

THE STATE OF TEXAS           §  
  §  
COUNTY OF WEBB             §

**THIRD AMENDMENT TO THE ECONOMIC  
DEVELOPMENT PERFORMANCE AND PROGRAM GRANT AGREEMENT  
BETWEEN THE CITY OF LAREDO, TEXAS AND LAREDO OUTLET SHOPPES, LLC  
(SUCCESSOR/ASSIGNEE TO EL PORTAL CENTER LLC)**

WHEREAS, an Economic Development Performance and Program Grant Agreement was made by and between the City of Laredo, Texas, a home rule municipality located in Webb County, Texas (the "City") and El Portal Center LLC, an Illinois limited liability company ("EPC") (each a "Party" and collectively the "Parties") and executed on or about the 2nd day of September, 2014 (hereinafter referred to as the "Original Agreement"), which Original Agreement was amended by that certain (i) First Addendum to the Economic Development Performance and Program Grant Agreement by the Parties executed on or about February 24, 2016 (the "First Addendum"), (ii) First Amendment to First Addendum to the Economic Performance and Program Grant Agreement by the parties executed on or about April 21, 2016 (the "First Amendment to First Addendum"), and (iii) Second Addendum to the Economic Development Performance and Program Grant Agreement by the Parties executed on or about February 24, 2016 ( the Original Agreement as amended by the First Addendum, First Amendment to First Addendum and Second Addendum is hereinafter referred to as the "Original Agreement");

WHEREAS, as permitted by the terms of the First Addendum and Second Addendum, EPC's interest in the Original Agreement was assigned by EPC to Laredo Outlet Shoppes, LLC, a Delaware limited liability ("LOS") and Outlet LLC is an approved successor/assignee of EPC as a Party to the Agreement; and whereas EPC and LOS are to be used interchangeably in this agreement.

WHEREAS, the Parties wish to further modify the terms of the Agreement in certain respects as set forth below.

NOW, THEREFORE, in consideration of the mutual promises herein, the Parties, intending to be legally bound, hereby agree that the following hereby modifies and amends and constitutes additional terms and conditions of the stated Original Agreement as follows:

1. **Modification Item 1.** The term "Permanent Employment Positions" and its provided meaning shall be stricken from Article I, Definitions, of the Original Agreement. All references in the Original Agreement to the term "Permanent Employment Positions" or to similar terms that are intended to reference the definition of "Permanent Employment Positions" shall be deemed to reference the term "Employment Positions" as defined in Modification Item 2 below.
2. **Modification Item 2.** The term "Employment Positions" shall be added to Article I, Definitions of the Original Agreement and shall mean employment positions filled by individuals working for Retailers at the Project.
3. **Modification Item 3.** The references to "1,200 new permanent employment positions" in the seventh "Whereas" clause on page 1 of the Original Agreement and to "One-Thousand Two Hundred

(1,200) new Employment Positions” in Section 4.1(l)(7) on page 17 of the Original Agreement are hereby in reference to Phase II of the project and Phase I of the project will only require “Six Hundred (600) new Employment Positions”. In addition, the reference to “approximately 1,600 seasonal jobs” in the seventh “Whereas” clause on page 1 of the Original Agreement is hereby in reference to Phase II of the project and Phase I of the project will only require “approximately 500 seasonal jobs.”

**4. Modification Item 4.** The following language shall be added at the end of Section 4.1(l) (7) of the Original Agreement: “The City agrees that it shall accept as proof of EPC’s satisfaction of the conditions in this Section 4.1(l)(7), absent contrary findings by the City Auditor based on reasonable evidence, an officer’s certificate that states to the best of EPC’s knowledge using good faith estimates, EPC certifies that EPC has complied with the requirements of this Section 4.1(l)(7).” *See Exhibit A, Quarterly Officer’s Certificate Form, herein incorporated to this agreement which shall be utilized.* Further, EPC will allow the City Auditor to conduct a compliance audit at any time during the term of this agreement, and will fully cooperate with the City Auditor.

**5. Modification Item 5.** The reference in the Second Addendum, Modification Item 2, to “six (6) years after the date of the grand opening of Phase 1” is hereby deleted and replaced with “eight (8) years after the date of the grand opening of Phase 1. This Modification does not extend the Phase I Grant or Grant Term Period and is not intended to provide an additional two (2) years of Grants to be paid to EPC by the City, but rather provides an additional two (2) years to begin Phase II wherein Phase II Grant Quarterly Installments will commence with the new Phase II Grant Terms.

**6. Modification Item 6.** The reference in the Original Agreement, Article I, Definitions, in the defined term “Phase II Grant Commencement Date” to the term “nine (9) years six (6) months after Phase I Grant Commencement Date” is hereby deleted and replaced with “eleven (11) years six (6) months after Phase I Grant Commencement Date.”

**7. Modification Item 7.** The reference in the Original Agreement, Section 2.3 to “eight (8) years after Completion of Construction of Phase I”, and the reference in the Original Agreement, Section 4.1(a) to the term “eight (8) years after the Completion of Construction of Phase I” are both hereby deleted and replaced with the phrase “ten (10) years after the Completion of Construction of Phase I.”

**8. Modification Item 8.** – Section 8.21 (Force Majeure) of the Agreement is modified to add the following language at the end of that Section: Without limiting the foregoing, the Parties agree that closures of all or portions of the Project and tenants in the Project due to the ongoing effects of the COVID 19 pandemic or any other future health pandemics shall be considered a Force Majeure under this Agreement excusing non-compliance for the period or periods that the Project is affected.

**9. Modification Item 9.** The reference to “twelve (12) years” in Modification Item 3 of the First Addendum is hereby deleted and replaced with “fourteen (14) years”. The references to “forty-eighth (48<sup>th</sup>)” in Modification Item 4 and Modification Item 5 of the First Addendum are changed to “fifty-sixth (56<sup>th</sup>)”.

**10. Modification Item 10.** – Section 5.4 of the Agreement is eliminated in its entirety. The City owns a communications tower near the Project (generally at the intersection of Santa Maria Avenue and Water Street). EPC will not request removal of the Tower and the Tower will remain. The City reserves

the right to Expand the Tower at the City's expense; including but not limited to ground facilities, elevated platforms and related equipment for use in communications business, to the west or south side of the Tower.

**11. Modification 11.** – Section/Article 3.3(b) adjacent parking lots is modified to release from the commitment by the City to make additional offsite parking lots available for future parking spaces the two (2) parking lot parcels west of Santa Cleotilde Avenue.

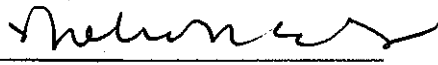
**12. Payment.** The modifications contained in this Third Addendum shall apply to prior Phase I Grant Quarters. The City shall promptly pay to EPC any amounts applicable to any prior Phase I Grant Quarters which have not yet been paid, if any, provided that EPC demonstrates, by providing documentation, compliance in accordance with these modified terms. In addition, the amount due will be based on sales tax reports provided by the state comptroller.

**13. No Other Change.** To the extent that any of the terms or conditions contained in this THIRD ADDENDUM may contradict or conflict with any of the terms or conditions of the Original Agreement, it is expressly understood and agreed that the terms of this THIRD ADDENDUM shall take precedence and supersede the Original Agreement. The parties reaffirm that no other terms or conditions of the above-mentioned Original Agreement not hereby otherwise modified or amended shall be negated or changed as a result of this THIRD ADDENDUM.

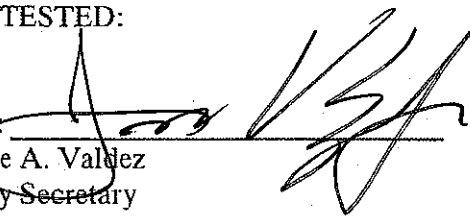
[signature page to follow]

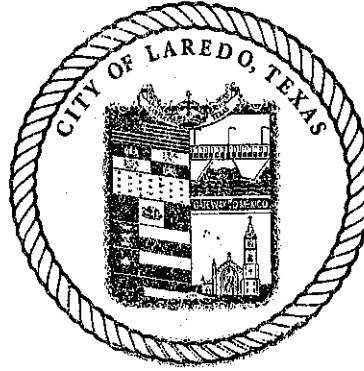
EXECUTED as of the 22nd day of April, 2021 by the City of Laredo, Texas and Laredo Outlet Shoppes, LLC acting through their respective duly-authorized officers.

**CITY OF LAREDO, TEXAS**

By:   
Robert A. Eads  
City Manager

ATTESTED:

By:   
Jose A. Valdez  
City Secretary



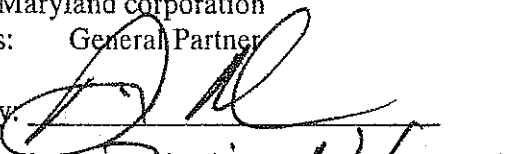
APPROVED AS TO FORM:

By:   
Rene C. Benavides  
City Attorney

**LAREDO OUTLET SHOPPES, LLC,**  
a Delaware limited liability company

By: Horizon Group Properties, L.P.,  
a Delaware limited partnership  
Its: Authorized Agent

By: Horizon Group Properties, Inc.,  
a Maryland corporation  
Its: General Partner

By:   
Name: DAVID NELSON  
Its: SVP

**EXHIBIT A**

**QUARTERLY OFFICER'S CERTIFICATE OF THE LAREDO OUTLET SHOPPES, LLC**

Pursuant to Modification Item 4 and Article 4.1(l)(7) of the Third Amendment to The Economic Development Performance and Program Grant Agreement between The City of Laredo, Texas and Laredo Outlet Shoppes, LLC ("LOC"), the undersigned, acting in my capacity as an officer on behalf of LOC, hereby causes LOC to certify and represent the following:

1. To the best of LOC's knowledge, the attached Schedule of Employment Positions, prepared for the \_\_\_\_\_ quarter of the year \_\_\_\_\_ is true and accurate in all material respects. It accurately reflects the occupancy as of \_\_\_\_\_ and it accurately reflects the number of Employment Positions as defined in the above referenced agreement.
  
2. During the \_\_\_\_\_ quarter of the year \_\_\_\_\_, \$ \_\_\_\_\_ was spent on enhanced marketing and \$ \_\_\_\_\_ was spent on post-completion improvements as outlined in the above referenced agreement.
  
3. During the \_\_\_\_\_ quarter, LOC estimates that \_\_\_\_\_ % of shoppers were domestic and \_\_\_\_\_ % were international. This estimate is based on discussions with the following stores:  
\_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.
  
4. To the best of LOC's knowledge, Laredo Outlet Shoppes, LLC is in full compliance with all other requirements outlined in the above referenced agreement.

**VERIFICATION**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

BEFORE ME, the undersigned notary public, on this day personally appeared \_\_\_\_\_ (Name of Affiant), \_\_\_\_\_ (Title), who, being duly sworn, stated under oath that he/she has read the above and foregoing Quarterly Officer's Certificate of the Laredo Outlet Shoppes, LLC, and it is within his/her personal knowledge and is true and correct.

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

SWORN TO AND SUBSCRIBED before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2021 by Affiant.

Signature: \_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_  
Notary's Printed Name: \_\_\_\_\_  
Commission Expiration Date: \_\_\_\_\_