

**THIRD AMENDMENT
TO
DEVELOPMENT AGREEMENT**

**AUTHORIZED BY CITY OF SAN ANTONIO
ORDINANCE NO. 2007-09-20- 0986, PASSED
AND APPROVED BY THE
SAN ANTONIO CITY COUNCIL ON
SEPTEMBER 20, 2007**

CITY OF SAN ANTONIO

AND

STREET RETAIL SAN ANTONIO, LP

**THIRD AMENDMENT
TO
DEVELOPMENT AGREEMENT**

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged, this Third Amendment to the Development Agreement ("Third 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. 2007-09-20-0986, passed and approved on September 20, 2007, and **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.

- A. CITY and DEVELOPER entered into the Development Agreement ("Agreement") dated effective May 13, 2000, 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.
- C. CITY and DEVELOPER agree to amend specific provisions of the Agreement as set out in this Third Amendment.
 - 1. Article 1, Section 1.1.27 "Project Costs" of the Agreement is amended to delete subsection (i) and substitute the following in its place:

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

"...improvements described in Sections 7.1, 7.2, 7.3, 7.3A and 7.4...".
 - 3. The word "...three (3)..." is deleted in the first sentence of the introductory paragraph of Article 7 of the Agreement.

4. A new Section 7.3A is added to and made a part of Article 7 of the Agreement as follows:

"7.3A Walgreen/Stuarts Buildings: This project involves (i) the demolition of the Walgreen Building and the Stuarts Building; (ii) the construction of a building on the sites of the Walgreen and Stuarts Buildings; and (iii) improvements to Houston Street and Navarro Street. Up to \$1,381,000.00 of funds which DEVELOPER expends for this project which are eligible Project Costs shall be reimbursed from the available Tax Increment Fund in accordance with the terms, conditions and limitations of this Article 7.

7.3A.1 Design. DEVELOPER shall undertake the design work for the project and the eligible costs of such design work will be reimbursed in accordance with Sections 7.7 and 7.8 herein below as a Project Cost.

7.3A.2 Construction. DEVELOPER acknowledges and agrees that it shall not be entitled to any reimbursement of Project Costs for the project described in this Section 7.3A unless DEVELOPER completes construction of new buildings on the sites currently occupied by the Walgreens Building and Stuarts Building.

5. The first sentence in Section 7.6.2 of the Agreement is amended to add "... (other than the project described in Section 7.3A)..." after the phrase "...for each project covered by this Article 7..."
6. The first sentence in Section 7.7 of the Agreement is amended to delete "\$4,775,000.00" and substitute "\$6,400,000.00" in its place.
7. Section 7.7.5.2 is amended to add the following sentence at the end of the section:

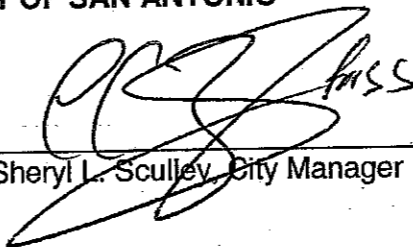
"Notwithstanding the foregoing, Project Costs expended by Developer for the project described in Section 7.3A of this Agreement which are reimbursable under the terms of this Agreement will bear interest from the first day of the first month following the month in which such Project Cost(s) were expended for such purpose, at a rate of 5.75% per annum, and such accrued interest will be reimbursable to Developer in the same manner, and subject to the same terms, conditions and limitations, as such Project Costs."

- 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 and effect, enforceable in accordance with their terms.

EXECUTED October 2, 2007.

CITY

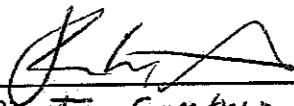
CITY OF SAN ANTONIO

By: 
Sheryl L. Sculley, City Manager

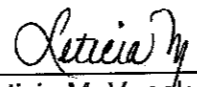
DEVELOPER

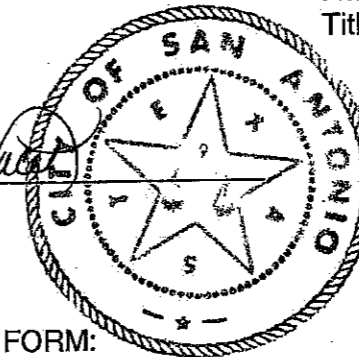
STREET RETAIL SAN ANTONIO, LP,
a Delaware limited partnership

By: **STREET RETAIL SAN ANTONIO, INC.,** a Maryland Corporation,
its sole General Partner

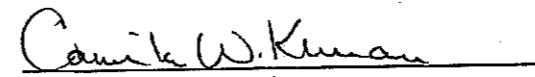
By: 
Name: Jan Sweetman
Title: VP

ATTEST:


Leticia M. Vacek
City Clerk



APPROVED AS TO FORM:


for Michael D. Bernard
City Attorney