

**FIRST AMENDMENT TO DEVELOPMENT AGREEMENT WITH THE CITY
OF SAN ANTONIO, TEXAS, MISSION DEL LAGO, LTD., AND
THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE
NUMBER SIX, CITY OF SAN ANTONIO, TEXAS**

THIS FIRST AMENDMENT (“Amendment”) TO DEVELOPMENT AGREEMENT (“Development Agreement”) is entered into by and between the CITY OF SAN ANTONIO, a Texas municipal corporation in Bexar County, Texas (the “City”), MISSION DEL LAGO, LTD., a Texas limited partnership (the “Developer”), and BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER SIX, City of San Antonio, Texas, a tax increment reinvestment zone (the “Board”) (herein collectively referred to as the “Parties”); which Amendment is authorized pursuant to Ordinance _____, approved on the ____ day of _____, 2014, and approved by the Board on the 19th day of December, 2013. The Development Agreement, authorized pursuant to Ordinance No. 2006-06-29-0801, passed and approved by the City on the 29th day of June, 2006, and effective July 24, 2006, is hereby amended as follows:

WHEREAS, Developer, City, and Board have entered into a Settlement and Release Agreement effective _____, authorized pursuant to Ordinance _____, approved on the _____ day of _____, 20____ (hereinafter “Settlement Agreement”), and in accordance with the Settlement Agreement, the parties have agreed, among other things, to enter into this Amendment to the Development Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, covenants, obligations, and benefits contained in the Settlement Agreement, the Development Agreement and this Amendment, the City, Developer, and the Board hereby agree to amend the Development Agreement as set forth herein.

Amendments to Section I. Definitions:

A new Paragraph 1.24 is added as follows:

- 1.24 “Street Reconstruction Project” means the work to be performed for the Unit 8 street reconstruction/repair/crack seal as set forth in the Settlement Agreement and the Developer Participation Contract.

A new Paragraph 1.25 is added as follows:

- 1.25** “Developer Participation Contract” means the contract dated_____, required under the Settlement Agreement and attached hereto as **Exhibit E**.

Amendments to Section II. Representations:

Paragraph 2.1 is amended as follows:

- 2.1 NO TAX INCREMENT BONDS OR NOTES: The City, the Board and the Developer represent that they understand and agree that neither the City nor the Board shall issue any bonds or notes to cover any costs directly or indirectly related to the Developer's improvements of the Zone under this Agreement. Notwithstanding the foregoing, in accordance with the Settlement Agreement, the City has agreed to issue a note in an amount not to exceed \$1.7 million to finance the Street Reconstruction Project, which note shall be re-paid from the City's tax increment applicable to the Zone.

Amendments to Section III. The Project:

Paragraph 3.1 is amended to read as follows:

- 3.1 **The Project.** The Project shall consist of the following public improvements and related capital costs: streets and approaches, sidewalks, drainage, water, sewer, utilities, street lights, on-site sewer outfall, Del Lago parkway, gas platting fees, drainage fees, sewer impact fees, engineering/surveying fees, performance of the Street Reconstruction Project in accordance with the terms of the Developer Participation Contract and park improvements to be constructed by the Developer on an approximately 812 acres out of the Mission Del Lago Subdivision, as set forth in the Project Plan and Financing Plan.

Amendments to Section V. Duties and Obligations of Developer:

Paragraph 5.17 is amended to read as follows:

- 5.17 The Developer shall include requirements in its contracts requiring its contractors, future purchasers, successors, and permitted assigns to comply with the City's Universal Design Policy on all improvements installed as required by City Code, Chapter 6, Article XII. All such contracts shall contain provisions that require all future building permits and plans for single-family residences to be compliant with the City's Universal Design Policy and be clearly stamped or printed "Universal Design" by the builder and its architect. In addition, in accordance with the Settlement Agreement, Developer has executed a Restrictive Covenant in the form attached hereto as **Exhibit F**, which City shall cause to be recorded in the real property records of Bexar County, Texas, requiring Developer, Developer's purchasers, successors, and permitted assigns to comply with the City's Universal Design Policy. Notwithstanding the foregoing, as of the Effective Date of this Amendment, certain units in Phases 3, 4, 5, 6, 7A, 7B, and 8, which units are listed in **Exhibit G**, do not comply with the City's Universal Design Policy. In accordance with the Settlement Agreement, the City has agreed to waive compliance with the

Universal Design Policy only as to those units listed in **Exhibit G**. If other units (other than those listed in **Exhibit G**) in the Project are found not to be constructed in compliance with the Universal Design requirements, the City may exercise all its legal options, including but not limited to terminating the Zone, enforcing the Restrictive Covenant in a court of competent jurisdiction, and/or removing any non-compliant parcels and their tax accounts from the boundaries of the Zone and the list of accounts generating revenue for the TIF Fund, which will then be reflected in an amended Finance Plan.

Amendments to Section VI. Duties and Obligations of City and Board:

Paragraph 6.1 is amended to read as follows:

- 6.1 Neither the City nor the Board shall sell or issue any bonds to pay or reimburse the Developer or any third party for any improvements to the Zone Property performed under the Project Plan, Financing Plan or this Agreement. Notwithstanding the foregoing, and in accordance with the Settlement Agreement, the City has agreed to issue a note to finance the Street Reconstruction Project in an amount not to exceed \$1.7 million, which note shall be re-paid from the City's tax increment applicable to the Zone.

Paragraph 6.3 is amended to read as follows:

- 6.3 The City and the Board hereby agree that all meetings of the Board shall be coordinated through and facilitated by the department of the City responsible for managing the TIF Program, and that all notices for meetings of the Board shall be drafted and posted by City staff, in accordance with Chapter 2, Article IX, of the City Code of City. City will post and facilitate the holding of at least one Board meeting per year and as otherwise needed.

Amendments to Section XXI. Compliance with SBEDA and EEO Policies:

Paragraph 21.1 is amended to read as follows:

- 21.1 ... Except for those Public Improvements commenced prior to the creation of the Zone, the Board and the Developer each understand and agree for itself to comply with the *Non-Discrimination Policy* of the City of San Antonio contained in Chapter 2, Article X of the City Code and further, shall not discriminate on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age or disability, unless exempted by state or federal law, or as otherwise established herein. ... *The remainder of Paragraph 21.1 shall remain unchanged.*

Except as modified or amended in this Amendment and the Settlement Agreement, the terms of which Settlement Agreement are incorporated herein by reference for all purposes, the recitals, provisions, conditions, obligations, and terms of the Development Agreement are hereby ratified and confirmed and shall remain in full force and effect as of the Effective Date hereof. To the extent language in the Settlement Agreement, the Developer Participation Agreement, and the Development Agreement are inconsistent, the language of the Development Agreement shall control. The Exhibits listed below are incorporated by reference herein for all purposes.

Exhibits

- A Public Improvements and Construction Schedule
- B Project Status Report
- C Prevailing Wage Rates
- D Form and Requirements of Contract Progress Payment Request
- E Developer Participation Contract
- F Restrictive Covenant
- G List of Non-Compliant Universal Design Properties

IN WITNESS THEREOF, the Parties hereto have made and executed this First Amendment to Development Agreement, to be effective on the date of the last signature below (“Effective Date”).

CITY OF SAN ANTONIO

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

Position: _____

Date: _____

ATTEST/SEAL:

Title: Presiding Officer, Board of Directors

Date: _____

City Clerk

Date: _____

APPROVED AS TO FORM:

City Attorney

Date: _____

DEVELOPER

MISSION DEL LAGO, LTD.,

A Texas Limited Partnership,
By and through its General Partner,
MDL, Inc., a Texas Corporation

By: _____
Signature

Printed Name: _____

Position: _____

Date: _____

EXHIBIT A

Public Improvements and Construction Schedule

Revised _____, 20____

EXHIBIT E

Developer Participation Contract

EXHIBIT F

Restrictive Covenant – Universal Design Policy

EXHIBIT G

List of Non-Compliant Universal Design Properties