

# Parks at Arlington

**Location: 3811 S Cooper St**

**Property Owner: General Growth Properties, Inc.**

**110 N Wacker Dr**

**Chicago IL 60606**

## About the Project

Parks at Arlington mall expansion project that added about 360,000 square feet of new retail space, including entertainment venues, shopping, and the associated parking and landscaping improvements.

## Goals of the Project

Business retention; property enhancement

## Current Status

This agreement is being met according to standards, and rebates are processed on a quarterly basis

## Benefit to City

Approximately 700 jobs created as a result of the expansion; Continued operation and 360,000 SF expansion of a first-class regional mall; establishment of minimum annual sales requirement of \$127,652,000 in the existing mall and the associated sales tax revenues, along with increased sales tax revenues from the expansion

<b>Year Approved by Council</b>	2000	
<b>Base Year</b>	n/a	
<b>Beginning Year</b>	2003	(last three quarters of FY03)
<b>Ending Year</b>	2017	(first quarter of FY18)
<b>Duration</b>	15 years	
<b>Base Year Value</b>	n/a	
<b>Property Tax Account Number(s)</b>	n/a	
<b>Total Rebate Allowed</b>	open amount, based on sales generated in the mall expansion area	
<b>Total Estimated Investment by Company</b>	unknown	

**Criteria Evaluated** Complete the Mall Expansion no later than December 1, 2002 (date modified by amendment to agreement in 2002)

Not pursue property value reduction lower than tax year 2000 values

Provide certification of an average annual occupancy rate of 75% based on gross leasable square footage of the Mall Expansion, which must be maintained after completion

Operate the mall as a first class regional mall so that the area included in the existing mall produces retail sales during each annual period in the minimum amount of the Annual Sales Requirement of \$127,652,000

**Incentives Allowed** 55% of all retail sales tax (City's 1% only) collected by the City resulting from retail sales in the mall expansion only

## Rebates by Fiscal Year

FY03	205,436
FY04	238,570
FY05	213,625
FY06	137,920
FY07	321,231
FY08	318,853
FY09	274,065
FY10	214,472
FY11	186,568
FY12	386,727
FY13	303,434
FY14	282,558
FY15	319,048
FY16	
FY17	
FY18	
<b>Total</b>	<b>3,402,507</b>

RESOLUTION NO. 00-267

A RESOLUTION AUTHORIZING THE EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT BY AND BETWEEN PARKS AT ARLINGTON, L.P. AND THE CITY OF ARLINGTON, TEXAS RELATIVE TO ECONOMIC DEVELOPMENT INCENTIVES IN THE CITY OF ARLINGTON, TEXAS

- WHEREAS, Parks at Arlington, L.P. has submitted to the City of Arlington ("CITY") an application for economic development incentives for an approximately 400,000 square foot expansion (the "Expansion Project") to be located at the Parks Mall at South Cooper Street and Interstate 20 in the City of Arlington; and
- WHEREAS, the Arlington City Council has elected to participate in economic development incentives in accordance with V.T.C.A. Local Government Code, Chapter 380, and has adopted policy statements, guidelines, criteria and procedures for evaluating and considering applications and agreements for such incentives; and
- WHEREAS, the ultimate goal and public purpose of agreements and programs established under the CITY's economic development policies is to protect and enhance CITY's fiscal ability to provide high quality municipal services for the safety, comfort and enjoyment of CITY residents; and
- WHEREAS, the CITY's ability to provide necessary public services to protect the public health, safety and welfare is directly related to its ability to derive revenue from economic activity; and
- WHEREAS, a significant share of the operating revenue of the CITY is derived from sales tax revenue from retail economic activity; and
- WHEREAS, the CITY's ability to provide necessary services is enhanced by promoting maintenance and growth of retail economic activity and sales tax revenues; and
- WHEREAS, the proposed Expansion Project is projected to increase sales tax revenues derived from existing area businesses as well as to generate new sales

tax revenues derived from new businesses in the Expansion Project; and

WHEREAS, competition is intense among regional malls and the proposed expansion will protect and enhance the CITY's ability to attract shoppers from throughout the region, thereby benefiting existing businesses, attracting new businesses and generating additional revenue from sales tax and property tax; and

WHEREAS, CITY finds that the Expansion Project meets the applicable guidelines, criteria, and minimum requirements previously established by CITY; and

WHEREAS, the Expansion Project is likely to protect and enhance the position and image of the Parks at Arlington Mall as a leader among regional malls, and will thus make a unique contribution to the City of Arlington and the City's economy; and

WHEREAS, CITY finds that the Expansion Project is feasible and practical, would be a benefit to the CITY, would contribute to the retention or expansion of primary employment in the CITY, and would increase ad valorem tax revenues and sales tax revenues in the CITY; and

WHEREAS, based on these findings, CITY proposes to execute an Economic Development Agreement allowing Parks at Arlington, L.P. a grant equivalent to 55% of certain sales taxes generated by the Expansion Project; and

WHEREAS, CITY finds that the Economic Development Agreement will directly accomplish a public purpose, and that the proposed transactions involving the use of public funds and resources contain sufficient controls to protect the public interest; NOW THEREFORE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:

I.

That all of the recitals contained in the preamble of this resolution are found to be true and are adopted as

findings of fact by this governing body and as part of its official record.

II.

That the City Manager or his designee is authorized to execute an Economic Development Agreement with Parks at Arlington, L.P., and other necessary or required parties, consistent with the terms and conditions of the City of Arlington Chapter 380 Economic Development Policies and Procedures passed by Resolution 98-67 on January 28, 1998, and as authorized by V.T.C.A. Local Government Code, Chapter 380. A substantial copy of the 380 Economic Development Agreement is attached as Exhibit "A".

III.

In authorizing the execution of and in executing the referenced agreement, the City of Arlington, Texas, through its City Council and City officials, hereby exercises a governmental function in accordance with but not limited to Section 101.0215 of the Texas Civil Practices and Remedies Code.

IV.

A substantial copy of the agreement is attached hereto and incorporated herein for all intents and purposes.

PRESENTED AND PASSED on this the 2nd day of May, 2000, by a vote of 5 ayes and 4 nays at a regular meeting of the City Council of the City of Arlington, Texas.



ELZIE D. ODOM, Mayor

ATTEST:

  
CINDY KEMP, City Secretary

APPROVED AS TO FORM:  
JAY DOEGEY, City Attorney

BY 

STATE OF TEXAS           §  
                                  §                   ECONOMIC DEVELOPMENT  
                                  §                   AGREEMENT  
COUNTY OF TARRANT   §

This Economic Development Agreement ("Agreement") is made by and among the CITY OF ARLINGTON, TEXAS, a home rule municipality, (the "City"), and PARKS AT ARLINGTON, L.P., a Delaware limited partnership ("PAA"), acting by and through its respective authorized officers and representatives:

**RECITALS:**

WHEREAS, PAA owns a portion of the land and improvements comprising a retail mall on an approximately 82.313 acre tract of land located at the northeast corner of South Cooper Street and IH-20 in Arlington, Texas described in Exhibit "A" attached hereto and made a part hereof (the "Premises"); and

WHEREAS, PAA has submitted an application for economic development incentives in order to construct approximately 400,000 square feet or more of additional retail space and related parking ("Mall Expansion") to improve and expand the economic performance of the mall; and

WHEREAS, the improvements are necessary for the development and construction of the Mall Expansion and will promote economic development, stimulate business and commerce, create additional employment opportunities and generate tax revenue; and

WHEREAS, PAA has advised City that a contributing factor that would induce PAA to develop the Mall Expansion would be an agreement by City to provide an economic development grant to PAA to defray a portion of the costs to be incurred by PAA as a consequence of developing and constructing the Mall Expansion; and

WHEREAS, City is authorized by Article III, Section 52-a of the Texas Constitution and Section 380.001 of the TEX. LOC. GOV'T CODE to establish economic development programs and to provide grants; and

WHEREAS, City has determined that providing economic development incentives will further the public purposes and economic development goals of the City;

NOW, THEREFORE, in consideration of the foregoing and other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the City and PAA agree as follows:

I.  
Incorporation of Recitals.

The recitals above are hereby incorporated into and made a part of this Agreement.

II.  
Definitions.

"Annual Period" - means a calendar year.

"Annual Sales Requirement" - means Retail Sales in the minimum amount of \$127,652,000 resulting from the Existing Mall.

"Completion" - the date upon which certificates of occupancy have been issued for all portions and all phases of Mall Expansion.

"Existing Mall" - means Real Property Improvements located on the Premises on the effective date of this Agreement.

"First Annual Period" - means that first full calendar year beginning January 1 following Completion and ending on December 31 of such year.

"Mall Expansion" - means approximately 400,000 square feet or more of additional retail space and related parking, including a 20 screen AMC Theatre, a new approximately 150,000 square foot Great Indoors store, a new approximately 80,000 square foot Galyan's store, a new ice rink, approximately 80,000 square feet of new mall shops, and two new parking decks accommodating approximately 1200 cars.

"Premises" - means land and improvements owned by PAA comprising a retail mall on an approximately 42.9628 acre tract of land located at the northeast corner of South Cooper Street and IH-20 in Arlington, Texas, described in Exhibit "A."

"Retail Sales" - means those sales made in either the Mall Expansion or Existing Mall which are subject to the State of Texas Sales and Use Tax collected and remitted to the Comptroller of Public Accounts of the State of Texas ("State Comptroller") by the tenants of the Mall Expansion or Existing Mall and/or PAA. Excluded from this term are sales of PAA tenants as of the date of this Agreement who subsequently relocate in the Mall Expansion area, and whose space in the Existing Mall is not subsequently leased within six (6) months to a tenant producing comparable Retail Sales.

"Sales Tax" - means the local one percent (1.0%) sales and use tax imposed by the City resulting directly from Retail Sales on the Premises.

"Sales Tax Grant" - means the Sales Tax Grant described in Article VII. Of this Economic Development Agreement, and sometimes referred to as "Grant."

III.  
Term.

The term of this Agreement shall commence on the last date all parties have executed the Agreement (the "Effective Date") and shall continue until terminated in accordance with this Agreement.

IV.  
The Mall Expansion.

PAA agrees without cost to the City to design, construct, operate and manage or cause to be designed, constructed, operated and managed the Mall Expansion on the Premises and other ancillary facilities such as reasonably required parking and landscaping more fully described in submittals filed by PAA with the City from time to time in order to obtain a building permit. The approximate location of the Mall Expansion will be shown on a Site Plan of the Premises to be submitted to the City. Conceptual renderings of the Mall Expansion are attached hereto as Exhibit "B".

V.  
PAA Requirements.

In consideration of the City entering into this Agreement providing for the payment of funds constituting a grant to PAA under the terms and conditions set forth herein, PAA agrees:

(a) Subject to events of force majeure, to accomplish the completion of the Mall Expansion no later than June 1, 2002, or in accordance with any extension that may be granted in the sole discretion of the City, which extension shall not be unreasonably withheld;

(b) PAA, its agents and representatives shall not pursue real property value reduction below the 2000 tax year value of the Premises from the Tarrant Appraisal District.

(c) To provide certification of an average annual occupancy rate of 75% based on gross leasable square footage of the Mall Expansion, which occupancy rate must be maintained after Completion.

(d) To operate the Premises as a first class regional mall so that the area included in the Existing Mall produces Retail Sales during each Annual Period, beginning with the First Annual Period, in the minimum amount of the Annual Sales Requirement.

(e) That in the event PAA fails to comply with subsection (a) or (b) of this Section V., this Agreement shall terminate and be of no further effect and the City shall not be obligated to make any Grant Payments hereunder or to comply with any other obligations created herein. In the event PAA fails to comply with subsections (c) or (d) of this Section V. in any Annual Period, after the First Annual Period, it shall not be entitled to any Grant payments for that Annual Period of noncompliance.

VI.

Damage to Mall Expansion.

If, during the term of this Agreement, the Mall Expansion is wholly or partially destroyed or damaged by fire, or any other casualty whatsoever, PAA shall repair, replace, restore and reconstruct the Mall Expansion in a good and workmanlike manner. Prior to the commencement of such restoration, the conceptual plans and specifications for the restoration must be approved by City (such approval not to be unreasonably withheld or delayed).

VII.

Grant Amount, Payment Terms and Conditions.

- A. Grant Amount. Subject to compliance with all terms and provisions of this Agreement, the PAA shall be entitled to receive and the City shall provide PAA with a Grant from lawfully available funds equal to 55% of all Retail Sales Tax collected by the City from the State Comptroller resulting from Retail Sales in the Mall Expansion only, during the term specified in Article X. herein.
- B. Installments. All Grant payments by the City to PAA during any Annual Period, other than the Grant payment for the fourth Quarterly Period, are to be made following receipt by the City of the Sales Tax payment from the State Comptroller for the applicable Quarterly Period or Quarterly Periods and within ten (10) days of receipt by the City from PAA of a summary of the data received by PAA from the State Comptroller detailing the Sales Tax reported and paid as a result of the Retail Sales. PAA's summary of data shall be certified as required herein.
- C. Failure to Meet Annual Requirements. PAA, beginning with the Second Annual Period, shall comply with the Annual Sales Requirement as set forth herein in order to qualify for any Grant payments based upon Retail Sales during that Annual Period. If PAA fails to comply with the Annual Sales Requirement during the Second Annual Period or any subsequent Annual Period, then PAA shall not be entitled to receive or retain any Grant payments for the Annual Period(s) during which such noncompliance occurs.

- D. Repayment to City. If PAA fails to meet the Annual Sales Requirement during any Annual Period, except for the First Annual Period, PAA shall be obligated to repay to the City any Grant payments it previously received for Retail sales attributable to such non-qualifying Annual period. Such refund or repayment shall be made within fifteen (15) days of written request from the City.
- E. Credit Against Grant Payments. If PAA fails to comply with the repayment requirements of D. above, then any future Grant Payments to which PAA shall be entitled shall be held by the City and applied as credits to the sum due and owing to the City. Failure of PAA to meet either the Annual Sales requirement during any Annual Period shall not prevent it from being qualified to receive Grant Payments in the following Annual Period. However, PAA shall not be entitled to be paid such subsequent Grant Payments unless and until all such prior Grant Payments to which PAA was not entitled are fully reimbursed.

VIII.  
Grant Limitations.

- A. Under no circumstances shall the Grant payment calculations include any receipts from City's imposition and collection of sales tax for taxable items at any other location, business, establishment, or entity, other than the Mall Expansion.
- B. City's obligation to provide the Grant shall be limited to the extent of lawfully available funds from City's collection of sales tax receipts from the Mall Expansion. Under no circumstances shall City be obligated to provide the Grant unless adequate sales tax receipts from the Mall Expansion are available.

IX.  
Annual Qualification Procedures.

- A. At the earliest possible date in the year following each Annual Period, PAA shall provide City reports of supporting data and such additional information as may be reasonably requested by the City, establishing its compliance with the Annual Sales Requirement and verifying Retail Sales during the preceding Annual Period. All such reports and information shall be certified by an authorized officer or agent of PAA to be true and correct to the best knowledge of PAA.
- B. City shall pay the installment for the fourth Quarterly Period, as defined in Section 5(b), not later than fifteen (15) days after the submission by PAA of the reports of the

supporting data and additional information described in A. above.

- C. Upon reasonable prior notice, the City shall have the right to inspect and audit all supporting data, information and materials received by PAA from the State Comptroller, as well as the books and records of PAA pertaining to any financial or other matters addressed in this Agreement.

X.

Term of Grant.

The obligation of the City to pay the Grant payments to PAA under the terms of this Agreement shall begin in the first full Annual Period following Completion and end at the conclusion of the fifteenth (15th) Annual Period after such date, subject to earlier termination or expiration under the terms hereof. Subject to its prior compliance with all the terms and provisions of this Agreement, all obligations of PAA hereunder shall also end on the termination date described in this Section.

XI.

Covenants Running with the Land.

PAA's rights and obligations under this Agreement shall (a) be binding upon all parties having or acquiring any right, title, or interest in any portion or all of the Premises; (b) be binding upon and inure to the benefit of PAA and any subsequent record owner or owners of title to all or any part of the Premises; and, (c) run with the Premises, which shall be held, sold and conveyed subject thereto.

XII.

Force Majeure.

It is expressly understood and agreed by the parties to this Agreement that the parties shall not be found in default under this Agreement if any party's failure to meet the requirements of this Agreement is delayed due to force majeure, which terms shall include strikes, riots, acts of God, shortages of labor or materials, war, governmental approvals, laws, regulations or restrictions, or any other cause of any kind whatsoever which is beyond the reasonable control of the party.

XIII.

Assignment.

Only upon prior written notice to City, PAA, its legal representatives or successors in interest may, by operation of law or otherwise, assign, mortgage, pledge, encumber or otherwise transfer this Agreement or any part thereof, or any interest of PAA under this Agreement.

**XIV.**  
**Total Taking.**

If all or substantially all of the Mall Expansion and Premises is taken under power of eminent domain (which term as used in this Agreement shall include any conveyance in avoidance or settlement of condemnation or eminent domain proceedings) or other similar proceeding, then this Agreement shall terminate as of the date of taking of possession by the condemning authority; provided however, PAA shall be compensated by the condemning authority for the fair market value of this Agreement.

**XV.**  
**Partial Taking.**

City and PAA agree that if less than all or substantially all of the Mall Expansion and Premises is taken under power of eminent domain or other similar proceeding, then this Agreement shall nevertheless continue in effect as to the remainder of the Mall Expansion and Premises; provided, however, that if City and PAA both agree within thirty (30) days following the taking that so much of the Mall Expansion and Premises has been taken or condemned as to make it economically unsound to attempt to use the remainder thereof for the conduct of PAA's business thereon, then this Agreement shall terminate upon possession of such portion of the Premises by the condemning authority; provided however, PAA shall be compensated by the condemning authority for the fair market value of this Agreement.

**XVI.**  
**Termination.**

This Agreement terminates upon the following:

- (a) By written mutual agreement of the parties;
- (b) By City, if PAA defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within sixty (60) days after written notice thereof by City or cured within a reasonable time when PAA is diligently pursuing the cure of a default that cannot reasonably be cured within sixty (60) days after written notice thereof by the City;
- (c) By City if subject to force majeure, PAA fails to operate and maintain the Mall Expansion or fails to cause the Mall Expansion to be operated and maintained as a retail shopping center;
- (d) By City, in the event the Mall Expansion shall from and after the first date a certificate of occupancy issued for Mall Expansion fails to be used and operated as a

retail shopping center open to the public, for more than two (2) months in any twenty-four (24) month period (except in connection with, and to the extent of any event of force majeure).

XVII.

Representations of PAA.

PAA hereby represents and warrants that PAA has full power to execute and deliver and perform the terms, duties, and obligations of this Agreement and all of the foregoing has been duly and validly authorized by all necessary proceedings. This Agreement constitutes the legal, valid and binding obligations of PAA, enforceable in accordance with its terms.

XVIII.

Representations of City.

The City hereby represents and warrants that it has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the duties and obligations of this Agreement and all of the foregoing have been or will be duly and validly authorized and approved by all necessary proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms.

XIX.

Binding Agreement.

The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto.

XX.

Limitation on Liability.

It is understood and agreed by the parties that PAA, in the development of the Mall Expansion and satisfying the conditions of this Agreement, is acting independently, and the City assume no responsibilities or liabilities to third parties in connection with these actions. PAA agrees to indemnify and hold harmless the City from all such claims, suits, and causes of actions, liabilities and expenses, including reasonable attorney's fees, of any nature whatsoever arising out of PAA's obligations (but not the obligations of the other party) under this Agreement, except to the extent caused by the acts or omissions of the City, or its respective agents, employees, contractors, representatives and licensees.

**XXI.**  
**No Joint Venture.**

It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create any partnership or joint venture among the parties. The City, past, present and future officers, elected officials, employees and agents of the City do not assume any responsibilities or liabilities to any third party in connection with the development of the Mall Expansion or the design, construction or operation of the Mall Expansion.

**XXII.**  
**Access to Mall Expansion.**

PAA further agrees that the City and its agents and employees shall have a right to reasonable access to the Mall Expansion, upon reasonable advance written notice and subject to any security requirements, if any, to inspect the Mall Expansion in order to insure that the construction of the Mall Expansion is in accordance with this Agreement and all applicable Federal, State, and local laws and regulations.

**XXIII.**  
**Authorization.**

PAA represents that it has full capacity and authority to grant all rights and assume all obligations that it has granted and assumed under this Agreement.

**XXIV.**  
**Notice.**

Any notice required or permitted to be delivered hereunder shall be deemed received three (3) business days thereafter sent by United States mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below or on the day actually received if sent by courier or otherwise hand delivered.

If intended for the City:

Attn: City Manager  
City of Arlington  
101 West Abram  
Arlington, Texas 76004  
(817) 265-3311  
(817) 459-6116 FAX

If intended for the PAA:

Parks at Arlington, L.P.  
c/o General Growth Properties, Inc.  
Attn: Senior Vice President - Development  
110 North Wacker Drive  
Chicago, Illinois 60606  
(312) 960-5000  
(312) 960-5555 FAX

with a copy to:

Parks at Arlington, L.P.  
c/o General Counsel  
c/o General Growth Properties, Inc.  
110 North Wacker Drive  
Chicago, Illinois 60606  
(312) 960-5000  
(312) 960-5175 FAX

**XXV.**

**Entire Agreement.**

This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement between the parties that in any manner relates to the subject matter of this Agreement, except as provided in the exhibits attached hereto.

**XXVI.**

**Governing Law.**

This Agreement shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be in Tarrant County, Texas.

**XXVII.**

**Amendment.**

This Agreement may be amended by the mutual written agreement of the parties.

**XXVIII.**

**Legal Construction.**

In the event any one or more of the provisions contained in the Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be

illegal, invalid or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

**XXIX.**

**Covenants Running With the Premises.**

The provisions of this Agreement are hereby declared covenants running with the Premises and are fully binding upon PAA, its successors and assigns and each and every subsequent owner, tenant, subtenant, licensee, manager or occupant of all or any portion of the Premises, but only during the term of such party's ownership, tenancy, subtenancy, licensee, management or occupancy of the Premises (except with respect to defaults that occur during the term of such party's ownership, tenancy, subtenancy, license, management or occupancy of the Premises for which party shall remain liable) who acquire any right, title, or interest in or to the Premises or any part thereof. Any person who acquires any right, title, or interest in or to the Premises, or any part hereof, thereby agrees and covenants to abide by and fully perform the provisions of this Agreement with respect to the right, title or interest in such Premises.

**XXX.**

**No Conflicts of Interest.**

The City represents and warrants that the real property upon which the Mall Expansion is to be located is not owned by any officer or employee of the City.

**XXXI.**

**Recordation of Agreement.**

A certified copy of this Agreement shall be recorded in the Deed Records of Tarrant County, Texas.

**XXXII.**

**Survival of Covenants.**

Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

**XXXIII.**

**Gender.**

Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

XXXIV.  
Counterparts.

This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

XXXV.  
Execution of Agreement.

This Agreement is void if not executed within sixty (60) days after the date this Agreement is authorized by the City of Arlington City Council, unless extended by written agreement executed by PAA and the City Manager or his representative. This Agreement has been authorized by City Council Resolution No. \_\_\_\_\_ on \_\_\_\_\_, 2000.

EXECUTED on this \_\_\_\_\_ day of \_\_\_\_\_, 2000.

CITY OF ARLINGTON, TEXAS

By: \_\_\_\_\_  
WILLIAM F. STUDER, JR.  
Deputy City Manager

ATTEST:

\_\_\_\_\_  
CINDY KEMP, City Secretary

APPROVED AS TO FORM:  
JAY DOEGEY, City Attorney

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

EXECUTED on this \_\_\_\_\_ day of \_\_\_\_\_, 2000.

PARKS AT ARLINGTON, L.P.,  
a Delaware limited partnership

By: GGP-PARKS AT ARLINGTON ONE, INC.,  
a Delaware corporation,  
its General Partner

ATTEST:

\_\_\_\_\_  
Assistant Secretary

By: \_\_\_\_\_  
Jon E. Batesole  
Vice President

Address: 110 North Wacker Drive  
Chicago, Illinois 60606



EXHIBIT "A"

LEGAL DESCRIPTION OF PREMISES

EXHIBIT "B"

CONCEPTUAL RENDERINGS OF THE MALL EXPANSION

[TO BE ATTACHED]

STATE OF TEXAS	§	
	§	ECONOMIC DEVELOPMENT
	§	AGREEMENT
COUNTY OF TARRANT	§	

This Economic Development Agreement ("Agreement") is made by and among the CITY OF ARLINGTON, TEXAS, a home rule municipality, (the "City"), and PARKS AT ARLINGTON, L.P., a Delaware limited partnership ("PAA"), acting by and through its respective authorized officers and representatives:

**RECITALS:**

**WHEREAS,** PAA owns a portion of the land and improvements comprising a retail mall on an approximately 82.313 acre tract of land located at the northeast corner of South Cooper Street and IH-20 in Arlington, Texas; and

**WHEREAS,** PAA has submitted an application for economic development incentives in order to construct approximately 400,000 square feet or more of additional retail space and related parking ("Mall Expansion") to improve and expand the economic performance of the mall; and

**WHEREAS,** the improvements are necessary for the development and construction of the Mall Expansion and will promote economic development, stimulate business and commerce, create additional employment opportunities and generate tax revenue; and

**WHEREAS,** PAA has advised City that a contributing factor that would induce PAA to develop the Mall Expansion would be an agreement by City to provide an economic development grant to PAA to defray a portion of the costs to be incurred by PAA as a consequence of developing and constructing the Mall Expansion; and

**WHEREAS,** City is authorized by Article III, Section 52-a of the Texas Constitution and Section 380.001 of the TEX. LOC. GOV'T CODE to establish economic development programs and to provide grants; and

**WHEREAS,** City has determined that providing economic development incentives will further the public purposes and economic development goals of the City;

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"Premises" - means land and improvements owned by PAA comprising a retail mall on an approximately 42.9628 acre tract of land located at the northeast corner of South Cooper Street and IH-20 in Arlington, Texas, described in **Exhibit "A"** attached hereto and made a part hereof for all purposes.

"Retail Sales" - means those sales made in either the Mall Expansion or Existing Mall which are subject to the State of Texas Sales and Use Tax collected and remitted to the Comptroller of Public Accounts of the State of Texas ("State Comptroller") by the tenants of the Mall Expansion or Existing Mall and/or PAA. If PAA allows a store in the Existing Mall to move to the Mall Expansion (Vacating Store), sales produced by the Vacating Store in the Mall Expansion will not be included in the calculation of Retail Sales until the following occurs: within 6 months of the date the Vacating Store conducts business in the Mall Expansion, PAA must lease the Vacated Space in the Existing Mall to a store (New Store) that produces on a per square foot basis an amount of sales within 10% of the Retail Sales produced by the Vacating Store in the quarter immediately preceding vacating the space. PAA must certify in accordance

with Article VII and Article IX of this Agreement that this 10% requirement has been met for sales produced by the Vacating Store in the Mall Expansion to continue to be included (beyond six months) in the calculation of Retail Sales for purposes of determining rebate amounts in accordance with this Agreement.

"**Sales Tax**" - means the local one percent (1.0%) sales and use tax imposed by the City resulting directly from Retail Sales on the Premises.

"**Sales Tax Grant**" - means the Sales Tax Grant described in Article VII. of this Economic Development Agreement, and sometimes referred to as "Grant."

**III.**  
**Term.**

The term of this Agreement shall commence on the last date all parties have executed the Agreement (the "Effective Date") and shall continue until terminated in accordance with this Agreement.

**IV.**  
**The Mall Expansion.**

PAA agrees without cost to the City to design, construct, operate and manage or cause to be designed, constructed, operated and managed the Mall Expansion on the Premises and other ancillary facilities such as reasonably required parking and landscaping more fully described in submittals filed by PAA with the City from time to time in order to obtain a building permit. The approximate location of the Mall Expansion will be shown on a Site Plan of the Premises to be submitted to the City. Conceptual renderings of the Mall Expansion are attached hereto as **Exhibit "B"** and made a part hereof for all purposes.

**V.**  
**PAA Requirements.**

In consideration of the City entering into this Agreement providing for the payment of funds constituting a grant to PAA under the terms and conditions set forth herein, PAA agrees:

- A. Subject to events of force majeure, to accomplish the completion of the Mall Expansion no later than June 1, 2002, or in accordance with any extension that may be granted in the sole discretion of the City, which extension shall not be unreasonably withheld;
- B. PAA, its agents and representatives shall not pursue real property value reduction below the 2000 tax year value of the Premises from the Tarrant Appraisal District.

- C. To provide certification of an average annual occupancy rate of 75% based on gross leasable square footage of the Mall Expansion, which occupancy rate must be maintained after Completion ("Occupancy Requirement").
- D. To operate the Premises as a first class regional mall so that the area included in the Existing Mall produces Retail Sales during each Annual Period, beginning with the First Annual Period, in the minimum amount of the Annual Sales Requirement.
- E. That in the event PAA fails to comply with subsection (a) or (b) of this Section V., this Agreement shall terminate and be of no further effect and the City shall not be obligated to make any Grant Payments hereunder or to comply with any other obligations created herein. In the ~~event~~ PAA fails to comply with subsections (c) or (d) of this Section V. in any Annual Period, after the First Annual Period, it shall not be entitled to any Grant payments for that Annual Period of noncompliance.

#### VI.

#### Damage to Mall Expansion.

If, during the term of this Agreement, the Mall Expansion is wholly or partially destroyed or damaged by fire, or any other casualty whatsoever, PAA shall repair, replace, restore and reconstruct the Mall Expansion in a good and workmanlike manner. Prior to the commencement of such restoration, the conceptual plans and specifications for the restoration must be approved by City (such approval not to be unreasonably withheld or delayed).

#### VII.

#### Grant Amount, Payment Terms and Conditions.

- A. Grant Amount. Subject to compliance with all terms and provisions of this Agreement, the PAA shall be entitled to receive and the City shall provide PAA with a Grant from lawfully available funds equal to 55% of all Retail Sales Tax collected by the City from the State Comptroller resulting from Retail Sales in the Mall Expansion only, during the term specified in Article X. herein.
- B. Installments. All Grant payments by the City to PAA during any Annual Period, other than the Grant payment for the fourth Quarterly period, are to be made following receipt by the City of the Sales Tax payment from the State Comptroller for the applicable Quarterly Period or Quarterly Periods and within ten (10) days of receipt by the City from PAA of a summary of the data received by PAA from the State Comptroller detailing the Sales Tax reported and paid as a result of the Retail Sales. PAA's summary of data shall be certified as required in Section IX.A. The

Grant Payment for the fourth quarter of any Annual Period shall be made in accordance with Article IX, subsection (b) herein. If the State Comptroller pays the City its share of sales and use taxes at intervals other than quarterly, this section and Article IX shall be read to apply to the last interval of an Annual Period for which the State Comptroller pays the city sales and use taxes relating to such interval.

- C. Failure to Meet Annual Requirements. PAA, beginning with the First Annual Period, shall comply with the Annual Sales and Occupancy Requirement as set forth herein in order to qualify for any Grant payments. If PAA fails to comply with the Annual Sales or Occupancy Requirement during the First Annual Period or any subsequent Annual Period, then PAA shall not be entitled to receive or retain any ~~Grant~~ payments for the Annual Period(s) during which such noncompliance occurs.
- D. Repayment to City. If PAA fails to meet the Annual Sales or Occupancy Requirement during any Annual Period, PAA shall be obligated to repay to the City any Grant payments it previously received for Retail sales attributable to such non-qualifying Annual period. Such refund or repayment shall be made within fifteen (15) days of written request from the City.
- E. Credit Against Grant Payments. If PAA fails to comply with the repayment requirements of D. above, then any future Grant payments to which PAA shall be entitled shall be held by the City and applied as credits to the sum due and owing to the City. Failure of PAA to meet either the Annual Sales or Occupancy Requirement during any Annual Period shall not prevent it from being qualified to receive Grant Payments in the following Annual Period. However, PAA shall not be entitled to be paid such subsequent Grant Payments unless and until all such prior Grant payments to which PAA was not entitled are fully reimbursed.

#### VIII.

#### Grant Limitations.

- A. Under no circumstances shall the Grant payment calculations include any receipts from City's imposition and collection of sales tax for taxable items at any other location, business, establishment, or entity, other than the Mall Expansion.
- B. City's obligation to provide the Grant shall be limited to the extent of lawfully available funds from City's collection of sales tax receipts from the Mall Expansion. Under no circumstances shall City be obligated to provide the Grant unless adequate sales tax receipts from the Mall Expansion are available.

IX.

Annual Qualification Procedures.

- A. At the earliest possible date in the year following each Annual Period, PAA shall provide City reports of supporting data and such additional information as may be reasonably requested by the City, establishing its compliance with the Annual Sales Requirement and verifying Retail Sales and occupancy during the preceding Annual Period. All such reports and information shall be certified by an authorized officer or agent of PAA to be true and correct to the best knowledge of PAA.
- B. City shall pay the installment for the fourth Quarter of any Annual Period as referenced in Article VII. Section B., not later than fifteen (15) days after the submission by PAA of the reports of the supporting data and additional information described in A. above.
- C. Upon reasonable prior notice, the City shall have the right to inspect and audit all supporting data, information and materials received by PAA from the State Comptroller, as well as the books and records of PAA pertaining to any financial or other matters addressed in this Agreement.

X.

Term of Grant.

The obligation of the City to pay the Grant payments to PAA under the terms of this Agreement shall begin in the first full Annual Period following Completion and shall end upon payment by the City to PAA of the final Grant payment based on sales taxes collected by the City from the State Comptroller relating to Retail Sales in the Mall Expansion during the fifteenth Annual Period, subject to earlier termination under the terms hereof. Subject to its prior compliance with all the terms and provisions of this Agreement, all obligations of PAA hereunder shall also end on the termination date described in this Section.

XI.

Covenants Running with the Land.

PAA's rights and obligations under this Agreement shall (a) be binding upon all parties having or acquiring any right, title, or interest in any portion or all of the Premises; (b) be binding upon and inure to the benefit of PAA and any subsequent record owner or owners of title to all or any part of the Premises; and, (c) run with the Premises, which shall be held, sold and conveyed subject thereto.

XII.

Force Majeure.

It is expressly understood and agreed by the parties to this Agreement that the parties shall not be found in default under this Agreement if any party's failure to meet the requirements of this

Agreement is delayed due to force majeure, which terms shall include strikes, riots, acts of God, shortages of labor or materials, war, governmental approvals, laws, regulations or restrictions, or any other cause of any kind whatsoever which is beyond the reasonable control of the party.

**XIII.**  
**Assignment.**

Only upon prior written notice to City, PAA, its legal representatives or successors in interest may, by operation of law or otherwise, assign, mortgage, pledge, encumber or otherwise transfer this Agreement or any part thereof, or any interest of PAA under this Agreement. Any document assigning this Agreement must be acceptable in form and content to the Arlington City Attorney.

**XIV.**  
**Total Taking.**

If all or substantially all of the Mall Expansion and Premises is taken under power of eminent domain (which term as used in this Agreement shall include any conveyance in avoidance or settlement of condemnation or eminent domain proceedings) or other similar proceeding, then this Agreement shall terminate as of the date of taking of possession by the condemning authority; provided however, PAA shall be compensated by the condemning authority for the fair market value of this Agreement.

**XV.**  
**Partial Taking.**

City and PAA agree that if less than all or substantially all of the Mall Expansion and Premises is taken under power of eminent domain or other similar proceeding, then this Agreement shall nevertheless continue in effect as to the remainder of the Mall Expansion and Premises; provided, however, that if City and PAA both agree within thirty (30) days following the taking that so much of the Mall Expansion and Premises has been taken or condemned as to make it economically unsound to attempt to use the remainder thereof for the conduct of PAA's business thereon, then this Agreement shall terminate upon possession of such portion of the Premises by the condemning authority; provided however, PAA shall be compensated by the condemning authority for the fair market value of this Agreement. In the event of a partial taking of a portion of the Existing Mall which does not result in a termination of this Agreement, the Annual Sales Requirement shall be reduced in a proportion equal to the proportion by which the gross leasable area of the Existing Mall has been reduced as a result of such partial taking."

**XVI.**  
**Termination.**

This Agreement terminates upon the following:

- A. By written mutual agreement of the parties;
- B. By City, if PAA defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within sixty (60) days after written notice thereof by City or cured within a reasonable time when PAA is diligently pursuing the cure of a default that cannot reasonably be cured within sixty (60) days after written notice thereof by the City;
- C. By City if subject to force majeure, PAA fails to operate and maintain the Mall Expansion or fails to cause the Mall Expansion to be operated and maintained as a retail shopping center;
- D. By City, if, after the first date a certificate of occupancy is issued for the Mall Expansion, PAA fails to use and operate the Mall Expansion as a first class retail shopping center open to the public and such failure continues for more than two (2) months in any twenty-four (24) month period (except in connection with, and to the extent of any event of force majeure).

**XVII.**  
**Representations of PAA.**

PAA hereby represents and warrants that PAA has full power to execute and deliver and perform the terms, duties, and obligations of this Agreement and all of the foregoing has been duly and validly authorized by all necessary proceedings. This Agreement constitutes the legal, valid and binding obligations of PAA, enforceable in accordance with its terms.

**XVIII.**  
**Representations of City.**

The City hereby represents and warrants that it has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the duties and obligations of this Agreement and all of the foregoing have been or will be duly and validly authorized and approved by all necessary proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms.

**XIX.**  
**Binding Agreement.**

The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto.

XX.  
Limitation on Liability.

It is understood and agreed by the parties that PAA, in the development of the Mall Expansion and satisfying the conditions of this Agreement, is acting independently, and the City assume no responsibilities or liabilities to third parties in connection with these actions. PAA agrees to indemnify and hold harmless the City from all such claims, suits, and causes of actions, liabilities and expenses, including reasonable attorney's fees, of any nature whatsoever arising out of PAA's obligations (but not the obligations of the other party) under this Agreement, except to the extent caused by the acts or omissions of the City, or its respective agents, employees, contractors, representatives and licensees.

XXI.  
No Joint Venture.

It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create any partnership or joint venture among the parties. The City, past, present and future officers, elected officials, employees and agents of the City do not assume any responsibilities or liabilities to any third party in connection with the development of the Mall Expansion or the design, construction or operation of the Mall Expansion.

XXII.  
Access to Mall Expansion.

PAA further agrees that the City and its agents and employees shall have a right to reasonable access to the Mall Expansion, upon reasonable advance written notice and subject to any security requirements, if any, to inspect the Mall Expansion in order to insure that the construction of the Mall Expansion is in accordance with this Agreement and all applicable Federal, State, and local laws and regulations.

XXIII.  
Authorization.

PAA represents that it has full capacity and authority to grant all rights and assume all obligations that it has granted and assumed under this Agreement.

XXIV.  
Notice.

Any notice required or permitted to be delivered hereunder shall be deemed received three (3) business days thereafter sent by United States mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set

forth below or on the day actually received if sent by courier or otherwise hand delivered.

If intended for the City:

Attn: City Manager  
City of Arlington  
101 West Abram  
Arlington, Texas 76004  
(817) 265-3311  
(817) 459-6116 FAX

If intended for the PAA:

Parks at Arlington, L.P.  
c/o General Growth Properties, Inc.  
Attn: Senior Vice President - Development  
110 North Wacker Drive  
Chicago, Illinois 60606  
(312) 960-5000  
(312) 960-5555 FAX

with a copy to:

Parks at Arlington, L.P.  
c/o General Counsel  
c/o General Growth Properties, Inc.  
110 North Wacker Drive  
Chicago, Illinois 60606  
(312) 960-5000  
(312) 960-5175 FAX

**XXV.**

**Entire Agreement.**

This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement between the parties that in any manner relates to the subject matter of this Agreement, except as provided in the exhibits attached hereto.

**XXVI.**

**Governing Law.**

This Agreement shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be in Tarrant County, Texas.

**XXVII.**  
**Amendment.**

This Agreement may be amended by the mutual written agreement of the parties.

**XXVIII.**  
**Legal Construction.**

In the event any one or more of the provisions contained in the Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid or unenforceable, a provision be added to ~~this~~ Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

**XXIX.**  
**Covenants Running With the Premises.**

The provisions of this Agreement are hereby declared covenants running with the Premises and are fully binding upon PAA, its successors and assigns and each and every subsequent owner, tenant, subtenant, licensee, manager or occupant of all or any portion of the Premises, but only during the term of such party's ownership, tenancy, subtenancy, licensee, management or occupancy of the Premises (except with respect to defaults that occur during the term of such party's ownership, tenancy, subtenancy, license, management or occupancy of the Premises for which party shall remain liable) who acquire any right, title, or interest in or to the Premises or any part thereof. Any person who acquires any right, title, or interest in or to the Premises, or any part hereof, thereby agrees and covenants to abide by and fully perform the provisions of this Agreement with respect to the right, title or interest in such Premises.

**XXX.**  
**No Conflicts of Interest.**

The City represents and warrants that the real property upon which the Mall Expansion is to be located is not owned by any officer or employee of the City.

**XXXI.**  
**Recordation of Agreement.**

A certified copy of this Agreement shall be recorded in the Deed Records of Tarrant County, Texas.

XXXII.

Procurement of Goods and Services from Arlington Businesses  
And/or Historically Underutilized Businesses

In performing this Agreement, OWNERS agree to use diligent efforts to purchase goods and services from Arlington businesses whenever such goods and services are comparable in availability, quality and price.

As a matter of policy with respect to CITY projects and procurements, CITY also encourages the use, if applicable, of qualified contractors, subcontractors and suppliers where at least fifty-one percent (51%) of the ownership of such contractor, subcontractor or supplier is vested in racial or ethnic minorities or women. In the selection of subcontractors, suppliers or other persons or organizations proposed for work on this Agreement, the OWNERS agree to consider this policy and to use their reasonable and best efforts to select and employ such companies and persons for work performed under this Agreement.

XXXIII.

Survival of Covenants.

Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

XXXIV.

Gender.

Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

XXXV.

Counterparts.

This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

XXXVI.

Execution of Agreement.

This Agreement is void if not executed within sixty (60) days after the date this Agreement is authorized by the City of Arlington City Council, unless extended by written agreement executed by PAA and the City Manager or his representative. This Agreement has been authorized by City Council Resolution No. 00-267 on May 2, 2000.

EXECUTED on this 4th day of May, 2000.

CITY OF ARLINGTON, TEXAS

By: [Signature]  
WILLIAM F. STUDER, JR.  
Deputy City Manager

ATTEST:

[Signature]  
CINDY KEMP, City Secretary

APPROVED AS TO FORM:  
JAY DOEGEY, City Attorney

By: [Signature]

EXECUTED on this 3 day of May, 2000.

PARKS AT ARLINGTON, L.P.,  
a Delaware limited partnership

By: GGP-PARKS AT ARLINGTON ONE, INC.,  
a Delaware corporation,  
its General Partner

ATTEST:

[Signature]  
Assistant Secretary

By: [Signature]  
Jon E. Batesole  
Vice President

Address: 110 North Wacker Drive  
Chicago, Illinois 60606



EXHIBIT "A"

LEGAL DESCRIPTION OF PREMISES

EXHIBIT "B"

CONCEPTUAL RENDERINGS OF THE MALL EXPANSION

[TO BE ATTACHED]

RESOLUTION NO. 01-141

A RESOLUTION AUTHORIZING THE MODIFICATION OF THE ECONOMIC DEVELOPMENT AGREEMENT BY AND BETWEEN GENERAL GROWTH PROPERTIES, INC. - THE PARKS AT ARLINGTON, L.P. AND THE CITY OF ARLINGTON

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:

I.

That the City Manager or his designee is hereby authorized to execute an agreement to modify the Economic Development Agreement by and between General Growth Properties, Inc. - the Parks at Arlington, L.P. and the City of Arlington, approved on May 2, 2000 by Resolution No. 00-267, as follows:

1. Paragraph V, Subsection A, shall be amended to extend the completion date from June 1, 2002 to December 1, 2002, and upon modification shall read as follows:
  - A. Subject to events of force majeure, to accomplish the completion of the Mall Expansion no later than December 1, 2002, or in accordance with any extension that may be granted in the sole discretion of the City, which extension shall not be unreasonably withheld;
2. The definition of "Mall Expansion" shall be amended to read as follows:

"Mall Expansion" - means approximately 360,000 square feet or more of additional retail space and related parking, including an 18 to 20 screen AMC Theatre, a new approximately 135,000 square foot Great Indoors store, a new approximately 80,000 square foot Galyan's store, a new ice rink, approximately 40,000 square feet of new mall shops, and two new parking decks accommodating approximately 1,500 cars.

II.

The authorized modifications shall be effective upon execution by the parties of a written modification agreement. Except as provided above, all other terms and conditions of the Economic Development Agreement shall remain unchanged and in full force and effect.

PRESENTED AND PASSED on this the 27th day of February, 2001, by a vote of 6 ayes and 1 nays at a regular meeting of the City Council of the City of Arlington, Texas.

  
ELZIE ODOM, Mayor

ATTEST:

  
CINDY KEMP, City Secretary

APPROVED AS TO FORM:  
JAY DOEGEY, City Attorney

BY 

THE STATE OF TEXAS §  
COUNTY OF TARRANT § Modification and Extension

THIS Modification and Extension (hereafter "Modification") is made and entered into on this 28<sup>th</sup> day of March, 2001, (hereafter "Effective Date"), by and between PARKS AT ARLINGTON, L.P. (hereafter "PAA"), a Delaware limited partnership, acting by and through its respective authorized officers and representatives, and the CITY OF ARLINGTON, TEXAS, a municipal corporation located in Tarrant County, Texas, acting by and through its City Manager or his designee (hereafter "CITY").

WITNESSETH:

WHEREAS, PAA and CITY entered into an Economic Development Agreement approved by the Arlington City Council by Resolution No. 00-267, on May 2, 2000, (hereafter "Agreement") relative to economic development incentives in the City of Arlington, Texas; and

WHEREAS, PAA and CITY now desire to extend and modify the Agreement in certain respects as set forth herein; NOW THEREFORE

The Agreement and Modification are incorporated herein as if written word for word. Except as provided below, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect. In the event of any conflict or inconsistency between the provisions set forth in this Modification and the Agreement, this Modification shall govern and control. In consideration of the foregoing, and for other good and valuable consideration, the parties hereby agree to modify the Agreement as follows:

I.

Paragraph V, Subsection A, shall be amended to extend the completion date from June 1, 2002 to December 1, 2002, and shall read as follows:

- A. Subject to events of force majeure, to accomplish the completion of the Mall Expansion no later than December 1, 2002, or in accordance with any extension that may be granted in the sole discretion of the City, which extension shall not be unreasonably withheld;

II.

In Paragraph II, Definitions, the definition of "Mall Expansion" shall be amended to read as follows:

**"Mall Expansion"** - means approximately 360,000 square feet or more of additional retail space and related parking, including an 18 to 20 screen AMC Theatre, a new approximately 135,000 square foot Great Indoors store, a new approximately 80,000 square foot Galyan's store, a new ice rink, approximately

40,000 square feet of new mall shops, and two new parking decks accommodating approximately 1,500 cars.

III.

This Modification and Extension shall take effect on the day and year first written above.

**PARKS AT ARLINGTON, L.P.,**  
a Delaware limited partnership

By: GGP-PARKS AT ARLINGTON ONE,  
INC.,  
a Delaware corporation,  
its General Partner

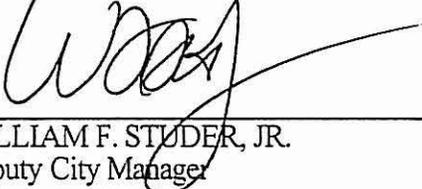
ATTEST:

  
Assistant Secretary  
Carol A. Williams

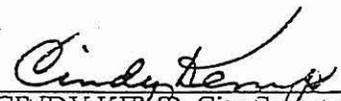
By:   
~~Don E. Batesole~~ ~~Vice President~~ Robert A. Michaels  
President

Address: 110 North Wacker Drive  
Chicago, Illinois 60606

**CITY OF ARLINGTON, TEXAS**

By:   
WILLIAM F. STUDER, JR.  
Deputy City Manager

ATTEST:

  
CINDY KEMP, City Secretary

APPROVED AS TO FORM:  
JAY DOEGEY, City Attorney

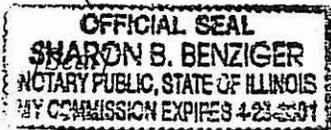
By: 

THE STATE OF ~~TEXAS~~ <sup>Illinois</sup> §  
COUNTY OF ~~TARRANT~~ <sup>Cook</sup> §

Parks at Arlington, L.P.  
Acknowledgment

BEFORE ME, the undersigned authority, a Robert A. Michaels Notary Public in and for the State of Texas, on this day personally appeared ~~JON E. BATESOLE~~, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of **GGP-PARKS AT ARLINGTON ONE, INC.**, a Delaware corporation and general partner of **PARKS AT ARLINGTON, L.P.**, a Delaware limited partnership, and as the Vice-President thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 28<sup>th</sup> day of March, 2001.



Sharon B. Benziger  
Notary Public, State of Texas  
Sharon B. Benziger  
Notary's Printed Name

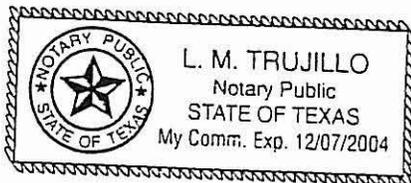
THE STATE OF TEXAS §  
COUNTY OF TARRANT §

City of Arlington, Texas  
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **WILLIAM F. STUDER, JR.**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of the **CITY OF ARLINGTON**, a municipal corporation of Tarrant County, Texas, and as the Deputy City Manager thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 20 day of April, 2001.

[Seal]



L.M. Trujillo  
Notary Public, State of Texas  
L.M. Trujillo  
Notary's Printed Name