

**FIRST AMENDMENT
TO THE
ECONOMIC DEVELOPMENT AGREEMENT**

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This First Amendment ("Amendment") to that certain "Economic Development Agreement" dated August 14, 2012, by and between the City of Baytown, a Texas home-rule municipal corporation ("City"), Chambers Town Center, Ltd., a Texas limited partnership, and A-S 115 SH 146-IH 10, L.P. ("Developer"), (all collectively referred to as the "Parties") is entered into on this 19th day of June, 2013 (the "Effective Date").

WHEREAS, the City and Chambers Town Center, Ltd. entered into the Economic Development Agreement (the "Agreement") on August 14, 2012, in order to set out the terms of an economic development program to stimulate business and commercial activity in the City; and

WHEREAS, the Parties agree that certain terms of the Agreement should be amended to modify the Project as defined herein, modify the terms of the economic development grant, detail the allowable signage for the Property, and acknowledge the assignment of the Agreement to Developer; and

WHEREAS, the terms of the Agreement shall remain in full force and effect except as specifically altered by the terms of this Amendment;

NOW THEREFORE, for and in consideration of the promises and the mutual agreements set forth herein, the Parties hereby agree to amend the Agreement as follows:

ARTICLE I

AMENDMENTS

Section 1. The "Property" as defined in the recitals and Exhibit "A" of the Agreement is amended to include a 68 acre tract and a 5 acre tract, totaling approximately 73 acres, within an area that has been annexed by the City for limited purposes, as depicted on Exhibit "A" attached hereto and incorporated herein, for the purposes of developing a commercial/retail development including a Wal-Mart Super Store with a minimum of 150,000 square feet and multi-screen theater with at least eight screens.

Section 2. The “Project” as defined in Article II, Section 1 of the Agreement is amended as follows:

The Project. The Developer intends to construct or cause to be constructed a retail development, which shall include a Wal-Mart Super Store with a minimum of 150,000 square feet, and multi-screen cinema project with at least eight screens known as Chambers Town Center (the “Project”). The Project is to be constructed in substantial accordance with the Conceptual Site Plan attached as Exhibit “A” (the “Conceptual Site Plan”).

Section 3. Article II, Section 2, Water and Wastewater Service for the Project, is amended by adding the following paragraph to Section 2:

The City owns the Hunters Creek Lift Station, and the Hunters Creek Lift Station will require an upgrade in order to serve the Project. The Developer shall either:

1. construct and fund the upgrade to the Hunters Creek Lift Station subject to City approval of plans and specifications; or
2. request the City to construct and fund the upgrade to the Hunters Creek Lift Station, with the City being reimbursed from Annual Sales Taxes Collected at the Project.

If the Developer elects to reimburse the City the construction costs for the upgrade to the Hunters Creek Lift Station, such reimbursement will be made after the City’s annual collection of \$300,000 or \$325,000 (as described in Section 6(1)(a)) from Annual Sales Tax Collected at the Project and before the City Payment in accordance with Article III, Section 1(a).

Section 4. Article II, Section 4(c), Public Purpose, is amended as follows:

c. A Wal-Mart Super Store with a minimum of 150,000 square feet to the Project no later than December 31, 2015 and a multi-screen cinema with a minimum of eight screens;

Section 5. Article II is hereby amended to add a new section to be numbered and entitled Section 5, “Signage,” which section shall read as follows:

5. Signage. The Developer or subsequent tenant or owner shall acquire permits from the City of Baytown pursuant to Chapter 118 for the Code of Ordinances, Baytown, Texas, for the following sign structures if located on the Property as more particularly detailed in Exhibit “C,” which is attached hereto and incorporated herein for all intents and purposes. It is agreed that nothing contained in Chapter 118 of the Code of Ordinances, Baytown, Texas, shall be construed so as to prohibit the sign structures referenced in Exhibit “C” from



being erected on the Property, including the signs' classification, type, overall height, or overall area; provided, however, spectacular signs are expressly prohibited. The Parties further agree in exchange for such allowance, no other sign structures (other than "directional signs") shall be permitted on the Property without City consent. Wall signs and other non-structure signs are not regulated by the City on this Project. The Developer agrees that it shall bind all subsequent tenant(s) and owner(s) to this section by including it in a restrictive covenant, which shall run with the land and which shall not be subject to change without the express written consent of the City. The Developer agrees to add the City as a third party beneficiary to the restrictive covenants for the sole purpose of enforcing the signage restrictions in this section. This section shall not expire and shall remain in full force and effect after the expiration or termination of this agreement.

Section 6. Article III, Section 1(a), Economic Development Grant is amended as follows (with subsections (b) and (c) remaining unaffected by this First Amendment):

1. Economic Development Grant. The City shall pay to the Developer an economic development grant in the form of periodic payments made solely from Annual Sales Taxes Collected at the Project pursuant to Chapter 380 of the Texas Local Government Code (the "Economic Development Grant"). The Economic Development Grant is in the amount of THREE MILLION FIVE HUNDRED SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$3,575,000.00), of which there are two components: (1) an amount not to exceed two million five hundred seventy-five thousand and no/100 dollars (\$2,575,000.00) based on completion of the portion of the Project consisting of the Wal-Mart Super Store as described in this Agreement; and (2) an amount not to exceed one million and no/100 dollars (\$1,000,000.00) based on the completion of the portion of the Project consisting of the multi-screen theater as described in this Agreement. The Economic Development Grant is comprised exclusively of a City Payment as defined below, which grant expires within ten (10) years from the earlier of (1) June 1, 2014 or (2) the date that the Wal-Mart Super Store issues its notice to proceed to its contractor to begin construction of the store, unless the Agreement is earlier terminated. The Developer shall provide the City a copy of the notice to proceed issued for the construction of the Wal-Mart Super Store within ten (10) calendar days of its issuance. The Developer understands and agrees that the City is not certifying or otherwise encumbering any funds for the Economic Development Grant and does not have any monies for the same. The Developer agrees not to make any claims against the City for any monies other than those from the Annual Sales Taxes Collected at the Project.

a. City Payment. The City will make payments to the Developer from sales tax revenues pursuant to Chapter 380 of the Texas Local Government Code to the Developer in the amount of 100% of the Annual Sales Taxes Collected at the Project as defined below over \$300,000; however, if the multi-screen theater is completed pursuant to the terms of this Agreement and the Developer is entitled to the second component of the Economic Development Grant of \$1,000,000 as stated in Section 6.(1) above, the



City will make payments to the Developer in the amount of 100% of the Annual Sales Tax Collected at the Project as defined below over \$325,000 (the "City Payment"). The City Payment shall be paid in annual installments beginning fourteen months after the date the Wal-Mart Super Store opens to the public. The City shall have the right to pay the City Payment more frequently than annually. If this Agreement is not terminated prior to its expiration, the final City Payment to the Developer shall be that portion of the Annual Sales Taxes Collected at the Project as of the date of the expiration of this Agreement.

Section 7. Article III, Section 2, Grant Limitation, is amended solely by modifying the last sentence in Section 2 as follows:

2. Furthermore, the Economic Development Grant shall expire within 10 years from the earlier of (1) June 1, 2014 or (2) the date that a notice to proceed to begin construction of the Wal-Mart Super Store with a minimum of 150,000 square feet is issued, unless the Agreement is earlier terminated.

Section 8. Article III, Section 3, Traffic Signal Installation, is amended solely by modifying the last sentence in Section 3 as follows:

In the event that no notice to proceed has been issued for the construction of a Wal-Mart Super Store with a minimum of 150,000 square feet by June 1, 2014, the Developer shall reimburse the City for all costs expended for the traffic signal installation described herein.

Section 9. Article III, Section 4, Refund, is amended solely by modifying the table below and adding the sentence hereinbelow to such section:

Year of Non-Compliance	Percentage to be Reimbursed
2015 & 2016	100%
2017 -& 2018	80%
2019 & 2020	60%
2021 & 2022	40%
2023 & 2024	20%

This section shall not expire and shall remain in full force and effect after the expiration or termination of this agreement if a breach occurs during the a year of non-compliance as indicated hereinabove.

Section 10. Article IV, Section 8, Notice, is amended as follows:

If to the Developer:

A-S 115 SH 146-IH 10, L.P.8827 W. Sam Houston Pkwy. N.

Suite 200

Houston, TX 77040

Attn: Steve Alvis

Section 11. Article IV, Appointment of Representatives, is amended solely to designate Steve Alvis as the Developer Representative.

Section 12. Article IV, Term, is amended as follows:

Term. This Agreement will remain in force and effect for ten (10) years from the earlier of (1) June 1, 2014; or (2) the date that a notice to proceed to begin construction of the Wal-Mart Super Store is issued; or until the Economic Development Grant is paid in full.

ARTICLE II

MISCELLANEOUS PROVISIONS

Section 1. Recitals. The recitals set forth above are declared true and correct and are hereby incorporated as part of this Amendment.

Section 2. Definitions. Unless a different meaning clearly appears from the context, words and phrases as used in this Amendment shall have the same meanings as in the Agreement.

Section 3. Assignment. Chambers Town Center, Ltd. hereby assigns and transfers its rights, duties and obligations under the Agreement as amended herein to the Developer; the Developer accepts such transfer of rights, duties and obligations under the Agreement as amended herein; and the City hereby consents to such assignment.

Section 4. Entire Agreement. The provisions of this Amendment and the Agreement should be read together and construed as one agreement provided that, in the event of any conflict or inconsistency between the provisions of this Amendment and the provisions of the Agreement, the provisions of this Amendment shall control.

Section 5. Interpretation. This Amendment has been jointly negotiated by the parties hereunder and shall not be construed against a party hereunder because that party may have assumed primary responsibility for the drafting of this Amendment

Section 6. Captions. Captions contained in the Agreement and Amendment are for reference only and, therefore, have no effect in construing the documents. The captions are not restrictive of the subject matter of any section.

Section 7. No Waiver. By this Amendment, the City does not consent to litigation or suit, and the City hereby expressly revokes any consent to litigation that it may have granted by the terms of this Amendment, the Agreement or any other contract or agreement or addenda, any charter, or applicable state law. Nothing contained in this Amendment or in the Agreement shall be construed in any way to limit or to waive the City's sovereign immunity. . However, the parties agree that they have entered into this Agreement and Amendment in good faith, intend to deal with each other in good faith, and intend for this Agreement and Amendment to be enforceable as to its terms under Texas law.

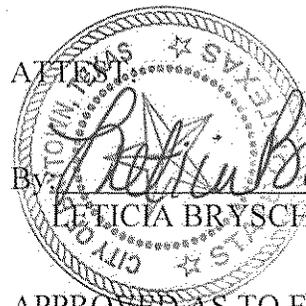
IN WITNESS WHEREOF, the parties hereto have executed this Amendment in multiple copies, each of which shall be deemed to be an original, but all of which shall constitute but one and the same amendment, this 19th day of June, 2013, the date of execution by the City Manager.

CITY:

City of Baytown

By: Robert D. Leiper
ROBERT D. LEIPER, City Manager

ATTEST
By: Leticia Brysch
LETICIA BRYSCH, City Clerk



APPROVED AS TO FORM:

By: Ignacio Ramirez, Sr.
IGNACIO RAMIREZ, SR., City Attorney

DEVELOPER:

A-S 115 SH 146-IH 10, L.P., by and through its
General Partner A-S 115, L.C., a Texas limited
liability company

By: 
Steven D. Alvis
Manager

ATTEST:

By: 

CHAMBERS TOWN CENTER, LTD:

Chambers Town Center, Ltd., by and through its
General Partner ACTG, LLC

By:  _____

ATTEST:

By:  _____

EXHIBIT A

DEVELOPMENT SYNOPSIS						
MAJOR LEASE SHOPPING CENTER TRACTS						
TRACT #	LAND AREA		BUILDING AREA	PARKING PROVIDED	PARKING RATIO / EOOD	DENSITY %
	SQ. FT.	SQUARE FEET				
TRACT 1	42,174	10,740	10,000	200	4.72	23.74
TRACT 2	228,148	4,770	11,800	201	4.41	21.42
TRACT 3	89,324	2,670	13,200	113	4.40	14.84
TRACT 4	48,170	1,510	3,820	75	2.41	7.20
TRACT 5	10,200	1,170	1,400	41	1.19	9.49
TRACT 6	11,242	1,200	2,700	57	1.86	9.86
TRACT 7	99,200	1,770	7,820	79	1.62	12.21
TRACT 8	14,801	1,310	2,800	16	2.14	9.89
TRACT 9	12,171	1,200	1,117	71	1.63	10.13
TRACT 10	38,770	6,800	1,770	42	2.20	4.16
TRACT 11	42,407	1,400	6,200	44	1.97	9.11
TRACT 12	16,770	1,200	3,400	14	1.97	12.89
TRACT 13	14,629	1,400	1,170	130	1.61	11.49
TRACT 14	11,140	1,410	4,200	100	1.92	14.22
TOTAL	2,211,900	46,270	148,100	2,400	7.40	17.71
WALMART	1,200	4,170				
LAND	176,700	10,400				
TRACT 15	12,171	1,220				
TRACT 16	117,241	4,110				
WALMART	1,172,241	38,270				
TOTAL	3,181,311	71,170				

This Site Plan is presented solely for the purpose of illustrating the approximate location and size of the buildings primarily contemplated within the Shopping Center. Subject to the limitations, conditions and any other restrictions necessarily provided for in the Lease, building plans, site documents, surveys, zoning and other applicable laws and regulations, the location, size, shape, orientation, and any other characteristics of any building or structure to be constructed on the site, and the disposition of any building or structure on the part of the Landlord to the future use or occupancy of any such building, and any other matter not shown or otherwise indicated on this plan, are for informational purposes only, and shall not constitute any agreement or warranty on the part of the Landlord as to the future use or occupancy of any such building, and any other matter not shown or otherwise indicated on this plan.

DEVELOPMENT SYNOPSIS LAST UPDATED: 09/22 DATE: 03/30/13

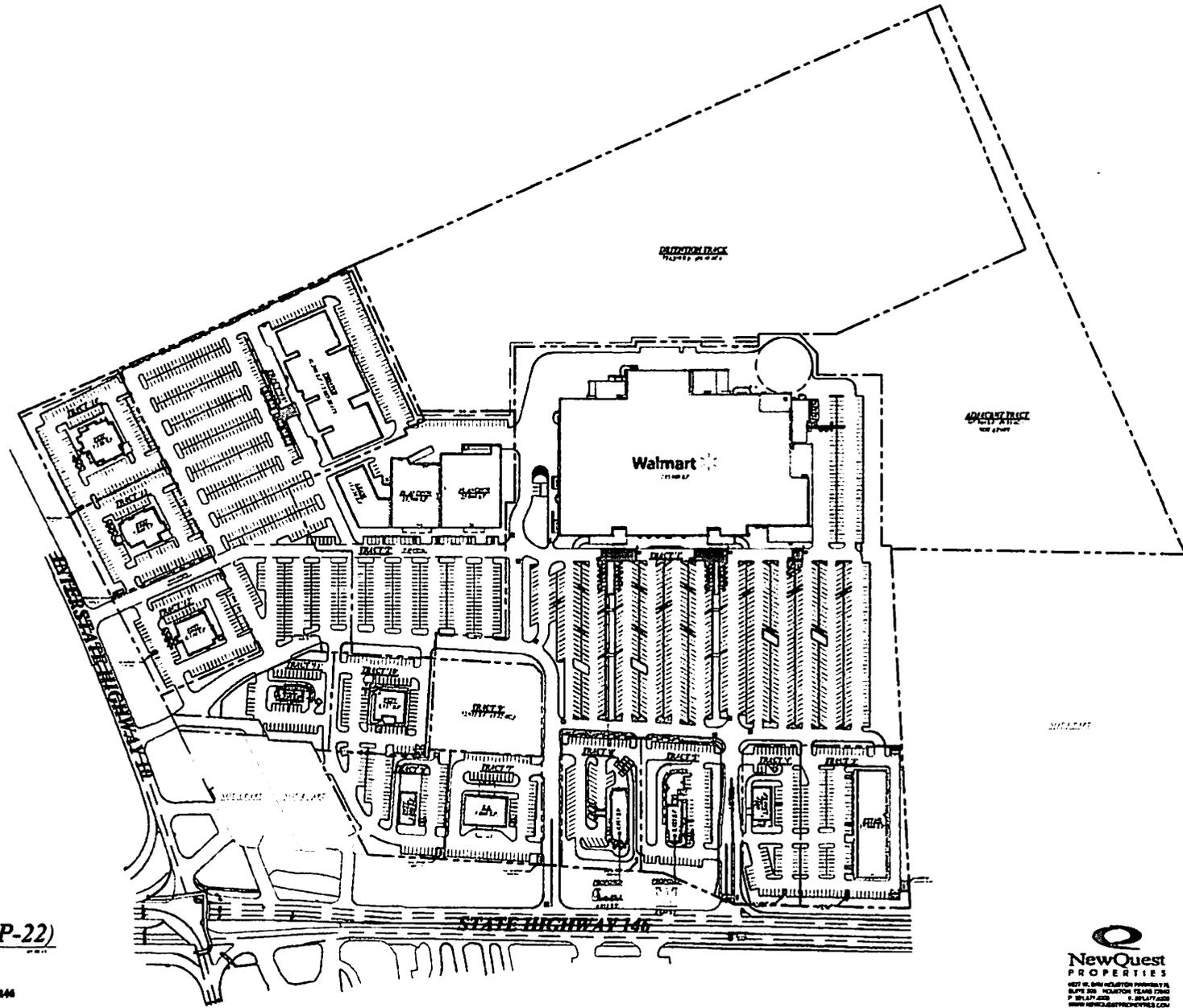


Exhibit "A"



CHAMBERS TOWN CENTER (SP-22)

PRELIMINARY STUDY

NEC OF INTERSTATE HIGHWAY 10 & STATE HIGHWAY 146
DAYTOWN, TEXAS



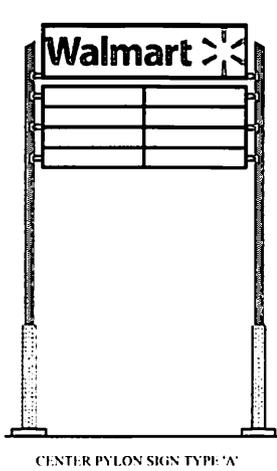
Chambers Town Center

	City Benefit from Project Sales Tax Revenue	Street Maint. / Police / Fire Benefit from Project Sales Tax Revenue	Total Benefit from Project Sales Tax Revenue
	(Years 1-5 net of Developer's participation)		
Benefit Year 1	\$ 300,000	\$ 495,000	\$ 795,000
Benefit Year 2	\$ 300,000	\$ 526,125	\$ 826,125
Benefit Year 3	\$ 300,000	\$ 562,534	\$ 862,534
Benefit Year 4	\$ 300,000	\$ 618,638	\$ 918,638
Benefit Year 5	\$ 300,000	\$ 694,588	\$ 994,588
Benefit Year 6	\$ 1,013,092	\$ 759,819	\$ 1,772,911
Benefit Year 7	\$ 1,043,275	\$ 782,456	\$ 1,825,731
Benefit Year 8	\$ 1,074,361	\$ 805,771	\$ 1,880,132
Benefit Year 9	\$ 1,106,377	\$ 829,783	\$ 1,936,160
Benefit Year 10	\$ 1,139,352	\$ 854,514	\$ 1,993,866
Benefit Year 11	\$ 1,173,314	\$ 879,986	\$ 2,053,300
Benefit Year 12	\$ 1,208,293	\$ 906,220	\$ 2,114,513
Benefit Year 13	\$ 1,244,318	\$ 933,239	\$ 2,177,557
Benefit Year 14	\$ 1,281,422	\$ 961,067	\$ 2,242,489
Benefit Year 15	\$ 1,319,638	\$ 989,729	\$ 2,309,367
Benefit Year 16	\$ 1,358,997	\$ 1,019,248	\$ 2,378,245
Benefit Year 17	\$ 1,399,535	\$ 1,049,651	\$ 2,449,186
Benefit Year 18	\$ 1,441,286	\$ 1,080,965	\$ 2,522,251
Benefit Year 19	\$ 1,484,288	\$ 1,113,216	\$ 2,597,504
Benefit Year 20	\$ 1,528,578	\$ 1,146,434	\$ 2,675,012
Benefit over 20 years	\$ 20,316,126	\$ 17,008,978	\$ 37,325,104

Exhibit "B"

Exhibit “C”

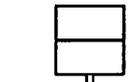
(Consisting of Exhibits “C-1,” “C-2” and “C-3”)



CENTER PYLON SIGN TYPE 'A'



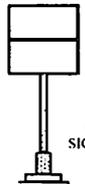
PAD PYLON SIGN TYPE 'C-2'



PAD PYLON SIGN TYPE 'C-1A'



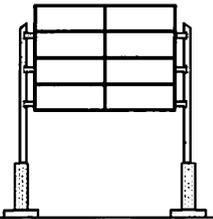
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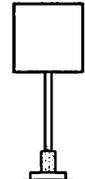
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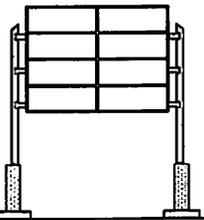
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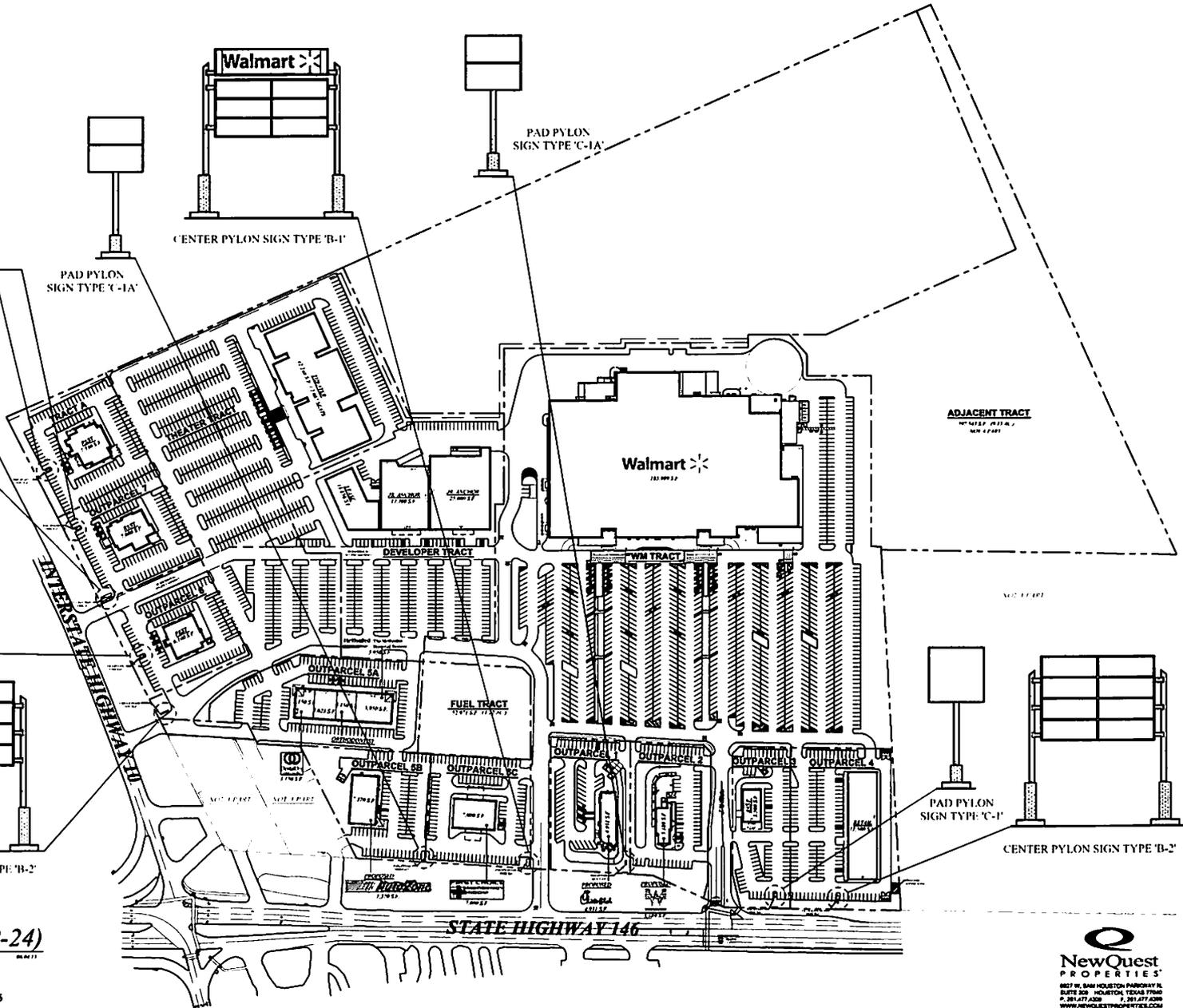
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PAD PYLON SIGN TYPE 'C-1'



CENTER PYLON SIGN TYPE 'B-2'



ADJACENT TRACT
NO. 14117, 14118, 1
NO. 14101

NO. 14107



SITE PLAN

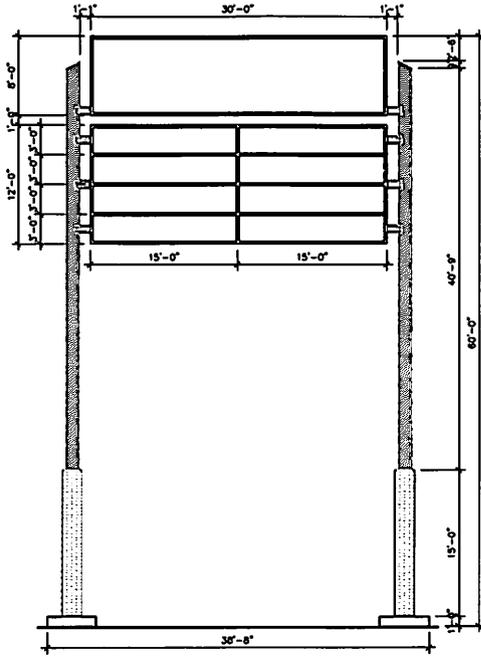
CHAMBERS TOWN CENTER (SP-24)

PRELIMINARY STUDY

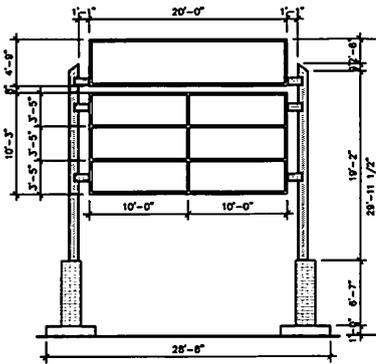
NEC OF INTERSTATE HIGHWAY 10 & STATE HIGHWAY 146
BAYTOWN, TEXAS

NewQuest
PROPERTIES[®]
8637 W. BAHN HOUSTON PARKWAY II
SUITE 300 HOUSTON, TEXAS 77060
P. 281.477.4328 F. 281.477.4388
WWW.NEWHOUSETHROPERTIES.COM

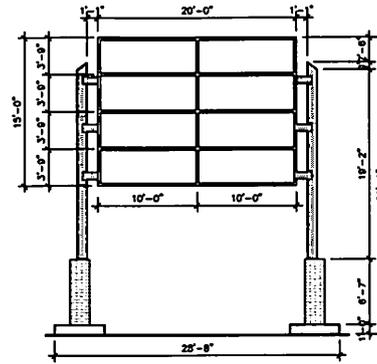
Exhibit "C-1"



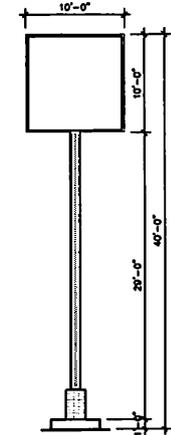
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SCALE: NOT TO SCALE



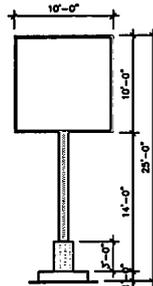
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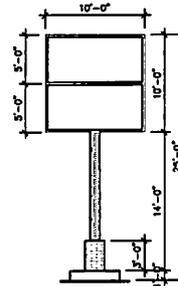
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SCALE: NOT TO SCALE



PAD PYLON SIGN TYPE 'C-2'
SCALE: NOT TO SCALE



PAD PYLON SIGN TYPE 'C-1'
SCALE: NOT TO SCALE



PAD PYLON SIGN TYPE 'C-1A'
SCALE: NOT TO SCALE

Exhibit "C-2"

SIGNAGE
CHAMBERS TOWN CENTER

SIGNAGE

07.04.13

EXHIBIT

**NEC OF INTERSTATE HIGHWAY 10 & STATE HIGHWAY 146
BAYTOWN, TEXAS**



**NewQuest
PROPERTIES™**

6827 W. SAM HOUSTON PARKWAY N.
SUITE 200 HOUSTON, TEXAS 77040
P. 281.477.4300 F. 281.477.4399
WWW.NEQUESTPROPERTIES.COM

**CHAMBERS TOWN CENTER
PROJECT SIGN PROGRAM
Ordinance vs. Proposed Comparison**

Location	Sign Structure	Overall Height Ordinance	Overall Height Proposed	Overall Area Ordinance	Overall Area Proposed	Vertical Difference	Area Difference	Ordinance / Notes
I-10 Project Sign	Type A	80	60	600	1200	-20	600	118-245(b), 118-246(b)
Tract A Pole Sign	Type C-2	80	40	300	200	-40	-100	118-245(b), 118-246(a)
Theater Tract Pole Sign	NONE	80	0	300	0	-80	-300	On Project Signs
Outparcel 7 Pole Sign	Type C-2	80	40	300	200	-40	-100	118-245(b), 118-246(a)
Outparcel 6 Pole Sign	Type C-2	80	40	300	200	-40	-100	118-245(b), 118-246(a)
HWY 146 Project Sign	Type B-1	42.5	30	600	600	-12.5	0	118-245(a), 118-246(b)
Outparcel 5A Project Sign	Type B-2	42.5	30	600	600	-12.5	0	118-245(a), 118-246(b)
Fuel Tract Pole Sign	NONE	42.5	0	300	0	-42.5	-300	WM Fuel Tract; no sign
Outparcel 5B Pole Sign	Type C-1A	42.5	25	300	200	-17.5	-100	118-245(a), 118-246(a)
Outparcel 5C Pole Sign	NONE	42.5	0	300	0	-42.5	-300	Shared with Outparcel 5B
Outparcel 1 Pole Sign	Type C-1A	42.5	25	300	200	-17.5	-100	118-245(a), 118-246(a)
Outparcel 2 Pole Sign	NONE	42.5	0	300	0	-42.5	-300	Shared with Outparcel 1
Outparcel 3 Pole Sign	Type C-1	42.5	25	300	200	-17.5	-100	118-245(a), 118-246(a)
Outparcel 4 Project Sign	Type B-2	42.5	30	600	600	-12.5	0	118-245(a), 118-246(b)
Developer Tract Pole Sign	NONE	42.5	0	600	0	-42.5	-600	On Project Signs
WM Tract Pole Sign	NONE	42.5	0	300	0	-42.5	-300	On Project Signs
		867.5	345	6300	4200	-522.5	-2100	

SUMMARY	Ordinance	Proposed	% DIFF
Number of Sign Structures	16	10	-38%
Average Height	54	35	-36%
Average Area	393.75	420	7%
Total Height Difference			523 Feet Less
Total Area Difference			2,100 SF Less