

INCENTIVE AGREEMENT

This agreement ("Agreement") is made and entered into by and between the City of Corpus Christi and Staples Center 380 Agmt 2-28-13, a limited liability partnership ("Staples Center 380 Agmt 2-28-13").

CHAPTER 380

INCENTIVE AGREEMENT

ARTICLE I

By and Between

WHEREAS, the City of Corpus Christi is a city and political subdivision of the State of Texas; and WHEREAS, the City of Corpus Christi is the owner of the property located at 380 Staples Center, Corpus Christi, Texas; and WHEREAS, the City of Corpus Christi desires to enter into an agreement with Staples Center 380 Agmt 2-28-13 for the development and construction of a retail store on the property located at 380 Staples Center, Corpus Christi, Texas;

CITY OF CORPUS CHRISTI, TEXAS

AND WHEREAS, the City of Corpus Christi has established a special district to provide for the development and construction of a retail store on the property located at 380 Staples Center, Corpus Christi, Texas; and WHEREAS, the City of Corpus Christi desires to enter into an agreement with Staples Center 380 Agmt 2-28-13 for the development and construction of a retail store on the property located at 380 Staples Center, Corpus Christi, Texas;

And

STAPLES CENTER RETAIL VENTURE LP

WHEREAS, the City of Corpus Christi has established a special district to provide for the development and construction of a retail store on the property located at 380 Staples Center, Corpus Christi, Texas; and WHEREAS, the City of Corpus Christi desires to enter into an agreement with Staples Center 380 Agmt 2-28-13 for the development and construction of a retail store on the property located at 380 Staples Center, Corpus Christi, Texas;

WHEREAS, the City of Corpus Christi has established a special district to provide for the development and construction of a retail store on the property located at 380 Staples Center, Corpus Christi, Texas; and WHEREAS, the City of Corpus Christi desires to enter into an agreement with Staples Center 380 Agmt 2-28-13 for the development and construction of a retail store on the property located at 380 Staples Center, Corpus Christi, Texas;

WHEREAS, the City of Corpus Christi has established a special district to provide for the development and construction of a retail store on the property located at 380 Staples Center, Corpus Christi, Texas; and WHEREAS, the City of Corpus Christi desires to enter into an agreement with Staples Center 380 Agmt 2-28-13 for the development and construction of a retail store on the property located at 380 Staples Center, Corpus Christi, Texas;

WHEREAS, the City of Corpus Christi has established a special district to provide for the development and construction of a retail store on the property located at 380 Staples Center, Corpus Christi, Texas; and WHEREAS, the City of Corpus Christi desires to enter into an agreement with Staples Center 380 Agmt 2-28-13 for the development and construction of a retail store on the property located at 380 Staples Center, Corpus Christi, Texas;

WHEREAS, the City of Corpus Christi has established a special district to provide for the development and construction of a retail store on the property located at 380 Staples Center, Corpus Christi, Texas; and WHEREAS, the City of Corpus Christi desires to enter into an agreement with Staples Center 380 Agmt 2-28-13 for the development and construction of a retail store on the property located at 380 Staples Center, Corpus Christi, Texas;

FINANCING AGREEMENT

This Agreement ("Agreement") is made and entered into as of ____, 2013 (the "Effective Date"), by and among the City of Corpus Christi, Texas, a home-rule municipal corporation (the "City") and Staples Center Retail Venture LP ("Developer"), a Delaware limited partnership.

RECITALS

WHEREAS, the Developer desires to redevelop The Shops at La Palmera as more particularly described in the conceptual plan for the project attached hereto as Exhibit A (the "Project" as more particularly defined below), in Corpus Christi, Texas; and

WHEREAS, the City has established a program in accordance with Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code ("Chapter 380") under which the City has the authority to make loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City; and

WHEREAS, the City has concluded and hereby finds that this Agreement promotes economic development in the City of Corpus Christi and, as such, meets the requirements under Chapter 380 and the City's established economic development program, and, further, is in the best interests of the City and the Developer; and

WHEREAS, the City recognizes the positive economic impact that the Project will bring to the City through development and diversification of the economy, reduction of unemployment and underemployment through the production of new jobs, the attraction of new businesses, and the additional ad valorem tax revenue generated by the Project for the City; and

WHEREAS, the Project redevelops existing infrastructure and will make a unique contribution to the redevelopment efforts in the City, due to its magnitude, significance to the community and aesthetic quality; and

WHEREAS, the Developer will directly finance, design and construct the Project as contemplated in this Agreement; and

WHEREAS, in consideration of the redevelopment and construction of The Shops at La Palmera, which will assist in stabilizing the existing Property Tax Revenues (as defined herein) to the City and create/retain approximately 105 new and 50 existing jobs located at the Project

WHEREAS, consistent with Article III, Section 52-a of the Texas Constitution, Chapter 380 and other law, City and the Developer agree to work together to cause the public purposes of developing and diversifying the economy of the state, reducing unemployment or underemployment in the state, and developing or expanding transportation or commerce in the state; and

WHEREAS, to ensure that the benefits the City provides under this Agreement are utilized in a manner consistent with Article III, Section 52-a of the Texas Constitution, Chapter 380 and other law, the Developer has agreed to comply with certain conditions for receiving those benefits, including performance measures relating to job creation, Project operations, and the hiring of local and disadvantaged businesses for the construction of the Project; and

WHEREAS, the City and the Developer desire to enter into this Agreement for their mutual benefit;

NOW, THEREFORE:

AGREEMENT

For and in consideration of the foregoing recitals and of the mutual promises, obligations, covenants and benefits herein contained, City and the Developer contract and agree as follows:

ARTICLE I **GENERAL TERMS**

Section 1.01 Incorporation of Recitals. The recitals to this Agreement are hereby incorporated for all purposes.

Section 1.02 Definitions and Terms. The terms "Agreement," "Chapter 380," "City," "Developer," "Effective Date," and "Project" shall have the above meanings, and the following terms have the following meanings:

"Base Property Tax" shall mean Twenty-four thousand, Seven hundred twenty-two and 04/100 Dollars (\$24,722.04), the amount of ad valorem taxes levied and collected by the City for 2012 on the Property based on its use and valuation as of January 1, 2012, subject to the City's confirmation.

"City Commitment" is defined in Article IV.

"Commencement Date" shall mean the January 15, 2013.

"Completion" shall mean the date the Developer has completed the Project with a minimum investment of private capital of not less than \$17,000,000 within twenty-four (24) months of the Commencement Date.

"Fiscal Year" shall mean the twelve consecutive month period designated by the City as its fiscal year. As of the date of this Agreement, the City's fiscal year commences on August 1 and ends on the next succeeding July 31.

"Improvements" shall mean and include the redevelopment of The Shops at La Palmera as described in the Exhibits to this Agreement.

"Letter of Acceptance" shall mean a certificate of the City certifying the completion of all or a portion of the Improvements constructed by or under the supervision of the Developer in accordance with the applicable plans and regulations.

"Maximum City Commitment" shall mean the largest commitment due by the City to the Developer as determined in Article IV.

"Parties" or "Party" shall mean the City and the Developer, the parties to this Agreement.

"Project" shall mean the improvements as described herein and as constructed by the Developer upon Completion.

"Property" shall mean the real property on which the Project will be built, as described in Exhibit C attached hereto.

"Property Tax Revenues" shall mean 100% of the M&O portion only of the City ad valorem taxes generated from the Project and collected by the City in each Fiscal Year, above the M&O portion of the Base Property Tax, during the term of this Agreement.

"Reimbursement Amount" shall mean an amount not to exceed \$519,000 based on the Property Tax Revenues. The Reimbursement Amount shall not include any i) municipal ad valorem taxes generated by personal property included in the Project; or ii) utilities revenues and other fees collected by the City from the Project.

"Reimbursement Fund" shall mean the special fund created by the City as described in section 4.01 (A) of this Agreement.

"Retail" shall mean the use of a facility for the sale of goods to consumers, a facility for the provision of services to consumers, a facility for the sale and service of food or beverages to consumers, or a facility providing entertainment to consumers.

Section 1.03 Singular and Plural. Words used herein in the singular, where the context so permits, also include the plural and vice versa. The definitions of words in the singular herein also apply to such words when used in the plural where the context so permits and vice versa.

ARTICLE II

REPRESENTATIONS

Section 2.01 Representations of the City. The City hereby represents to the Developer that as of the date hereof:

(A) The City is a duly created and existing municipal corporation and home rule municipality of the State of Texas under the laws of the State of Texas and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

(B) The City has the power, authority and legal right under the laws of the State of Texas and the City Charter to enter into and perform this Agreement and the execution, delivery and performance hereof (i) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation, and (ii) do not constitute a default under, or result in the creation of any lien, charge, encumbrance or security interest upon any assets of the City under any agreement or instrument to which the City is a party or by which the City or its assets may be bound or affected.

(C) This Agreement has been duly authorized, executed and delivered by the City and, constitutes a legal, valid and binding obligation of the City, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies including specific performance may be unavailable.

(D) The execution, delivery and performance of this Agreement by the City do not require the consent or approval of any person which has not been obtained.

Section 2.02 Representations of the Developer. The Developer hereby represents to the City that as of the date hereof:

(A) The Developer is duly authorized and existing and in good standing under the laws of the State of Texas, and is qualified to do business in the State of Texas.

(B) The Developer has the power, authority and legal right to enter into and perform its obligations set forth in this Agreement, and the execution, delivery and performance hereof, (i) have been duly authorized, and will not, to the best of its knowledge, violate any judgment, order, law or regulation applicable to the Developer, and (ii) do not constitute a default under or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Developer under any agreement or instrument to which the Developer is a party or by which the Developer or its assets may be bound or affected.

(C) The Developer will have or cause to have sufficient available funds to perform its obligations under this Agreement at the time it needs to have the funds.

(D) This Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of the Developer, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies including specific performance may be unavailable.

ARTICLE III

DEVELOPER COMMITMENTS

Section 3.01 Project.

(A) Subject to acquiring the Property, obtaining financing for the construction of the Project, and the compliance of the City with the terms of this Agreement, the Developer agrees to develop and construct the Project as described herein to accomplish Completion of the Project within twenty-four (24) months from the Commencement Date. The Developer shall pay, or cause third parties to pay, all engineering, planning, accounting, architectural, legal fees and expenses, survey, testing, laboratory costs, license fees, land clearing and grading costs, advertising and other bidding costs, amounts due under construction contracts, costs of labor and material, insurance premiums, interest, carry cost, financing fees and other costs and expenses included in connection with the construction of such improvements, which costs, as set forth in Exhibit B attached hereto, are expected to approximate \$17,000,000. The Developer shall provide reasonable evidence of expenditures of private capital by the Developer or by third parties for the improvements to the Project. The City shall not be responsible for any of such costs out of its current revenues or other sources, except in accordance with payment to the

Developer for the costs of the Improvements in the Reimbursement Amount as provided in this Agreement.

(B) The Developer may deem the Project complete and accept the Reimbursement Amount, subject to the terms and conditions of this Agreement. The Developer agrees to assist the City, if so requested by the City, in the preparation of any documentation necessary for the preparation and approval of any of the documents or actions required by the City to perform any of the obligations under this Agreement. The Developer further shall prepare or cause to be prepared any preliminary architectural or engineering plans and financial data and projections reasonably necessary to perform the obligations of the City under this Agreement. The Developer agrees to proceed in good faith towards the redevelopment of the Project. Upon Completion of the Project and during the term of this Agreement, the Developer shall maintain the property, improvements and premises in a commercially reasonable manner, comparable to the maintenance of similar retail establishments, and shall timely pay all taxes assessed against the property.

Section 3.02 Job Creation. The Developer's receipt of the Reimbursement Amount is subject to the following commitment (the "Jobs Requirement"): the Developer agrees to construct the Project and demonstrate, by no later than twelve (12) months after the Completion, that at least the following retained and new jobs will be created by Retail establishments located or to be located within the Project, which jobs will be made available principally to local residents residing within the City: 50 retained jobs and 105 newly created jobs. The demonstration of satisfaction of the Jobs Requirement shall be examined at the end of the twenty-fourth (24th) month after Completion. The Developer shall obtain certification from its tenants or occupants as to the number of new jobs created in compliance with this provision. As used herein, the term "jobs" shall mean full-time equivalent positions providing a regular work schedule of at least 35 hours per week. Upon the request of the City, the Developer shall submit on or before the pertinent dates, documentation as reasonably necessary to evidence satisfaction that the Developer has met the Jobs Requirement.

Section 3.03 Operational Requirements.

(A) The Developer's receipt of the Reimbursement Amount is subject to the following commitment (the "Operational Requirement"): the Developer agrees to maintain the Project as a Retail and/or mixed use development for the duration of the period during which the Reimbursement Amount is paid; any default in such obligation shall result in the forfeiture of the right to receive reimbursement for any of the Reimbursement Amount.

(B) Additionally, Developer's failure to complete within twenty-four (24) months from the Commencement Date shall be a default hereunder and the Developer shall forfeit the right to receive reimbursement.

Section 3.04 Utilization of Local Contractors and Suppliers. Developer agrees to exercise reasonable efforts in utilizing local contractors and suppliers in the construction of the Project, except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operating efficiency in the normal course of business, with a goal of 50% of the total dollar amount of all construction contracts and supply agreements being paid to local contractors and suppliers (the "Local Requirement"). For the purposes of this section, the term "local" as used to describe manufacturers, suppliers, contractors, and labor includes firms, businesses, and persons who reside in or maintain an office within a 50-mile radius of Nueces County. This goal shall apply to the total amount of all construction contracts and supply agreements made by the Developer in connection with the construction of the Project. The Parties acknowledge that some construction and supply agreements will be controlled by particular tenants of the Developer and not under the control of the Developer. The Developer agrees to encourage such third parties to adopt a comparable goal of 50% of their construction costs, but the City acknowledges that Developer has no legal authority in connection with such third-party contracting. The Developer agrees, during the construction of the Project and for four years after Completion, to maintain written records documenting the efforts of the Developer to comply with the Local Requirement, pursuant to Section 3.08 herein.

Section 3.05 Utilization of Disadvantaged Business Enterprises; Small Business Initiatives.

(A) Developer agrees to exercise reasonable efforts in utilizing contractors and suppliers that are determined to be disadvantaged business enterprises, including minority business enterprises, women-owned business enterprises and historically-underutilized business enterprises, in the construction of elements of the Project (the "DBE Requirement"). In order to qualify as a business enterprise under this provision, the firm must be certified by the City, the Regional Transportation Authority or another governmental entity in the jurisdiction of the home office of the business as complying with state or federal standards for qualification as such an enterprise. The Developer agrees to a goal of 30% of the total dollar amount of all construction contracts and supply agreements, for elements of the Project being paid to disadvantaged business enterprises, with a priority made for disadvantaged business enterprises which are local. The Developer agrees, during the construction of the Project and for four years after Completion, to maintain written records documenting the efforts of the Developer to comply with the DBE Requirement, pursuant to Section 3.08 herein.

(B) For the purposes of this section, the term "local" as used to describe contractors and suppliers that are determined to be disadvantaged business enterprises, including minority

business enterprises, women-owned business enterprises and historically-underutilized business enterprises includes firms, businesses, and persons who reside in or maintain an office within a 50-mile radius of Nueces County. This goal shall apply to the total amount of all construction contracts and supply agreements made by the Developer in connection with the construction of the Project. The parties acknowledge that some construction and supply agreements will be controlled by particular tenants of the Developer and not under the control of the Developer, The Developer agrees to encourage such third parties to adopt a comparable goal of 30% of their construction costs, but the City acknowledges that Developer has no legal authority in connection with such third-party contracting.

Section 3.06 Reimbursement Reduction. If the Developer does not satisfy the Jobs Requirement, the City may reduce the Reimbursement Amount. The percentage of any Reimbursement Amount reduction taken as a result of failure to satisfy the Jobs Requirement shall not exceed the percentage by which the Developer does not satisfy the Jobs Requirement.

If the Developer does not satisfy the Local Requirement and/or the DBE Requirement, the City may reduce the Reimbursement Amount. The percentage of any Reimbursement Amount reduction taken as a result of failure to satisfy the Local Requirement and/or the DBE Requirement shall not exceed the percentage by which the Developer does not satisfy the Local Requirement and/or the DBE Requirement. The City agrees not to reduce the Reimbursement Amount for failure to satisfy the Local Requirement and/or the DBE Requirement as long as the Developer has exercised reasonable efforts to comply with the Local Requirement and/or the DBE Requirement. The Developer shall be deemed to have exercised reasonable efforts to comply with the Local Requirement and/or the DBE Requirement as long as the Developer keeps and provides to the City records required to be maintained under Sections 3.04 and 3.05 documenting its reasonable compliance attempts, even if the Developer does not actually meet the compliance goals.

Section 3.07 Employment of Undocumented Workers. The Developer does not and agrees that it will not knowingly employ an undocumented worker. If, after receiving Reimbursement Amount payments, the Developer is convicted of a violation under 8 U.S.C. Section 1324a(f), the Developer shall repay the Reimbursement Amount payments, with interest at the Wall Street Journal Prime Rate, not later than the 120th day after the date the Developer has been notified of the violation.

Section 3.08 Monitoring by the City. Monitoring to determine the Developer's compliance with the terms of this Agreement for compliance purposes will be done by the City on an annual basis. During the monitoring process, the City will make maximum use of any State and Federal submissions for the determination of contract compliance. Monitoring may be accomplished by City personnel or other persons designated by the City and shall include review

of compliance with the Jobs Requirement, the Operational Requirement, the Local Requirement, and the DBE Requirement. The Developer agrees to reasonably cooperate with the City in such monitoring process.

ARTICLE IV
PROJECT FINANCING AND FUNDING

Section 4.01 Project Financing.

(A) The City hereby covenants and agrees upon the Effective Date of this Agreement to create a special fund (the "Reimbursement Fund") for the benefit of the Developer for the purpose of paying the Reimbursement Amount. The City shall annually fund the Reimbursement Fund through the term of this Agreement from the Property Tax Revenues. The Reimbursement Fund shall always remain unencumbered by the City and segregated from all other funds of the City. Such funds are held in trust by the City for the Developer to be used in accordance with the terms hereof as long as Developer is in compliance with this Agreement. The City agrees that it will, upon Completion of the Project, make annual cash payments of the Reimbursement Amount calculated on the basis of the Property Tax Revenues, by June 1 of each applicable year, from the Reimbursement Fund, to the Developer if cash is available for such purpose under this Agreement until the Reimbursement Amount is paid in full as provided herein.

(B) The City agrees that it will make cash payments to the Developer for the Reimbursement Amount, but such cash payments shall be limited in amount to the City Commitment.

Section 4.02 City Commitment.

(A) Pursuant to its authority under Chapter 380, the City hereby agrees to pay the Reimbursement Amount to the Developer. It is intended by the parties that the Reimbursement Amount will be paid by the City solely out of the Reimbursement Fund and used to make payments to the Developer as provided in this Agreement (the "City Commitment"). The maximum amount of the City Commitment is set forth in Section 4.02(B). The City Commitment will commence upon Completion and will continue through and until the Reimbursement Amount has been paid. The City agrees that it will pay the Reimbursement Amount during the term of this Agreement, as an unconditional obligation of the City (but solely from the Reimbursement Fund), if the Project is Completed and generates the Reimbursement Amount. Such payments are not subject to any reduction, whether offset or otherwise, except pursuant to Sections 3.03 and 3.06 hereof.

(B) The Parties agree that the maximum City Commitment shall be \$519,000, and such obligation on behalf of the City will be limited solely to the funds deposited into the Reimbursement Fund pursuant to this Agreement. Subject to Section 6.01, upon such time as the City has contributed the maximum City Commitment in full, the City shall have no further obligation under this Agreement. The Parties agree that so long as the Developer has achieved the minimum private investment described in the definition of Completion above, the Developer shall be entitled to payment of the City Commitment.

(C) The City shall determine the amount of the Property Tax Revenues received annually by the City in cooperation with the Developer. The City hereby agrees to deposit from available funds in the City's General Fund an amount equal to the Property Tax Revenues into the Reimbursement Fund in accordance with Section 4.01 (A) of this Agreement, and hereby pledges such fund to the payment of the City Commitment as provided herein. The City Commitment shall be remitted to the Developer on or before June 1 of each year. The City shall maintain complete books and records showing deposits to and disbursements from the Reimbursement Fund, which books and records shall be deemed complete if kept in accordance with generally accepted accounting principles as applied to Texas municipalities. Such books and records shall be available for examination by the duly authorized officers or agents of the Developer during normal business hours upon request made not less than five business days prior to the date of such examination. The City shall maintain such books and records throughout the Term of this Agreement and store the same for four years thereafter.

ARTICLE V

ADDITIONAL DUTIES AND RESPONSIBILITIES

Section 5.01 Amendment of Agreement. Upon the request of the Developer, the City will not unreasonably decline to amend this Agreement to provide for any reasonable changes necessary to carry forth the intent of this Agreement.

ARTICLE VI

TERM OF THE AGREEMENT AND OTHER OBLIGATIONS

Section 6.01 Term and Termination. This Agreement shall have a term (the "Term") beginning on the Commencement Date and continuing for a period until the earlier to occur of (a) the date as of which the tenth (10th) annual payment has been received by Developer, (b) the date as of which the cumulative incentive received by Developer equals the maximum City Commitment, or (c) the Agreement is otherwise terminated as provided herein.

ARTICLE VII

DEFAULT

Section 7.01 Default.

(A) If the City does not perform its obligations hereunder in substantial compliance with this Agreement and, if such default remains uncured for a period of 60 days after notice thereof shall have been given, in addition to the other rights under the law or given the Developer under this Agreement, the Developer may enforce specific performance of this Agreement, seek a writ of mandamus to perform obligations under this Agreement.

(B) If the Developer does not perform its obligations hereunder in substantial compliance with this Agreement, and, if such default remains uncured for a period of 60 days after notice thereof shall have been given, in addition to the other rights under the law or given to the City under this Agreement, the City may terminate this Agreement and any of the obligations associated herein and the City may seek actual damages incurred by the City for any such default.

(C) Notwithstanding anything in this Agreement which is or may appear to be to the contrary, if the performance of any covenant or obligation to be performed hereunder by either Party is delayed as a result of circumstances which are beyond the reasonable control of such Party, which circumstances may include, without limitation, pending or threatened litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions (such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures, hurricane or tornados) labor action, strikes or similar acts, the time for such performance shall be extended by the amount of time of such delay. The Party claiming delay of performance as a result of any of the foregoing "force majeure" events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a force majeure event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Section.

(D) Should Developer fail to redevelop the Project with a private investment of at least \$17,000,000 within twenty-four (24) months from Commencement Date, this Agreement shall terminate without obligation of City to provide reimbursement to Developer.

ARTICLE VIII

GENERAL

Section 8.01 Severability. If any provision of this Agreement is held to be invalid or unenforceable by any court of competent jurisdiction for any reason, such provision shall be

fully severable, and the remainder of this Agreement shall remain in full force and effect. This Agreement shall be construed and enforced as if such invalid or unenforceable provision had never comprised a part of this Agreement.

Section 8.02 Indemnification. The Developer agrees to indemnify, defend and hold the City and its respective council members, board members, officers, employees and agents, harmless from any actions, suits, liens, claims, damages, expenses, losses and liabilities (including reasonable attorneys' fees and expenses) arising from or in connection with its proceedings pursuant to this Agreement, which indemnity shall survive any termination of this Agreement; provided, however, Developer shall not indemnify, defend or hold harmless if the foregoing was the result of the gross negligence or willful misconduct of the City, or its respective council members, board members, officers, employees or agents.

Section 8.03 Notice. Any notice or other communication required or permitted to be given pursuant to this Agreement shall be given to the other Party at the following address:

If to the Developer: Staples Center Retail Venture LP
1701 River Run, Suite 500
Fort Worth, Texas 76107
ATTN: Susan Gruppi

w/ a copy to: Kelly Hart & Hallman LLP
201 Main Street, Suite 2500
Fort Worth, Texas 76102
ATTN: Darren J. Keyes

If to the City; City of Corpus Christi
1201 Leopard Street (78401)
P. O. Box 9277
Corpus Christi, Texas 78469
ATTN: City Manager

w/ a copy to: City of Corpus Christi
1201 Leopard Street (78401)
P. O. Box 9277
Corpus Christi, Texas 78469
ATTN: City Attorney

Any such notice or communication shall be deemed given on the date so delivered or so deposited in the mail, unless otherwise provided herein. Either Party may change the above

address by sending written notice of such change to the other Party in the manner provided above. With the consent of the receiving Party, notice may be given by facsimile transmission or electronic mail.

Section 8.04 Amendments and Waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is signed by the City and the Developer.

Section 8.05 Successors and Assigns. No party shall have the right to assign its rights under this Agreement or any interest herein, without the prior written consent of the other Party, which consent will not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the Developer may assign its rights and responsibilities hereunder to any (i) successor, or (ii) entity which is related or affiliated with or a subsidiary of the Developer, Trademark or IMI and to which its rights to proceed with development of the Project are transferred. Such written consent shall not be unreasonably withheld and if such consent is not received by the Party seeking consent within thirty (30) days of their request for consent, the assignment will be deemed approved. Notwithstanding the foregoing, the City hereby consents to Developer's assignment to a lending institution of all of the Developer's rights hereunder as security for repayment of one or more loans to finance the construction or ownership of the Project or construction of the Improvements. The Developer shall give written notice of its assignment of its rights hereunder to the other Parties within five business days of the occurrence of such assignment. The foregoing notwithstanding, any assignment of the Developer's rights under this Agreement shall not release the Developer from its obligations under Section 4.01 (C) hereof.

Section 8.06 Exhibits: Titles of Articles, Sections and Subsections. The exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. All titles or headings are only for the convenience of the Parties and shall not be construed to have any effect or meaning as to the agreement between the Parties hereto. Any reference herein to a Section or Subsection shall be considered a reference to such Section or Subsection of this Agreement unless otherwise stated. Any reference herein to an exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated.

Section 8.07 Construction. This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, excluding conflicts of laws, as such laws are now in effect. Venue for any action arising under this Agreement shall lie in the state district courts of Nueces County, Texas.

Section 8.08 The Developer agrees to comply with all applicable federal, state and local laws, statutes, ordinances, rules and regulations related to the construction of the Project.

Section 8.09 Entire Agreement. This written Agreement represents the final agreement between the Parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties. There are no unwritten oral agreements between the Parties.

Section 8.10 Approval by the Parties. Whenever this Agreement requires or permits approval or consent to be hereafter given by either Party, the Parties agree that such approval or consent shall not be unreasonably withheld or delayed.

Section 8.11 Additional Actions. The Parties agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may be necessary or appropriate, from time to time, to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be duly executed as of the 16th day of April, 2013.

**STAPLES CENTER RETAIL
VENTURE LP,**
a Delaware limited partnership

CITY OF CORPUS CHRISTI, TEXAS
A home-rule municipal corporation

By: 
Company Signatory, Title

By: _____
Ronald L. Olson, City Manager

ATTEST:

Armando Chapa, City Secretary

EXHIBIT A

Project Conceptual Plan

I. Existing Property

The existing property is comprised of three (3) single story buildings. Staples Center has two (2) buildings, with Building 1 having an approximate gross leasable area of 144,268 square feet and Building 2 at 23,355 square feet, both built in 1984.

Mt Vernon Center, the third building, is located on the northwest corner of the site and has approximately 23,791 square feet of gross leasable area and was built in the early 1950's.

II. General Description of the New Improvements to be Undertaken

Staples Center and Mt.Vernon are planning to be renovated and re-branded as The Shops at La Palmera. Mt. Vernon will be demolished and replaced with a new building. All facades will be given a facelift to complement and accentuate the existing architecture. A re-merchandising of the tenant mix will also be completed. The new Shops at La Palmera will boast increased retail density as well as the addition of new restaurant out lots. All of the renovation will complement the existing La Palmera mall and will help to co-brand the two properties into a shopping district. Upgraded landscaping, hard scape, lighting and signage are also planned. New graphics will also brand the project more broadly to the community as well as provide synergy with the existing La Palmera marketing strategy.

III. Descriptive List of the improvements for which abatement is requested

A. Environmental Graphics

The Shops at La Palmera will feature an environmental graphics program that will brand the project more broadly and visually enhance the shopping and pedestrian experience. Investments in environmental graphics can make a large impact. Environmental graphics will include: a sophisticated logo that can be repeated on signs; tenant blade signage; and way-finding signage.

B. Upgraded Paving

Paving upgrades will be made throughout the project, including concrete pavers, sidewalks, and handi-cap accessible parking.

C. Architectural Lighting

Pedestrian level lighting upgrades will include landscape lighting, walls sconces, and up-lighting.

D. Landscaping

Upgraded landscaping will include special vegetation of all types, upgraded seasonal planting programs, soils, mulch, features and curbing, as well as the signature La Palmera palm trees.

E. Parking Lot/Exterior Improvements

Enhanced site lighting will increase the visual appeal of the center and provide increased security. Landscaped areas will soften the feel of the parking lot and create pervious areas, reducing water run-off. Exterior painting, trim replacement/modification, power washing, and façade upgrades will be done. Significant repairs of the parking lot will also be completed.

F. New Construction

Several restaurants and/or retailers will be added in the out lots to energize the parking lot and connect The Shops at La Palmera with the La Palmera mall. The existing Mt. Vernon building will be demolished and a new building constructed in its place.

G. Re-Merchandising

The renovation will attract new retail and restaurant business to the City of Corpus Christi. The re-merchandising of The Shops at La Palmera will play a vital role in the renovation.

EXHIBIT B
Project Capital Improvements

	Redevelopment Costs
Building B	9,694,236.96
Off-Site	150,000.00
New Construction	1,115,140.00
Site Costs	2,144,197.42
Renovation Costs	1,573,110.66
Deferred Maintenance Items	1,005,896.41
Design and Engineering	646,354.40
Soft Costs	671,064.15
Total Costs	17,000,000.00

Exhibit C

Property Description (Metes and Bounds)

TRACT I, Parcel 1:

A 14.172 acre tract of land, more or less, out of Lot One (1), Block One (1) Mt. Vernon Shopping Center, a map of which is recorded in Volume 49, Pages 187-188, Map Records of Nueces County, Texas, and out of Lot One (1), Block One (1), Sherwin Place Unit 3, a map of which is recorded in Volume 49, Page 189, Map Records of Nueces County, Texas, said 14.172 acre tract being more fully described as follows:

Beginning at a 5/8 inch iron rod found on the south boundary of McArdle Road (72 foot wide public roadway) for the north corner of Lot 8, Sunrise Mall Subdivision, a map of which is recorded in Volume 53, Pages 50 and 51, for the east corner of said Lot 1, Block 1, Sherwin Place Unit 3 and for the east corner of this tract;

Thence, South 28°59'09" West (plat=South 29°00'00" West), with the common boundary of Lots 7 and 8, Block 1, Sunrise Mall Subdivision, a map of which is recorded in Volume 53, Pages 50 and 51, Map Records of Nueces County, Texas, of Lot 1, Block 1, Sunrise Mall Subdivision, a map of which is recorded in Volume 45, Pages 96-97, Map Records of Nueces County, Texas, of said Mt. Vernon Shopping Center and Lot 1, Block 1, said Sherwin Place Unit 3, a distance of 1185.74 feet to a concrete TxDOT monument with brass disc found on the north boundary of South Padre Island Drive, same being on the north boundary of a TxDOT right-of-way recorded in Document No. 2012003748, Official Public Records of Nueces County, Texas for the south corner of this tract;

Thence, North 57°19'44" West (deed=North 57°41'36" West), with the north boundary of South Padre Island Drive, a distance of 212.38 feet (deed=212.37 feet) to a TxDOT monument with brass disc found on the east boundary of Lot E, Mt. Vernon Center Unit 2, a map of which is recorded in Volume 22, Page 62, Map Records of Nueces County, Texas for the north corner of said TxDOT right-of-way and for a corner of this tract;

Thence, North 28°50'12" East (plat=North 29°00'00" East), with the common boundary of said Lot E and said Lot 1, Block 1, Mt. Vernon Shopping Center, a distance 138.72 feet to a 5/8 inch iron rod found for the east corner of said Lot E, for an interior corner of said Lot 1, Block 1, Mt. Vernon Shopping Center and an interior corner of this tract;

Thence, North 61°11'38" West (plat=North 61°01'20" West), with the northeast boundary of said Lot E, same being the south boundary of said Lot 1, Block 1, Mt. Vernon Shopping Center and of this tract, 84.91 feet to a 5/8 inch iron rod found for a corner of said Lot 1, Block 1, Mt. Vernon Shopping Center and of this tract;

Thence, North 29°00'00" East, with the south boundary of this tract, 201.80 feet to a railroad spike found for the point of curvature of a circular curve to the left which has a central angle of 90°00'00", a radius of 20.00 feet, a tangent distance of 20.00 feet and an arc length of 31.42 feet;

Thence, with said circular curve to the left, an arc length of 31.42 feet to a drill hole found for the point of tangency;

Thence, North 61°00'00" West, continuing with the south boundary of this tract, 324.81 feet (deed=324.16 feet) for the point of curvature (no monumentation found or set) of a circular curve to the left which having a central angle of 44°16'50", a radius of 20.00 feet, a tangent length of 8.14 feet and an arc length of 15.46 feet;

Thence, with said circular curve to the left, an arc length of 15.46 feet to a point (no monumentation found or set) on the easterly boundary of South Staples Street, for the lower west corner of this tract and the beginning of a another circular curve to the left whose radius point bears North 78°49'35" West 1765.41 feet and having a central angle of 09°23'19", a radius of 1765.41 feet, a tangent distance of 144.97 feet and an arc length of 289.28 feet;

Thence, with said circular curve to the left, with said easterly boundary of south Staples Street, an arc length of 289.28 feet for the point of tangency (no monumentation found or set);

Thence, North 01°47'06" East, continuing with the east boundary of South Staples Street, same being the west boundary of this tract, 165.74 feet to a 5/8 inch iron rod found for the upper west corner of this tract and for the beginning of a non-tangent curve to the right, whose radius point bears North 29°21'03" East 20.00 feet and having a central angle of 67°51'03", a radius of 20.00 feet, a tangent length of 13.45 feet, the long chord of which bears North 85°25'32" East 22.32 feet and an arc length of 23.68 feet;

Thence, with said circular curve to the left, an arc length of 23.68 feet to a 5/8 inch iron rod found for the end of this curve and for a corner of this tract;

Thence, South 61°00'00" East, with the north boundary of this tract, 280.00 feet to a railroad spike found for the point of curvature of a circular curve to the left which has a central angle of 90°00'00", a radius of 15.00 feet, a tangent distance of 15.00 feet and an arc length of 23.56 feet;

Thence, with said circular curve to the left, continuing with the north boundary of this tract, an arc length of 23.56 feet to a railroad spike found for the point of tangency;

Thence, North 29°00'00" East, with the north boundary of this tract, 375.62 feet to a drill hole found on the aforementioned south boundary of McArdle Road for the north corner of this tract, from which corner a found 60d nail bears North 29°00'00" East 4.49 feet;

Thence, South 61°01'20" East, with the south boundary of said McArdle Road, same being the northeasterly boundary of this tract, 528.70 feet for the Point of Beginning and containing 14.172 acres of land.

TRACT I, Parcel 2:

A 1.316 acre tract of land, more or less, out of Lot One (1), Block One (1), Mt. Vernon Shopping Center, Corpus Christi, Nueces County, Texas, a map of which is recorded in Volume 49, Pages 187-188, Map Records of Nueces County, Texas, said 1.316 acre tract being more fully described as follows:

Beginning at a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" found at the common corner of Lots F and G, Mt. Vernon Center Unit 3, a map of which is recorded in Volume 22, Page 62, Map Records of Nueces County, Texas, Lot E, Mt. Vernon Center Unit 2, a map of which is recorded in Volume 22, Page 62, Map Records of Nueces County, Texas and said Lot 1, Block 1, Mt. Vernon Shopping Center for a corner of this tract;

Thence, North 28°46'42" East (plat=North 29°00'00" East), with the east boundary of said Lot G, same being the south boundary of said Lot 1, Block 1, Mt. Vernon Shopping Center and of this tract, 64.32 feet (plat=63.61 feet) to a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" found for the east corner of said Lot G, an interior corner of said Lot 1, Block 1, Mt. Vernon Shopping Center and an interior corner of this tract;

Thence, North 61°01'20" West, with the common boundary of said Lot G and said Lot 1, same being the south boundary of this tract, 228.92 feet (plat=228.61 feet) to a 3/8 inch iron rod found for the north corner of said Lot G and for an angle point of said Lot 1 and of this tract;

Thence, North 61°00'00" West, with the south boundary of said Lot 1, same being the south boundary of this tract, a distance 23.11 feet (plat=22.90 feet) to a point on the east boundary of South Staples Street (no monumentation found or set) for the southwest corner of said Lot 1 and of this tract and for the beginning of a circular curve to the left whose radius point bears North 73°42'24" West 1765.41 feet and which has a central angle of 05°07'11", a radius of 1765.41 feet, a tangent distance of 78.93 feet and an arc length of 157.75 feet;

Thence, with said circular curve to the left, along said east boundary of South Staples Street, same being the west boundary of this tract, an arc length of 157.75 feet for the northwest corner of this tract and for the beginning of a circular curve to the right whose radius point bears South 15°16'50" East 20.00 feet and which has a central angle of 44°16'50", a radius of 20.00 feet, a tangent distance of 8.14 feet and an arc length of 15.46 feet;

Thence, with said circular curve to the right, an arc length of 15.46 feet to the point of tangency (no monumentation found or set);

Thence, South 61°00'00" East, with the north boundary of this tract, 324.81 feet (deed=324.16 feet) to a drill hole found for the point of curvature of a circular curve to the right which has a central angle of 90°00'00", a radius of 20.00 feet, a tangent distance of 20.00 feet and an arc length of 31.42 feet;

Thence, with said circular curve to the right, an arc length of 31.42 feet to a railroad spike found for the point of tangency;

Thence, South 29°00'00" West, with the east boundary of this tract, 201.80 feet to a 5/8 inch iron rod found on the common boundary of said Lot 1 and said Lot E for a corner of said Lot 1 and for the southeast corner of this tract;

Thence, North 61°11'38" West (plat=North 61°01'20" West), with the north boundary of said Lot E, same being the south boundary of said Lot 1 and of this tract, 65.09 feet to the Point of Beginning and containing 1.316 acres of land.

TRACT II, Parcel 1:

A 2.53 acre, more or less, tract of land out of Lot One (1), Block One (1), Mt. Vernon Shopping Center, a map of which is recorded in Volume 49, Pages 187-188, Map Records of Nueces County, Texas, said 2.53 acre tract being more fully described by metes and bounds as follows:

Beginning at the 5/8 inch rod with red plastic cap stamped "URBAN ENGR C.C. TX" set on the south boundary of McArdle Road, a public roadway, for the North corner of said Lot 1, Block 1, Mt. Vernon Shopping Center, same being the north corner of this tract;

Thence, South 61°01'20" East, along the south boundary of said McArdle Road, a distance of 438.99 feet to a point on said south boundary of McArdle Road, for the east corner of this tract, from which point a found railroad stake bears South 61°01'20" East, 73.36 feet;

Thence, South 48°10'35" West, a distance of 413.53 feet to the south corner of this tract;

Thence, North 61°00'00" West, a distance of 83.77 feet to a 5/8 inch iron rod found for the point of curvature of a non-tangent curve to the right whose radius point bears North 38°44'27" West, 20.00 feet, and having a central angle of 67°51'03", a radius of 20.00 feet, a tangent length of 13.45 feet, and a arc length of 23.68 feet;

Thence, along said non-tangent curve to the left, an arc length of 23.68 feet to a 5/8 inch iron rod found on the east boundary of South Staples Street a 100 foot wide public roadway, for the west corner of this tract;

Thence, North 01°47'06" East, along the east boundary of said South Staples Street, a distance of 205.20 feet to a 5/8 inch iron rod with a red plastic cap stamped "URBAN ENGR C.C. TX" set for the point of curvature of a circular curve to the left whose radius point bears North 88°12'54" West, 1318.11 feet, and having a central angle of 09°53'06", a radius of 1318.11 feet, a tangent length of 113.99 feet, and a arc length of 227.41 feet;

Thence, along said circular curve to the left, an arc length of 227.41 feet to a 5/8 inch iron rod with a red plastic cap stamped "URBAN ENGR C.C. TX" set for the point of curvature of a reverse curve to the right whose radius point bears North 81°54'00" East, 17.51 feet, and having a central angle of 127°04'40", a radius of 17.51 feet, a tangent length of 35.18 feet, and a arc length of 38.84 feet;

Thence, along said reverse curve to the right, and arc length of 38.84 feet to a 5/8 inch rod with cap set for the Point of Beginning and containing 2.53 Acres (110,220 square feet) of land.

TRACT II, Parcel 2:

A 1.28 acre, more or less, tract of land out of Lot One (1), Block One (1), Mt. Vernon Shopping Center, a map of which is recorded in Volume 49, Pages 187-188, Map Records of Nueces County, Texas, and out of Lot One (1), Block One (1), Sherwin Place Unit 3, a map of which is recorded in Volume 49, Page 189, Map Records of Nueces County, Texas, said 1.28 acre tract being more fully described by metes and bounds as follows:

Beginning at a point on the south boundary of McArdle Road, a public roadway, for the North corner of said Lot 1, Block 1, Mt. Vernon Shopping Center, from which point a 5/8 inch rod with red plastic cap stamped "URBAN ENGR C.C. TX" set bears North 61°01'20" West, 438.99 feet;

Thence, South 61°01'20" East, along the south boundary of said McArdle Road, a distance of 75.36 feet to a railroad stake found for the east corner of this tract, from which point a found drill hole bears North 28°17'41" East a distance of 4.49 feet;

Thence, South 29°00'17" West, a distance of 375.62 feet to a railroad stake found for the point of curvature of a circular curve to the right whose radius point bears North 60°59'43" West, a distance of 15.00 feet, and having a central angle of 90°00'00", a radius of 15.00 feet, a tangent length of 15.00 feet, and a arc length of 23.56 feet;

Thence, along said circular curve to the right, an arc length of 23.56 feet to a railroad stake found for a corner of this tract;

Thence, North 61°00'00" West, a distance of 196.16 feet to the west corner of this tract;

Thence North 48°10'35" East, a distance of 413.53 feet to the Point of Beginning and containing 1.28 Acres (55,906 square feet) of land.