

**FIRST ADDENDUM TO CHAPTER 380 ECONOMIC
DEVELOPMENT INCENTIVES GRANT AGREEMENT**

This First Addendum to Chapter 380 Economic Development Incentives Grant Agreement (“First Addendum”) is made and entered into as of March 11, 2015, by and between the City of League City, Texas, (“CITY”), and 101 League City I45/646, L.P. (“GRANTEE”), with an effective date of March 11, 2015.

WHEREAS, on October 28, 2014, CITY and GRANTEE entered into that certain Chapter 380 Economic Development Incentives Grant Agreement (“Agreement”) to provide for the grant of incentives to GRANTEE over a period of time in order to cause the development of a Cabela’s Store and Retail Improvements on that certain property denominated as Pinnacle Park as set forth in the terms and conditions of Agreement; and

WHEREAS, pursuant to Section 4 of the Agreement, it is projected that the Cabela’s Store shall open for business by December 2015; and

WHEREAS, pursuant to Section 5 of the Agreement, the CITY and GRANTEE agreed that subject to certain conditions stated therein, CITY is to grant an Initial Cash Payment to GRANTEE in the total amount of \$825,000.00, payable in two installments, each in the amount of \$412,500.00, the first of such installment to be paid on or before January 1, 2016 and the second installment to be paid on or before January 1, 2017; and

WHEREAS, pursuant to Sections 7 and 8 of the Agreement, the CITY has agreed to grant to GRANTEE certain incentive payments factored by a percentage of sales tax and ad valorem tax revenues derived from the Cabela’s Store and Retail Improvements, on the dates provided for therein; and

WHEREAS, pursuant to Section 9 of the Agreement, the CITY has agreed to construct a certain sanitary sewer line by October 31, 2015; and

WHEREAS, the CITY and GRANTEE have reached an agreement which will provide for a modification of the dates upon which the Cabela’s Store will open, the dates upon which certain incentive payments are to be made, the date upon which the sanitary sewer line is to be constructed, and the dates upon which the Initial Cash Payment shall be paid and have further agreed that in lieu of CITY’s remittance of such payments to GRANTEE, CITY shall remit payment of same to Cabela’s Wholesale, Inc., as GRANTEE’s assignee (“ASSIGNEE”), and wish to memorialize such agreement by way of this First Addendum;

NOW THEREFORE IN CONSIDERATION OF THESE PREMISES, and for good and valuable consideration, the CITY and GRANTEE agree as follows:

I.

From and after effective date of this First Addendum, Sections 3, 4(a), 5 and 7-9 of the Agreement shall read as follows:

“3. Term

This Agreement will become enforceable upon the Effective Date and will terminate on (a) June 30, 2031 (which date is the end of the fifteen year payment period for the Chapter 380 Payments provided for under paragraphs 5, 7 and 8 below; (b) upon a total of \$9,346,000 having been paid to the Grantee under this Agreement, inclusive of the amount due to the Grantee under Paragraph 5, and excluding such amounts due to the Grantee under Paragraph 6 below, or (c) termination of this Agreement by the City as provided herein, whichever occurs first. In recognition of the fact that the Chapter 380 Payments provided for under Paragraphs 7 and 8 are, by necessity, calculated and paid after taxes have been collected by the City and, therefore, will always be paid in arrears, the Term of this Agreement will be deemed extended until any such Chapter 380 Payments have been paid by the City to the Grantee.

4. Understandings and Assumptions

(1) A Cabela's Store of not less than 71,000 square feet within the city limits of the City of League City will be built on the Cabela's Property, including adjoining space for parking intended to serve the users of the Cabela's Store and their guests. The Cabela's Store is projected to be open for business by June 30, 2016.

5. Chapter 380 Payments - Initial Cash Payment

Conditioned upon (1) the issuance of a Certificate of Occupancy for the Cabela's Store and (2) Cabela's Store opening and operating at normal business hours substantially from the time of issuance of a Certificate of Occupancy through the dates specified below, subject to events of force majeure, the City agrees to grant a portion of the \$9,346,000 payable to the Grantee herein in the form of lump sum cash payments equal to the total amount of \$825,000 payable to Cabela's Wholesale, Inc. (the "Initial Cash Payment"). The City shall pay the Initial Cash Payment in two installments, each in the amount of \$412,500. The first \$412,500 installment shall be paid by the City to the Cabela's Wholesale, Inc. on or before June 30, 2016. The second \$412,500 installment shall be paid by the City to Cabela's Wholesale, Inc. on or before June 30, 2017. Notwithstanding the foregoing, if either (or both) of the two conditions above occurs after the anticipated payment date of an installment of the Initial Cash Payment, then such payment date shall be extended to the date that is thirty (30) days after the satisfaction of such condition(s), with the proviso that in that event, the second \$412,500 installment shall be paid no earlier than one (1) year from and after the date upon which the first \$412,500 installment shall have been paid. City shall have the right to waive either or both of the foregoing conditions to the Initial Cash Payment. The City's obligation to

make the Initial Cash Payment is not conditioned upon its receipt of any tax or other funds pursuant to this Agreement (as amended). Prior to the payment of the Initial Cash Payment to Cabela's Wholesale, Inc., City shall not pay to GRANTEE funds under the Agreement (as amended) in an amount that would prevent the City from paying the Initial Cash Payment to Cabela's Wholesale, Inc., as provided in this Section 5. Notwithstanding anything contained in the Agreement (as amended) to the contrary, the City agrees that it will make the Initial Cash Payment to Cabela's Wholesale, Inc., as provided in this Section 5, notwithstanding any potential default by GRANTEE under the Agreement (as amended) or any termination of the Agreement (as amended), provided, however, that in no event shall City be obligated to make the Initial Cash Payment unless the conditions precedent to such payment as outlined above have been satisfied. GRANTEE and City agree that they shall not modify or amend the Agreement (as amended hereby) in any way that may adversely affect the Initial Cash Payment or Cabela's Wholesale, Inc.'s rights under the Agreement (as amended hereby). Cabela's Wholesale, Inc., together with its successors and assigns, shall be an express third-party beneficiary of this Section 5 and shall be entitled to enforce the terms hereof to the fullest extent permitted by applicable law. GRANTEE and City acknowledge and agree that the Agreement (as amended) does not impose any obligation or liability upon Cabela's Wholesale, Inc., or its successors or assigns. GRANTEE hereby represents, covenants and warrants unto each of City and Cabela's Wholesale, Inc. (and its successors and assigns), that GRANTEE has not previously assigned or transferred its right, title or interest in, to or under the Initial Cash Payment, and GRANTEE has full power, authority and right to amend this Section 5 as set forth herein. GRANTEE shall indemnify and hold Cabela's Wholesale, Inc. (and its successors and assigns) harmless against any liability incurred by Cabela's Wholesale, Inc. (or its successors and assigns) if any of the covenants, representations or warranties of GRANTEE contained in this Section 5 are false or inaccurate. If Cabela's Wholesale, Inc. (or its successor or assign) is required to commence litigation to enforce the terms of this Section 5, and if Cabela's Wholesale, Inc. (or its successor or assign) is successful in such lawsuit, then the losing party(ies) in such lawsuit shall be obligated to reimburse Cabela's Wholesale, Inc. (or its successor or assign) for all of its actual and reasonable costs and expenses incurred in connection therewith including actual and reasonable attorneys' fees and court costs.

7. Chapter 380 Payments – Sales Tax Calculus

Phase 1: Beginning July 1, 2016 and ending June 30, 2022 the City shall pay the Grantee a sum equal to ninety-five percent (95%) and beginning July 1, 2022 through June 30, 2031 the City shall pay Grantee a sum equal to ninety percent (90%) of the Sales Tax Revenues derived from all taxable sales occurring on the Cabela's Property and the first 60,000 square feet of Retail Development space in Pinnacle Park during each calendar year of the Term of this Agreement as set forth in Paragraph 3 above and this Paragraph 7.

Phase 2: Beginning on July 1, 2016 and ending June 30, 2031 the City shall pay the Grantee a sum equal to forty-five percent (45%) of the Sales Tax

Revenues derived from all taxable sales occurring from the remaining 50,000 square feet of Retail Development space in Pinnacle Park.

The Grantee shall submit a request for payment quarterly during each calendar year beginning with the third quarter of 2016. In connection therewith, to the extent allowed by law, the City will obtain a true and correct copy of all applicable Texas Sales and Use Tax Returns (the "Returns") filed with the Comptroller of Public Accounts for the corresponding period from which the City can confirm the amount of Sales Tax Revenues collected and paid to the Comptroller of Public Accounts for such period. If the City is not allowed by law to obtain the Returns, the Grantee will obtain and provide or cause a retailer subject to this Agreement to provide a true and correct copy of all applicable Returns. Notwithstanding the foregoing, the City shall enter into an agreement with Cabela's Wholesale, Inc., which provides that Cabela's will release to the City all necessary Returns and/or other sales and use tax information necessary for the City to timely and accurately make the Chapter 380 Payments required by this paragraph. The City acknowledges that it has entered into an acceptable agreement with Cabela's Wholesale, Inc. as required in the immediately preceding sentence.

Upon receipt of Sales Tax Revenues allocable to the Grantee, the City shall hold such funds in trust for Grantee until paid. The City shall make its payments to Grantee within 30 days of Grantee's delivery to the City of a request for payment, subject to receipt of the Returns corresponding to the quarterly payment request.

The City hereby designates this Agreement as a Revenue Sharing Agreement, thereby entitling the City to request sales tax information from the Comptroller, pursuant to Section 321.3022, Texas Tax Code. Unless determined otherwise by the Texas Attorney General in writing, any information received relating to the Returns shall be considered confidential proprietary financial information not subject to release to the public or any third party.

As may be necessary, the City may require Grantee to provide the City with agreements that will permit the Comptroller to release the Returns to the City. An example agreement is attached hereto as **Exhibit "D."** Additionally, the City may require Grantee to include such agreements as part of any applicable sales or lease transactions undertaken by Grantee. The City understands and agrees that the foregoing does not apply to the Returns associated with the Cabela's Store.

8. Chapter 380 Payments – Property Tax Calculus

Phase 1: Beginning January 1, 2017 and ending December 31, 2022 the City shall pay Grantee a sum equal to ninety-five percent (95%) and beginning January 1, 2023 through December 31, 2031 the City shall pay Grantee a sum equal to ninety percent (90%) of the Property Tax Revenues assessed against the Cabela's Property and the Cabela's Store and the first 60,000 square feet of Retail

Development space in Pinnacle Park during each calendar year of the Term of this Agreement as set forth in Paragraph 3 above and this Paragraph 8.

Phase 2: Beginning on January 1, 2017 and ending December 31, 2031 the City shall pay Grantee a sum equal to forty-five percent (45%) of the Property Tax Revenues assessed against the remaining 50,000 square feet of Retail Development space on Pinnacle Park.

Grantee shall submit a request for payment March 1 for the period from January 1 through December 31 of each previous applicable year. The Grantee shall obtain and provide a true and correct copy of the applicable Tax Bills and evidence of full payment for the previous year to the Grantee for verification. The City shall make its payments to the Grantee within 30 days of Grantee's delivery to the City of a true and correct request for payment.

9. Infrastructure Improvements

To (1) encourage the Grantee to develop Pinnacle Park, and (2) promote local economic development and stimulate business and commercial activity, the City will, at its sole cost and expense (and not to be credited against any Chapter 380 Payments due to Grantee pursuant to this Agreement), construct a sanitary sewer line for Pinnacle Park along Big League Dreams Parkway from Calder Road East to the intersection of Brookport Drive and Big League Dreams Parkway, and further extending South down Brookport Drive to the southern boundary line of the Property as generally illustrated on **Exhibit "E"** attached hereto in accordance with the plans prepared by Dannenbaum Engineering for Brookport Drive for the City of League City in the spring of 2014. Such construction will begin as soon as reasonably possible in accordance with local government procurement requirements, acquisition of required easements and shall be completed by June 30, 2016 weather permitting.

The Grantee will provide at no charge a 10-foot wide, non-exclusive sanitary sewer line easement and a 15-foot wide, non-exclusive sanitary sewer line easement from property controlled by it along Brookport Drive and Big League Dreams Parkway as illustrated in **Exhibits "F-1"** and **"F-2"** attached hereto, respectively. Further, the City has acquired, or will acquire, two 15-foot wide sanitary sewer easements along Big League Dreams Parkway as illustrated and described by metes and bounds on **Exhibit "F-3"** attached hereto."

II.

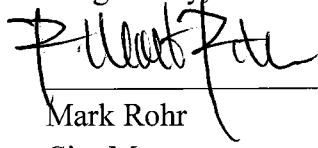
Those parts of the Agreement that are not expressly modified by this First Addendum remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date first above written.

CITY OF LEAGUE CITY, TEXAS

300 West Walker

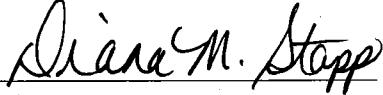
League City, TX 77573



Mark Rohr

City Manager

ATTEST:



Diana Stapp

City Secretary

101 LEAGUE CITY I-45/646, L.P., a Texas
limited partnership

By: 101 League City I-45/646 GP, L.L.C., a
Texas limited liability company, its
General Partner

By: 


John G. Meador, Jr., President

ACKNOWLEDGEMENT AND ACCEPTANCE OF ASSIGNEE

The undersigned, being a party to that certain Real Estate Purchase and Sale Agreement with the named GRANTEE above dated effective as of September 22, 2014, as amended and restated, regarding the purchase and sale of certain property located in the City of League City, Texas, which agreement obligates the GRANTEE to assign the Initial Cash Payment to Cabela's Wholesale, Inc., hereby acknowledges, consents to and approves of this First Addendum and accepts, as GRANTEE's assignee, the right to receive payment of the Initial Cash Payment as provided for herein; provided, however, nothing herein shall (i) impose any obligation or liability upon Cabela's Wholesale, Inc., or its successors or assigns, or (ii) modify or amend (a) any separate agreement between Cabela's Wholesale, Inc. and GRANTEE or (b) any separate agreement between Cabela's Wholesale, Inc. and CITY.

ASSIGNEE:

CABELA'S WHOLESALE, INC.,
a Nebraska corporation


By: 
Its: _____

Dated: March 11, 2015
AK

ACKNOWLEDGEMENT OF LENDER

The undersigned, being the holder of various loan documents evidencing one or more loans (the "Loan") made (or to be made) by the undersigned to Grantee, hereby acknowledges, consents to and approves of this First Addendum, and the undersigned further represents and warrants that (i) the Initial Cash Payment (including any right thereto) has not been and will not be pledged to the undersigned by Grantee, (ii) the Initial Cash Payment (including any right thereto) does not and will not serve as collateral for the Loan, and (iii) the undersigned shall have no right, title or interest in or to the Initial Cash Payment (including the proceeds associated therewith). The undersigned acknowledges that Cabela's Wholesale, Inc., and its successors and assigns, is placing material reliance on this Acknowledgement.

COMMUNITYBANK OF TEXAS, N.A.

By: 
Name: JONATHAN BEVEEV
Title: SVP

Dated: 3/13/15