

RRG99RMP

TYPE OF RECORD: PERMANENT

CATEGORY OF RECORD: DEVELOPMENT IMPROVEMENTS AGREEMENT

NAME OF AGENCY OR CONTRACTOR: REGENCY REALTY GROUP, INC.

STREET ADDRESS/PARCEL NAME/SUBDIVISION/PROJECT: REDLAND'S MARKETPLACE,
DATED DECEMBER 12, 1999 - FILE NO. FP-1999-180

CITY DEPARTMENT: COMMUNITY DEVELOPMENT

YEAR: 1999

EXPIRATION DATE: NONE

DESTRUCTION DATE: NONE

13 BACKGROUND

DEVELOPMENT IMPROVEMENTS AGREEMENT

1. **Parties:** The parties to this Development Improvements Agreement ("the Agreement" or "Agreement") are **REGENCY REALTY GROUP, INC.** ("the Developer") and **THE CITY OF GRAND JUNCTION, Colorado** ("the City" or "City").

FOR valuable consideration, the receipt and adequacy of which is acknowledged, the Parties agree as follows:

2. **Effective Date:** This Agreement is subject to and conditioned upon, and shall become effective only upon, the recordation of the Redland's Marketplace Subdivision Plat. If the plat does not record by May 1, 2000 then this Agreement shall become null and void, and of no further force or effect.

RECITALS

The Developer seeks permission to develop property within the City to be known as Redland's Marketplace, which property is more particularly described on Exhibit A attached and incorporated by this reference ("the Property" or "Property"). The City seeks to protect the health, safety and general welfare of the community by requiring the completion of various improvements in the Property and limiting the harmful effects of substandard developments. The purpose of this Agreement is to protect the City from the cost of completing necessary improvements itself and is not executed for the benefit of materialmen, laborers, or others providing work, services or material to the Developer and/or the Property or for the benefit of the owners, purchasers or users of the Property. The mutual promises, covenants, and obligations contained in this Agreement are authorized by state law, the Colorado Constitution and the City's land development ordinances.

DEVELOPER'S OBLIGATION

3. **Improvements:** The Developer will design, construct and install, at its own expense, those on-site and off-site improvements listed on Exhibit B attached and incorporated by this reference ("the Improvements" or "Improvements"). The Developer agrees to pay the City for inspection services performed by the City, in addition to amounts shown on Exhibit B. The hourly rate of "in-house" City inspection services is \$45.00 per hour. The scope of this project is such that the City may have to engage independent consultant(s) to adequately provide inspection services; Developer agrees to pay such costs, in addition to all others for which Developer is responsible hereunder. The Developer's obligation to complete the improvements is and will be independent of any obligations of the City contained herein.

4. **Security:** To secure the performance of its obligations under this Agreement the Developer shall supply a guarantee in a form and with terms acceptable to the City. A copy of which or a memorandum thereof is attached as Exhibit C.

5. **Standards:** The Developer shall construct the Improvements according to the standards and specifications required by the City Engineer or as adopted by the City.

12/09/99

6. **Warranty:** The Developer warrants that the Improvements, each and every one of them, will be free from defects for a period of twelve (12) months from the date that the City Engineer accepts or approves the last Improvement completed by the Developer.

7. **Commencement, Completion and Abandonment Periods:** The Developer will commence work on the Improvements within 90 days from the Effective Date of this Agreement ("the Commencement Period") and the Improvements, each and every one of them, shall be completed by the end of the 12th month from the Effective Date of this Agreement (the "Completion Period"). The Developer shall not cease construction activities for any period of more than 60 consecutive days ("the Abandonment Period").

8. **Compliance with Law:** The Developer shall comply with all applicable federal, state and local laws, ordinances and regulations in effect at the time of final approval when fulfilling its obligations under this Agreement. When necessary to protect the public health, safety or welfare, the Developer shall be subject to laws, ordinances and regulations that become effective after final development approval.

9. **Notice of Defect:** The Developer's Engineer shall provide timely notice to the Developer, contractor, issuer of security and the City Engineer whenever inspection reveals, or the Developer's Engineer otherwise has knowledge, that an improvement does not conform to City standards and any specifications approved in the development application or is otherwise defective. The Developer will have thirty (30) days from the issuance of such notice to correct the defect. The City may grant reasonable extensions.

10. **Acceptance of Improvements:** The City's final acceptance and/or approval of Improvements will not be given or obtained until the Developer presents a document or documents, for the benefit of the City, showing that the Developer owns the Improvements in fee simple or as accepted by the City Attorney and that there are no liens, encumbrances or other restrictions other than those that have been accepted by the City Attorney on the Improvements. Approval and/or acceptance of any Improvements does not constitute a waiver by the City of any rights it may have on account of any defect in or failure of the Improvement that is detected or which occurs after approval and/or acceptance.

11. **Reduction of Security:** After the acceptance of any Improvement, the amount which the City is entitled to draw on the guarantee will be reduced by an amount equal to 90 percent of the estimated cost of such Improvement as shown in Exhibit B. At the written request of the Developer, the City will execute a certificate verifying the acceptance of the Improvement and waiving its right to draw on the guarantee to the extent of such amount. A Developer in default under this Agreement will have no right to such certification. Upon the acceptance of all of the Improvements the remaining balance that may be drawn under the guarantee shall be available to the City for 90 days after the expiration of the warranty period.

12. **Use of Proceeds:** The City will use funds deposited with it, drawn or guaranteed pursuant to any written agreement entered into between the parties only for the purpose of completing the Improvements or correcting defects in or failure of the Improvements.

13. **Events of Default:** The following conditions, occurrences or actions will constitute a default by the Developer during the Completion Period:

- a. Developer's failure to complete each portion of the Improvements in conformance with the time schedule provided in paragraph number seven (7.), above;
- b. Developer's failure to demonstrate reasonable intent to correct defective construction of any Improvement within the applicable correction period;
- c. Developer's insolvency, the appointment of a receiver for the Developer or the filing of a voluntary or involuntary petition in bankruptcy respecting the Developer; in such event the City may immediately declare a default without prior notification to the Developer;
- d. Notification to the City, by any lender with a lien on the property, of a default on an obligation; the City may immediately declare a default without prior notification to the Developer;
- e. Initiation of any foreclosure action of any lien or initiation of mechanics lien(s) procedure(s) against the Property or a portion of the Property or assignment or conveyance of the Property in lieu of foreclosure. The Developer shall have 30 days to cure the lien, initiate litigation or propose an acceptable resolution to the City before the City declares a default.

Unless specifically provided herein the City may not declare a default until written notice has been sent to the Developer at the address on file with the development application. Notice is and shall be deemed effective two calendar days after mailing thereof by first class United States mail, postage prepaid.

14. **Measure of Damages:** The measure of damages for breach of this Agreement by the Developer will be the reasonable cost of satisfactorily completing the Improvements plus reasonable City administrative expenses. Administrative expenses may include but are not limited to contracting costs, collection costs and the value of planning, engineering, legal and administrative staff time devoted to the collection/completion of the Improvements. For Improvements upon which construction has not begun, the estimated costs of the Improvements as shown on Exhibit B will be *prima facie* evidence of the minimum cost of completion, however, neither that amount or the amount of a letter of credit, the subdivision improvements disbursement agreement or cash escrow or other guarantee establish the maximum amount of the Developer's liability.

15. **City's Rights Upon Default:** When any event of default occurs the City may draw on the letter of credit to the extent of the face amount of the credit or full amount of escrowed collateral, cash, or security less ninety percent (90%) of the estimated cost (as shown on Exhibit B) of all Improvements previously accepted by the City or may exercise its rights to disbursement of loan proceeds or other funds under the improvements disbursement agreement. The City will have the right to complete Improvements itself or it may contract with a third party for completion, and the Developer grants to the City, its successors, assigns, agents, contractors, and employees, a nonexclusive right and easement to enter the Property for the purposes of constructing, reconstructing, maintaining and repairing such Improvements. Alternatively, the City may assign the proceeds of the letter of credit to a subsequent developer (or lender) who has acquired the Property by purchase, foreclosure or otherwise who will then have the same rights of completion as the City if and only if the subsequent developer (or lender) agrees in writing to complete the unfinished Improvements and provides to the City reasonable security for the obligation. In addition, the City may also enjoin the sale, transfer, or conveyance of lots within the development, until the Improvements are completed or accepted. These remedies are cumulative in nature and are in addition to any other remedies the City has at law or in equity.

16. **Indemnification:** The Developer expressly agrees to indemnify and hold the City, its officers, employees, agents and assigns harmless from and against all claims, costs and liabilities of every kind and nature, for injury or damage received or sustained by any person or entity in connection with, or on account of the performance or non-performance of work at the Property or the Property being developed pursuant to this Agreement. The Developer further agrees to aid and defend the City in the event that the City is named as a defendant in an action concerning the performance or non-performance of work pursuant to this Agreement. The Developer further agrees to aid and defend the City in the event that the City is named as a defendant in an action concerning the performance of work pursuant to this Agreement except where such suit is brought by the Developer against the City. The Developer is not an agent or employee of the City.

17. **No Waiver:** No waiver of any provision of this Agreement by the City will be deemed or constitute a waiver of any other provision, nor will it be deemed or constitute a continuing waiver unless expressly provided for by a written amendment to this Agreement signed by both the City and the Developer; nor will the waiver of any default under this Agreement be deemed a waiver of any subsequent default or defaults of the same type. The City's failure to exercise any right under this Agreement will not constitute the approval of any wrongful act by the Developer or the acceptance of any Improvement.

18. **Amendment or Modification:** The parties to this Agreement may amend or modify the Agreement only by written instrument executed on behalf of the City by the City Manager or his designee and by the Developer or his authorized officer. Such amendment or modification shall be properly notarized before it may be deemed effective.

19. **Attorney's Fees:** Should either party be required to resort to litigation to enforce the terms of this Agreement, the prevailing party, plaintiff or defendant, will be entitled to costs, including reasonable attorney's fees and expert witness fees, from the opposing party. If relief is awarded to both parties, the attorney's fees may be equitably divided between the parties by the decision maker.

20. **Vested Rights:** The City does not warrant by this Agreement that the Developer is entitled to any other approval(s) required by the City, if any, before the Developer is entitled to commence development or to transfer ownership of the Property being developed.

21. **Integration:** This Agreement, together with the exhibits and attachments thereto constitutes the entire agreement between the parties and no statement(s), promise(s) or inducement(s) that is/are not contained in this Agreement will be binding on the parties.

22. **Third Party Rights:** No person or entity who or which is not a party to this Agreement will have any right of action under this Agreement.

23. **Time:** For the purpose of computing the Abandonment and Completion Periods, and time periods for City action, such times in which war, civil disasters, or acts of God occur or exist will not be included if such times prevent the Developer or City from performing its obligations under the Agreement.

24. **Severability:** If any part, term, or provision of this Agreement is held by a court or courts of competent jurisdiction to be illegal or otherwise unenforceable, such illegality or unenforceability will not affect the validity of any other part, term, or provision and the rights of the parties will be construed as if the part, term, or provision was never part of the Agreement.

25. **Benefits:** The benefits of this Agreement to the Developer are personal and may not be assigned without the express written approval of the City. Such approval may not be unreasonably withheld, but any unapproved assignment is void. Notwithstanding the foregoing, the burdens of this Agreement are personal obligations of the Developer and also will be binding on the heirs, successors and assigns of the Developer and shall be a covenant(s) running with the Property. There is no prohibition on the right of the City to assign its rights under this Agreement. The City will expressly release the original Developer's guarantee or obligations if it accepts new security from any developer or lender who obtains the Property, however, no other act of the City will constitute a release of the original Developer from his liability under this Agreement. When the Improvements are completed and approved by the City, the City agrees to state same in writing, with appropriate acknowledgments. The City will sign a release only after all warranty periods, as extended by litigation, repair or alteration work, have expired.

26. **Notice:** Any notice required or permitted by this Agreement will be deemed effective two calendar days after deposit with the United States Postal Service, first class, postage prepaid and addressed as follows:

If to Developer: Regency Realty Group, Inc.
1699 S. Colorado Blvd., Unit M
Denver, CO 80222
Attn: Will Damrath

If to City: City of Grand Junction
Community Development Director
250 N. 5th Street
Grand Junction, Colorado 81501

27. **Recordation:** Developer will pay for all costs to record this Agreement or a Memorandum thereof in the Clerk and Recorder's Office of Mesa County, Colorado.

28. **Immunity:** Nothing contained in this Agreement constitutes a waiver of the City's sovereign or other immunity under any applicable law.

29. **Personal Jurisdiction and Venue:** Personal jurisdiction and venue for any action commenced by either party to this Agreement whether arising out of or relating to the Agreement, letter of credit or any action to collect security will be deemed to be proper only if such action is commenced in Mesa County, Colorado. The Developer expressly waives his right to bring such action in or to remove such action to any other court whether state or federal.

30. a. **Conditions of Acceptance:** The City shall have no responsibility or liability with respect to any street, or other improvement(s), notwithstanding the use of the same by the public, unless the street or other improvements shall have been finally accepted by the City.

b. **Phased Development:** If the City allows a street to be constructed in stages, the Developer of the first one-half street opened for traffic shall construct the adjacent curb, gutter and sidewalk in the standard location and shall construct the required width of pavement from the edge of gutter on his side of the street to enable an initial two-way traffic operation without on-street parking. That Developer is also responsible for end-transitions, intersection paving, drainage facilities, and adjustments to existing utilities necessary to open the street to traffic.

c. Prior to requesting final acceptance of any street, storm drainage facility, or other required improvement(s), the Developer shall: (i) furnish to the City engineer as-built drawings in reproducible form, blue-line stamped and sealed by a professional engineer and in computer disk form and copies of results of all construction control tests

required by City specification; (ii) provide written evidence to the City Engineer under signature of a qualified expert that the earth, soils, lands and surfaces upon, in and under which the improvements have been constructed, or which are necessary for the improvements, are free from toxic, hazardous or other regulated substances or materials: (iii) provide written evidence to the City Attorney that the title to lands underlying the improvements are free and clear from all liens and encumbrances, except those items and encumbrances which may be approved in writing by the City Attorney.

City of Grand Junction
250 North Fifth Street
Grand Junction CO 81501

William H. Nebel 12-14-99
ACTING Director of Community Development date

Attest:

Christene English 12/14/99
City Clerk date
Sr. Admin. Assist.

Regency Realty Group, Inc., A Florida Corporation

By: [Signature] 12/10/99
Name: Robert L. Miller date
Its: Vice President

Attest: [Signature] 12/10/99
Secretary date

State of Colorado)
)
County of Mesa) ss.

The foregoing instrument was acknowledged before me on December 14, 1999
by William H. Neuber of The City of Grand
Junction, a municipality, on behalf of said City.

Witness my hand and official seal.

Christine English
Notary Public
State of Colorado



(Personalized Seal)

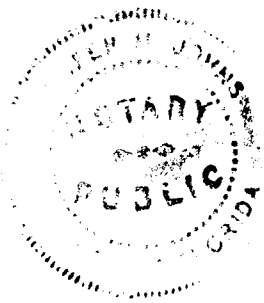
State of Florida)
)
County of Duval) ss.

The foregoing instrument was acknowledged before me on December 10, 1999
by Robert L. Miller, ~~President~~ Vice President of Regency Realty Group,
Inc., a Florida corporation, on behalf of said corporation.

Witness my hand and official seal.

[Signature]
Notary Public
State of ~~Texas~~
Florida

(Personalized Seal)



Legal Description

Lot 1, Brach's Subdivision as recorded in plat book 17
pages 114 and 115 Mesa County, Colorado Records

EXHIBIT B

IMPROVEMENTS LIST/DETAIL

NAME OF DEVELOPMENT: Redlands Marketplace
 LOCATION: NW Corner of Power Road and Hwy 340
 PRINTED NAME OF PERSON PREPARING: Gayle Lyman, LANDesign

	UNITS	TOTAL QTY.	UNIT PRICE	TOTAL AMOUNT
I. SANITARY SEWER				
1 Clearing and Grubbing	LS			
2 Cut and remove Asphalt	SY	350	\$ 2.50	\$ 875.00
3 PVC Sanitary Sewer main (include trenching, bedding and backfill) 8" SDR 35 PVC	LF	1393	\$ 15.50	\$ 21,591.50
4 Sewer Services (include trenching bedding and backfill)	LF	100	\$ 12.00	\$ 1,200.00
5 Sanitary Sewer Manhole(s)	EA	12	\$ 1,250.00	\$ 15,000.00
6 Connection to existing manhole(s)	EA	3	\$ 1,000.00	\$ 3,000.00
7 Aggregate Base Course	SY	231	\$ 1.96	\$ 452.76
8 Pavement replacement	SY	350	\$ 8.90	\$ 3,115.00
9 Driveway restoration	SY			
10 Utility adjustments	LS	1	\$ 2,000.00	\$ 2,000.00
SUBTOTAL SANITARY SEWER				\$ 47,234.26
II. DOMESTIC WATER				
1 Clearing and Grubbing	LS			
2 Cut and remove asphalt	SY			
3 Water main (include excavation, bedding backfill, valves and appurtenances) 10" C-900 CL 150 PVC	LF	652	\$ 16.00	\$ 10,432.00
8" C-900 CL 150 PVC	LF	1822	\$ 14.00	\$ 25,508.00
8" SDR-9 HDPE (includes Boring)	LF	464	\$ 64.00	\$ 29,696.00
6" C-900 CL 150 PVC	LF	156	\$ 16.00	\$ 2,496.00
Elbows, Tees, Reducers, Etc.	EA	17	\$ 200.00	\$ 3,400.00
Gate Valves	EA	12	\$ 400.00	\$ 4,800.00
Fire Hydrants	EA	4	\$ 1,500.00	\$ 6,000.00
Air/Vac Assembly	EA	1	\$ 3,000.00	\$ 3,000.00
4 Water Services (include excavation, bedding, backfill, valves and appurtenances)	LF	1	\$ 8,000.00	\$ 8,000.00
5 Connect to existing water line	EA	3	\$ 750.00	\$ 2,250.00
6 Aggregate Base Course	SY			
7 Pavement replacement	SY			
8 Utility adjustments	LS			
SUBTOTAL DOMESTIC WATER				\$ 95,582.00

III. STREETS

1 Clearing and Grubbing	LS	1	\$ 13,400.00	\$ 13,400.00
2 Earthwork, including excavation and embankment construction	CY	4500	\$ 2.25	\$ 10,125.00
3 Utility relocations	LS	1	\$ 7,000.00	\$ 7,000.00
4 Aggregate sub-base course	SY			
5 Aggregate base course	SY	6908	\$ 1.96	\$ 13,539.68
6 Sub-grade stabilization	SY	3000	\$ 2.50	\$ 7,500.00
7 Asphalt or concrete pavement	SY	6908	\$ 8.90	\$ 61,481.20
8 Curb, gutter and sidewalk	LF	975	\$ 16.00	\$ 15,600.00
8A 10' bike path	LF	1315	\$ 26.00	\$ 34,190.00
9 Driveway sections (square yard)	SY			
10 Crossspans and fillets	SF	4518	\$ 4.50	\$ 20,331.00
11 Retaining walls/structures(FES)	LS			
12 Storm drainage system				
12" HDPE	LF	145	\$ 18.00	\$ 2,610.00
12" RCP	LF	512	\$ 24.00	\$ 12,288.00
18" CMP	LF	140	\$ 28.00	\$ 3,920.00
24" RCP	LF	351	\$ 38.00	\$ 13,338.00
30" RCP	LF	232	\$ 50.00	\$ 11,600.00
36" RCP	LF	523	\$ 67.00	\$ 35,041.00
42" RCP	LF	457	\$ 75.00	\$ 34,275.00
Catch basin with curb inlet	EA	6	\$ 1,500.00	\$ 9,000.00
48" manhole	EA	2	\$ 1,700.00	\$ 3,400.00
60" manhole	EA	3	\$ 3,000.00	\$ 9,000.00
72" manhole	EA	6	\$ 3,000.00	\$ 18,000.00
96" manhole	EA	2	\$ 6,000.00	\$ 12,000.00
13 Signs, traffic control devices, traffic signal				
2" electrical conduit, bored	LF	1700	\$ 15.00	\$ 25,500.00
traffic signals (12-12-12)	EA	14	\$ 700.00	\$ 9,800.00
traffic signals (12-12-12-12-12)	EA	4	\$ 1,100.00	\$ 4,400.00
loop detector wire	LF	2300	\$ 3.00	\$ 6,900.00
illuminated sign	EA	4	\$ 1,600.00	\$ 6,400.00
controller	EA	1	\$ 2,700.00	\$ 2,700.00
pedestrian signal	EA	8	\$ 900.00	\$ 7,200.00
signal light pole and mast arm	EA	4	\$ 12,500.00	\$ 50,000.00
pedestrian push buttons	EA	8	\$ 300.00	\$ 2,400.00
wiring	LS	1	\$ 3,800.00	\$ 3,800.00
fire preemption unit and monitor	EA	4	\$ 1,900.00	\$ 7,600.00
traffic signal cabinet	EA	1	\$ 7,700.00	\$ 7,700.00
pull box	EA	5	\$ 300.00	\$ 1,500.00
loop amplifiers	EA	4	\$ 700.00	\$ 2,800.00
demolition, existing signal system	LS	1	\$ 3,700.00	\$ 3,700.00
striping, thermoplastic 4"	LF	5000	\$ 0.45	\$ 2,250.00
14 Construction staking	LS	1	\$ 15,000.00	\$ 15,000.00
15 Dust control	LS	1	\$ 1,000.00	\$ 1,000.00
16 Street lights (each)	EA	7	\$ 2,250.00	\$ 15,750.00
SUBTOTAL STREETS				\$ 524,038.88

IV. LANDSCAPING

1 Design/Architecture				
2 Earthwork (includes top soil, fine grading, and berming)	LS			
3 Hardscape features (includes walls, fencing and paving)	LS			
4 Plant material and planting (open space and townhome area)	LS			
5 Irrigation System	LS			
6 Other features (includes playground equipment and appurtenances)	LS			
7 Curbing				
8 Retaining walls and structures				
9 One year maintenance agreement				
SUBTOTAL LANDSCAPING				\$ -

V. MISCELLANEOUS

1 Design/Engineering				
2 Surveying				
3 Developer's inspection costs	LS	1	\$ 12,000.00	\$ 12,000.00
4 Quality control testing	LS	1	\$ 14,380.00	\$ 14,380.00
5 Construction traffic control	LS	1	\$ 22,000.00	\$ 22,000.00
6 Rights-of-way/Easements				
7 City Inspection fees	LS	1	\$ 5,000.00	\$ 5,000.00
8 Permit fees				
9 Recording fees	LS	1	\$ 2,000.00	\$ 2,000.00
10 Bonds				
11 Newsletters				
12 General Construction Supervision				
13 Other: AS-BUILTS	LS	1	\$ 1,000.00	\$ 1,000.00
14 Other: Travel	LS	1	\$ 2,000.00	\$ 2,000.00
SUBTOTAL MISCELLANEOUS				\$ 58,380.00

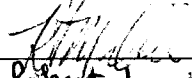
TOTAL ESTIMATED COST OF IMPROVEMENTS: \$ 725,235.14

SCHEDULE OF IMPROVEMENTS:

- I. SANITARY SEWER: January, 2000 - August 2000
- II. DOMESTIC WATER: January, 2000 - August 2000
- III. STREETS: January 2000 - August 2000
- IV. LANDSCAPE: August 2000
- V. MISCELLANEOUS: January 2000 - August 2000

I have reviewed the estimated costs and time schedule shown above and based on the plans and the current costs of construction agree to construct and install the Improvements as required above.


Regency Realty Group, Inc.

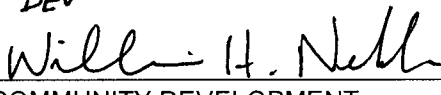
By:  12/10/99
 Name: Robert L. Miller date
 SIGNATURE OF DEVELOPER

Its: Vice President

Attest:  12/10/99
 Secretary (sign and seal) date

Reviewed and approved

 12/14/99
 CITY ENGINEER date
 DEV

 12.14.99
 COMMUNITY DEVELOPMENT date

Memorandum

DATE: December 29, 1999

TO: City Clerk

FROM: Bill Nebeker *BN*

SUBJECT: Original L.O.C. – Regency Realty Group for Redlands Marketplace

Attached is the original letter of credit in the amount of \$732,450 from Regency Realty Group. The LOC is for the off-site improvements for Redlands Marketplace located at the northwest corner of Highway 340 and Power Road, file #FP-1999-180. The LOC expires on 12-14-2000.

If you have any questions please call me at 244-1447.

**WELLS
FARGO**

**WELLS FARGO BANK, N.A.
TRADE SERVICES DIVISION, NORTHERN CALIFORNIA
525 MARKET STREET, 25TH FLOOR
SAN FRANCISCO, CALIFORNIA 94105
Contact Phones: (415) 396-4014- (415) 396-5458**

IRREVOCABLE LETTER OF CREDIT

City of Grand Junction, Colorado
C/o William H. Nebeker, Senior Planner
250 North 5th Street
Grand Junction, Colorado 81501

Letter of Credit No. NZS339752
Date: December 14, 1999

Ladies and Gentlemen:

At the request and for the account of Regency Realty Group, Inc., 121 West Forsyth Street, Suite 200, Jacksonville, FL 32202, we hereby establish our Irrevocable Letter of Credit in your favor in the amount of Seven Hundred Thirty-Two Thousand Four Hundred Fifty United States Dollars (US\$732,450.00) available with us at our above office by payment of your draft(s) drawn on us at sight accompanied by your signed and dated statement worded as follows:

"The undersigned, an authorized representative of the City of Grand Junction, Colorado, hereby certifies that an Event of Default occurred under the Development Improvements Agreement between Regency Realty Group, Inc. and the City of Grand Junction, CO in connection with the construction of on-site and/or off-site improvements for the Redlands Market Shopping Center."

Partial drawings are permitted under this Letter of Credit.

Each draft must be marked "**Drawn under Wells Fargo Bank, N.A. Letter of Credit No. NZS339752.**"

Each draft must also be accompanied by the original of this Letter of Credit for our endorsement on this Letter of Credit of our payment of such draft.

If any instructions accompanying a drawing under this Letter of Credit request the payment is to be made by transfer to an account with us or at another bank, we and/or such other bank may rely on an account number specified in such instructions even if the number identifies a person or entity different from the intended payee.

This Letter of Credit expires at our above office on December 14, 2000, but shall be automatically extended, without written amendment, to December 14 in each succeeding calendar year unless we have sent written notice to you at your address above by registered mail or express courier that we elect not to renew this Letter of Credit beyond the date specified in such notice (the "Expiration Date") which Expiration Date will be December 14, 2000 or any subsequent December 14 and be at least 60 (sixty) calendar days after the date we send you such notice.

Upon our sending you such notice of the nonrenewal of the expiration date of this Letter of Credit, you may also draw under this Letter of Credit by presentation to us at our above address, on or before the expiration date specified in such notice, of your draft drawn on us at sight accompanied by your signed and dated statement worded as follows:

This is an integral part of our Letter of Credit No. NZS339752

"The undersigned, an authorized representative of the City of Grand Junction, CO, hereby certified that we have received notice that Wells Fargo Bank, N.A. Letter of Credit No. NZS339752 will not be renewed beyond the current Expiry Date and a replacement Letter of Credit has not been received thirty (30) days prior to the expiration of the Letter of Credit."

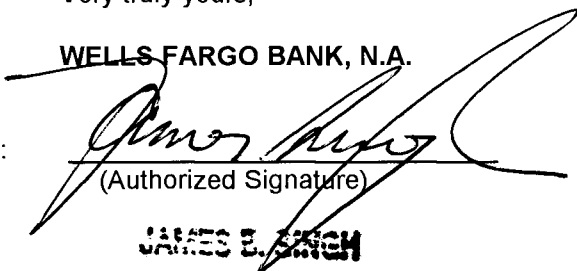
All charges under this Letter of Credit are for the applicant's account.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 revision), International Chamber of Commerce Publication No. 500, and engages us in accordance therewith.

Very truly yours,

WELLS FARGO BANK, N.A.

BY:


(Authorized Signature)

JAMES E. BIRCH

International Trade Services
525 Market Street, 25th Floor
San Francisco, CA 94105

WELLS FARGO BANK, N.A.
TRADE SERVICES DIVISION, NORTHERN CALIFORNIA
525 MARKET STREET, 25TH FLOOR
SAN FRANCISCO, CALIFORNIA 94105

AMENDMENT TO IRREVOCABLE LETTER OF CREDIT

City of Grand Junction, Colorado
c/o William H. Nebeker, Senior Partner
250 North 5th Street
Grand Junction, CO 81501

Letter of Credit No. **NZS339752**
Date: February 16, 2001
Amendment No. 1
Applicant: Regency Realty Group, Inc.

Ladies and Gentlemen:

This Amendment is to be considered as part of the above Letter of Credit and must be attached thereto.

The above mentioned Letter of Credit is amended as follows:

1. The amount of this credit has been decreased by USD 587,764.00
The amount of the Credit issued now Totals USD 144,686.00
2. The auto renewal provision of this Letter of Credit has been deleted such that the Expiration Date of this Letter of Credit has been changed to August 1, 2001 as its Full and Final Expiration Date.
3. Beneficiary's signed and dated statement has been changed and now to read as follows:

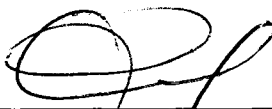
"The undersigned, an authorized representative of the City of Grand Junction, Colorado, hereby certifies that an Event of Default occurred under the Development Improvements Agreement between Regency Realty Group, Inc. and the City of Grand Junction, CO in connection with the construction of on-site and/or off-site improvements for the Redlands Market Place Shopping Center."

Please note that the terms of this Amendment are subject to your consent. Therefore, if the Amendment is acceptable to you, please signify your agreement by signing the attached copy in the space provided and return it to us. If it is not acceptable to you, please so advise us immediately.

All other terms unchanged.

Very truly yours,

WELLS FARGO BANK N.A.

By: 
(Authorized Signature)

**FIRST AMENDMENT TO
DEVELOPMENT IMPROVEMENTS AGREEMENT
(Redlands Marketplace, Grand Junction, Colorado)**

This First Amendment to Development Improvements Agreement (this "Amendment") is made and entered into between REGENCY REALTY GROUP, INC. ("Developer") and THE CITY OF GRAND JUNCTION, COLORADO (the "City").

RECITALS

A. Developer and the City entered into that certain Development Improvements Agreement (the "Agreement") dated as of December 14, 1999, concerning the development of real property located in Grand Junction, Colorado and known as the "Redlands Marketplace," as more particularly described in the Agreement.

B. Developer and the City desire to amend the Agreement as provided herein.

C. Except as otherwise expressly provided for herein, capitalized terms used herein shall have the same meaning as set forth in the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, Owner and Developer agree to amend the Agreement as follows:

1. The Improvements List attached to the Agreement as Exhibit B and the form of Irrevocable Letter of Credit attached to the Agreement as Exhibit C are hereby deleted and replaced with the Improvements List and Irrevocable Letter of Credit attached hereto as Exhibit B and Exhibit C, respectively.

2. Except as amended by this Amendment, the Agreement shall remain in full force and effect in accordance with its terms.

3. This Amendment may be executed in a number of identical counterparts, and a telecopy or facsimile transmission shall be binding on the party or parties whose signatures appear thereon. If so executed, each of such counterparts is to be deemed an original for all purposes, and all such counterparts shall, collectively, constitute one amendment, but in making proof of this Amendment, it shall not be necessary to produce or account for more than one such counterpart.

[SIGNATURE PAGES IMMEDIATELY FOLLOW]

Dated effective as of the latter of the dates set forth below.

DEVELOPER:

REGENCY REALTY GROUP, INC.,
a Florida corporation

Date: _____

By: Michael Fresh
Name: Michael Fresh
Title: AVP

Attest: Will Damrath
Name: WILL DAMRATH
Title: PROJECT MGR

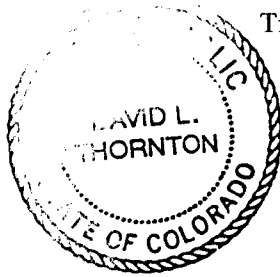
CITY:

CITY OF GRAND JUNCTION, COLORADO

Date: 2/16/01

By: Pat Cecil
Name: Pat Cecil
Title: Development Services Supervisor

Attest: David L. Thornton
Name: DAVID L. THORNTON
Title: Principal Planner



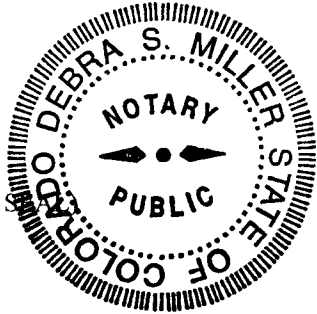
Exp 8/15/04

STATE OF Colorado

§
§
§

COUNTY OF Denver

This instrument was acknowledged before me on this 15th day of February, 2001, by Deborah Froeb, A.V.P. of Regency Realty Group, Inc., a Florida corporation, on behalf of said corporation.



(PERSONALIZED SEAL)

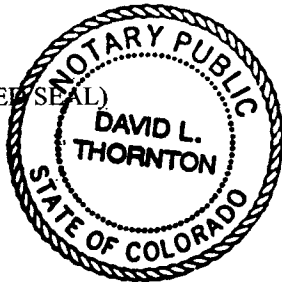
Debra S. Miller
Notary Public in and for the State of Colorado
My Commission expires 5/8/04

STATE OF Colorado

§
§
§

COUNTY OF Mesa

This instrument was acknowledged before me on this 16 day of February, 2001, by PAT Cecil, Dev. Services Sup of The City of Grand Junction, Colorado, a municipality of the State of Colorado, on behalf of said municipality.



(PERSONALIZED SEAL)

David L. Thornton
Notary Public in and for the State of Colorado
My Commission expires 8/15/04

EXHIBIT B

IMPROVEMENTS LIST/DETAIL

[see attached]

EXHIBIT B

IMPROVEMENTS LIST/DETAIL

(Page 1 of 3)

DATE: January 19, 2001

NAME OF DEVELOPMENT: Redlands Marketplace

LOCATION: 2500 Broadway, Grand Junction, Colorado

PRINTED NAME OF PERSON PREPARING: Robert D. Smith

	TOTAL	UNIT	TOTAL
	UNITS	QTY.	PRICE AMOUNT
I. SANITARY SEWER			
1. Clearing and grubbing	_____	_____	_____
2. Cut and remove asphalt	_____	_____	_____
3. PVC sanitary sewer main (incl. trenching, bedding & backfill)	_____	_____	_____
4. Sewer Services (incl. trenching, bedding, & backfill)	_____	_____	_____
5. Sanitary sewer manhole(s)	_____	_____	_____
6. Connection to existing manhole(s)	_____	_____	_____
7. Aggregate Base Course	_____	_____	_____
8. Pavement replacement	_____	_____	_____
9. Driveway restoration	_____	_____	_____
10. Utility adjustments	_____	_____	_____
II. DOMESTIC WATER			
1. Clearing and grubbing	_____	_____	_____
2. Cut and remove asphalt	_____	_____	_____
3. Water Main (incl. excavation, bedding, backfill, valves and appurtenances)	_____	_____	_____
4. Water services (incl. excavation, bedding, backfill, valves, and appurtenances)	_____	_____	_____
5. Connect to existing water line	_____	_____	_____
6. Aggregate Base Course	_____	_____	_____
7. Pavement Replacement	_____	_____	_____
8. Utility adjustments	_____	_____	_____
III. STREETS			
1. Clearing and grubbing	_____	_____	_____
2. Earthwork, including excavation and embankment construction	_____	_____	_____
3. Utility relocations	_____	_____	_____
4. Aggregate sub-base course (square yard)	_____	_____	_____

5. Aggregate base course (square yard)				
6. Sub-grade stabilization Mill Monument Road	SY	1438	\$ 2.30	\$ 3,307.00
7. Asphalt or concrete pavement (square yard)	TON	706	32.14	22,692.00
8. Curb, gutter & sidewalk (linear feet)				
9. Driveway sections (square yard)				
10. Crosspans & fillets				
11. Retaining walls/structures				
12. Storm drainage system				
13. Signs and other traffic control devices				
14. Construction staking				
15. Dust control Pavement Markings	L.S.	1		9,759.00
16. Street lights (each)				
IV. LANDSCAPING				
1. Design/Architecture				
2. Earthwork (includes top soil, fine grading, & berming)	L.S.	1		2,100.00
3. Hardscape features (includes walls, fencing, and paving)				
4. Plant material and planting	L.S.	1		75,910.00
5. Irrigation system	L.S.	1		23,918.00
6. Other features (incl. statues, water displays, park equipment, and outdoor furniture)				
7. Curbing				
8. Retaining walls and structures				
9. One year maintenance agreement				
V. MISCELLANEOUS				
1. Design/Engineering				
2. Surveying	L.S.	1		500.00
3. Developer's inspection costs				
4. Quality control testing	L.S.	1		1,500.00
5. Construction traffic control	L.S.	1		2,500.00
6. Rights-of-way/Easements				
7. City inspection fees @\$45./hr				
8. Permit fees				
9. Recording costs				
10. Bonds				
11. Newsletters				
12. General Construction Supervision	L.S.	1		2,500.00

03/06/00

13. Other _____
14. Other _____

TOTAL ESTIMATED COST OF IMPROVEMENTS: \$ 144,686.00

SCHEDULE OF IMPROVEMENTS:

I. SANITARY SEWER _____ 0
II. DOMESTIC WATER _____ 0
III. STREETS _____ \$ 35,758.00
IV. LANDSCAPING _____ \$ 101,928.00
V. MISCELLANEOUS _____ \$ 7,000.00

I have reviewed the estimated costs and time schedule shown above and based on the plans and the current costs of construction agree to construct and install the Improvements as required above.

SIGNATURE OF DEVELOPER date
(If corporation, to be signed by president and attested
to by secretary together with the corporate seals.)

Reviewed and approved.

[Signature] 2-16-01
date
CITY ENGINEER

[Signature] 2/16/01
date
COMMUNITY DEVELOPMENT

EXHIBIT C

IRREVOCABLE LETTER OF CREDIT

[see attached]