

**CERTIFICATE FOR ORDER**

**THE STATE OF TEXAS  
COUNTY OF HIDALGO**

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§

I, the undersigned County Clerk of **HIDALGO COUNTY, TEXAS** (the "*County*") hereby certify as follows:

1. The Commissioners Court of the County convened in **SPECIAL MEETING ON THE 10TH DAY OF MARCH, 2015**, at the County Courthouse, and the roll was called of the duly constituted officers and members of said Commissioners Court, to wit:

Ramon Garcia, County Judge  
A.C. Cuellar, Jr., Commissioner, Precinct 1  
Eduardo "Eddie" Cantu, Commissioner, Precinct 2  
Joe M. Flores, Commissioner, Precinct 3  
Joseph Palacios, Commissioner, Precinct 4

and all of said officers and members of said Commissioners Court were present, except the following absentees: Eduardo "Eddie" Cantu and Joseph Palacios, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

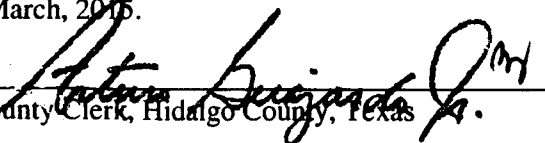
**ORDER APPROVING AN AGREEMENT TO TERMINATE THE DEVELOPMENT  
AGREEMENT RELATING TO THE SHOPPES AT RIO GRANDE VALLEY**

was duly introduced for the consideration of said Commissioners Court. It was then duly moved and seconded that said Order be adopted; and, after due discussion, said motion carrying with it the adoption of said Order, prevailed and carried by the following vote:

AYES:   3   NOES:   0   ABSTENTIONS:

2. A true, full and correct copy of the aforesaid Order adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Order has been duly recorded in said Commissioners Court's minutes of said Meeting; the above and foregoing paragraph is a true, full and correct excerpt from said Commissioners Court's minutes of said Meeting pertaining to the passage of said Order; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Commissioners Court as indicated therein; each of the officers and members of said Commissioners Court was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Order would be introduced and considered for passage at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose; and that said Meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED the   24   day of March, 2015.

  
County Clerk, Hidalgo County, Texas

(Seal)

**ORDER APPROVING AN AGREEMENT TO TERMINATE ECONOMIC  
DEVELOPMENT AGREEMENT RELATING TO THE SHOPPES AT RIO  
GRANDE VALLEY**

**WHEREAS**, the CITY OF EDINBURG, TEXAS LOCAL GOVERNMENT FINANCE CORPORATION (the "*Issuer*"), is a nonprofit local government corporation created by the CITY OF EDINBURG, TEXAS (the "*City*") pursuant to the provisions of Subchapter D of Chapter 431, Texas Transportation Code, as amended, to aid and act on behalf of the City to assist with financing and constructing economic development projects within the City in order to promote economic development and to stimulate business and commercial activity in the City, all at the request of the City Council of the City (the "*City Council*"); and

**WHEREAS**, the City has informed Hidalgo County, Texas (the "*County*"), that the City Council desires to bring to the City a new first-class, indoor multipurpose event center, to be located on approximately 49.57 acres of land at the corner of Alberta Road and State Highway 281 in the City, which is expected to include approximately 8,500 fixed seats, 10 luxury suites, 1,200 club seats, a restaurant/club area, locker rooms, offices for sports team personnel, offices for facility management, and a marquee, and will be designed to host a variety of entertainment events, including sporting events such as basketball and ice hockey, concerts, family shows and trade shows, which, together with related parking and infrastructure, is herein referred to as the "*Project*"; and

**WHEREAS**, the City has informed the County that the City desires that revenues to support annual debt service payments, for certain "Contract Revenue Bonds" being issued by the Issuer to finance a portion of the costs to construct the Project (the "*Contract Revenue Bonds*"), will come from numerous local sources, all of which are more fully described in that certain *Project Funding Agreement Related to Edinburg Entertainment Center*, dated as of March 1, 2015 (the "*Project Funding Agreement*"), by and among (i) the Issuer, (ii) *Reinvestment Zone Number One, City of Edinburg, Texas*, (iii) *Reinvestment Zone Number Four, City of Edinburg, Texas*, (iv) the City, and (v) the *Edinburg Economic Development Corporation* (the "*EEDC*"); and

**WHEREAS**, the EEDC is a nonstock, nonprofit industrial development corporation created by the City pursuant to the provisions of Section 4A of the Development Corporation Act of 1979, which originally was found at Article 5190.6, Texas Revised Civil Statutes, as amended ("*Article 5190.6*"), to act on behalf of the City to satisfy the public purposes set forth in Section 4A of Article 5190.6 (all of which is now found, as it relates to the EEDC, primarily in Chapters 501, 502 and 504 of the Texas Local Government Code); and

**WHEREAS**, a majority of the citizens of the City voting at an election held on January 20, 1990, authorized the City to levy a sales and use tax on the receipts at retail of taxable items within the City at a rate of one-half of one percent (½ of 1%) to be used for improving and promoting industrial and economic development in accordance with Section 4A of Article 5190.6 (the "**EEDC Sales Tax**"); and

**WHEREAS**, in 2007, the City, along with the Issuer, the County, the EEDC , and **FIRST HARTFORD REALTY CORPORATION**, a Delaware corporation (the "**Shoppes Developer**"), entered into an *Economic Development Agreement*, dated as of February 20, 2007, which was subsequently amended with amendments dated and effective as of August 16, 2011, and November 15, 2011 (collectively, the "**Shoppes Development Agreement**"), which, among other things, (i) set forth the respective party's rights and obligations in connection with the development and construction by the Shoppes 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 "**Shoppes Project**"), and (ii) the potential reimbursements to be provided to the Developer by the City and the EEDC; and

**WHEREAS**, as required by the Shoppes Development Agreement, in 2007 the City created, pursuant to Chapter 311, Texas Tax Code, a tax increment reinvestment zone known as **REINVESTMENT ZONE NUMBER ONE, CITY OF EDINBURG, TEXAS ("TIRZ One")**, and committed to use certain tax increment revenues generated from ad valorem taxes levied by the City and the County within TIRZ One to reimburse the Shoppes Developer for certain expenditures related to the Shoppes Project; and

**WHEREAS**, to further support the Shoppes Project, the City committed, pursuant to the Shoppes Development Agreement, to use 50% of the revenues received by the City from the City's 1% general sales and use tax generated within TIRZ One to reimburse the Shoppes Developer for certain expenditures related to the Shoppes Project; and

**WHEREAS**, similarly, to support the Shoppes Project the EEDC committed, pursuant to the Shoppes Development Agreement, to use all of its revenues generated from the EEDC Sales Tax within TIRZ One to reimburse the Shoppes Developer for certain expenditures related to the Shoppes Project; and

**WHEREAS**, the City and the EEDC each have remaining financial obligations to the Shoppes Developer under the Shoppes Development Agreement that need to be extinguished prior to the issuance of the Contract Revenue Bonds by the Issuer; therefore, it is necessary for the parties to the Shoppes Development Agreement to formally terminate the Shoppes Development Agreement by entering into an **AGREEMENT TO TERMINATE ECONOMIC DEVELOPMENT AGREEMENT RELATING TO THE SHOPPES AT RIO GRANDE VALLEY**, to be dated as of March 1, 2015, by and among the Shoppes Developer, the City, the County, the EEDC and the Issuer (the "**Termination Agreement**"); and

**WHEREAS**, the Termination Agreement has been presented to and reviewed by the Commissioners Court of the County, and the Commissioners Court of the County has determined that it is necessary and appropriate to assist with financing the Project by approving the Termination Agreement, which thereafter will permit a portion of the revenues generated from the City's 1% general sales collected within TIRZ One, and all of the revenues generated from the EEDC Sales Tax collected within TIRZ One, to be committed and used, along with certain other revenues of the City, the EEDC and other entities, to support payment of the Contract Revenue Bonds under the terms provided in the Project Funding Agreement; and

**WHEREAS**, it is hereby officially found and determined that the meeting at which this Order was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; **NOW THEREFORE:**

***BE IT ORDERED BY THE COMMISSIONERS COURT OF THE HIDALGO COUNTY, TEXAS:***

**SECTION 1. APPROVAL OF TERMINATION AGREEMENT.** The Termination Agreement is hereby approved in the form attached hereto as Exhibit A, and the County Judge is authorized to execute, and the County Clerk is authorized to attest, the final Termination Agreement on behalf of the County and deliver same, and when executed and delivered, the Termination Agreement shall become a valid and binding obligation of the County in accordance with its terms.

**SECTION 2. ENFORCEABILITY OF ORDER.** If any section, paragraph, clause, or provision of this Order shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Order. In case any obligation of the County authorized or established by this Order or the Termination Agreement is held to be in violation of law as applied to any person or any circumstance, such obligation shall be deemed to be the obligation of the County to the fullest extent permitted by law.

**SECTION 4. INCORPORATION OF RECITALS.** The Commissioners Court hereby finds that the statements set forth in the recitals of this Order are true and correct, and the Commissioners Court hereby incorporates such recitals as a part of this Order.

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**PASSED, APPROVED and ADOPTED this 10<sup>th</sup> day of March, 2015.**

**HIDALGO COUNTY, TEXAS**

By: Ramon Garcia  
Ramon Garcia  
County Judge  
Hidalgo County, Texas

ATTEST:

Arturo Guajardo Jr.  
Arturo Guajardo, Jr.  
Hidalgo County Clerk

Approved by Commissioners' Court  
on 3/10/15 <sup>RD</sup>

Signature Page to the Order Approving an  
Agreement to Terminate Economic Development Agreement Relating to The Shoppes at Rio Grande Valley

**Exhibit A**  
to the Order Approving an  
Agreement to Terminate Economic Development Agreement Relating to The Shoppes at Rio  
Grande Valley

**Agreement to Terminate Economic Development Agreement Relating to The Shoppes at  
Rio Grande Valley**

**ORDER APPROVING AN AGREEMENT TO TERMINATE ECONOMIC  
DEVELOPMENT AGREEMENT RELATING TO THE SHOPPES AT RIO  
GRANDE VALLEY**

**WHEREAS**, the CITY OF EDINBURG, TEXAS LOCAL GOVERNMENT FINANCE CORPORATION (the "*Issuer*"), is a nonprofit local government corporation created by the CITY OF EDINBURG, TEXAS (the "*City*") pursuant to the provisions of Subchapter D of Chapter 431, Texas Transportation Code, as amended, to aid and act on behalf of the City to assist with financing and constructing economic development projects within the City in order to promote economic development and to stimulate business and commercial activity in the City, all at the request of the City Council of the City (the "*City Council*"); and

**WHEREAS**, the City has informed Hidalgo County, Texas (the "*County*"), that the City Council desires to bring to the City a new first-class, indoor multipurpose event center, to be located on approximately 49.57 acres of land at the corner of Alberta Road and State Highway 281 in the City, which is expected to include approximately 8,500 fixed seats, 10 luxury suites, 1,200 club seats, a restaurant/club area, locker rooms, offices for sports team personnel, offices for facility management, and a marquee, and will be designed to host a variety of entertainment events, including sporting events such as basketball and ice hockey, concerts, family shows and trade shows, which, together with related parking and infrastructure, is herein referred to as the "*Project*"; and

**WHEREAS**, the City has informed the County that the City desires that revenues to support annual debt service payments, for certain "Contract Revenue Bonds" being issued by the Issuer to finance a portion of the costs to construct the Project (the "*Contract Revenue Bonds*"), will come from numerous local sources, all of which are more fully described in that certain *Project Funding Agreement Related to Edinburg Entertainment Center*, dated as of March 1, 2015 (the "*Project Funding Agreement*"), by and among (i) the Issuer, (ii) *Reinvestment Zone Number One, City of Edinburg, Texas*, (iii) *Reinvestment Zone Number Four, City of Edinburg, Texas*, (iv) the City, and (v) the *Edinburg Economic Development Corporation* (the "*EEDC*"); and

**WHEREAS**, the EEDC is a nonstock, nonprofit industrial development corporation created by the City pursuant to the provisions of Section 4A of the Development Corporation Act of 1979, which originally was found at Article 5190.6, Texas Revised Civil Statutes, as amended ("*Article 5190.6*"), to act on behalf of the City to satisfy the public purposes set forth in Section 4A of Article 5190.6 (all of which is now found, as it relates to the EEDC, primarily in Chapters 501, 502 and 504 of the Texas Local Government Code); and

**WHEREAS**, a majority of the citizens of the City voting at an election held on January 20, 1990, authorized the City to levy a sales and use tax on the receipts at retail of taxable items within the City at a rate of one-half of one percent ( $\frac{1}{2}$  of 1%) to be used for improving and promoting industrial and economic development in accordance with Section 4A of Article 5190.6 (the "**EEDC Sales Tax**"); and

**WHEREAS**, in 2007, the City, along with the Issuer, the County, the EEDC, and **FIRST HARTFORD REALTY CORPORATION**, a Delaware corporation (the "**Shoppes Developer**"), entered into an *Economic Development Agreement*, dated as of February 20, 2007, which was subsequently amended with amendments dated and effective as of August 16, 2011, and November 15, 2011 (collectively, the "**Shoppes Development Agreement**"), which, among other things, (i) set forth the respective party's rights and obligations in connection with the development and construction by the Shoppes 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 "**Shoppes Project**"), and (ii) the potential reimbursements to be provided to the Developer by the City and the EEDC; and

**WHEREAS**, as required by the Shoppes Development Agreement, in 2007 the City created, pursuant to Chapter 311, Texas Tax Code, a tax increment reinvestment zone known as **REINVESTMENT ZONE NUMBER ONE, CITY OF EDINBURG, TEXAS ("TIRZ One")**, and committed to use certain tax increment revenues generated from ad valorem taxes levied by the City and the County within TIRZ One to reimburse the Shoppes Developer for certain expenditures related to the Shoppes Project; and

**WHEREAS**, to further support the Shoppes Project, the City committed, pursuant to the Shoppes Development Agreement, to use 50% of the revenues received by the City from the City's 1% general sales and use tax generated within TIRZ One to reimburse the Shoppes Developer for certain expenditures related to the Shoppes Project; and

**WHEREAS**, similarly, to support the Shoppes Project the EEDC committed, pursuant to the Shoppes Development Agreement, to use all of its revenues generated from the EEDC Sales Tax within TIRZ One to reimburse the Shoppes Developer for certain expenditures related to the Shoppes Project; and

**WHEREAS**, the City and the EEDC each have remaining financial obligations to the Shoppes Developer under the Shoppes Development Agreement that need to be extinguished prior to the issuance of the Contract Revenue Bonds by the Issuer; therefore, it is necessary for the parties to the Shoppes Development Agreement to formally terminate the Shoppes Development Agreement by entering into an **AGREEMENT TO TERMINATE ECONOMIC DEVELOPMENT AGREEMENT RELATING TO THE SHOPPES AT RIO GRANDE VALLEY**, to be dated as of March 1, 2015, by and among the Shoppes Developer, the City, the County, the EEDC and the Issuer (the "**Termination Agreement**"); and

**WHEREAS**, the Termination Agreement has been presented to and reviewed by the Commissioners Court of the County, and the Commissioners Court of the County has determined that it is necessary and appropriate to assist with financing the Project by approving the Termination Agreement, which thereafter will permit a portion of the revenues generated from the City's 1% general sales collected within TIRZ One, and all of the revenues generated from the EEDC Sales Tax collected within TIRZ One, to be committed and used, along with certain other revenues of the City, the EEDC and other entities, to support payment of the Contract Revenue Bonds under the terms provided in the Project Funding Agreement; and

**WHEREAS**, it is hereby officially found and determined that the meeting at which this Order was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; **NOW THEREFORE:**

**BE IT ORDERED BY THE COMMISSIONERS COURT OF THE HIDALGO COUNTY, TEXAS:**

**SECTION 1. APPROVAL OF TERMINATION AGREEMENT.** The Termination Agreement is hereby approved in the form attached hereto as Exhibit A, and the County Judge is authorized to execute, and the County Clerk is authorized to attest, the final Termination Agreement on behalf of the County and deliver same, and when executed and delivered, the Termination Agreement shall become a valid and binding obligation of the County in accordance with its terms.

**SECTION 2. ENFORCEABILITY OF ORDER.** If any section, paragraph, clause, or provision of this Order shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Order. In case any obligation of the County authorized or established by this Order or the Termination Agreement is held to be in violation of law as applied to any person or any circumstance, such obligation shall be deemed to be the obligation of the County to the fullest extent permitted by law.

**SECTION 4. INCORPORATION OF RECITALS.** The Commissioners Court hereby finds that the statements set forth in the recitals of this Order are true and correct, and the Commissioners Court hereby incorporates such recitals as a part of this Order.

[The remainder of this page intentionally left blank]

PASSED, APPROVED and ADOPTED this 10<sup>th</sup> day of March, 2015.

HIDALGO COUNTY, TEXAS

By: Ramon Garcia

Ramon Garcia  
County Judge  
Hidalgo County, Texas

ATTEST:

Arturo Guajardo Jr.

Arturo Guajardo, Jr.  
Hidalgo County Clerk

Approved by Commissioners' Court  
on 3-10-15

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Rio Grande Valley**

**AGREEMENT TO TERMINATE ECONOMIC DEVELOPMENT AGREEMENT  
RELATING TO THE SHOPPES AT RIO GRANDE VALLEY**

This **AGREEMENT TO TERMINATE ECONOMIC DEVELOPMENT AGREEMENT RELATING TO THE SHOPPES AT RIO GRANDE VALLEY** (this "*Agreement*"), dated as of March 1, 2015, is entered into by and among the **CITY OF EDINBURG, TEXAS** (the "*City*"), a home-rule municipality organized under the laws of the State of Texas, **HIDALGO COUNTY, TEXAS** (the "*County*"), the **EDINBURG ECONOMIC DEVELOPMENT CORPORATION**, a non-profit corporation created by the City and organized pursuant to Section 4A of the Development Corporation Act of 1979, - Article 5190.6, V.A.T.C.S. (the "*EEDC*"), the **CITY OF EDINBURG, TEXAS LOCAL GOVERNMENT FINANCE CORPORATION**, a non-profit corporation organized under Subchapter D of Chapter 431 of the Texas Transportation Code (the "*LGC*") and **FIRST HARTFORD REALTY CORPORATION**, a Delaware corporation (the "*Developer*").

**RECITALS**

**WHEREAS**, the City, the County, the EEDC, the LGC and the Developer entered into that certain *Economic Development Agreement*, dated and effective as of February 20, 2007, which was subsequently amended by the *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,"* dated and effective as of August 16, 2011, and further subsequently amended by the *Second 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,"* dated and effective as of November 15, 2011 (collectively, the "*Development Agreement*"); and

**WHEREAS**, all capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Development Agreement; and

**WHEREAS**, the Development Agreement was entered into by the parties in connection with a proposal by the Developer to construct and develop a new retail shopping center (further described and defined in the Development Agreement as the "*Facility*") located generally near the intersection of East Trenton Road and South U.S. Highway 281 in the City, which is now known as "*The Shoppes at Rio Grande Valley*"; and

**WHEREAS**, the Development Agreement contains numerous obligations on the part of the Developer to construct and develop the Facility and entitles the Developer to receive a Maximum Reimbursement of up to \$17,250,000,<sup>1</sup> upon satisfaction of certain conditions, from specifically designated funds of the City and the EEDC and from Tax Increment payments made by the City and the County generated within the reinvestment zone created by the City as required by the Development Agreement (now known as *Reinvestment Zone Number One, City of Edinburg, Texas - "TIRZ One"*), for costs related to construct Public Infrastructure related to the Facility and assist the Developer with other certain other costs related to the Facility; and

**WHEREAS**, as more specifically set forth in Article V of the Development Agreement, the Developer is eligible, upon satisfaction of certain conditions, to receive up to an aggregate of \$12,000,000 as **Initial Local Reimbursements** which are described as follows:

- (i) the **Public Infrastructure Reimbursement**, equal to the lesser of (1) **\$8,000,000**, and (2) the actual amount of Public Infrastructure Costs expended by the Developer, subject to submission of certain evidence required by the Development Agreement, to be paid solely with proceeds of Public Infrastructure Bonds as described in Section 5.3 of the Development Agreement;
- (ii) the **City's Chapter 380 Grant Reimbursement** equal to the difference between **\$8,000,000** and the Public Infrastructure Reimbursement, to be paid by the City solely with the City's Dedicated 1% Sales Tax Revenues in accordance with the terms set forth in Section 5.4 of the Development Agreement; and
- (iii) **\$4,000,000** of costs for site improvements to be paid by the EEDC solely with proceeds from EEDC Grants as described in Section 5.5.2 of the Development Agreement; and

**WHEREAS**, the Developer also is eligible, upon satisfaction of certain conditions, to receive the **EEDC Incentive Reimbursement** equal to an amount not to exceed **\$4,000,000** (subject to adjustment as provided in Section 6.2 of the Development Agreement), to be paid solely from EEDC Grants and only upon satisfaction of the conditions described in Section 5.5.3 of the Development Agreement; and

**WHEREAS**, on January 3, 2012, the LGC issued and delivered **\$4,275,000** in principal amount of its *Tax Increment Contract Revenue Bonds, Series 2011* (the "**Series 2011 Bonds**") for the purpose of providing a portion of the funds required to pay the Developer for the Public Infrastructure Reimbursement; and

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<sup>1</sup>Up to \$1,250,000 of such potential reimbursement would have been obtained from the State of Texas if the Developer qualified to receive State Economic Development Assistance through the Texas Enterprise Zone Program Facility. No local entities were obligated to provide such reimbursement.

**WHEREAS**, upon delivery of the Series 2011 Bonds, the LGC transferred proceeds of the Series 2011 Bonds and other available funds in the amount of \$4,403,382.00, which amount was equal to, and fully satisfied, the Public Infrastructure Reimbursement due and owing to the Developer; and

**WHEREAS**, with the payment of the Public Infrastructure Reimbursement on January 3, 2012, the total amount due to the Developer as the City's Chapter 380 Grant Reimbursement was reduced to \$3,596,618.00, of which the City has paid the Developer with a total of \$2,024,352.00 from the City's Dedicated 1% Sales Tax Revenues (as of March 3, 2015), which leaves a balance to be paid for the City's Chapter 380 Grant Reimbursement equal to \$1,572,266.00 (the "**Remaining City's Dedicated 1% Sales Tax Reimbursement**"); and

**WHEREAS**, with respect to the commitment of the EEDC to provide EEDC Grants to reimburse the Developer for \$4,000,000.00 of costs for site improvements, the EEDC has provided the Developer with a total of \$2,024,352.00 of EEDC Grants (as of March 3, 2015), which leaves a balance to be paid in the amount of \$1,975,684.00 (the "**Remaining EEDC Grant Reimbursement**"); and

**WHEREAS**, the City, the EEDC and the LGC are working with a private entity to develop and construct a new multipurpose arena and entertainment center which will be owned by the LGC and leased to and operated by third party (the "**Entertainment Center**"); and

**WHEREAS**, the City and the EEDC desire to pledge certain of their respective revenues to secure "Contract Revenue Bonds" that are expected to be issued by the LGC to provide a portion of the funds to construct and equip the Entertainment Center and accomplish other related purposes, and in order to do so the City and the EEDC need to be able to satisfy, and be released from, its obligations to make future reimbursement payments to the Developer under the Development Agreement; and

**WHEREAS**, in lieu of the City and the EEDC continuing to make periodic payments to the Developer to satisfy the City's Chapter 380 Grant Reimbursement and the EEDC Grants over a period of years, the City and the EEDC have proposed paying to the Developer on or before March 26, 2015, a lump sum payment in the amount of \$3,547,914.00 (the "**Final Reimbursement Amount**," which amount is equal the Remaining City's Dedicated 1% Sales Tax Reimbursement and the Remaining EEDC Grant Reimbursement) in consideration for the Developer agreeing to terminate the Development Agreement pursuant to Article VIII of the Development Agreement and release the County, the City and the EEDC from all future obligations thereunder, including but not limited to the EEDC Incentive Reimbursement, which termination and release shall become effective immediately upon such payment; and

**WHEREAS**, in order to assure the City and the EEDC that the Developer will fully and completely terminate the Development Agreement and release the City and the EEDC from all future payments required thereunder, it is necessary for the parties hereto to execute this Termination Agreement; and

*WHEREAS*, the City and the EEDC also have represented to the Developer that funds will be provided on or about March 26, 2015 to pay and redeem all outstanding Series 2011 Bonds at the redemption price of par plus accrued interest; and

*WHEREAS*, this Agreement will become irrevocable to each party upon its execution thereof, and the termination of and release of all further obligations under the Development Agreement being provided by this Agreement, as further described in Section 1 below, shall become effective only upon the later of (i) the delivery to the Developer of the funds described in Section 1 of this Agreement, and (ii) receipt by the Developer of written evidence that the Series 2011 Bonds have been paid or defeased and are no longer outstanding;

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

**SECTION 1. PAYMENT OF FINAL REIMBURSEMENT AMOUNT; TERMINATION OF DEVELOPMENT AGREEMENT.** In consideration of the mutual promises and agreements contained in this Agreement, including the recitals set forth above, the parties hereby agree that on or before March 26, 2015, the City and the EEDC will cause to be wire transferred to the Developer, in immediately available funds, an amount equal to the Final Reimbursement Amount for the purposes described in the recitals of this Agreement. At the request of the Developer, such funds shall be wire transferred in accordance with the following wiring instructions:

Name of Bank:	Lone Star National Bank
Mailing Address:	P.O. Box 1127 Pharr, TX 78577
Physical Address:	612 Nolana Suite 100 McAllen, TX 78501
ABA Routing #:	114911687
Customer Name:	The Shoppes at Rio Grande Valley LP First Hartford Realty Rio Grande Valley
Credit Account:	G/L# 254230
Further Credit To:	Loan#254230

Immediately upon receipt by the Developer of such Final Reimbursement Amount and written evidence that the Series 2011 Bonds have been paid and redeemed and are no longer outstanding, the Development Agreement shall automatically terminate and neither the City, the County, the EEDC, the LGC, nor the Developer shall have any further obligations thereunder except with respect to the Developer for the limited purpose set forth in Section 2 hereof. For purposes of clarity, all parties acknowledge and agree that the termination of the Development Agreement in accordance with the terms of this Agreement shall constitute a full, complete and final release as to all obligations of (i) the City, the County, the EEDC, and the LGC to the Developer under the Development Agreement (including but not limited to the payment by the EEDC to the Developer

of the EEDC Incentive Reimbursement), and (ii) the Developer to the City, the County, the EEDC, and the LGC except for the limited purpose set forth in Section 2 hereof.

**SECTION 2. DEVELOPER'S CONTINUING OBLIGATIONS.**

(A) **DEVELOPER TO CONTINUE TO COOPERATE WITH CITY AND EEDC TO PROVIDE SALES TAX INFORMATION WITHIN TIRZ ONE.** In Section 5.7 of the Development Agreement, the City, the EEDC and the Developer agreed to cooperate with each other, and to work with the Comptroller of Public Accounts of the State of Texas, to develop a reporting method which would enable the City, the EEDC and the Developer to determine the amount of the City's 1% Sales Tax Revenues and the EEDC's Sales Tax Revenues which are actually collected solely within TIRZ One. Such cooperation has been very helpful to all parties in order to provide accurate sales tax collection information, which has been used as the basis of certain reimbursements provided to the Developer in accordance with the Development Agreement. The Developer recognizes and acknowledges that, in connection with providing certain financial support for the construction of a new multi-purpose entertainment center in the City, the City has entered into a new contractual commitment to provide fifty percent (50%) of the sales tax revenues generated from the City's general 1% sales tax collected within TIRZ One; therefore, the City will have a continuing need to accurately determine the amount of the City's 1% Sales Tax Revenues which are actually collected within TIRZ One. Accordingly, the Developer agrees to continue cooperating with the City and the EEDC, and to continue working with the Comptroller of Public Accounts of the State of Texas, to develop, or modify as necessary, a reporting method which would enable the City, the EEDC and the Developer to continue determining the amount of the City's 1% Sales Tax Revenues which are actually collected solely within TIRZ One. In the event the City, the EEDC and the Developer are unable to develop with the Comptroller a sales tax reporting method mutually satisfactory to such parties to accomplish the intent of this Section, the Developer shall make a good faith effort to provide the City and the EEDC, not less frequently than quarterly, evidence reasonably satisfactory to the City and the EEDC of the sales tax collections actually paid to the Comptroller from tenants within the Facility.

(B) **INDEMNIFICATION AND HOLD HARMLESS AGREEMENTS.** In Section 8.6 of the Development Agreement, the parties agreed that the termination of the Development Agreement by mutual consent of the parties pursuant to Section 8.1 of the Development Agreement does not terminate certain obligations of the Developer. Accordingly, the parties acknowledge and agree, notwithstanding the termination of the Development Agreement by mutual consent pursuant to Section 8.1 of the Development Agreement provided for hereunder, that the indemnification and hold harmless agreements of the Developer pursuant to Article XI of the Development Agreement, which are incorporated herein by reference, continue in full force and effect.

**SECTION 3. IRREVOCABLE AGREEMENT.** All parties to this Agreement acknowledge and agree that this Agreement shall become binding on each respective party immediately upon execution thereof by all parties and that this Agreement shall be and remain irrevocable by any party from and after the effective date of this Agreement.

**SECTION 4. GOVERNING LAW.** This Agreement is made according to the laws of the State of Texas. The parties expressly agree that this Agreement is governed by, and will be construed and enforced in accordance with, Texas law.

**SECTION 5. BINDING EFFECT.** This Agreement is binding on and inures to the benefit of the parties and their respective heirs, representatives, successors, and assigns.

**SECTION 6. ENTIRE AGREEMENT.** This Agreement contains the entire agreement between the parties. It supersedes any and all prior agreements, arrangements, or understandings between the parties on all subjects in any way related to the transaction or occurrence described in this Agreement. No oral understandings, statements, promises, or inducements contrary to or consistent with the terms of this Agreement exist. This Agreement is not subject to any modification, waiver, or addition that is made orally. This Agreement is subject to modification, waiver, or addition only by means of a writing signed by all parties.

**SECTION 7. COUNTERPARTS.** This Agreement may be executed in any number of identical counterparts, each of which will be deemed an original for all purposes.

[The remainder of this page intentionally left blank]

*IN WITNESS WHEREOF*, the parties hereto have executed this Agreement to be effective as of the day and year first above written.

**FIRST HARTFORD REALTY CORPORATION,**  
a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CITY OF EDINBURG, TEXAS**

ATTEST:

By: \_\_\_\_\_

Myra L. Ayala Garza, City Secretary



By: \_\_\_\_\_  
Richard H. Garcia, Mayor

A handwritten signature in black ink, appearing to read "Richard H. Garcia", is written over a horizontal line.


APPROVED AS TO FORM AND LEGALITY:

Palacios & Associates, P.C.

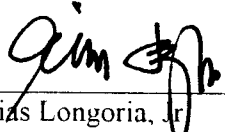
By: \_\_\_\_\_

City Attorney

**EDINBURG ECONOMIC  
DEVELOPMENT CORPORATION**


By:   
Richard H. Garcia  
President, Board of Directors

**CITY OF EDINBURG, TEXAS  
LOCAL GOVERNMENT FINANCE  
CORPORATION**

By:   
Elias Longoria, Jr.  
President, Board of Directors

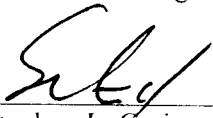
**HIDALGO COUNTY, TEXAS**

By:   
Ramon Garcia, County Judge

ATTEST  
  
Arturo Guajardo, Jr., County Clerk

APPROVED AS TO FORM:

Atlas, Hall & Rodriguez, L.L.P.

By:   
Stephen L. Crain

Approved by Commissioners' Court  
on 3/10/15