

**FIRST AMENDMENT TO ECONOMIC DEVELOPMENT AGREEMENT
WITH FIRST HARTFORD REALTY CORPORATION REGARDING
CITY OF EDINBURG, TEXAS REINVESTMENT ZONE NUMBER ONE
AND THE DEVELOPMENT KNOWN GENERALLY AS
"THE SHOPPES AT RIO GRANDE VALLEY"**

WHEREAS, pursuant to Ordinance No. 07-3211 adopted by the City Council of the CITY OF EDINBURG, TEXAS (the "City"), on September 4, 2007 (the "Zone Ordinance"), the City approved the creation of the REINVESTMENT ZONE NUMBER ONE, CITY OF EDINBURG, TEXAS (the "Zone"), in accordance with the provisions of Chapter 311, Texas Tax Code, as amended; and

WHEREAS, prior to the adoption of the Zone Ordinance, the City, HIDALGO COUNTY, TEXAS (the "County"), the EDINBURG ECONOMIC DEVELOPMENT CORPORATION (the "EEDC"), a non-profit corporation created by the City and organized pursuant to Section 4A of the Development Corporation Act of 1979 (originally enacted as Article 5190.6, Vernon's Texas Civil Statutes, now codified under Chapters 501 - 505, Texas Local Government Code), the CITY OF EDINBURG, TEXAS LOCAL GOVERNMENT CORPORATION (the "LGC"), a non-profit corporation organized under Subchapter D of Chapter 431 of the Texas Transportation Code, as amended, and FIRST HARTFORD REALTY CORPORATION, a Delaware corporation (the "Developer"), entered into an Economic Development Agreement, dated as of February 20, 2007 (the "Development Agreement"), which set forth the respective party's rights and obligations in connection with the development and construction by the Developer of a retail shopping center in the City (now generally known as "The Shoppes at Rio Grande Valley"), which is further described therein (the "Project"), and the potential reimbursements to be provided to the Developer by the City, the County and the EEDC; and

WHEREAS, the Development Agreement requires the Developer to complete the following amount of square footage of the Project by the following respective date:

- (i) on or before March 31, 2010 - at least 267,000 square feet of retail space for occupation by retail tenants within the Zone;
- (ii) on or before March 31, 2011 - at least 534,000 square feet of retail space for occupation by retail tenants within the Zone; and
- (iii) on or before March 31, 2012 - at least 800,000 square feet of retail space for occupation by retail tenants within the Zone;

all of which is more fully set forth in Exhibit E thereto and in the definitions of the following terms "First Phase Projected Completion Date," "Second Phase Projected Completion Date," and "Final Projected Completion Date"; and

WHEREAS, the Developer represents that Developer fully satisfied its obligations to complete at least 267,000 square feet of retail space by March 31, 2010; and

WHEREAS, the Developer represents that, due primarily to the economic downturn experienced nationwide over the last several years, the Developer was unable to meet the development requirements for March 31, 2011 as described above and does not expect it will be able to meet the development requirements for March 31, 2012 as described above; and

WHEREAS, the Development Agreement provides certain penalties for failure of the Developer to meet the development requirements set forth in the Development Agreement; and

WHEREAS, in a letter to the City Manager of the City, dated March 25, 2011, the Developer has requested that the Development Agreement be amended in a manner that will permit the completion of the remaining phases of the Project on a timeline that the Developer believes is achievable under the current economic conditions; and

WHEREAS, in recognition of the good faith effort that the Developer has made to date to complete the Project under economic conditions that are significantly more adverse than when the Development Agreement was entered into, the parties to the Development Agreement deem it appropriate to amend the Development Agreement as set forth in this First Amendment;

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

SECTION 1. AMENDMENTS TO CERTAIN DEFINITIONS. The terms "Final Projected Completion Date" and "Second Phase Projected Completion Date" as set forth in Article II of the Development Agreement are hereby amended in their entirety to read as follows:

"Final Projected Completion Date" means March 31, 2014.

"Second Phase Projected Completion Date" means March 31, 2013.

SECTION 2. AMENDMENT TO EXHIBIT E. Exhibit E attached to the Development Agreement is hereby amended and replaced in its entirety with the form of Exhibit E attached to this First Amendment.

SECTION 3. MAXIMUM CONTRIBUTION FROM COUNTY. The parties acknowledge that the changes to the Agreement set forth herein are not intended to increase the amount contributed by the County beyond the amount that would have been payable by the County under the terms of the original Agreement. ~~The parties therefore agree that, notwithstanding anything to the contrary contained in the Agreement as amended hereby, the~~

CONSENT TO DELETION OF FINAL SENTENCE IN SECTION 3:

Initials Date

First Amendment to Economic Development Agreement (Shoppes at Rio Grande), page 2

Developer:	_____	_____
City:	_____*	_____
County:	_____	_____
EEDC:	_____	_____

*Acting City Manager

~~aggregate amount contributed by the County to the Tax Increment Fund shall not exceed~~
~~\$_____.~~

SECTION 4. NO FUTURE WAIVER. Developer acknowledges and agrees that regardless of any future economic downturns or other events Developer shall fully comply with the terms of the Agreement as amended hereby and shall have no right to any future waiver, modification or amendment of the terms of the Agreement. This provision shall not be deemed to prevent the County in the future from waiving, modifying or amending the Agreement; but the parties acknowledge and agree that the County shall have no obligation to do so and that any such waiver, modification or amendment shall be at the discretion of the Hidalgo County Commissioners' Court.

SECTION 5. NO OTHER MODIFICATIONS INTENDED. Except to the extent specifically modified by the provisions of this Agreement, all other provisions of the Development Agreement are to remain in full force and effect.

SECTION 6. REPRESENTATIONS AND WARRANTIES OF DEVELOPER. The Developer represents and warrants that:


- (i) the statements set forth in the recitals of this First Amendment are true and correct; and
- (ii) the Developer's representations and warranties set forth in the Agreement are true and correct on the date of this First Amendment as if made on the date hereof.

SECTION 7. COUNTERPARTS. This First Amendment may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same instrument.

SECTION 8. APPROVALS. This First Amendment has been duly approved on behalf of the City, County, the EEDC, and the LGC by their respective governing bodies, and on behalf of the Developer through its authorized representative.

IN WITNESS HEREOF, the City, the County, the EEDC, the LGC, and the Developer have made and executed this Agreement, which is hereby dated and effective as of the 16th day of August, 2011.

FIRST HARTFORD REALTY
CORPORATION,
a Delaware corporation

By: 
Name: Neil Ellis
Title: President

CITY OF EDINBURG, TEXAS

ATTEST:

Myra L. Ayala Garza
Myra L. Ayala Garza, City Secretary

City Secretary



By: Ramiro Garza Jr.
Name: Ramiro Garza Jr.
Title: City Manager

APPROVED AS TO FORM AND LEGALITY:

Gonzalez P. P. P. P., LLP
Attorneys at Law

BY: [Signature]
City Attorney

HIDALGO COUNTY, TEXAS

ATTEST:

By: [Signature]
Name: Ramon Garcia
Title: County Judge

County Clerk

Approved by Commissioners' Court
on 8/16/16

APPROVED AS TO FORM:

ATLAS & HALL, L.L.P.

By: [Signature]
Stephen L. Crain

EDINBURG ECONOMIC
DEVELOPMENT CORPORATION

By: [Signature]
Name: Nelda Ramirez
Title: Interim Executive Director

CITY OF EDINBURG, TEXAS
LOCAL GOVERNMENT
CORPORATION

By: [Signature]
Name: Agustin G. Garcia
Title: _____

Exhibit E

Description of construction phases:

On or before March 31, 2011 Developer will have constructed 348,000 square feet of retail space within the TIF zone.

On or before March 31, 2013, Developer will cause the construction of at least 574,000 square feet of retail space within the TIF Zone.

On or before March 31, 2014, Developer will cause the construction of at least 800,000 square feet of retail space within the TIF Zone.