

**FOURTH AMENDMENT
TO
HOUSTON STREET TAX INCREMENT REINVESTMENT ZONE
DEVELOPMENT AGREEMENT**

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged, this Fourth Amendment to the Development Agreement (“Fourth Amendment”) is entered into by the **CITY OF SAN ANTONIO**, a Texas Municipal Corporation (“City”), acting by and through its City Manager pursuant to and duly authorized by Ordinance No. 2010-04-01-~~0270~~ passed and approved on April 1, 2010; **STREET RETAIL SAN ANTONIO, LP**, a Delaware limited partnership (“Developer”) acting by and through its sole general partner, **STREET RETAIL SAN ANTONIO, INC.**, a Maryland corporation, which in turn is acting by and through its duly authorized designated officer; and the Board of Directors for **REINVESTMENT ZONE NUMBER NINE, CITY OF SAN ANTONIO, TEXAS**, a tax increment reinvestment zone (“Board”) as approved at its meeting on the 10th day of March 2010.

- A. City and Developer entered into the Development Agreement (“Agreement”) pursuant to City of San Antonio Ordinance No. 91539, dated March 30, 2000.
- B. City and Developer previously amended the Agreement on September 13, 2000 and again on October 25, 2000 both per Ordinance No. 92409 and further on September 20, 2007 per Ordinance 2007-09-20-0986.
- C. City, Developer, and Board agree to amend specific provisions of the Agreement as set out in this Fourth Amendment.
 1. Article 1, Section 1.1.27 “Project Costs” of the Agreement is amended by deleting subsection (i) and substituting the following in its place:

“(i) costs of construction, alteration, demolition, remodeling, repair, architectural, engineering, preconstruction services, management, rehabilitation and re-construction with respect to the projects set out in Sections 7.1, 7.2, 7.3, 7.3A, 7.3B and 7.4 of this Agreement, costs of acquisition of the property embraced by the Majestic Courtyard Park, and....”
 2. Article 1, Section 1.1.36 “TIF Eligible Improvements” of the Agreement is amended by deleting the first clause “Improvements described in Sections 7.1, 7.2, 7.3 and 7.3A and 7.4...” and substituting the following in its place:

“Improvements described in Sections 7.1, 7.2, 7.3, 7.3A, 7.3B and 7.4...”.

3. A new section 7.3B of the Agreement is added to and made a part of Article 7 of the Agreement:

“7.3B Kress Building Façade Preservation/Rehabilitation Project: This project involves the preservation and/or rehabilitation of the façade of the Kress Building. Up to \$1,925,000.00 of funds, plus accrued interest, which Developer expends to preserve and/or rehabilitate the façade of the Kress Building, including initial architectural, engineering, preconstruction services and management costs, and which are eligible Project Costs shall be reimbursed to the Developer in accordance with the terms, conditions, and limitations of this Article 7 and Subsection 7.3B.6.

7.3B.1 Construction. Developer acknowledges and agrees that it shall not be entitled to any reimbursement of Project Costs for this project unless Developer completes the preservation and/or rehabilitation of the façade of the Kress Building as described in the Repair/Maintenance Application approved by the City’s Historic Preservation Officer. Developer acknowledges and agrees to seek approval of any exterior changes in material or design from the Historic Design Review Commission.

7.3B.2 Construction Contracts. The construction contract(s) relating this project will be subject to the prevailing wage requirements imposed in contracts or projects undertaken by the City per City Ordinance No. 2008-11-20-1045 and as amended.

7.3B.3 Preconstruction Meeting. Prior to beginning construction work for façade preservation and/or rehabilitation, the Developer shall contact the City’s Tax Increment Financing Unit to schedule a preconstruction meeting. The Developer and all contractor(s) shall attend the preconstruction meeting. At the meeting, the City will review the required form and manner of documenting and submitting information necessary to minimize delay in City approval of Developer’s reimbursement.

7.3B.4 Qualifying Lease. A qualifying lease is a lease of all or a portion of the second through fifth floor of the Kress Building with a term of five or more years and in effect on September 30, 2014. Developer will make available to the City all qualifying lease documents upon their execution, redacted as reasonably requested by Developer and approved by City.

7.3B.5 Interest. Project Costs expended by Developer for the project described in Section 7.3B of this Agreement which are reimbursable under the terms of this Agreement will bear interest from the first month following the month in which such Project Cost(s) were expended for such purpose, at a rate of 5.75% per annum and such accrued interest will be reimbursed to Developer on September 30, 2014 or the first business day thereafter. Initially interest will be paid Developer on the \$1,925,000.00 of Project Costs eligible for reimbursement.

7.3B.5.1 Calculation of Interest. The City will determine the effective date of a qualifying lease. The value of the Project Costs earning interest will be reduced by \$250,000.00 for each floor under a qualifying lease upon the effective date of the qualifying lease. In the event, only a portion of an entire floor is under a qualifying lease, then the value of the Project Costs earning interest will be reduced on the effective date of the qualifying lease by multiplying \$250,000.00 by the percentage of the leasable area of that floor which is under a qualifying lease.

7.3B.6 Calculation of Reimbursable Project Costs. With proper documentation of expenses, the Developer will be reimbursed a maximum of \$1,925,000.00, plus accrued interest, for this project subject to the following adjustment for leased space. The City will evaluate the area under a qualifying lease as of September 30, 2014. The maximum payment of \$1,925,000.00 to the Developer will be reduced by \$250,000.00 for each floor under a qualifying lease. In the event, only a portion of an entire floor is under a qualifying lease, then Developer's reimbursement for a partially leased floor will be reduced by multiplying \$250,000.00 by the percentage of the leasable area of that floor which is under a qualifying lease.

7.3B.7 Timing of Reimbursement. The reimbursement due the Developer for this project, both Project Costs and interest due, will be calculated by the City in September 2014. Only funds necessary to effect the exact reimbursement due Developer will be transferred into the Tax Increment Fund for subsequent distribution to Developer on September 30, 2014 or the first business day thereafter.

4. The first sentence in Section 7.6.2 of the Agreement is amended to modify the parenthetical to read "... (other than the projects described in Sections

7.3A and 7.3B) after the phrase "for each project covered by this Article 7 ...".

5. The first sentence in Section 7.7 of the Agreement is amended to delete "\$6,400,000.00 (plus interest and all other payments expressly authorized under the terms of this Agreement)." and substitute "\$8,078,793.00 (excluding interest and all other payments expressly authorized under the terms of this Agreement). Actual costs are \$1,148,825.00 for Houston Street Bridge Linkage, \$1,928,198.00 for the Majestic Courtyard, \$1,550,959.00 for Façade, \$144,811.00 for Predevelopment Costs, \$1,381,000.00 for Walgreens, and \$1,925,000.00 for the Kress Building. The Project Costs as originally authorized were \$975,000.00 for the Houston Street Bridge Linkage, \$1,600,000.00 for the Majestic Courtyard, \$1,500,000.00 for Façade, \$600,000.00 for Additional Public Improvements, and \$100,000 for Predevelopment Costs." in its place.
- D. This Amendment may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.
- E. Except as otherwise expressly modified hereby, all terms and provisions of the Agreement are ratified and confirmed and shall remain in full force ad effect, enforceable in accordance with their terms.
- F. This Amendment shall be effective on the date of the last signature to the document.

[Signatures to follow on next page]

**CITY
CITY OF SAN ANTONIO**

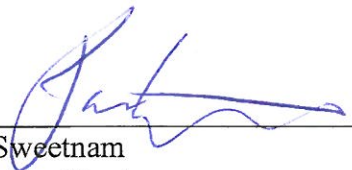
for


SHERYL SCULLEY

City Manager
City of San Antonio
Date: 5/13/10

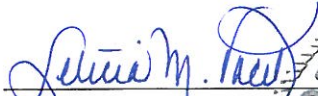
**DEVELOPER
STREET RETAIL SAN ANTONIO, LP
a Delaware limited partnership**

By: **STREET RETAIL SAN ANTONIO
Inc.**, a Maryland Corporation,

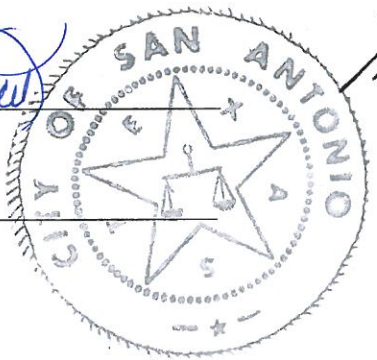
By: 

Jan Sweetnam
Vice President
Date: 3.22.10

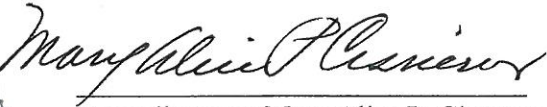
CITY CLERK



Leticia M. Vacek
City Clerk
Date: 5-13-10



**BOARD OF DIRECTORS,
TAX INCREMENT REINVESTMENT
ZONE NUMBER NINE,
CITY OF SAN ANTONIO, TEXAS**



Councilwoman Mary Alice P. Cisneros
Chairman
Date: April 14, 2010

Approved as to form: Agathe Wade

bar City Attorney
Date: 5/12/2010

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)
Attach additional sheets if space provided is not sufficient.*

(1) Identify any individual or business entity¹ that is a party to the discretionary contract:

Street Retail San Antonio, LP

(2) Identify any individual or business entity which is a *partner, parent* or *subsidiary* business entity, of any individual or business entity identified above in Box (1):

No partner, parent or subsidiary; or

List partner, parent or subsidiary of each party to the contract and identify the corresponding party:

Federal Realty Investment Trust

(3) Identify any individual or business entity that would be a *subcontractor* on the discretionary contract.

No subcontractor(s); or

List subcontractors:

(4) Identify any *lobbyist* or *public relations firm* employed by any party to the discretionary contract for purposes related to seeking the discretionary contract.

No lobbyist or public relations firm employed; or

List lobbyists or public relations firms:

W. Bebb Francis, III – The Francis Law Firm, P.C.

¹ A *business entity* means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law. A sole proprietor should list the name of the individual and the d/b/a, if any.

(5) Political Contributions

List all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made to any *current* or *former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under Box (1), (2), (3) or (4) above, or by the officers, owners of any business entity listed in Box (1), (2) or (3):

No contributions made; If contributions made, list below:

By Whom Made:	To Whom Made:	Amount:	Date of Contribution:
SEE ATTACHED			

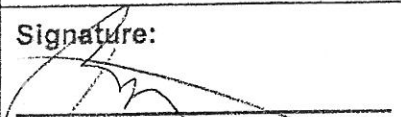
(6) Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city must disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code), ("conflicts of interest") by participating in official action relating to the discretionary contract.

Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

This form is required to be supplemented in the event there is any change in the information before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed, whichever occurs first.

Signature:  Jan Sweetnam, Vice President of Street Retail San Antonio, LP, its sole General Partner	Title: Company or D/B/A: Street Retail San Antonio, LP	Date: 3.31.10
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² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

POLITICAL CONTRIBUTIONS
W. Bebb Francis, III

04/04/07	Kevin Wolff	\$500.00
04/15/07	Mary Alice Cisneros	\$500.00
08/16/07	Roland Gutierrez	\$500.00
10/16/07	Phillip Cortez	\$500.00
10/23/07	Justin Rodriguez	\$500.00
10/30/07	Delicia Herrera	\$500.00
12/29/08	Julian Castro	\$1,000.00
06/03/09	Justin Rodriguez	\$500.00
06/18/09	Julian Castro	\$1,000.00
07/10/09	Mary Alice Cisneros	\$500.00
09/30/09	Jennifer Ramos	\$500.00