REGENCY CENTERS CORP
Form 10-K
February 27, 2007
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2006

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 CENTERS CORPORATION

(Exact name of registrant as specified in its charter)

FLORIDA	**59-3191743**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer identification No.)**
One Independent Drive, Suite 114	**(904) 598-7000**

Jacksonville, Florida 32202	
(Address of principal executive offices) (zip code)	**(Registrant s telephone No.)**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.01 par value	**New York Stock Exchange**
Depositary Shares, Liquidation Preference $25 per Depositary Share, each representing 1/10 of a share of 7.45% Series 3 Cumulative Redeemable Preferred Stock	**New York Stock Exchange**
Depositary Shares, Liquidation Preference $25 per Depositary Share, each representing 1/10 of a share of 7.25% Series 4 Cumulative Redeemable Preferred Stock	**New York Stock Exchange**
6.70% Series 5 Cumulative Redeemable Preferred Stock par value $0.01	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. **YES x NO ¨**

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. **YES ¨ NO x**

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, and (2) has been subject to such filing requirements for the past 90 days. **YES x NO ¨**

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. **x**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. (Check One):

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨

Indicate by check mark whether the registrant is a shell company. **YES ¨ NO x**

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant s most recently completed second fiscal quarter. $4,149,168,866

The number of shares outstanding of the registrant s voting common stock was 69,196,204 as of February 26, 2007.

Documents Incorporated by Reference

Portions of the registrant s proxy statement in connection with its 2007 Annual Meeting of Stockholders are incorporated by reference in Part III.

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Forward-Looking Statements

In addition to historical information, the following information contains forward-looking statements as defined under federal securities laws. These forward-looking statements include statements about anticipated growth in revenues, the size of our development program, earnings per share, returns and portfolio value and expectations about our liquidity. These statements are based on current expectations, estimates and projections about the industry and markets in which Regency Centers Corporation (Regency or Company) operates, and management s beliefs and assumptions. Forward-looking statements are not guarantees of future performance and involve certain known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to, changes in national and local economic conditions; financial difficulties of tenants; competitive market conditions, including pricing of acquisitions and sales of properties and out-parcels; changes in expected leasing activity and market rents; timing of acquisitions, development starts and sales of properties and out-parcels; our inability to exercise voting control over the joint ventures through which we own or develop many of our properties; weather; consequences of any armed conflict or terrorist attack against the United States; the ability to obtain governmental approvals; and meeting development schedules. For additional information, see Risk Factors elsewhere herein. The following discussion should be read in conjunction with the accompanying Consolidated Financial Statements and Notes thereto of Regency Centers Corporation appearing elsewhere within.

PART I

Item 1. Business

Regency is a qualified real estate investment trust (REIT), which began operations in 1993. Our primary operating and investment goal is long-term growth in earnings per share and total shareholder return, which we work to achieve by focusing on a strategy of owning, operating and developing high-quality community and neighborhood shopping centers that are tenanted by market-dominant grocers, category-leading anchors, specialty retailers and restaurants located in areas with above average household incomes and population densities. All of our operating, investing and financing activities are performed through our operating partnership, Regency Centers, L.P. (RCLP), RCLP s wholly owned subsidiaries, and through its investments in joint ventures with third parties. Regency currently owns 99% of the outstanding operating partnership units of RCLP.

At December 31, 2006, we directly owned 218 shopping centers (the Consolidated Properties) located in 22 states representing 24.7 million square feet of gross leasable area (GLA). Our cost of these shopping centers is $3.5 billion before depreciation. Through joint ventures, we own partial interests in 187 shopping centers (the Unconsolidated Properties) located in 24 states and the District of Columbia representing 22.5 million square feet of GLA. Our investment, at cost, in the Unconsolidated Properties is $434.1 million. Certain portfolio information described within this Form 10-K is presented (a) on a Combined Basis, which is a total of the Consolidated Properties and the Unconsolidated Properties, (b) for our Consolidated Properties only and (c) for the Unconsolidated Properties that we own through joint ventures. We believe that presenting the information under these methods provides a more complete understanding of the properties that we wholly-own versus those that we partially-own, but for which we provide full property management, asset management, investing and financing services. The shopping center portfolio that we manage, on a Combined Basis, represents 405 shopping centers located in 28 states and the District of Columbia and contains 47.2 million square feet of GLA.

We earn revenues and generate cash flow by leasing space in our shopping centers to market-leading grocers, major retail anchors, specialty side-shop retailers, and restaurants, including ground leasing or selling building pads (out-parcels) to these tenants. We experience growth in revenues by increasing occupancy and rental rates at currently owned shopping centers, and by acquiring and developing new shopping centers. Community and neighborhood shopping centers generate substantial daily traffic by conveniently offering daily necessities and services. This high traffic generates increased sales, thereby driving higher occupancy and rental-rate growth, which we expect will sustain our growth in earnings per share and increase the value of our portfolio over the long term.

We seek a range of strong national, regional and local specialty retailers, for the same reason that we choose to anchor our centers with leading grocers and major retailers who provide a mix of goods and services that meet consumer needs. We have created a formal partnering process the Premier Customer Initiative (PCI) to promote mutually beneficial relationships with our specialty retailers. The objective of PCI is for Regency to build a base of specialty tenants who represent the best-in-class operators in their respective merchandising categories. Such retailers reinforce the consumer appeal and other strengths of a center s anchor, help to stabilize a center s occupancy, reduce re-leasing downtime, reduce tenant turnover and yield higher sustainable rents.

We grow our shopping center portfolio through acquisitions of operating centers and new shopping center development, where we acquire the land and construct the building. Development is customer driven, meaning we generally have an executed lease from the anchor before we start construction. Developments serve the growth needs of our anchors, and specialty retailers, resulting in modern shopping centers with long-term anchor leases that produce attractive returns on our invested capital. This development process can require up to 36 months, or longer, from initial land or redevelopment acquisition through construction, lease-up and stabilization of rental income, depending upon the size of the project. Generally, anchor tenants begin operating their stores prior to the completion of construction of the entire center, resulting in rental income during the development phase.

We intend to maintain a conservative capital structure to fund our growth programs, which should preserve our investment-grade ratings. Our approach is founded on our self-funding business model. This model utilizes center recycling as a key component, which requires ongoing monitoring of each center to ensure that it continues to meet our investment standards. We sell the operating properties that no longer measure up to our standards. We also develop certain retail centers because of their attractive profit margins with the intent of selling them to joint ventures or other third parties upon completion. These sale proceeds are re-deployed into new, higher-quality developments and acquisitions that are expected to generate sustainable revenue growth and more attractive returns.

Joint venturing of shopping centers also provides us with a capital source for new developments and acquisitions, as well as the opportunity to earn fees for asset and property management services. As asset manager, we are engaged by our partners to apply similar operating, investment, and capital strategies to the portfolios owned by the joint ventures. Joint ventures grow their shopping center investments through acquisitions from third parties or direct purchases from Regency. Although selling properties to joint ventures reduces our ownership interest, we continue to share in the risks and rewards of centers that meet our high quality standards and long-term investment strategy.

Competition

We are among the largest publicly-held owners of shopping centers in the nation based on revenues, number of properties, gross leasable area and market capitalization. There are numerous companies and private individuals engaged in the ownership, development, acquisition and operation of shopping centers which compete with us in our targeted markets. This results in competition for attracting anchor tenants, as well as the acquisition of existing shopping centers and new development sites. We believe that the principal competitive factors in attracting tenants in our market areas are location, demographics, rental costs, tenant mix, property age and maintenance. We believe that our competitive advantages include our locations within our market areas, the design quality of our shopping centers, the strong demographics surrounding our shopping centers, our relationships with our anchor tenants and our side-shop and out-parcel retailers, our PCI program which allows us to provide retailers with multiple locations, our practice of maintaining and renovating our shopping centers, and our ability to source and develop new shopping centers.

Changes in Policies

Our Board of Directors establishes the policies that govern our investment and operating strategies including, among others, development and acquisition of shopping centers, tenant and market focus, debt and equity financing policies, quarterly distributions to stockholders, and REIT tax status. The Board of Directors may amend these policies at any time without a vote of our stockholders.

Employees

Our headquarters are located at One Independent Drive, Suite 114, Jacksonville, Florida. We presently maintain 21 market offices nationwide where we conduct management, leasing, construction, and investment activities. At December 31, 2006, we had 499 employees and we believe that our relations with our employees are good.

Compliance with Governmental Regulations

Under various federal, state and local laws, ordinances and regulations, we may be liable for the cost to remove or remediate certain hazardous or toxic substances at our shopping centers. These laws often impose liability without regard to whether the owner knew of, or was responsible for, the presence of the hazardous or toxic substances. The cost of required remediation and the owner s liability for remediation could exceed the value of the

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property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate such substances, may adversely affect our ability to sell or rent the property or borrow using the property as collateral. We have a number of properties that could require or are currently undergoing varying levels of environmental remediation. Environmental remediation is not currently expected to have a material financial effect on us due to reserves for remediation, insurance programs designed to mitigate the cost of remediation and various state-regulated programs that shift the responsibility and cost to the state.

Executive Officers

The executive officers of the Company are appointed each year by the Board of Directors. Each of the executive officers has been employed by the Company in the position or positions indicated in the list and pertinent notes below. Each of the executive officers has been employed by the Company for more than five years.

Name	Age	Title	Executive Officer in Position Shown Since
Martin E. Stein, Jr.	54	Chairman and Chief Executive Officer	1993
Mary Lou Fiala	55	President and Chief Operating Officer	1999
Bruce M. Johnson	59	Managing Director and Chief Financial Officer	1993
Brian M. Smith	52	Managing Director and Chief Investment Officer	2005(1)

(1) Mr. Smith was appointed Chief Investment Officer for the Company in September 2005. Mr. Smith was previously Managing Director Investments Pacific, Mid-Atlantic and Northeast since 1999.

Company Website Access and SEC Filings

The Company s website may be accessed at www.regencycenters.com. All of our filings with the Securities and Exchange Commission (SEC) can be accessed through our website promptly after filing; however, in the event that the website is inaccessible, then we will provide paper copies of our most recent annual report on Form 10-K, the most recent quarterly report on Form 10-Q, current reports filed or furnished on Form 8-K, and all related amendments, excluding exhibits, free of charge upon request. These filings are also accessible on the SEC s website at www.sec.gov.

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Item 1A. Risk Factors

Risk Factors Related to Our Industry and Real Estate Investments

Our revenues and cash flow could be adversely affected by poor market conditions where properties are geographically concentrated.

Regency s performance depends on the economic conditions in markets in which our properties are concentrated. During the year ended December 31, 2006, our properties in California, Florida and Texas accounted for 45% of our consolidated net operating income. Our revenues and cash available for distribution to stockholders could be adversely affected by this geographic concentration if market conditions in these areas, such as an oversupply of retail space or a reduction in the demand for shopping centers, become more competitive relative to other geographic areas.

Loss of revenues from major tenants could reduce distributions to stockholders.

We derive significant revenues from anchor tenants such as Kroger, Publix and Safeway that occupy more than one center. Distributions to stockholders could be adversely affected by the loss of revenues in the event a major tenant:

- becomes bankrupt or insolvent;
- experiences a downturn in its business;
- materially defaults on its lease;
- does not renew its leases as they expire; or
- renews at lower rental rates.

Vacated anchor space, including space owned by the anchor, can reduce rental revenues generated by the shopping center because of the loss of the departed anchor tenant s customer drawing power. Most anchors have the right to vacate and prevent re-tenanting by paying rent for the balance of the lease term. If major tenants vacate a property, then other tenants may be entitled to terminate their leases at the property.

Downturns in the retailing industry likely will have a direct adverse impact on our revenues and cash flow.

Our properties consist primarily of grocery-anchored shopping centers. Our performance therefore is generally linked to economic conditions in the market for retail space. The market for retail space has been or could be adversely affected by any of the following:

- the growth of super-centers, such as those operated by Wal-Mart, and their adverse effect on major grocery chains;
- the impact of increased energy costs on consumers and its consequential effect on the number of shopping visits to our centers;
- weakness in the national, regional and local economies;

- consequences of any armed conflict involving, or terrorist attack against, the United States;
- the adverse financial condition of some large retailing companies;
- the ongoing consolidation in the retail sector;
- the excess amount of retail space in a number of markets;
- increasing consumer purchases through catalogs or the Internet;
- reduction in the demand by tenants to occupy our shopping centers as a result of reduced consumer demand for certain retail formats such as video rental stores;
- the timing and costs associated with property improvements and rentals;
- changes in taxation and zoning laws; and
- adverse government regulation.

To the extent that any of these conditions occur, they are likely to impact market rents for retail space and our cash available for distribution to stockholders.

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Unsuccessful development activities or a slowdown in development activities could reduce distributions to stockholders.

We actively pursue development activities as opportunities arise. Development activities require various government and other approvals for entitlements which can significantly delay the development process. We may not recover our investment in development projects for which approvals are not received. We incur other risks associated with development activities, including:

- the risk that the current size and continued growth in our development pipeline will strain the organization s capacity to complete the developments within the targeted timelines and at the expected returns on invested capital;
- the risk that we may abandon development opportunities and lose our investment in these developments;
- the risk that development costs of a project may exceed original estimates, possibly making the project unprofitable;
- delays in the development and construction process;
- lack of cash flow during the construction period; and
- the risk that occupancy rates and rents at a completed project will not be sufficient to make the project profitable.

If we sustain material losses due to an unsuccessful development project, our cash flow available for distribution to stockholders will be reduced. Our earnings and cash flow available for distribution to stockholders also may be reduced if we experience a significant slowdown in our development activities.

Uninsured loss may adversely affect distributions to stockholders.

We carry comprehensive liability, fire, flood, extended coverage, rental loss and environmental insurance for our properties with policy specifications and insured limits customarily carried for similar properties. We believe that the insurance carried on our properties is adequate in accordance with industry standards. There are, however, some types of losses, such as from hurricanes, terrorism, wars or earthquakes, which may be uninsurable, or the cost of insuring against such losses may not be economically justifiable. If an uninsured loss occurs, we could lose both the invested capital in and anticipated revenues from the property, but we would still be obligated to repay any recourse mortgage debt on the property. In that event, our distributions to stockholders could be reduced.

We face competition from numerous sources.

The ownership of shopping centers is highly fragmented, with less than 10% owned by real estate investment trusts. We face competition from other real estate investment trusts as well as from numerous small owners in the acquisition, ownership and leasing of shopping centers. We compete to develop shopping centers with other real estate investment trusts engaged in development activities as well as with local, regional and national real estate developers.

We compete in the acquisition of properties through proprietary research that identifies opportunities in markets with high barriers to entry and higher-than-average population growth and household income. We seek to maximize rents per square foot by establishing relationships with supermarket chains that are first or second in their markets or other category-leading anchors and leasing non-anchor space in multiple centers to national or regional tenants. We compete to develop properties by applying our proprietary research methods to identify development and leasing opportunities and by pre-leasing a significant portion of a center before beginning construction.

There can be no assurance, however, that other real estate owners or developers will not utilize similar research methods and target the same markets and anchor tenants that we target. These entities may successfully control these markets and tenants to our exclusion. If we cannot successfully compete in our targeted markets, our cash flow, and therefore distributions to stockholders, may be adversely affected.

Costs of environmental remediation could reduce our cash flow available for distribution to stockholders.

Under various federal, state and local laws, an owner or manager of real property may be liable for the costs of removal or remediation of hazardous or toxic substances on the property. These laws often impose liability without regard to whether the owner knew of, or was responsible for, the presence of hazardous or toxic substances. The cost of any required remediation could exceed the value of the property and/or the aggregate assets of the owner.

We are subject to numerous environmental laws and regulations as they apply to our shopping centers pertaining to chemicals used by the dry cleaning industry, the existence of asbestos in older shopping centers, and underground petroleum storage tanks (UST s). The presence of, or the failure to properly remediate, hazardous or toxic substances may adversely affect our ability to sell or rent a contaminated property or to borrow using the property as collateral. Any of these developments could reduce cash flow and distributions to stockholders.

Risk Factors Related to Our Joint Ventures and Acquisition Structure

We do not have voting control over our joint venture investments, so we are unable to ensure that our objectives will be pursued.

We have invested as a co-venturer in the acquisition or development of properties. As of December 31, 2006, our investments in real estate partnerships represented 11.8% of our total assets. These investments involve risks not present in a wholly-owned project. We do not have voting control over the ventures. The co-venturer might (1) have interests or goals that are inconsistent with our interests or goals or (2) otherwise impede our objectives. The co-venturer also might become insolvent or bankrupt.

Our joint ventures account for a significant portion of our revenues and net income in the form of management fees and are an important part of our growth strategy. The termination of our joint ventures could adversely affect distributions to stockholders.

Our management fee income has increased significantly as our participation in joint ventures has increased. If joint ventures owning a significant number of properties were dissolved for any reason, we would lose the asset management and property management fees from these joint ventures, which could adversely affect the amount of cash available for distribution to stockholders.

In addition, termination of the joint ventures without replacing them with new joint ventures could adversely affect our growth strategy. Property sales to the joint ventures provide us with an important source of funding for additional developments and acquisitions. Without this source of capital, our ability to grow and to increase distributions to stockholders could be adversely affected.

Our partnership structure may limit our flexibility to manage our assets.

We invest in retail shopping centers through Regency Centers, L.P., the operating partnership in which we currently own 99% of the outstanding common partnership units. From time to time, we acquire properties through our operating partnership in exchange for limited partnership interests. This acquisition structure may permit limited partners who contribute properties to us to defer some, if not all, of the income tax liability that they would incur if they sold the property.

Properties contributed to our operating partnership may have unrealized gain attributable to the difference between the fair market value and adjusted tax basis in the properties prior to contribution. As a result, the sale of these properties could cause adverse tax consequences to the limited partners who contributed them.

Generally, our operating partnership has no obligation to consider the tax consequences of its actions to any limited partner. However, our operating partnership may acquire properties in the future subject to material restrictions on refinancing or resale designed to minimize the adverse tax consequences to the limited partners who contribute those properties. These restrictions could significantly reduce our flexibility to manage our assets by preventing us from reducing mortgage debt or selling a property when such a transaction might be in our best interest in order to reduce interest costs or dispose of an under-performing property.

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Risk Factors Related to Our Capital Recycling and Capital Structure

An increase in market capitalization rates could reduce the value of the centers we sell, requiring us to sell more properties than initially planned in order to fund our development program. An increase in property dispositions would dilute our earnings.

As part of our capital recycling program, we sell operating properties that no longer meet our investment standards. We also develop certain retail centers because of their attractive margins with the intent of selling them to joint ventures or other third parties for a profit. These sale proceeds are used to fund the construction of new developments. An increase in market capitalization rates could cause a reduction in the value of centers identified for sale, which would have an adverse impact on our capital recycling program by reducing the amount of cash generated and profits realized. In order to meet the cash requirements of our development program, we may be required to sell more properties than initially planned, which would have a dilutive impact on our earnings.

Our debt financing may reduce distributions to stockholders.

We do not expect to generate sufficient funds from operations to make balloon principal payments when due on our debt. If we are unable to refinance our debt on acceptable terms, we might be forced (1) to dispose of properties, which might result in losses, or (2) to obtain financing at unfavorable terms. Either could reduce the cash flow available for distributions to stockholders.

In addition, if we cannot make required mortgage payments, the mortgagee could foreclose on the property securing the mortgage, causing the loss of cash flow from that property. Furthermore, substantially all of our debt is cross-defaulted, which means that a default under one loan could trigger defaults under other loans.

Our organizational documents do not limit the amount of debt that may be incurred. The degree to which we are leveraged could have important consequences, including the following:

- leverage could affect our ability to obtain additional financing in the future to repay indebtedness or for working capital, capital expenditures, acquisitions, development or other general corporate purposes;
- leverage could make us more vulnerable to a downturn in our business or the economy generally; and
- as a result, our leverage could lead to reduced distributions to stockholders.

Covenants in our debt agreements may restrict our operating activities and adversely affect our financial condition.

Our revolving line of credit and our unsecured notes contain customary covenants, including compliance with financial ratios, such as ratios of total debt to gross asset value and fixed charge coverage ratios. Our line of credit also restricts our ability to enter into a transaction that would result in a change of control. These covenants may limit our operational flexibility and our acquisition activities. Moreover, if we breach any of these covenants, the resulting default could cause the acceleration of our indebtedness, even in the absence of a payment default. If we are not able to refinance our indebtedness after a default, or unable to refinance our indebtedness on favorable terms, distributions to stockholders and our financial condition would be adversely affected.

We depend on external sources of capital, which may not be available in the future.

To qualify as a REIT, we must, among other things, distribute to our stockholders each year at least 90% of our REIT taxable income (excluding any net capital gains). Because of these distribution requirements, we likely will not be able to fund all future capital needs, including capital for acquisitions, with income from operations. We therefore will have to rely on third-party sources of capital, which may or may not be available on favorable terms or at all. Our access to third-party sources of capital depends on a number of things, including the market s perception of our growth potential and our current and potential future earnings. In addition, our line of credit imposes covenants that limit our flexibility in obtaining other financing, such as a prohibition on negative pledge agreements.

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Additional equity offerings may result in substantial dilution of stockholders interests, and additional debt financing may substantially increase our degree of leverage.

Risk Factors Related to Interest Rates and the Market for Our Stock

Increased interest rates may reduce distributions to stockholders.

We are obligated on floating rate debt, and if we do not eliminate our exposure to increases in interest rates through interest rate protection or cap agreements, these increases may reduce cash flow and our ability to make distributions to stockholders.

Although swap agreements enable us to convert floating rate debt to fixed rate debt and cap agreements enable us to cap our maximum interest rate, they expose us to the risk that the counterparties to these hedge agreements may not perform, which could increase our exposure to rising interest rates. If we enter into swap agreements, decreases in interest rates will increase our interest expense as compared to the underlying floating rate debt. This could result in our making payments to unwind these agreements, such as in connection with a prepayment of the floating rate debt. Cap agreements do not protect us from increases up to the capped rate.

Increased market interest rates could reduce our stock prices.

The annual dividend rate on our common stock as a percentage of its market price may influence the trading price of our stock. An increase in market interest rates may lead purchasers to demand a higher annual dividend rate, which could adversely affect the market price of our stock. A decrease in the market price of our common stock could reduce our ability to raise additional equity in the public markets. Selling common stock at a decreased market price would have a dilutive impact on existing shareholders.

Risk Factors Related to Federal Income Tax Laws

If we fail to qualify as a REIT for federal income tax purposes, we would be subject to federal income tax at regular corporate rates.

We believe that we qualify for taxation as a REIT for federal income tax purposes, and we plan to operate so that we can continue to meet the requirements for taxation as a REIT. If we qualify as a REIT, we generally will not be subject to federal income tax on our income that we distribute currently to our stockholders. Many of the REIT requirements, however, are highly technical and complex. The determination that we are a REIT requires an analysis of various factual matters and circumstances, some of which may not be totally within our control and some of which involve questions of interpretation. For example, to qualify as a REIT, at least 95% of our gross income must come from specific passive sources, like rent, that are itemized in the REIT tax laws. There can be no assurance that the IRS or a court would agree with the positions we have taken in interpreting the REIT requirements. We also are required to distribute to our stockholders at least 90% of our REIT taxable income (excluding capital gains). The fact that we hold many of our assets through joint ventures and their subsidiaries further complicates the application of the REIT requirements. Even a technical or inadvertent mistake could jeopardize our REIT status. Furthermore, Congress and the Internal Revenue Service might make changes to the tax laws and regulations, and the courts might issue new rulings, that make it more difficult, or impossible, for us to remain qualified as a REIT.

Also, unless the IRS granted us relief under certain statutory provisions, we would remain disqualified as a REIT for four years following the year we first failed to qualify. If we failed to qualify as a REIT, we would have to pay significant income taxes. This likely would have a significant adverse affect on the value of our securities. In addition, we would no longer be required to pay any dividends to stockholders.

Even if we qualify as a REIT for federal income tax purposes, we are required to pay certain federal, state and local taxes on our income and property. For example, if we have net income from prohibited transactions, that income will be subject to a 100% tax. In general, prohibited transactions are sales or other dispositions of property held primarily for sale to customers in the ordinary course of business. The determination as to whether a particular sale is a prohibited transaction depends on the facts and circumstances related to that sale. While we have undertaken a significant number of asset sales in recent years, we do not believe that those sales should be considered prohibited transactions, but there can be no assurance that the IRS would not contend otherwise.

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In addition, any net taxable income earned directly by our taxable affiliates, including Regency Realty Group, Inc., is subject to federal and state corporate income tax. Several provisions of the laws applicable to REITs and their subsidiaries ensure that a taxable REIT subsidiary will be subject to an appropriate level of federal income taxation. For example, a taxable REIT subsidiary is limited in its ability to deduct interest payments made to an affiliated REIT. In addition, a REIT has to pay a 100% penalty tax on some payments that it receives if the economic arrangements between the REIT, the REIT s tenants and the taxable REIT subsidiary are not comparable to similar arrangements between unrelated parties. Finally, some state and local jurisdictions may tax some of our income even though as a REIT we are not subject to federal income tax on that income. To the extent that we and our affiliates are required to pay federal, state and local taxes, we will have less cash available for distributions to our stockholders.

A REIT may not own securities in any one issuer if the value of those securities exceeds 5% of the value of the REIT s total assets or the securities owned by the REIT represent more than 10% of the issuer s outstanding voting securities or 10% of the value of the issuer s outstanding securities. An exception to these tests allows a REIT to own securities of a subsidiary that exceed the 5% value test and the 10% value tests if the subsidiary elects to be a taxable REIT subsidiary. We are not able to own securities of taxable REIT subsidiaries that represent in the aggregate more than 20% of the value of our total assets. We currently own more than 10% of the total value of the outstanding securities of Regency Realty Group, Inc., which has elected to be a taxable REIT subsidiary.

Risk Factors Related to Our Ownership Limitations, the Florida Business Corporation Act and Certain Other Matters

Restrictions on the ownership of our capital stock to preserve our REIT status could delay or prevent a change in control.

Ownership of more than 7% by value of our outstanding capital stock by certain persons is restricted for the purpose of maintaining our qualification as a REIT, with certain exceptions. This 7% limitation may discourage a change in control and may also (i) deter tender offers for our capital stock, which offers may be attractive to our stockholders, or (ii) limit the opportunity for our stockholders to receive a premium for their capital stock that might otherwise exist if an investor attempted to assemble a block in excess of 7% of our outstanding capital stock or to effect a change in control.

The issuance of our capital stock could delay or prevent a change in control.

Our articles of incorporation authorize our board of directors to issue up to 30,000,000 shares of preferred stock and 10,000,000 shares of special common stock and to establish the preferences and rights of any shares issued. The issuance of preferred stock or special common stock could have the effect of delaying or preventing a change in control even if a change in control were in our stockholders interest. The provisions of the Florida Business Corporation Act regarding control share acquisitions and affiliated transactions could also deter potential acquisitions by preventing the acquiring party from voting the common stock it acquires or consummating a merger or other extraordinary corporate transaction without the approval of our disinterested stockholders.

Item 1B. Unresolved Staff Comments

The Company has received no written comments regarding its periodic or current reports from the staff of the Securities and Exchange Commission that were issued 180 days or more preceding December 31, 2006 that remain unresolved.

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Item 2. Properties

The following table is a list of the shopping centers summarized by state and in order of largest holdings presented on a Combined Basis (includes properties owned by unconsolidated joint ventures):

	December 31, 2006				December 31, 2005			
Location	# Properties	GLA	% of Total GLA	% Leased	# Properties	GLA	% of Total GLA	% Leased
California	71	9,521,497	20.2%	88.6%	70	8,855,638	19.2%	93.3%
Florida	55	6,175,929	13.1%	93.1%	51	5,912,994	12.8%	94.5%
Texas	39	4,779,440	10.1%	86.1%	38	5,029,590	10.9%	84.7%
Virginia	33	3,884,864	8.2%	94.1%	31	3,628,732	7.8%	95.0%
Georgia	32	2,735,441	5.8%	92.6%	33	2,850,662	6.2%	95.4%
Colorado	21	2,345,224	5.0%	91.8%	22	2,507,634	5.4%	84.3%
Ohio	16	2,292,515	4.9%	85.3%	16	2,045,260	4.4%	82.3%
Illinois	16	2,256,682	4.8%	95.8%	17	2,410,178	5.2%	95.9%
North Carolina	16	2,193,420	4.6%	92.4%	15	2,114,667	4.6%	91.7%
Maryland	18	2,058,329	4.4%	94.6%	21	2,435,783	5.3%	93.6%
Pennsylvania	13	1,649,570	3.5%	90.1%	13	1,665,005	3.6%	75.3%
Washington	11	1,172,684	2.5%	94.5%	12	1,334,337	2.9%	93.6%
Oregon	10	1,011,678	2.1%	91.5%	8	854,729	1.8%	97.1%
Delaware	5	654,687	1.4%	91.3%	5	654,687	1.4%	90.3%
Massachusetts	3	568,099	1.2%	83.7%				
South Carolina	9	536,847	1.1%	97.5%	6	624,450	1.4%	97.4%
Arizona	4	496,087	1.1%	99.3%	8	522,027	1.1%	96.0%
Tennessee	7	488,050	1.0%	94.4%	4	496,087	1.1%	99.4%
Minnesota	3	483,938	1.0%	96.5%	2	299,097	0.6%	97.3%
Michigan	4	303,412	0.6%	87.6%	3	282,408	0.6%	95.5%
Kentucky	2	302,670	0.6%	95.0%	2	302,670	0.7%	94.7%
Wisconsin	2	269,128	0.6%	97.3%	3	372,382	0.8%	94.4%
Alabama	2	193,558	0.4%	82.2%	3	267,689	0.6%	84.8%
Indiana	5	193,370	0.4%	70.9%	3	229,619	0.5%	84.3%
Connecticut	1	179,730	0.4%	100.0%	1	167,230	0.4%	100.0%
New Jersey	2	156,482	0.3%	97.8%	2	156,482	0.3%	97.8%
New Hampshire	2	125,173	0.3%	74.8%	2	112,752	0.2%	67.8%
Nevada	1	119,313	0.3%	87.4%	1	93,516	0.2%	73.6%
Dist. of Columbia	2	39,645	0.1%	89.4%	1	16,834		100.0%
Total	405	47,187,462	100.0%	91.0%	393	46,243,139	100.0%	91.3%

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Item 2. Properties (continued)

The following table is a list of the shopping centers summarized by state and in order of largest holdings presented for Consolidated Properties (excludes properties owned by unconsolidated joint ventures):

	December 31, 2006				December 31, 2005			
Location	# Properties	GLA	% of Total GLA	% Leased	# Properties	GLA	% of Total GLA	% Leased
California	46	5,861,515	23.8%	84.9%	45	5,319,464	21.8%	91.2%
Florida	34	4,054,604	16.4%	93.6%	35	4,185,221	17.2%	95.6%
Texas	30	3,629,118	14.7%	82.5%	30	3,890,913	16.0%	81.6%
Ohio	14	2,037,134	8.3%	83.6%	15	1,936,337	7.9%	81.5%
Georgia	16	1,408,407	5.7%	89.7%	16	1,410,412	5.8%	93.7%
Colorado	13	1,158,670	4.7%	89.0%	14	1,321,080	5.4%	73.4%
Virginia	9	1,018,531	4.1%	89.1%	9	973,744	4.0%	93.5%
North Carolina	9	947,413	3.8%	95.3%	9	970,506	4.0%	96.6%
Oregon	7	657,008	2.7%	88.8%	5	500,059	2.0%	97.4%
Pennsylvania	4	587,592	2.4%	78.1%	3	573,410	2.3%	37.0%
Washington	6	555,666	2.3%	90.3%	7	717,319	2.9%	89.4%
Tennessee	7	488,050	2.0%	94.4%	6	624,450	2.6%	97.4%
Illinois	3	415,011	1.7%	93.6%	3	415,011	1.7%	95.6%
Arizona	3	388,440	1.6%	99.1%	3	388,440	1.6%	99.3%
Massachusetts	2	382,820	1.5%	76.1%				
Michigan	4	303,412	1.2%	87.6%	3	282,408	1.1%	95.5%
Delaware	2	240,418	1.0%	98.7%	2	240,418	1.0%	97.8%
Maryland	1	129,940	0.5%	67.0%	1	121,050	0.5%	49.6%
New Hampshire	2	125,173	0.5%	74.8%	2	112,752	0.5%	67.8%
Nevada	1	119,313	0.5%	87.4%	1	93,516	0.4%	73.6%
South Carolina	2	91,361	0.4%	94.7%	2	140,900	0.6%	91.2%
Indiana	3	54,486	0.2%	23.5%	1	90,735	0.4%	72.2%
Alabama					1	74,131	0.3%	96.8%
Total	218	24,654,082	100.0%	87.3%	213	24,382,276	100.0%	88.0%

The Consolidated Properties are encumbered by notes payable of $255.6 million.

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Item 2. Properties (continued)

The following table is a list of the shopping centers summarized by state and in order of largest holdings presented for Unconsolidated Properties (only properties owned by unconsolidated joint ventures):

	December 31, 2006				December 31, 2005			
Location	# Properties	GLA	% of Total GLA	% Leased	# Properties	GLA	% of Total GLA	% Leased
California	25	3,659,982	16.2%	94.5%	25	3,536,174	16.2%	96.5%
Virginia	24	2,866,333	12.7%	95.8%	22	2,654,988	12.2%	95.6%
Florida	21	2,121,325	9.4%	92.1%	16	1,727,773	7.9%	91.7%
Maryland	17	1,928,389	8.6%	96.4%	20	2,314,733	10.6%	95.9%
Illinois	13	1,841,671	8.2%	96.3%	14	1,995,167	9.1%	95.9%
Georgia	16	1,327,034	5.9%	95.7%	17	1,440,250	6.6%	97.0%
North Carolina	7	1,246,007	5.5%	90.1%	6	1,144,161	5.2%	87.6%
Colorado	8	1,186,554	5.3%	94.5%	8	1,186,554	5.4%	96.3%
Texas	9	1,150,322	5.1%	97.4%	8	1,138,677	5.2%	95.4%
Pennsylvania	9	1,061,978	4.7%	96.8%	10	1,091,595	5.0%	95.5%
Washington	5	617,018	2.7%	98.3%	5	617,018	2.8%	98.4%
Minnesota	3	483,938	2.2%	96.5%	2	299,097	1.4%	97.3%
South Carolina	7	445,486	2.0%	98.0%	6	381,127	1.7%	97.9%
Delaware	3	414,269	1.8%	87.0%	3	414,269	1.9%	85.9%
Oregon	3	354,670	1.6%	96.5%	3	354,670	1.6%	96.6%
Kentucky	2	302,670	1.3%	95.0%	2	302,670	1.4%	94.7%
Wisconsin	2	269,128	1.2%	97.3%	3	372,382	1.7%	94.4%
Ohio	2	255,381	1.1%	99.0%	1	108,923	0.5%	97.6%
Alabama	2	193,558	0.9%	82.2%	2	193,558	0.9%	80.2%
Massachusetts	1	185,279	0.8%	99.4%				
Connecticut	1	179,730	0.8%	100.0%	1	167,230	0.8%	100.0%
New Jersey	2	156,482	0.7%	97.8%	2	156,482	0.7%	97.8%
Indiana	2	138,884	0.6%	89.5%	2	138,884	0.6%	92.2%
Arizona	1	107,647	0.5%	100.0%	1	107,647	0.5%	100.0%
Dist. of Columbia	2	39,645	0.2%	89.4%	1	16,834	0.1%	100.0%
Total	187	22,533,380	100.0%	95.0%	180	21,860,863	100.0%	95.1%

The Unconsolidated Properties are encumbered by mortgage loans of $2.4 billion.

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Item 2. Properties (continued)

The following table summarizes the largest tenants occupying our shopping centers for Consolidated Properties plus Regency s pro-rata share of Unconsolidated Properties as of December 31, 2006 based upon a percentage of total annualized base rent exceeding ..5%.

Tenant	GLA	Percent to Company Owned GLA	Rent	Percentage of Annualized Base Rent	Number of Leased Stores	Anchor Owned Stores (a)
Kroger	2,825,054	9.5%	$ 26,677,947	6.42%	61	6
Publix	1,879,573	6.3%	17,136,135	4.12%	64	1
Safeway	1,739,928	5.8%	16,132,896	3.88%	59	6
Supervalu	1,073,407	3.6%	12,132,690	2.92%	34	1
Blockbuster Video	325,679	1.1%	6,927,385	1.67%	86	
CVS	284,405	1.0%	4,419,208	1.06%	43	
Walgreens	229,889	0.8%	4,087,458	0.98%	23	
TJX Companies	369,164	1.2%	3,686,315	0.89%	23	
H.E.B.	319,534	1.1%	3,672,613	0.88%	5	
Harris Teeter	296,407	1.0%	3,663,500	0.88%	8	
Sears Holdings	439,422	1.5%	3,240,761	0.78%	17	1
Washington Mutual	106,099	0.4%	3,197,978	0.77%	42	
Ahold	202,374	0.7%	3,030,936	0.73%	11	
Starbucks	95,873	0.3%	2,948,145	0.71%	87	
Hallmark	160,009	0.5%	2,665,788	0.64%	60	
Bank of America	65,702	0.2%	2,639,990	0.63%	32	
Long s Drugs	211,818	0.7%	2,516,809	0.61%	15	
Subway	90,333	0.3%	2,419,034	0.58%	111	
Movie Gallery	110,211	0.4%	2,331,583	0.56%	35	
Stater Bros.	154,211	0.5%	2,323,129	0.56%	5	
Petco	137,488	0.5%	2,322,006	0.56%	17	
The UPS Store	97,359	0.3%	2,293,231	0.55%	109	

(a) Stores owned by anchor tenant that are attached to our centers.

Regency s leases have terms generally ranging from three to five years for tenant space under 5,000 square feet. Leases greater than 10,000 square feet generally have lease terms in excess of five years, mostly comprised of anchor tenants. Many of the anchor leases contain provisions allowing the tenant the option of extending the term of the lease at expiration. The leases provide for the monthly payment in advance of fixed minimum rentals, additional rents calculated as a percentage of the tenant s sales, the tenant s pro-rata share of real estate taxes, insurance, and common area maintenance expenses, and reimbursement for utility costs if not directly metered.

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Item 2. Properties (continued)

The following table sets forth a schedule of lease expirations for the next ten years, assuming no tenants renew their leases:

Lease Expiration Year	Expiring GLA (2)	Percent of Total Company GLA (2)	Minimum Rent Expiring Leases (3)	Percent of Total Minimum Rent (3)
(1)	485,733	2.8%	$ 9,146,621	3.1%
2007	1,924,969	11.0%	35,170,585	11.7%
2008	2,441,464	14.0%	42,275,232	14.1%
2009	2,680,219	15.3%	48,562,907	16.2%
2010	2,402,453	13.7%	43,146,062	14.4%
2011	2,801,981	16.0%	47,813,463	15.9%
2012	1,697,300	9.7%	24,925,379	8.3%
2013	767,748	4.4%	12,723,505	4.3%
2014	750,504	4.3%	10,862,314	3.6%
2015	724,034	4.1%	11,813,608	3.9%
2016	814,819	4.7%	13,588,941	4.5%
10 Year Total	17,491,224	100.0%	300,028,617	100.0%

(1) leased currently under month to month rent or in process of renewal

(2) represents GLA for Consolidated Properties plus Regency s pro-rata share of Unconsolidated Properties

(3) total minimum rent includes current minimum rent and future contractual rent steps for the Consolidated properties plus Regency s pro-rata share from Unconsolidated Properties, but excludes additional rent such as percentage rent, common area maintenance, real estate taxes and insurance reimbursements

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See the following Combined Basis property table and also see Item 7, Management s Discussion and Analysis for further information about Regency s properties.

Property Name	Year Acquired	Year Con-structed (1)	Gross Leasable Area (GLA)	Percent Leased (2)	Grocery Anchor	Drug Store & Other Anchors > 10,000 Sq Ft
CALIFORNIA						
Los Angeles/ Southern CA						
4S Commons Town Center	2004	2004	240,239	93.7%	Ralphs	Metropolis Funiture, Griffin Ace Hardware, Jimbo s Naturally!, Sav-On Drugs, Cost Plus, Bed Bath & Beyond, LA Fitness
Amerige Heights Town Center (4)	2000	2000	96,679	97.9%	Albertsons	(Target)
Bear Creek Phase II (3)	2005	2005	23,001	80.3%		
Bear Creek Village Center (4)	2003	2004	75,220	96.1%	Stater Bros.	
Brea Marketplace (4)	2005	1987	298,311	69.7%		24 Hour Fitness, Circuit City, Big 5 Sporting Goods, Toys R Us, Beverages & More, Childtime Childcare, Crown Books Liquidation Center
Campus Marketplace (4)	2000	2000	144,289	99.2%	Ralphs	Long s Drug, Discovery Isle Child Development Center
Costa Verde	1999	1988	178,623	100.0%	Albertsons	Bookstar, The Boxing Club
El Camino	1999	1995	135,728	100.0%	Von s Food & Drug	Sav-On Drugs
El Norte Pkwy Plaza	1999	1984	90,679	98.3%	Von s Food & Drug	Long s Drug
Falcon Ridge Town Center (4)	2003	2004	232,754	100.0%	Stater Bros.	(Target), Sports Authority, Ross Dress for Less, Linen s-N-Things, Michaels, Pier 1 Imports
Falcon Ridge Town Center Phase II	2005	2005	66,864	100.0%		24 Hour Fitness, Sav On
Five Points Shopping Center (4)	2005	1960	144,553	100.0%	Albertsons	Long s Drug, Ross Dress for Less, Big 5 Sporting Goods
French Valley	2004	2004	99,020	98.5%	Stater Bros.	
Friars Mission	1999	1989	146,898	99.0%	Ralphs	Long s Drug
Garden Village Shopping Center (4)	2000	2000	112,767	100.0%	Albertsons	Rite Aid
Gelson s Westlake Market Plaza	2002	2002	84,975	97.6%	Gelson s Markets	John of Italy Salon & Spa
Golden Hills Promenade (3)	2006	2006	291,732	58.0%		Lowe s
Granada Village (4)	2005	1965	224,649	95.0%	Ralphs	Rite Aid, TJ Maxx, Stein Mart
Hasley Canyon Village	2003	2003	65,801	100.0%	Ralphs	
Heritage Plaza	1999	1981	231,582	99.9%	Ralphs	Sav-On Drugs, Hands On Bicycles, Inc., Total Woman, Irvine Ace Hardware
Indio-Jackson (3)	2006	2006	295,194	1.7%		
Laguna Niguel Plaza (4)	2005	1985	41,943	93.7%	(Albertsons)	Sav-On Drugs
Morningside Plaza	1999	1996	91,336	98.2%	Stater Bros.	
Navajo Shopping Center (4)	2005	1964	102,138	100.0%	Albertsons	Rite Aid, Kragen Auto Parts
Newland Center	1999	1985	149,174	100.0%	Albertsons	
Oakbrook Plaza	1999	1982	83,279	100.0%	Albertsons	(Long s Drug)
Park Plaza Shopping Center (4)	2001	1991	197,166	98.9%	Henry s Marketplace	Sav-On Drugs, Petco, Ross Dress For Less, Office Depot
Plaza Hermosa	1999	1984	94,940	100.0%		Sav-On Drugs

					Von s Food & Drug	
Point Loma Plaza (4)	2005	1987	212,796	94.3%	Von s Food & Drug	Sport Chalet 5, 24 Hour Fitness, Jo-Ann Fabrics
Rancho San Diego Village (4)	2005	1981	152,896	90.6%	Von s Food & Drug	(Long s Drug), 24 Hour Fitness
Rio Vista Town Center (3)	2005	2005	88,760	54.3%	Stater Bros.	(CVS)
Rona Plaza	1999	1989	51,754	94.4%	Food 4 Less	
Santa Ana Downtown	1999	1987	100,306	97.8%	Food 4 Less	Famsa, Inc.
Santa Maria Commons	2005	2005	113,514	85.3%		Kohl s, Rite Aid
Seal Beach (3)(4)	2002	1966	102,235	91.5%	Safeway	Sav-On Drugs
Shops of Santa Barbara	2003	2004	51,568	97.3%		Circuit City
Shops of Santa Barbara Phase II (3)	2004	2004	69,354	93.7%	Whole Foods	
Soquel Canyon Crossings (3)	2005	2005	38,926	90.0%		Rite Aid
Twin Oaks Shopping Center (4)	2005	1978	98,399	100.0%	Ralphs	Rite Aid

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Property Name	Year Acquired	Year Con-structed (1)	Gross Leasable Area (GLA)	Percent Leased (2)	Grocery Anchor	Drug Store & Other Anchors > 10,000 Sq Ft
CALIFORNIA (continued)						
Los Angeles/ Southern CA						
Twin Peaks	1999	1988	198,139	100.0%	Albertsons	Target
Valencia Crossroads	2002	2003	167,857	100.0%	Whole Foods	Kohl s
Ventura Village	1999	1984	76,070	97.9%	Von s Food & Drug	
Vine at Castaic (3)	2005	2005	30,268	44.5%		
Vista Village Phase I	2002	2003	129,009	100.0%	Sprout s Markets	Krikorian Theaters, Linen s-N-Things, (Lowe s)
Vista Village Phase II	2002	2003	55,000	100.0%		(Staples)
Vista Village IV (3)	2006	2006	11,000	54.5%		
Westlake Village Plaza and Center	1999	1975	190,519	100.0%	Von s Food & Drug	(Sav-On Drugs), Long s Drug, Total Woman
Westridge	2001	2003	94,410	100.0%	Albertsons	Beverages & More!
Woodman Van Nuys	1999	1992	107,614	100.0%	Gigante	
San Francisco/ Northern CA						
Alameda Bridgeside Shopping Center (3)	2003	2004	105,118	81.0%	Nob Hill	
Applegate Ranch Shopping Center (3)	2006	2006	179,450	0.0%	(Super Target)	(Super Target), (Home Depot)
Auburn Village (4)	2005	1990	133,944	97.2%	Bel Air Market	Bel Air Market, Goodwill Industries, (Long s Drug)
Bayhill Shopping Center (4)	2005	1990	121,846	100.0%	Mollie Stone s Market	Long s Drug
Blossom Valley	1999	1990	93,316	100.0%	Safeway	Long s Drug
Clayton Valley (3)	2003	2004	275,785	62.4%		Yardbirds Home Center, Long s Drugs, Dollar Tree
Clovis Commons (3)	2004	2004	182,185	76.7%	(Super Target)	(Super Target), Petsmart, TJ Maxx, Office Depot
Corral Hollow (4)	2000	2000	167,184	100.0%	Safeway	Long s Drug, Sears Orchard Supply & Hardware
Diablo Plaza	1999	1982	63,265	100.0%	(Safeway)	(Long s Drug), Jo-Ann Fabrics
El Cerrito Plaza (4)	2000	2000	256,035	85.3%	(Lucky s), Trader Joe s	(Long s Drug), Bed, Bath & Beyond, Barnes & Noble, Copelands Sports, Petco, Ross Dress For Less
Encina Grande	1999	1965	102,499	99.1%	Safeway	Walgreens
Folsom Prairie City Crossing	1999	1999	90,237	100.0%	Safeway	
Loehmanns Plaza California	1999	1983	113,310	96.5%	(Safeway)	Long s Drug, Loehmann s
Mariposa Shopping Center (4)	2005	1957	126,658	100.0%	Safeway	Long s Drug, Ross Dress for Less
Pleasant Hill Shopping Center (4)	2005	1970	233,679	99.2%		Marshalls, Barnes & Noble, Toys R Us, Target
Powell Street Plaza	2001	1987	165,928	100.0%	Trader Joe s	Circuit City, Copeland Sports, Ethan Allen, Jo-Ann Fabrics, Ross Dress For Less
San Leandro	1999	1982	50,432	100.0%	(Safeway)	(Long s Drug)
Sequoia Station	1999	1996	103,148	100.0%	(Safeway)	Long s Drug, Barnes & Noble, Old Navy, Warehouse Music

Silverado Plaza (4)	2005	1974	84,916	99.5%	Nob Hill	Long s Drug
Snell & Branham Plaza (4)	2005	1988	99,349	100.0%	Safeway	
Stanford Ranch Village (4)	2005	1991	89,875	89.3%	Bel Air Market	Plum Pharmacy
Strawflower Village	1999	1985	78,827	100.0%	Safeway	(Long s Drug)
Tassajara Crossing	1999	1990	146,188	100.0%	Safeway	Long s Drug, Ace Hardware
West Park Plaza	1999	1996	88,103	98.3%	Safeway	Rite Aid
Woodside Central	1999	1993	80,591	100.0%		CEC Entertainment, Marshalls. (Target)
Ygnacio Plaza (4)	2005	1968	109,701	100.0%	Albertsons	Rite Aid
Subtotal/Weighted Average (CA)			9,521,497	88.6%		
FLORIDA						
<u>Ft. Myers / Cape Coral</u>						
First Street Village (3)	2006	2006	91,860	42.7%	Publix	
Grande Oak	2000	2000	78,784	98.2%	Publix	

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Property Name	Year Acquired	Year Con-structed (1)	Gross Leasable Area (GLA)	Percent Leased (2)	Grocery Anchor	Drug Store & Other Anchors > 10,000 Sq Ft
FLORIDA (continued)						
Jacksonville / North Florida						
Anastasia Plaza (4)	1993	1988	102,342	100.0%	Publix	
Canopy Oak Center (3)(4)	2006	2006	90,043	60.3%	Publix	
Carriage Gate	1994	1978	76,783	100.0%		Leon County Tax Collector, TJ Maxx
Courtyard Shopping Center	1993	1987	137,256	100.0%	(Publix)	Target
East San Marco Condo (3)(4)	2006	2006				
East San Marco Retail (3)(4)	2006	2006	54,464	56.2%	Publix	
Fleming Island	1998	2000	136,662	97.7%	Publix	Stein Mart, (Target)
Hibernia Plaza (3)	2006	2006	59,103	66.3%	Publix	(Walgreens)
Highland Square (4)	1998	1999	262,195	77.0%	Publix	CVS, Bailey s Powerhouse Gym, Beall s Outlet, Big Lots
John s Creek Shopping Center	2003	2004	89,921	96.9%	Publix	Walgreens
Julington Village (4)	1999	1999	81,820	100.0%	Publix	(CVS)
Millhopper	1993	1974	84,065	100.0%	Publix	CVS, Jo-Ann Fabrics
Newberry Square	1994	1986	180,524	95.8%	Publix	Jo-Ann Fabrics, K-Mart
Oakleaf Plaza (3)	2006	2006	73,719	61.9%	Publix	
Ocala Corners (4)	2000	2000	86,772	96.6%	Publix	
Old St Augustine Plaza	1996	1990	232,459	100.0%	Publix	CVS, Burlington Coat Factory, Hobby Lobby
Palm Harbor Shopping Village (4)	1996	1991	172,758	99.7%	Publix	CVS, Bealls
Pine Tree Plaza	1997	1999	63,387	100.0%	Publix	
Plantation Plaza (4)	2004	2004	77,747	100.0%	Publix	
Regency Court	1997	1992	218,649	97.1%		Sports Authority, Comp USA, Office Depot, Recreational Factory Warehouse, Sofa Express
Shoppes at Bartram Park (4)	2005	2004	77,067	100.0%	Publix	
Shoppes at Bartram Park - Phase II (3)(4)	2005	2005	28,345	92.0%		
Shoppes at Bartram Park - Phase III (3)(4)	2005	2005	12,002			
Shops at John s Creek (3)	2003	2004	15,490	89.5%		
Starke	2000	2000	12,739	100.0%		CVS
Vineyard Shopping Center (4)	2001	2002	62,821	94.2%	Publix	
Miami / Fort Lauderdale						
Aventura Shopping Center	1994	1974	102,876	89.5%	Publix	CVS
Berkshire Commons	1994	1992	106,354	100.0%	Publix	Walgreens
Five Points Plaza (4)	2005	2001	44,647	100.0%	Publix	
Garden Square	1997	1991	90,258	100.0%	Publix	CVS
Pebblebrook Plaza (4)	2000	2000	76,767	100.0%	Publix	(Walgreens)
Shoppes @ 104 (4)	1998	1990	108,192	100.0%	Winn-Dixie	Navarro Discount Pharmacies
Welleby	1996	1982	109,949	95.7%	Publix	Bealls
Tampa / Orlando						
Beneva Village Shops	1998	1987	141,532	100.0%	Publix	Walgreens, Bealls, Harbor Freight Tools
Bloomingdale	1998	1987	267,736	100.0%	Publix	Ace Hardware, Bealls, Wal-Mart
East Towne Shopping Center	2002	2003	69,841	100.0%	Publix	
Kings Crossing Sun City (4)	1999	1999	75,020	98.4%	Publix	

Lynnhaven (4)	2001	2001	63,871	93.4%	Publix	
Marketplace St Pete	1995	1983	90,296	97.0%	Publix	Dollar Duck
Merchants Crossing (4)	2006	1990	213,739	94.7%	Publix	Beall s, Office Depot, Walgreens
Peachland Promenade (4)	1995	1991	82,082	100.0%	Publix	
Regency Square Brandon	1993	1986	349,848	97.8%		AMC Theater, Dollar Tree, Marshalls, Michaels, S & K Famous Brands, Shoe Carnival, Staples, TJ Maxx, Petco, (Best Buy), (MacDill)
Regency Village (4)	2000	2002	83,170	96.2%	Publix	(Walgreens)
Town Square	1997	1999	44,380	100.0%		Petco, Pier 1 Imports
Village Center 6	1995	1993	181,110	96.5%	Publix	Walgreens, Stein Mart
Willa Springs Shopping Center	2000	2000	89,930	98.9%	Publix	

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Property Name	Year Acquired	Year Con- structed (1)	Gross Leasable Area (GLA)	Percent Leased (2)	Grocery Anchor	Drug Store & Other Anchors > 10,000 Sq Ft
FLORIDA (continued)						
West Palm Beach / Treasure Cove						
Boynton Lakes Plaza	1997	1993	124,924	99.4%	Winn-Dixie	World Gym
Chasewood Plaza	1993	1986	155,603	99.4%	Publix	Bealls, Books-A-Million
East Port Plaza	1997	1991	235,842	61.8%	Publix	Walgreens
Martin Downs Village Center	1993	1985	121,946	95.8%		Bealls, Coastal Care
Martin Downs Village Shoppes	1993	1998	48,907	93.9%		Walgreens
Shops of San Marco (4)	2002	2002	96,408	97.1%	Publix	Walgreens
Town Center at Martin Downs	1996	1996	64,546	100.0%	Publix	
Village Commons Shopping Center (4)	2005	1986	169,053	98.3%	Publix	CVS
Wellington Town Square	1996	1982	107,325	98.8%	Publix	CVS
Subtotal/Weighted Average (FL)			6,175,929	93.1%		
TEXAS						
Austin						
Hancock	1999	1998	410,438	97.9%	H.E.B.	Sears, Old Navy, Petco, 24 Hour Fitness
Market at Round Rock	1999	1987	123,046	93.2%	Albertsons	
North Hills	1999	1995	144,019	96.9%	H.E.B.	
Dallas / Ft. Worth						
Bethany Park Place	1998	1998	74,066	98.1%	Kroger	
Cooper Street	1999	1992	133,196	87.5%		(Home Depot), Office Max
Hickory Creek Plaza (3)	2006	2006	27,786		(Kroger)	(Kroger)
Highland Village (3)	2005	2005	355,906	52.8%		AMC Theater, Barnes & Noble
Hillcrest Village	1999	1991	14,530	79.6%		
Keller Town Center	1999	1999	114,937	96.3%	Tom Thumb	
Lebanon/Legacy Center	2000	2002	56,674	100.0%	(Albertsons)	
Main Street Center (4)	2002	2002	42,754	87.4%	(Albertsons)	
Market at Preston Forest	1999	1990	91,624	96.9%	Tom Thumb	Petco
Mockingbird Common	1999	1987	120,321	94.3%	Tom Thumb	
Preston Park	1999	1985	273,396	78.1%	Tom Thumb	Gap, Williams Sonoma
Prestonbrook	1998	1998	91,537	95.4%	Kroger	
Prestonwood Park	1999	1999	101,167	65.3%	(Albertsons)	
Rockwall Town Center (3)	2002	2004	46,409	63.2%	(Kroger)	(Walgreens)
Shiloh Springs	1998	1998	110,040	96.1%	Kroger	
Signature Plaza	2003	2004	32,415	79.4%	(Kroger)	
Trophy Club	1999	1999	106,507	83.4%	Tom Thumb	(Walgreens)
Valley Ranch Centre	1999	1997	117,187	89.0%	Tom Thumb	
Houston						
Alden Bridge	2002	1998	138,953	96.8%	Kroger	Walgreens
Atascocita Center	2002	2003	97,240	83.5%	Kroger	
Cochran s Crossing	2002	1994	138,192	97.4%	Kroger	CVS
First Colony Marketplace (4)	2005	1993	111,675	97.3%	Randalls Food	Sears
Fort Bend Center	2000	2000	30,164	79.0%	(Kroger)	

Indian Springs Center (4)	2002	2003	136,625	100.0%	H.E.B.	
Kleinwood Center (4)	2002	2003	155,463	89.9%	H.E.B.	(Walgreens)
Kleinwood Center II	2005	2005	45,001	100.0%		LA Fitness
Memorial Collection Shopping Center (4)	2005	1974	103,330	100.0%	Randalls Food	Walgreens
Panther Creek	2002	1994	165,560	100.0%	Randalls Food	CVS, Sears Paint & Hardware
South Shore (3)	2005	2005	27,922	34.0%	(Kroger)	
Spring West Center (3)	2003	2004	144,060	79.7%	H.E.B.	
Sterling Ridge	2002	2000	128,643	100.0%	Kroger	CVS
Sweetwater Plaza (4)	2001	2000	134,045	100.0%	Kroger	Walgreens
Weslayan Plaza East (4)	2005	1969	169,693	100.0%		Berings, Ross Dress for Less, Michaels, Linens-N-Things, Berings Warehouse, Chuck E Cheese, Next Level
Weslayan Plaza West (4)	2005	1969	185,732	97.3%	Randalls Food	Walgreens, Petco, Jo Ann s
West Village (3)	2006	2006	168,182	13.1%		(Target)
Woodway Collection (4)	2005	1974	111,005	98.8%	Randalls Food	Eckerd
Subtotal/Weighted Average (TX)			4,779,440	86.1%		

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Property Name	Year Acquired	Year Con-structed (1)	Gross Leasable Area (GLA)	Percent Leased (2)	Grocery Anchor	Drug Store & Other Anchors > 10,000 Sq Ft
VIRGINIA						
Richmond						
Gayton Crossing (4)	2005	1983	156,916	91.8%	Ukrop s	
Glen Lea Centre (4)	2005	1969	78,493	54.3%		Eckerd
Hanover Village (4)	2005	1971	96,146	88.0%		Rite Aid
Laburnum Park Shopping Center (4)	2005	1977	64,992	94.1%	(Ukrop s)	Rite Aid
Village Shopping Center (4)	2005	1948	111,177	96.4%	Ukrop s	CVS
Other Virginia						
601 King Street (4)	2005	1980	8,349	97.8%		
Ashburn Farm Market Center	2000	2000	91,905	100.0%	Giant Food	
Ashburn Farm Village Center (4)	2005	1996	88,897	100.0%	Shoppers Food Warehouse	
Braemar Shopping Center (4)	2004	2004	96,439	100.0%	Safeway	
Brafferton Center (4)	2005	1997	94,731	97.9%		Sport and Health Clubs
Centre Ridge Marketplace (4)	2005	1996	104,154	98.8%	Shoppers Food Warehouse	Sears
Cheshire Station	2000	2000	97,156	100.0%	Safeway	Petco
Culpeper Colonnade (3)	2006	2006	97,366	42.3%		PetSmart, Staples, (Target)
Festival at Manchester Lakes (4)	2005	1990	165,130	97.4%	Shoppers Food Warehouse	
Fortuna	2004	2004	90,131	100.0%	Shoppers Food Warehouse	(Target), Rite Aid
Fox Mill Shopping Center (4)	2005	1977	103,269	100.0%	Giant Food	
Greenbriar Town Center (4)	2005	1972	345,935	100.0%	Giant Food	CVS, HMY Roomstore, Total Beverage, Ross Dress for Less, Marshalls, Petco
Kamp Washington Shopping Center (4)	2005	1960	71,825	100.0%		Borders Books
Kings Park Shopping Center (4)	2005	1966	74,703	100.0%	Giant Food	CVS
Lorton Station Marketplace (4)	2006	2005	132,445	100.0%	Shoppers Food Warehouse	Advanced Design Group
Lorton Town Center (4)	2006	2005	39,177	100.0%		
Lorton Town Center Phase II (3)(4)	2006	2005	43,000			
Market at Opitz Crossing	2003	2003	149,810	100.0%	Safeway	Boat U.S., USA Discounters
Saratoga Shopping Center (4)	2005	1977	101,587	100.0%	Giant Food	
Shops at County Center (3)	2005	2005	109,589	68.4%	Harris Teeter	
Signal Hill	2003	2004	95,172	96.2%	Shoppers Food Warehouse	
Somerset Crossing (4)	2002	2002	104,128	100.0%	Shoppers Food Warehouse	
Town Center at Sterling Shopping Center (4)	2005	1980	190,069	100.0%	Giant Food	Washington Sports Club, Party Depot
Village Center at Dulles (4)	2002	1991	298,281	100.0%	Shoppers Food Warehouse	CVS, Advance Auto Parts, Chuck E. Cheese, Gold s Gym, Petco, Staples, The Thrift Store
Willston Centre I (4)	2005	1952	105,376	99.5%		CVS, Balleys Health Care
Willston Centre II (4)	2005	1986	127,449	100.0%	Safeway	
Brookville Plaza (4)	1998	1991	63,665	100.0%	Kroger	

Hollymead Town Center	2003	2004	153,742	96.3%	Harris Teeter	(Target), Petsmart
Statler Square Phase I	1998	1996	133,660	91.4%	Kroger	Staples
Subtotal/Weighted Average (VA)			3,884,864	94.1%		

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Property Name	Year Acquired	Year Con-structed (1)	Gross Leasable Area (GLA)	Percent Leased (2)	Grocery Anchor	Drug Store & Other Anchors > 10,000 Sq Ft
GEORGIA						
Atlanta						
Ashford Place	1997	1993	53,450	100.0%		
Bethesda Walk (4)	2004	2003	68,271	90.6%	Publix	
Briarcliff La Vista	1997	1962	39,203	100.0%		Michaels
Briarcliff Village	1997	1990	187,156	89.6%	Publix	La-Z-Boy Furniture Galleries, Office Depot, Party City, Petco, TJ Maxx
Brookwood Village (4)	2004	2000	28,774	75.9%		CVS
Buckhead Court	1997	1984	58,130	81.6%		
Buckhead Crossing (4)	2004	1989	221,874	97.8%		Office Depot, HomeGoods, Marshalls, Michaels, Hancock Fabrics, Ross Dress for Less
Cambridge Square Shopping Ctr	1996	1979	71,474	97.0%	Kroger	
Chapel Hill (3)	2005	2005	55,400	6.0%		(Kohl s)
Cobb Center (4)	2004	1996	69,547	97.8%	Publix	(Rich s Department Store)
Coweta Crossing (4)	2004	1994	68,489	100.0%	Publix	
Cromwell Square	1997	1990	70,283	91.5%		CVS, Hancock Fabrics, Haverty s-Antiques & Interiors of Sandy Springs
Delk Spectrum	1998	1991	100,539	93.4%	Publix	
Dunwoody Hall	1997	1986	89,351	100.0%	Publix	Eckerd
Dunwoody Village	1997	1975	120,598	93.7%	Fresh Market	Walgreens, Dunwoody Prep
Howell Mill Village (4)	2004	1984	97,990	96.0%	Publix	Eckerd
Lindbergh Crossing (4)	2004	1998	27,059	100.0%		CVS
Loehmanns Plaza Georgia	1997	1986	137,601	83.8%		Loehmann s, Dance 101
Northlake Promenade (4)	2004	1986	25,394	81.1%		
Orchard Square (4)	1995	1987	93,222	97.0%	Publix	Harbor Freight Tools, Remax Elite
Paces Ferry Plaza	1997	1987	61,696	93.5%		Harry Norman Realtors
Peachtree Parkway Plaza (4)	2004	2001	95,509	92.4%		Goodwill
Powers Ferry Kroger (4)	2004	1983	45,528	100.0%	Kroger	
Powers Ferry Square	1997	1987	95,704	99.3%		CVS, Pearl Arts & Crafts
Powers Ferry Village	1997	1994	78,996	99.9%	Publix	CVS, Mardi Gras
Rivermont Station	1997	1996	90,267	95.9%	Kroger	
Rose Creek (4)	2004	1993	69,790	93.0%	Publix	
Roswell Crossing (4)	2004	1999	201,979	95.9%	Trader Joe s	PetsMart, Office Max, Pike Nursery, Party City, Walgreens, LA Fitness
Russell Ridge	1994	1995	98,559	90.4%	Kroger	
Thomas Crossroads (4)	2004	1995	84,928	96.3%	Kroger	
Trowbridge Crossing (4)	2004	1998	62,558	100.0%	Publix	
Woodstock Crossing (4)	2004	1994	66,122	96.2%	Kroger	
Subtotal/Weighted Average (GA)			2,735,441	92.6%		
COLORADO						
Colorado Springs						
Cheyenne Meadows (4)	1998	1998	89,893	100.0%	King Soopers	
Falcon Marketplace (3)	2005	2005	22,920	12.2%	(Wal-Mart)	

Marketplace at Briargate (3)	2006	2006	29,075	13.3%	King Soopers	
Monument Jackson Creek	1998	1999	85,263	100.0%	King Soopers	
Woodmen Plaza	1998	1998	116,233	95.0%	King Soopers	
Denver						
Applewood Shopping Center (4)	2005	1956	375,622	93.4%	King Soopers	Applejack Liquors, Petsmart, Wells Fargo Bank, Wal-Mart
Arapahoe Village (4)	2005	1957	159,237	89.4%	Safeway	Jo-Ann Fabrics, Petco, Pier 1 Imports
Belleview Square	2004	1978	117,085	100.0%	King Soopers	
Boulevard Center	1999	1986	88,512	96.3%	(Safeway)	One Hour Optical
Buckley Square	1999	1978	116,146	96.1%	King Soopers	True Value Hardware
Centerplace of Greeley (4)	2002	2003	148,575	96.7%	Safeway	(Target), Ross Dress For Less, Famous Footwear
Cherrywood Square (4)	2005	1978	86,161	95.8%	King Soopers	
Crossroads Commons (4)	2001	1986	144,288	91.3%	Whole Foods	Barnes & Noble, Mann Theatres, Bicycle Village
Fort Collins Center	2005	2005	99,359	100.0%		JC Penney
Hilltop Village (4)	2002	2003	100,028	97.3%	King Soopers	
Leetsdale Marketplace	1999	1993	119,916	87.8%	Safeway	

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Property Name	Year Acquired	Year Con-structed (1)	Gross Leasable Area (GLA)	Percent Leased (2)	Grocery Anchor	Drug Store & Other Anchors > 10,000 Sq Ft
COLORADO (continued)						
Denver						
Littleton Square	1999	1997	94,257	97.9%	King Soopers	Walgreens
Lloyd King Center	1998	1998	83,326	100.0%	King Soopers	
Loveland Shopping Center (3)	2005	2005	93,142	44.7%		Murdoch s Ranch
Ralston Square Shopping Center (4)	2005	1977	82,750	100.0%	King Soopers	
Stroh Ranch	1998	1998	93,436	100.0%	King Soopers	
Subtotal/Weighted Average (CO)			2,345,224	91.8%		
OHIO						
Cincinnati						
Beckett Commons	1998	1995	121,498	100.0%	Kroger	Stein Mart
Cherry Grove	1998	1997	195,497	90.0%	Kroger	Hancock Fabrics, Shoe Carnival, TJ Maxx
Hyde Park	1997	1995	397,893	94.6%	Kroger, Biggs	Walgreens, Jo-Ann Fabrics, Famous Footwear, Michaels, Staples
Indian Springs Market Center (4)	2005	2005	146,458	100.0%		Kohl s, Office Depot
Red Bank Village (3)	2006	2006	233,084	87.4%		
Regency Commons (3)	2004	2004	30,770	62.9%		
Regency Milford Center (4)	2001	2001	108,923	97.6%	Kroger	(CVS)
Shoppes at Mason	1998	1997	80,800	96.5%	Kroger	
Westchester Plaza	1998	1988	88,182	98.4%	Kroger	
Columbus						
East Pointe	1998	1993	86,503	100.0%	Kroger	
Kingsdale Shopping Center	1997	1999	266,878	45.6%	Giant Eagle	
Kroger New Albany Center	1999	1999	91,722	97.8%	Kroger	
Maxtown Road (Northgate)	1998	1996	85,100	96.7%	Kroger	(Home Depot)
Park Place Shopping Center	1998	1988	106,833	53.8%		Big Lots
Windmiller Plaza Phase I	1998	1997	141,110	100.0%	Kroger	Sears Orchard
OHIO (continued)						
Other Ohio						
Wadsworth Crossing (3)	2005	2005	111,264	55.6%		Bed, Bath & Beyond, TJ Maxx, Staples, Petco, (Kohl s), (Lowe s), (Target)
Subtotal/Weighted Average (OH)			2,292,515	85.3%		
ILLINOIS						
Chicago						
Baker Hill Center (4)	2004	1998	135,285	89.2%	Dominick s	
Brentwood Commons (4)	2005	1962	125,585	88.8%	Dominick s	Dollar Tree
Civic Center Plaza (4)	2005	1989	265,024	100.0%		

					Dominick s (5)	Petsmart, Murray s Discount Auto, Home Depot (Target), Linen s-N-Things, Michaels, Petco, Factory Card Outlet, Dress Barn, Staples
Deer Grove Center (4)	2004	1996	239,356	97.2%	Dominick s	
Frankfort Crossing Shpg Ctr	2003	1992	114,534	92.8%	Jewel /OSCO	Ace Hardware
Geneva Crossing (4)	2004	1997	123,182	100.0%	Dominick s	John s Christian Stores
Heritage Plaza Chicago (4)	2005	2005	128,871	94.8%	Jewel /OSCO	Ace Hardware
Hinsdale	1998	1986	178,975	99.4%	Dominick s	Ace Hardware, Murray s Party Time Supplies
McHenry Commons Shopping Center (4)	2005	1988	100,526	94.1%	Dominick s	
Oaks Shopping Center (4)	2005	1983	135,007	90.1%	Dominick s	
Riverside Sq & River s Edge (4)	2005	1986	169,436	100.0%	Dominick s	Ace Hardware, Party City
Riverview Plaza (4)	2005	1981	139,256	97.8%	Dominick s	Walgreens, Toys R Us
Shorewood Crossing (4)	2004	2001	87,705	94.8%	Dominick s	
Stearns Crossing (4)	2004	1999	96,613	100.0%	Dominick s	
Stonebrook Plaza Shopping Center (4)	2005	1984	95,825	100.0%	Dominick s	
Westbrook Commons	2001	1984	121,502	85.7%	Dominick s	
Subtotal/Weighted Average (IL)			2,256,682	95.8%		

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Property Name	Year Acquired	Year Con- structed (1)	Gross Leasable Area (GLA)	Percent Leased (2)	Grocery Anchor	Drug Store & Other Anchors > 10,000 Sq Ft
NORTH CAROLINA						
Charlotte						
Carmel Commons	1997	1979	132,651	96.0%	Fresh Market	Chuck E. Cheese, Party City, Eckerd
Jetton Village (4)	2005	1998	70,097	88.5%	Harris Teeter	
Greensboro						
Kernersville Plaza	1998	1997	72,590	96.7%	Harris Teeter	
Raleigh / Durham						
Bent Tree Plaza (4)	1998	1994	79,503	98.5%	Kroger	
Cameron Village (4)	2004	1949	635,918	88.4%	Harris Teeter, Fresh Market	Eckerd, Talbots, Wake County Public Library, Great Outdoor Provision Co., Blockbuster Video, York Properties, Carolina Antique Mall, The Junior League of Raleigh, K&W Cafeteria, Johnson-Lambe Sporting Goods, Home Economics, Pier 1 Imports
Fuquay Crossing (4)	2004	2002	124,774	97.1%	Kroger	Gold s Gym, Dollar Tree
Garner	1998	1998	221,776	98.3%	Kroger	Office Max, Petsmart, Shoe Carnival, (Target), United Artist Theater, (Home Depot)
Glenwood Village	1997	1983	42,864	90.5%	Harris Teeter	
Greystone Village (4)	2004	1986	85,665	96.2%	Food Lion	Eckerd
Lake Pine Plaza	1998	1997	87,691	96.8%	Kroger	
Maynard Crossing	1998	1997	122,782	100.0%	Kroger	
Middle Creek Commons (3)	2006	2006	74,098	66.8%	Lowes Foods	
Shoppes of Kildaire (4)	2005	1986	148,204	85.2%	Trader Joe s	Athletic Clubs Inc, Home Comfort Furniture, Gold s Gym, Staples
Southpoint Crossing	1998	1998	103,128	98.6%	Kroger	
Sutton Square (4)	2006	1985	101,846	89.2%	Harris Teeter	Eckerd
Woodcroft Shopping Center	1996	1984	89,833	100.0%	Food Lion	True Value Hardware
Subtotal/Weighted Average (NC)			2,193,420	92.4%		
MARYLAND						
Baltimore						
Elkridge Corners (4)	2005	1990	73,529	100.0%	Super Fresh	Rite Aid
Festival at Woodholme (4)	2005	1986	81,027	93.3%	Trader Joe s	
Lee Airport (3)	2005	2005	129,940	67.0%	Giant Food	
Northway Shopping Center (4)	2005	1987	98,016	96.5%	Shoppers Food Warehouse	Goodwill Industries
Parkville Shopping Center (4)	2005	1961	162,435	94.9%	Super Fresh	Rite Aid, Parkville Lanes, Castlewood Realty
Southside Marketplace (4)	2005	1990	125,147	87.2%	Shoppers Food Warehouse	Rite Aid
Valley Centre (4)	2005	1987	247,312	97.1%		TJ Maxx, Sony Theatres, Ross Dress for Less, Homegoods, Staples, Annie Sez
Other Maryland						

Bowie Plaza (4)	2005	1966	104,037	94.0%	Giant Food	CVS
Clinton Park (4)	2003	2003	206,050	97.6%	Giant Food	Sears, GCO Carpet Outlet, (Toys R Us)
Cloppers Mill Village (4)	2005	1995	137,035	98.9%	Shoppers Food Warehouse	CVS
Firstfield Shopping Center (4)	2005	1978	22,328	100.0%		
Goshen Plaza (4)	2005	1987	45,654	100.0%		CVS
King Farm Apartments (4)	2004	2001	64,775	93.5%		
King Farm Village Center (4)	2004	2001	120,326	100.0%	Safeway	
Mitchellville Plaza (4)	2005	1991	156,124	95.5%	Food Lion	
Takoma Park (4)	2005	1960	106,469	100.0%	Shoppers Food Warehouse	
Watkins Park Plaza (4)	2005	1985	113,443	98.5%	Safeway	CVS
Woodmoor Shopping Center (4)	2005	1954	64,682	95.1%		CVS
Subtotal/Weighted Average (MD)			2,058,329	94.6%		

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Property Name	Year Acquired	Year Con-structed (1)	Gross Leasable Area (GLA)	Percent Leased (2)	Grocery Anchor	Drug Store & Other Anchors > 10,000 Sq Ft
PENNSYLVANIA						
Allentown / Bethlehem						
Allen Street Shopping Center (4)	2005	1958	46,420	100.0%	Ahart Market	Eckerd
Stefko Boulevard Shopping Center (4)	2005	1976	133,824	96.2%	Valley Farm Market	
Harrisburg						
Silver Spring Square (3)	2005	2005	347,435	66.9%	Wegmans	(Target)
Philadelphia						
City Avenue Shopping Center (4)	2005	1960	159,419	97.6%		Ross Dress for Less, TJ Maxx, Sears
Gateway Shopping Center	2004	1960	219,337	93.8%	Trader Joe s	Gateway Pharmacy, Staples, TJ Maxx, Famous Footwear, JoAnn Fabrics
Kulpsville Village Center (3)	2006	2006	14,820	100.0%		Walgreens
Mayfair Shopping Center (4)	2005	1988	112,276	97.5%	Shop N Bag	Eckerd, Dollar Tree
Mercer Square Shopping Center (4)	2005	1988	91,400	100.0%	Genuardi s	
Newtown Square Shopping Center (4)	2005	1970	146,893	95.8%	Acme Markets	Eckerd
Towamencin Village Square (4)	2005	1990	122,916	98.7%	Genuardi s	Eckerd, Sears, Dollar Tree
Warwick Square Shopping (4)	2005	1999	89,680	92.6%	Genuardi s	
Other Pennsylvania						
Kenhorst Plaza (4)	2005	1990	159,150	95.0%	Redner s Market	Rite Aid, Sears, US Post Office
Hershey	2000	2000	6,000	100.0%		
Subtotal/Weighted Average (PA)			1,649,570	90.1%		