtaining actual knowledge of the occurrence thereof, then the entire outstanding principal balance of all Loans, together with all accrued interest thereon, and an amount equal to all Letter of Credit Liabilities for deposit into the Collateral Account, shall be immediately due and payable in full.

(ii) If at any time the aggregate outstanding principal balance of Loans and the aggregate amount of Letter of Credit Liabilities owing by the Development Affiliates exceeds the Development Affiliates' Maximum Loan Availability, then the Development Affiliates shall, within 15 days of any Development Affiliate obtaining actual knowledge of the occurrence of such excess, deliver to the Agent and each Lender a written plan acceptable to the Lenders to eliminate such excess, whether by the designation of additional Properties as Unencumbered Pool Properties, by the Development Affiliates or RCLP repaying an appropriate amount of Loans, or otherwise. If such excess is not eliminated within 45 days of any Development Affiliate obtaining actual knowledge of the occurrence thereof, then the entire outstanding principal balance of all Loans, together with all accrued interest thereon, and an amount equal to all Letter of Credit Liabilities for deposit into the Collateral Account, shall be immediately due and payable in full.

(iii) If at any time the aggregate principal amount of all outstanding Bid Rate Loans exceeds the lesser of (A) \$250,000,000 or (B) one-half of the aggregate amount of all Commitments at such time, then the Borrowers obligated in respect of any Bid Rate Loans shall immediately pay to the Agent for the accounts of the applicable Lenders the amount of such excess. Such payment shall be applied as provided in Section 3.3.(f).

(g) General Provisions as to Payments. Except to the extent otherwise provided herein, all payments of principal, interest and other amounts to be made by a Borrower under this Agreement, the Notes or any other Loan Document shall be made in Dollars, in immediately available funds, without setoff, deduction or counterclaim, to the Agent at the Principal Office, not later than 11:00 a.m. on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day). Each payment received by the Agent for the account of a Lender under this Agreement or any Note shall be paid to such Lender (i) on the date of receipt by the Agent if received not later than 11:00 a.m. on the due date of such payment or (ii) not later than the Business Day immediately following the date of receipt by the Agent if received after 11:00 a.m. on the due date of such payment. Such payments by the Agent shall be paid to a Lender by wire transfer of immediately available funds in accordance with the wiring instructions provided by such Lender to the Agent from time to time, for the account of such Lender at the applicable Lending Office of such Lender. In the event the Agent fails to pay such amounts to such Lender within the time period provided in the immediately preceding clause (i) or (ii), as applicable, the Agent shall pay interest on such amount at a rate per annum equal to the Federal Funds rate from time to time in effect. If the due date of any payment under this Agreement or any other Loan Document would otherwise fall on a day which is not a Business Day such date shall be extended to the next succeeding Business Day and interest shall continue to accrue at the rate, if any, applicable to such payment for the period of such extension.

SECTION 2.9. Voluntary Reductions of the Commitments.

The Borrowers may terminate or reduce the amount of the Commitments (for which purpose use of the Commitments shall be deemed to include the aggregate principal amount of all outstanding Bid Rate Loans and Swingline Loans and the aggregate amount of all Letter of Credit Liabilities) at any time and from time to time without penalty or premium upon not less than five Business Days prior notice from all of the Borrowers to the Agent of each such termination or reduction, which notice shall specify the effective date thereof and the amount of any such reduction (which in the case of any partial reduction of the Commitments shall not be less than \$5,000,000 and integral multiples of \$5,000,000 in excess of that amount in the aggregate) and shall be irrevocable once given and effective only upon receipt by the Agent. The Commitments, once reduced pursuant to this Section, may not be increased. Each Borrower shall pay all interest and fees on the Revolving Loans borrowed by it accrued to the date of such reduction or termination of the Commitments to the Agent for the account of the Lenders. Any reduction in the aggregate amount of the Commitments shall result in a proportionate reduction (rounded to the next lowest integral multiple of multiple of \$100,000) in the Swingline Commitment and the L/C Commitment Amount.

SECTION 2.10. Extension of Revolving Credit Termination Date.

(a) The Borrowers may request that the Agent and the Lenders extend the current Revolving Credit Termination Date by successive one-year intervals by all of the Borrowers executing and delivering to the Agent at least 60 days but no more than 90 days prior to the date one year prior to the current Revolving Credit Termination Date, a written request in the form of Exhibit M (an "Extension Request"). The Agent shall forward to each Lender a copy of each Extension Request delivered to the Agent promptly upon receipt thereof. If all of the Lenders shall have notified the Agent on or prior to the date which is 30 days prior to the date one year prior to the current Revolving Credit Termination Date that they accept such Extension Request, the Revolving Credit Termination Date shall be extended for one year. If any Lender shall not have notified the Agent on or prior to the date which is 30 days prior to the date one year prior to the Revolving Credit Termination Date that it accepts such Extension Request, the Revolving Credit Termination Date shall not be extended except as otherwise permitted under the immediately following subsection (b). The Agent shall promptly notify the Borrowers whether the Extension Request has been accepted or rejected as well as which Lender or Lenders rejected Borrowers' Extension Request (each such Lender, a "Rejecting Lender"). Each Borrower understands that this Section has been included in this Agreement for the Borrowers' convenience in requesting an extension and acknowledges that none of the Lenders nor the Agent has promised (either expressly or impliedly), nor has any obligation or commitment whatsoever, to extend the Revolving Credit Termination Date at any time.

(b) Notwithstanding the preceding subsection (a), if the Borrowers receive notification from the Agent that an Extension Request has been rejected (a "Notice of Rejection"), and provided that the aggregate amount of all Commitments of the Rejecting Lenders does not exceed 20% of the aggregate amount of Commitments then outstanding, the Borrowers may elect, with respect to each such Rejecting Lender, by giving written notice from all of the Borrowers to the Agent of any such election within 15 days after receipt by the Borrowers of a Notice of Rejection, to either (i) require such Rejecting Lender to assign its respective Commitment to an Eligible Assignee as contemplated in the immediately following clause (x) or (ii) pay in full the amount of Loans, interest and fees, together with all amounts, if any, payable under Section 5.4., owing to such Rejecting Lender and terminate such Rejecting Lender's Commitment as contemplated in the immediately following clause (y). If the Borrowers have made a timely election as permitted by the preceding sentence, then the Borrowers shall take either of the following actions as specified in such election: (x) demand that such Rejecting Lender, and upon such demand such Rejecting Lender shall be obligated to, assign its respective Commitment to an Eligible Assignee subject to and in accordance with the provisions of Section 12.8.(c) for a purchase price equal to the aggregate principal balance of Loans then outstanding and owing to such Rejecting Lender plus any accrued but unpaid interest thereon and accrued but unpaid fees owing to such Rejecting Lender, any

such assignment to be effective as of the current Revolving Credit Termination Date without having given effect to the pending Extension Request (the "Current Revolving Credit Termination Date") or (y) effective as of the Current Revolving Credit Termination Date, pay to such Rejecting Lender the aggregate principal balance of Loans then outstanding and owing to such Rejecting Lender plus any accrued but unpaid interest thereon and accrued but unpaid fees owing to such Rejecting Lender, together with all amounts, if any, payable under Section 5.4., whereupon such Rejecting Lender's Commitment shall terminate, and such Rejecting Lender shall no longer be a party hereto or have any rights or obligations hereunder or under any of the other Loan Documents. None of the Agent, such Rejecting Lender, or any other Lender shall be obligated in any way whatsoever to initiate any such replacement or to assist in finding an Assignee. If the Borrowers have elected to cause all Rejecting Lenders either to assign their Commitments to Eligible Assignees as contemplated by the preceding clause (x) or to be paid the amounts specified in the preceding clause (y), then the Borrowers' Extension Request which was initially rejected shall be deemed to have been granted and accordingly the Revolving Credit Termination Date shall be extended by one year, otherwise the Revolving Credit Termination Date shall not be extended. If the aggregate amount of Commitments of the Rejecting Lenders exceeds 20% of the aggregate amount of Commitments then outstanding, the Revolving Credit Termination Date shall not be extended.

SECTION 2.11. Term Loan Conversion.

Subject to the terms and conditions of this Agreement, if any Extension Request of the Borrowers shall be denied, all (but not less than all) of the Borrowers may then elect to convert each Lender's Pro Rata Share of the aggregate principal amount of Revolving Loans of each such Borrower outstanding on the date one year prior to the current Revolving Credit Termination Date into a term loan owing by such Borrower to such Lender (each a "Term Loan") provided (a) the Borrowers have given the Agent at least 15 days prior notice of the Borrowers' intention to so convert the Revolving Loans and (b) the conditions set forth in Section 6.3. have been satisfied as of the date one year prior to the current Revolving Credit Termination Date. Subject to the terms and conditions hereof, any such conversion shall be effective as of the date one year prior to the current Revolving Credit Termination Date. Upon the effectiveness of the conversion of the outstanding principal balance of Revolving Loans of the Borrowers into Term Loans as contemplated by this Section, no Borrower shall have any right to borrow, and no Lender shall have any obligation to make, any Revolving Loans.

SECTION 2.12. Notes.

The Revolving Loans and the Term Loan owing by a Borrower and made by each Lender shall, in addition to this Agreement, also be evidenced by such Borrower's Revolving Note. The Bid Rate Loans made by any Lender to a Borrower shall, in addition to this Agreement, also be evidenced by such Borrower's Bid Rate Note.

SECTION 2.13. Option to Replace Lenders.

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

- (a) have notified Agent of a determination under Section 5.1.(a) or become subject to the provisions of Section 5.3.; or
- (b) make any demand for payment or reimbursement pursuant to Section 5.1.(c) or Section 5.4.;

then, provided that (x) there does not then exist any Default or Event of Default and (y) the circumstances resulting in such demand for payment or reimbursement under Section 5.1.(c) or Section 5.4. or the applicability of Section 5.1.(a) or Section 5.3. are not applicable to the Majority Lenders generally, the Borrowers may either (x) demand that such Lender, and upon such demand such Lender shall promptly, assign its respective Commitment to an Eligible Assignee subject to and in accordance with the provisions of Section 12.8.(c) for a purchase price equal to the aggregate principal balance of Loans then outstanding and owing to such Lender plus any accrued but unpaid interest thereon and accrued but unpaid fees owing to such Lender, any such assignment to be completed within 30 days after the making by such Lender of such determination or demand for payment or (y) within 30 days after the making by such Lender of such determination or demand for payment, pay to Agent, for deposit into the Collateral Account, an amount equal to such Lender's Pro Rata Share of all outstanding Letter of Credit Liabilities and pay to such Lender the aggregate principal balance of Loans then outstanding and owing to such Lender plus any accrued but unpaid interest thereon and accrued but unpaid fees owing to such Lender, whereupon such Lender's Commitment shall terminate, and such Lender shall no longer be a party hereto or have any rights or obligations hereunder or under any of the other Loan Documents. None of the Agent, such Lender, or any other Lender shall be obligated in any way whatsoever to initiate any such replacement or to assist in finding an Assignee.

SECTION 2.14. Amount Limitations.

Notwithstanding any other term of this Agreement or any other Loan Document, at no time may:

- (a) The aggregate principal amount of all outstanding Revolving Loans, together with the aggregate principal amount of all outstanding Swingline Loans, the aggregate amount of all outstanding Bid Rate Loans and the aggregate amount of all Letter of Credit Liabilities, in each case owing by RCLP (excluding

Obligations of the Development Affiliates for which RCLP is obligated pursuant to Section 12.16.), exceed RCLP's Maximum Loan Availability at such time; or

(b) The aggregate principal amount of all outstanding Revolving Loans, together with the aggregate principal amount of all outstanding Swingline Loans, the aggregate amount of all outstanding Bid Rate Loans and the aggregate amount of all Letter of Credit Liabilities, in each case owing by the Development Affiliates, exceed the Development Affiliates' Maximum Loan Availability at such time; or

(c) The aggregate principal amount of all outstanding Bid Rate Loans exceed the lesser of (i) \$250,000,000 or (ii) one-half of the aggregate amount of all Commitments at such time.

SECTION 2.15. Letters of Credit.

(a) Letters of Credit. Subject to the terms and conditions of this Agreement including, without limitation, Section 2.14., the Agent, on behalf of Lenders, agrees to issue for the account of the Borrowers during the period from and including the Effective Date to, but excluding, the Revolving Credit Termination Date one or more letters of credit (each a "Letter of Credit") in such form and containing such terms as may be requested from time to time by a Borrower and acceptable to the Agent, up to a maximum aggregate Stated Amount at any one time outstanding not to exceed the L/C Commitment Amount.

(b) Terms of Letters of Credit. At the time of issuance, the amount, terms and conditions of each Letter of Credit, and of any drafts or acceptances thereunder, shall be subject to approval by the Agent and the Borrower requesting such Letter of Credit. Notwithstanding the foregoing, in no event may (i) the expiration date of any Letter of Credit extend beyond the Revolving Credit Termination Date, (ii) any Letter of Credit have an initial duration in excess of one year or (iii) a Letter of Credit be issued within 30 days of the Revolving Credit Termination Date. The initial Stated Amount of each Letter of Credit shall be at least \$25,000.

(c) Requests for Issuance of Letters of Credit. In connection with the proposed issuance of a Letter of Credit, a Borrower shall give Agent written notice (or telephonic notice promptly confirmed in writing) prior to the requested date of issuance of a Letter of Credit, such notice to describe in reasonable detail the proposed terms of such Letter of Credit and the nature of the transactions or obligations proposed to be supported by such Letter of Credit, and in any event shall set forth with respect to such Letter of Credit, in addition to the identity of the Borrower requesting such Letter of Credit, (i) the proposed initial Stated Amount, (ii) the beneficiary, (iii) whether such Letter of Credit is a commercial or standby letter of credit and (iv) the proposed expiration date. A Borrower requesting a Letter of Credit shall also execute and deliver such customary applications and agreements for standby letters of credit, standby letter of credit agreements, applications for amendment to letter of credit, and other forms as requested from time to time by the Agent. Provided such Borrower has given the notice prescribed by the first sentence of this subsection and such Borrower has executed and delivered to the Agent the agreements, applications and other forms as required by the immediately preceding sentence of this subsection, and subject to the terms and conditions of this Agreement, including the satisfaction of any applicable conditions precedent set forth in Article VI., the Agent agrees to issue the requested Letter of Credit on the requested date of issuance for the benefit of the stipulated beneficiary but in no event prior to the date 5 Business Days following the date after which the Agent received the items required to be delivered to it under this subsection. Upon the written request of a Borrower, the Agent shall deliver to such Borrower a copy of (i) any Letter of Credit proposed to be issued hereunder at the request of such Borrower prior to the issuance thereof and (ii) each Letter of Credit issued at the request of such Borrower within a reasonable time after the date of issuance thereof. To the extent any term of a Letter of Credit Document is inconsistent with a term of any Loan Document, the term of the Letter of Credit Document shall control.

(d) Reimbursement Obligations. Upon receipt by the Agent from the beneficiary of a Letter of Credit of any demand for payment under such Letter of Credit, the Agent shall promptly notify the Borrower for whose account such Letter of Credit was issued of the amount to be paid by the Agent as a result of such demand and the date on which payment is to be made by the Agent to such beneficiary in respect of such demand. Each Borrower hereby unconditionally and irrevocably agrees to pay and reimburse the Agent for the amount of each demand for payment under each Letter of Credit issued for the account of such Borrower at or prior to the date on which payment is to be made by the Agent to the beneficiary thereunder, without presentment, demand, protest or other formalities of any kind. Upon receipt by the Agent of any payment in respect of any Reimbursement Obligation, the Agent agrees to pay to each Lender that has acquired a participation therein under the second sentence of Section 2.15.(f) such Lender's Pro Rata Share of such payment.

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

(f) Lenders' Participation in Letters of Credit. Immediately upon the

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

(g) Payment Obligation of Lenders. Each Lender severally agrees to pay to the Agent on demand in immediately available funds in Dollars the amount of such Lender's Pro Rata Share of each drawing paid by the Agent under each Letter of Credit to the extent such amount is not reimbursed by a Borrower pursuant to Section 2.15.(d) and (e) or the other Letter of Credit Documents. Each such Lender's obligation to make such payments to the Agent under this subsection, and the Agent's right to receive the same, shall be absolute, irrevocable and unconditional and shall not be affected in any way by any circumstance whatsoever, including without limitation, (i) the failure of any other Lender to make its payment under this subsection, (ii) the financial condition of any Borrower, (iii) the existence of any Default or Event of Default, including any Event of Default described in Section 10.1.(g) or (h) or (iv) the termination of the Commitments. Each such payment to the Agent shall be made without any offset, abatement, withholding or deduction whatsoever.

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

(i) Amendments, Etc. The issuance by the Agent of any amendment, supplement or other modification to any Letter of Credit shall be subject to the same conditions applicable under this Agreement to the issuance of new Letters

of Credit, and no such amendment, supplement or other modification shall be issued unless either (i) the respective Letter of Credit affected thereby would have complied with such conditions had it originally been issued hereunder in such amended, supplemented or modified form or (ii) the Majority Lenders shall have consented thereto.

(j) Information to Lenders. Promptly following the issuance of any Letters of Credit, the Agent shall deliver to the Borrower for whose account such Letter of Credit was issued, and each Lender a notice describing the aggregate amount of all Letters of Credit outstanding at such time. Upon the request of any Lender from time to time, the Agent shall deliver any other information reasonably requested by such Lender with respect to each Letter of Credit then outstanding. Other than as set forth in this subsection, the Agent shall have no duty to notify Lenders regarding the issuance or other matters regarding Letters of Credit issued hereunder. The failure of the Agent to perform its requirements under this subsection shall not relieve any Lender from its obligations under Section 2.15.(g).

(k) Effect of Letters of Credit on Commitments. Upon the issuance by the Agent of any Letter of Credit and until such Letter of Credit shall have expired or been terminated, the Commitment of each Lender shall be deemed to be utilized for all purposes of this Agreement in an amount equal to such Lender's Pro Rata Share of the Stated Amount of such Letter of Credit plus any related Reimbursement Obligations then outstanding.

(l) Termination of Agreement Prior to Expiration of Letters of Credit; Letter of Credit Liabilities in Excess of L/C Commitment Amount. If on the date (the "Facility Termination Date") this Agreement is terminated (whether voluntarily, by reason of the occurrence of an Event of Default or otherwise) any Letters of Credit are outstanding, each Borrower shall, on the Facility Termination Date, pay to the Agent an amount of money equal to the Stated Amount of such Letter(s) of Credit issued for the account of such Borrower, together with the amount of any fees which would otherwise be payable by such Borrower to the Agent or the Lenders in respect of such Letters of Credit but for the occurrence of the Facility Termination Date for deposit into a the Collateral Account. If at any time the aggregate Stated Amount of all outstanding Letters of Credit shall exceed the L/C Commitment Amount then in effect, the Borrowers shall pay on demand to the Agent for deposit into the Collateral Account an amount equal to such excess. If a drawing pursuant to any such Letter of Credit occurs on or prior to the expiration date of such Letter of Credit, each Borrower authorizes the Agent to disburse the monies deposited in the Collateral Account to make payment to the beneficiary with respect to such drawing. If no drawing occurs on or prior to the expiration date of any such Letter of Credit, the Agent shall return to the Borrower for whose account such Letter of Credit was issued the monies deposited in the Collateral Account with respect to such outstanding Letter of Credit on or before the date 30 Business Days after the expiration date with respect to such Letter of Credit.

(m) Additional Costs in Respect of Letters of Credit. If as a result of the adoption of any Applicable Law or guideline of general applicability regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or if as a result of any risk-based capital guideline or other requirement heretofore or hereafter issued by any Governmental Authority, there shall be imposed, modified or deemed applicable any tax, reserve, special deposit, capital adequacy or similar requirement against or with respect to or measured by reference to Letters of Credit and the result shall be to increase the cost to the Agent of issuing (or any Lender purchasing participations in) or maintaining its obligation hereunder to issue (or purchase participations in) any Letter of Credit or reduce any amount receivable by the Agent or any Lender hereunder in respect of any Letter of Credit, then, upon demand by the Agent or such Lender, the applicable Borrowers shall pay immediately to the Agent or such Lender, as applicable, from time to time as specified by the Agent or a Lender, such additional amounts as shall be sufficient to compensate the Agent or such Lender for such increased costs or reductions in amount.

ARTICLE III. GENERAL LOAN PROVISIONS

SECTION 3.1. Fees. ----

(a) Facility Fee. During the period commencing on the Agreement Date to but excluding the Revolving Credit Termination Date, the Borrowers jointly and severally agree to pay the Agent for the account of the Lenders a facility fee equal to the daily aggregate amount of the Commitments (whether or not utilized) times a rate per annum equal to the Applicable Facility Fee. Such fee shall accrue through the last day of each calendar quarter and shall be payable in arrears on the fifth day following the end of such calendar quarter. Each Borrower acknowledges that the fee payable hereunder is a bona fide commitment fee and is intended as reasonable compensation to the Lenders for committing to make funds available to the Borrowers as described herein and for no other purposes.

(b) Extension Fee. If, pursuant to Section 2.10., the Revolving Credit Termination Date is extended, the Borrowers jointly and severally agree to pay to the Agent for the account of each Lender (other than a Rejecting Lender) an extension fee equal to one-fifth of one percent (0.20%) of the amount of such Lender's Commitment at such time. Such fee shall be payable on the date five days following the sooner of the date on which the Agent notified the Borrowers of such extension or the date on which such extension is effective.

(c) Term Loan Conversion Fee. If, pursuant to Section 2.11., the outstanding balance of Revolving Loans owing by a Borrower is converted into Term Loans, such Borrower agrees to pay to the Agent for the account of each

Lender a conversion fee equal to one-quarter of one percent (0.25%) per annum of the outstanding principal balance of such Lender's Term Loan to such Borrower on the first anniversary of the date of the conversion of the Revolving Loans into the Term Loans, such fee to be payable on such anniversary date.

(d) Bid Rate Loan Fees. Each Borrower agrees to pay to the Agent such fees for services rendered by the Agent in connection with the Bid Rate Loans as shall be separately agreed upon between such Borrower and the Agent.

(e) Agent's Fees. The Borrowers jointly and severally agree to pay to the Agent such fees for services rendered by the Agent as shall be separately agreed upon between the Borrowers and the Agent.

(f) Letter of Credit Fees. Each Borrower agrees to pay to the Agent for account of each Lender and the Agent a letter of credit fee at a rate per annum equal to the Applicable Margin for LIBOR Loans multiplied by the Stated Amount of each Letter of Credit issued for the account of such Borrower, on the date of issuance of such Letter of Credit and on each annual anniversary of the date of issuance thereof until such Letter of Credit has expired. The fee provided for in the immediately preceding sentence shall be nonrefundable. The Agent shall be entitled to deduct from such Letter of Credit fees, and retain for its own account, an amount equal to one-quarter of one percent (0.25%) of the Stated Amount of each Letter of Credit. Each Borrower shall also directly pay to the Agent all commissions, charges, costs and expenses in the amounts customarily charged by the Agent from time to time in like circumstances with respect to the issuance of each Letter of Credit issued for the account of such Borrower, drawings, amendments and other transactions relating thereto.

SECTION 3.2. Computation of Interest and Fees.

Unless set forth to the contrary herein, accrued interest on the Loans and the Letter of Credit Liabilities and all fees due hereunder shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day of a period).

SECTION 3.3. Pro Rata Treatment.

Except to the extent otherwise provided herein: (a) each borrowing from the Lenders under Section 2.1.(a) and Section 2.3.(e) shall be made from the Lenders, each payment of the fees under Sections 3.1.(a) through (c) and the first sentence of Section 3.1. (f) shall be made for account of the Lenders, and each termination or reduction of the amount of the Commitments under Section 2.9. shall be applied to the respective Commitments of the Lenders, pro rata according to the amounts of their respective Commitments; (b) each payment or prepayment of principal of Revolving Loans by a Borrower shall be made for account of the Lenders pro rata in accordance with the respective unpaid principal amounts of the Revolving Loans held by them, provided that if immediately prior to giving effect to any such payment in respect of any Revolving Loans the outstanding principal amount of the Revolving Loans shall not be held by the Lenders pro rata in accordance with their respective Commitments in effect at the time such Loans were made, then such payment shall be applied to the Revolving Loans in such manner as shall result, as nearly as is practicable, in the outstanding principal amount of the Revolving Loans being held by the Lenders pro rata in accordance with their respective Commitments; (c) each payment or prepayment of principal of Term Loans by a Borrower shall be made for account of the Lenders pro rata in accordance with the respective unpaid principal amounts of the Term Loan then owing to each of them by such Borrower; (d) each payment of interest on Revolving Loans and Term Loans by a Borrower shall be made for account of the Lenders pro rata in accordance with the amounts of interest on such Loans then due and payable to the respective Lenders; (e) the making of Revolving Loans, and the Conversion and Continuation of Revolving Loans and Term Loans of a particular Type (other than Conversions provided for by Section 5.5.), shall be made pro rata among the Lenders according to the amounts of their respective Commitments (in the case of making of Revolving Loans) or their respective Loans (in the case of Conversions and Continuations of Revolving Loans or Term Loans) and the then current Interest Period for each Lender's portion of each Revolving Loan or Term Loan of such Type shall be coterminous; (f) each prepayment of principal of Bid Rate Loans by a Borrower pursuant to Section 2.8.(f) shall be made for account of the Lenders then owed Bid Rate Loans by such Borrower pro rata in accordance with the respective unpaid principal amounts of the Bid Rate Loans then owing to each such Lender by such Borrower; (g) the Lenders' participation in, and payment obligations in respect of, Swingline Loans under Section 2.3., shall be in accordance with their respective Pro Rata Shares, and (h) the Lenders' participation in, and payment obligations in respect of, Letters of Credit under Section 2.15., shall be pro rata in accordance with their respective Commitments. All payments of principal, interest, fees and other amounts in respect of the Swingline Loans shall be for the account of the Swingline Lender only (except to the extent any Lender shall have acquired a participating interest in any such Swingline Loan pursuant to Section 2.3.(e)).

SECTION 3.4. Sharing of Payments, Etc.

Each Borrower agrees that, in addition to (and without limitation of) any right of set-off, bankers' lien or counterclaim a Lender may otherwise have, each Lender shall be entitled, at its option, upon the occurrence and during the continuance of an Event of Default but subject to the Agent's prior written consent, to offset balances held by it for the account of such Borrower at any of such Lender's offices, in Dollars or in any other currency, against any principal of, or interest on, any of such Lender's Loans owing by such Borrower hereunder (or other Obligations owing by such Borrower to such Lender hereunder) which is not paid when due (regardless of whether such balances are then due to

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

SECTION 3.5. Defaulting Lenders.

If for any reason any Lender (a "Defaulting Lender") shall fail or refuse to perform its obligations under this Agreement or any other Loan Document to which it is a party within the time period specified for performance of such obligation or, if no time period is specified, if such failure or refusal continues for a period of 5 Business Days after notice from the Agent, then, in addition to the rights and remedies that may be available to the Agent or the Borrowers under this Agreement or Applicable Law, such Defaulting Lender's right to participate in the administration of the Loans, this Agreement and the other Loan Documents, including without limitation, any right to vote in respect of, to consent to or to direct any action or inaction of the Agent or to be taken into account in the calculation of Majority Lenders, shall be suspended during the pendency of such failure or refusal. If for any reason a Lender fails to make timely payment to the Agent of any amount required to be paid to the Agent hereunder (without giving effect to any notice or cure periods), in addition to other rights and remedies which the Agent or the Borrowers may have under the immediately preceding provisions or otherwise, the Agent shall be entitled (i) to collect interest from such Defaulting Lender on such delinquent payment for the period from the date on which the payment was due until the date on which the payment is made at the Federal Funds Rate, (ii) to withhold or setoff and to apply in satisfaction of the defaulted payment and any related interest, any amounts otherwise payable to such Lender under this Agreement or any other Loan Document and (iii) to bring an action or suit against such Lender in a court of competent jurisdiction to recover the defaulted amount and any related interest. Any amounts received by the Agent in respect of a Defaulting Lender's Pro Rata Share of the Loans shall not be paid to such Defaulting Lender and shall be held by the Agent and paid to such Defaulting Lender upon the Defaulting Lender's curing of its default.

SECTION 3.6. Usury.

In no event shall the amount of interest due or payable on the Loans exceed the maximum rate of interest allowed by Applicable Law and, in the event any such payment is paid by a Borrower or received by any Lender, then such excess sum shall be credited as a payment of principal. It is the express intent of the parties hereto that the Borrowers not pay and the Lenders not receive, directly or indirectly, in any manner whatsoever, interest in excess of that which may be lawfully paid by the Borrowers under Applicable Law.

SECTION 3.7. Agreement Regarding Interest and Charges.

THE PARTIES HERETO HEREBY AGREE AND STIPULATE THAT THE ONLY CHARGE IMPOSED UPON THE BORROWERS FOR THE USE OF MONEY IN CONNECTION WITH THIS AGREEMENT IS AND SHALL BE THE INTEREST DESCRIBED IN SECTION 2.7. AND WITH RESPECT TO SWINGLINE LOANS, IN SECTION 2.3.(C). THE PARTIES HERETO FURTHER AGREE AND STIPULATE THAT ALL OTHER CHARGES IMPOSED BY LENDERS AND THE AGENT ON THE BORROWERS IN CONNECTION WITH THIS AGREEMENT, INCLUDING ALL AGENCY FEES, COMMITMENT FEES, FACILITY FEES, UNUSED FACILITY FEES, EXTENSION FEES, UNDERWRITING FEES, LETTER OF CREDIT FEES, DEFAULT CHARGES, LATE CHARGES, ATTORNEYS' FEES AND REIMBURSEMENT FOR COSTS AND EXPENSES PAID BY THE AGENT OR ANY LENDER TO THIRD PARTIES OR FOR DAMAGES INCURRED BY THE AGENT OR ANY LENDER, ARE CHARGES MADE TO COMPENSATE THE AGENT OR ANY SUCH LENDER FOR UNDERWRITING OR ADMINISTRATIVE SERVICES AND COSTS OR LOSSES PERFORMED OR INCURRED, AND TO BE PERFORMED OR INCURRED, BY THE AGENT AND LENDERS IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND SHALL UNDER NO CIRCUMSTANCES BE DEEMED TO BE CHARGES FOR THE USE OF MONEY PURSUANT TO OFFICIAL CODE OF GEORGIA ANNOTATED SECTION 7-4-2 OR 7-4-18. ALL CHARGES OTHER THAN CHARGES FOR THE USE OF MONEY SHALL BE FULLY EARNED AND NONREFUNDABLE WHEN DUE.

SECTION 3.8. Statements of Account.

The Agent will account to the Borrowers monthly with a statement of Loans, Letters of Credit, charges and payments made pursuant to this Agreement and the other Loan Documents, and such account rendered by the Agent shall be deemed final, binding and conclusive upon each of the Borrowers absent demonstrable error. The failure of the Agent or any Lender to maintain or deliver such a statement of accounts shall not relieve or discharge any Borrower from its obligations hereunder.

SECTION 3.9. Reliance.

Neither the Agent nor any Lender shall incur any liability to any Borrower for acting upon any telephonic notice permitted under this Agreement which the Agent or such Lender believes reasonably and in good faith to have been given by an individual authorized to deliver a Notice of Borrowing, Notice of Conversion, Notice of Continuation, Extension Request or a request for issuance of a Letter of Credit on behalf of a Borrower.

SECTION 3.10. Taxes.

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

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

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

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

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

(c) Tax Forms. Each Lender or Participant organized under the laws of a jurisdiction other than the United States of America agrees to deliver to the Borrowers and the Agent such certificates, documents or other evidence, as required by the Internal Revenue Code, correctly completed and executed by such Lender or Participant establishing that such payment is not subject to United States federal withholding tax under the Internal Revenue Code because such payment is either effectively connected with the conduct by such Lender or Participant of a trade or business in the United States or totally exempt from United States federal withholding tax by reason of the application of the provisions of a treaty to which the United States is a party or such Lender is otherwise exempt.

(d) Refunds. If the Agent or any Lender shall become aware that it is entitled to a refund in respect of Taxes for which it has been indemnified by a Borrower pursuant to this Section, the Agent or such Lender shall promptly notify such Borrower of the availability of such refund and shall, within 30 days after receipt of a written request by such Borrower, apply for such refund at such Borrower's sole cost and expense. So long as no Event of Default shall have occurred and be continuing, if the Agent or any Lender shall receive a refund in respect of any such Taxes as to which it has been indemnified by a Borrower pursuant to this Section, the Agent or such Lender shall promptly notify such Borrower of such refund and shall, within 30 days of receipt, pay such refund (to the extent of amounts that have been paid by such Borrower under this Section with respect to such refund and not previously reimbursed) to such Borrower, net of all reasonable out-of-pocket expenses of such Lender or the Agent and without interest (other than the interest, if any, included in such refund).

SECTION 4.1. Acceptance of Unencumbered Pool Properties.

(a) Existing Unencumbered Pool Properties. Subject to compliance with

the terms and conditions of Section 6.1. and subject to any limitations set forth on Schedule 4.1., as of the Effective Date the Lenders have accepted the Properties listed on Schedule 4.1. as Unencumbered Pool Properties and Schedule 4.1 designates as to each such Unencumbered Pool Property, the owner of such Property and whether such Unencumbered Pool Property is a Qualified Development Property, Stabilized Retail Operating Property or Pre-Stabilized Retail Operating Property.

(b) Submission of Additional Properties. If any Borrower desires that the Lenders accept an additional Eligible Property as an Unencumbered Pool Property after the Effective Date, such Borrower shall so notify the Agent in writing and shall deliver to the Agent the following:

(i) An Unencumbered Pool Certificate setting forth (A) on a pro forma basis the Maximum Loan Availability of both RCLP and the Development Affiliates, assuming that such Eligible Property is accepted as an Unencumbered Pool Property, (B) the Occupancy Rate of such Eligible Property, (C) calculations evidencing continued compliance with Sections 4.3. and 9.10., assuming that such Eligible Property is an Unencumbered Pool Property, (D) the percentage amount of the Borrowing Base of both RCLP and the Development Affiliates, assuming that such Eligible Property is an Unencumbered Pool Property, attributable to such Eligible Property (which percentage amount shall not exceed 5%) and (E) if such Eligible Property is owned by RCLP or one of its Subsidiaries, the amount of the Borrowing Base of both RCLP and the Development Affiliates, assuming that such Eligible Property is accepted as an Unencumbered Pool Property, attributable to all Unencumbered Pool Properties which are owned by Subsidiaries of RCLP that are not Wholly Owned Subsidiaries;

(ii) copy of the most recent ALTA Owner's Policy of Title Insurance (or commitment to issue such a policy to the Loan Party owning or to own such Eligible Property) relating to such Eligible Property showing the identity of the fee titleholder thereto and all matters of record; and

(iii) A Property Certificate executed by the chief financial officer or controller of RCLP (which officer shall be authorized to execute such certificate).

Upon the Agent's receipt of such items in form and substance satisfactory to the Agent, the Eligible Property shall be accepted as an Unencumbered Pool Property.

Upon any acceptance of an Eligible Property pursuant to this subsection (b), and upon execution and delivery of all of the following, such Eligible Property shall become an Unencumbered Pool Property:

(1) If such Eligible Property is owned (or is being acquired) by a Subsidiary of RCLP that is not yet a party to the Guaranty and such Subsidiary has incurred, acquired or suffered to exist any Indebtedness other than Nonrecourse Indebtedness, an Accession Agreement executed by such Subsidiary and all other items required to be delivered by a under Section 8.24.;

(2) If RCLP does not cause such Subsidiary to become a party to the Guaranty pursuant to Section 8.24. because RCLP determines that such Person cannot become a party to the Guaranty without violating: (A) terms of its articles of incorporation, bylaws, operating agreement, partnership agreement, declaration of trust or other similar organizational document, which terms expressly prohibit such Subsidiary from providing Guarantees of Indebtedness of any other Person or otherwise incurring any Indebtedness or (B) fiduciary obligations owing by such Subsidiary to the holders of equity interest in such Subsidiary and imposed under Applicable Law, then RCLP shall promptly deliver to the Agent and its counsel such documentation as is reasonably necessary for the Agent and its counsel to confirm (I) such potential violation and (II) that RCLP directly, or indirectly through a Subsidiary, has the right to take the following actions with respect to the Eligible Property owned by such Subsidiary without the need to obtain the consent of any other Person: (A) to create Lien on such Eligible Property as security for Indebtedness of RCLP or such Subsidiary, as applicable and (B) to sell, transfer or otherwise dispose of such Eligible Property; and

(3) Such other items or documents as may be appropriate under the circumstances as requested by the Agent.

Notwithstanding anything herein to the contrary, no Borrower shall submit any Eligible Property for acceptance under this subsection (b) if such Eligible Property (x) was previously submitted for consideration to and rejected by the Agent and Lenders under the Existing Credit Agreement; (y) is a "side shop center" unless the tenant of the adjacent stand-alone grocery store is an Approved Grocery Store or (z) is a stand-alone grocery store unless the tenant is an Approved Grocery Store and the corporate parent of the Approved Grocery Store is fully obligated (either directly or by way of guaranty) in respect of the applicable lease.

(c) Alternative Acceptance Procedure. If an Eligible Property does not satisfy all of the requirements for acceptance as an Unencumbered Pool Property pursuant to the immediately preceding subsection (b), a Borrower may submit such Eligible Property for consideration by notifying the Agent in writing of such

Borrower's intent to submit such Eligible Property and by delivering the following additional items, in form and substance satisfactory to the Agent:

(i) A description of such Eligible Property, such description to include the age, location, site plan and current occupancy rate of such Eligible Property;

(ii) Operating statements for such Eligible Property for the immediately preceding fiscal year and for current fiscal year through the fiscal quarter most recently ending, in each case audited or certified by a representative of such Borrower as being true and correct in all material respects and prepared in accordance with GAAP, provided that, with respect to (A) any period such Eligible Property was not owned by a Loan Party or (B) any Qualified Development Property, such information shall only be required to be delivered to the extent reasonably available to such Borrower and such certification may be based upon the best of such Borrower's knowledge;

(iii) If prepared by such Borrower, a pro forma operating statement for such Eligible Property;

(iv) A current rent roll and occupancy report for such Eligible Property, certified by a representative of such Borrower as being true and correct in all material respects, and a two-year occupancy history of such Eligible Property, certified by a representative of such Borrower to be true and correct, provided that, with respect to (A) any period such Eligible Property was not owned by a Loan Party or (B) any Qualified Development Property, such information shall only be required to be delivered to the extent reasonably available to such Borrower and such certification may be based upon the best of such Borrower's knowledge;

(v) An operating budget for such Eligible Property with respect to the current fiscal year if available;

(vi) If such Eligible Property is a Qualified Development Property, a capital expenditure plan with respect to such Eligible Property showing all hard and soft costs budgeted to be paid, incurred or otherwise expended or accrued for such Eligible Property to complete such Eligible Property and convert such Eligible Property into a Stabilized Retail Operating Property; and

(vii) Copies of all Material Contracts affecting such Eligible Property;

(viii) Copies of all engineering, mechanical, structural and maintenance studies performed with respect to such Eligible Property;

(i) A "Phase I" environmental assessment of such Eligible Property not more than 12 months old prepared by an environmental engineering firm acceptable to the Agent, and any additional environmental studies or assessments available to such Borrower performed with respect to such Eligible Property;

(ix) With respect to any Eligible Property being acquired by a Loan Party, a copy of the materials relating to such Eligible Property submitted by such Borrower to its board of directors for their approval of such Eligible Property (but only to the extent such materials have not already been provided under any of the preceding subsections);

(x) An Unencumbered Pool Certificate setting forth (A) on a pro forma basis the Maximum Loan Availability of both RCLP and the Development Affiliates, assuming that such Eligible Property is accepted as an Unencumbered Pool Property, (B) the Occupancy Rate of such Eligible Property, (C) calculations evidencing continued compliance with Sections 4.3. and 9.10., assuming that such Eligible Property is accepted as an Unencumbered Pool Property, (D) the percentage amount of the Borrowing Base of both RCLP and the Development Affiliates, assuming that such Eligible Property is an Unencumbered Pool Property, attributable to such Eligible Property (which percentage amount shall not exceed 5%) and (E) if such Eligible Property is owned by RCLP or one of its Subsidiaries, the amount of the Borrowing Base of both RCLP and the Development Affiliates, assuming that such Eligible Property is accepted as an Unencumbered Pool Property, attributable to all Unencumbered Pool Properties which are owned by Subsidiaries of RCLP that are not Wholly Owned Subsidiaries; and

(xi) Such other information the Agent may reasonably request in order to evaluate the Eligible Property.

Following receipt of the foregoing documents and information, the Agent shall promptly submit such documents and information to the Lenders for approval. Upon approval by the Majority Lenders (which must include the Agent in its capacity as a Lender), and upon execution and delivery of all of the following, such Eligible Property shall become an Unencumbered Pool Property:

(1) A copy of the most recent ALTA Owner's Policy of Title Insurance (or commitment to issue such a policy to the Loan Party owning or to own such Eligible Property) relating to such Eligible Property showing the identity of the fee titleholder thereto and all matters of record;

(2) If such Eligible Property is owned (or is being acquired) by a Subsidiary of RCLP that is not yet a party to the Guaranty and such Subsidiary has incurred, acquired or suffered to exist any Indebtedness other than Nonrecourse Indebtedness, an Accession Agreement executed by such Subsidiary and all other items required to be delivered by a Subsidiary under Section 8.24.;

(3) If RCLP does not cause such Subsidiary to become a party to the Guaranty pursuant to Section 8.24. because RCLP determines that such Person cannot become a party to the Guaranty without violating: (A) terms of its articles of incorporation, bylaws, operating agreement, partnership agreement, declaration of trust or other similar organizational document, which terms expressly prohibit such Subsidiary from providing Guarantees of Indebtedness of any other Person or otherwise incurring any Indebtedness or (B) fiduciary obligations owing by such Subsidiary to the holders of equity interest in such Subsidiary and imposed under Applicable Law, then RCLP shall promptly deliver to the Agent and its counsel such documentation as is reasonably necessary for the Agent and its counsel to confirm (I) such potential violation and (II) that RCLP directly, or indirectly through a Subsidiary, has the right to take the following actions with respect to the Eligible Property owned by such Subsidiary without the need to obtain the consent of any other Person: (A) to create Lien on such Eligible Property as security for Indebtedness of RCLP or such Subsidiary, as applicable and (B) to sell, transfer or otherwise dispose of such Eligible Property; and

(4) Such other items or documents as may be appropriate under the circumstances as requested by the Agent.

SECTION 4.2. Termination of Designation as Unencumbered Pool Property.

From time to time a Borrower may request, upon not less than 20 days prior written notice to the Agent and the Lenders, that an Unencumbered Pool Property cease to be an Unencumbered Pool Property. The Agent shall grant such request if all of the following conditions are satisfied:

(a) no Default or Event of Default shall have occurred and be continuing both at the time of such request and immediately after giving effect to such request; and

(b) such Borrower shall have delivered to the Agent an Unencumbered Pool Certificate demonstrating on a pro forma basis, and the Agent shall have determined, that none of the conditions referred to in Section 2.14. exists or will exist after giving effect to such request and any prepayment to be made and/or the acceptance of any Property as an additional or replacement Unencumbered Pool Property to be given concurrently with such request.

After giving effect to any request that an Unencumbered Pool Property cease to be designated as such, RCLP may request in writing that the Agent release, and upon receipt of such request the Agent shall release, a Guarantor from the Guaranty so long as: (i) such Guarantor is not the Parent; (ii) such Guarantor owns no other Unencumbered Pool Property, nor any direct or indirect equity interest in any Subsidiary that does own an Unencumbered Pool Property; (iii) such Guarantor is not otherwise required to be a party to the Guaranty under Section 8.24.; and (iv) no Default or Event of Default shall then be in existence or would occur as a result of such release.

SECTION 4.3. Additional Requirements of Unencumbered Pool Properties.

The ratio (expressed as a percentage) of (a) the net rentable square footage of all Unencumbered Pool Properties which are Stabilized Retail Operating Properties actually occupied by tenants paying rent pursuant to binding leases as to which no monetary default has occurred and is continuing to (b) the aggregate net rentable square footage of all Unencumbered Pool Properties which are Stabilized Retail Operating Properties shall at all times equal or exceed 90%. A Property shall cease to be an Unencumbered Pool Property if it shall cease to be an Eligible Property.

ARTICLE V. YIELD PROTECTION, ETC.

SECTION 5.1. Additional Costs; Capital Adequacy.

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

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

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

SECTION 5.2. Suspension of LIBOR Loans.

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

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

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

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

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

SECTION 5.3. Illegality.

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

SECTION 5.4. Compensation.

Each Borrower shall pay to the Agent for account of each Lender, upon the request of such Lender through the Agent, such amount or amounts as shall be sufficient to compensate such Lender for any loss, cost or expense that such Lender reasonably determines is attributable to:

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

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

Not in limitation of the foregoing, such compensation shall include, but shall not be limited to: (i) in the case of a LIBOR Loan, an amount equal to the then present value of (A) the amount of interest that would have accrued on such LIBOR Loan for the remainder of the Interest Period at the rate applicable to such LIBOR Loan, less (B) the amount of interest that would accrue on the same LIBOR Loan for the same period if the LIBOR Rate were set on the date on which such LIBOR Loan was repaid, prepaid or Converted or the date on which such Borrower failed to borrow, Convert or Continue such LIBOR Loan, as applicable, calculating present value by using as a discount rate the LIBOR Rate quoted on such date; and (ii) in the case of a Bid Rate Loan, the sum of such losses and expenses as the Lender or Designated Lender who made such Bid Rate Loan may reasonably incur by reason of such prepayment, including without limitation any losses or expenses incurred in obtaining, liquidating or employing deposits from third parties.

Upon a Borrower's request, any Lender requesting compensation under this Section shall provide such Borrower with a statement setting forth the basis for requesting such compensation and the method for determining the amount thereof. Any such statement shall be conclusive absent manifest error.

SECTION 5.5. Treatment of Affected Loans.

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

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

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

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

SECTION 5.6. Change of Lending Office.

Each Lender agrees that it will use reasonable efforts to designate an alternate Lending Office with respect to any of its Loans affected by the matters or circumstances described in Sections 3.10., 5.1. or 5.3. to reduce the liability of a Borrower or avoid the results provided thereunder, so long as such designation is not disadvantageous to such Lender as determined by such Lender in its sole discretion, except that such Lender shall have no obligation to designate a Lending Office located in the United States of America.

ARTICLE VI. CONDITIONS

SECTION 6.1. Effectiveness.

The effectiveness of the amendment and restatement of the Existing Regency Credit Agreement contemplated hereby, as well as the obligation of the Lenders to make any Revolving Loans, of the Swingline Lender to make any Swingline Loans, and of the Agent to issue Letters of Credit, to or for the account of the Borrowers in accordance with the terms hereof, are subject to the condition precedent that the Borrowers deliver to the Agent each of the following, each of which shall be in form and substance satisfactory to the Agent:

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

(b) Revolving Notes and Bid Rate Notes executed by each Borrower other than RCLP, payable to all Lenders or any Designated Lender, if applicable, and Swingline Notes executed by the Borrowers other than RCLP;

(c) (i) the Guaranty executed by each "Guarantor" under the Existing Credit Agreement and any other Person that would be required under Section 8.24.(a) to become a party to the Guaranty as of the Effective Date and (ii) the Development Affiliate Guaranty executed by each Person that would be required under Section 8.24.(a) to become a party to the Development Affiliate Guaranty as of the Effective Date;

(d) an opinion of Foley & Lardner, counsel to the Borrowers, the Guarantors and the Development Affiliate Guarantors, and addressed to the Agent

and the Lenders in substantially the form of Exhibit N-1;

(e) an opinion of Alston & Bird LLP, counsel to the Agent, and addressed to the Agent and the Lenders in substantially the form of Exhibit N-2;

(f) all of the documents and information required to be delivered under Section 4.1. with respect to each of the Properties listed on Schedule 4.1. and which have not previously been delivered to the Agent;

(g) an Unencumbered Pool Certificate dated the Agreement Date;

(h) the certificate of limited partnership of RCLP certified as of a recent date by the Secretary of State of the State of Delaware;

(i) a Certificate of Good Standing issued as of a recent date by the Secretary of State of the State of Delaware and certificates of qualification to transact business or other comparable certificates issued by each Secretary of State (and any state department of taxation, as applicable) of each state in which RCLP is required to be so qualified;

(j) a certificate of incumbency signed by the Secretary or Assistant Secretary of the general partner of RCLP with respect to each of the officers of the general partner of RCLP authorized to execute and deliver the Loan Documents to which RCLP is a party;

(k) certified copies (certified by the Secretary or Assistant Secretary of the general partner of RCLP) of the partnership agreement of RCLP and of all necessary action taken by RCLP (and any of the partners of RCLP) to authorize the execution, delivery and performance of the Loan Documents to which it is a party;

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

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

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

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

(p) all loan closing fees and any other fees then due and payable to the Agent and the Lenders in connection with this Agreement; and

(q) such other documents, instruments and agreements as the Agent or any Lender may reasonably request.

SECTION 6.2. Conditions to All Loans and Letters of Credit.

The obligation of the Lenders to make any Revolving Loans, and of the Swingline Lender to make any Swingline Loans, and of the Agent to issue Letters of Credit is subject to the condition precedent that the following conditions be satisfied in the judgment of the Agent:

(a) in the case of a Revolving Loan, timely receipt by the Agent of a Notice of Borrowing, or in the case of a Swingline Loan, timely receipt by the Swingline Lender of a Notice of Swingline Borrowing;

(b) the proposed use of proceeds of such Loan or Letter of Credit, as the case may be, set forth in the Notice of Borrowing or Notice of Swingline Borrowing, as the case may be, is consistent with the provisions of Section 8.14.;

(c) immediately before and after the making of such Loan or the issuance of such Letter of Credit, no Default (including without limitation, the existence of the condition described in Section 2.8.(f)) or Event of Default shall have occurred and be continuing; and

(d) the representations and warranties of the Borrowers and the Guarantors contained in the Loan Documents shall be true in all material respects on and as of the date of such Loan or issuance of such Letter of Credit, as applicable, except to the extent such representations or warranties specifically relate to an earlier date or such representations or warranties become untrue by reason of events or conditions otherwise permitted hereunder and the other Loan Documents.

The delivery of each Notice of Borrowing and each Notice of Swingline Borrowing and the making of each Loan and the issuance of each Letter of Credit shall constitute a certification by the Borrowers to the Agent and the Lenders that the statements in the immediately preceding clauses (b) through (d) are true.

SECTION 6.3. Conditions to Conversion to Term Loans.

The right of a Borrower to convert Revolving Loans owing by it into Term Loans under Section 2.11. is subject to the condition precedent that the following conditions be satisfied in the judgment of the Agent:

(a) timely receipt by the Agent of the notice from such Borrower required under such Section;

(b) immediately before and after such conversion, no Default (including without limitation, the existence of the condition described in Section 2.8.(f)) or Event of Default shall have occurred and be continuing; and

(c) the representations and warranties of each Borrower contained in the Loan Documents to which it is a party shall be true in all material respects on and as of the date of such conversion except to the extent such representations or warranties specifically relate to an earlier date or such representations or warranties become untrue by reason of events or conditions otherwise permitted hereunder and the other Loan Documents.

The delivery of the notice required under such Section shall constitute a certification by such Borrower to the Agent and the Lenders that the statements in the immediately preceding clauses (b) and (c) are true.

ARTICLE VII. REPRESENTATIONS AND WARRANTIES

Each of the Borrowers represents and warrants to the Agent and the Lenders as follows (except that each Development Affiliate shall only be deemed to make the following representations and warranties to the extent relating to or concerning such Development Affiliate):

SECTION 7.1. Existence and Power.

Each of the Borrowers, each Guarantor, each Development Affiliate Guarantor and its other Subsidiaries is a corporation, partnership or other legal entity, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and has all requisite power and authority and all governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and is duly qualified and is in good standing, authorized to do business, in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization.

SECTION 7.2. Ownership Structure.

Part I of Schedule 7.2. is a complete and correct list of all Subsidiaries of the Parent (including all Subsidiaries of RCLP) and the Borrowers other than RCLP, setting forth for each such Subsidiary, (a) the jurisdiction of organization of such Subsidiary, (b) each Person holding ownership interests in such Subsidiary and (c) the nature of the ownership interests held by each such Person and (d) the percentage of ownership of such Subsidiary represented by such ownership interests. Except as disclosed in such Schedule (i) each of the Parent, its Subsidiaries and the Subsidiaries of the Borrowers owns, free and clear of all Liens, and has the unencumbered right to vote, all outstanding ownership interests in each Person shown to be held by it on such Schedule, (ii) all of the issued and outstanding capital stock of each such Person organized as a corporation is validly issued, fully paid and nonassessable and (iii) there are no outstanding subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including, without limitation, any stockholders' or voting trust agreements) for the issuance, sale, registration or voting of, or outstanding securities convertible into, any additional shares of capital stock of any class, or partnership or other ownership interests of any type in, any such Person. Part II of Schedule 7.2. correctly sets forth all Unconsolidated Affiliates and Preferred Stock Entities of the Parent, including the correct legal name of such Person, the type of legal entity which each such Person is, and all ownership interests in such Person held directly or indirectly by the Parent.

SECTION 7.3. Authorization of Agreement, Notes, Loan Documents and Borrowings.

Each Borrower, each Guarantor and each Development Affiliate Guarantor has the right and power, and has taken all necessary action to authorize it, to borrow hereunder (in the case of a Borrower) and to execute, deliver and perform this Agreement, the Notes and the other Loan Documents to which it is a party in accordance with their respective terms and to consummate the transactions contemplated hereby and thereby, as the case may be. This Agreement, the Notes and each of the other Loan Documents to which a Borrower, a Guarantor or a Development Affiliate Guarantor is a party have been duly executed and delivered by such Loan Party and each is a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its respective terms, except as the same may be limited by bankruptcy, insolvency, and other similar laws affecting the rights of creditors generally and the availability of equitable remedies for the enforcement of certain obligations (other than the payment of principal) contained herein or therein may be limited by equitable principles generally.

SECTION 7.4. Compliance of Agreement, Notes, Loan Documents and

Borrowing with Laws, etc.

The execution, delivery and performance of this Agreement, the Notes and the other Loan Documents to which any Borrower, any Guarantor or any Development Affiliate Guarantor is a party in accordance with their respective terms and the borrowing of Loans hereunder do not and will not, by the passage of time, the giving of notice or otherwise (a) require any Governmental Approval or violate any Applicable Law relating to any Borrower, any Guarantor or any Development Affiliate Guarantor the failure to possess or to comply with which would have a Materially Adverse Effect; (b) conflict with, result in a breach of or constitute a default under the articles of incorporation, bylaws, operating agreement, partnership agreement or other organizational or constituent documents of any Borrower, any Guarantor or any Development Affiliate Guarantor, or any indenture, agreement or other instrument to which any Borrower, any Guarantor or any Development Affiliate Guarantor is a party or by which it or any of its properties may be bound and the violation of which would have a Materially Adverse Effect; or (c) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by any Borrower, any Guarantor or any Development Affiliate Guarantor other than Permitted Liens.

SECTION 7.5. Compliance with Law; Governmental Approvals.

Each of the Borrowers, the Guarantors and the Development Affiliate Guarantors is in compliance with each Governmental Approval applicable to it and in compliance with all other Applicable Law relating to it, except for noncompliances which, and Governmental Approvals the failure to possess which, would not, singly or in the aggregate, cause a Default or Event of Default or have a Materially Adverse Effect and in respect of which (if a Borrower has actual knowledge of such Applicable Law or Governmental Approval) adequate reserves have been established on the books of such Loan Party.

SECTION 7.6. Existing Indebtedness.

Other than the Indebtedness hereunder and as set forth on Schedule 7.6., neither any Borrower, any Guarantor, any Development Affiliate Guarantor nor any of such Borrower's other Subsidiaries, Preferred Stock Entities or any Non-Guarantor Entity has any Indebtedness. Each Borrower, each Guarantor, each Development Affiliate Guarantor and each of the other Subsidiaries of the Parent or of any Borrower, Preferred Stock Entities and Affiliates have performed and are in compliance with all of the terms of such Indebtedness and all instruments and agreements relating thereto, and no default or event of default, or event or condition which with the giving of notice, the lapse of time, a determination of materiality, the satisfaction of any other condition or any combination of the foregoing, would constitute such a default or event of default, exists with respect to any such Indebtedness.

SECTION 7.7. Title to Properties; Liens.

Each of the Borrowers, each Guarantor, each Development Affiliate Guarantor and its other Subsidiaries has good, marketable and legal title to, or a valid leasehold interest in, its respective assets. Each of the Unencumbered Pool Properties is free and clear of all Liens except for Permitted Liens.

SECTION 7.8. Unencumbered Pool Properties.

Each of the Unencumbered Pool Properties qualifies as an Eligible Property. Each of the Stabilized Retail Operating Properties, Qualified Development Properties and Pre-Stabilized Retail Operating Properties satisfies all of the requirements of a Stabilized Retail Operating Property, Qualified Development Property and Pre-Stabilized Retail Operating Property, respectively.

SECTION 7.9. Leases.

Except as reflected on the most current rent rolls delivered to the Agent, all tenant leases of any Unencumbered Pool Property are in full force and effect and no default or event of default (or event or occurrence which upon with the passage of time or the giving of notice, or both, will constitute a default or event of default) exists or will exist thereunder as a result of the consummation of the transactions contemplated by the Loan Documents.

SECTION 7.10. Material Contracts.

Schedule 7.10. is a true, correct and complete listing of all Material Contracts. Each of the Borrowers, each Guarantor, each Development Affiliate Guarantor and the other Subsidiaries of the Parent or any Borrower that are parties to any Material Contract has performed and is in compliance with all of the terms of such Material Contract, and no default or event of default, or event or condition which with the giving of notice, the lapse of time, a determination of materiality, the satisfaction of any other condition or any combination of the foregoing, would constitute such a default or event of default, exists with respect to any such Material Contract.

SECTION 7.11. Margin Stock.

Neither any Borrower, any Guarantor, any Development Affiliate Guarantor nor any other Subsidiary of the Parent or any Borrower is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying "margin stock" within the meaning of Regulations U and X, and no part of the proceeds of any extension of credit hereunder will be used to buy or carry any such "margin stock."

SECTION 7.12. Transactions with Affiliates.

Except as set forth on Schedule 7.12., no Borrower, any Guarantor, any Development Affiliate Guarantor nor any other Subsidiary of the Parent or any Borrower is a party to any transaction with any Affiliate which is in violation of Section 8.20.

SECTION 7.13. Absence of Defaults.

None of the Borrowers, any Guarantor or any Development Affiliate Guarantor is in default under its articles of incorporation, bylaws, operating agreement, partnership agreement or other organizational or constituent document, and no event has occurred, which has not been remedied, cured or waived (a) which constitutes a Default or an Event of Default; or (b) which constitutes, or which with the passage of time, the giving of notice or otherwise, would constitute, a default or event of default by any Borrower, any Guarantor, any Development Affiliate Guarantor or any other Subsidiary of the Parent or any Borrower under any Material Contract (other than this Agreement or any other Loan Document) or judgment, decree or order to which any Borrower, any Guarantor, any Development Affiliate Guarantor or any other Subsidiary of the Parent or any Borrower is a party or by which it or any of its properties may be bound.

SECTION 7.14. Financial Information.

RCLP and the Parent have furnished to each Lender copies of their respective audited consolidated balance sheets dated December 31, 1998 and 1999, and the related consolidated related statements of operations, stockholders' equity and cash flows for the periods then ended (the "Financial Statements"). The chief financial officer of the Parent has certified that the Financial Statements have been prepared in accordance with GAAP, are complete and correct and present fairly the financial position of RCLP and the Parent as of their respective dates. RRG has furnished to each Lender copies of its unaudited consolidated balance sheet dated December 31, 1999, and the related statements of income and cash flow for the periods then ended, but excluding all footnotes (the "RRG Financial Statements"). The chief financial officer of RRG has certified that the RRG Financial Statements have been prepared in accordance with GAAP, are complete and correct, and present fairly the financial position of RRG as of its date. Each of the operating statements pertaining to each of the Unencumbered Pool Properties delivered by any Borrower to the Agent was prepared in accordance with GAAP and fairly presents the Net Operating Income of such Unencumbered Pool Property for the period then ended. Each of the financial projections delivered, or required to be delivered, by any Borrower to the Agent or any Lender, whether prior to, on or after, the date hereof (a) has been, or will be, as applicable, prepared for each Unencumbered Pool Property in light of the past business and performance of such Unencumbered Pool Property and (b) represents or will represent, as of the date thereof, the reasonable good faith estimates of such Borrower's financial performance. None of the Borrowers, the Parent nor any of its Consolidated Subsidiaries has on the Agreement Date any material contingent liabilities, liabilities, liabilities for taxes, unusual or long-term commitments or unrealized or forward anticipated losses from any unfavorable commitments, except as referred to or reflected or provided for in said financial statements. Since December 31, 1999, there has been no material adverse change in the financial condition, operations, business or prospects of the Parent or any of its Subsidiaries. Each of the Parent, RCLP, the Subsidiaries and the Development Affiliates is Solvent.

SECTION 7.15. Litigation.

Except as set forth on Schedule 7.15., there are no actions, suits or proceedings pending against, or to the knowledge of the Parent threatened against or affecting, any Borrower, any Guarantor, any Development Affiliate Guarantor or any of the other Subsidiaries of the Parent or any Borrower before any court or arbitrator or any governmental body, agency or official (a) which could reasonably be expected to have a Materially Adversely Effect or (b) which in any manner draws into question the validity or enforceability of any Loan Document.

SECTION 7.16. ERISA.

(a) Existing Plans. Except for Plans as set forth on Schedule 7.16., no Borrower nor any Guarantor maintains, nor has any Borrower, any Guarantor or any Development Affiliate Guarantor at any time maintained, any Plan subject to the provisions of ERISA. None of any Borrower, any Guarantor or any Development Affiliate Guarantor is, nor has at any time been, a member of any ERISA Group with any Person that has at any time maintained any such Plan.

(b) ERISA and Internal Revenue Code Compliance and Liability. Each of the Borrowers, the Guarantors and the Development Affiliate Guarantors is in compliance with all applicable provisions of ERISA and the regulations and

published interpretations thereunder with respect to all Plans except where failure to comply would not result in a Materially Adverse Effect and except for any required amendments for which the remedial amendment period as defined in Section 401(b) of the Code has not yet expired. Each Plan that is intended to be qualified under Section 401(a) of the Internal Revenue Code has been determined by the Internal Revenue Service to be so qualified, and each trust related to such plan has been determined to be exempt under Section 501(a) of the Internal Revenue Code. No material liability has been incurred by any Borrower or any Guarantor which remains unsatisfied for any taxes or penalties with respect to any Plan or any Multiemployer Plan.

(c) Funding. No Plan has been terminated, nor has any accumulated funding deficiency (as defined in Section 412 of the Internal Revenue Code) been incurred (without regard to any waiver granted under Section 412 of the Internal Revenue Code), nor has any funding waiver from the IRS been received or requested with respect to any Plan, nor has any Borrower, any Guarantor or any Development Affiliate Guarantor failed to make any contributions or to pay any amounts due and owing as required by Section 412 of the Internal Revenue Code, Section 302 of ERISA or the terms of any Plan prior to the due dates of such contributions under Section 412 of the Internal Revenue Code or Section 302 of ERISA, nor has there been any event requiring any disclosure under Section 4041(c)(3)(C), 4063(a) or 4068(f) of ERISA with respect to any Plan.

(d) Prohibited Transactions and Payments. None of any Borrower, any Guarantor or any Development Affiliate Guarantor has: (1) engaged in a nonexempt prohibited transaction described in Section 406 of ERISA or Section 4975 of the Internal Revenue Code; (2) incurred any liability to the PBGC which remains outstanding other than the payment of premiums and there are no prepayments which are due and unpaid; (3) failed to make a required contribution or payment to a Multiemployer Plan; or (4) failed to make a required installment or other required payment under Section 412 of the Internal Revenue Code.

(e) No ERISA Termination Event. No Termination Event has occurred or -----
is reasonably expected to occur.

(f) ERISA Litigation. No material proceeding, claim, lawsuit and/or investigation is existing or, to the best knowledge of RCLP after due inquiry, threatened concerning or involving any (1) employee welfare benefit plan (as defined in Section 3(1) of ERISA) currently maintained or contributed to by any Borrower, (2) Plan or (3) Multiemployer Plan.

SECTION 7.17. Environmental Matters.

Each of the Borrowers, the Guarantors, the Development Affiliate Guarantors and the other Subsidiaries of the Parent or any Borrower has obtained all Governmental Approvals which are required under Environmental Laws and is in compliance in all material respects with all terms and conditions of such Governmental Approvals and all such Environmental Laws. The Parent is not aware of, and has not received notice of, any past, present, or future events, conditions, circumstances, activities, practices, incidents, actions, or plans which, with respect to any Borrower, the Guarantors, the Development Affiliate Guarantors or any of the other Subsidiaries of the Parent or any Borrower, may interfere with or prevent compliance or continued compliance with Environmental Laws, or may give rise to any common-law or legal liability, or otherwise form the basis of any claim, action, demand, suit, proceeding, hearing, study, or investigation, based on or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling or the emission, discharge, release or threatened release into the environment, of any pollutant, contaminant, chemical, or industrial, toxic, or other Hazardous Material. There is no civil, criminal, or administrative action, suit, demand, claim, hearing, notice, or demand letter, notice of violation, investigation, or proceeding pending or, to the Parent's knowledge, threatened, against any Borrower, any Guarantor, any Development Affiliate Guarantor or any other Subsidiary of the Parent or any Borrower relating in any way to Environmental Laws.

SECTION 7.18. Taxes.

All federal, state and other tax returns of the Borrowers, the Guarantors, the Development Affiliate Guarantors and the other Subsidiaries of the Parent or any Borrower required by Applicable Law to be filed have been duly filed, and all federal, state and other taxes, assessments and other governmental charges or levies upon any Borrower, any Guarantor, any Development Affiliate Guarantor or any other Subsidiary of the Parent or any Borrower and their respective properties, income, profits and assets which are due and payable have been paid, except any such nonpayment which is at the time permitted under Section 8.3. None of the United States income tax returns of any Borrower, any Guarantor, any Development Affiliate Guarantor or any other Subsidiary of the Parent or any Borrower are under audit. No tax liens have been filed and no claims are being asserted with respect to any such taxes. All charges, accruals and reserves on the books of each Borrower, each Guarantor, each Development Affiliate Guarantor and each other Subsidiary of the Parent or any Borrower in respect of any taxes or other governmental charges are in accordance with GAAP.

SECTION 7.19. Investment Company; Public Utility Holding Company.

No Borrower, no Guarantor, no Development Affiliate Guarantor nor any other Subsidiary of the Parent or any Borrower is (i) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, (ii) a "holding company" or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning

of the Public Utility Holding Company Act of 1935, as amended, or (iii) subject to any other Applicable Law which purports to regulate or restrict its ability to borrow money or to consummate the transactions contemplated by this Agreement or to perform its obligations under any Loan Document to which it is a party.

SECTION 7.20. Full Disclosure.

All written information furnished by or on behalf of any Borrower, any Guarantor or any Development Affiliate Guarantor to the Agent and the Lenders for purposes of or in connection with this Agreement and the other Loan Documents or any transaction contemplated hereby is, and all such information hereafter furnished by or on behalf of any Borrower, any Guarantor or any Development Affiliate Guarantor to the Agent or any of the Lenders will be true and accurate in all material respects on the date as of which such information is stated or certified and does not, and will not, fail to state any material facts necessary to make the statements contained therein not misleading. The Parent has disclosed to the Agent in writing any and all facts known to the Parent which materially and adversely affect or may affect (to the extent the Parent can now reasonably foresee), the business, operations or financial condition of each Borrower, each Guarantor, each Development Affiliate Guarantor and each of the other Consolidated Subsidiaries, or the ability of any Borrower, any Guarantor or any Development Affiliate Guarantor to perform its obligations under the Loan Documents to which it is a party.

SECTION 7.21. Not Plan Assets.

None of the assets of any Borrower, any Guarantor or any Development Affiliate Guarantor constitute, nor will constitute, plan assets, within the meaning of ERISA, the Internal Revenue Code and the respective regulations promulgated thereunder, of any ERISA Plan or Non-ERISA Plan. The execution, delivery and performance of this Agreement, and the borrowing and repayment of amounts thereunder, do not and will not constitute "prohibited transactions" under ERISA or the Internal Revenue Code.

SECTION 7.22. Business.

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

SECTION 7.23. Title to Properties; Necessary Agreements, Licenses,

Permits; Adverse Contracts.

Each of the Borrowers, the Guarantors, the Development Affiliate Guarantors and the other Subsidiaries of the Parent or any Borrower (i) has good and marketable title to its assets and properties except as disclosed in the consolidated financial statements of the Parent delivered to the Agent and the Lenders, (ii) is in compliance with all real and personal property leases where the failure to so be in compliance would have a Materially Adverse Effect, (iii) possess all necessary and appropriate agreements, contracts, franchise arrangements, patents, trademarks, licenses, permits and other intellectual property rights free from burdensome or undue restriction and (iv) has not infringed upon or otherwise violated any trademark, patent, license or other intellectual property agreement where such infringement would have a Materially Adverse Effect. No Borrower, no Guarantor, no Development Affiliate Guarantor nor any of the other Subsidiaries of the Parent or any Borrower has assumed liability under or is a party to nor is it or any of its property subject to or bound by any forward purchase contract, futures contract, covenant not to compete, unconditional purchase, take or pay or other agreement which restricts its ability to conduct its business or, either individually or in the aggregate, has a Materially Adverse Effect or could reasonably be expected to have a Materially Adverse Effect.

SECTION 7.24. Non-Guarantor Entities.

Schedule 7.24. is as of the date hereof a complete and correct list of all Non-Guarantor Entities, setting forth for each such Person, the correct legal name of such Person, the type of legal entity which each such Person is, and all equity interests in such Person held directly or indirectly by the Parent. No Non-Guarantor Entity satisfies any condition contained in clause (i) or (ii) of Section 8.24.(a).

ARTICLE VIII. COVENANTS

SECTION 8.1. Information.

The Borrowers and the Parent, as applicable, will deliver to the Agent:

(a) Within 100 days after the end of each fiscal year of the Parent, the audited consolidated balance sheet of the Parent and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated statements of operations, stockholders' equity and cash flows of the Parent and its Consolidated Subsidiaries for such fiscal year (the "Parent Financial Statements"), setting forth in comparative form the figures as of the end of and for the previous fiscal year. The chief financial officer of the Parent shall certify that the Parent Financial Statements have been prepared in accordance with GAAP and present fairly the financial position of the Parent and its Consolidated Subsidiaries, as applicable, as of the date thereof. The audit of

the Parent Financial Statements shall be performed by independent certified public accountants of recognized national standing acceptable to the Agent (the "Audit Firm"). In addition, within 100 days after the end of each fiscal year of the Parent, each Development Affiliate shall deliver to the Agent and each Lender the unaudited consolidated balance sheet of such Development Affiliate and its Subsidiaries as of the end of such fiscal year and the related consolidated statements of operations of such Development Affiliate and its Subsidiaries for such fiscal year (the "Development Affiliate Financial Statements"), setting forth in comparative form the figures as of the end of and for the previous fiscal year. The chief financial officer of the Parent shall certify that the Development Affiliate Financial Statements have been prepared in accordance with GAAP (except for tax provisions and related liabilities determined in accordance with Financial Accounting Standards Board Statement of Financial Accounting Standards 109), and present fairly the financial position of the Development Affiliate and their respective Subsidiaries, as applicable, as of the date thereof. The Development Affiliate Financial Statements shall be accompanied by a letter prepared by the Audit Firm stating that they have performed certain agreed upon procedures that verify (i) the Net Operating Income of each Property owned by each Development Affiliate and which is included in determinations of the Borrowing Base, (ii) the cost basis of the real estate assets of each Development Affiliate, and (iii) the outstanding liabilities (other than liabilities related to deferred taxes) and intercompany balances of each Development Affiliate;

(b) Within 50 days after the close of each of the first, second and third fiscal quarters of the Parent, the unaudited consolidated balance sheet of the Parent and RCLP as of the end of such period and the related consolidated statements of operations, stockholders' equity and cash flows of the Parent and RCLP for such period (the "Quarterly Financial Statements"), setting forth in each case in comparative form the figures for the corresponding periods of the previous fiscal year. The chief financial officer of the Parent shall certify that the Quarterly Financial Statements have been prepared in accordance with GAAP and present fairly the financial position of the Parent and RCLP, as applicable, as of the date thereof;

(c) simultaneously with the delivery of each set of financial statements of the Parent referred to in the immediately preceding clauses (a) and (b), a certificate of the chief financial officer of the Parent substantially in the form of Exhibit Q (i) setting forth in reasonable detail the calculations required to establish whether the Parent was in compliance with the requirements of Sections 8.12., 8.23., 8.28. and Article IX. on the date of such financial statements, (ii) setting forth a schedule of all current Contingent Obligations of the Parent, each Borrower, all Subsidiaries of the Parent or any Borrower, all Preferred Stock Entities and all Unconsolidated Affiliates and (iii) stating whether any Default or Event of Default exists on the date of such certificate and, if any Default or Event of Default then exists, setting forth the details thereof and the action which the Parent and the Borrowers are taking or proposes to take with respect thereto;

(d) as soon as available and in any event within 50 days after the end of each fiscal quarter of RCLP, (i) an Unencumbered Pool Certificate setting forth the information to be contained therein as of the last day of such fiscal quarter and (ii) (A) a list of all Non-Guarantor Entities as of the last day of such fiscal quarter, setting forth for each such Person, the correct legal name of such Person, the type of legal entity which each such Person is, and all equity interests in such Person held directly or indirectly by the Parent and RCLP and (B) a certification by RCLP for each such Non-Guarantor Entity of the amount of Indebtedness of such Non-Guarantor Entity and what amount, if any, of such Indebtedness is not Nonrecourse Indebtedness.

(e) simultaneously with the delivery of each set of financial statements referred to in the immediately preceding clause (a), a statement of the firm of independent public accountants which reported on such statements whether anything has come to their attention to cause them to believe that any Default or Event of Default existed on the date of such statements;

(f) simultaneously with the delivery of each set of financial statements referred to in the immediately preceding clauses (a) and (b), a report of "funding capacity" of the Parent, certified by the chief financial officer of the Parent, providing a comparison of the costs to complete developments in process, the costs of developments under contract and approved by the Parent's capital allocation committee, and loans maturing during the next 12 months, and any other significant capital commitments;

(g) no later than December 1 of each calendar year, the annual plan of the Parent and its Consolidated Subsidiaries which plan shall at least include capital and operating expense budgets, projections of sources and applications of funds, a projected balance sheet, profit and loss projections of the Parent and its Consolidated Subsidiaries for each quarter of the next succeeding fiscal year and a update copy of Schedule 7.6., all itemized in reasonable detail and shall also set forth the pro forma calculations required (including any assumptions, where appropriate) to establish whether or not the Parent, and when appropriate its Consolidated Subsidiaries, will be in compliance with the covenants contained in Sections 8.12. and 8.23., 8.28. and Article IX. at the end of each fiscal quarter of the next succeeding fiscal year;

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

(i) within five days after any executive officer of any Borrower or the Parent obtains knowledge of any Default or Event of Default, a certificate of the president or chief financial officer of such Borrower or Parent, as applicable, setting forth the details thereof and the action which such Borrower

or Parent is taking or proposes to take with respect thereto;

(j) promptly upon the mailing thereof to the shareholders of the Parent generally, copies of all financial statements, reports, offering memoranda and proxy statements so mailed;

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

(l) promptly upon the release thereof, copies of all press releases of any Borrower and the Parent and any Subsidiary;

(m) promptly upon obtaining knowledge thereof, a description in reasonable detail of any action, suit or proceeding commenced or threatened against any Borrower, any Guarantor, any Development Affiliate Guarantor, any Subsidiary of the Parent or any Borrower or any Unencumbered Pool Property which is reasonably likely to have a Materially Adverse Effect;

(n) promptly upon the occurrence thereof, written notice of any material change in the senior management of any Borrower or the Parent;

(o) promptly upon the occurrence thereof, a copy of any amendment to the articles of incorporation, bylaws, operating agreement, partnership agreement or other organizational or constituent document of the Parent, any Borrower, any Guarantor or any Development Affiliate Guarantor;

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

(q) within 10 days of the filing thereof, each federal or state income tax return of the Parent, each Borrower, each Guarantor, each Development Affiliate Guarantor and each other Subsidiary of the Parent or any Borrower;

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

(s) if, in connection with a request by a Borrower that a Property be accepted as an Unencumbered Pool Property, such Borrower was unable to provide any operating statement or occupancy report for the entire period called for under clause (ii) or (iv) of Section 4.1.(c) because such information was not reasonably available to such Borrower but such information does later become available to such Borrower, such Borrower will promptly provide such reports to the Agent and the Lenders;

(t) promptly upon the request of the Agent, evidence of RCLP's calculation of the Ownership Share with respect to a Subsidiary or an Unconsolidated Affiliate, such evidence to be in form and detail satisfactory to the Agent and the Majority Lenders; and

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

SECTION 8.2. ERISA Reporting.

Each Borrower shall deliver to the Agent as soon as possible, and in any event within 10 Business Days after such Borrower knows that any of the events or conditions specified below with respect to any Plan or Multiemployer Plan has occurred or exists, a statement signed by the chief financial officer of such Borrower setting forth details respecting such event or condition and the action, if any, that such Borrower or its ERISA Affiliate proposes to take with respect thereto (and a copy of any report or notice required to be filed with or given to PBGC by such Borrower or an ERISA Affiliate with respect to such event or condition):

(a) any reportable event, as defined in Section 4043(b) of ERISA and the regulations issued thereunder, with respect to a Plan, as to which PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event (provided that a failure to meet the minimum funding standard of Section 412 of the Internal Revenue Code or Section 302 of ERISA, including, without limitation, the failure to make on or before its due date a required installment under Section 412(m) of the Internal Revenue Code or Section 302(e) of ERISA, shall be a reportable event regardless of the issuance of any waivers in accordance with Section 412(d) of the Internal Revenue Code); and any request for a waiver under Section 412(d) of the Internal Revenue Code for any Plan;

(b) the distribution under Section 4041 of ERISA of a notice of intent to terminate any Plan or any action taken by such Borrower or an ERISA Affiliate to terminate any Plan;

(c) the institution by PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by such Borrower or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by PBGC with respect to such Multiemployer Plan;

(d) the complete or partial withdrawal from a Multiemployer Plan by such Borrower or any ERISA Affiliate that results in liability under Section 4201 or 4204 of ERISA (including the obligation to satisfy secondary liability as a result of a purchaser default) or the receipt by such Borrower or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA;

(e) the institution of a proceeding by a fiduciary of any Multiemployer Plan against such Borrower or any ERISA Affiliate to enforce Section 515 of ERISA, which proceeding is not dismissed within 30 days; and

(f) the adoption of an amendment to any Plan that, pursuant to Section 401(a)(29) of the Internal Revenue Code or Section 307 of ERISA, would result in the loss of tax-exempt status of the trust of which such Plan is a part if such Borrower or an ERISA Affiliate fails to timely provide security to the Plan in accordance with the provisions of said Sections.

SECTION 8.3. Payment of Obligations.

Each Borrower and the Parent will pay and discharge, and will cause each Guarantor, each Development Affiliate Guarantor and each other Subsidiary of the Parent or any Borrower to pay and discharge, at or before maturity, all their respective material obligations and liabilities, including, without limitation, tax liabilities, except where the same may be contested in good faith by appropriate proceedings unless the contest thereof would have a Materially Adverse Effect, and will maintain, and will cause each Guarantor, each Development Affiliate Guarantor and each other Subsidiary of the Parent or any Borrower to maintain, in accordance with GAAP, appropriate reserves for the accrual of any of the same.

SECTION 8.4. Preservation of Existence and Similar Matters.

Except as otherwise permitted under Section 8.13., each Borrower and the Parent shall preserve and maintain, and cause each Guarantor, each Development Affiliate Guarantor and each other Subsidiary of the Parent or any Borrower to preserve and maintain, its respective existence, rights, franchises, licenses and privileges in the jurisdiction of its formation and qualify and remain qualified and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification and authorization and where the failure to be so authorized and qualified would have a Materially Adverse Effect.

SECTION 8.5. Maintenance of Property.

Each Borrower and the Parent shall, and shall cause each other Guarantor, each Preferred Stock Entity, each Development Joint Venture, each Development Affiliate Guarantor and each other Subsidiary of the Parent or any Borrower to, (a) protect and preserve all of its material properties, including without limitation, all Unencumbered Pool Properties, and maintain in good repair, working order and condition all tangible properties, and (b) from time to time make or cause to be made all needed and appropriate repairs, renewals, replacements and additions to such properties.

SECTION 8.6. Conduct of Business.

Each Borrower and the Parent shall at all times carry on, and cause each other Guarantor, each Development Affiliate Guarantor and each other Subsidiary of the Parent or any Borrower to carry on, its respective businesses in the same fields as engaged in on the Agreement Date and not enter, and not permit any other Guarantor, any Development Affiliate Guarantor or any other Subsidiary of the Parent or any Borrower to enter, into any line of business not otherwise engaged in by such Person as of the Agreement Date.

SECTION 8.7. Insurance.

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

SECTION 8.8. Modifications to Material Contracts.

Except as otherwise provided in Section 8.22., the Borrowers and the Parent shall not enter into, or permit any other Guarantor, any Development Affiliate Guarantor or any other Subsidiary of the Parent or any Borrower to enter into, any amendment or modification to any Material Contract or default in the performance of any obligations of the Parent, any Borrower, any other Guarantor, any Development Affiliate Guarantor or any other Subsidiary of the Parent or any Borrower in any Material Contract or permit any Material Contract to be canceled or terminated prior to its stated maturity.

SECTION 8.9. Environmental Laws.

Each Borrower and the Parent shall comply, and cause all other Guarantors, all Development Affiliate Guarantors and all other Subsidiaries of the Parent or any Borrower to comply, in all material respects with all Environmental Laws. If the Parent, any Borrower, any other Guarantor, any Development Affiliate Guarantor or any other such Subsidiary shall (a) receive notice that any violation of any Environmental Law may have been committed or is about to be committed by such Person, (b) receive notice that any administrative or judicial complaint or order has been filed or is about to be filed against any such Person alleging violations of any Environmental Law or requiring any such Person to take any action in connection with the release of Hazardous Materials or (c) receive any notice from a Governmental Authority or private party alleging that any such Person may be liable or responsible for costs associated with a response to or cleanup of a release of Hazardous Materials or any damages caused thereby, the Parent shall promptly provide the Agent with a copy of such notice and in any event within 10 days after the receipt thereof by any such Person. Each Borrower and the Parent shall, and shall cause each other Guarantor, each Development Affiliate Guarantor and each other Subsidiary of the Parent or any Borrower to, promptly take all actions necessary to prevent the imposition of any Liens on any of their respective properties arising out of or related to any Environmental Laws.

SECTION 8.10. Compliance with Laws and Material Contracts.

Each Borrower and the Parent will comply, and cause each other Guarantor, each Development Affiliate Guarantor and each other Subsidiary of the Parent or any Borrower to comply, with (a) all Applicable Laws, except where the failure to so comply would not have a Materially Adverse Effect and (b) all terms and conditions of all Material Contracts to which it is a party.

SECTION 8.11. Inspection of Property, Books and Records.

Each Borrower and the Parent will keep, and will cause each other Guarantor, each Development Affiliate Guarantor and each other Subsidiary of the Parent or any Borrower to keep, proper books of record and account in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities; and will permit, and will cause each other Guarantor, each Development Affiliate Guarantor and each other Subsidiary of the Parent or any Borrower to permit, representatives of the Agent or any Lender to visit and inspect any of their respective properties, to examine and make abstracts from any of their respective books and records and to discuss their respective affairs, finances and accounts with their respective officers, employees and independent public accountants in the Parent's presence prior to an Event of Default, all at such reasonable times during business hours and as often as may reasonably be desired and with reasonable notice so long as no Event of Default shall have occurred and be continuing.

SECTION 8.12. Indebtedness.

Each Borrower and the Parent will not, and will not permit any other Guarantor, any Development Affiliate Guarantor or any Subsidiary of the Parent or any Borrower to, incur, assume or suffer to exist any Indebtedness other than:

- (a) Indebtedness under this Agreement;
- (b) Indebtedness set forth in Schedule 7.6.;
- (c) Indebtedness represented by declared but unpaid dividends; and

(d) Secured Indebtedness and other Unsecured Indebtedness that is *pari passu* with and is not subordinate in right of payment or otherwise to the Loans and the other Obligations, so long as (i) no Default or Event of Default shall have occurred and be continuing and (ii) the incurrence of such Secured Indebtedness or other Unsecured Indebtedness would not cause the occurrence of a Default or Event of Default, including without limitation, a Default or Event of Default resulting from a violation of Section 9.2. or 9.3.

SECTION 8.13. Consolidations, Mergers and Sales of Assets.

The Borrowers and the Parent shall not, and shall not permit any other Guarantor, any Development Affiliate Guarantor or any other Subsidiary of the Parent or any Borrower to, (a) enter into any transaction of merger or consolidation; (b) liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution) or (c) convey, sell, lease, sublease, transfer or otherwise dispose of, in one or a series of transactions, any Unencumbered Pool Property or any interest therein, or all or any substantial part of its business

or assets, or the capital stock of or other equity interests in any Subsidiary, except that (i) a Subsidiary of a Borrower may merge or consolidate with such Borrower or a Wholly Owned Subsidiary of such Borrower, (ii) a Subsidiary of a Borrower may sell, transfer or dispose of its assets to such Borrower or a Wholly Owned Subsidiary of such Borrower, (iii) a Development Joint Venture that is a Borrower may (x) merge with and into RCLP or (y) liquidate, so long as after giving effect to any such merger or liquidation (A) all Unencumbered Pool Properties of such Development Joint Venture immediately prior to such merger or liquidation are owned by RCLP immediately after giving effect to such merger or liquidation and (B) all Loans and other Obligations of such Development Joint Venture are either assumed by RCLP or repaid prior to or simultaneously with such merger or liquidation, and (iv) any Subsidiary of the Parent identified in Section 8.27. may (x) merge with and into RCLP or any other Subsidiary of the Parent identified in such Section, (y) liquidate, so long as such Subsidiary is a Wholly Owned Subsidiary of the Parent and (z) sell, transfer or dispose of its assets to RCLP or any other Subsidiary of the Parent identified in such Section, so long as any such merger, liquidation, sale, transfer or disposition referred to in this clause (iv) is being effected in connection with the Parent's compliance with its obligations under the first sentence of such Section. Further, the Borrowers and the Parent shall not, and shall not permit any Guarantor, any Development Affiliate Guarantor nor any other Subsidiary of the Parent or any Borrower to, enter into any sale-leaseback transactions or other transaction by which any such Person shall remain liable as lessee (or the economic equivalent thereof) of any real or personal property that it has sold or leased to another Person.

SECTION 8.14. Use of Proceeds and Letters of Credit.

The Borrowers will only use the proceeds of the Loans for pre-development costs, development costs, acquisitions, capital expenditures, working capital and general corporate purposes, equity investments, repayment of Indebtedness or scheduled amortization payments on Indebtedness, financing loans to Subsidiaries, Unconsolidated Affiliates, Preferred Stock Entities and other Affiliates of the Borrowers for development activities, and for no other purposes. Except as permitted in Section 8.23., no Borrower may use any proceeds of the Loans for the purpose of purchasing or carrying any "margin stock" within the meaning of Regulations U and X. The Borrowers may use the Letters of Credit only for the same purposes for which they may use the proceeds of Loans. RCLP shall use the proceeds of the initial Revolving Loans made on the Effective Date for general corporate purposes.

SECTION 8.15. Tenant Concentration.

No Borrower nor the Parent shall permit the Adjusted Base Rents from any single tenant (excluding Credit Tenants but including all Affiliates of such tenant other than Credit Tenants), to exceed 15% of Adjusted Base Rents from all Properties of the Parent, the Borrowers and their respective Subsidiaries.

SECTION 8.16. Acquisitions.

The Borrowers and the Parent shall not, and shall not permit any Subsidiary of the Parent or any Borrower to, make any Acquisition in which the consideration paid (whether by way of payment of cash, issuance of capital stock, assumption of Indebtedness, or otherwise) by a Borrower, the Parent or such Subsidiary equals or exceeds 35% of the sum of (a) total consolidated assets of the Parent plus (b) consolidated accumulated depreciation of the Parent (or in the case of an Acquisition by a Development Affiliate, (a) total consolidated assets of such Development Affiliate plus (b) consolidated accumulated depreciation of such Development Affiliate) unless (i) no Default or Event of Default shall have occurred and be continuing, (ii) the Parent shall have given the Agent and the Lenders at least 30 days prior written notice of such Acquisition and (iii) the Parent shall have delivered to the Agent and the Lenders a Compliance Certificate, calculated on a pro forma basis, evidencing the Borrowers' and Parent's continued compliance with the terms and conditions of this Agreement and the other Loan Documents, including without limitation, the financial covenants contained in Article IX., after giving effect to such Acquisition.

SECTION 8.17. Exchange Listing.

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

SECTION 8.18. REIT Status.

Parent will at all times maintain its status as a REIT.

SECTION 8.19. Negative Pledge; Restriction on Distribution Rights.

The Borrowers and Parent shall not, and shall not permit any other Guarantor, any Development Affiliate Guarantor or other Subsidiary of the Parent or any Borrower, to (a) create, assume, incur or permit or suffer to exist any Lien upon any of the Unencumbered Pool Properties or any direct or indirect ownership interest of RCLP in any Guarantor owning any Unencumbered Pool Property, other than Permitted Liens; (b) enter into or assume any agreement (other than the Loan Documents) prohibiting the creation or assumption of any Lien upon its properties or assets, whether now owned or hereafter acquired; or (c) create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any

Subsidiary to: (i) pay dividends or make any other distribution on any of such Subsidiary's capital stock or other equity interest owned by the Parent, any Borrower or any other Subsidiary of the Parent or any Borrower; (ii) pay any Indebtedness owed to the Parent, any Borrower or any other Subsidiary of the Parent or any Borrower; (iii) make loans or advances to the Parent, any Borrower or any other Subsidiary of the Parent or any Borrower; or (iv) transfer any of its property or assets to the Parent, any Borrower or any other Subsidiary of the Parent or any Borrower.

SECTION 8.20. Agreements with Affiliates.

The Borrowers and the Parent shall not, and shall not permit any other Guarantor, any Development Affiliate Guarantor or any other Subsidiary of the Parent or any Borrower to, enter into any transaction requiring such Person to pay any amounts to or otherwise transfer property to, or pay any management or other fees to, any Affiliate other than on terms and conditions substantially as favorable to the Parent, such Borrower, such other Guarantor, such Development Affiliate Guarantor or such other Subsidiary as would be obtainable at the time in a comparable arm's-length transaction with a Person not an Affiliate.

SECTION 8.21. ERISA Exemptions.

The Borrowers and the Parent shall not, and shall not permit any other Guarantor, any Development Affiliate Guarantor or any other Subsidiary to, permit any of its respective assets to become or be deemed to be "plan assets" within the meaning of ERISA, the Internal Revenue Code and the respective regulations promulgated thereunder, of any ERISA Plan or any Non-ERISA Plan.

SECTION 8.22. Compliance with and Amendment of Charter or Bylaws.

The Borrowers and the Parent will, and will cause each other Guarantor and each Development Affiliate Guarantor to (a) comply with the terms of its articles of incorporation, bylaws, operating agreement, partnership agreement or other organizational or constituent document and (b) not amend, supplement, restate or otherwise materially modify its articles of incorporation, by-laws, operating agreement, partnership agreement or other organizational or constituent document without the prior written consent of the Lenders whose combined Pro Rata Shares equal or exceed 51% except as is required (i) under Applicable Laws or (ii) in order to maintain compliance with Section 8.18.

SECTION 8.23. Distributions.

If no Event of Default shall have occurred and be continuing, none of the Parent, the Borrowers or any Subsidiary of any Borrower (other than Wholly Owned Subsidiaries) shall directly or indirectly declare or make, or incur any liability to make, any Restricted Payments other than:

(a) (i) distributions to its shareholders, partners or members, as applicable, and (ii) payments made by the Parent or RCLP to purchase (A) outstanding shares of the common stock of the Parent (other than payments described in clause (b) below) or (B) outstanding units of preferred partnership interests (but only if and to the extent required pursuant to the mandatory redemption provisions set forth in RCLP's Third Amended and Restated Partnership Agreement, as amended, in connection with RCLP's issuance of redeemable preferred units in order to comply with Section 5 of the Parent's Articles of Incorporation and in the minimum amount necessary to avoid a violation of Sections 856(a)(6) and 856(h) of the Internal Revenue Code), which distributions and payments in the aggregate shall not exceed 95% of Funds From Operations as of the end of each fiscal quarter for the four fiscal quarter period then ending; provided, however, that any payments made pursuant to clause (ii) above shall not exceed 10% of Funds from Operations for such four quarter period;

(b) other payments made by the Parent or RCLP to purchase outstanding shares of the common stock of the Parent up to an amount equal to the aggregate net proceeds received by the Parent or RCLP in connection any issuance by the Parent or RCLP of Preferred Stock (which payments may be made with proceeds of Loans to the extent net proceeds of such Preferred Stock issuance were used to make an optional prepayment of outstanding Loans); provided, however, that any such payments made pursuant to this clause (b) must be made within twelve months after the date of issuance of such Preferred Stock;

(c) distributions of capital gains resulting from certain asset sales to the extent necessary to maintain compliance with Section 8.18.; and

(d) in the case of a Development Affiliate, distribution to its shareholders, partners or members, as applicable.

If an Event of Default under Section 10.1.(a) shall have occurred and be continuing as a result of any Borrower's failure to pay any principal of or interest on any of the Obligations, none of the Parent, the Borrowers or any Subsidiary (other than Wholly-Owned Subsidiaries) shall directly or indirectly declare or make, or incur any liability to make, any Restricted Payments. If any other Event of Default shall have occurred and be continuing, none of the Parent, the Borrowers or any Subsidiary (other than Wholly Owned Subsidiaries) shall directly or indirectly declare or make, or incur any liability to make, any Restricted Payments except that the Parent may make distributions to its shareholders in the minimum amount necessary to maintain compliance with Section 8.18.

SECTION 8.24. New Guarantors.

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

(i) such Person Guarantees, or otherwise becomes obligated in respect of, any Indebtedness of (1) the Parent; (2) any Borrower; (3) any other Subsidiary of the Parent or any Borrower or (4) any Non-Guarantor Entity; or

(ii) (A) such Person can become a party to the Guaranty without violating: (1) terms of its articles of incorporation, bylaws, operating agreement, partnership agreement, declaration of trust or other similar organizational document, which terms expressly prohibit such Subsidiary from providing Guarantees of Indebtedness of any other Person or otherwise incurring any Indebtedness or (2) any fiduciary obligation owing by such Subsidiary to the holders of an equity interest in such Subsidiary and imposed under Applicable Law and (B) such Person has incurred, acquired or suffered to exist any Indebtedness other than Nonrecourse Indebtedness; provided, however, the condition of this clause (ii) shall be deemed not to apply to any Single Asset Subsidiary; or

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

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

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

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

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

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

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

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

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

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

SECTION 8.25. New Development Affiliate Guarantors.

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

(i) such Person Guarantees, or otherwise becomes obligated in respect of, any Indebtedness of (1) the Parent; (2) any Borrower; (3) any other Subsidiary of the Parent or any Borrower, (4) any Development Affiliate or (5) any Non-Guarantor Entity; or

(ii) (A) such Person can become a party to the Guaranty without violating: (1) terms of its articles of incorporation, bylaws, operating

agreement, partnership agreement, declaration of trust or other similar organizational document, which terms expressly prohibit such Person from providing Guarantees of Indebtedness of any other Person or otherwise incurring any Indebtedness or (2) any fiduciary obligation owing by such Person to the holders of an equity interest in such Person and imposed under Applicable Law and (B) such Person has incurred, acquired or suffered to exist any Indebtedness other than Nonrecourse Indebtedness; provided, however, the condition of this clause (ii) shall be deemed not to apply to any Single Asset Subsidiary.

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

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

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

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

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

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

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

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

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

SECTION 8.26. Acquisitions or Developments of Properties.

Neither the Parent nor any of its Subsidiaries other than RCLP and its Subsidiaries shall acquire or develop any Property directly or indirectly through the Acquisition of a Subsidiary other than Properties acquired or developed by the Parent and such Subsidiaries on or before December 31, 1997; provided, however, that (a) Delk Spectrum, L.P., a Subsidiary of the Parent, may acquire and develop Properties after December 31, 1997 so long as the aggregate value of such Properties is equal to or less than \$13,000,000; and (b) the Parent may acquire the Properties described on Schedule 8.26. pursuant to the merger of Pacific Retail Trust with and into the Parent on February 28, 1999.

SECTION 8.27. Transfer of Properties to Borrower.

The Parent shall cause each of RRC General SPC, Inc., RRC Limited SPC, Inc., RSP IV Criterion, Ltd., Regency Rosewood Temple Terrace, Ltd., Treasure Coast Investors, Ltd., Landcom Regency Mandarin, Ltd., RRC FL SPC, Inc., RRC AL SPC, Inc., and RRC MS SPC, Inc. to transfer all Properties owned by such entities to RCLP upon the date six months following the earlier of the prepayment or the maturity of the those certain Mortgage Pass-Through Certificates (Series 1993-1) issued by RRC Lender, Inc. in the aggregate principal amount \$51,000,000 pursuant to that certain Trust Agreement dated as of November 5, 1993, between RRC Lender, Inc., as depositor and Banker's Trust Company, as Trustee (the foregoing transaction referred to herein as the "Banker's Trust Securitized Loan") provided, however, that the Parent may sell any of such Properties to a third party prior to the date six months following

the maturity of the Banker's Trust Securitized Loan. The maturity date of the Banker's Trust Securitized Loan shall not be extended beyond its current maturity of November 5, 2000. Notwithstanding the foregoing, the Parent shall not be required to transfer such Properties if this Agreement is amended, in form and substance satisfactory to the Agent, to provide that the financial covenants set forth in Article IX. be tested separately for RCLP and its Consolidated Subsidiaries and the Parent and its Consolidated Subsidiaries.

SECTION 8.28. Asset Value of Non-Guarantor Entities.

At no time shall the aggregate Asset Value of the Non-Guarantor Entities obligated in respect of any Indebtedness other than Nonrecourse Indebtedness exceed 10% of the Gross Asset Value of the Parent and its Consolidated Subsidiaries. For purposes of this Section, a Development Affiliate or a Development Affiliate Guarantor shall only be considered a Non-Guarantor Entity hereunder if it is obligated in respect of any Indebtedness (excluding any Indebtedness owing under any Loan Document) which is not Nonrecourse Indebtedness.

SECTION 8.29. Hedging Agreements.

The Borrowers and the Parent shall not, and shall not permit any Subsidiary of the Parent or any Borrower to, create, incur or suffer to exist any obligations in respect of Hedging Agreements other than (a) Hedging Agreements existing on the date hereof and described in Schedule 8.29.; (b) interest rate cap agreements and (c) interest rate Hedging Agreements (excluding interest rate cap agreements) entered into from time to time after the date hereof with counterparties that are nationally recognized, investment grade financial institutions in an aggregate notional amount not to exceed \$625,000,000 at any time outstanding; provided that, no Hedging Agreement otherwise permitted hereunder may be speculative in nature.

SECTION 8.30. Limitation Relating to Regency Realty Group, Inc.

RRG shall not modify its Articles of Incorporation as in effect on the Agreement Date if such modification would reasonably likely result in RCLP receiving less than 95% of the "annual cash flow" referred to in such Articles of Incorporation of RRG in any fiscal year.

Article IX. Financial Covenants

SECTION 9.1. Minimum Net Worth.

The Parent shall not at any time permit its Net Worth determined on a consolidated basis to be less than an amount equal to the greater of (a)(i) 90% of the tangible Net Worth of the Parent determined on a consolidated basis as of December 31, 1999 plus (ii) 90% of the sum of (x) the amount of proceeds (net of transaction costs) received by the Parent from the sale or issuance of shares, options, warrants or other equity securities of any class or character of the Parent after December 31, 1999 which affect the Net Worth of the Parent plus (y) any positive change in the Parent's Net Worth occurring upon the issuance of any shares of the Parent in exchange for the limited partnership units held by the limited partners of RCLP minus (iii) the aggregate amount paid by the Parent to purchase outstanding shares of the common stock of the Parent (to the extent such payments are permitted by Section 8.23.) or (b) \$1,100,000,000.

SECTION 9.2. Ratio of Total Liabilities to Gross Asset Value.

The Parent shall not at any time permit the ratio of Total Liabilities of the Parent and its Consolidated Subsidiaries to Gross Asset Value of the Parent and its Consolidated Subsidiaries to exceed 0.525 to 1.00 at any time.

SECTION 9.3. Ratio of Secured Indebtedness to Gross Asset Value.

The Parent shall not at any time permit the ratio of Secured Indebtedness of the Parent and its Consolidated Subsidiaries to Gross Asset Value of the Parent and its Consolidated Subsidiaries to exceed 0.35 to 1.00 at any time.

SECTION 9.4. Ratio of EBITDA to Interest Expense.

The Parent shall not permit the ratio of EBITDA of the Parent and its Consolidated Subsidiaries for the four fiscal-quarter period most recently ended to Interest Expense of the Parent and its Consolidated Subsidiaries for such four-quarter period to be less than 2.0 to 1.0 at the end of each fiscal quarter.

SECTION 9.5. Ratios of EBITDA to Debt Service, Preferred Stock

Distributions and Reserve for Replacements.

(a) The Parent shall not permit the ratio of (i) EBITDA of the Parent and its Consolidated Subsidiaries for the four fiscal-quarter period most recently ended to (ii) the sum of each of the following for such four-quarter period (A) Debt Service of the Parent and its Consolidated Subsidiaries plus (B) Reserve for Replacements for all of the Properties of the Parent and its Consolidated Subsidiaries to be less than 1.75 to 1.00 at the end of each fiscal quarter.

(b) The Parent shall not permit the ratio of (i) EBITDA of the Parent and its Consolidated Subsidiaries for the four fiscal-quarter period most recently ended to (ii) the sum of each of the following for such four-quarter period (A) Debt Service of the Parent and its Consolidated Subsidiaries plus (B) any distributions by the Parent or any Subsidiary to the holders of Preferred Stock issued by the Parent or any such Subsidiary (excluding any such distributions made to the Parent or any Subsidiary) plus (C) Reserve for Replacements for all of the Properties of the Parent and its Consolidated Subsidiaries to be less than 1.65 to 1.00 at the end of each fiscal quarter.

SECTION 9.6. Unsecured Interest Expense Coverage.

The Parent shall not permit the ratio of Unencumbered NOI to Interest Expense on Unsecured Indebtedness of the Parent and its Consolidated Subsidiaries for any fiscal quarter to be less than 1.75 to 1.00 for such fiscal quarter.

SECTION 9.7. Permitted Investments.

(a) The Parent and the Borrowers shall not make any Investment in or otherwise own, and the Parent shall not permit any Guarantor, any Development Affiliate Guarantor or any other Subsidiary of the Parent or any Borrower to make an Investment in or otherwise own, the following items which would cause the aggregate value of such holdings of the Parent, the Borrowers, and the other Subsidiaries of the Parent and the Borrowers to exceed the following percentages of the Parent's Gross Asset Value:

(i) unimproved real estate, such that the aggregate book value of all such unimproved real estate exceeds 10% of the Parent's Gross Asset Value;

(ii) Common stock, preferred stock, other capital stock, beneficial interest in trust, membership interest in limited liability companies and other equity interests in Persons (other than Subsidiaries and Unconsolidated Affiliates), such that the aggregate value of such interests calculated on the basis of the lower of cost or market, exceeds 5% of the Parent's Gross Asset Value;

(iii) Mortgages in favor of the Parent, any Borrower or any other Subsidiary of the Parent or any Borrower, such that the aggregate book value of Indebtedness secured by such Mortgages exceeds 5% of the Parent's Gross Asset Value;

(iv) Investments in Unconsolidated Affiliates, such that the aggregate value of such Investments exceeds 15% of the Parent's Gross Asset Value. For purposes of this clause (iv), the "value" of any such Investment in such a non-corporate Person shall equal (1) with respect to any of such Person's Properties under construction, the Parent's Ownership Share of the book value of Construction in Process for such Property as of the date of determination and (2) with respect to any of such Person's Properties which have been completed, the Parent's Ownership Share of Capitalized EBITDA of such Person attributable to such Properties; and

In addition to the foregoing limitations, the aggregate value of the Investments subject to the limitations in the preceding clauses (i) through (iv) shall not exceed 25% of the Parent's Gross Asset Value.

Additionally, the aggregate amount of the Construction Budgets for Development Properties in which the Parent either has a direct or indirect ownership interest shall not exceed 20% of the Parent's Gross Asset Value. If a Development Property is owned by an Unconsolidated Affiliate of the Parent, RCLP, any other Borrower or any Subsidiary, then the greater of (1) the product of (A) the Parent's, RCLP's, such other Borrower's or such Subsidiary's Ownership Share in such Unconsolidated Affiliate and (B) the amount of the Construction Budget for such Development Property or (2) the recourse obligations of the Parent, RCLP, such other Borrower or such Subsidiary relating to the Indebtedness of such Unconsolidated Affiliate, shall be used in calculating such investment limitation.

SECTION 9.8. Floating Rate Debt.

The Parent and the Borrowers will not and will not permit any of their Subsidiaries to incur, assume or suffer to exist any Unprotected Floating Rate Debt of the Parent and its Consolidated Subsidiaries in an aggregate outstanding principal amount in excess of 25% of Gross Asset Value of the Parent and its Consolidated Subsidiaries at any time.

SECTION 9.9. Limitation on Non-Wholly Owned Subsidiaries, Preferred

Stock Entities and Unconsolidated Affiliates.

The Parent shall not permit the sum of (a) the value of Investments in Unconsolidated Affiliates plus (b) the Capitalized EBITDA of Consolidated Subsidiaries which are not Wholly Owned Subsidiaries to exceed 25% of the Gross Asset Value of the Parent and its Consolidated Subsidiaries as of the end of each fiscal quarter. For purposes of this section, the "value" of an Investment in an Unconsolidated Affiliate shall equal (1) with respect to any of such Unconsolidated Affiliate's Properties under construction, the Parent's Ownership Share of the book value of Construction in Process for such Property as of the date of determination and (2) with respect to any of such Unconsolidated Affiliate's Properties which have been completed, the Parent's Ownership Share

of Capitalized EBITDA of such Unconsolidated Affiliate attributable to such Properties.

SECTION 9.10. Stabilized Retail Operating Properties.

The Borrowers shall not permit the aggregate Unencumbered Pool Value of all Stabilized Retail Operating Properties to be less than 150% of all Unsecured Liabilities of the Parent and its Consolidated Subsidiaries at any time.

ARTICLE X. DEFAULTS

SECTION 10.1. Events of Default.

If one or more of the following events shall have occurred and be continuing:

(a) Default in Payment. A Borrower shall fail to pay the principal amount of any Loan or any Reimbursement Obligation when due or (ii) any interest on any Loan or other Obligation, or any fees or other Obligations, owing by it within 5 Business Days of the due date thereof;

(b) Default in Performance. The Parent or any Borrower shall fail to observe or perform any covenant or agreement contained in Section 8.12., Section 8.13. or Section 8.19. on its part to be performed;

(c) Default in Performance-Cure. The Parent or any Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by the immediately preceding subsections (a) or (b)) for a period of 30 days after written notice thereof has been given to such Borrower or the Parent by the Agent;

(d) Other Loan Documents. An Event of Default under and as defined in any Loan Document shall occur and be continuing or the Parent or any Borrower shall fail to observe or perform any covenant or agreement contained in any of the Loan Documents to which it is a party and such failure shall continue beyond any applicable period of grace;

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

(f) Indebtedness Cross-Default.

(i) The Parent, any Borrower, any other Guarantor, any Development Affiliate Guarantor or any other Subsidiary of the Parent or any Borrower shall fail to pay when due and payable the principal of, or interest on, any Indebtedness (other than the Loans) or any Contingent Obligations, which Indebtedness or Contingent Obligations have an aggregate outstanding principal amount of \$5,000,000 or more;

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

(iii) Any other event shall have occurred and be continuing which, with or without the passage of time, the giving of notice, a determination of materiality, the satisfaction of any condition or any combination of the foregoing, would permit any holder or holders of such Indebtedness or Contingent Obligations, any trustee or agent acting on behalf of such holder or holders or any other Person, to accelerate the maturity of any such Indebtedness or Contingent Obligations or require any such Indebtedness or Contingent Obligations to be prepaid prior to its stated maturity.

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

(h) Involuntary Bankruptcy Proceeding. A case or other proceeding shall be

commenced against the Parent, any Borrower, any other Guarantor, any Development Affiliate Guarantor or any other Affiliates, in any court of competent jurisdiction seeking: (i) relief under the Bankruptcy Code of 1978, as amended or other federal bankruptcy laws (as now or hereafter in effect) or under any other Applicable Laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; or (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of such Person, or of all or any substantial part of the assets, domestic or foreign, of such Person, and such case or proceeding shall continue undismitted or unstayed for a period of 60 consecutive calendar days, or an order granting the relief requested in such case or proceeding against the Parent, such Borrower, such Guarantor, such Development Affiliate Guarantor or such Affiliate (including, but not limited to, an order for relief under such Bankruptcy Code or such other federal bankruptcy laws) shall be entered.

(i) Change of Control/Change in Management.

(w) (A) Any Person (or two or more Persons acting in concert) (other than the Stein Parties, US Realty or Security Capital Group) shall acquire "beneficial ownership" within the meaning of Rule 13d-3 of the Securities and Exchange Act of 1934, as amended, of the capital stock or securities of the Parent representing 20% or more of the aggregate voting power of all classes of capital stock and securities of the Parent entitled to vote for the election of directors or (B) during any twelve-month period (commencing both before and after the Agreement Date), individuals who at the beginning of such period were directors of the Parent shall cease for any reason (other than death or mental or physical disability) to constitute a majority of the board of directors of the Parent;

(x) (A) Martin E. Stein, Jr., (B) any of his immediate family members consisting of his spouse and his lineal descendants (whether natural or adopted), and (C) any trusts established for the sole benefit of any of the foregoing, shall cease to own, directly or indirectly, in the aggregate, 125,000 shares of the outstanding common stock of the Parent (without regard to any dilution thereof);

(y) US Realty or Security Capital Group shall cease to own, directly or indirectly, in the aggregate, at least 25% of the total outstanding common stock of the Parent; or

(z) the general partner of RCLP shall cease to be the Parent.

(j) Change in Ownership of Development Affiliates

(x) RCLP shall cease to own at least 95% of the outstanding preferred stock, and at least 7% of the outstanding common stock, of RRG; or

(y) any Person other than Martin E. Stein, Jr., RRG or RCLP shall acquire any of the issued and outstanding equity interests of RRG; or

(z) any Person other than RRG or RCLP (or its Wholly Owned Subsidiaries) shall acquire any of the issued and outstanding equity interests of a Development Joint Venture.

(k) ERISA. The assets of the Parent, any Borrower or any other Guarantor, any Development Affiliate Guarantor at any time constitute assets, within the meaning of ERISA, the Internal Revenue Code and the respective regulations promulgated thereunder, of any ERISA Plan or Non-ERISA Plan;

(l) Litigation. The Parent, any Borrower or any other Guarantor, any Development Affiliate Guarantor shall disavow, revoke or terminate any Loan Document to which it is a party or shall otherwise challenge or contest in any action, suit or proceeding in any court or before any Governmental Authority the validity or enforceability of this Agreement, any Note or any other Loan Document.

(m) Judgment. A judgment or order for the payment of money (not adequately covered by insurance as to which the insurance company has acknowledged coverage in writing) shall be entered against the Parent, any Borrower or any Subsidiary of the Parent or any Borrower by any court or other tribunal which exceeds, individually or together with all other such judgments or orders entered against the Parent, such Borrower or such Subsidiary, \$5,000,000 in amount (or which could otherwise have a Materially Adverse Effect) and such judgment or order shall continue for a period of 30 days without being stayed or dismissed through appropriate appellate proceedings.

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

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

(p) Guarantors. Any Guarantor or any Development Affiliate Guarantor shall fail to comply with any term, covenant, condition or agreement contained in the Guaranty or the Development Affiliate Guaranty, respectively, or any Guarantor or Development Affiliate Guarantor shall disavow, revoke or terminate or attempt to do any of the foregoing with respect to the Guaranty or Development Affiliate Guaranty, respectively.

SECTION 10.2. Remedies.

Upon the occurrence of an Event of Default, and in every such event, the Agent shall, upon the direction of the Majority Lenders, (i) by notice to the Borrowers terminate the Commitments, which shall thereupon terminate, and (ii) by notice to the Borrowers declare the Loans and all other Obligations and an amount equal to the Stated Amount of all Letters of Credit then outstanding to be, and the Loans and all other Obligations and an amount equal to the Stated Amount of all Letters of Credit then outstanding for deposit into the Collateral Account shall thereupon become, immediately due and payable without presentment, demand, protest or notice of intention to accelerate, all of which are hereby waived by the Borrowers. If the Agent has exercised any of the rights provided under the preceding sentence, the Swingline Lender shall: (I) declare the principal of, and accrued interest on, the Swingline Loans and the Swingline Notes at the time outstanding, and all of the other Obligations owing to the Swingline Lender, to be forthwith due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by each Borrower and (II) terminate the Swingline Commitment and the obligation of the Swingline Lender to make Swingline Loans. Notwithstanding the foregoing, upon the occurrence of any of the Events of Default specified in Section 10.1.(g) or (h) above, without any notice to the Borrowers or any other act by the Agent, the Commitments and the Swingline Commitment shall thereupon immediately and automatically terminate and the Loans and all other Obligations and an amount equal to the Stated Amount of all Letters of Credit then outstanding for deposit into the Collateral Account shall become immediately due and payable without presentment, demand, protest, notice of intention to accelerate or notice of acceleration, or other notice of any kind, all of which are hereby waived by the Borrowers. Upon the occurrence and during the continuance of a Default under Section 10.1.(h) or Section 10.1.(i)(y), the right of the Borrowers to request Revolving Loans and Swingline Loans shall be suspended.

SECTION 10.3. Allocation of Proceeds.

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

(a) amounts due to the Agent and the Lenders in respect of fees and expenses due under Section 12.3.;

(b) payments of interest on Swingline Loans owing by such Borrower;

(c) payments of interest on all other Loans and Reimbursement Obligations owing by such Borrower, to be applied for the ratable benefit of the Lenders;

(d) payments of principal of Swingline Loans owing by such Borrower;

(e) payments of principal of all other Loans and Reimbursement Obligations owing by such Borrower, to be applied for the ratable benefit of the Lenders;

(f) amounts to be deposited into the Collateral Account in respect of Letters of Credit issued for the account of such Borrower;

(g) amounts due to the Agent and the Lenders pursuant to Sections 11.8. and 12.5.;

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

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

SECTION 10.4. Rights Cumulative.

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

SECTION 10.5. Rescission of Acceleration by Majority Lenders.

If at any time after acceleration of the maturity of the Loans and the other Obligations, each Borrower shall pay all arrears of interest and all

payments on account of principal of the Obligations owing by such Borrower and which shall have become due otherwise than by acceleration (with interest on principal and, to the extent permitted by Applicable Law, on overdue interest, at the rates specified in this Agreement) and all Events of Default and Defaults (other than nonpayment of principal of and accrued interest on such Obligations due and payable solely by virtue of acceleration) shall be remedied or waived to the satisfaction of the Majority Lenders, then by written notice to the Borrowers, the Majority Lenders may elect, in the sole discretion of such Majority Lenders, to rescind and annul the acceleration and its consequences. The provisions of the preceding sentence are intended merely to bind all of the Lenders to a decision which may be made at the election of the Majority Lenders, and are not intended to benefit the Borrowers and do not give the Borrowers the right to require the Lenders to rescind or annul any acceleration hereunder, even if the conditions set forth herein are satisfied.

SECTION 10.6. Collateral Account.

(a) As collateral security for the prompt payment in full when due of all Letter of Credit Liabilities, each Borrower hereby pledges and grants to the Agent, for the benefit of the Lenders as provided herein, a security interest in all of such Borrower's right, title and interest in and to the Collateral Account and the balances from time to time in the Collateral Account (including the investments and reinvestments therein provided for below). The balances from time to time in the Collateral Account shall not constitute payment of any Letter of Credit Liabilities until applied by the Agent as provided herein. Anything in this Agreement to the contrary notwithstanding, funds held in the Collateral Account shall be subject to withdrawal only as provided in this Section.

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

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

(d) When all of the Obligations shall have been indefeasibly paid in full and no Letters of Credit remain outstanding, the Agent shall promptly deliver to the Borrowers, against receipt but without any recourse, warranty or representation whatsoever, the balances remaining in the Collateral Account.

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

ARTICLE XI. THE AGENT

SECTION 11.1. Appointment and Authorization.

Each Lender irrevocably appoints and authorizes the Agent to take such action as the contractual representative on its behalf and to exercise such powers under the Loan Documents as are delegated to the Agent by the terms thereof, together with all such powers as are reasonably incidental thereto. The Borrowers shall be entitled to rely conclusively upon a written notice or written response from the Agent as being made pursuant to the requisite concurrence or consent of the Lenders necessary to take such action without investigation or otherwise contacting the Lenders hereunder. Nothing herein shall be construed to deem the Agent a trustee for any Lender nor to impose on the Agent duties or obligations other than those expressly provided for herein. Not in limitation of the foregoing, each Lender agrees the Agent has no fiduciary obligations to such Lender under this Agreement, any other Loan Document or otherwise. At the request of a Lender, the Agent will forward to each Lender copies or, where appropriate, originals of the documents delivered to the Agent pursuant to Section 6.1. The Agent shall deliver to each Lender, promptly upon receipt thereof by the Agent, copies of each of the financial statements, certificates, notices and other documents delivered to the Agent pursuant to Sections 8.1.(a) through (p) and (r) through (t) and will, at the request of, and at the expense of, a Lender, deliver to such Lender a copy of each of the documents delivered to the Agent pursuant to Section 8.1.(q). The Agent will also furnish to any Lender, upon the request of such Lender, a copy of any certificate or notice furnished to the Agent by a Borrower pursuant to this Agreement or any other Loan Document not already delivered to such Lender pursuant to the terms of this Agreement or any such other Loan Document. As to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection of the Notes), the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such

instructions shall be binding upon all the Lenders and all holders of Notes; provided, however, that the Agent shall not be required to take any action which exposes the Agent to personal liability or which is contrary to this Agreement or any other Loan Document or Applicable Law. The Agent shall not be deemed to have knowledge or notice of the occurrence of a Default or Event of Default unless the Agent has obtained knowledge of such Default or Event of Default in the manner provided for under Section 11.5. In the event that the Agent has actual knowledge of the occurrence of a Default or Event of Default, the Agent shall give prompt notice thereof to the Lenders. Each Lender authorizes and directs the Agent to enter into the Loan Documents for the benefit of the Lenders. Each Lender hereby agrees that, except as otherwise set forth herein, any action taken by the Majority Lenders in accordance with the provisions of this Agreement or the Loan Documents, and the exercise by the Majority Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders. Not in limitation of the foregoing, the Agent shall not exercise any right or remedy it or the Lenders may have under any Loan Document upon the occurrence of a Default or an Event of Default unless the Majority Lenders have so directed the Agent to exercise such right or remedy.

SECTION 11.2. The Agent and Affiliates.

Wells Fargo, as a Lender, shall have the same rights and powers under this Agreement and any other Loan Document as any other Lender and may exercise the same as though it were not the Agent; and the term "the Lender" or "the Lenders" shall, unless otherwise expressly indicated, include Wells Fargo in each case in its individual capacity. Wells Fargo and its affiliates and the other Lenders and their respective affiliates may each accept deposits from, maintain deposits or credit balances for, invest in, lend money to, act as trustee under indentures of, and generally engage in any kind of business with any Borrower and any Affiliate of any such Borrower as if Wells Fargo or such Lender were any other bank and without any duty to account therefor to the other Lenders.

SECTION 11.3. Collateral Matters.

Each Lender authorizes and directs the Agent to enter into the Loan Documents for the benefit of the Lenders. Each Lender hereby agrees that, except as otherwise set forth herein, any action taken by the Majority Lenders in accordance with the provisions of this Agreement or the Loan Documents, and the exercise by the Majority Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders.

SECTION 11.4. Approvals of the Lenders.

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

SECTION 11.5. Notice of Defaults.

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

SECTION 11.6. Consultation with Experts.

The Agent may consult with legal counsel (who may be counsel for any Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

SECTION 11.7. Liability of the Agent.

Neither the Agent nor any of its affiliates nor any of their respective directors, officers, the Agents or employees shall be liable for any action taken or not taken by the Agent in connection with any of the Loan Documents in the absence of its own gross negligence or willful misconduct. Neither the Agent nor any of its affiliates nor any of their respective directors, officers, the Agents or employees shall be responsible for or have any duty to ascertain,

inquire into or verify (a) any statement, warranty or representation made in connection with any of the Loan Documents, or any borrowing hereunder, (b) the performance or observance of any of the covenants or agreements of a Borrower, a Guarantor or a Development Affiliate Guarantor, (c) the satisfaction of any condition specified in Article VI., or (d) the validity, effectiveness or genuineness of any of the Loan Documents or any other instrument or writing furnished in connection herewith or therewith. The Agent shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a bank wire, telex or similar writing) believed by it to be genuine or to be signed by the proper party or parties.

SECTION 11.8. Indemnification of the Agent.

The Lenders agree to indemnify the Agent (to the extent not reimbursed by the Borrowers and without limiting the obligation of the Borrowers to do so) in accordance with the Lenders' respective Pro Rata Shares, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of the Loan Documents or any action taken or omitted by the Agent under the Loan Documents; provided, however, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (i) to the extent arising from the Agent's gross negligence or willful misconduct or (ii) if the Agent fails to follow the written direction of the Majority Lenders unless such failure is pursuant to the Agent's good faith reliance on the advice of counsel of which the Lenders have received notice. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees) reasonably incurred by the Agent in connection with the preparation, execution, administration, or enforcement of, or legal advice with respect to the rights or responsibilities of the parties under, the Loan Documents, to the extent that the Agent is not reimbursed for such expenses by the Borrowers. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder or under the other Loan Documents and the termination of this Agreement.

SECTION 11.9. Credit Decision.

Each Lender expressly acknowledges that neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or other affiliates has made any representations or warranties to such Lender and that no act by the Agent hereinafter taken, including any review of the affairs of the Borrowers, the Guarantors and the Development Affiliate Guarantors, shall be deemed to constitute any representation or warranty by the Agent to any Lender. Each Lender acknowledges that it has, independently and without reliance upon the Agent, any other Lender or counsel to the Agent, and based on the financial statements of the Borrowers, the Guarantors or the Development Affiliate Guarantors and their affiliates, its review of the Loan Documents, the legal opinions required to be delivered to it hereunder, the advice of its own counsel and such other documents and information as it has deemed appropriate, made its own credit and legal analysis and decision to enter into this Agreement and the transaction contemplated hereby. Each Lender also acknowledges that it will, independently and without reliance upon the Agent, any other Lender or counsel to the Agent, and based on such review, advice, documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under the Loan Documents. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Agent hereunder, the Agent shall have no duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of any Borrower, any Guarantor, any Development Affiliate Guarantor or any other Affiliate which may come into possession of the Agent or any of its officers, directors, employees, the Agents, attorneys-in-fact or other affiliates. Each Lender acknowledges that the Agent's legal counsel in connection with the transactions contemplated by this Agreement is only acting as counsel to the Agent and is not acting as counsel to such Lender.

SECTION 11.10. Successor Agent.

The Agent may resign at any time by giving 30 days' prior written notice thereof, to the Lenders and RCLP. The Agent may be removed as the Agent under the Loan Documents for good cause upon 30 days' prior written notice to the Agent by the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Majority Lenders, and shall have accepted such appointment, within 30 days after the current Agent's giving of notice of resignation or the Majority Lenders' removal of the current Agent, then the current Agent may, on behalf of the Lenders, appoint a successor Agent, which shall be a Lender, if any Lender shall be willing to serve. Any successor Agent must be a bank whose debt obligations (or whose parent's debt obligations) are rated not less than investment grade or its equivalent by a Rating Agency and which has total assets in excess of \$10,000,000,000. Upon the acceptance of its appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights and duties of the current Agent, and the current Agent shall be discharged from its duties and obligations hereunder. After any current Agent's resignation hereunder as Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Agent. Notwithstanding anything contained herein to the contrary, the Agent may assign its rights and duties hereunder to any of its affiliates by giving the Borrowers and each Lender prior written notice thereof.

SECTION 11.11. Approvals and Other Actions by Majority Lenders.

Each of the following shall require the approval of, or may be taken at the request of, the Majority Lenders:

- (a) Approval of Eligible Properties as Unencumbered Pool Properties as provided in Section 4.1.(c);
- (b) Termination of the Commitments and acceleration of the Obligations upon the occurrence of an Event of Default as provided in Section 10.2.;
- (c) Recission of acceleration of any of the Obligations as provided in Section 10.5.;
- (d) Removing the Agent for good cause and approving of its replacement as provided in Section 11.10.; and
- (e) Except as specifically provided otherwise in Section 12.7., any consent or approval regarding, any waiver of the performance or observance by a Borrower of and the waiver of the continuance of any Default or Event of Default in respect of, any term of this Agreement or any other Loan Document.

SECTION 11.12. Documentation, Syndication and Managing Agents.

None of the Documentation Agent, the Syndication Agent or the Managing Agents (each in such capacity, a "Titled Agent") assumes any responsibility or obligation hereunder, including, without limitation, for servicing, enforcement or collection of any of the Loans, nor any duties as an agent hereunder for Lenders. The titles of "Documentation Agent", "Syndication Agent" and "Managing Agent" are solely honorific and imply no fiduciary responsibility on the part of the Titled Agents to the Agent, any Borrower or any Lender and the use of such titles does not impose on the Titled Agents any duties or obligations greater than those of any other Lender or entitle the Titled Agents to any rights other than those to which any other Lender is entitled.

ARTICLE XII. MISCELLANEOUS

SECTION 12.1. Notices.

All notices, requests and other communications to any party under the Loan Documents shall be in writing (including bank wire, facsimile transmission or similar writing) and shall be given to such party as follows:

If to a Borrower:

c/o Regency Realty Corporation
121 West Forsyth Street, Suite 200
Jacksonville, Florida 32202
Attention: Chief Financial Officer
Telecopier: (904) 634-3428
Telephone: (904) 356-7000

If to a Lender or the Agent:

To such Lender's or the Agent's Lending Office

or as to each party at such other address as such party shall designate in a written notice to the other parties. Each such notice, request or other communication shall be effective (a) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (b) if given by any other means (including facsimile), when delivered at the applicable address provided for in this Section; provided that notices to the Agent under Article II., and any notice of a change of address for notices, shall not be effective until received. In addition to the Agent's Lending Office, the Borrowers shall send copies of the information described in Section 8.1. to the following address of the Agent:

Wells Fargo Bank, National Association
Real Estate Group
Koll Center
2030 Main Street, Suite 800
Irvine, California 92714
Attention: Ms. Rita Swayne

SECTION 12.2. No Waivers.

No failure or delay by the Agent or any Lender in exercising any right, power or privilege under any Loan Document shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in the Loan Documents shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 12.3. Expenses.

The Borrowers jointly and severally agree to pay on demand all present and future reasonable expenses of:

- (a) the Agent in connection with the negotiation, preparation, execution

and delivery (including reasonable out-of-pocket costs and expenses incurred in connection with the assignment of Commitments pursuant to Section 12.8.) of this Agreement, the Notes and each of the other Loan Documents, whenever the same shall be executed and delivered, including appraisers' fees, search fees, recording fees and the reasonable fees and disbursements of: (i) Alston & Bird LLP, counsel for the Agent, and (ii) each local counsel retained by the Agent;

(b) the Agent in connection with the negotiation, preparation, execution and delivery of any waiver, amendment or consent by the Agent or any Lender relating to this Agreement, the Notes or any of the other Loan Documents or sales of participations in any Lender's Commitment, including the reasonable fees and disbursements of counsel to the Agent;

(c) the Agent and each of the Lenders in connection with any restructuring, refinancing or "workout" of the transactions contemplated by this Agreement, the Notes and the other Loan Documents, including the reasonable fees and disbursements of counsel to the Agent actually incurred;

(d) the Agent and each of the Lenders, after the occurrence of a Default or Event of Default, in connection with the collection or enforcement of the obligations of the Borrowers under this Agreement, the Notes or any other Loan Document, including the reasonable fees and disbursements of counsel to the Agent or to any Lender actually incurred if such collection or enforcement is done by or through an attorney;

(e) subject to any limitation contained in Section 12.5., the Agent and each of the Lenders in connection with prosecuting or defending any claim in any way arising out of, related to, or connected with this Agreement, the Notes or any of the other Loan Documents, including the reasonable fees and disbursements of counsel to the Agent or any Lender actually incurred and of experts and other consultants retained by the Agent or any Lender in connection therewith;

(f) the Agent and each of the Lenders, after the occurrence of a Default or Event of Default, in connection with the exercise by the Agent or any Lender of any right or remedy granted to it under this Agreement, the Notes or any of the other Loan Documents including the reasonable fees and disbursements of counsel to the Agent or any Lender actually incurred;

(g) the Agent in connection with costs and expenses incurred by the Agent in gaining possession of, maintaining, appraising, selling, preparing for sale and advertising to sell any collateral security, whether or not a sale is consummated; and

(h) the Agent and each of the Lenders, to the extent not already covered by any of the preceding subsections, in connection with any bankruptcy or other proceeding of the type described in Sections 10.1.(g) or (h), and the reasonable fees and disbursements of counsel to the Agent and any Lender actually incurred in connection with the representation of the Agent or such Lender in any matter relating to or arising out of any such proceeding, including without limitation (i) any motion for relief from any stay or similar order, (ii) the negotiation, preparation, execution and delivery of any document relating to the Agent or such Lender and (iii) the negotiation and preparation of any plan of reorganization of a Borrower, whether proposed by such Borrower, the Lenders or any other Person, and whether such fees and expenses are incurred prior to, during or after the commencement of such proceeding or the confirmation or conclusion of any such proceeding.

SECTION 12.4. Stamp, Intangible and Recording Taxes.

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

SECTION 12.5. Indemnification.

Each Borrower shall and hereby jointly and severally agrees to indemnify, defend and hold harmless the Agent and each of the Lenders and their respective directors, officers, the Agents and employees from and against (a) any and all losses, claims, damages, liabilities, deficiencies, judgments or expenses incurred by any of them (except to the extent that it results from their own gross negligence or willful misconduct) arising out of or by reason of any litigation, investigations, claims or proceedings which arise out of or are in any way related to: (i) this Agreement or the transactions contemplated thereby; (ii) the making of Loans or issuance of Letters of Credit; (iii) any actual or proposed use by any Borrower of the proceeds of the Loans or of Letters of Credit; or (iv) the Agent's or the Lenders' entering into this Agreement, the other Loan Documents or any other agreements and documents relating hereto, including, without limitation, amounts paid in settlement, court costs and the reasonable fees and disbursements of counsel incurred in connection with any such litigation, investigation, claim or proceeding or any advice rendered in connection with any of the foregoing and (b) any such losses, claims, damages, liabilities, deficiencies, judgments or expenses incurred in connection with any remedial or other similar action taken by any Borrower, the Agent or any of the Lenders in connection with the required compliance by any Borrower or any of the Subsidiaries, or any of their respective properties, with any federal, state or local Environmental Laws or other material environmental rules, regulations, orders, directions, ordinances, criteria or guidelines. If and to the extent that the obligations of a Borrower hereunder are unenforceable for any reason,

the Borrowers hereby jointly and severally agree to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under Applicable Law. The Borrowers' obligations hereunder shall survive any termination of this Agreement and the other Loan Documents and the payment in full of the Obligations, and are in addition to, and not in substitution of, any other of its other obligations set forth in this Agreement and the other Loan Documents.

SECTION 12.6. Setoff.

In addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, each Lender is hereby authorized by each Borrower, at any time or from time to time upon the occurrence and during the continuance of an Event of Default but subject to the Agent's prior written consent, without notice to any Borrower or to any other Person, any such notice being hereby expressly waived, to set-off and to appropriate and to apply any and all deposits (general or special, including, but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured) and any other indebtedness at any time held or owing by such Lender or any Affiliate of such Lender, to or for the credit or the account of such Borrower against and on account of any of the Obligations then due and owing by such Borrower. Each Borrower agrees, to the fullest extent it may effectively do so under Applicable Law, that any holder of a participation in a Note executed by such Borrower, whether or not acquired pursuant to the foregoing arrangements, may exercise rights of setoff or counterclaim and other rights with respect to such participation as fully as if such holder of a participation were a direct creditor of such Borrower in the amount of such participation.

SECTION 12.7. Amendments.

Any consent or approval required or permitted by this Agreement or in any other Loan Document (other than any agreement evidencing the fees referred to in Section 3.1.(e)) to be given by the Lenders may be given, and the performance or observance by a Borrower of any terms of any such Loan Document or the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Majority Lenders. Any provision of this Agreement or of any other Loan Document (other than any agreement evidencing the fees referred to in Section 3.1.(e)) may be amended or otherwise modified with, but only with, the written consent of the Borrowers and the Majority Lenders. Any provision of any agreement evidencing the fees referred to in Section 3.1.(e) may be amended or otherwise modified only in writing by the Agent and the Borrowers, and the performance or observance by any Borrower of any terms of any such agreement may be waived only with the written consent of the Agent. Notwithstanding the foregoing, none of the following may be amended or otherwise modified, nor may compliance by a Borrower, as applicable thereunder or with respect thereto be waived, without the written consent of all the Lenders and the Borrowers:

- (a) the principal amount of any Loan (including forgiveness of any amount of principal);
- (b) the rates of interest on the Loans and the amount of any interest payable on the Loans (including the forgiveness of any accrued but unpaid interest);
- (c) the dates on which any principal or interest payable by a Borrower under any Loan Document is due;
- (d) the provisions of the first sentence of Section 2.1.(a), Section 2.2.(a), Section 2.8.(f), Section 9.2. and this Section;
- (e) the Revolving Credit Termination Date;
- (f) the Termination Date;
- (g) the obligations of a Guarantor or Development Affiliate Guarantor under the Guaranty or Development Affiliate Guaranty, respectively, including the release of a Guarantor or Development Affiliate Guarantor, as applicable, therefrom (except as specifically permitted in the last sentence of Section 4.2.) or the obligations of RCLP under Section 12.16. or a Development Affiliate under Section 12.17. (except in connection with a transaction permitted under Section 8.13.(iii));
- (h) the definition of Borrowing Base, Commitment, Majority Lenders (or any minimum requirement necessary for the Lenders or Majority Lenders to take action hereunder), Pro Rata Share, Commitment and Maximum Loan Availability and Unencumbered Pool Value (and the definitions used in either such definition and the percentages and rates used in the calculation thereof); and
- (i) the amount and payment date of any fees.

Further, no amendment, waiver or consent unless in writing and signed by the Agent, in addition to the Lenders required hereinabove to take such action, shall affect the rights or duties of the Agent under this Agreement or any of the other Loan Documents. Any amendment, waiver or consent relating to Section 2.3. or the obligations of the Swingline Lender under this Agreement or any other Loan Document shall, in addition to the Lenders required hereinabove to take such action, require the written consent of the Swingline Lender. No waiver shall extend to or affect any obligation not expressly waived or impair any

right consequent thereon. No course of dealing or delay or omission on the part of any Lender or the Agent in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. No notice to or demand upon any Borrower shall entitle any Borrower to other or further notice or demand in similar or other circumstances.

SECTION 12.8. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that no Borrower may assign or otherwise transfer any of its rights under this Agreement without the prior written consent of all the Lenders.

(b) Any Lender may at any time grant to one or more banks or other financial institutions (each a "Participant") participating interests in its Commitment or the Obligations owing to such Lender. Except as otherwise provided in Section 12.6., no Participant shall have any rights or benefits under this Agreement or any other Loan Document. In the event of any such grant by a Lender of a participating interest to a Participant, such Lender shall remain responsible for the performance of its obligations hereunder, and the Borrowers and the Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which any Lender may grant such a participating interest shall provide that such Participant may not grant to any other Person any participating interest in such Participant's interest and that such Lender shall retain the sole right and responsibility to enforce the obligations of the Borrowers hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; provided, however, such Lender may agree with the Participant that it will not, without the consent of the Participant, agree to (i) increase such Lender's Commitment, (ii) extend the date fixed for the payment of principal on the Loans or portions thereof owing to such Lender, or (iii) reduce the rate at which interest is payable thereon. An assignment or other transfer which is not permitted by subsection (c) or (d) below shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this subsection (b).

(c) Any Lender may with the prior written consent of the Agent and the Borrowers (which consent, in each case, shall not be unreasonably withheld) at any time assign to one or more Eligible Assignees (each an "Assignee") all or a portion of its rights and obligations under this Agreement and the Notes; provided, however, (i) no such consent by any Borrower shall be required (x) if a Default or Event of Default shall have occurred and be continuing or (y) in the case of an assignment to another Lender or an affiliate of another Lender; (ii) any partial assignment shall be in an amount at least equal to \$10,000,000 and after giving effect to such assignment the assigning Lender retains a Commitment, or if the Commitments have been terminated, holds Notes having an aggregate outstanding principal balance, of at least \$10,000,000; (iii) after giving effect to any such assignment by the Agent, the Agent in its capacity as a Lender shall retain a Commitment, or if the Commitments have been terminated, hold Notes having an aggregate outstanding principal balance, greater than or equal to the Commitment of each other Lender (other than any Lender whose Commitment has increased as a result of a merger or combination with another Lender) and (iv) each such assignment shall be effected by means of an Assignment and Acceptance Agreement. Upon execution and delivery of such instrument and payment by such Assignee to such transferor Lender of an amount equal to the purchase price agreed between such transferor Lender and such Assignee, such Assignee shall be deemed to be a Lender party to this Agreement and shall have all the rights and obligations of a Lender with a Commitment as set forth in such Assignment and Acceptance Agreement, and the transferor Lender shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this subsection (c), the transferor Lender, the Agent and the Borrowers shall make appropriate arrangements so that new Notes are issued to the Assignee and such transferor Lender, as appropriate. In connection with any such assignment, the transferor Lender shall pay to the Agent an administrative fee for processing such assignment in the amount of \$3,000.

(d) Any Lender (each, a "Designating Lender") may at any time while RCLP or the Parent, as the case may be, has been assigned an Investment Grade Rating from either S&P or Moody's designate one Designated Lender to fund Bid Rate Loans on behalf of such Designating Lender subject to the terms of this subsection (d) and the provisions in the immediately preceding subsections (b) and (c) shall not apply to such designation. No Lender may designate more than one Designated Lender. The parties to each such designation shall execute and deliver to the Agent for its acceptance a Designation Agreement. Upon such receipt of an appropriately completed Designation Agreement executed by a Designating Lender and a designee representing that it is a Designated Lender, the Agent will accept such Designation Agreement and give prompt notice thereof to the Borrowers, whereupon, (i) each Borrower shall execute and deliver to the Designating Lender a Designated Lender Note payable to the order of the Designated Lender, (ii) from and after the effective date specified in the Designation Agreement, the Designated Lender shall become a party to this Agreement with a right to make Bid Rate Loans on behalf of its Designating Lender pursuant to Section 2.2. after a Borrower has accepted a Bid Rate Loan (or portion thereof) of the Designating Lender, and (iii) the Designated Lender shall not be required to make payments with respect to any obligations in this Agreement except to the extent of excess cash flow of such Designated Lender which is not otherwise required to repay obligations of such Designated Lender which are then due and payable; provided, however, that regardless of such designation and assumption by the Designated Lender, the Designating Lender shall be and remain obligated to the Borrowers, the Agent and the Lenders for each and every of the obligations of the Designating Lender and its related

Designated Lender with respect to this Agreement, including, without limitation, any indemnification obligations under Section 11.8. and any sums otherwise payable to the Borrowers by the Designated Lender. Each Designating Lender shall serve as the Agent of the Designated Lender and shall on behalf of, and to the exclusion of, the Designated Lender: (i) receive any and all payments made for the benefit of the Designated Lender and (ii) give and receive all communications and notices and take all actions hereunder, including, without limitation, votes, approvals, waivers, consents and amendments under or relating to this Agreement and the other Loan Documents. Any such notice, communication, vote, approval, waiver, consent or amendment shall be signed by the Designating Lender as Agent for the Designated Lender and shall not be signed by the Designated Lender on its own behalf and shall be binding on the Designated Lender to the same extent as if signed by the Designated Lender on its own behalf. The Borrowers, the Agent and the Lenders may rely thereon without any requirement that the Designated Lender sign or acknowledge the same. No Designated Lender may assign or transfer all or any portion of its interest hereunder or under any other Loan Document, other than assignments to the Designating Lender which originally designated such Designated Lender. The Borrowers, the Lenders and the Agent each hereby agrees that it will not institute against any Designated Lender or join any other Person in instituting against any Designated Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any federal or state bankruptcy or similar law, until the later to occur of (x) one year and one day after the payment in full of the latest maturing commercial paper note issued by such Designated Lender and (y) the Termination Date. In connection with any such designation the Designating Lender shall pay to the Agent an administrative fee for processing such designation in the amount of \$2,000.

(e) In addition to the assignments and participations permitted under the foregoing provisions of this Section, any Lender may assign and pledge all or any portion of its Loans and its Notes to any Federal Reserve Bank as collateral security pursuant to Regulation A and any Operating Circular issued by such Federal Reserve Bank, and such Loans and Notes shall be fully transferable as provided therein. No such assignment shall release the assigning Lender from its obligations hereunder.

(f) A Lender may furnish any information concerning a Borrower or any of its Subsidiaries in the possession of such Lender from time to time to Assignees and Participants (including prospective Assignees and Participants).

(g) Anything in this Section to the contrary notwithstanding, no Lender may assign or participate any interest in any Loan held by it hereunder to any Borrower, the Parent or any of their respective affiliates or Subsidiaries.

SECTION 12.9. Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF GEORGIA.

SECTION 12.10. Litigation.

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

(b) THE BORROWERS, THE AGENT AND EACH LENDER EACH HEREBY AGREES THAT THE FEDERAL DISTRICT COURT OF THE NORTHERN DISTRICT OF GEORGIA OR, AT THE OPTION OF THE AGENT, ANY STATE COURT LOCATED IN FULTON COUNTY, GEORGIA, SHALL HAVE NON-EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN OR AMONG THE BORROWERS, THE AGENT OR ANY OF LENDERS, PERTAINING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE NOTES OR ANY OTHER LOAN DOCUMENT OR TO ANY MATTER ARISING HEREFROM OR THEREFROM OR THE COLLATERAL. THE BORROWERS EACH EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY THE AGENT OR ANY LENDER OR THE ENFORCEMENT BY THE AGENT OR ANY LENDER OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION. further, the Borrowers EACH irrevocably waives, to the fullest extent permitted by APPLICABLE law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

(c) THE FOREGOING WAIVERS HAVE BEEN MADE WITH THE ADVICE OF COUNSEL AND WITH A FULL UNDERSTANDING OF THE LEGAL CONSEQUENCES THEREOF, AND SHALL SURVIVE THE PAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS AND THE TERMINATION OF THIS AGREEMENT.

SECTION 12.11. Confidentiality.

Except as otherwise provided by Applicable Law, the Agent and each Lender shall utilize all non-public information obtained pursuant to the requirements of this Agreement in accordance with its customary procedure for handling confidential information of this nature and in accordance with safe and sound banking practices but in any event may make disclosure: (a) to any of their

respective affiliates (provided they shall agree to keep such information confidential in accordance with the terms of this Section); (b) as reasonably required by any bona fide Assignee, Participant or other transferee in connection with the contemplated transfer of any Commitment or participations therein as permitted hereunder (provided they shall agree to keep such information confidential in accordance with the terms of this Section); (c) as required by any Governmental Authority or representative thereof or pursuant to legal process; (d) to the Agent's or such Lender's independent auditors and other professional advisors (provided they shall be notified of the confidential nature of the information); and (e) after the happening and during the continuance of an Event of Default, to any other Person, in connection with the exercise by the Agent or the Lenders of rights hereunder or under any of the other Loan Documents.

SECTION 12.12. Counterparts; Integration.

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement, together with the other Loan Documents, constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

SECTION 12.13. Invalid Provisions.

Any provision of this Agreement or any other Loan Document held by a court of competent jurisdiction to be illegal, invalid or unenforceable shall not invalidate the remaining provisions of such Loan Document which shall remain in full force and effect and the effect thereof shall be confined to the provision held invalid or illegal.

SECTION 12.14. No Novation.

This Agreement and the other Loan Documents are being amended and restated in their entirety for the convenience of the parties hereto. This Agreement and the other Loan Documents merely amend, modify and restate the indebtedness, liabilities and obligations evidenced hereby and thereby and do not constitute, and it is the express intent of the parties hereto that this Agreement and the other Loan Documents do not effect, a novation of the existing indebtedness, liabilities and obligations incurred by RCLP and the other Loan Parties pursuant to the Existing Credit Agreement. Such indebtedness, liabilities and obligations continue to remain outstanding and are amended and modified only to the extent this Agreement and the other Loan Documents amend and modify the Existing Credit Agreement and the original Loan Documents executed and delivered in connection therewith. The parties agree that (a) all of the Loan Documents (as defined in the Existing Credit Agreement) not otherwise terminated or amended and restated in connection with the execution and delivery of this Agreement constitute and shall be deemed to be Loan Documents; (b) all such Loan Documents remain in full force and effect and (c) any reference to the Existing Credit Agreement in any such Loan Documents shall be deemed to be a reference to this Agreement.

SECTION 12.15. Additional Borrowers.

A Development Joint Venture may become a "Borrower" hereunder subject to satisfaction of the following conditions:

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

(i) a Joinder Agreement executed by the Development Joint Venture to become a Borrower hereunder;

(ii) Revolving Notes, Bid Rate Notes and a Swingline Note executed by such Development Joint Venture;

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

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

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

(vi) copies certified by the Secretary or Assistant Secretary of Development Joint Venture (or other individual performing similar functions) of (1) the by-laws of such Development Joint Venture, if a corporation, the operating agreement, if a limited liability company, the partnership agreement, if a limited or general partnership, or other comparable document in the case of any other form of legal entity and (2)

all corporate, partnership, member or other necessary action taken by such Development Joint Venture to authorize the execution, delivery and performance of the Loan Documents to which it is a party;

(vii) an opinion of counsel to such Development Joint Venture, addressed to the Agent and Lenders, and regarding, among other things, the authority of such Development Joint Venture to execute, deliver and perform the Loan Documents to which it is a party, the enforceability of such Loan Documents as against such Development Joint Venture, and such other matters as the Agent or its counsel may request; and

(viii) such other documents and instruments as the Agent may reasonably request;

(b) There may be no more than two Development Joint Ventures which are Borrowers hereunder at any time; and

(c) No Default or Event of Default shall have occurred and be continuing or would exist immediately after such Development Joint Venture becomes a Borrower.

SECTION 12.16. RCLP Jointly and Severally Liable for Obligations of

Other Borrowers.

(a) Generally. RCLP AGREES THAT IT IS AND SHALL BE jointly and severally LIABLE FOR ALL OBLIGATIONS OF THE OTHER BORROWERS HEREUNDER AND UNDER EACH OTHER LOAN DOCUMENT and all such obligations shall constitute a debt of rclp FOR ITS OWN ACCOUNT. Accordingly, the Lenders, the Swingline Lender and the Agent shall not be obligated or required before enforcing any Obligation of any other Borrower against such Borrower or any other Borrower: (i) to pursue any right or remedy the Lenders, the Swingline Lender or the Agent may have against the other Borrowers, any other Loan Party or any other Person or commence any suit or other proceeding against any other Borrower, any other Loan Party or any other Person in any court or other tribunal; (ii) to make any claim in a liquidation or bankruptcy of any other Borrower, any other Loan Party or any other Person; or (iii) to make demand of any other Borrower, any other Loan Party or any other Person or to enforce or seek to enforce or realize upon any collateral security held by the Lenders, the Swingline Lender or the Agent which may secure any of the Obligations of the other Borrower. In this connection, RCLP hereby waives its rights to require any holder of the Obligations of the other Borrower to take action against the other Borrower as provided in Official Code of Georgia Annotated ss.10-7-24.

(b) Obligations Absolute. The liability of RCLP under this Section shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever, including without limitation, any circumstance which might constitute a defense available to, or a discharge of, RCLP under this Section.

(c) Action with Respect to Obligations. The Lenders, the Swingline Lender and the Agent may, at any time and from time to time, without the consent of, or notice to, RCLP, and without discharging RCLP from its obligations under this Section: (i) amend, modify, alter or supplement the terms of any of the Obligations of the other Borrowers; (ii) sell, exchange, release or otherwise deal with all, or any part, of any collateral securing any of such Obligations; (iii) release any Loan Party or other Person liable in any manner for the payment or collection of such Obligations; (iv) exercise, or refrain from exercising, any rights against the other Borrowers, any other Loan Party or any other Person; and (v) apply any sum, by whomsoever paid or however realized, to such Obligations in such order as the Lenders or the Swingline Lender shall elect.

(d) Waiver. RCLP, to the fullest extent permitted by Applicable Law, hereby waives notice of any presentment, demand, protest or notice of any kind, and any other act or thing, or omission or delay to do any other act or thing, which in any manner or to any extent might vary the risk of RCLP, or which otherwise might operate to discharge RCLP, from its obligations under this Section.

(e) Reinstatement of Obligations. If claim is ever made on the Agent, any Lender or the Swingline Lender for repayment or recovery of any amount or amounts received in payment or on account of any of the Obligations of the other Borrowers, and the Agent, such Lender or the Swingline Lender repays all or part of said amount by reason of (i) any judgment, decree or order of any court or administrative body of competent jurisdiction, or (ii) any settlement or compromise of any such claim effected by the Agent, such Lender or the Swingline Lender with any such claimant (including any other Borrower or a trustee in bankruptcy for any other Borrower), then and in such event RCLP agrees that any such judgment, decree, order, settlement or compromise shall be binding on it, notwithstanding any revocation hereof or the cancellation of the Credit Agreement, any of the other Loan Documents, or any other instrument evidencing any liability of any other Borrower, and RCLP shall be and remain liable to the Agent, such Lender or the Swingline Lender for the amounts so repaid or recovered to the same extent as if such amount had never originally been paid to the Agent, such Lender or the Swingline Lender.

(f) Subrogation. RCLP shall not enforce any right or receive any payment by way of subrogation or otherwise take any action in respect of any other claim or cause of action RCLP may have against any other Borrower arising by reason of any payment or performance by RCLP pursuant to this Section, unless and until all of the Obligations have been indefeasibly paid and performed in full.

(g) Subordination. RCLP hereby expressly covenants and agrees for the benefit of the Agent, the Lenders and the Swingline Lender that all obligations and liabilities of any of the Development Affiliates to RCLP of whatever description (collectively, the "Junior Claims") shall be subordinate and junior in right of payment to all Obligations. If an Event of Default shall have occurred and be continuing, then RCLP shall not accept any direct or indirect payment (in cash, property, securities by setoff or otherwise) from any other Borrower on account of or in any manner in respect of any Junior Claim until all of the Obligations have been indefeasibly paid in full.

SECTION 12.17. All Development Affiliates Jointly and Severally Liable.

(a) Generally. EACH DEVELOPMENT AFFILIATE AGREES THAT IT IS AND SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE OTHER DEVELOPMENT AFFILIATES HEREUNDER AND UNDER EACH OTHER LOAN DOCUMENT and all such obligations shall constitute a debt of EACH DEVELOPMENT AFFILIATE FOR ITS OWN ACCOUNT. Accordingly, the Lenders, the Swingline Lender and the Agent shall not be obligated or required before enforcing any Obligation of a Development Affiliate against any other Development Affiliate: (i) to pursue any right or remedy the Lenders, the Swingline Lender or the Agent may have against any other Development Affiliate, RCLP, any other Loan Party or any other Person or commence any suit or other proceeding against any other Development Affiliate, RCLP, any other Loan Party or any other Person in any court or other tribunal; (ii) to make any claim in a liquidation or bankruptcy of any other Development Affiliate, RCLP, any other Loan Party or any other Person; or (iii) to make demand of any other Development Affiliate, RCLP, any other Loan Party or any other Person or to enforce or seek to enforce or realize upon any collateral security held by the Lenders, the Swingline Lender or the Agent which may secure any of the Obligations of the other Development Affiliates. In this connection, each Development Affiliate hereby waives its rights to require any holder of the Obligations of the other Development Affiliates or RCLP to take action against the other Development Affiliates or RCLP as provided in Official Code of Georgia Annotated ss.10-7-24.

(b) Obligations Absolute. The liability of each Development Affiliate under this Section shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever, including without limitation, any circumstance which might constitute a defense available to, or a discharge of, each Development Affiliate under this Section.

(c) Action with Respect to Obligations. The Lenders, the Swingline Lender and the Agent may, at any time and from time to time, without the consent of, or notice to, any Development Affiliate, and without discharging any Development Affiliate from its obligations under this Section: (i) amend, modify, alter or supplement the terms of any of the Obligations of the other Development Affiliates; (ii) sell, exchange, release or otherwise deal with all, or any part, of any collateral securing any of such Obligations; (iii) release RCLP, any Loan Party or other Person liable in any manner for the payment or collection of such Obligations; (iv) exercise, or refrain from exercising, any rights against the other Development Affiliates, RCLP, any other Loan Party or any other Person; and (v) apply any sum, by whomsoever paid or however realized, to such Obligations in such order as the Lenders or the Swingline Lender shall elect.

(d) Waiver. Each Development Affiliate, to the fullest extent permitted by Applicable Law, hereby waives notice of any presentment, demand, protest or notice of any kind, and any other act or thing, or omission or delay to do any other act or thing, which in any manner or to any extent might vary the risk of such Development Affiliate, or which otherwise might operate to discharge such Development Affiliate, from its obligations under this Section.

(e) Reinstatement of Obligations. If claim is ever made on the Agent, any Lender or the Swingline Lender for repayment or recovery of any amount or amounts received in payment or on account of any of the Obligations of the other Development Affiliates, and the Agent, such Lender or the Swingline Lender repays all or part of said amount by reason of (i) any judgment, decree or order of any court or administrative body of competent jurisdiction, or (ii) any settlement or compromise of any such claim effected by the Agent, such Lender or the Swingline Lender with any such claimant (including any other Development Affiliate or a trustee in bankruptcy for any other Development Affiliate), then and in such event each Development Affiliate agrees that any such judgment, decree, order, settlement or compromise shall be binding on it, notwithstanding any revocation hereof or the cancellation of the Credit Agreement, any of the other Loan Documents, or any other instrument evidencing any liability of any other Borrower, and each Development Affiliate shall be and remain liable to the Agent, such Lender or the Swingline Lender for the amounts so repaid or recovered to the same extent as if such amount had never originally been paid to the Agent, such Lender or the Swingline Lender.

(f) Subrogation. No Development Affiliate shall enforce any right or receive any payment by way of subrogation or otherwise take any action in respect of any other claim or cause of action such Development Affiliate may have against any other Development Affiliate arising by reason of any payment or performance by any Development Affiliate pursuant to this Section, unless and until all of the Obligations have been indefeasibly paid and performed in full.

(g) Subordination. Each Development Affiliate hereby expressly covenants and agrees for the benefit of the Agent, the Lenders and the Swingline Lender that all obligations and liabilities of any of the other Development Affiliates to such Development Affiliate of whatever description (collectively, the "Junior Claims") shall be subordinate and junior in right of payment to all Obligations. If an Event of Default shall have occurred and be continuing, then no

Development Affiliate shall accept any direct or indirect payment (in cash, property, securities by setoff or otherwise) from any other Development Affiliate on account of or in any manner in respect of any Junior Claim until all of the Obligations have been indefeasibly paid in full.

(h) No Guaranty of RCLP Obligations. None of the Development Affiliates or the Development Affiliate Guarantors have guaranteed the Obligations of RCLP hereunder or under any of the other Loan Documents.

SECTION 12.18. Avoidance Provisions.

It is the intent of the Borrowers, the Agent, the Lenders and the Swingline Lender that in any Proceeding, the maximum obligation of RCLP under Section 12.16., or of a Development Affiliate under Section 12.17., shall equal, but not exceed, the maximum amount which would not otherwise cause the obligations of such Person under such Section (or any other obligations of such Person to the Agent, the Lenders and the Swingline Lender) to be avoidable or unenforceable against such Person in such Proceeding as a result of Applicable Law, including without limitation, (a) Section 548 of the Bankruptcy Code of 1978, as amended (the "Bankruptcy Code") and (b) any state fraudulent transfer or fraudulent conveyance act or statute applied in such Proceeding, whether by virtue of Section 544 of the Bankruptcy Code or otherwise. The Applicable Laws under which the possible avoidance or unenforceability of the obligations of such Person hereunder (or any other obligations of such Person to the Agent, the Lenders and the Swingline Lender) shall be determined in any such Proceeding are referred to as the "Avoidance Provisions". Accordingly, to the extent that the obligation of RCLP under Section 12.16., or of a Development Affiliate under Section 12.17., would otherwise be subject to avoidance under the Avoidance Provisions, the maximum Obligations for which such Person shall be liable under the applicable Section shall be reduced to that amount which, as of the time any of such Obligations are deemed to have been incurred under the Avoidance Provisions, would not cause the obligations of such Person hereunder (or any other obligations of such Person to the Agent, the Lenders and the Swingline Lender), to be subject to avoidance under the Avoidance Provisions. This Section is intended solely to preserve the rights of the Agent, the Lenders and the Swingline Lender to the maximum extent that would not cause the obligations of RCLP or the Development Affiliates, as the case may be, to be subject to avoidance under the Avoidance Provisions, and no such Borrower or any other Person shall have any right or claim under this Section as against the Agent, the Lenders and the Swingline Lender that would not otherwise be available to such Person under the Avoidance Provisions. For the purposes of this Section "Proceeding" means any of the following: (i) a voluntary or involuntary case concerning any Borrower shall be commenced under the Bankruptcy Code of 1978, as amended; (ii) a custodian (as defined in such Bankruptcy Code or any other applicable bankruptcy laws) is appointed for, or takes charge of, all or any substantial part of the property of any Borrower; (iii) any other proceeding under any Applicable Law, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up or composition for adjustment of debts, whether now or hereafter in effect, is commenced relating to any Borrower; (iv) any Borrower is adjudicated insolvent or bankrupt; (v) any order of relief or other order approving any such case or proceeding is entered by a court of competent jurisdiction; (vi) any Borrower makes a general assignment for the benefit of creditors; (vii) any Borrower shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; (viii) any Borrower shall call a meeting of its creditors with a view to arranging a composition or adjustment of its debts; (ix) any Borrower shall by any act or failure to act indicate its consent to, approval of or acquiescence in any of the foregoing; or (x) any corporate action shall be taken by any Borrower for the purpose of effecting any of the foregoing.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Second Amended and Restated Credit Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

REGENCY CENTERS, L.P.

By: Regency Realty Corporation, its sole general partner

By: Name: J. Christian Leavitt
Title: Senior Vice President and Secretary

REGENCY REALTY CORPORATION

By: Name: J. Christian Leavitt
Title: Senior Vice President and Secretary

STATE OF GEORGIA

COUNTY OF

BEFORE ME, a Notary Public in and for said County, personally appeared J. Christian Leavitt, known to me to be a person who, as Senior Vice President and

Secretary of Regency Realty Corporation, on its own behalf and as the general partner of Regency Centers, L.P., the entity which executed the foregoing Amended and Restated Credit Agreement, signed the same, and acknowledged to me that he did so sign said instrument in the name and upon behalf of said corporation as an officer of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name, and affixed my official seal, this ____ day of July, 2000.

Notary Public

My Commission Expires:

[Signatures Continued on Next Page]

[Signature Page to Second Amended and Restated Credit Agreement dated as of July 21, 2000 with Regency Centers, L.P.]

REGENCY REALTY GROUP, INC.

By:

Name: J. Christian Leavitt
Title: Vice President and Secretary

STATE OF GEORGIA

COUNTY OF

BEFORE ME, a Notary Public in and for said County, personally appeared J. Christian Leavitt, known to me to be a person who, as Vice President and Secretary of Regency Realty Group, Inc., the entity which executed the foregoing Amended and Restated Credit Agreement, signed the same, and acknowledged to me that he did so sign said instrument in the name and upon behalf of said corporation as an officer of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name, and affixed my official seal, this ____ day of July, 2000.

Notary Public

My Commission Expires:

[Signatures Continued on Next Page]

[Signature

Page to Second Amended and Restated Credit Agreement dated
as of July 21, 2000 with Regency Centers, L.P.]

WELLS FARGO BANK, NATIONAL ASSOCIATION, as the
Agent, as the Swingline Lender and as a Lender

By:

Name: Mary Ann Kelly
Title: Vice President

Lending Office (all Types of Loans):

Wells Fargo Bank, National Association
2859 Paces Ferry Road, Suite 1805
Atlanta, Georgia 30339
Attention: Mary Ann Kelly
Telecopier: (404) 435-2262
Telephone: (404) 435-3800

Commitment Amount:

\$100,000,000

[Signatures Continued on Next Page]

[Signature Page to Second Amended and Restated Credit Agreement dated as
of

July 21, 2000 with Regency Centers, L.P.]

FIRST UNION NATIONAL BANK

By:

Name:

Title:

Lending Office (all Types of Loans):

First Union National Bank

REIT Banking Unit

One First Union Center
Charlotte, North Carolina 28288-0166
Attention: John A. Schissel
Telecopier: (704) 383-6205
Telephone: (704) 383-1967

Commitment Amount:

\$100,000,000

[Signature Page to Second Amended and Restated Credit Agreement dated as
of

July 21, 2000 with Regency Centers, L.P.]

WACHOVIA BANK, N.A.

By:

Name:

Title:

Lending Office (all Types of Loans):

Wachovia Bank, N.A.
191 Peachtree Street, N.E., 30th Floor
Atlanta, Georgia 30303
Attention: Cathy A. Casey
Telecopier: (404) 332-4066
Telephone: (404) 332-5649

Commitment Amount:

\$100,000,000

[Signature Page to Second Amended and Restated Credit Agreement dated as
of

July 21, 2000 with Regency Centers, L.P.]

COMMERZBANK AG, NEW YORK BRANCH

By:

Name:

Title:

By:

Name:

Title:

Lending Office (all Types of Loans):

Commerzbank AG, New York Branch
2 World Financial Center
New York, New York 10281
Attention: David Schwarz/ Christine Finkel
Telecopier: (212) 266-7565
Telephone: (212) 266-7632 / 7375

Commitment Amount:

\$50,000,000

[Signature Page to Second Amended and Restated Credit Agreement dated as
of

July 21, 2000 with Regency Centers, L.P.]

PNC BANK, NATIONAL ASSOCIATION

By:

Name:

Title:

Lending Office (all Types of Loans):

PNC Bank, National Association
One PNC Plaza, 19th Floor
249 Fifth Avenue
Mail Stop- PI-POPP-19-2
Pittsburgh, Pennsylvania 15222
Attention: Jan Dotchin
Telecopier: (412) 768-5754
Telephone: (412) 762-3986

Commitment Amount:

\$50,000,000

[Signature Page to Second Amended and Restated Credit Agreement dated as
of

July 21, 2000 with Regency Centers, L.P.]

AMSOUTH BANK

By:

Name:

Title:

Lending Office (all Types of Loans):

AmSouth Bank
1900 5th Avenue North
AmSouth-Sonat Tower, 9th Floor
Birmingham, Alabama 35203
Attention: Buddy Sharbel
Telecopier: (205) 326-4075
Telephone: (205) 581-7647

Commitment Amount:

\$40,000,000

[Signature Page to Second Amended and Restated Credit Agreement dated as
of

July 21, 2000 with Regency Centers, L.P.]

CHASE BANK OF TEXAS, N.A.

By:

Name:

Title:

Lending Office (all Types of Loans):

Chase Bank of Texas, N.A.
707 Travis, 6th Floor North
Houston, Texas 77572
Attention: Kent Kaiser
Telecopier: (713) 216-7713
Telephone: (713) 216-8699

Commitment Amount:

\$35,000,000

[Signature Page to Second Amended and Restated Credit Agreement dated as
of

July 21, 2000 with Regency Centers, L.P.]

SOUTHTRUST BANK

By:

Name:

Title:

Lending Office (all Types of Loans):

SouthTrust Bank
420 North 20th Street, 11th Floor
Birmingham, Alabama 35203
Attention: Sam Boroughs- Corporate Banking
Telecopier: (205) 254-8270
Telephone: (205) 254-5039

Commitment Amount:

\$35,000,000

[Signature Page to Second Amended and Restated Credit Agreement dated as
of

July 21, 2000 with Regency Centers, L.P.]

SUNTRUST BANK

By:

Name:

Title:

Lending Office (all Types of Loans):

SunTrust Bank
Real Estate Finance MC 081
P.O. Box 4418, 50 Hurt Plaza, Suite 700
Atlanta, Georgia 30303
Attention: John Neill
Telecopier: (404) 827-6774
Telephone: (404) 588-8248

Commitment Amount:

\$30,000,000

[Signature Page to Second Amended and Restated Credit Agreement dated as
of

July 21, 2000 with Regency Centers, L.P.]

ING (U.S.) CAPITAL LLC

By:

Name:

Title:

Lending Office (all Types of Loans):

ING Barings
55 E. 52nd Street, 35th Floor
New York, NY 10055
Attention: Andrew Layton
Telecopier: 212-409-5853
Telephone: 212-409-1851

Commitment Amount:

\$25,000,000

[Signature Page to Second Amended and Restated Credit Agreement dated as
of

July 21, 2000 with Regency Centers, L.P.]

FIRSTAR, N.A.

By:

Name:

Title:

Lending Office (all Types of Loans):

Firststar, N.A.
425 Walnut Street, 10th Floor, ML #9205
Cincinnati, Ohio 45202

Attention: Glenn Baumann

Telecopier: (513) 632-5590
Telephone: (513) 632-4473

Commitment Amount:

\$25,000,000

[Signature Page to Second Amended and Restated Credit Agreement dated as
of

July 21, 2000 with Regency Centers, L.P.]

BANK ONE, NA (CHICAGO OFFICE)

By:

Name:

Title:

Lending Office (all Types of Loans):

Bank One, NA (Chicago Office)

1 Bank One Plaza

Mail Code IL1-0315

Chicago, Illinois 60670

Attention: Patricia Leung

Telecopier: (312) 732-1117

Telephone: (312) 732-8619

Commitment Amount:

\$20,000,000

[Signature Page to Second Amended and Restated Credit Agreement dated as
of

July 21, 2000 with Regency Centers, L.P.]

MELLON BANK, N.A.

By:

Name:

Title:

Lending Office (all Types of Loans):

Mellon Bank, N.A.
One Mellon Bank Center, Room 5325
Pittsburgh, Pennsylvania 15258-0001
Attention: Theresa Sicuro
Telecopier: (412) 234-4146
Telephone: (412) 234-6757

Commitment Amount:

\$15,000,000

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

dated as of

July 21, 2000

among

REGENCY CENTERS, L.P., and

REGENCY REALTY GROUP, INC.,
as the Borrowers,

REgency realty corpoRation,
as the Parent,

The financial institutions party hereto and their assignees under Section 12.8.
hereof,

as the Lenders,

FIRST UNION NATIONAL BANK,
as Syndication Agent,

WACHOVIA BANK, N.A.,
as Documentation Agent,

Each of
COMMERZBANK AKTIENGESELLSCHAFT, NEW YORK BRANCH
and

pnc bank, national Association,
as a Managing Agent,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Administrative Agent

TABLE OF CONTENTS

ARTICLE I. DEFINITIONS.....	1
SECTION 1.1. Definitions.....	1
SECTION 1.2. General; References to Time.....	22
ARTICLE II. CREDIT FACILITY.....	23
SECTION 2.1. Revolving Loans.....	23
SECTION 2.2. Bid Rate Loans.....	24
SECTION 2.3. Swingline Loans.....	27
SECTION 2.4. Number of Interest Periods.....	28
SECTION 2.5. Continuation.....	28
SECTION 2.6. Conversion.....	29
SECTION 2.7. Interest Rate.....	29
SECTION 2.8. Repayment of Loans.....	29
SECTION 2.9. Voluntary Reductions of the Commitments.....	31
SECTION 2.10. Extension of Revolving Credit Termination Date.....	31
SECTION 2.11. Term Loan Conversion.....	32
SECTION 2.12. Notes.....	33
SECTION 2.13. Option to Replace Lenders.....	33
SECTION 2.14. Amount Limitations.....	33
SECTION 2.15. Letters of Credit.....	34
ARTICLE III. GENERAL LOAN PROVISIONS.....	37
SECTION 3.1. Fees.....	37
SECTION 3.2. Computation of Interest and Fees.....	38
SECTION 3.3. Pro Rata Treatment.....	38
SECTION 3.4. Sharing of Payments, Etc.....	39
SECTION 3.5. Defaulting Lenders.....	40
SECTION 3.6. Usury.....	40
SECTION 3.7. Agreement Regarding Interest and Charges.....	40
SECTION 3.8. Statements of Account.....	41
SECTION 3.9. Reliance.....	41
SECTION 3.10. Taxes.....	41
ARTICLE IV. UNENCUMBERED POOL PROPERTIES.....	42
SECTION 4.1. Acceptance of Unencumbered Pool Properties.....	42
SECTION 4.2. Termination of Designation as Unencumbered Pool Property.....	45
SECTION 4.3. Additional Requirements of Unencumbered Pool Properties.....	46
ARTICLE V. YIELD PROTECTION, ETC.....	46
SECTION 5.1. Additional Costs; Capital Adequacy.....	46
SECTION 5.2. Suspension of LIBOR Loans.....	47
SECTION 5.3. Illegality.....	48
SECTION 5.4. Compensation.....	48
SECTION 5.5. Treatment of Affected Loans.....	48

SECTION 5.6.	Change of Lending Office.....	49

ARTICLE VI.	CONDITIONS.....	49
SECTION 6.1.	Effectiveness.....	49
SECTION 6.2.	Conditions to All Loans and Letters of Credit.....	51
SECTION 6.3.	Conditions to Conversion to Term Loans.....	51

ARTICLE VII.	REPRESENTATIONS AND WARRANTIES.....	52
SECTION 7.1.	Existence and Power.....	52
SECTION 7.2.	Ownership Structure.....	52
SECTION 7.3.	Authorization of Agreement, Notes, Loan Documents and Borrowings.....	52
SECTION 7.4.	Compliance of Agreement, Notes, Loan Documents and Borrowing with Laws, etc.....	53
SECTION 7.5.	Compliance with Law; Governmental Approvals.....	53
SECTION 7.6.	Existing Indebtedness.....	53
SECTION 7.7.	Title to Properties; Liens.....	53
SECTION 7.8.	Unencumbered Pool Properties.....	53
SECTION 7.9.	Leases.....	54
SECTION 7.10.	Material Contracts.....	54
SECTION 7.11.	Margin Stock.....	54
SECTION 7.12.	Transactions with Affiliates.....	54
SECTION 7.13.	Absence of Defaults.....	54
SECTION 7.14.	Financial Information.....	54
SECTION 7.15.	Litigation.....	55
SECTION 7.16.	ERISA.....	55
SECTION 7.17.	Environmental Matters.....	56
SECTION 7.18.	Taxes.....	56
SECTION 7.19.	Investment Company; Public Utility Holding Company.....	57
SECTION 7.20.	Full Disclosure.....	57
SECTION 7.21.	Not Plan Assets.....	57
SECTION 7.22.	Business.....	57
SECTION 7.23.	Title to Properties; Necessary Agreements, Licenses, Permits; Adverse Contracts.....	57
SECTION 7.24.	Non-Guarantor Entities.....	58

ARTICLE VIII.	COVENANTS.....	58
SECTION 8.1.	Information.....	58
SECTION 8.2.	ERISA Reporting.....	61
SECTION 8.3.	Payment of Obligations.....	62
SECTION 8.4.	Preservation of Existence and Similar Matters.....	62
SECTION 8.5.	Maintenance of Property.....	62
SECTION 8.6.	Conduct of Business.....	62
SECTION 8.7.	Insurance.....	62
SECTION 8.8.	Modifications to Material Contracts.....	63
SECTION 8.9.	Environmental Laws.....	63
SECTION 8.10.	Compliance with Laws and Material Contracts.....	63
SECTION 8.11.	Inspection of Property, Books and Records.....	63

SECTION 8.12.	Indebtedness.....	64
SECTION 8.13.	Consolidations, Mergers and Sales of Assets.....	64
SECTION 8.14.	Use of Proceeds and Letters of Credit.....	64
SECTION 8.15.	Tenant Concentration.....	65
SECTION 8.16.	Acquisitions.....	65
SECTION 8.17.	Exchange Listing.....	65
SECTION 8.18.	REIT Status.....	65
SECTION 8.19.	Negative Pledge; Restriction on Distribution Rights.....	65
SECTION 8.20.	Agreements with Affiliates.....	66
SECTION 8.21.	ERISA Exemptions.....	66
SECTION 8.22.	Compliance with and Amendment of Charter or Bylaws.....	66
SECTION 8.23.	Distributions.....	66
SECTION 8.24.	New Guarantors.....	67
SECTION 8.25.	New Guarantors.....	68
SECTION 8.26.	Acquisitions or Developments of Properties.....	69
SECTION 8.27.	Transfer of Properties to Borrower.....	70
SECTION 8.28.	Asset Value of Non-Guarantor Entities.....	70
SECTION 8.29.	Hedging Agreements.....	70
SECTION 8.30.	Limitation Relating to Regency Realty Group, Inc.	70
Article IX.	Financial Covenants.....	71
SECTION 9.1.	Minimum Net Worth.....	71
SECTION 9.2.	Ratio of Total Liabilities to Gross Asset Value.....	71
SECTION 9.3.	Ratio of Secured Indebtedness to Gross Asset Value.....	71
SECTION 9.4.	Ratio of EBITDA to Interest Expense.....	71
SECTION 9.5.	Ratios of EBITDA to Debt Service, Preferred Stock Distributions and Reserve for Replacements.....	71
SECTION 9.6.	Unsecured Interest Expense Coverage.....	72
SECTION 9.7.	Permitted Investments.....	72
SECTION 9.8.	Floating Rate Debt.....	72
SECTION 9.9.	Limitation on Non-wholly Owned Subsidiaries, Preferred Stock Entities and Unconsolidated Affiliates.....	73
SECTION 9.10.	Stabilized Retail Operating Properties.....	73
ARTICLE X.	DEFAULTS	73
SECTION 10.1.	Events of Default.....	73
SECTION 10.2.	Remedies.....	76
SECTION 10.3.	Allocation of Proceeds.....	76
SECTION 10.4.	Rights Cumulative.....	77
SECTION 10.5.	Recission of Acceleration by Majority Lenders.....	77
SECTION 10.6.	Collateral Account.....	77
ARTICLE XI.	THE AGENT.....	78
SECTION 11.1.	Appointment and Authorization.....	78

SECTION 11.2.	The Agent and Affiliates.....	79
SECTION 11.3.	Collateral Matters.....	79
SECTION 11.4.	Approvals of the Lenders.....	79
SECTION 11.5.	Notice of Defaults.....	80
SECTION 11.6.	Consultation with Experts.....	80
SECTION 11.7.	Liability of the Agent.....	80
SECTION 11.8.	Indemnification of the Agent.....	80
SECTION 11.9.	Credit Decision.....	81
SECTION 11.10.	Successor Agent.....	81
SECTION 11.11.	Approvals and Other Actions by Majority Lender	81
SECTION 11.12.	Documentation, Syndication and Managing Agents.....	82
ARTICLE XII.	MISCELLANEOUS.....	82
SECTION 12.1.	Notices.....	82
SECTION 12.2.	No Waivers.....	83
SECTION 12.3.	Expenses.....	83
SECTION 12.4.	Stamp, Intangible and Recording Taxes.....	84
SECTION 12.5.	Indemnification.....	84
SECTION 12.6.	Setoff.....	85
SECTION 12.7.	Amendments.....	85
SECTION 12.8.	Successors and Assigns.....	86
SECTION 12.9.	Governing Law.....	88
SECTION 12.10.	Litigation.....	88
SECTION 12.11.	Confidentiality.....	89
SECTION 12.12.	Counterparts; Integration.....	89
SECTION 12.13.	Invalid Provisions.....	89
SECTION 12.14.	No Novation.....	89
SECTION 12.15.	Additional Borrowers.....	90
SECTION 12.16.	RCLP Jointly and Severally Liable for Obligations of Other Borrowers.....	91
SECTION 12.17.	All Development Affiliates Jointly and Severally Liable.....	92
SECTION 12.18.	Avoidance Provisions.....	93
Exhibit A	Form of Assignment and Acceptance Agreement	
Exhibit B	Form of Designation Agreement	
Exhibit C	Form of Revolving Note	
Exhibit D	Form of Bid Rate Note	
Exhibit E	Form of Swingline Note	
Exhibit F	Form of Notice of Borrowing	
Exhibit G	Form of Notice of Continuation	
Exhibit H	Form of Notice of Conversion	
Exhibit I	Form of Bid Rate Quote Request	
Exhibit J	Form of Bid Rate Quote	
Exhibit K	Form of Bid Rate Quote Acceptance	
Exhibit L	Form of Notice of Swingline Borrowing	
Exhibit M	Form of Extension Request	
Exhibit N-1	Form of Opinion of Counsel to the Loan Parties	
Exhibit N-2	Form of Opinion of Counsel to the Agent	
Exhibit O-1	Form of Guaranty	
Exhibit O-2	Form of Development Affiliate Guaranty	
Exhibit P	Form of Unencumbered Pool Certificate	
Exhibit Q	Form of Compliance Certificate	
Exhibit R	Form of Property Certificate	
Exhibit S	Form of Joinder Agreement	
Schedule 1.1.	Approved Grocery Stores	
Schedule 4.1.	Unencumbered Pool Properties	
Schedule 7.2.	Ownership Structure	
Schedule 7.6.	Existing Indebtedness	

Schedule 7.10. Material Contracts
Schedule 7.12. Transactions with Affiliates
Schedule 7.15. Litigation
Schedule 7.16. ERISA
Schedule 7.24. Non-Guarantor Entities
Schedule 8.26. Acquisition or Development of Properties
Schedule 8.29. Hedging Agreements

Schedule 1.1(a)

Approved Grocery Stores

1. Grocery Stores wholly owned directly or indirectly by Wal-Mart Stores, Inc. and operating under the following names:

Wal-Mart Neighborhood Market

2. Grocery Stores wholly owned directly or indirectly by Safeway Inc. and operating under the following names:

Carr Quality Centers
Dominicks

Eagle Quality Centers (Alaska)
Expo's
Pak N Save
Pavilion's
Randall's
Safeway
Simon David
Tom Thumb
Vons

3. Grocery Stores wholly owned directly or indirectly by Albertson's Inc. and operating under the following names:

Acme
Albertson's

American Drug Stores
Buttrey
Jewel
Lucky's
Max's Warehouse
Monte Mart