

NEW ISSUE

NOT RATED

THE BONDS ARE INITIALLY OFFERED ONLY TO PERSONS WHO MEET THE DEFINITION OF “QUALIFIED INSTITUTIONAL BUYER” (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933) OR “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933). SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS.”

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under “TAX MATTERS.” See “TAX MATTERS – Tax Exemption” for a discussion of Bond Counsel’s opinion.



\$20,717,000*

CITY OF CORPUS CHRISTI, TEXAS,
(a municipal corporation of the State of Texas located in
Nueces, Aransas, San Patricio, and Kleberg Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREA #1 PROJECT)

Interest to Accrue from Delivery Date (defined below)

Due: September 15, as shown on the inside cover

The City of Corpus Christi, Texas, Special Assessment Revenue Bonds, Series 2024 (Whitecap Public Improvement District No. 1 Improvement Area #1 Project) (the “Bonds”), are being issued by the City of Corpus Christi, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months, and will be payable on each March 15 and September 15, commencing March 15, 2025, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by BOKF, NA, as trustee (the “Trustee”), to DTC as the registered owner thereof. See “BOOK-ENTRY ONLY SYSTEM.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an ordinance to be adopted by the City Council of the City (the “City Council”), and an Indenture of Trust to be entered into by and between the City and the Trustee (the “Indenture”). **Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.**

Proceeds of the Bonds will be used for the purposes of (i) paying a portion of the Actual Costs of the Improvement Area #1 Improvements, (ii) funding a reserve fund for payment of principal of and interest on the Bonds Similarly Secured, (iii) paying a portion of the costs incidental to the organization and administration of the District, and (iv) paying costs of issuance of the Bonds. See “THE IMPROVEMENT AREA #1 IMPROVEMENTS” and “APPENDIX B – Form of Indenture.”

The Bonds are the initial series of Bonds Similarly Secured. The Bonds Similarly Secured, when issued and delivered, will constitute valid and binding special and limited obligations of the City payable solely from and secured by a first lien on and pledge of the Trust Estate, consisting primarily of Improvement Area #1 Assessments levied against Improvement Area #1 Assessed Property in accordance with the Service and Assessment Plan, all to the extent and upon the conditions described in the Indenture. The Bonds Similarly Secured are not payable from funds raised or to be raised from taxation. See “SECURITY FOR THE BONDS SIMILARLY SECURED.”

The Bonds are subject to redemption at the times, in the amounts, and at the redemption prices more fully described under the subcaption “DESCRIPTION OF THE BONDS – Redemption Provisions.”

The Bonds involve a significant degree of risk, are speculative in nature, and are not suitable for all investors. See “BONDHOLDERS’ RISKS.” The Underwriter is limiting this offering to Qualified Institutional Buyers and Accredited Investors. The limitation of the initial offering to Qualified Institutional Buyers and Accredited Investors does not denote restrictions on transfers in any secondary market for the Bonds. Prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, should consult with their legal and financial advisors before considering a purchase of the Bonds, and should be willing to bear the risks of loss of their investment in the Bonds. The Bonds are not credit enhanced or rated and no application has been made for a rating on the Bonds.

THE BONDS SIMILARLY SECURED, INCLUDING THE BONDS, ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM PLEDGED REVENUES AND OTHER ASSETS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY ASSETS OF THE CITY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY ASSETS OF THE CITY OTHER THAN THE TRUST ESTATE. SEE “SECURITY FOR THE BONDS SIMILARLY SECURED.”

This cover page contains certain information for quick reference only. It is not a summary of the Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Bonds are offered for delivery when, as, and if issued by the City and accepted by FMSbonds, Inc. (the “Underwriter”), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Norton Rose Fulbright US LLP, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX D – Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the City by its City Attorney, for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, for the Developer by its counsel, Watson Law Group, PLLC, and Shupe Ventura, PLLC, and for the Landowner by its counsel, Dykema Gossett PLLC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about October 31, 2024 (the “Delivery Date”).



* Preliminary, subject to change. **The preliminary par amount of the Bonds does not equal the outstanding principal amount of the Improvement Area #1 Assessments. The Improvement Area #1 Assessments will be reduced to the actual principal amount of the Bonds at pricing. See “PLAN OF FINANCE – The Bonds and the Reimbursement Agreement.”**

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS, AND CUSIP NUMBERS

CUSIP Prefix: _____^(a)

\$20,717,000*

CITY OF CORPUS CHRISTI, TEXAS,

(a municipal corporation of the State of Texas located in Nueces, Aransas, San Patricio, and Kleberg Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024

(WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREA #1 PROJECT)

\$ _____ % Term Bonds, Due September 15, 20__, Priced to Yield ____%; CUSIP Suffix: __^{(a)(c)}

\$ _____ % Term Bonds, Due September 15, 20__, Priced to Yield ____%; CUSIP Suffix: __^{(a)(b)(c)}

\$ _____ % Term Bonds, Due September 15, 20__, Priced to Yield ____%; CUSIP Suffix: __^{(a)(b)(c)}

^(a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services. CUSIP numbers are provided for convenience of reference only. None of the City, the City’s Financial Advisor, or the Underwriter takes any responsibility for the accuracy of such numbers.

^(b) The Bonds maturing on or after September 15, 20__, are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after September 15, 20__, at the redemption price of 100% of the principal amount plus accrued interest to the date of redemption as described herein under “DESCRIPTION OF THE BONDS – Redemption Provisions.”

^(c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under “DESCRIPTION OF THE BONDS – Redemption Provisions.”

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* Preliminary, subject to change. The preliminary par amount of the Bonds does not equal the principal amount of the Improvement Area #1 Assessments. The amounts will be trued up at pricing of the Bonds. See “PLAN OF FINANCE – The Bonds and the Reimbursement

**CITY OF CORPUS CHRISTI, TEXAS
CITY COUNCIL**

| <u>Name</u> | <u>Place</u> | <u>Term Expires (November)</u> |
|----------------------|--------------------------|------------------------------------|
| Paulette M. Guajardo | Mayor | 2024 |
| Michael T. Hunter | Councilmember At-Large | 2024 |
| Jim Klein | Councilmember At-Large | 2024 |
| Mike Pusley | Councilmember At-Large | 2024 |
| Everett Roy | Councilmember District 1 | 2024 |
| Sylvia Campos | Councilmember District 2 | 2024 |
| Roland Barrera | Councilmember District 3 | 2024 |
| Dan Suckley | Councilmember District 4 | 2024 |
| Gil Hernandez | Councilmember District 5 | 2024 |

| | | | |
|-------------------------------------|---|---|--|
| CITY MANAGER Peter Zaroni | DEPUTY CITY MANAGER Michael Rodriguez | ASSISTANT CITY MANAGER Heather Hurlbert | CITY SECRETARY Rebecca L. Huerta |
|-------------------------------------|---|---|--|

ADMINISTRATOR
P3Works, LLC

**FINANCIAL ADVISOR TO
THE CITY**
Specialized Public Finance Inc.

BOND COUNSEL
Norton Rose Fulbright US LLP

UNDERWRITER'S COUNSEL
Orrick, Herrington & Sutcliffe LLP

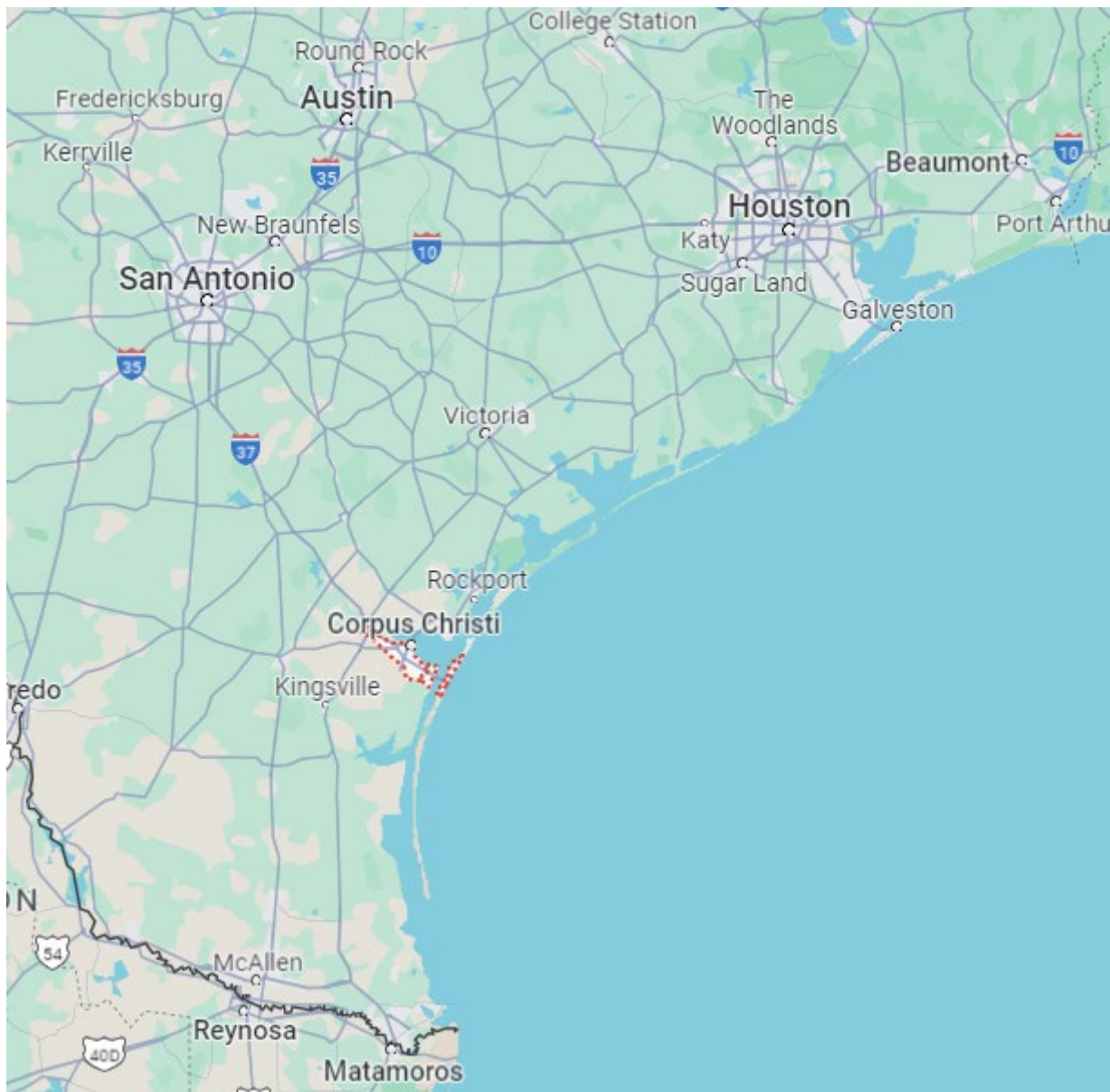
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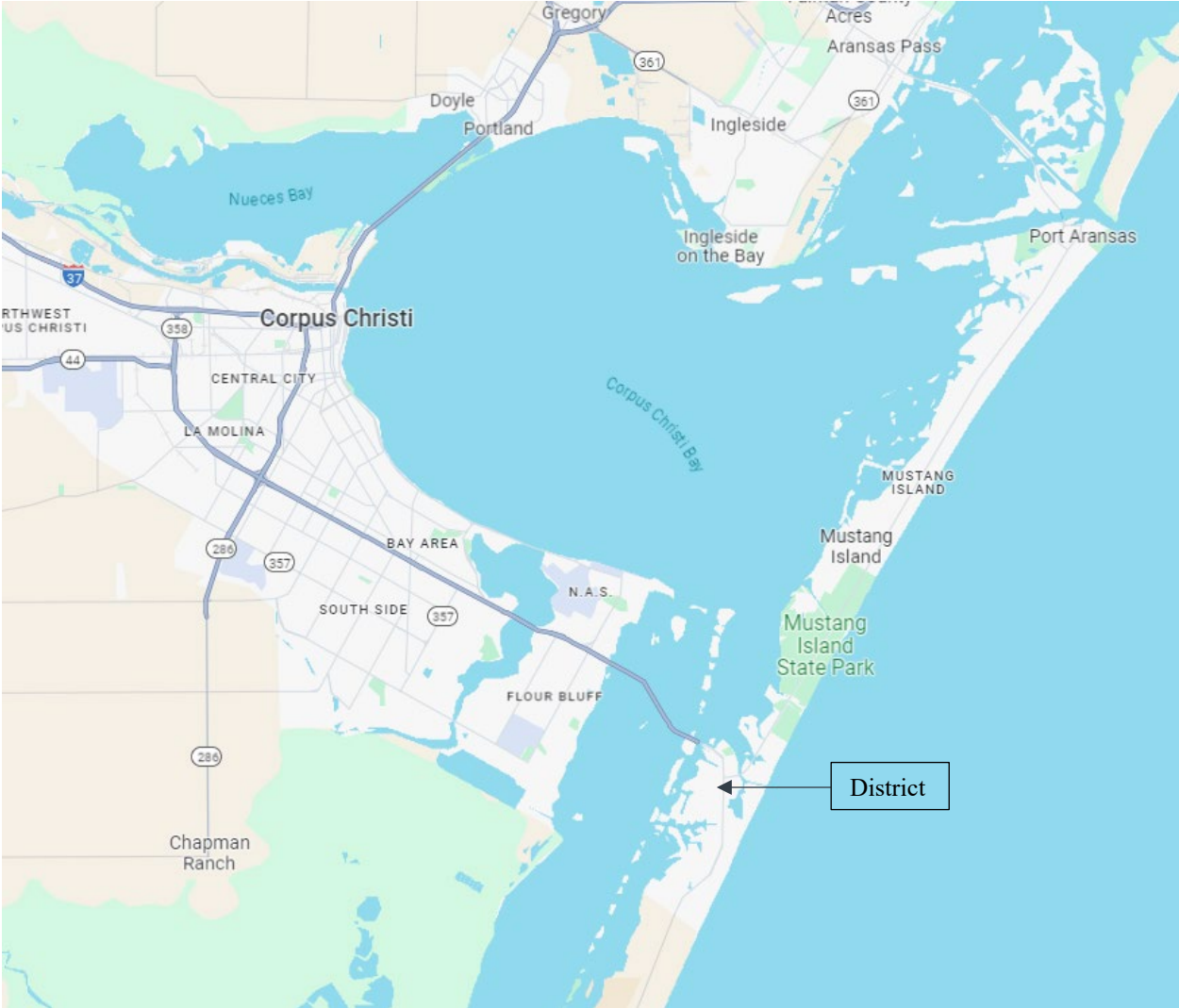
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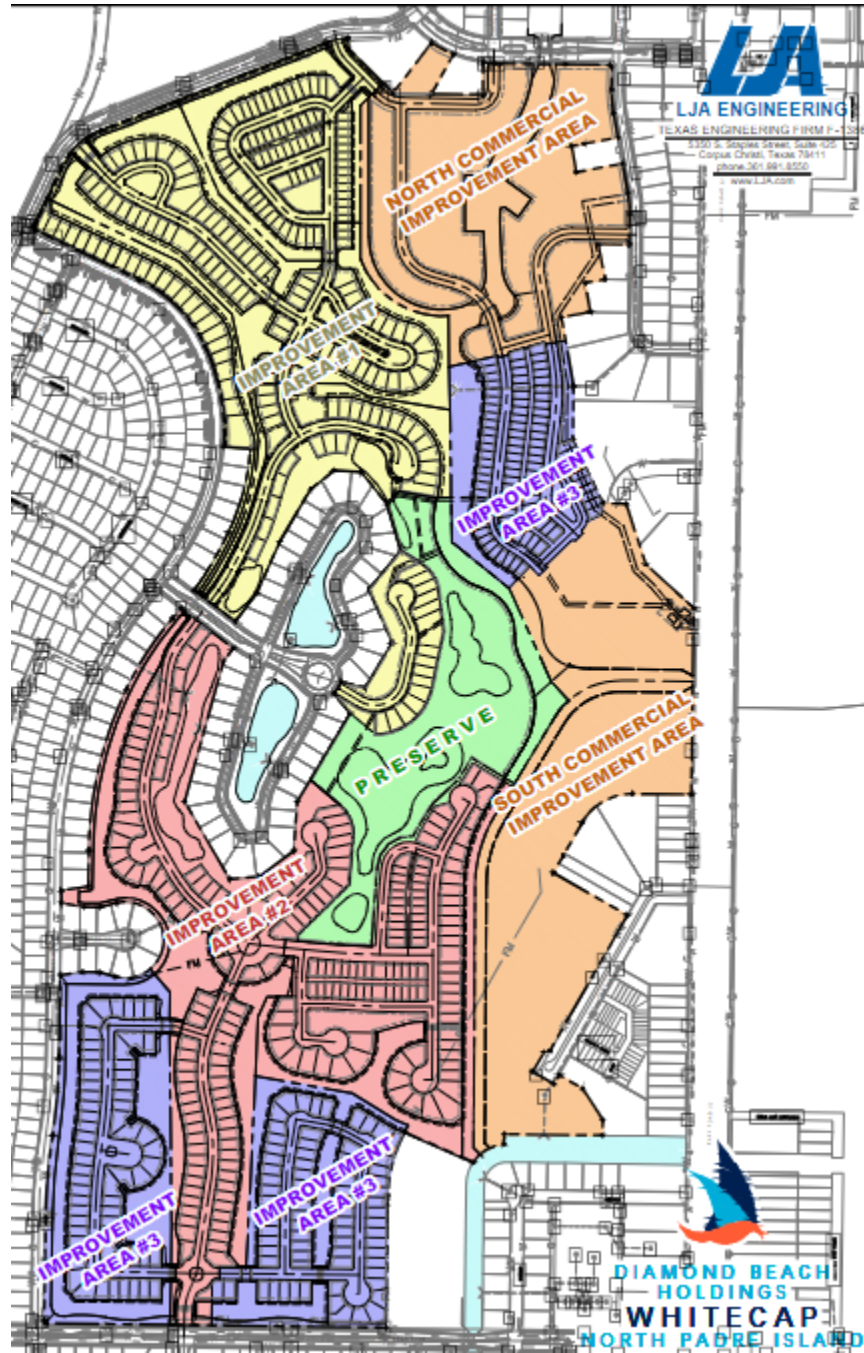
REGIONAL LOCATION MAP OF THE CITY



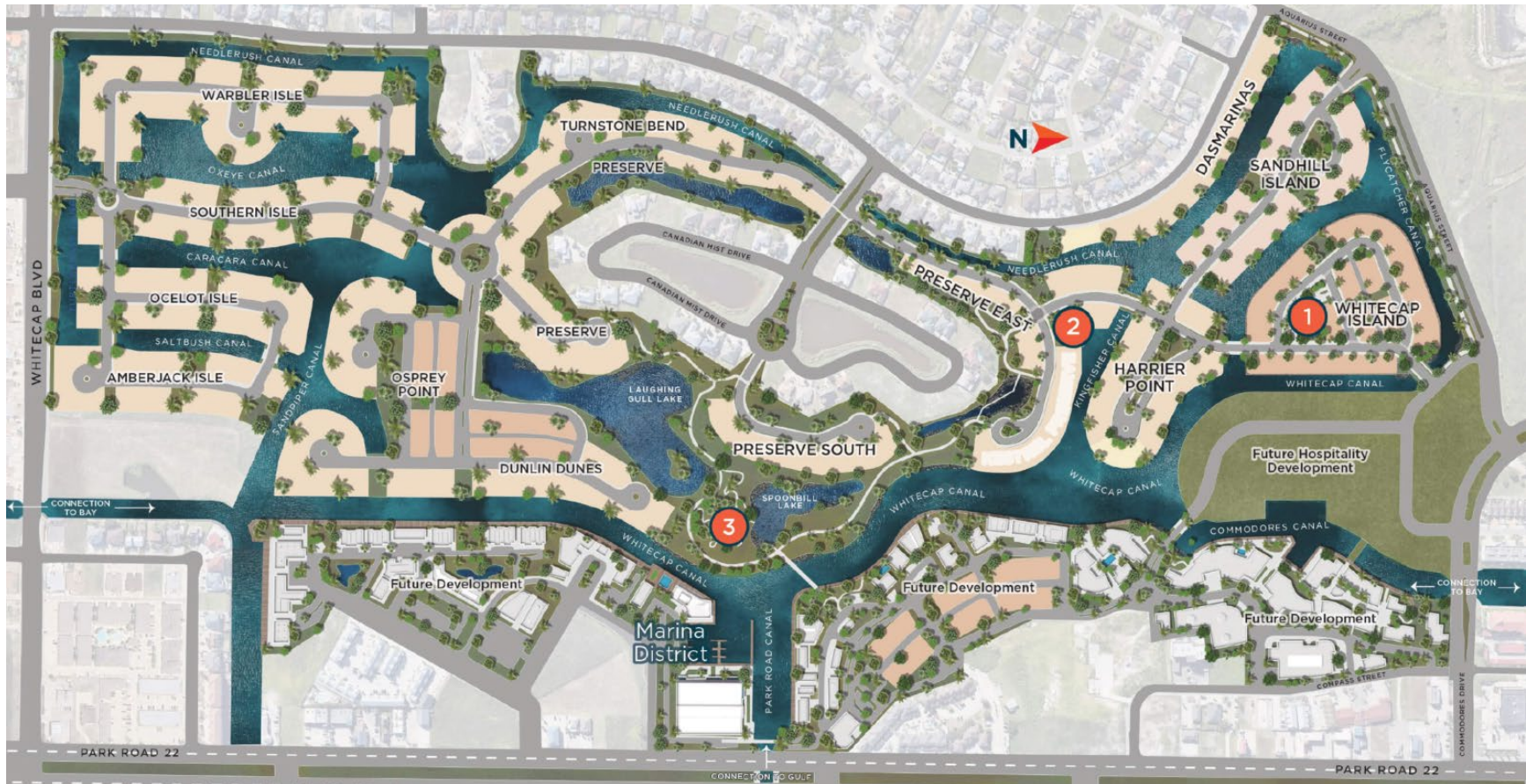
AREA LOCATION MAP OF THE DISTRICT



MAP SHOWING BOUNDARIES OF THE DISTRICT AND IMPROVEMENT AREAS



MASTER PLAN



Key

- 1 Pelican's Landing Pool and Fitness Center
- 2 Heron's Nest Café and Community Park
- 3 Whitecap Preserve

See "THE IMPROVEMENT AREA #1 IMPROVEMENTS – Amenities and Private Improvements" and "THE DEVELOPMENT – Renderings of Certain Initial Amenities."

USE OF LIMITED OFFERING MEMORANDUM

FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, AS AMENDED AND IN EFFECT ON THE DATE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM (THE "RULE" OR "RULE 15C2-12"), THIS DOCUMENT CONSTITUTES AN "OFFICIAL STATEMENT" OF THE CITY WITH RESPECT TO THE BONDS THAT HAS BEEN "DEEMED FINAL" BY THE CITY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933") AND "ACCREDITED INVESTORS" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS." EACH PROSPECTIVE INITIAL PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE BONDS ARE SET FORTH UNDER "BONDHOLDERS' RISKS." EACH INITIAL PURCHASER, BY ACCEPTING THE BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS."

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE CITY AND OBTAINED FROM SOURCES, INCLUDING THE DEVELOPER, WHICH ARE BELIEVED BY THE CITY AND THE UNDERWRITER TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR THE DEVELOPER SINCE THE DATE HEREOF.

NONE OF THE CITY, THE UNDERWRITER, THE DEVELOPER, OR THE LANDOWNER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH LAWS. THE REGISTRATION OR QUALIFICATION OF THE BONDS UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THEY MAY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF SUCH JURISDICTIONS, OR ANY OF THEIR AGENCIES, HAVE PASSED UPON THE

MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS “PLAN,” “EXPECT,” “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “BUDGET” OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE CITY NOR THE DEVELOPER PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF THEIR EXPECTATIONS (OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED) CHANGE, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE – THE CITY” AND “– THE DEVELOPER,” RESPECTIVELY.

THE TRUSTEE HAS NOT PARTICIPATED IN THE PREPARATION OF THIS LIMITED OFFERING MEMORANDUM AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM OR THE RELATED TRANSACTIONS AND DOCUMENTS OR FOR ANY FAILURE BY ANY PARTY TO DISCLOSE EVENTS THAT MAY HAVE OCCURRED AND MAY AFFECT THE SIGNIFICANCE OR ACCURACY OF SUCH INFORMATION.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER’S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS LIMITED OFFERING MEMORANDUM FOR PURPOSES OF, AND AS THAT TERM IS DEFINED IN, THE RULE.

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PRELIMINARY LIMITED OFFERING MEMORANDUM

\$20,717,000*

CITY OF CORPUS CHRISTI, TEXAS,

(a municipal corporation of the State of Texas located in Nueces, Aransas, San Patricio, and Kleberg Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024

(WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREA #1 PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover, and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Corpus Christi, Texas (the “City”), of its \$20,717,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2024 (Whitecap Public Improvement District No. 1 Improvement Area #1 Project) (the “Bonds”).

INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED INITIALLY TO AND ARE BEING SOLD ONLY TO “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”) AND “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. THE LIMITATION OF THE INITIAL OFFERING TO QUALIFIED INSTITUTIONAL BUYERS AND ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE BONDS. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” AND “BONDHOLDERS’ RISKS.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an ordinance expected to be adopted by the City Council of the City (the “City Council”) authorizing the issuance of the Bonds (the “Bond Ordinance”), and an Indenture of Trust (the “Indenture”), expected to be entered into by and between the City and BOKF, NA, as Trustee (the “Trustee”). Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Bonds. *All capitalized terms used in this Limited Offering Memorandum that are not otherwise defined herein shall have the meanings set forth in the Indenture. See “APPENDIX B – Form of Indenture.”*

The Bonds are the initial series of the Bonds Similarly Secured to be issued pursuant to the Indenture. See “SECURITY FOR THE BONDS SIMILARLY SECURED.” The Bonds Similarly Secured, including the Bonds, will be secured by a first and prior lien on and pledge of the Trust Estate, consisting primarily of revenue from Improvement Area #1 Assessments levied pursuant to the Assessment Ordinance against the Improvement Area #1 Assessed Property, effective February 20, 2024, all to the extent and upon the conditions described in the Indenture.

Set forth herein are brief descriptions of the City, the District, the Administrator, the Bond Ordinance, the Assessment Ordinance, the Service and Assessment Plan, the Development Agreement, the Reimbursement Agreement, the Developer, the Landowner (defined herein), and the Appraisal (defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas, 75034, Phone: (214) 302-2246. The form of Indenture appears in APPENDIX B and the Service and Assessment Plan appears in APPENDIX C. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed in this Limited Offering Memorandum.

¹
* Preliminary, subject to change. The preliminary par amount of the Bonds does not equal the principal amount of the Improvement Area #1 Assessments. The amounts will be trued up at pricing of the Bonds. See “PLAN OF FINANCE – The Bonds and the Reimbursement Agreement.”

PLAN OF FINANCE

Development Plan

The District contains approximately 242.011 acres on North Padre Island within the corporate limits of the City (the “Property”). On May 1, 2018, International Bank of Commerce, a Texas banking association (the “Bank”), foreclosed on approximately 206.01 acres, previously the site of Schlitterbahn water park, a nearby golf course, and a 90-room hotel.

After foreclosing on such property, the Bank, as sole member of Diamond Beach Holdings, LLC, a Texas limited liability company (the “Landowner”) at such time, conveyed such acreage to the Landowner. The Landowner subsequently leveled such acreage in preparation for development of the project now known as Whitecap North Padre Island (“Whitecap”).

On June 8, 2022, the Landowner purchased an additional 39.6 acres for approximately \$9,400,000 using cash received from its current sole member, International Bancshares Corporation, a Texas corporation (“IBOC”). The 206.01-acre parcel and the 39.6-acre parcel together constitute the Property in the District. IBOC is the sole member of the Bank and the Landowner. See “THE DEVELOPER AND THE LANDOWNER – History and Financing of the District.”

Pursuant to a Development and Management Agreement, dated December 6, 2021 (as subsequently amended, the “Development and Management Agreement”), between the Landowner and Ashlar Interests, LLC, a Texas limited liability company (the “Developer”), the Developer is assisting the Landowner in the development, construction, operation, and management of the Property. The Developer, on behalf of the Landowner, entered into the Development Agreement and the Reimbursement Agreement with the City and is responsible for construction of the public improvements. The Landowner is responsible for financing the costs of such improvements pursuant to the Development and Management Agreement. Pursuant to the Reimbursement Agreement, the City will use amounts on deposit in the Improvement Area #1 Improvements Account of the Project Fund to pay the Developer, on behalf of the Landowner, for a portion of the costs of the Improvement Area #1 Improvements (defined below). The Developer will transfer such amounts, upon receipt, to the Landowner pursuant to the Flow of Funds Agreement, dated as of September 19, 2024, between the Developer and the Landowner (the “Flow of Funds Agreement”). See “THE DEVELOPMENT – Development Agreement,” “– The Reimbursement Agreement and the Flow of Funds Agreement,” “THE DEVELOPER AND THE LANDOWNER,” and “APPENDIX G – Reimbursement Agreement.”

The Developer intends to develop the Property as a mixed-use bay-to-coast development (the “Development”) in multiple phases with current plans providing for approximately 623 single-family detached residential lots, with a mix of interior lots and water access lots, an interconnected canal system leading to the Gulf of Mexico, and amenities including a marina with dry stack boat storage, a yacht club, a community pool with a children’s water play area, restrooms and fitness center (“Pelican’s Landing,” shown in the Master Plan on page v), multiple parks (including the “Heron’s Nest,” shown in the Master Plan on page vi), retail outlets, entertainment venues, walking, hiking, and biking trails, and a 4.6-acre nature preserve (“Whitecap Preserve,” shown in the Master Plan on page v) available for use by residents and the public. See the Master Plan on page vi, “THE IMPROVEMENT AREA #1 IMPROVEMENTS – Amenities and Private Improvements,” and “THE DEVELOPMENT –Development Plan” and “– Renderings of Certain Initial Amenities.”

The Developer began development in the District with the concurrent construction of certain public improvements benefiting all of the property within the District (such improvements, the “Initial Common to All Improvements”) and certain public improvements benefiting only property within Improvement Area #1 (the “Improvement Area #1 Improvements”). A portion of the proceeds of the Bonds will be used to pay the Actual Costs of the Improvement Area #1 Improvements. The Improvement Area #1 Improvements consist of streets, drainage, water, and wastewater improvements as well as related soft costs. See “THE IMPROVEMENT AREA #1 IMPROVEMENTS.”

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Improvement Area #1 (identified on the map on page iv), consisting of approximately 55.67 acres, is the first phase of the Development and is expected to include 199 single-family residential lots as follows:

| <u>Lot Size</u> | <u># of Lots</u> |
|-----------------|------------------|
| 35' interior | 21 |
| 35' waterfront | 45 |
| 45' interior | 9 |
| 45' waterfront | 93 |
| 55' interior | 15 |
| 55' waterfront | 9 |
| 65' waterfront | 7 |
| | <u>199</u> |

See “THE DEVELOPMENT – Development Plan.” *The lot counts for the 35’ lots were adjusted subsequent to approval of the Service and Assessment Plan in February 2024. The total lot count did not change. The Appraisal reflects the current lot count. See “APPRAISAL” and “APPENDIX H – Appraisal.”*

The Actual Costs of the Improvement Area #1 Improvements equal approximately \$27,118,199. A portion of such costs in the approximate amount of \$17,039,235* is expected to be paid with proceeds of the Bonds. The remaining portion in the approximate amount of \$10,078,964* will be paid by the Landowner without reimbursement by the City. In addition, the Landowner will pay the portion of the Initial Common to All Improvements allocable to Improvement Area #1, in the approximate amount of \$744,786, and the costs of Pelican’s Landing, Heron’s Nest Café and Community Park, and landscaping costs in Improvement Area #1 (the “Private Improvements”), in the approximate amount of \$10,751,000, without reimbursement by the City. See Master Plan on page vi and “APPENDIX C – Service and Assessment Plan.”

Construction of the Improvement Area #1 Improvements and the Initial Common to All Improvements began in May 2023 and is expected to be complete in December 2024. As of September 15, 2024, the Landowner has spent approximately \$16,794,710 on costs of the Improvement Area #1 Improvements, \$294,719 on the Initial Common to All Improvements, all of which is allocable to Improvement Area #1, and approximately \$2,951,359 on costs of the Private Improvements, using cash received from IBOC. See “SOURCES AND USES OF FUNDS,” “THE IMPROVEMENT AREA #1 IMPROVEMENTS,” and “THE DEVELOPER AND THE LANDOWNER – History and Financing of the District.”

Upon completion of the Improvement Area #1 Improvements, the Developer expects to continue with the construction of public improvements benefiting the area of the District not included in Improvement Area #1 (the “Remainder Area”) in phases based on market demand. The Developer expects to request the City to issue in the future one or more series of bonds (collectively, the “Future Bonds”) to finance the costs of certain public improvements benefitting the Remainder Area (such improvements, the “Remainder Area Improvements”). The estimated costs of the Remainder Area Improvements will be determined as development progresses, and the Service and Assessment Plan will be updated accordingly. Such Future Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the Remainder Area, as applicable. The Developer anticipates that Future Bonds will be issued over a ten-year period. See “THE DEVELOPMENT – Remainder Area and Future Bonds.”

Tax Increment Reinvestment Zone

The City previously created a tax increment reinvestment zone (the “TIRZ”) which was expanded to include the boundaries of the District. Pursuant to a reimbursement agreement related to the TIRZ, the City has agreed to reimburse the Developer for certain costs related to three bridges and an effluent water line leading to the TIRZ over time through contribution of 50% of ad valorem tax collected by the City on the increased taxable assessed value in the TIRZ, in an amount not to exceed \$25,500,000. Pursuant to the Flow of Funds Agreement, the Developer will pay such amounts to the Landowner. As of September 15, 2024, the Landowner has spent approximately \$6,761,145 on the costs of such projects. Additional governmental entities may elect to participate in the TIRZ.

The tax increment is not security for or available to pay the Bonds.

3

* Preliminary, subject to change. Reflects current expectations for pricing of the Bonds and may differ from information in the Service and Assessment Plan approved in February 2024.

Custom Home Construction

The Landowner intends to sell lots to custom homebuilders and individual purchasers for construction of custom homes in accordance with the Community Charter for Whitecap Residential Properties (the “Community Charter”), including the Design Guidelines. Homebuilders and individuals will be required to commence construction of foundations within two years of closing and to complete construction of homes within twelve months of commencement of construction. See “THE DEVELOPMENT – Custom Home Construction,” “THE DEVELOPER AND THE LANDOWNER – Executive Biographies of Principals of the Developer,” and “APPENDIX H – Design Guidelines.”

The Bonds and the Reimbursement Agreement

Proceeds of the Bonds will be used for the purposes of (i) paying a portion of the Actual Costs of the Improvement Area #1 Improvements, (ii) funding a reserve fund for payment of principal of and interest on the Bonds Similarly Secured, (iii) paying a portion of the costs incidental to the organization and administration of the District, and (iv) paying costs of issuance of the Bonds. See “SOURCES AND USES OF FUNDS,” “THE IMPROVEMENT AREA #1 IMPROVEMENTS,” and “APPENDIX B – Form of Indenture.”

The Reimbursement Agreement provides, in part, for the payment by the City to the Developer, on behalf of the Landowner, for funds advanced by the Landowner to pay Actual Costs of the Improvement Area #1 Improvements in an amount not to exceed the Reimbursement Agreement Balance (as defined in the Reimbursement Agreement) with respect to the Improvement Area #1 Improvements. Following the issuance of the Bonds and deposit of a portion of the proceeds thereof to the Improvement Area #1 Improvements Account of the Project Fund, the amount to be paid by the City pursuant to the Reimbursement Agreement for costs of the Improvement Area #1 Improvements shall be limited to funds on deposit in the Improvement Area #1 Improvements Account of the Project Fund. The obligation of the City to make payments related to the Improvement Area #1 Improvements to the Developer pursuant to the Reimbursement Agreement will terminate upon the earlier of (i) one year after the final Annual Installments of Improvement Area #1 Assessments are collected by the City (January 31, 2055, pursuant to Exhibit F-2 of the Service and Assessment Plan (the “Maturity Date”)), or (ii) when the Reimbursement Agreement Balance with respect to the Improvement Area #1 Improvements is paid in full; provided, however, if no funds are available in the Improvement Area #1 Improvements Account of the Project Fund, the City will not be obligated to pay the remaining Reimbursement Agreement Balance with respect to the Improvement Area #1 Improvements out of any other funds of the City. Pursuant to the Flow of Funds Agreement, the amounts received by the Developer from the City pursuant to the Reimbursement Agreement will be paid to the Landowner. See “SOURCES AND USES OF FUNDS” and “APPENDIX C – Service and Assessment Plan.”

The preliminary par amount of the Bonds is less than the outstanding principal amount of the Improvement Area #1 Assessments. The outstanding Improvement Area #1 Assessments will be reduced to the actual principal amount of the Bonds, the Service and Assessment Plan will be updated accordingly, and any remaining balance due pursuant to the Reimbursement Agreement will be discharged and shall no longer be due and owing. See “SECURITY FOR THE BONDS SIMILARLY SECURED – General” and “ASSESSMENT PROCEDURES – Assessment Amounts.”

Payment of the Bonds Similarly Secured, including the Bonds, is secured by a pledge of and a lien upon the Trust Estate, including the Pledged Revenues, consisting primarily of Improvement Area #1 Assessments levied against Improvement Area #1 Assessed Property within Improvement Area #1 of the District, all to the extent and upon the conditions described in the Indenture. See “SECURITY FOR THE BONDS SIMILARLY SECURED,” “ASSESSMENT PROCEDURES,” and “APPENDIX B – Form of Indenture.”

None of the Bonds Similarly Secured (including the Bonds), any Additional Obligations, or any Future Bonds shall ever constitute an indebtedness or general obligation of the City, the State of Texas (the “State”), or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the Bonds Similarly Secured are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State, or any other political subdivision of the State is pledged to the payment of the Bonds

Similarly Secured. No Additional Obligations, or Future Bonds, if any, to be issued by the City are offered pursuant to this Limited Offering Memorandum.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser is advised that the Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933, and “accredited investors” as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933. The limitation of the initial offering to qualified institutional buyers and accredited investors does not denote restrictions on transfers in any secondary market for the Bonds. Each initial purchaser of the Bonds (each, an “Investor”) will be deemed to have acknowledged, represented, and warranted to the City as follows:

1. The Investor has authority and is duly authorized to purchase the Bonds and to execute any instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.

2. The Investor is an “accredited investor” under Rule 501 of Regulation D of the Securities Act of 1933 or a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

3. The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes for an indefinite period of time and does not intend at this time to dispose of all or any part of the Bonds. However, the Investor may sell the Bonds at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

4. The Investor understands that the Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Improvement Area #1 Improvements, the Bonds Similarly Secured (including the Bonds), the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information, and it has not relied upon any advice, counsel, representation, or information from the City in connection with the Investor’s purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor’s decision to purchase the Bonds except for gross negligence, fraud, or willful misconduct. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

6. The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid by the City to the Trustee pursuant to the terms of the Indenture and the City shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the City for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the State or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the full faith and credit of the City, the State or any political subdivision thereof; that no right will exist to have taxes levied by the City, State or any political subdivision thereof for the payment of principal of and interest on the Bonds; and that the liability of the City and the State with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

7. The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor. The Investor is aware that the development of the District involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds.

8. The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be payable on each March 15 and September 15, commencing March 15, 2025 (each an "Interest Payment Date"), until maturity or prior redemption. BOKF, NA, is the initial Trustee, Paying Agent, and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in Authorized Denominations of \$100,000 of principal and any integral multiple of \$1,000 in excess thereof; provided, however, that if the total principal amount of any Outstanding Bond is less than \$100,000, then the Authorized Denomination of such Bond shall be the amount of such Outstanding Bond. Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See "BOOK-ENTRY ONLY SYSTEM."

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem Bonds maturing on or after September 15, 20__, before their respective scheduled maturity dates, in whole or in part, on any date on or after September 15, 20__, at the redemption price of par plus accrued and unpaid interest to the date of redemption (the "Redemption Price").

Extraordinary Optional Redemption. Notwithstanding any provision in the Indenture to the contrary, the City reserves the right and option to redeem Bonds Similarly Secured before their respective scheduled maturity dates, in whole or in part and in an amount and on any date specified in a City Certificate, at the Redemption Price of such Bonds Similarly Secured, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund made pursuant to various provisions of the Indenture, any other transfers to the Redemption Fund under the terms of the Indenture, or as a result of unexpended amounts transferred from the Project Fund, as provided in the Indenture). The City will provide the Trustee a City Certificate directing the Bonds to be redeemed pursuant to the Indenture. No redemption shall be made which results in a Bond remaining outstanding in a principal amount less than an Authorized Denomination. See "ASSESSMENT PROCEDURES – Prepayment of Improvement Area #1 Assessments" for the definition and description of Prepayments. See also "APPENDIX B – Form of Indenture."

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Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedules:

\$ Term Bonds Maturing September 15, 20

| <u>Redemption Date</u> | <u>Sinking Fund Installment</u> |
|-------------------------------|--|
| September 15, 20__ | \$ |
| September 15, 20__ | |
| September 15, 20__ | |
| September 15, 20__* | |

* Stated maturity.

\$ Term Bonds Maturing September 15, 20

| <u>Redemption Date</u> | <u>Sinking Fund Installment</u> |
|-------------------------------|--|
| September 15, 20__ | \$ |
| September 15, 20__ | |
| September 15, 20__ | |
| September 15, 20__* | |

* Stated maturity.

At least 45 days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee will select a principal amount of Bonds (in accordance with the Indenture) of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to the mandatory sinking fund redemption described above shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions of the Indenture and not previously credited to a mandatory sinking fund redemption.

Notice of Redemption. Upon written notification by the City to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds Similarly Secured by sending notice by United States mail, first class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond Similarly Secured or portion thereof to be redeemed, at the address shown in the Register. Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. Notice of redemption having been given as provided in the Indenture, the Bonds Similarly Secured or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the Redemption Price of such Bonds Similarly Secured to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds Similarly Secured or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

With respect to any optional redemption of Bonds Similarly Secured, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds Similarly Secured to be redeemed before giving of a notice of

redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds Similarly Secured and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds Similarly Secured have not been redeemed.

The City has the right to rescind any optional redemption or extraordinary optional redemption as described in the Indenture by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds Similarly Secured then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Additional Provisions with Respect to Redemption. If less than all of a series of Bonds Similarly Secured are to be redeemed pursuant to a mandatory sinking fund redemption, an optional redemption, or an extraordinary optional redemption as provided in the Indenture, Bonds Similarly Secured shall be redeemed in minimum principal amounts of \$1,000 or any integral multiple thereof. Each Bond Similarly Secured shall be treated as representing the number of bonds that is obtained by dividing the principal amount of such series of Bonds Similarly Secured by \$1,000. No redemption shall result in a Bond Similarly Secured in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of the Outstanding Bond Similarly Secured is less than an Authorized Denomination after giving effect to such partial redemption, a Bond Similarly Secured in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

In selecting the Bonds Similarly Secured to be redeemed pursuant to a mandatory sinking fund redemption, the Trustee may select Bonds Similarly Secured in any method that results in a random selection.

In selecting Bonds Similarly Secured to be redeemed pursuant to an optional redemption, the Trustee may rely on the directions provided in a City Certificate.

If less than all of a series of Bonds Similarly Secured are called for extraordinary optional redemption, the Bonds Similarly Secured or portion of a Bond Similarly Secured, as applicable, of such series to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds Similarly Secured.

Upon surrender of any Bond Similarly Secured for redemption in part, the Trustee shall authenticate and deliver an exchange Bond Similarly Secured or Bonds Similarly Secured of the same series and in an aggregate principal amount equal to the unredeemed portion of the Bond Similarly Secured so surrendered, such exchange being without charge, all as provided in the Indenture.

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Limited Offering Memorandum. The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the City and the Underwriter believe to be reliable, but none of the City, the City's Financial Advisor or the Underwriter takes any responsibility for the accuracy or completeness thereof.

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC participants, (2) DTC participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the United

States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices for the Bonds shall be sent to DTC. If less than all Bonds of the same maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant of such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest, and all other payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent/Registrar, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest, and all other payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City, the Trustee, or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. Thereafter, Bond certificates may be transferred and exchanged as described in the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but none of the City, the City's Financial Advisor, or the Underwriter take any responsibility for the accuracy thereof.

NONE OF THE CITY, THE TRUSTEE, THE PAYING AGENT/REGISTRAR, THE CITY'S FINANCIAL ADVISOR, OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS, OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

Use of Certain Terms in Other Sections of this Limited Offering Memorandum. In reading this Limited Offering Memorandum it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Limited Offering Memorandum to registered owners should be read to include the person for which the participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System and (ii) except as described above, notices that are to be given to registered owners under the Indenture will be given only to DTC.

SECURITY FOR THE BONDS SIMILARLY SECURED

The following is a summary of certain provisions contained in the Indenture. Reference is made to the Indenture for a full statement of the terms and provisions of the Bonds Similarly Secured. Potential Investors must read the entire Indenture to obtain information essential to the making of an informed investment decision. See “APPENDIX B – Form of Indenture.”

General

THE BONDS SIMILARLY SECURED, INCLUDING THE BONDS, ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM PLEDGED REVENUES AND OTHER ASSETS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY ASSETS OF THE CITY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY ASSETS OF THE CITY OTHER THAN THE TRUST ESTATE. SEE “APPENDIX B – FORM OF INDENTURE.”

The principal of, premium, if any, and interest on the Bonds Similarly Secured, including the Bonds, are secured by a pledge of and a first lien upon the Pledged Revenues, consisting primarily of Improvement Area #1 Assessments levied against the assessable parcels or lots within Improvement Area #1 of the District, and other assets comprising the Trust Estate, all to the extent and upon the conditions described in the Indenture. See “APPENDIX B – Form of Indenture.” Improvement Area #1 of the District contains approximately 55.67 acres. In accordance with the PID Act, the City adopted the Service and Assessment Plan in connection with the approval of the Assessment Ordinance and the levy of the Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property on February 20, 2024. The Service and Assessment Plan describes the special benefit received by the Improvement Area #1 Assessed Property, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of Improvement Area #1 Assessments, and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds Similarly Secured. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for improvements and the Improvement Area #1 Annual Installments of Improvement Area #1 Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See “APPENDIX C – Service and Assessment Plan.”

In connection with the pricing of the Bonds expected to occur on October 15, 2024, and as provided in the Bond Ordinance, the City expects to approve an Amended and Restated Service and Assessment Plan, which will reflect the actual interest rate on the Bonds, as well as the additional interest collected pursuant to Section 372.018(a) of the PID Act, and will not exceed the maximum Improvement Area #1 Assessments approved by the Assessment Ordinance. APPENDIX C will be updated in the final Limited Offering Memorandum to include such update to the Service and Assessment Plan. See “APPENDIX C – Service and Assessment Plan.”

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance, and other provisions of law to finance the Improvement Area #1 Improvements by levying Improvement Area #1 Assessments upon the Improvement Area #1 Assessed Property. For a description of the assessment methodology and the amounts of Improvement Area #1 Assessments levied on Improvement Area #1 Assessed Property, see “ASSESSMENT PROCEDURES” and “APPENDIX C – Service and Assessment Plan.”

The Bonds Similarly Secured are secured by a pledge of and a lien upon the Pledged Revenues, consisting primarily of Improvement Area #1 Assessment Revenue, and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. Pursuant to the Indenture:

“Additional Interest” means the amount collected by application of the Additional Interest Rate.

“Additional Interest Rate” means the 0.50% additional interest rate charged on the Improvement Area #1 Assessments securing the Bonds Similarly Secured pursuant to Section 372.018 of the PID Act.

“Annual Collection Costs” mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Improvement Area #1 Assessments and Improvement Area #1 Annual Installments, including the costs of foreclosure; (5) preparing and maintaining records with respect to Improvement Area #1 Assessment Roll and Annual Service Plan Updates; (6) paying and redeeming the Bonds Similarly Secured; (7) investing or depositing Improvement Area #1 Assessments and Improvement Area #1 Annual Installments; (8) complying with the Service and Assessment Plan, the PID Act, and the Indenture with respect to the Bonds Similarly Secured, including the City’s continuing disclosure requirements; and (9) the paying agent/registrar and Trustee in connection with the Bonds Similarly Secured, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Service Plan Update” means the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

“Authorized Improvements” mean improvements authorized by Section 372.003 of the PID Act, including the Common to All Improvements, the Improvement Area #1 Improvements, district formation expenses, first year annual collection costs, and bond issuance costs, as more specifically listed in Section III of the Service and Assessment Plan.

“Delinquent Collection Costs” mean, for a Parcel, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Improvement Area #1 Assessments, delinquent Improvement Area #1 Annual Installments, or any other delinquent amounts due under the Service and Assessment Plan, including costs and expenses to foreclose liens.

“Foreclosure Proceeds” mean the proceeds, including interest and penalty interest, received by the City from the enforcement of the Improvement Area #1 Assessments against any Improvement Area #1 Assessed Property(ies), whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

“Improvement Area #1 Annual Installment” means, with respect to each Improvement Area #1 Assessed Property, each annual payment of the Improvement Area #1 Assessments (including both principal of and interest on the Improvement Area #1 Assessments) as shown on the Improvement Area #1 Assessment Roll attached to the Service and Assessment Plan as Exhibit F-1 and related to the Improvement Area #1 Improvements; which annual payment includes Annual Collection Costs and the Additional Interest collected on each annual payment of the Improvement Area #1 Assessments as described in the Indenture and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.

“Improvement Area #1 Assessed Property” means any Parcel within Improvement Area #1 of the District that benefits from the Authorized Improvements and on which an Improvement Area #1 Assessment is levied as shown on the Improvement Area #1 Assessment Roll and which includes any and all Parcels within Improvement Area #1 of the District other than Non-Benefited Property.

“Improvement Area #1 Assessment Revenue” means monies collected by or on behalf of the City from any one or more of the following: (i) an Improvement Area #1 Assessment levied against an Improvement Area #1 Assessed Property, or Improvement Area #1 Annual Installment payment thereof, including any interest on such

Improvement Area #1 Assessment or Improvement Area #1 Annual Installment thereof during any period of delinquency, (ii) a Prepayment, and (iii) Foreclosure Proceeds.

“Improvement Area #1 Assessment Roll” means the assessment roll for the Improvement Area #1 Assessed Property within Improvement Area #1 of the District and included in the Service and Assessment Plan as Exhibit F-1, as updated, modified, or amended from time to time in accordance with the procedures set forth in the Service and Assessment Plan and the PID Act.

“Improvement Area #1 Assessments” mean the aggregate assessments, shown on the Improvement Area #1 Assessment Roll. The singular of such term means the Improvement Area #1 Assessment levied against an Improvement Area #1 Assessed Property, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation upon the subdivision of an Improvement Area #1 Assessed Property, or consolidation of multiple Improvement Area #1 Assessed Properties, or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

“Parcel” means a property, within the boundaries of the District, identified by either a tax map identification number assigned by the Nueces County Appraisal District for real property tax purposes, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means as determined by the City.

“Pledged Funds” mean the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

“Pledged Revenues” mean the sum of (i) the Improvement Area #1 Assessment Revenue less the Annual Collection Costs and Delinquent Collection Costs, (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that the City may pledge to the payment of Bonds Similarly Secured.

“Prepayment” means the payment of all or a portion of an Improvement Area #1 Assessment before the due date of the final Improvement Area #1 Annual Installment thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Improvement Area #1 Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Improvement Area #1 Annual Installment.

“Trust Estate” means (i) all Pledged Revenues and all moneys and investments held in the Pledged Funds, including any and all proceeds thereof and any contract or any evidence of indebtedness relating thereto or other rights of the City to receive any such moneys or investments, whether now or existing or hereafter coming into existence, and whether now or hereafter acquired; and (ii) any and all other property or money of every name and nature which is, from time to time hereafter by delivery or by writing of any kind, conveyed, pledged, assigned or transferred, to the Trustee as additional security hereunder by the City or by anyone on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property or money at any and all times and to hold and apply the same subject to the terms thereof.

The City covenants, agrees, and warrants in the Indenture that, for so long as any Bonds Similarly Secured are Outstanding it will take and pursue all actions permissible under Applicable Laws to cause the Improvement Area #1 Assessments to be collected and the liens thereof to be enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement, or exemption in the Improvement Area #1 Assessments. See “SECURITY FOR THE BONDS SIMILARLY SECURED – Pledged Revenue Fund,” “APPENDIX B – Form of Indenture,” and “APPENDIX C – Service and Assessment Plan.”

The PID Act provides that the Improvement Area #1 Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney’s fees, if incurred) are a first and prior lien (the “Assessment Lien”) against the property assessed, superior to all other liens or claims, except liens and claims for State, county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named, and runs with the land. Pursuant to the PID Act, the Assessment Lien is

effective from the date of the Assessment Ordinance until the Improvement Area #1 Assessments are paid (or otherwise discharged) and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See “ASSESSMENT PROCEDURES.”

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. See “BONDHOLDERS’ RISKS – Assessment Limitations.”

Collection and Enforcement of Improvement Area #1 Assessments

For so long as any Bonds Similarly Secured are Outstanding, the City covenants, agrees, and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Improvement Area #1 Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause not reduction, abatement, or exemption in the Improvement Area #1 Assessments.

The Improvement Area #1 Assessments assessed to pay debt service on the Bonds Similarly Secured, together with interest thereon, are payable in Improvement Area #1 Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds Similarly Secured. An Improvement Area #1 Annual Installment of an Assessment will be made payable in the Assessment Ordinance in each fiscal year of the City preceding the date of final maturity of the Bonds Similarly Secured which, if collected, will be sufficient to first pay debt service requirements attributable to the Bonds Similarly Secured in the Service and Assessment Plan. Each Improvement Area #1 Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

A record of the Improvement Area #1 Assessments on each parcel, tract, or lot which are to be collected in each year during the term of the Bonds is shown on the Improvement Area #1 Assessment Roll. Sums received from the collection of the Improvement Area #1 Assessments to pay the debt service requirements (including delinquent installments, Foreclosure Proceeds, and penalties) and of the interest thereon shall be deposited into the Bond Pledged Revenue Account of the Pledged Revenue Fund. Notwithstanding the foregoing, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first, to the Reserve Account to restore any transfers from the Reserve Account made with respect to the Improvement Area #1 Assessed Property(ies) to which the Foreclosure Proceeds relate, second, to the Additional Interest Reserve Account to restore any transfers from the Additional Interest Reserve Account made with respect to the Improvement Area #1 Assessed Property(ies) to which the Foreclosure Proceeds relate, and third, to the Redemption Fund. The Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund. See “SECURITY FOR THE BONDS SIMILARLY SECURED – Pledged Revenue Fund” and “APPENDIX B – Form of Indenture.”

The portions of the Improvement Area #1 Annual Installments of Improvement Area #1 Assessments collected to pay Annual Collection Costs shall be deposited in the Administrative Fund and shall not constitute Pledged Revenues.

Unconditional Levy of Improvement Area #1 Assessments

The City will impose Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property to pay the principal of and interest on the Bonds Similarly Secured as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Improvement Area #1 Assessments became effective on the date, and strictly in accordance with the terms, of the Assessment Ordinance. Each Improvement Area #1 Assessment may be paid immediately in full or in periodic Improvement Area #1 Annual Installments over a period of time equal to the term of the Bonds Similarly Secured, which installments shall include interest on the portion of the Improvement Area #1 Assessments assessed to pay debt service on the Bonds Similarly Secured. Pursuant to the Assessment Ordinance, interest on the portion of the Improvement Area #1 Assessments assessed to pay debt service on the Bonds Similarly Secured will be calculated at the rate of interest on the Bonds Similarly Secured plus 0.50%,

calculated on the basis of a 360-day year of twelve 30-day months. Such rates may be adjusted as described in the Service and Assessment Plan. Each Improvement Area #1 Annual Installment, including the interest on the unpaid amount of an Improvement Area #1 Assessment, shall be billed on or about October 1 of each year. Each Improvement Area #1 Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Improvement Area #1 Annual Installments will be due when billed on or about October 1, 2024, and will be delinquent if not paid prior to February 1, 2025.

As authorized by Section 372.018(b) of the PID Act, the City will calculate and collect each year while the Bonds Similarly Secured are Outstanding an Improvement Area #1 Assessment to pay Annual Collection Costs. The portion of each Improvement Area #1 Annual Installment used to pay Annual Collection Costs shall remain in effect from year to year until all Bonds Similarly Secured are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The Improvement Area #1 Assessments to pay Annual Collection Costs shall be due in the manner set forth in the Assessment Ordinance on October 1 of each year and shall be delinquent if not paid by February 1 of the following year. Such Improvement Area #1 Assessments to pay Annual Collection Costs do not secure repayment of the Bonds Similarly Secured.

There will be no discount for the early payment of Improvement Area #1 Assessments.

The PID Act provides that the Assessment Lien is superior to all other liens and claims, except liens or claims for State, county, school district, or municipality ad valorem taxes and shall be a personal liability of and charge against the owner of the property, regardless of whether the owners are named. The lien for Improvement Area #1 Assessments and penalties and interest began on the effective date of the Assessment Ordinance and continues until the Improvement Area #1 Assessments are paid or until all Bonds Similarly Secured are finally paid.

Failure to pay an Improvement Area #1 Annual Installment when due will not accelerate the payment of the remaining Improvement Area #1 Annual Installments of the Improvement Area #1 Assessments and such remaining Improvement Area #1 Annual Installments (including interest) shall continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

Perfected Security Interest

The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Trust Estate, the filing of the Indenture, or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds Similarly Secured and the pledge of the Trust Estate granted by the City under the Indenture, and such pledge is therefore valid, effective, and perfected from and after the Closing Date. If Texas law is amended at any time while the Bonds Similarly Secured are Outstanding such that the pledge of the Trust Estate granted by the City under the Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds Similarly Secured the perfection of the security interest in such pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in such pledge to occur. See “APPENDIX B – Form of Indenture.”

Pledged Revenue Fund

The Indenture provides for the creation of a Pledged Revenue Fund to be held by the Trustee. On or before March 1 of each year while the Bonds Similarly Secured are Outstanding, and beginning March 1, 2025, the City shall deposit or cause to be deposited the Pledged Revenues, other than the Pledged Revenues on deposit in the Project Collection Fund, into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the Trustee shall apply the Pledged Revenues in the following order of priority: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any, in accordance with the Indenture, (iv) fourth, to pay Actual Costs of the Improvement Area #1 Improvements, and (v) fifth, to pay other costs permitted by the PID Act.

Along with each deposit of Pledged Revenues from the Project Collection Fund to the Pledged Revenue Fund, the City shall provide a City Certificate to the Trustee as to (i) the Funds and Accounts into which the amounts are to be deposited or retained, as applicable, and (ii) the amounts of any payments to be made from such Funds and Accounts.

From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds Similarly Secured on the next Interest Payment Date.

If, after the foregoing transfers and any transfer from the Reserve Fund as provided in the Indenture, there are insufficient funds to make the payments provided in the preceding paragraph, the Trustee shall apply the available funds in the Principal and Interest Account first, to the payment of interest and, second, to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured, as described in the Indenture.

Notwithstanding the deposits described in (i) through (v) of the first paragraph of this subsection, the Trustee shall transfer Prepayments to the Redemption Fund as soon as practical after deposit of such amounts into the Pledged Revenue Fund.

Notwithstanding the deposits described in (i) through (v) of the first paragraph of this subsection, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first, to the Reserve Account to restore any transfers from the Reserve Account made with respect to the Improvement Area #1 Assessed Property(ies) to which the Foreclosure Proceeds relate, second, to the Additional Interest Reserve Account to restore any transfers from the Additional Interest Reserve Account made with respect to the Improvement Area #1 Assessed Property(ies) to which the Foreclosure Proceeds relate, and third, to the Redemption Fund.

After satisfaction of the requirement to provide for the payment of the principal of and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in an account of the Reserve Fund, the City may direct the Trustee by City Certificate to apply Improvement Area #1 Assessments for any lawful purposes permitted by the PID Act for which Improvement Area #1 Assessments may be paid.

Any additional Pledged Revenues remaining after the satisfaction of the foregoing shall be applied by the Trustee, as instructed by the City pursuant to a City Certificate, for any lawful purpose permitted by the PID Act for which such additional Pledged Revenues may be used, including transfers to other Funds and Accounts created pursuant to the Indenture.

Bond Fund

On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and/or interest then due and payable on the Bonds Similarly Secured.

If amounts in the Principal and Interest Account are insufficient for the purposes set forth above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in the Indenture. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

Project Fund

Money on deposit in the Project Fund shall be used for the purposes described in "PLAN OF FINANCE – The Bonds." Money on deposit in the Improvement Area #1 Improvements Account of the Project Fund shall only be used to pay Actual Costs of Improvement Area #1 Improvements.

Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds Similarly Secured pursuant to either one or more City Certificates or an executed, completed, and accepted Closing Disbursement Request. Disbursements from the Improvement Area #1 Improvements Account of the Project Fund to pay Actual Costs of the Improvement Area #1 Improvements shall be made by the Trustee upon receipt by the Trustee of either properly executed and completed Certificate for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Improvement Area #1 Improvements Account pursuant to a Certificate for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Reimbursement Agreement.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #1 Improvements Account of the Project Fund are not expected to be expended for purposes of such Account due to the abandonment, or constructive abandonment, of the Improvement Area #1 Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #1 Improvements Account of the Project Fund will ever be expended for the purposes of such Account, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #1 Improvements Account of the Project Fund that are not expected to be used for purposes of such Account. If such City Certificate is so filed, the amounts on deposit in the Improvement Area #1 Improvements Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

In making any determination pursuant to the Indenture, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

Upon the filing of a City Certificate stating that all Improvement Area #1 Improvements have been completed and that all Actual Costs of the Improvement Area #1 Improvements have been paid, or that any such Actual Costs of the Improvement Area #1 Improvements are not required to be paid from the Improvement Area #1 Improvements Account of the Project Fund pursuant to a Certificate for Payment, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #1 Improvements Account of the Project Fund to the Bond Fund, and (ii) shall close the Improvement Area #1 Improvements Account. If the Improvement Area #1 Improvements Account and the Costs of Issuance Account of the Project Fund have been closed pursuant to the Indenture, the Project Fund shall be closed.

Not later than six months following the Closing Date for the Bonds, or upon an earlier determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred first, to the Improvement Area #1 Improvements Account of the Project Fund and used to pay Actual Costs of the Improvement Area #1 Improvements, and second, to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds Similarly Secured, as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed. See "APPENDIX B – Form of Indenture."

Reserve Account of the Reserve Fund

The Indenture provides for the creation of a Reserve Account within the Reserve Fund to be held by the Trustee for the benefit of the Bonds Similarly Secured. The Reserve Account will be funded initially with proceeds of the Bonds in the amount of the initial Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" for the Bonds shall be an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds as of the Closing Date for the Bonds, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date for the Bonds, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Bonds. The Reserve Account Requirement will be adjusted in accordance with the Indenture in the event an additional series of Bonds Similarly Secured is issued. As of the Closing Date for the Bonds, the Reserve Account Requirement is \$ _____*, which is the [Maximum Annual Debt Service] on the Bonds as of the Closing Date.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer first, from the Additional

* To be completed upon pricing of the Bonds.

Interest Reserve Account of the Reserve Fund to the Bond Fund and, second, from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

Whenever Bonds Similarly Secured are to be redeemed with the proceeds of Prepayments pursuant to the Indenture, the Trustee shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the City and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a City Certificate to be applied to the redemption of the Bonds Similarly Secured. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount of Bonds Similarly Secured to be redeemed with Prepayments multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayments toward payment of accrued interest, there are insufficient funds in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds Similarly Secured to be redeemed, as identified in the City Certificate, as a result of such Prepayments and as a result of the transfer from the Reserve Account under the Indenture, the Trustee shall transfer an amount equal to the shortfall, and/or any additional amounts necessary to permit the Bonds Similarly Secured to be redeemed in minimum principal amounts of \$1,000, from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of debt service on the Bonds Similarly Secured on the next Interest Payment Date in accordance with the Indenture, unless within thirty days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due to the Rebate Fund created under the Indenture, (ii) to a specified Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the date of the Indenture, or (iii) for such other use specified in such City Certificate if the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured.

Additional Interest Reserve Account of the Reserve Fund

The Indenture provides for the creation of an Additional Interest Reserve Account within the Reserve Fund to be held by the Trustee for the benefit of the Bonds Similarly Secured. The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 1 and September 1 of each year, commencing March 1, 2026, an amount equal to the Additional Interest collected, if any, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall, and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds Similarly Secured from the proceeds of a Prepayment pursuant to the Indenture. In the event the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement then the deposits described in the immediately preceding sentence shall continue until the Additional Interest Reserve Account has been fully replenished to the Additional Interest Reserve Requirement. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the City of such transfer in writing. In calculating the amounts to be transferred pursuant to this paragraph, the Trustee may conclusively rely on the Improvement Area #1 Annual Installments as shown on the Improvement Area #1 Assessment Roll in the Service and Assessment Plan or an Annual Service Plan Update, unless and until it receives a City Certificate directing that a different amount be used.

Whenever a transfer is made from an Account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of such funds.

The Additional Interest Reserve Requirement is an amount equal to 5.5% of the principal amount of the Outstanding Bonds Similarly Secured to be funded from Improvement Area #1 Assessment Revenues to be deposited to the Pledged Revenue Fund and transferred to the Additional Interest Reserve Account. See “APPENDIX B – Form of Indenture” and “APPENDIX C – Service and Assessment Plan.”

If, after a Reserve Account withdrawal pursuant to the Indenture, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency, in accordance with the Indenture.

If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund is sufficient to pay the principal amount of all Outstanding Bonds Similarly Secured on the next Interest Payment Date, together with the unpaid interest accrued on such Outstanding Bonds Similarly Secured as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Outstanding Bonds Similarly Secured as of such Interest Payment Date.

At the final maturity of the Bonds Similarly Secured, the amounts on deposit in the Reserve Account and the Additional Interest Reserve Account shall be transferred to the Principal and Interest Account of the Bond Fund and applied to the payment of the principal of the Bonds Similarly Secured.

Administrative Fund

The Indenture provides for the creation of an Administrative Fund to be held by the Trustee. The City shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay Annual Collection Costs and Delinquent Collection Costs, other than Annual Collection Costs and Delinquent Collection Costs deposited into the Project Collection Fund. Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds and Accounts created and administered under the Indenture and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan. See “APPENDIX C – Service and Assessment Plan.”

THE ADMINISTRATIVE FUND IS NOT PART OF THE TRUST ESTATE AND IS NOT SECURITY FOR THE BONDS SIMILARLY SECURED.

Project Collection Fund

While any Bonds Similarly Secured are Outstanding, another taxing unit or an appraisal district, by agreement with the City, may collect Improvement Area #1 Assessment Revenue on the City’s behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Improvement Area #1 Assessment Revenue for deposit on the City’s behalf, the Trustee shall accept such Improvement Area #1 Assessment Revenue and deposit the same into the Project Collection Fund. The Trustee shall, as directed by the City pursuant to a City Certificate, deposit or cause to be deposited (i) all of that portion of the Improvement Area #1 Assessment Revenue deposited into the Project Collection Fund that consists of the Annual Collection Costs and Delinquent Collection Costs to the Administrative Fund, and (ii) all of that portion of the Improvement Area #1 Assessment Revenue deposited into the Project Collection Fund that consists of Pledged Revenues into the Pledged Revenue Fund for future allocations as set forth in the Indenture. The City shall provide such City Certificate on or before March 1, 2025, and every September 1 and March 1 thereafter while the Bonds Similarly Secured are Outstanding.

The Project Collection Fund is not a Pledged Fund.

Defeasance

All Outstanding Bonds Similarly Secured shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds Similarly Secured are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on such date as provided in the Indenture, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee for such purpose, shall be sufficient to pay when due the principal of and interest on the Bonds Similarly Secured to become due on such Bonds Similarly Secured on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant or other qualified third-party selected by the City verifying the sufficiency of the moneys and/or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on of the Bonds Similarly Secured to become due on such Bonds Similarly Secured on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if any Bonds Similarly Secured are then rated, the Trustee shall have received written confirmation from each rating agency then publishing a rating on such Bonds Similarly Secured that such deposit will not result in the reduction or withdrawal of the rating on such Bonds Similarly Secured. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the Indenture nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds Similarly Secured. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds Similarly Secured on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

“Defeasance Securities” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. “Investment Securities” means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (the “PFIA”); and provided further such investments are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time. Under current State law, Investment Securities that are authorized for the investment of funds to defease public securities are (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds Similarly Secured. Because the Indenture does not contractually limit such investments, Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

Each of the following occurrences or events constitutes an “Event of Default” under the Indenture:

1. The failure of the City to deposit the Pledged Revenues to the Bond Pledged Revenue Account of the Pledged Revenue Fund;

2. The failure of the City to enforce the collection of the Improvement Area #1 Assessments including the prosecution of foreclosure proceedings;
3. The failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within 30 days; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the City to make any such payments; and
4. Default in the performance or observance of any covenant, agreement, or obligation of the City under the Indenture and the continuation thereof for a period of 90 days after written notice to the City by the Trustee, or by the Owners of at least 25% of the aggregate Outstanding principal of the Bonds Similarly Secured with a copy to the Trustee, specifying such default and requesting that the failure be remedied.

Notwithstanding the foregoing, nothing in the Indenture will be viewed to be an Event of Default if it is in violation of any applicable state law or court order.

Remedies in Event of Default

Subject to provisions of the Indenture with respect to limits on liability of the City, upon the happening and continuance of any Event of Default, the Trustee may, and at the written direction of the Owners of at least 25% of the Bonds Similarly Secured then Outstanding and its receipt of indemnity satisfactory to it, shall proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by the Indenture or by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies of default.

THE PRINCIPAL OF THE BONDS SIMILARLY SECURED SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds Similarly Secured, in the selection of Trust Estate assets to be used in the payment of Bonds Similarly Secured due in an Event of Default, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation, or sale.

Whenever moneys are to be applied as a result of any Event of Default, irrespective of and whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim, and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of the Indenture. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit, or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy thereunder unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of not less than 25% of the aggregate principal amount of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Indenture, (iv) the Trustee has for 90 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of at least a majority of the aggregate principal amount of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds Similarly Secured shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his, or their action or to enforce any right under the Indenture except in the manner provided therein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided therein and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request, and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy thereunder.

Subject to provisions of the Indenture with respect to limits on liability of the City, nothing in the Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured issued under the Indenture to the respective Owners thereof at the time and place, from the source and in the manner expressed therein and in the Bonds Similarly Secured.

In case the Trustee or any Owners shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee, and the Owners shall be restored to their former positions and rights under the Indenture, and all rights, remedies, and powers of the Trustee shall continue as if no such proceedings had been taken.

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds, and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture with respect to Events of Default shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including Trustee's counsel), liabilities, and advances incurred or made by the Trustee, and the fees of the Trustee in carrying out the Indenture during the continuance of an Event of Default, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, as follows:

FIRST: To the payment to the Owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds Similarly Secured, or Redemption Price of any Bonds Similarly Secured which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds Similarly Secured due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference.

Within 10 days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners.

In the event funds are not adequate to cure any of the Events of Default described above, the available funds shall be allocated to the Bonds Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured that are currently due and in default under the terms of the Indenture.

The restoration of the City to its prior position after any and all defaults have been cured, as provided above, shall not extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

Investment of Funds

Except as otherwise described in the Indenture, money in any Fund or Account established pursuant to the Indenture shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee at least 2 days in advance of the making of such investment. The money in any Fund or Account shall be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the PFIA, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times.

Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in the Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

Against Encumbrances

Other than Refunding Bonds, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance, or charge upon the Trust Estate, other than that specified in the Indenture, or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

So long as Bonds Similarly Secured are Outstanding under the Indenture, and except as described below in “– Additional Obligations or Other Liens; Refunding Bonds,” the City shall not issue any bonds, notes, or other evidences of indebtedness other than the Bonds Similarly Secured and Refunding Bonds, if any, secured by any pledge of or other lien or charge on the Trust Estate, except for other indebtedness incurred in compliance with the Indenture.

Additional Obligations or Other Liens; Refunding Bonds

The City reserves the right to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from the Pledged Revenues or any portion of the Trust Estate. Additionally, the City has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of Pledged Revenues securing payment of the Bonds Similarly Secured.

Other than Refunding Bonds issued to refund all or a portion of the Bonds, the City will not create or voluntarily permit to be created any debt, lien, or charge on the Trust Estate, and will not cause or allow any matter or things whatsoever whereby the lien of the Indenture or the priority thereof might or could be lost or impaired, and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with the

Indenture as a lien or charge upon the Trust Estate; *provided, however*, that nothing in the Indenture shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would endanger the security for the Bonds.

The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds Similarly Secured or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State, and in accordance with the conditions set forth below:

(a) The principal of all Refunding Bonds must (i) be scheduled to be paid, (ii) be subject to mandatory sinking fund redemption or (iii) mature, on September 15 of the years in which such principal (i) is scheduled to be paid, (ii) is subject to mandatory sinking fund redemption or (iii) matures. All Refunding Bonds must bear interest at a fixed rate and any interest payment dates for Refunding Bonds must be March 15 and September 15. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture; and

(b) Upon their authorization by the City, the Refunding Bonds of a Series issued under the Indenture shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee (1) a copy, certified by the City Secretary of the City, of the ordinance or ordinances of the City authorizing the issuance, sale, execution and delivery of the Refunding Bonds and the execution and delivery of a Supplemental Indenture establishing, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Refunding Bonds, and (2) an original executed counterpart of the Supplemental Indenture for such Refunding Bonds.

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SOURCES AND USES OF FUNDS *

The table that follows summarizes the sources and uses of proceeds of the Bonds:

| | |
|---|----|
| Sources of Funds: | |
| Principal Amount | \$ |
| Total Sources | \$ |
| | |
| Uses of Funds: | |
| Deposit to Improvement Area #1 Improvements Account of the Project Fund | \$ |
| Deposit to Reserve Account of the Reserve Fund | |
| Deposit to Administrative Fund | |
| Deposit to Costs of Issuance Account of the Project Fund | |
| Underwriter's Discount ⁽¹⁾ | |
| Total Uses | \$ |

⁽¹⁾ Includes Underwriter's Counsel's fee.

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DEBT SERVICE REQUIREMENTS *

The following table sets forth the debt service requirements for the Bonds:

| <u>Year Ending</u> <u>(September 30)</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|-------------------------|------------------------|---------------------|
| 2025 | \$ | \$ | \$ |
| 2026 | | | |
| 2027 | | | |
| 2028 | | | |
| 2029 | | | |
| 2030 | | | |
| 2031 | | | |
| 2032 | | | |
| 2033 | | | |
| 2034 | | | |
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| 2044 | | | |
| 2045 | | | |
| 2046 | | | |
| 2047 | | | |
| 2048 | | | |
| 2049 | | | |
| 2050 | | | |
| 2051 | | | |
| 2052 | | | |
| 2053 | | | |
| 2054 | | | |
| Total | | | |

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* To be completed upon pricing of the Bonds.

OVERLAPPING TAXES AND DEBT

The land within Improvement Area #1 of the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Improvement Area #1 Assessments.

The City, Nueces County, Texas (the “County”), Nueces County Farm to Market Road, Nueces County Hospital District, Nueces County Emergency Services District #2, the Flour Bluff Independent School District (“Flour Bluff ISD”), and Del Mar College District may each levy ad valorem taxes upon portions of land in Improvement Area #1 of the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or special assessments levied by such other taxing authorities.

The following table reflects the estimated overlapping ad valorem tax rates levied on property located in Improvement Area #1 of the District.

Overlapping Taxes in Improvement Area #1

| <u>Taxing Entity</u> | <u>Tax Year 2024 Ad Valorem Tax Rate ⁽¹⁾</u> |
|--|---|
| City | 0.599774 |
| Nueces County | 0.237411 |
| Nueces County Farm to Market Road | 0.002842 |
| Nueces County Hospital District | 0.085242 |
| Nueces County Emergency Services District #2 | 0.030000 |
| Flour Bluff ISD | 0.768200 |
| Del Mar College District | <u>0.237002</u> |
| Total Existing Tax Rate | \$1.960471 |
| Estimated Average Improvement Area #1 Annual Installment as a tax rate equivalent ⁽²⁾ | \$0.707871 |
| Estimated Total Tax Rate and Average Improvement Area #1 Annual Installment as a tax rate equivalent ⁽²⁾ | <u>\$2.668342</u> |

⁽¹⁾ As reported by the taxing entities. Per \$100 in taxable assessed value.

⁽²⁾ Preliminary, subject to change. Assumes completion of homes at values estimated by the Developer. *Reflects current expectations for pricing of the Bonds and may differ from information in the Service and Assessment Plan approved in February 2024.*

Source: Nueces Central Appraisal District and the City.

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As noted above, Improvement Area #1 of the District includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness of such entities payable from ad valorem taxes, as of August 31, 2024, and City debt to be secured by the Improvement Area #1 Assessments:

Overlapping Debt in Improvement Area #1

| <u>Taxing or Assessing Entity</u> | <u>Gross Outstanding Debt as of August 31, 2024</u> | <u>Estimated Percentage Applicable ⁽¹⁾</u> | <u>Direct and Estimated Overlapping Debt ⁽¹⁾</u> |
|--|---|---|---|
| The City (The Bonds) ⁽²⁾ | \$ 20,717,000 ⁽²⁾ | 100.000% | \$20,717,000 ⁽²⁾ |
| The City (General Obligation) | 554,005,000 | 0.24% | 1,329,612 |
| Nueces County | 153,360,000 | 0.11% | 168,696 |
| Nueces County Farm to Market Road | — | 0.11% | — |
| Nueces County Hospital District | — | 0.11% | — |
| Nueces County Emergency Services District #2 | — | 1.06% | — |
| Flour Bluff ISD | 47,205,000 | 1.06% | 500,373 |
| Del Mar College District | <u>245,430,000</u> | 0.14% | <u>343,602</u> |
| TOTAL | <u>\$1,020,717,000</u> | | <u>\$23,059,283</u> |

⁽¹⁾ Based on the “As Complete” Appraisal for Improvement Area #1 of the District and the Tax Year 2024 Net Taxable Assessed Valuations for the taxing entities. The Appraisal assumes completion of the Improvement Area #1 Improvements and the Initial Common to All Improvements. See “APPRAISAL.”

⁽²⁾ Preliminary, subject to change. Reflects current expectations for pricing of the Bonds and may differ from information in the Service and Assessment Plan approved in February 2024.

Sources: Nueces County Appraisal District, the Municipal Advisory Council of Texas, and the Appraisal

Homeowners’ Association Dues

In addition to the Improvement Area #1 Assessments and overlapping taxes and assessments referenced above, the Developer anticipates that each lot owner in Improvement Area #1 of the District will pay annual property owner fees of approximately \$4,500, consisting of \$3,600 to a homeowner’s association (the “HOA”) and approximately \$900 related to Pelican’s Landing and Heron’s Nest to either the HOA or an affiliate of the Landowner. See “THE IMPROVEMENT AREA #1 IMPROVEMENTS – Amenities and Private Improvements” and “THE DEVELOPMENT – Renderings of Certain Initial Amenities.”

ASSESSMENT PROCEDURES

General

As required by the PID Act, when the City determined to defray a portion of the costs of the Improvement Area #1 Improvements through the levy of the Improvement Area #1 Assessments, it adopted a resolution generally describing the Improvement Area #1 Improvements and the land within Improvement Area #1 of the District to be subject to Improvement Area #1 Assessments to pay the cost therefor. The City caused the Improvement Area #1 Assessment Roll to be prepared, which shows the land within Improvement Area #1 of the District assessed, the amount of the benefit to and the Improvement Area #1 Assessment against each lot or parcel of land and the number of Improvement Area #1 Annual Installments into which the Improvement Area #1 Assessment is divided. The Improvement Area #1 Assessment Roll was filed with the City Secretary and made available for public inspection. Statutory notice was given to the owners of the property to be assessed, and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #1 Improvements and funding a portion of the same with Improvement Area #1 Assessments. The City Council adopted the Assessment Ordinance on February 20, 2024. Upon adoption of the Assessment Ordinance, the Improvement Area #1 Assessments became legal, valid, and binding liens upon the Improvement Area #1 Assessed Property.

Under the PID Act, the Actual Costs of the Improvement Area #1 Improvements may be assessed by the City against the Improvement Area #1 Assessed Property so long as the special benefit conferred upon the Improvement Area #1 Assessed Property by the Improvement Area #1 Improvements equals or exceeds the Improvement Area #1

Assessments. The costs of the Improvement Area #1 Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Improvement Area #1 Assessed Property similarly benefited. The allocation of benefits and assessments to the benefitted land within the District, including land in Improvement Area #1, is set forth in the Service and Assessment Plan, which should be read in its entirety. See “APPENDIX C – Service and Assessment Plan.”

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each parcel of Improvement Area #1 Assessed Property as a result of the Improvement Area #1 Improvements, provides the basis and justification for the determination that such special benefit exceeds the Improvement Area #1 Assessments levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Area #1 Improvements to Improvement Area #1 Assessed Property in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Improvement Area #1 Improvements are being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues, including Improvement Area #1 Assessment Revenues, and other assets comprising the Trust Estate. As set forth in the Service and Assessment Plan, the City Council has determined that the Actual Costs of the Improvement Area #1 Improvements will be allocated to the Improvement Area #1 Assessed Property by spreading the entire Improvement Area #1 Assessment across all Improvement Area #1 Assessed Property based on the ratio of Estimated Buildout Value of each Lot Type (both defined in the Service and Assessment Plan) in Improvement Area #1 to the Estimated Buildout Value of all Improvement Area #1 Assessed Property. Currently, the Improvement Area #1 Assessed Property consists of a single parcel (with two property identification numbers) and 100% of the Improvement Area #1 Assessments have been allocated to such parcel.

The following table provides additional analysis with respect to assessment methodology, including the Improvement Area #1 Assessment allocation, equivalent tax rate, and value to lien analysis by Lot Type of Improvement Area #1 Assessments. The information in the tables was obtained from and calculated using information provided in the Service and Assessment Plan. See “APPENDIX C – Service and Assessment Plan.”

Improvement Area #1 Assessment Allocation, Equivalent Tax Rate, and Value to Lien Analysis by Lot Type in Improvement Area #1*

| Lot Type | Planned No. of Lots | Estimated Finished Value per Lot Type ⁽¹⁾ | Average Estimated Buildout Value per Lot Type ⁽¹⁾ | Improvement Area #1 Assessment per Lot Type | Average Improvement Area #1 Annual Installment of Assessment per Lot Type | Tax Rate Equivalent of Average Improvement Area #1 Annual Installment of Assessment per Lot Type ⁽²⁾ | Ratio of Estimated Finished Value per Lot Type to Assessment | Ratio of Average Estimated Buildout Value per Lot Type to Assessment |
|------------------|---------------------|--|--|---|---|---|--|--|
| 35' interior | 21 | \$245,000 | \$ 850,000 | \$ 68,225 | \$ 6,017 | \$0.707871 | 3.59 : 1 | 12.46 : 1 |
| 35' water access | 45 | 294,000 | 1,020,000 | \$ 81,870 | \$ 7,220 | \$0.707871 | 3.59 : 1 | 12.46 : 1 |
| 45' interior | 9 | 295,000 | 1,150,000 | \$ 92,304 | \$ 8,141 | \$0.707871 | 3.20 : 1 | 12.46 : 1 |
| 45' water access | 93 | 354,000 | 1,380,000 | \$110,765 | \$ 9,769 | \$0.707871 | 3.20 : 1 | 12.46 : 1 |
| 55' interior | 15 | 345,000 | 1,500,000 | \$120,396 | \$10,618 | \$0.707871 | 2.87 : 1 | 12.46 : 1 |
| 55' water access | 9 | 414,000 | 1,800,000 | \$144,476 | \$12,742 | \$0.707871 | 2.87 : 1 | 12.46 : 1 |
| 65' water access | <u>7</u> | 474,000 | 2,400,000 | \$192,634 | \$16,989 | \$0.707871 | 2.46 : 1 | 12.46 : 1 |
| | 199 | | | | | | | |

* Preliminary, subject to change. Reflects current expectations for pricing of the Bonds and may differ from information in the Service and Assessment Plan approved in February 2024. Also reflects updated lot counts for 35' lots. See “THE DEVELOPMENT – Development Plan.”

⁽¹⁾ Estimates provided by the Developer.

⁽²⁾ Per \$100 of home value.

For further explanation of the Improvement Area #1 Assessment methodology, see “APPENDIX C – Service and Assessment Plan.”

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Improvement Area #1 Assessments on Parcels similarly situated within Improvement Area #1 of the District. The Improvement Area #1 Assessments and interest thereon are expected to be paid in Improvement Area #1 Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Landowner and all future owners and developers within Improvement Area #1 of the District. See “APPENDIX C – Service and Assessment Plan.”

Collection of Assessment Amounts

Under the PID Act, the Improvement Area #1 Annual Installments may be collected in the same manner and at the same time as ad valorem taxes of the City. The Improvement Area #1 Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Improvement Area #1 Assessments incur interest, penalties, and attorney’s fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes. See “BONDHOLDERS’ RISKS – Assessment Limitations.”

In the Indenture, the City covenants to collect, or cause to be collected, Improvement Area #1 Assessments as provided in the Assessment Ordinance. No less frequently than annually, City staff or a designee of the City shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Improvement Area #1 Annual Installments. Each Annual Service Plan Update shall include an updated Improvement Area #1 Assessment Roll and a calculation of the Improvement Area #1 Annual Installment for each Parcel. Annual Collection Costs shall be allocated among all Parcels in proportion to the amount of the Improvement Area #1 Annual Installments for the Parcels.

In the Indenture, the City covenants, agrees, and warrants that, for so long as any Bonds Similarly Secured are Outstanding it will take and pursue all actions permissible under Applicable Laws to cause the Improvement Area #1 Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement, or exemption in the Improvement Area #1 Assessments.

To the extent permitted by law, notice of the Improvement Area #1 Annual Installments will be sent by, or on behalf of, the City to the affected property owners on the same statement or such other mechanism that is used by the City so that such Improvement Area #1 Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

The City will determine or cause to be determined, no later than March 1 of each year, whether or not any Improvement Area #1 Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Improvement Area #1 Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Improvement Area #1 Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Improvement Area #1 Assessment or the corresponding Improvement Area #1 Assessed Property.

The City will implement the basic timeline and procedures for Improvement Area #1 Assessment collections and pursuit of delinquencies set forth in Exhibit D to the Continuing Disclosure Agreement of Issuer set forth in APPENDIX E-1 and to comply therewith to the extent that the City reasonably determines that such compliance is the most appropriate timeline and procedures for enforcing the payment of delinquent Improvement Area #1 Assessments.

The City shall not be required under any circumstances to expend any funds for Delinquent Collection Costs in connection with its covenants and agreements under the Indenture or otherwise other than funds on deposit in the Administrative Fund.

Improvement Area #1 Annual Installments will be paid to the City or its agent. Improvement Area #1 Annual Installments are due on October 1 of each year and become delinquent on February 1 of the following year. In the event Improvement Area #1 Assessments are not timely paid, there are penalties and interest as set forth below:

| <u>Date Payment</u> | <u>Cumulative</u> | <u>Cumulative</u> | |
|---------------------|-------------------|-------------------|--------------|
| <u>Received</u> | <u>Penalty</u> | <u>Interest</u> | <u>Total</u> |
| February | 6% | 1% | 7% |
| March | 7% | 2% | 9% |
| April | 8% | 3% | 11% |
| May | 9% | 4% | 13% |
| June | 10% | 5% | 15% |
| July | 12% | 6% | 18% |

After July, the penalty remains at 12%, and interest accrues at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney’s collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition Improvement Area #1 Assessments will be paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Assessment Amounts

Assessment Amounts. The maximum amounts of the Improvement Area #1 Assessments have been established by the methodology described in the Service and Assessment Plan. Currently, the Improvement Area #1 Assessment Roll sets forth for each year the Improvement Area #1 Annual Installment for each Improvement Area #1 Assessed Property consisting of (i) principal; (ii) interest, (iii) Annual Collection Costs; and (iv) Additional Interest relating to the Bonds Similarly Secured, as applicable. The Improvement Area #1 Annual Installments for the Improvement Area #1 Assessments may not exceed the amounts shown on the Improvement Area #1 Assessment Roll. See “APPENDIX C – Service and Assessment Plan” and “APPENDIX G – Reimbursement Agreement.”

In connection with the pricing of the Bonds expected to occur on October 15, 2024, the Improvement Area #1 Annual Installments shown on the Improvement Area #1 Assessment Roll will be adjusted to equal the actual costs of repaying the Bonds Similarly Secured (which amount will include Additional Interest on the Bonds Similarly Secured), and actual Annual Collection Costs (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances. Upon issuance of the Bonds, the Reimbursement Agreement Balance allocable to the Improvement Area #1 Improvements shall be paid only from available amounts in the Improvement Area #1 Improvements Account of the Project Fund. No other funds of the City may be used to pay such Reimbursement Agreement Balance, even if such Reimbursement Agreement Balance is not paid in full by the Maturity Date thereof. See “PLAN OF FINANCE – The Bonds and the Reimbursement Agreement,” “SOURCES AND USES OF FUNDS,” and “APPENDIX G – Reimbursement Agreement.”

If the debt service on issued and Outstanding Bonds is reduced as the result of a refunding of the Bonds, the Prepayment of the Improvement Area #1 Assessments, or the redemption of the Bonds, then there would be a corresponding reduction in the Improvement Area #1 Assessments and the Improvement Area #1 Annual Installments. See “APPENDIX C – Service and Assessment Plan.” In such case, the reduced Improvement Area #1 Assessment and Improvement Area #1 Annual Installment, as shown on the Improvement Area #1 Assessment Roll, shall be reflected in the next Annual Service Plan Update and approved by City Council.

Method of Apportionment of Improvement Area #1 Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Improvement Area #1 Assessments shall be initially allocated to the

Parcels consisting of the Improvement Area #1 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel in Improvement Area #1 to the Estimated Buildout Value of all Parcels in Improvement Area #1.

Division Prior to Recording of Subdivision Plat. Upon the division of any Improvement Area #1 Assessed Property prior to the recording of a subdivision plat, the Administrator shall reallocate the Improvement Area #1 Assessment for the Improvement Area #1 Assessed Property prior to the division among the newly divided Improvement Area #1 Assessed Properties according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

A = the Improvement Area #1 Assessment for the newly divided Improvement Area #1 Assessed Property

B = the Improvement Area #1 Assessment for the Improvement Area #1 Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Improvement Area #1 Assessed Property

D = the sum of the Estimated Buildout Value for all of the newly divided Improvement Area #1 Assessed Properties

The calculation of the Improvement Area #1 Assessment of an Improvement Area #1 Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Improvement Area #1 Assessed Property, as provided by the Developer, relying on information from homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Improvement Area #1 Assessed Property. The calculation as confirmed by the City Council shall be conclusive and binding.

The sum of the Improvement Area #1 Assessments for all newly divided Improvement Area #1 Assessed Properties shall equal the Improvement Area #1 Assessment for the Improvement Area #1 Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Improvement Area #1 Assessed Property. The reallocation of an Improvement Area #1 Assessment for an Improvement Area #1 Assessed Property that is a homestead under Texas law may not exceed the Improvement Area #1 Assessment prior to the reallocation. Any reallocation shall be reflected in the next Annual Service Plan Update and approved by the City Council.

Upon Subdivision by a Recorded Subdivision Plat. Upon the subdivision of any Improvement Area #1 Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Improvement Area #1 Assessment for the Improvement Area #1 Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

$$A = [B \times (C \div D)]/E$$

Where the terms have the following meanings:

A = the Improvement Area #1 Assessment for the newly subdivided Lot

B = the Improvement Area #1 Assessment for the Parcel prior to subdivision

C = the sum of the Estimated Buildout Value of all newly subdivided Lots of the same Lot Type

D = the sum of the Estimated Buildout Value for all of the newly subdivided Lots excluding Non-Improvement Area #1 Assessed Property

E= the number of newly subdivided Lots of the same Lot Type

Prior to the recording of a subdivision plat, the Developer shall provide the City an Estimated Buildout Value for each Lot to be created after recording the subdivision plat as of the date the subdivision plat is anticipated to be recorded. The calculation of the Improvement Area #1 Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council based on Estimated Buildout Value information provided by the Developer, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot. The calculation as confirmed by the City Council shall be conclusive and binding.

The sum of the Improvement Area #1 Assessments for all newly subdivided Lots shall not exceed the Improvement Area #1 Assessment for the portion of the Improvement Area #1 Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Improvement Area #1 Assessed Property. The reallocation of an Improvement Area #1 Assessment for an Improvement Area #1 Assessed Property that is a homestead under Texas law may not exceed the Improvement Area #1 Assessment prior to the reallocation. Any reallocation shall be reflected in the next Annual Service Plan Update and approved by the City Council.

Upon Consolidation. If two or more Lots or Parcels are consolidated into a single Parcel or Lot, the Administrator shall allocate the Improvement Area #1 Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be reflected in the next Annual Service Plan Update and approved by the City Council. The Improvement Area #1 Assessment for any resulting Lot may not exceed the Maximum Assessment (defined below) for the applicable Lot Type and compliance may require a mandatory prepayment of Improvement Area #1 Assessments.

Maximum Assessment. Notwithstanding the foregoing, the Service and Assessment Plan approved in February 2024 establishes a “Maximum Assessment” for each Lot Type in Improvement Area #1 of the District, which Maximum Assessment equals \$68,225* for the 35’ interior lots, \$81,870* for the 35’ waterfront lots, \$92,304* for the 45’ interior lots, \$110,765* for the 45’ waterfront lots, \$120,396* for the 55’ interior lots, \$144,476* for the 55’ waterfront lots, and \$192,634* for the 65’ waterfront lots in Improvement Area #1. See “APPENDIX C – Service and Assessment Plan.”

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Improvement Area #1 Assessment per Lot for any Lot Type exceeding the Maximum Assessment for such Lot type. If the Administrator determines that the resulting Improvement Area #1 Assessment per Lot for any Lot Type will exceed the Maximum Assessment, then (i) the Improvement Area #1 Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (ii) the person or entity filing the plat shall pay to the City, as a mandatory prepayment of the Improvement Area #1 Assessment, the amount by which the Improvement Area #1 Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, prior to the City approving the final plat.

In addition, if the Improvement Area #1 Assessed Property is transferred to a person or entity that is exempt from payment of the Improvement Area #1 Assessment, the owner transferring the Improvement Area #1 Assessed Property shall pay to the City the full amount of the Improvement Area #1 Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the transfer. If the owner of the Improvement Area #1 Assessed Property causes the Improvement Area #1 Assessed Property to become Non-Assessed Property (as defined in the Service and Assessment Plan), the owner causing the change in status shall pay to the City the full amount of the Improvement Area #1 Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status.

For further information about apportionment of the Improvement Area #1 Assessments, See “APPENDIX C – Service and Assessment Plan.”

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* Preliminary, subject to change. Reflects current expectations for pricing of the Bonds and may differ from information in the Service and Assessment Plan approved in February 2024.

Prepayment of Improvement Area #1 Assessments

Pursuant to the PID Act and the Indenture, the owner of any Improvement Area #1 Assessed Property may voluntarily prepay (a "Prepayment"), at any time, all or part of an Improvement Area #1 Assessment levied against such owner's Improvement Area #1 Assessed Property, together with accrued interest to the date of payment. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Improvement Area #1 Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Improvement Area #1 Assessments.

Prior to the approval of a final subdivision plat, the Administrator shall certify that the final plat will not cause the assessment for any Lot Type to exceed the Maximum Assessment. If the subdivision of any assessed property by a final subdivision plat causes the assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the respective landowner shall partially prepay the assessment for each assessed property that exceeds the applicable Maximum Assessment for such Lot Type in an amount sufficient to reduce the assessment to the applicable Maximum Assessment for such Lot Type. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such assessments.

Priority of Lien

The Improvement Area #1 Assessments or any reassessment, the expense of collection, and reasonable attorney's fees, if incurred, constitute a first and prior lien against the Improvement Area #1 Assessed Property, superior to all other liens and claims except liens or claims for the State, county, school district, or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the Improvement Area #1 Assessment is paid and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any Improvement Area #1 Assessed Property may pay the entire Improvement Area #1 Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time.

Foreclosure Proceedings

In the event of delinquency in the payment of any Improvement Area #1 Annual Installment, except for unpaid Improvement Area #1 Assessments on homestead property (unless the lien associated with the Improvement Area #1 Assessment attached prior to the date the property became a homestead), the City is empowered to order institution of an action in State district court to foreclose the lien of such delinquent Improvement Area #1 Annual Installment. In such action the real property subject to the delinquent Improvement Area #1 Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Improvement Area #1 Annual Installments, plus penalties and interest.

Any sale of property for nonpayment of an installment or installments of an Improvement Area #1 Assessment will be subject to the lien established for remaining unpaid installments of the Improvement Area #1 Assessment against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent installments of the Improvement Area #1 Assessments against such property as they become due and payable. Judicial foreclosure proceedings are not mandatory. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and in such event there could be an additional delay in payment of the principal of and interest on Bonds or such payment may not be made in full. The City is not required under any circumstance to purchase the property or to pay the delinquent Improvement Area #1 Assessment on the corresponding Improvement Area #1 Assessed Property.

In the Indenture, the City covenants to take and pursue all actions permissible under Applicable Laws to cause the Improvement Area #1 Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement, or exemption in the

Improvement Area #1 Assessments, provided that the City is not required to expend any funds for collection and enforcement of Improvement Area #1 Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See “APPENDIX B – Form of Indenture.” See also “APPENDIX E-1 – Form of Disclosure Agreement of Issuer” for a description of the expected timing of certain events with respect to collection of the delinquent Improvement Area #1 Assessments.

In the Indenture, the City creates the Additional Interest Account in the Reserve Fund and will fund such account as provided in the Indenture. The City will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If funds in the Administrative Fund are insufficient to pay foreclosure costs, the owners of the Bonds may be required to pay amounts necessary to continue foreclosure proceedings. See “SECURITY FOR THE BONDS SIMILARLY SECURED – Additional Interest Reserve Account of the Reserve Fund,” “APPENDIX B – Form of Indenture” and “APPENDIX C – Service and Assessment Plan.”

THE CITY

Background

The City is the eighth largest city in the State of Texas with an estimated population in 2020 of 317,863 based on United States Census reports. The City estimates its 2024 population to be 316,239. The geographic location of the City on the Gulf of Mexico and the Intracoastal Waterway gives it one of the most strategically located waterways in the Southwest, with deep water transportation to the Gulf of Mexico and barge traffic all along the Texas Coast via the Intracoastal Waterway and Port Corpus Christi (the “Port”). The Port is the fifth largest port in the United States with more than 125 acres of open storage and fabrication sites and more than 295,000 square feet of covered dockside storage. The nearest competitive port is in Brownsville, 160 miles to the south; nearest retail and wholesale outlet is San Antonio, 145 miles to the northwest; and the nearest heavy industry competition is Houston, 210 miles to the northeast.

City Government

The City is a political subdivision and a municipal corporation of the State, located in Nueces, San Patricio, Aransas, and Kleberg Counties. The City was incorporated in 1853 and first adopted its Home Rule Charter in 1915. The City’s Home Rule Charter has not been amended since 2016. The City operates under a Council–City Manager form of government with a City Council comprised of the Mayor and eight Councilmembers each elected to serve two-year terms. The City Manager acts as the Chief Administrative Officer.

The current members of the City Council, their respective expiration of terms of office, and principal administrators of the City are shown on page ii hereof.

For more information regarding the City and surrounding areas, see “APPENDIX A – General Information Regarding the City and Surrounding Areas.”

Water and Wastewater

The City will provide both water and wastewater services to the District. The City’s currently existing water and wastewater systems are sufficient to serve the District.

The City’s water system serves not only the City, but also provides water to several municipalities, water districts, and industries within a 70-mile radius of the City. The service area is a relatively dry region of South Texas bordering on the Gulf of Mexico, with heaviest rainfall and stream flow in the spring and fall. The City’s water supply is drawn from the Nueces River Basin, the Lavaca River Basin, and the Colorado River Basin. The Nueces River Basin has three principal rivers: the Atascosa River, the Frio River, and the Nueces River. The Atascosa and Frio Rivers join the Nueces River above the City of Three Rivers. South of Three Rivers, the Nueces River is impounded by the Wesley E. Seale Dam, forming the Lake Corpus Christi Reservoir. The Frio River, above its confluence with

the Atascosa River, is impounded by Choke Canyon Dam to form Choke Canyon Reservoir. The Lake Corpus Christi Reservoir was completed in 1958 and has a surface area of 19,748 acres with a storage capacity of 256,061 acre-feet at 94 feet mean sea level (“MSL”). Choke Canyon Reservoir was completed in 1982 and has a surface area of 25,438 acres with a storage capacity of 662,820 acre-feet at 220.5 feet MSL. The City is the largest water right holder in the Nueces River Basin and the largest user of water from the Lake Corpus Christi/Choke Canyon Reservoir water supply system.

The “raw” water is processed at the Stevens Plant located on the northwest end of the City. The Stevens Plant is currently rated at 161.5 million gallons per day (“MGD”) production capacity. To ensure that the Stevens Plant can operate during electrical outage periods, the City has online at the Stevens Plant the ability to generate 8 megawatts of electricity. The City has three ground storage reservoir pump stations and seven elevated storage tanks with total distribution system storage of 37.4 MGD. The elevated storage tanks are used to provide emergency storage and to absorb peak demand loads. The water distribution system has approximately 1,800 miles of pipe ranging in size from 2 inches to 60 inches.

The City’s wastewater collection system consists of over 1,294 miles of wastewater mains, 19,944 wastewater manholes and 105 lift stations. The collection system consists of a network of clay, fiberglass, cast and/or ductile iron, asbestos cement, reinforced concrete, and PVC lines ranging in size from 2.0-inch diameter (for force mains) to 60-inch diameter (for trunk mains). City utility employees assume the responsibility of operation, maintenance, repair, and rehabilitation for every aspect of the wastewater collection system except for that portion on private property. On an annual basis, utility staff, with the assistance of service contractors, responds to nearly 15,000 customer calls, installs over 175 clean-outs, repairs, replaces, or rehabilitates about 110 manholes, and inspects 50 miles of mains using closed-circuit television (CCTV) monitoring. Additionally, the City owns and operates six wastewater treatment plants with a combined average daily flow treatment capacity of 42.7 MGD. All of the treatment plants use an activated sludge process.

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by Resolution No. 032761 of the City Council adopted on May 17, 2022 (the “Creation Resolution”) for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #1 Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the District property being developed. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District is included on page v hereof.

Powers and Authority of the City

Pursuant to the PID Act, the City may establish and create the District and undertake or pay or reimburse a developer for the costs of improvement projects that confer a special benefit on property located within the District, whether located within the City limits or the City’s extraterritorial jurisdiction. The entirety of the District is located within the corporate boundaries of the City. The PID Act provides that the City may levy and collect assessments on property in the District, or portions thereof, payable in periodic installments to pay all or part of its cost based on the benefit conferred by an improvement project.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or pay or reimburse a developer for the costs of, the financing, acquisition, construction, or improvement of the Improvement Area #1 Improvements. See “THE IMPROVEMENT AREA #1 IMPROVEMENTS.” Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition, or purchase of certain streets, drainage, water, and wastewater improvements comprising the Improvement Area #1 Improvements and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues and other assets comprising the Trust Estate. See “ASSESSMENT PROCEDURES” and “APPENDIX C – Service and Assessment Plan.”

THE IMPROVEMENT AREA #1 IMPROVEMENTS

General

The Improvement Area #1 Improvements will be dedicated to the City. Pursuant to the Development Agreement, the Developer is responsible for the completion of the construction, acquisition, or purchase of the Improvement Area #1 Improvements.

Pursuant to the Reimbursement Agreement, the City will pay the Developer for a portion of the costs for the Improvement Area #1 Improvements from proceeds of the Bonds. The Developer will submit payment requests on a monthly basis for costs actually incurred by the Landowner in development and construction of the Improvement Area #1 Improvements and be paid in accordance with the Indenture and the Reimbursement Agreement. Such amounts will be paid to the Landowner by the Developer pursuant to the Flow of Funds Agreement. See “THE DEVELOPMENT – The Reimbursement Agreement and the Flow of Funds Agreement.”

The Improvement Area #1 Improvements include street, drainage, water, and wastewater improvements and soft costs benefitting only Improvement Area #1 of the District, as follows:

Street improvements: The street improvements include subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #1.

Drainage improvements: The drainage improvements include earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control, and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #1.

Water improvements: The water improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1.

Wastewater improvements: The wastewater improvements include trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1.

Soft costs: Soft costs include costs related to designing, constructing, and installing the Improvement Area #1 Improvements, including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal fees, District Formation Costs, and consultant fees.

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Costs of the Improvement Area #1 Improvements are as follows:

COSTS OF IMPROVEMENT AREA #1 IMPROVEMENTS ⁽¹⁾

| <u>Type of Improvements</u> | <u>Improvement Area #1 Improvement Costs</u> |
|-----------------------------|--|
| Street | \$ 17,087,424 |
| Drainage | 1,655,010 |
| Water | 1,742,790 |
| Wastewater | 3,196,725 |
| Soft Costs | <u>3,436,250</u> |
| Total | \$27,118,199 |

⁽¹⁾ All costs were provided by the Developer. See “APPENDIX C – Service and Assessment Plan.”

The Actual Costs of the Improvement Area #1 Improvements equal approximately \$27,118,199. A portion of such costs in the approximate amount of \$17,039,235* is expected to be paid with proceeds of the Bonds. The remaining portion in the approximate amount of \$10,078,964* will be paid by the Landowner without reimbursement by the City. In addition, the Landowner will pay the portion of the Initial Common to All Improvements allocable to Improvement Area #1, in the approximate amount of \$744,786, and the costs of the Private Improvements in the approximate amount of \$10,751,000, without reimbursement by the City. See “APPENDIX C – Service and Assessment Plan.”

Construction of the Improvement Area #1 Improvements and the Initial Common to All Improvements began in May 2023 and is expected to be complete in December 2024. As of September 15, 2024, the Landowner has spent approximately \$16,794,710 on costs of the Improvement Area #1 Improvements, \$294,719 on costs of the Initial Common to All Improvements, all of which is allocable to Improvement Area #1, and approximately \$2,951,359 on costs of the Private Improvements, using cash received from IBOC. See “SOURCES AND USES OF FUNDS,” “THE IMPROVEMENT AREA #1 IMPROVEMENTS,” and “THE DEVELOPER AND THE LANDOWNER – History and Financing of the District.”

Amenities and Private Improvements

The Development is expected to include an interconnected canal system leading to the Gulf of Mexico and amenities including a marina with dry stack boat storage, a yacht club, a community pool with a children’s water play area and restrooms, a fitness center, multiple parks, retail outlets, entertainment venues, walking, hiking, and biking trails, and the 4.6-acre Whitecap Preserve available for use by residents and the public. The Developer commenced construction of the community pool with a children’s water play area and restrooms and the fitness center (the “Initial Amenities”) in the third quarter of 2024 and expects construction to be complete by the second quarter of 2025.

In addition to the Initial Amenities, the Developer is constructing certain parks and landscaping improvements in Improvement Area #1 (together with the “Initial Amenities,” the “Private Improvements.” The costs of the Private Improvements in the approximate amount of \$10,751,000 will be paid entirely by the Landowner, without reimbursement by the City. As of September 15, 2024, the Landowner has spent approximately \$2,951,359 on the Private Improvements using cash provided by IBOC. See “THE DEVELOPER AND THE LANDOWNER – History and Financing of the District.”

Ownership and Maintenance of Improvement Area #1 Improvements

The Improvement Area #1 Improvements will be dedicated to and accepted by the City and will constitute a portion of the City’s infrastructure improvements. The City will provide for the ongoing operation, maintenance, and repair of the Improvement Area #1 Improvements constructed and conveyed, as outlined in the Service and Assessment Plan.

The Private Improvements will be owned, operated, and maintained either by the HOA or by an affiliate of the Landowner. The HOA will maintain and operate City-owned public open spaces, pedestrian mobility bridges,

trails, common areas, right-of-way irrigation systems, right-of-way landscaping, screening walls, and related appurtenances. See “OVERLAPPING TAXES AND DEBT – Homeowners’ Association Dues.”

THE DEVELOPMENT

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City’s Financial Advisor, and the Underwriter, and none of the City, the City’s Financial Advisor, or the Underwriter have any way of guaranteeing the accuracy of such information.

Overview

The District contains approximately 242.011 acres, of which approximately 55.67 acres is within Improvement Area #1. The District is located on North Padre Island in the City. The Gulf of Mexico and Whitecap Beach are accessible to the District by boat, car, and foot. Corpus Christi International Airport is a 30-minute drive from the District.

Development Plan

The Developer is developing the Property as a mixed-use bay-to-coast development in multiple phases with current plans providing for approximately 623 single-family detached residential lots, with a mix of interior lots and water access lots, an interconnected canal system leading to the Gulf of Mexico, and amenities including a marina with dry stack boat storage , a yacht club, a community pool with a children’s water play area and restrooms, a fitness center, multiple parks, retail outlets, entertainment venues, walking, hiking, and biking trails, and the 4.6-acre Whitecap Preserve available for use by residents and the public. Approximately 81% of the homes in the Development, including approximately 75% of the homes in Improvement Area #1, will be eligible to be offered for short-term rental in accordance with the PUD Ordinance. See “THE IMPROVEMENT AREA #1 IMPROVEMENTS – Amenities and Private Improvements,” and “– Renderings of Certain Initial Amenities” and “– Zoning/Permitting” below.

The Developer began development in the District with the concurrent construction of the Initial Common to All Improvements and the Improvement Area #1 Improvements. A portion of the proceeds of the Bonds will be used to pay the Actual Costs of the Improvement Area #1 Improvements. See “THE IMPROVEMENT AREA #1 IMPROVEMENTS.”

Improvement Area #1 (identified on the map on page v), consisting of approximately 55.67 acres, is the first phase of the Development and is expected to include 199 single-family residential lots as follows:

| <u>Lot Type</u> | <u>Lot Size</u> | <u># of Lots</u> |
|-----------------|-----------------|------------------|
| 1 | 35’ interior | 21 |
| 2 | 35’ waterfront | 45 |
| 3 | 45’ interior | 9 |
| 4 | 45’ waterfront | 93 |
| 5 | 55’ interior | 15 |
| 6 | 55’ waterfront | 9 |
| 7 | 65’ waterfront | <u>7</u> |
| | | 199 |

The lot counts for the 35’ lots were adjusted subsequent to approval of the Service and Assessment Plan in February 2024. The total lot count did not change. The Appraisal reflects the current lot count. See “APPRAISAL” and “APPENDIX H – Appraisal.”

Below is the current lot type map for Improvement Area #1:



Custom Home Construction

The Landowner has engaged Strategyst, LLC, to market the Development and staff the sales office. More information about Strategyst and its marketing of the Development can be found at www.strategystllc.com. See also “THE DEVELOPER AND THE LANDOWNER – Executive Biographies of Principals of the Developer.”

The Landowner intends to sell lots to custom homebuilders and individual purchasers for construction of custom homes in accordance with the Community Charter, including the community rules, regulations, and Design Guidelines. Homebuilders and individuals will be required to commence construction of foundations within two years of closing and to complete construction of homes in twelve months of commencement of construction. See “APPENDIX H – Design Guidelines.”

Homebuilder Application, Purchase, and Construction Process. Homebuilders in the District are required to undergo a qualification process to ensure they meet the standards of the Development. Applicants must submit a resumé, including descriptions of completed projects, and provide tours for the purpose of evaluating current product offerings, professional and financial references, and credentials, and other pertinent documentation. The application and all required documentation are reviewed by the Developer and the Landowner, including evaluation of the applicant’s ability to satisfy the Design Guidelines.

Upon approval by the Developer and the Landowner, homebuilders may contract for a specified number of lots within the District. Lots will be delivered fully developed, complete with underground utilities. Upon execution of the contract, the builder must make an earnest money deposit, in installments, which becomes non-refundable following a successful inspection period. Lots will be purchased by the homebuilder on an agreed upon takedown schedule. Prior to commencement of construction on any lot, the homebuilder must submit plans and specifications to the architectural Reviewer (as defined in the Design Guidelines) for approval. The homebuilder must commence construction of a minimum number of homes within one year of the initial closing and must commence construction of all homes with two years of the initial closing, subject to delays caused by force majeure. Failure to commence

construction within the two-year period will result in a right of repurchase by the Landowner. Homebuilders are also required to participate in a master sales and marketing program designed to promote the Development and controlled by the Landowner.

Individual Lot Purchase and Homebuilding Process. A retail or individual buyer can acquire a single lot, or multiple lots under separate contracts, within the Development. Lots will be delivered fully developed, complete with underground utilities. The buyer will select their own approved architect and builder to design and construct their home. The architect and builder are bound by the Design Guidelines and the plans and specifications are subject to review and approval by the architectural Reviewer. The buyer is obligated to commence construction of a home within two years of purchasing the lot. Failure to commence construction within the two-year period results in a right of repurchase by the Landowner.

Expected Absorption of Lots in Improvement Area #1

| Improvement Area 1 Lot Mix and Average Absorption Projections | | | | | | | | | |
|--|--------------|--------------|---|---|-------------|-------------|-------------|-------------|--------------|
| | <u>Width</u> | <u>Count</u> | <u>Mid-Point Average Absorption Per Month</u> | <u>Mid-Point Average Months to Absorb</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> | <u>2027</u> | <u>Total</u> |
| Lot Type 1 | 35' | 21 | 0.8 | 26.4 | 2 | 10 | 9 | 0 | 21 |
| Lot Type 2 | 35' | 45 | 1.7 | 26.4 | 5 | 20 | 19 | 0 | 45 |
| Lot Type 3 | 45' | 9 | 0.2 | 40.8 | 1 | 3 | 3 | 3 | 9 |
| Lot Type 4 | 45' | 93 | 2.3 | 40.8 | 7 | 27 | 27 | 31 | 93 |
| Lot Type 5 | 55' | 15 | 0.6 | 24.0 | 2 | 8 | 6 | 0 | 15 |
| Lot Type 6 | 55' | 9 | 0.4 | 24.0 | 1 | 5 | 3 | 0 | 9 |
| Lot Type 7 | 65' | 7 | 1.0 | 7.0 | 3 | 4 | 0 | 0 | 7 |
| Total | | 199 | 7.0 | 28.4 | 21 | 76 | 68 | 34 | 199 |

Remainder Area and Future Bonds

The Developer expects to request the City to issue Future Bonds to finance the cost of local public improvements benefiting the Remainder Area of the District and the Remainder Area’s pro rata share of the Common to All Improvements. The estimated costs of the local improvements benefitting the Remainder Area will be determined as development progresses, and the Service and Assessment Plan will be updated to identify the improvements to be constructed and financed by each new series of Future Bonds. Such Future Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the Remainder Area of the District. The Developer anticipates that Future Bonds will be issued over a ten-year period.

The Bonds and any Future Bonds issued by the City are separate and distinct issues of securities. The City reserves the right to issue Future Bonds for any purpose permitted by the PID Act, including those described above.

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Photographs of Improvement Area #1



View of Improvement Area #1 facing east towards the Gulf of Mexico



View of Improvement Area #1 between Harrier Point and Whitecap Island facing northwest toward Corpus Christi Bay

Renderings of Certain Initial Amenities



Whitecap Nature Preserve



Swimming Pool and Fitness Center



Café

Development Agreement

Pursuant to the Development Agreement, the Developer has the right to construct public improvements for the District, including the Improvement Area #1 Improvements, according to certain rules and regulations of the City, and to be reimbursed for a portion of the costs of such construction through certain public funds, including the proceeds of assessments and/or PID Bonds (defined below) and tax increment revenues. The Development Agreement provides certain requirements to be met for the issuance of the Bonds and any additional bonds issued for the payment of additional Authorized Improvements (collectively, “PID Bonds”), including that (i) the amount of PID Bonds issued for the benefit of the District shall not exceed \$100,000,000, and (ii) the ratio of the appraised value of the property for which the improvements are being financed to the par amount of the PID Bonds proposed to be issued with respect to such improvements must be at least 3:1, unless a lower ratio is approved by the City, in its sole discretion.

The Development Agreement also provides for the following:

- Creation of a tax reinvestment zone covering the District and contribution by the City to the Developer of 50% of the tax increment collected therein by the City for reimbursement of costs of certain public improvements other than the Improvement Area #1 Improvements, provided that the maximum amount of such reimbursement from tax increment revenues shall be \$25,500,000;
- If net project costs exceed the net PID Bond proceeds available for payment of such costs, the City may require the Developer to (i) deposit cash in the amount of such shortfall to a designated account, or (ii) provide satisfactory evidence of sufficient available funds to fund such shortfall in the form of a closed loan with a bank or financial institution, a letter of credit, or other evidence acceptable to the City; and
- Maintenance and operation by the HOA of City-owned public open spaces, pedestrian mobility bridges, trails, common areas, right-of-way irrigation systems, right-of-way landscaping, screening walls, and related appurtenances.

See “APPENDIX F – Development Agreement.”

The Reimbursement Agreement and the Flow of Funds Agreement

The City and the Developer entered into the Reimbursement Agreement, which provides, in part, for the deposit of proceeds of the Bonds and the payment of a portion of the costs of the Improvement Area #1 Improvements, and other matters related thereto. Pursuant to the Reimbursement Agreement, the Developer is responsible for overseeing the construction and development of the Improvement Area #1 Improvements in accordance with the Development Agreement and the Reimbursement Agreement. All proceeds of the Bonds received by the Developer pursuant to the Reimbursement Agreement will be paid to the Landowner pursuant to the Flow of Funds Agreement. See “APPENDIX G – Reimbursement Agreement.”

Zoning/Permitting

The development of the property within the District is governed by City Ordinance No. 032890, adopted by the City Council on October 18, 2022 (the “PUD Ordinance”) and the provisions of the Development Agreement. The PUD Ordinance was negotiated to specifically align with the Developer’s plans for the Development, including to permit development of lots in the sizes planned within the District and use of a portion of the lots for short-term rentals.

Education

The Development is located entirely within the Flour Bluff Independent School District (“Flour Bluff ISD”). Flour Bluff ISD currently operates one early childhood center (Pre-K – Kindergarten), one primary school (1st – 2nd grades), one elementary school (3rd – 4th grades), one intermediate school (5th – 6th grades), one junior high school (7th – 8th grades), and one high school (9th – 12th grades). Students in the District are expected to attend all of these schools, all of which are within approximately 9 miles from the District.

GreatSchools.org currently rates Flour Bluff Elementary School a 6 out of 10, Flour Bluff Intermediate School a 7 out of 10, Flour Bluff Junior High School a 7 out of 10, and Flour Bluff High School a 6 out of 10. GreatSchools.org does not currently rate Flour Bluff Early Childhood Center or Flour Bluff Primary School.

According to the Texas Education Agency 2021-2022 Accountability Report, Flour Bluff Early Childhood Center’s overall rating was “B,” Flour Bluff Primary School’s overall rating was “B,” Flour Bluff Elementary School’s overall rating was “B,” Flour Bluff Intermediate School’s overall rating was “A,” Flour Bluff Junior High School’s overall rating was “A,” and Flour Bluff High School’s overall rating was “B.” The categories for public school districts and campuses are A, B, C, or Not Rated (used when the domain or overall scaled score is less than 70).

Environmental

Site Evaluations. Weston Solutions, Inc. (“Weston”), prepared a Phase I Environmental Site Assessment (“Phase I ESA”) report of approximately 472 acres, including approximately 206.01 acres located within the District, for a previous owner, dated September 2012. At such time, approximately 188 of such acres, all of which is within the 206.01-acre parcel that is located within the District, were the site of the Padre Isles Country Club (“Padre Isles CC”), which included an 18-hole golf course, fairways, six tennis courts, an outdoor swimming pool, a fitness room, a clubhouse, a building containing a tennis pro shop and pool pump house, a pump station, and restrooms (located on the fairways), a maintenance building, and two storage buildings.

The Phase I ESA revealed the following recognized environmental conditions, all of which were related to the Padre Isles CC:

- Environmental Data Resources Inc. (“EDR”) identified a leaking petroleum storage tank (“LPST”) in 1991. No capacity, location, or removal status was provided in the EDR report or by the site contact. According to information in the EDR report and from the Texas Commission on Environmental Quality (“TCEQ”), the tank received closure, but the date was not provided.

- One 500-gallon underground storage tank (“UST”) was reportedly installed on the Padres Isles CC property in 1974 and permanently filled in place in 1983. No information was provided on the location of the tank or closure documentation for the UST.
- One 1,000-gallon gasoline UST installed in 1994 was in use at the Padre Isles CC. No inspection reports or tank tightness results were provided for review.
- A paint booth was previously used at the facility associated with the former Island Maintenance activities. (Island Maintenance previously operated in a maintenance storage building on the property to harvest hay to stabilize sand.) Dates and details of operations are not known.
- An oil sump was previously used at the Padre Isles CC for oil change activities. At the time of the site visit, the sump was covered and no longer in use. Dates and details of the use of the sump were not provided.
- Oil-stained soil was noted adjacent to the shed housing a 500-gallon diesel aboveground storage tank (“AST”) and a 250-gallon used oil AST.

The Phase I ESA also noted the following items affecting the 472-acre parcel that are not considered recognized environmental conditions. The items marked with an asterisk are known to affect the site of the Padre Isles CC. The items without an asterisk may affect property in the District.

- The subject property is located within a 100-year flood plain.*
- Based on a review of aerial photographs, portions of the subject property are comprised of fill material. According to a 1989 environmental site assessment, portions of the property were filled with dredge material excavated from canals located within the vicinity of the site. No data was available to determine the condition of the dredge material.
- Structures on the Padre Isles CC property were constructed in 1971. Based on a 1971 construction date, lead based paint (“LBP”) may be present at the property.*
- A cement biodegradation tank collects rinsewater from equipment washing. Water from the tank is reportedly discharged to the City sanitary sewer system, and sludge collected in the tank is reportedly pumped out for off-site disposal by an off-site contractor. At the time of inspection, the tank contained sludge, and records of sludge removal were not provided.*
- There is evidence of unauthorized waste disposal on the undeveloped parcels, including household items (doors, barbeque grill), used tires, concrete debris, and asphalt debris.

Weston’s report did not include any recommendations for addressing the noted conditions.

Neither the Landowner nor the Developer has knowledge of any environmental site assessment performed on the 39.6-acre tract purchased by the Landowner in 2022.

All identified issues were fully addressed by the Landowner prior to construction of the Improvement Area #1 Improvements. The LPST, USTs, paint booth, and oil sump are no longer in use and have been properly closed and removed in accordance with applicable regulations. Oil-stained soil has been remediated, and the cement biodegradation tank has been decommissioned and any remaining sludge has been properly disposed of. The 100-year floodplain designation and the presence of fill material are noted and have been considered in current and future development plans. Any possible structures containing LBP have been managed in accordance with applicable regulations, and unauthorized waste has been removed from the undeveloped parcels. To the Landowner’s and the Developer’s knowledge, no additional environmental concerns have been identified on the 39.6-acre tract purchased in 2022.

Endangered and Threatened Species. According to the website for the Texas Parks & Wildlife, the following species are endangered or threatened in Nueces County:

Endangered: northern aplomado falcon, whooping crane, blue whale, Gulf of Mexico Bryde's whale, humpback whale, North Atlantic right whale, sei whale, sperm whale, ocelot, Atlantic hawksbill sea turtle, Kemp's Ridley sea turtle, leatherback sea turtle, black lace cactus, slender rush-pea, and South Texas ambrosia; and

Threatened: black-spotted newt, sheep frog, South Texas siren (large form), black rail, piping plover, reddish egret, rufa red knot, sooty tern, swallow-tailed kite, Texas Botteri's sparrow, tropical parula, white-faced ibis, white-tailed hawk, wood stork, oceanic whitetip shark, shortfin mako shark, West Indian manatee, white-nosed coati, green sea turtle, loggerhead sea turtle, Texas horned lizard, Texas scarlet snake, and Texas tortoise.

The Developer has no current knowledge of any endangered or threatened species inhabiting the property. The Developer is dedicated to responsible development that safeguards biodiversity and will proactively identify and assess potential impacts on endangered and threatened species, prioritize avoidance and minimization, and implement mitigation measures when necessary. The Developer is committed to transparency, collaboration, and adaptive management to ensure the long-term protection of endangered, threatened, and other species.

Geotechnical Engineering

Tolunay-Wong Engineers, Inc. ("T-W") prepared a report, dated July 5, 2023, of its geotechnical engineering study of all of the land in the District. T-W made certain geotechnical design and construction recommendations for one- and two-story homes to be constructed in the District. The report will be provided to all homebuilders and individuals purchasing lots within the District.

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Traffic Impact Analysis

LJA Engineering, Inc. (“LJA”), prepared a report, dated May 23, 2022, of its Whitecap Preserve Traffic Impact Analysis (the “Traffic Report”). The Traffic Report recommended the following actions for traffic mitigation in connection with development of Phase 1 (Improvement Area #1):

1. Construct left turn lanes along Commodores Drive at Cabana Street/Driveway 1 and Compass Street. The Cabana Street left turn lane should consist of 75’ of storage and 75’ of taper. The Compass Street left turn lane should consist of 50’ of storage and 25’ of taper length (maximum available distance).
2. Construct a left turn lane along Whitecap Boulevard at Driveway 2/Gypsy Street. The turn lane should consist of 75’ storage and 75’ of taper.

The Developer plans to follow the recommendations of the Traffic Report.



Existing Mineral and Groundwater Rights, Easements and Other Third-Party Property Rights

Third parties hold title to certain rights applicable to real property within and around the District (the “Mineral Owners”), including reservations of mineral rights and royalty interests and easements (collectively, the “Third-Party Rights”) pursuant to various instruments in the chain of title for various tracts of land within and immediately adjacent to the District. Some of these reservations of mineral rights include a waiver by the Mineral Owners of their right to enter onto the surface of the Property to explore, develop, drill, produce, or extract minerals within the District. If the waiver is applicable, such Mineral Owners may only develop such mineral interests by means of wells drilled or mines opened on land outside of the District.

Neither the Landowner nor the Developer is aware of any ongoing mineral rights development or exploration on or adjacent to the property within the District. Neither the Landowner nor the Developer is aware of any interest in real property (including mineral rights) owned by the Mineral Owners adjacent to the District. Neither the Landowner nor the Developer can predict whether the Mineral Owners will take action in the future to explore or develop their Third-Party Rights. Certain rules and regulations of the Texas Railroad Commission may also restrict the ability of the Mineral Owners to explore or develop their Third-Party Rights due to well density, acreage, or location issues.

Although neither the Landowner nor the Developer expect the exercise of the above-described Third-Party Rights, or the exercise of such rights or any other third-party real property rights in or around the District, to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Improvement Area #1 Assessments, neither the Landowner nor the Developer makes any guarantee as to such expectation. See “BONDHOLDERS’ RISKS – Exercise of Third-Party Property Rights.”

Flood Zone

According to the Federal Emergency Management Agency (“FEMA”) Flood Insurance Rate Map, Community Panel No. 48355C0755G, effective October 13, 2022, all of the property within Improvement Area #1 of the District lies within the 100-year flood plain, referred to as Zone AE. The Developer expects that lenders to homeowners within Improvement Area #1 will require homeowners to maintain flood insurance on their property. See “BONDHOLDERS’ RISKS – Flood Plain and Severe Weather Events.”

Utilities

Water and Wastewater. The City will provide both water and wastewater service to the District. The City’s water distribution system and wastewater collection and treatment system currently have sufficient capacity to provide water and wastewater service to the District. See “THE CITY – Water and Wastewater.”

Other Utilities. Additional utilities in the District are provided by: (1) Phone/Data – Astound & AT&T; (2) Electric - AEP; and (3) Natural Gas – the City.

THE DEVELOPER AND THE LANDOWNER

The following information has been provided by the Developer and the Landowner. Certain of the following information is beyond the direct knowledge of the City, the City’s Financial Advisor, and the Underwriter, and none of the City, the City’s Financial Advisor, or the Underwriter have any way of guaranteeing the accuracy of such information.

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of revenue bonds, such as the Bonds, issued by a municipality for a public improvement district. A developer is generally under no obligation to a public improvement district, such as the District, to develop the property which it owns in a development. Furthermore, there is no restriction on the developer’s right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

Description of the Landowner and the Developer

Landowner. The Landowner is a wholly owned subsidiary of IBOC, currently held as a merchant banking investment entity. IBOC is a public company subject to the information requirements of the Securities and Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the Securities Exchange Commission (“SEC”). IBOC’s SEC filings are available to the public at the SEC’s website at <http://www.sec.gov>. Any document IBOC files with the SEC may also be read or copies at the SEC’s public reference rooms located at 100 F. Street, N.E., Washington D.C. 20549, 1.800.SEC.0330.

In addition, IBOC makes available on its web site www.ibc.com its annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports from Form 8-K (and any amendments to those reports) filed pursuant to

Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as practicable after they have been electronically filed with the SEC as well as other financial institutions. Unless otherwise specified, information contained on IBOC’s website, available by hyperlink from IBOC’s website or on the SEC’s website, is not incorporated into this Limited Offering Memorandum.

NEITHER THE BONDS NOR THE IMPROVEMENT AREA #1 ASSESSMENTS CONSTITUTE INDEBTEDNESS OF, NOR ARE THEY GUARANTEED BY, THE LANDOWNER OR IBOC.

Developer. The Developer is a privately held real estate development company. The Developer provides management oversight to the development process in the District.

A snapshot of some of the communities the Developer has developed or is currently developing is presented below.

| <u>Name</u> | <u>City</u> | <u>Total Number of Lots</u> | <u>Starting Home Prices</u> | <u>Expected Completion Date</u> |
|--------------|----------------------|-----------------------------|-----------------------------|---------------------------------|
| Nichols Vale | Mt. Juliet, TN | 402 | \$290,000 | Completed |
| Belterra | Dripping Springs, TX | 1,991 | \$370,000 | Completed |
| The Groves | Humble, TX | 2,214 | \$350,000 | Completed |
| Wildridge | Oak Point, TX | 1,568 | \$500,000 | 2026 |

Executive Biographies of Principals of the Developer

Steve Yetts. Steve Yetts oversees all executive and operational activities for the Developer. Mr. Yetts’ responsibilities include management of business and development operations for the existing Ashlar Interests portfolio as well as formulating and executing the growth strategy through oversight and coordination of acquisition opportunities. Prior to Ashlar Interests, Mr. Yetts held the position of Senior Vice President for Crescent Communities and was responsible for all Texas operations in the Central region, where he oversaw five projects. Mr. Yetts has also served as Vice President and General Manager for Discovery Land Company’s 525-acre Vaquero community in Westlake, Texas. There, he oversaw the acquisition and development of the community and Tom Fazio golf course as well as initiated and managed the development’s home-building division. Additionally, Mr. Yetts was Discovery Land Company’s Texas partner for Spanish Oaks, an upscale golf community in Bee Cave, Texas, where he managed development, operations, and home building. He is also a Licensed Professional Civil Engineer in the State.

Steve Yetts has a proven track record in creating exceptional communities, excelling in the management and coordination of custom home building. His experience spans notable projects such as Vaquero, a 525-acre custom home community and golf course in Westlake, Texas, and Rough Hollow Lakeway, a lakefront community on Lake Travis in Austin, Texas. Mr. Yetts has demonstrated his ability to navigate the complexities of custom home development, integrating various aspects such as land acquisition, design, construction, and sales. Prior to his leadership at the Developer, Mr. Yetts held key roles, including Senior Vice President at Crescent Communities overseeing all Texas operations in the Central region. He also played a pivotal role at Discovery Land Company, serving as Vice President and General Manager for the Vaquero community and partnering in the development of Spanish Oaks, an upscale golf community in Bee Cave, Texas.

Dan Hatten. Dan Hatten leads the investment management, asset management, and acquisition/disposition efforts for Ashlar Development LLC, a Delaware limited liability company and a wholly owned subsidiary of the Developer (“Ashlar Development”). His work focuses on maximizing return on project capital for Ashlar Development’s portfolio of real estate assets, underwriting potential acquisition and investment opportunities, and managing relationships with capital partners. Prior to Ashlar Development, Hatten worked for Crescent Communities as Director of Finance for more than three years. Hatten spent four years at Avere Equity Advisors, a real estate private equity firm, overseeing investment underwriting and capital markets for healthcare real estate development and acquisition transactions including hospital, medical office, and senior living assets. Additionally, he has experience in financial and operational performance improvement for Tenet Healthcare as well as capital markets and investment banking at TD Cowen and Piper Sandler.

History and Financing of the District

Acquisition of the Property. The District contains approximately 242.011 acres on North Padre Island within the corporate limits of the City. On May 1, 2018, the Bank foreclosed on approximately 206.01 acres previously the site of Schlitterbahn water park, a nearby golf course, and a 90-room hotel. After foreclosing on such property, the Bank, as sole member of the Landowner, conveyed such acreage to the Landowner. The Landowner subsequently leveled such acreage in preparation for development of Whitecap.

On June 8, 2022, the Landowner purchased an additional 39.6 acres for approximately \$9,400,000 using cash received from its current sole member, IBOC. The 206.01-acre parcel and the 39.6-acre parcel together constitute the District. IBOC is the sole member of the Bank and the Landowner.

The 206.01-acre parcel and the 39.6-acre parcel together constitute the Property in the District.

The Development Financing. All costs of the Development, including the purchase of the Property in the District, are financed through capital contributions from IBOC to the Landowner. There are no monetary liens on the Property, except for three liens totaling approximately \$104,000 related to the prior owner, which the Landowner is in the process of seeking to have released under various settlement agreements and payment of \$275 for the prior owner's unpaid court costs. Neither the Landowner nor the Developer believe that such liens will impact the ability of the Landowner or the Developer to perform their respective obligations under the Development Agreement and to develop the Property as described herein.

Sufficiency of Landowner's Financing. According to the Landowner, the Landowner's available financing sources are sufficient to fund the total budgeted costs of the Improvement Area #1 Improvements in the approximate amount of \$27,118,199, the costs of the Initial Common to All Improvements in the approximate amount of \$3,162,500 (\$744,786 of which is allocable to Improvement Area #1), the costs of the Private Improvements in the approximate amount of \$10,751,000, and the costs of the TIRZ projects in the approximate amount of \$25,500,000. The Landowner's financing sources include the net proceeds of the Bonds in the approximate amount of \$17,039,235*, and cash contributions from IBOC.

THE ADMINISTRATOR

The following information has been provided by the Administrator. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

The following information has been provided by the Administrator. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor, and the Underwriter, and none of the City, the City's Financial Advisor, or the Underwriter have any way of guaranteeing the accuracy of such information. The Administrator has reviewed this Limited Offering Memorandum and warrants and represents that the information herein under the caption "THE ADMINISTRATOR" does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading.

The City has selected P3Works, LLC, as the Administrator for the District. The City has entered into an agreement with the Administrator to provide specialized services related to the administration of the District needed to support the issuance of the Bonds. The Administrator will primarily be responsible for preparing the annual update to the Service and Assessment Plan. The Administrator is a consulting firm focused on providing district services relating to the formation and administration of public improvement districts, and is based in Austin, Houston, and North Richland Hills, Texas.

The Administrator's duties will include:

- Preparation of the annual update to the Service and Assessment Plan

- Preparation of assessment rolls for City billing and collection
- Establishing and maintaining a database of all City parcel IDs within the District
- Trust account analysis and reconciliation
- Property owner inquiries
- Determination of Prepayment amounts
- Preparation and review of disclosure notices with Dissemination Agent
- Review of developer draw requests for reimbursement of authorized improvement costs.

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by the Administrator and has been included in reliance upon the authority of such firm as an expert in the field formation and administration of public improvement districts.

APPRAISAL

The Appraisal

General. Integra Realty Resources – Dallas (the “Appraiser”) prepared an appraisal report for the City dated September 30, 2024, and effective as to Improvement Area #1 as of March 1, 2025, based upon a physical inspection conducted on May 28, 2024 (the “Appraisal”). The Appraisal was prepared at the request of the City. The description of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to Improvement Area #1 of the District. The Appraisal is attached hereto as APPENDIX I and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions, and qualifications, which are set forth therein. See “APPENDIX I – Appraisal.”

Value Estimates. The Appraiser estimated the prospective market value of the fee simple interest in various tracts of land comprising the land in Improvement Area #1 of the District under the hypothetical condition that the Improvement Area #1 Improvements are completed. The Appraisal does not reflect the as-is condition of Improvement Area #1 of the District as the Improvement Area #1 Improvements have not yet been completed. See “THE IMPROVEMENT AREA #1 IMPROVEMENTS – General.” Moreover, the Appraisal does not reflect the value of Improvement Area #1 of the District as if sold to a single purchaser in a single transaction. The Appraisal provides the fee simple estate values for Improvement Area #1 of the District. See “APPENDIX I – Appraisal.”

The cumulative retail lot value calculation of the fee simple interest in the assessable property within Improvement Area #1 of the District, assuming completion of the Improvement Area #1 Improvements, using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of March 1, 2025, is \$71,590,000.

None of the City, the Developer, the Financial Advisor, or the Underwriter makes any representation as to the accuracy, completeness, assumptions, or information contained in the Appraisal. The assumptions and qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized and the City, the Developer and the Underwriter make no representation as to the reasonableness of such assumptions. See “BONDHOLDERS’ RISKS – Use of Appraisal.”

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BONDHOLDERS' RISKS

Before purchasing any of the Bonds, prospective investors and their professional advisors should carefully consider all of the risk factors described below which may create possibilities wherein interest may not be paid when due or that the Bonds may not be paid at maturity or otherwise as scheduled, or, if paid, without premium, if applicable. The following risk factors (which are not intended to be an exhaustive listing of all possible risks associated with an investment in the Bonds) should be carefully considered prior to purchasing any of the Bonds. Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.

General

THE BONDS SIMILARLY SECURED, INCLUDING THE BONDS, ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER ASSETS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY ASSETS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER ASSETS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER ASSETS COMPRISING THE TRUST ESTATE. SEE "SECURITY FOR THE BONDS SIMILARLY SECURED."

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Area #1 of the District to pay Improvement Area #1 Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Area #1 of the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings, and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the property within Improvement Area #1 of the District, it being understood that poor economic conditions within the City, State, and region may slow the assumed pace of sales of such property.

The rate of development of the property in Improvement Area #1 of the District is directly related to the vitality of the residential housing industry. In the event that the sale of property within Improvement Area #1 of the District should proceed more slowly than expected and the Landowner is unable to pay the Improvement Area #1 Assessments, only the value of the Improvement Area #1 Assessed Property, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of Improvement Area #1 Assessed Property. There is no assurance that the value of the Improvement Area #1 Assessed Property will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

The Underwriter is not obligated to make a market in or repurchase any of the Bonds, and no representation is made by the Underwriter, the City, or the City's Financial Advisor that a market for the Bonds will develop and be maintained in the future. If a market does develop, no assurance can be given regarding future price maintenance of the Bonds.

The City has not applied for or received a rating on the Bonds. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so.

Deemed Representations and Acknowledgment by Investors

Each Investor will be deemed to have acknowledged and represented to the City the matters set forth under the heading “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS” which include, among others, a representation and acknowledgment that the purchase of the Bonds involves investment risks, certain of which are set forth under this heading “BONDHOLDERS’ RISKS” and elsewhere herein, and such Investor, either alone or with its purchaser representative(s) (as defined in Rule 501(h) of Regulation D under the Securities Act of 1933), has sophisticated knowledge and experience in financial and business matters and the capacity to evaluate such risks in making an informed investment decision to purchase the Bonds, and the Investor can afford a complete loss of its investment in the Bonds.

Infectious Disease Outbreak

In March 2020, the World Health Organization and the President of the United States (the “President”) separately declared the outbreak of a respiratory disease caused by a novel coronavirus (“COVID-19”) to be a public health emergency (the “Pandemic”). On April 10, 2023, the President signed a resolution terminating the national emergency related to the Pandemic, and on May 5, 2023, the World Health organization declared COVID-19 no longer represented a global health emergency.

There are currently no COVID-19 related operating limits imposed by executive order of the Governor of the State for any business or other establishment in the State. The Governor retains the right to impose additional restrictions on activities if needed in order to mitigate the effects of COVID-19.

The City has not experienced any decrease in property values or unusual tax delinquencies as a result of COVID-19. However, the City cannot predict the long-term economic effect of COVID-19 or a similar virus should there be a reversal of economic activity or re-imposition of restrictions.

Failure or Inability to Complete Proposed Development

Proposed development within Improvement Area #1 of the District may be affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, changes in the income tax treatment of real property ownership, unexpected increases in development costs and other similar factors as well as availability of utilities and the development or existence of environmental concerns with such land. See “– Hazardous Substances” and “– Availability of Utilities” below. Land development within Improvement Area #1 of the District could also be affected adversely by changes in governmental policies, including, but not limited to, governmental policies to restrict or control development. Any approvals needed in the future for Improvement Area #1 of the District must come from the City. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development. A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. Such limitations could adversely impact the completion of the Development as anticipated. THE TIMELY PAYMENT OF THE BONDS DEPENDS UPON THE WILLINGNESS AND ABILITY OF THE LANDOWNER AND ANY SUBSEQUENT OWNERS TO PAY THE IMPROVEMENT AREA #1 ASSESSMENTS WHEN DUE. ANY OR ALL OF THE FOREGOING COULD REDUCE THE WILLINGNESS AND THE ABILITY OF SUCH OWNERS TO PAY THE IMPROVEMENT AREA #1 ASSESSMENTS AND COULD GREATLY REDUCE THE VALUE OF PROPERTY WITHIN IMPROVEMENT AREA #1 OF THE DISTRICT IN THE EVENT SUCH PROPERTY HAS TO BE FORECLOSED. In that event, there could be a default in the payment of the Bonds.

Completion of the Improvement Area #1 Improvements

The construction of the Improvement Area #1 Improvements is not yet complete. The cost and time for completion of all of such improvements is uncertain and may be affected by changes in national, regional, and local and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional, and national market and economic conditions; unanticipated development costs, market preferences, and architectural trends; unforeseen

environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in Improvement Area #1 of the District, which may render the sale of such homes difficult or unattractive; acts of war, terrorism, or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer, the Landowner, and the City. If cost overruns result in delay of construction, or if other delays are experienced, the Developer may be unable to complete timely the Improvement Area #1 Improvements necessary for delivery of lots in Improvement Area #1 of the District. See “THE IMPROVEMENT AREA #1 IMPROVEMENTS – General.”

Completion of Homes

The cost and time for completion of homes by homebuilders is uncertain and may be affected by changes in national, regional, and local market and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes yet to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer and the Landowner.

Absorption Rates

There can be no assurance that the Developer will be able to achieve its anticipated absorption rates or estimated pricing. Failure to achieve the absorption rate or pricing estimates may adversely affect the estimated value of Improvement Area #1 of the District, could impair the economic viability of Improvement Area #1 of the District, and could reduce the ability or desire of property owners to pay the Improvement Area #1 Assessments.

Assessment Limitations

Improvement Area #1 Annual Installments of Improvement Area #1 Assessments are billed to property owners in Improvement Area #1 of the District. Improvement Area #1 Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as set forth under “ASSESSMENT PROCEDURES.” Additionally, Improvement Area #1 Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year, interest, and the Annual Collection Costs for such year. See “ASSESSMENT PROCEDURES.” The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Improvement Area #1 Annual Installments of Improvement Area #1 Assessments in the future.

In order to pay debt service on the Bonds, it is necessary that Improvement Area #1 Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Improvement Area #1 Annual Installments in Improvement Area #1 of the District, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Improvement Area #1 Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See “BONDHOLDERS’ RISKS – Bondholders’ Remedies and Bankruptcy.”

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #1 of the District, any Improvement Area #1 Assessment that is also delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Improvement Area #1 Assessments, the liens securing such delinquent ad valorem taxes and delinquent Improvement

Area #1 Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Improvement Area #1 Assessments would then be an unsecured personal liability of the original property owner.

Based upon the language of Texas Local Government Code, Section 372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to installment payments that are not yet due should remain in effect following an ad valorem tax lien foreclosure, with future installment payments not being accelerated. Texas Local Government Code Section 372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance (“Pre-existing Homestead Rights”) for as long as such Pre-existing Homestead Rights are maintained on the property. It is unclear under State law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights had been claimed. Furthermore, the Landowner is not eligible to claim homestead rights and the Landowner owned all property within Improvement Area #1 of the District as of the date of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Improvement Area #1 Assessed Property superior to the Assessment Lien and, therefore, the Assessment Lien may be foreclosed upon by the City.

Failure by owners of the parcels to pay Improvement Area #1 Annual Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Improvement Area #1 Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

THE IMPROVEMENT AREA #1 ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE IMPROVEMENT AREA #1 ASSESSED PROPERTY, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT, OR MUNICIPALITY AD VALOREM TAXES AND ARE A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF IMPROVEMENT AREA #1 ASSESSED PROPERTY.

Bankruptcy

The payment of Improvement Area #1 Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Improvement Area #1 Assessment may be limited by bankruptcy, insolvency, or other laws generally affecting creditors’ rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Improvement Area #1 Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Improvement Area #1 Assessments might not be paid in full.

Direct and Overlapping Indebtedness, Improvement Area #1 Assessments and Taxes

The ability of an owner of property within Improvement Area #1 of the District to pay the Improvement Area #1 Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of Improvement Area #1 of the District currently impose ad valorem taxes on

the property within Improvement Area #1 of the District and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Area #1 of the District. The imposition of additional liens, whether from taxes, assessments, or private financing, may reduce the ability or willingness of the landowners to pay the Improvement Area #1 Assessments. See “OVERLAPPING TAXES AND DEBT.”

Depletion of Reserve Fund; No Prefunding of Additional Interest Reserve Account

Failure of the owners of property within Improvement Area #1 of the District to pay the Improvement Area #1 Assessments when due could result in the rapid, total depletion of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Fund. The Additional Interest Reserve Account of the Reserve Fund is not funded from the proceeds of the Bonds. Instead, funding of the Additional Interest Reserve Account is accumulated over time, by the mechanism described in “SECURITY FOR THE BONDS SIMILARLY SECURED – Additional Interest Reserve Account of the Reserve Fund.” The Indenture provides that if, after a withdrawal from the Reserve Account the amounts therein are less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account sufficient to cure such deficiency. The Indenture also provides that if the amount on deposit in the Additional Interest Reserve Account shall at any time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment, as described under “SECURITY FOR THE BONDS SIMILARLY SECURED – Additional Interest Reserve Account of the Reserve Fund.”

Hazardous Substances

While governmental taxes, assessments, and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or “Superfund Act,” is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in Improvement Area #1 of the District be affected by a hazardous substance, the marketability and value of parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within Improvement Area #1 of the District does not take into account the possible liability of the owner (or operator) for the remediation of a hazardous substance condition on property within Improvement Area #1. The City has not independently verified, and is not aware, that the owner (or operator) of any of the parcels within Improvement Area #1 of the District has such a current liability with respect to any such parcel; however, it is possible that such liabilities do currently exist, and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within Improvement Area #1 of the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. The actual occurrence of any of these possibilities could significantly and negatively affect the value of a parcel that is realizable upon a delinquency.

See “THE DEVELOPMENT – Environmental” for discussion of environmental site assessments performed on property within the District, including Improvement Area #1.

Regulation

Development within Improvement Area #1 of the District may be subject to future federal, State, and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of development in Improvement Area #1 of the District, the nature and extent of public improvements, land use, zoning, and other matters. Failure to meet any such regulations or obtain any such approvals in a timely manner could delay or adversely affect development in Improvement Area #1 of the District and property values.

Recent Changes in State Law Regarding Public Improvement Districts

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract of purchase and sale. If the Landowner does not provide the required notice and prospective purchasers of property within Improvement Area #1 of the District terminate a purchase and sale contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney's fees, or (ii) an amount not to exceed \$5,000, plus reasonable attorney's fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Improvement Area #1 Assessments on such property may be paid. On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further, if the Landowner or any homebuilder does not provide the required notice and becomes liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The forms of notice to be provided to homebuyers are attached as appendices to the Service and Assessment Plan. See "APPENDIX C – Service and Assessment Plan."

Potential Future Changes in State Law Regarding Public Improvement Districts

During past Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments, including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. It is impossible to predict what bills may be introduced during upcoming legislative sessions, and, if passed, the impact that any future legislation will or may have on the security for the Bonds Similarly Secured.

Flood Plain and Severe Weather Events

According to the FEMA Flood Insurance Rate Map, Community Panel No. 48355C0755G, effective October 13, 2022, all of the property within Improvement Area #1 of the District lies within the 100-year flood plain, referred to as Zone AE. The Developer expects that lenders to homeowners within Improvement Area #1 will require homeowners to maintain flood insurance on their property.

FEMA will from time to time revise its Flood Insurance Rate Maps. None of the City, the Underwriter, or the Developer make any representation as to whether FEMA may revise its Flood Insurance Rate Maps, whether such revisions may result in homes that are currently within the 100-year flood plain from being removed from the 100-year flood plain in the future, or whether extreme flooding events may occur more often than assumed in creating the maps.

The Gulf Coast of Texas (the "Coastal Region") has experienced several significant flooding events in the past several years. Such events have caused significant damage to real property within the Coastal Region. While the Improvement Area #1 Assessments are not based on the assessed valuation of the Improvement Area #1 Assessed Property, a reduction in the assessed valuation of the Improvement Area #1 Assessed Property could adversely affect

the ability and/or willingness of owners of Improvement Area #1 Assessed Property to pay the Improvement Area #1 Assessments when due. Moreover, to the extent that the remedy of foreclosure is available to the City, the recovery in such a proceeding could be adversely affected by a reduction in the assessed value of the Improvement Area #1 Assessed Property. See “ASSESSMENT PROCEDURES – Foreclosure Proceedings.”

All of the State, including the City, is subject to extreme weather events that can cause loss of life and damage to property through strong winds, flooding, heavy rains and freezes, including events similar to the severe winter storm that the continental United States experienced in February 2021, which resulted in disruptions in the Electric Reliability Council of Texas power grid and prolonged blackouts throughout the State. It is impossible to predict whether similar events will occur in the future and the impact they may have on the City, including land within Improvement Area #1 of the District.

Exercise of Third-Party Property Rights

As described under “THE DEVELOPMENT – Existing Mineral and Groundwater Rights, Easements and Other Third-Party Property Rights,” there are certain mineral rights, royalty interests, and easement reservations located within Improvement Area #1 of the District and not owned by the Landowner. There may also be additional mineral rights, royalty interests, easements, water rights, and related real property rights reflected in the chain of title for the real property within Improvement Area #1 of the District recorded in the real property records of Nueces County.

The Developer does not expect the existence or exercise of any such third-party rights in or around Improvement Area #1 of the District to have a material adverse effect on the Development, the property within Improvement Area #1 of the District, or the ability of landowners within Improvement Area #1 of the District to pay Improvement Area #1 Assessments. However, none of the City, the Financial Advisor, or the Underwriter provide any assurances as to such Developer expectations.

Bondholders’ Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds Similarly Secured or the occurrence of any other Event of Default under the Indenture, the Trustee may, and at the written direction of the Owners of at least 25% in aggregate principal amount of the Bonds Similarly Secured then Outstanding and its receipt of indemnity satisfactory to it shall, proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by the Indenture or Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained therein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City’s obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so its use rests within the discretion of the court but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on or sell property within Improvement Area #1 in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See “BONDHOLDERS’ RISKS – Bankruptcy Limitation to Bondholders’ Rights.”

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within Improvement Area #1 of the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the City to collect delinquent Improvement Area #1 Assessments, or delinquent ad valorem taxes, against such property owner.

In addition, in 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) (“Tooke”) that a waiver of sovereign immunity must be provided for by statute in “clear and unambiguous” language. In so ruling, the Court declared that statutory language such as “sue and be sued,” in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. In *Tooke*, the Court noted the enactment in 2005 of sections 271.151-.160, Texas Local Government Code (the “Local Government Immunity Waiver Act”), which, according to the Court, waives “immunity from suit for contract claims against most local governmental entities in certain circumstances.” The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods or services to cities.

In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) (“Wasson”), the Texas Supreme Court (the “Court”) addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that “a city’s proprietary functions are not done pursuant to the ‘will of the people’” and protecting such municipalities “via the [S]tate’s immunity is not an efficient way to ensure efficient allocation of [S]tate resources.” While the Court recognized that the distinction between governmental and proprietary functions is not clear, the *Wasson* opinion held that the Proprietary-Governmental Dichotomy applies in a contract-claims context. The Court reviewed *Wasson* for a second time and issued an opinion on October 5, 2018, clarifying that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory and common law guidance at the time of inception of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the State’s immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgment, is justiciable against a municipality.

The City is not aware of any State court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by such act. Because it is unclear whether the Texas legislature has effectively waived the City’s sovereign immunity from a suit for money damages in the absence of City action, the Trustee or the owners of the Bonds may not be able to bring such a suit against the City for breach of the Bonds or the Indenture covenants. As noted above, the Indenture provides that owners of the Bonds may exercise the remedy of mandamus to enforce the obligations of the City under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by State courts. In general, State courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. State courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within Improvement Area #1 of the

District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments, and the Improvement Area #1 Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

The Indenture expressly denies the right of acceleration in the event of a payment default or other default under the terms of the Bonds or the Indenture.

Limited Secondary Market for the Bonds

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event an Owner thereof determines to solicit purchasers for the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current Owners of the Bonds, depending on the progress of development of Improvement Area #1 of the District subject to the Improvement Area #1 Assessments, existing real estate and financial market conditions, and other factors.

No Credit Rating

The City has not applied for or received a rating on the Bonds. Even if a credit rating had been sought for the Bonds, it is not anticipated that such a rating would have been investment grade. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary market trading in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then generally prevailing circumstances. Such prices could be substantially different from the original purchase price.

Bankruptcy Limitation to Bondholders' Rights

The enforceability of the rights and remedies of the owners of the Bonds may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. The City is authorized under State law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946 ("Chapter 9"). The City may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

If the City decides in the future to proceed voluntarily under Chapter 9, the City would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of Chapter 9, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the City is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under State law are obtained, and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt.

Management and Ownership

The management and ownership of the Developer, the Landowner, and related or affiliated property owners could change in the future. Purchasers of the Bonds should not rely on the management experience of such entities.

There are no assurances that such entities will not sell the subject property or that officers will not resign or be replaced. In such circumstances, a new developer, homebuilder, or new officers in management positions may not have comparable experience in projects comparable to the Development.

Tax-Exempt Status of the Bonds

The Indenture contains covenants by the City intended to preserve the exclusion from gross income of interest on the Bonds for federal income tax purposes. As discussed under the caption “TAX MATTERS,” interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the City in violation of its covenants in the Indenture.

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or State level, may adversely affect the tax-exempt status of interest on the Bonds under federal or State law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

As further described in “TAX MATTERS” below, failure of the City to comply with the requirements of the Internal Revenue Code of 1986 (the “Code”) and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the Bonds to be included in the gross income of owners of the Bonds for federal income tax purposes, possibly from the date of original issuance of the Bonds. Further, the opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of interest on the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. The IRS has an ongoing program of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted if this IRS focus could lead to an audit of the Bonds or what the result would be of any such audit. If an audit of the Bonds is commenced, under current procedures parties other than the City would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the Bonds. Finally, if the IRS ultimately determines that the interest on the Bonds is not excluded from the gross income of Bondholders for federal income tax purposes, the City may not have the resources to settle with the IRS, the Bonds are not required to be redeemed, and the interest rate on the Bonds will not increase.

General Risks of Real Estate Investment and Development

The Developer and the Landowner have the right to modify or change their plan for development of the District, from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed. No defined “true-up” agreement has been entered into between the City and the Developer, nor is there a requirement that future developers or landowners enter into such an agreement. There can be no assurance, in the event the Developer or the Landowner or a subsequent developer or landowner modifies or changes its plan for development, that the necessary revisions to the Service and Assessment Plan will be made. Nor can there be an assurance that the eventual assessment burden on the property will be marketable.

The ability of the Developer to develop lots and homebuilders to sell single-family residential homes within Improvement Area #1 of the District may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market, and other factors beyond the control of the owner of the single-family residential lots. In the event that a large number of single-family projects are constructed outside of Improvement Area #1 of the District, and compete with the Development, the demand for residential housing within Improvement Area #1 of the District could be reduced, thereby adversely affecting the continued development of Improvement Area #1 of the District, or its attraction to residents.

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. Improvement Area #1 of the District will be subject to the risks generally incident to real estate investments and development. Many factors that may affect Improvement Area #1 of the District, as well as the operating revenues of the Developer and the Landowner, including those derived from the Development, are not within the control of the Developer or the Landowner. Such factors include changes in national, regional, and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in Improvement Area #1 of the District, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer and the Landowner.

Improvement Area #1 of the District cannot be completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of the Improvement Area #1 Improvements and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer and the Landowner.

A slowdown of the development process and the related absorption rate within Improvement Area #1 of the District because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the Landowner and any subsequent owners to pay the Improvement Area #1 Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Improvement Area #1 Assessments and could greatly reduce the value of the property within Improvement Area #1 of the District in the event such property has to be foreclosed. If Improvement Area #1 Annual Installments of Improvement Area #1 Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

Risks Related to the Current Residential Real Estate Market

The real estate market is currently experiencing a slowing of new home sales and new home closings due in part to rising inflation and mortgage interest rates. Downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel, lot, and home sales within Improvement Area #1 of the District. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

Risks Related to Recent Increase in Costs of Building Materials

As a result of the Pandemic, low supply and high demand and the ongoing trade war, there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. The Developer is responsible for the construction of the Improvement Area #1 Improvements. The Landowner expects to finance a portion of the costs of the Improvement Area #1 Improvements from proceeds of the Bonds. If the Actual Costs of the Improvement Area #1 Improvements are substantially greater than the estimated costs or if the Developer is unable to access building materials in a timely manner, it may affect the ability of the Developer to complete the Improvement Area #1 Improvements or the Landowner to pay the Improvement Area #1 Assessments when due. If the costs of materials continue to increase, it may affect the ability of a homebuilder to construct homes within Improvement Area #1 of the District. There is no way to predict whether such cost increases or low supply of building materials will continue or if such continuance will affect the development of the District.

Adverse Developments Affecting the Financial Services Industry

Actual events involving limited liquidity, defaults, non-performance, or other adverse developments that affect financial institutions, transactional counterparties, or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank (“SVB”) was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (“FDIC”) as receiver. Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership. In March of 2023, UBS agreed to acquire the troubled Credit Suisse, and troubled First Republic Bank received a \$30 billion rescue package from 11 of the biggest U.S. banks in an effort to prevent its collapse; however, on May 1, 2023, the FDIC seized First Republic Bank and sold its assets to JPMorgan Chase & Co.

Although a statement by the Department of the Treasury, the Federal Reserve, and the FDIC stated that all depositors of SVB would have access to all of their money after only one business day of closure, including funds held in uninsured deposit accounts, borrowers under credit agreements, letters of credit, and certain other financial instruments with any financial institution that is placed into receivership by the FDIC may be unable to access undrawn amounts.

Competition

The housing industry in the Corpus Christi North Padre Island area is very competitive, and none of the Developer, the Landowner, the City, the City’s Financial Advisor, or the Underwriter can give any assurance that the building programs which are planned throughout the District will be completed in accordance with the Developer’s expectations. The successful development of the land within Improvement Area #1 of the District, the success of the Development, and the sale of residential units therein, once such homes are built, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market, and other factors beyond the control of the Developer and the Landowner. The competitive positions of the Developer and the Landowner in the sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in Improvement Area #1 of the District.

There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise become able to compete with the Development. Below is a list of competitive projects in the area.

| Project Name | Developer | Proximity to District | Prices | Date Started |
|-----------------------------|----------------------------------|-----------------------|----------------|--------------|
| Cinnamon Shores | Sea Oats Group | 12 miles | \$850k-\$2.9MM | 2007 |
| Palmilla Beach | McCombs Enterprises | 15 miles | \$900k-\$5MM | 2014 |
| Sunflower Beach | Sunflower Beach Development Ltd. | 16 miles | \$450k-\$3.6MM | 2020 |
| The Reserve St. Charles Bay | McCombs Properties | 45 miles | \$800k-\$1.6MM | 2021 |

Source: The Developer

Availability of Utilities

The progress of development within Improvement Area #1 of the District is also dependent upon the City providing an adequate water and wastewater service to the Development. If the City fails to provide water and wastewater services to the property in the District, the Development cannot be substantially completed, and the Developer will not be able to construct homes. See “THE CITY – Water and Wastewater.”

Dependence Upon Landowner and Developer

The Landowner (or an affiliate if the Landowner elects to transfer portions of the Property to one or more related entities for business purposes) will own all of the Improvement Area #1 Assessed Property of the District until lots begin to be sold to homebuilders and individual homeowners, currently expected to begin in the fourth quarter of 2024. On the date the first Improvement Area #1 Annual Installments of the Improvement Area #1 Assessments become due on January 31, 2025, the Landowner expects to be the owner of most of the Improvement Area #1 Assessed Property. The ability of the Landowner to make full and timely payment of the Improvement Area #1 Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The only assets of the Landowner are land within the District, related permits and development rights, and minor operating accounts. The Landowner's source of funding for future land development activities and infrastructure construction to develop the lots proposed for Improvement Area #1 of the District also consists of proceeds from the Bonds and proceeds of lot sales to homebuilders, as well as possible additional cash infusions by IBOC. There can be no assurances given as to the financial ability of the Landowner to advance any funds to the City to supplement revenues from the Improvement Area #1 Assessments if necessary, or as to whether the Landowner will advance such funds. See "THE DEVELOPMENT – Expected Absorption of Lots in Improvement Area #1."

Moreover, the City will pay to the Developer or the Developer's designee, from proceeds of the Bonds, for project costs actually incurred in developing and constructing the Improvement Area #1 Improvements, in accordance with the Reimbursement Agreement and the Indenture. See "THE IMPROVEMENT AREA #1 IMPROVEMENTS – General," "THE DEVELOPMENT – Custom Home Construction," and "– The Reimbursement Agreement and Flow of Funds Agreement," "APPENDIX B – Form of Indenture," and "APPENDIX G – Reimbursement Agreement."

Use of Appraisal

Caution should be exercised in the evaluation and use of valuations included in the Appraisal. The Appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation and specified therein. The estimated market value specified in the Appraisal is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in the Appraisal is based on various assumptions of future expectations and while the appraiser's forecasts for properties in Improvement Area #1 is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in Improvement Area #1.

In performing its analyses, an appraiser makes numerous assumptions with respect to general business, economic and regulatory conditions, and other matters, many of which are beyond the Appraiser's, Underwriter's, and City's control, as well as to certain factual matters. Furthermore, the Appraiser's analysis, opinions, and conclusions are necessarily based upon market, economic, financial, and other circumstances and conditions existing prior to the valuation.

TAX MATTERS

Tax Exemption

The delivery of the Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. A form of Bond Counsel's opinion is reproduced as APPENDIX D. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions Bond Counsel will rely upon representations and certifications of the City made in a certificate dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of

the proceeds of the Bonds and will assume continuing compliance by the City with the provisions of the Indenture subsequent to the issuance of the Bonds. The Indenture contains covenants by the City with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage “profits” from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Bond Counsel’s opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described above. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel’s opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the City as the “taxpayer,” and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the City may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust (“FASIT”), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than \$1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer’s applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Bonds.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering price of certain Bonds (the “Discount Bonds”) may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under “Tax Exemption.” Such interest is considered

to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The purchase price of certain Bonds (the "Premium Bonds") paid by an owner may be greater than the amount payable on such Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium that is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity (or, in some cases with respect to a callable Bond, the yield based on a call date that results in the lowest yield on the Bond).

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General to the effect that the Bonds are valid and legally binding obligations of the City under the Constitution and laws of the State, payable from the Trust Estate and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the legal opinion of Bond Counsel, to a like effect.

Norton Rose Fulbright US LLP serves as Bond Counsel to the City. Orrick, Herrington & Sutcliffe LLP serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special, limited obligations of the City. The City will also furnish the legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding special, limited obligations of the City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal thereof and interest thereon, are payable from and secured by a pledge of and first lien on the Trust Estate. Bond Counsel will also provide a legal opinion to the effect that interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption "TAX MATTERS." A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX D – Form of Opinion of Bond Counsel."

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE – The Bonds," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS SIMILARLY SECURED," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS – Legal Proceedings" (first paragraph only), "LEGAL MATTERS – Legal Opinions" (except for the last paragraph thereof), "CONTINUING DISCLOSURE – The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS" and APPENDIX B and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinance, and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance, and the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Litigation – The City

At the time of delivery and payment for the Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to its knowledge, overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of Improvement Area #1 Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Ordinance, the Indenture, any action of the City contemplated by any of the said documents, or the collection or application of the Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any documents relating to the Bonds.

Litigation – The Developer and the Landowner

At the time of delivery and payment for the Bonds, the Developer and the Landowner will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer and the Landowner,

as the case may be, threatened against or affecting the Developer or the Landowner wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its members or the Landowner or its members or would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Reimbursement Agreement, the Development Agreement, or the Bond Purchase Agreement, dated as of October 15, 2024, between the City and the Underwriter, or otherwise described in this Limited Offering Memorandum, or (ii) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a “Material Adverse Effect”).

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See “BONDHOLDERS’ RISKS – Bondholders’ Remedies and Bankruptcy.” Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by governmental immunity, bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors and enacted before or after such delivery, and by general principles of equity that permit the exercise of judicial discretion.

NO RATING

No application for a rating on the Bonds has been made to any rating agency, nor is there any reason to believe that the City would have been successful in obtaining an investment grade rating for the Bonds had application been made.

CONTINUING DISCLOSURE

The City

Pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission (the “Rule”), the City, the Administrator, and BOKF, NA (in such capacity, the “Dissemination Agent”) expect to enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of Issuer”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of Issuer, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX E-1 – Form of Disclosure Agreement of Issuer.” Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of Issuer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The City has agreed to update information and to provide notices of certain specified events only as provided in the Disclosure Agreement of Issuer. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of Issuer. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of Issuer or from any statement made pursuant to the Disclosure Agreement of Issuer.

The City’s Compliance with Prior Undertakings

Except as disclosed below, during the last five years, the City believes it has complied in all material respects with its continuing disclosure agreements made in accordance with the Rule.

Due to an administrative oversight, certain annual financial information was not timely filed with EMMA for the fiscal year ending 2019. Additionally, the City did not timely file an event notice of a ratings upgrade in 2019. All information has since been filed including notices of late filing. The City has implemented procedures to ensure timely filing of all future financial information.

The Developer

The Developer, the Administrator, and the Dissemination Agent expect to enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of Developer”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of Developer, certain information regarding the Development and the Improvement Area #1 Improvements (collectively, the “Developer Reports”). The specific nature of the information to be contained in the Developer Reports is set forth in “APPENDIX E-2 – Form of Disclosure Agreement of Developer.” Under certain circumstances, the failure of the Developer or the Administrator to comply with its obligations under the Disclosure Agreement of Developer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of Developer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance. The Disclosure Agreement of Developer is a voluntary agreement made for the benefit of the holders of the Bonds and is not entered into pursuant to the Rule.

The Developer has agreed to provide (i) certain updated information to the Administrator, which consultant will prepare and provide such updated information in report form and (ii) notices of certain specified events, only as provided in the Disclosure Agreement of Developer. The Developer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of Developer. The Developer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of Developer or from any statement made pursuant to the Disclosure Agreement of Developer.

The Developer’s Compliance with Prior Undertakings

During the last five years, the Developer has complied in all material respects with its continuing disclosure agreements made in accordance with the Rule.

UNDERWRITING

FMSbonds, Inc. (the “Underwriter”) has agreed to purchase the Bonds from the City at a purchase price of \$ _____ (the par amount of the Bonds less an underwriting discount of \$ _____). The Underwriter’s obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. Subject to certain restrictions contained in the bond purchase agreement, the Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Bonds be assigned a rating of at least “A” or its equivalent as to investment quality by a national rating agency. See “NO RATING” above. In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states. No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

The City made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes.

INVESTMENTS

The City invests its funds in investments authorized by State law in accordance with investment policies approved by the City Council. Both Texas law and the City’s investment policies are subject to change.

Under State law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the City selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in the State that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity’s account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as its custodian of the banking deposits issued for its account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under Securities and Exchange Commission Rule 15c3-3; (9) certificates of deposit and share certificates (i) issued by or through an institution that either has its main office or a branch office in the State, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Insurance Fund, or are secured as to principal by obligations described in the clauses (1) through (6) or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured

depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less, (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (13) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (14) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and comply with federal Securities and Exchange Commission Rule 2a-7, and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAA-m" or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted

“Investment Strategy Statement” that specifically addresses each fund’s investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, City investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset and fund type invested at the beginning and end of the reporting period by the type of asset and fund type invested, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

Under Texas law the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers’ with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City’s investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City’s investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City’s entire portfolio or requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City’s investment policy; (6) provide specific investment training for the officers of the City; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the entity’s monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

The City has appointed BOKF, NA, a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds Similarly Secured, the technical or financial feasibility of the project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Trustee may be found at its website at www.bokfinancial.com. Neither the information on the Trustee's website, nor any links from that website, is a part of this Limited Offering Memorandum, nor should any such information be relied upon to make investment decisions regarding the Bonds.

SOURCES OF INFORMATION

General

The information contained in this Limited Offering Memorandum has been obtained primarily from the City's records, the Developer, the Landowner, and their representatives and other sources believed to be reliable. In accordance with its responsibilities under the federal securities law, the Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum or any sale hereunder will create any implication that there has been no change in the financial condition or operations of the City, the Developer, or the Landowner described herein since the date hereof. This Limited Offering Memorandum contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions, ordinances, indentures and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Improvement Area #1 Improvements, the Development, the Developer, the Landowner, and IBOC generally and, in particular, the information included in the sections captioned "THE IMPROVEMENT AREA #1 IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER AND THE LANDOWNER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Landowner, the Improvement Area #1 Improvements, and the Development) and "LEGAL MATTERS – Litigation – The Developer and the Landowner" has been provided by the Developer and the Landowner.

References to any website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Limited Offering Memorandum for purposes of, and as that term is defined, in the Rule.

Experts

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by P3Works, LLC, and has been included in reliance upon the authority of such firm as experts in the field of development planning and finance.

The information regarding the Appraisal in this Limited Offering Memorandum has been provided by Integra Realty Resources – Dallas and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property.

Updating of Limited Offering Memorandum

If, subsequent to the date of the Limited Offering Memorandum, the City learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the City will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Limited Offering Memorandum satisfactory

to the Underwriter; provided, however, that the obligation of the City to so amend or supplement the Limited Offering Memorandum will terminate when the City delivers the Bonds to the Underwriter, unless the Underwriter notifies the City on or before such date that less than all of the Bonds have been sold to ultimate customers; in which case the City's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the City delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21e of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED HEREIN TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

AUTHORIZATION AND APPROVAL

In the Bond Ordinance, the City Council is expected to approve the form and content of this Preliminary Limited Offering Memorandum and authorize and ratify the use of this Preliminary Limited Offering Memorandum by the Underwriter in connection with the marketing and sale of the Bonds and approve the form and content of the final Limited Offering Memorandum.

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREAS

The following information has been derived from various sources, including the U.S. Census and the Municipal Advisory Council of Texas. While such sources are believed to be reliable, no representation is made as to the accuracy thereof.

Location and Population

The City is the eighth largest city in the State of Texas with an estimated population in 2020 of 317,863 based on United States Census reports. The City estimates its 2024 population to be 316,239. The geographic location of the City on the Gulf of Mexico and the Intracoastal Waterway gives it one of the most strategically located waterways in the Southwest, with deep water transportation to the Gulf of Mexico and barge traffic all along the Texas Coast via the Intracoastal Waterway and Port Corpus Christi (the “Port”). The Port is the fifth largest port in the United States with more than 125 acres of open storage and fabrication sites and more than 295,000 square feet of covered dockside storage. The nearest competitive port is in Brownsville, 160 miles to the south; nearest retail and wholesale outlet is San Antonio, 145 miles to the northwest; and the nearest heavy industry competition is Houston, 210 miles to the northeast.

Historical Employment in Nueces County (Average Annual)

| | Average Annual | | | | |
|----------------------|---------------------|---------|---------|---------|---------|
| | 2024 ⁽¹⁾ | 2023 | 2022 | 2021 | 2020 |
| Civilian Labor Force | 171,991 | 168,426 | 164,081 | 163,762 | 164,180 |
| Total Employed | 164,059 | 161,292 | 156,295 | 152,585 | 149,531 |
| Total Unemployed | 7,932 | 7,134 | 7,786 | 11,177 | 14,649 |
| Unemployment Rate | 4.6% | 4.2% | 4.7% | 6.8% | 8.9% |

⁽¹⁾ Data through July 2024.

Source: Texas Workforce Commission

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Surrounding Economic Activity

The major employers of municipalities surrounding the City are set forth in the table below.

| Alice (2023) | | Rockport (2021) | | Kingsville (2023) | | Victoria (2022) | |
|--|-----------|--|-----------|--|-----------|--|-----------|
| Approximately 44 Miles from Corpus Christi | | Approximately 31 Miles from Corpus Christi | | Approximately 41 Miles from Corpus Christi | | Approximately 87 Miles from Corpus Christi | |
| Employer | Employees | Employer | Employees | Employer | Employees | Employer | Employees |
| Alice ISD | 712 | Aransas County ISD | 466 | Naval Air Station | 1,500 | Formosa Plastics | 2,500 |
| Community Action Corp. of South Texas | 620 | Aransas County | 220 | Texas A&M Univ. – Kingsville | 950 | Victoria ISD | 2,500 |
| City of Alice | 314 | Wal-Mart | 209 | Celanese | 600 | The Interplast Group | 1,300 |
| Jim Wells County | 230 | HEB | 203 | Kingsville ISD | 472 | Citizens Medical Center | 1,285 |
| Coastal Bend College | 207 | City of Rockport | 127 | Kleberg County | 318 | DeTar Healthcare System | 825 |
| Christus Spohn Hosp. – Alice | 197 | State of Texas | 100 | City of Kingsville | 298 | DOW-Seadrift Operations | 800 |
| Fesco | 171 | Gulf Point Plaza | 80 | HEB Grocery | 268 | Calhoun County ISD | 634 |
| Envigo Global Services | 161 | Paradise Keys | 76 | Wal-Mart | 250 | Caterpillar – NAHEX Victoria | 600 |
| Wal-Mart | 145 | Rockport Nursing & Rehab. Center | 72 | U.S. Border Control | 246 | Invista | 600 |
| HEB | 123 | Builders First Source | 60 | Christus Spohn Kleberg Hosp. | 216 | City of Victoria | 570 |

| City of San Antonio, TX (2023) | |
|---|-----------|
| Approximately 143 Miles from Corpus Christi | |
| Employer | Employees |
| Joint Base San Antonio | 82,639 |
| HEB | 20,000 |
| United Services Automobile Association | 18,100 |
| City of San Antonio | 14,500 |
| Northside ISD | 12,900 |
| Methodist Health Care | 12,000 |
| North East ISD | 8,208 |
| University of Texas Health Science | 7,930 |
| San Antonio ISD | 7,500 |
| Baptist Health Systems | 7,291 |

| City of Laredo, TX (2023) | |
|---|-----------|
| Approximately 150 Miles from Corpus Christi | |
| Employer | Employees |
| United ISD | 6,268 |
| Laredo ISD | 3,670 |
| Department of Homeland Security | 3,025 |
| City of Laredo | 2,721 |
| Wal-Mart/Sam's Club | 2,496 |
| Webb County | 1,800 |
| Laredo Medical Center | 1,200 |
| Texas A&M International University | 1,120 |
| Concentrix | 995 |
| Laredo College | 857 |

Source: Municipal Advisory Council of Texas

APPENDIX B
FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

CITY OF CORPUS CHRISTI, TEXAS

and

BOKF, NA,
as Trustee

DATED AS OF OCTOBER 1, 2024

SECURING

\$____,____,____
CITY OF CORPUS CHRISTI, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #1 PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE, dated as of October 1, 2024 is by and between the CITY OF CORPUS CHRISTI, TEXAS (the “City”), and BOKF, NA, as trustee (together with its successors, the “Trustee”). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition was submitted and filed with the City Secretary of the City (the “City Secretary”) pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the “PID Act”), requesting the creation of a public improvement district located in the corporate limits of the City to be known as Whitecap Public Improvement District No. 1 (the “District”); and

WHEREAS, the petition contained the signatures of the owners of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of the Nueces County Appraisal District, and the signatures of the property owners who own taxable real property that constitutes more than fifty percent of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, on May 17, 2022, after due notice, the City Council of the City (the “City Council”) held a public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act and on May 17, 2022, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 032761, adopted by a majority of the members of the City Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services and also made findings and determinations relating to the estimated total costs of certain Authorized Improvements; and

WHEREAS, on May 20, 2022, the City filed and recorded Resolution No. 032761 with the County Clerk of Nueces County, Texas, the county in which the District is located (the “County”); and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after May 17, 2022; and

WHEREAS, on January 23, 2024, the City Council by Resolution No. 033268 made findings and determinations relating to the Actual Costs of the Authorized Improvements benefiting Improvement Area #1, received and accepted a preliminary service and assessment plan and a proposed assessment roll, called a public hearing for February 13, 2024 and directed City staff to (i) file said proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish such notice relating to the February 13, 2024 hearing as required by Section 372.016(b) of the PID Act; and

WHEREAS, on January 28, 2024, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in the *Corpus Christi Caller-Times*, a newspaper of general circulation in the City, to consider the proposed Service and Assessment Plan and the Improvement Area #1 Assessment Roll and the levy of the Improvement Area #1 Assessments on property within Improvement Area #1 of the District; and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Improvement Area #1 Assessment Roll and the Service and Assessment Plan and the levy of Improvement Area #1 Assessments on property in

Improvement Area #1 of the District to the last known address of the owners of the property liable for the Improvement Area #1 Assessments; and

WHEREAS, the City Council opened and convened the hearing on February 13, 2024 and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Service and Assessment Plan, the proposed Improvement Area #1 Assessment Roll and the Improvement Area #1 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #1 Assessments, the allocation of estimated costs of the Authorized Improvements benefiting Improvement Area #1, the purposes of the Improvement Area #1 Assessments, the special benefits of the Authorized Improvements benefiting Improvement Area #1, and the penalties and interest on Improvement Area #1 Annual Installments and on delinquent Improvement Area #1 Annual Installments of the Improvement Area #1 Assessments, and there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of estimated costs of the Authorized Improvements benefiting Improvement Area #1, the Improvement Area #1 Assessment Roll, and the levy of the Improvement Area #1 Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, the City introduced and voted on Ordinance No. 033302, then on February 20, 2024, the City passed and adopted Ordinance No. 033302 (the "Assessment Ordinance") which levied the Improvement Area #1 Assessments and approved the Service and Assessment Plan, in conformity with the requirements of the PID Act; and

WHEREAS, the City Council found and determined that the Improvement Area #1 Assessments should be levied as provided in the Service and Assessment Plan; and

WHEREAS, the City Secretary or Assistant City Secretary of the City filed a copy of the Assessment Ordinance in the official records of Nueces County, Texas, on February 23, 2024 as Document No. 2024005581, which date was not later than the seventh day after the date the City Council approved the Assessment Ordinance and the Service and Assessment Plan as required by the PID Act; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Improvement Area #1 Assessments for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Improvements, (ii) funding a reserve fund for payment of principal and interest on the Bonds Similarly Secured, (iii) paying a portion of the costs incidental to the organization and administration of the District, and (iv) paying costs of issuance of the Bonds; and

WHEREAS, the City Council now desires to issue revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Corpus Christi, Texas, Special Assessment Revenue Bonds, Series 2024 (Whitecap Public Improvement District No. 1 Improvement Area #1 Project)", such Bonds being payable solely from the Trust Estate and for the purposes set forth in the preamble of this Indenture; and

WHEREAS, the Trustee has agreed to accept the trusts herein created upon the terms set forth in this Indenture;

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds Similarly Secured issued and secured hereunder are to be issued, authenticated, and delivered and the Trust Estate hereby created, assigned, and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts,

uses, and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Bonds Similarly Secured as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Indenture, the following terms shall have the meanings specified below:

“Account” means any of the accounts established pursuant to Section 6.1 of this Indenture.

“Actual Costs” mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Developer, (either directly or through affiliates), including: (1) the costs for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvements; (3) the costs for external professional services, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) the costs for all labor, bonds, and materials, including equipment and fixtures, owing to contractors, builders, and materialmen engaged in connection with the acquisition, construction, or implementation of the Authorized Improvements; (5) all related permitting and public approval expenses, and architectural, engineering, consulting, and other governmental fees and charges; and (6) costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee equal to four percent (4%) of construction costs if managed by or on behalf of the Developer.

“Additional Interest” means the amount collected by application of the Additional Interest Rate.

“Additional Interest Rate” means the 0.50% additional interest rate charged on the Improvement Area #1 Assessments securing the Bonds Similarly Secured pursuant to Section 372.018 of the PID Act.

“Additional Interest Reserve Account” means the reserve account established by Section 6.1(b), administered by the City and segregated from other funds of the City in accordance with the provisions of Section 6.7 of this Indenture.

“Additional Interest Reserve Requirement” means an amount equal to 5.5% of the principal amount of the Bonds to be funded from Improvement Area #1 Assessment Revenues to be deposited to the Pledged Revenue Fund and transferred to the Additional Interest Reserve Account.

“Additional Obligations” mean any bonds or obligations, including specifically, any installment contracts, reimbursement agreements, temporary notes or time warrants secured in whole or in part by an assessment, other than the Improvement Area #1 Assessments securing the Bonds, levied against property within Improvement Area #1 of the District, in accordance with the PID Act.

“Administrative Fund” means that Fund established by Section 6.1(a) and administered pursuant to Section 6.9 hereof.

“Administrator” means an employee of the City or third-party designee of the City who shall have the responsibilities provided in the Service and Assessment Plan, this Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The initial Administrator is P3Works, LLC.

“Annual Collection Costs” mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Improvement Area #1 Assessments and Improvement Area #1 Annual Installments, including the costs of foreclosure; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying and redeeming Bonds; (7) investing or depositing Improvement Area #1 Assessments and Improvement Area #1 Annual Installments; (8) complying with this Service and Assessment Plan, the PID Act, and this Indenture, with respect to the Bonds, including the City’s continuing disclosure requirements; and (9) the paying agent/registrar and Trustee in connection with Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds Similarly Secured in such Bond Year, assuming that the Outstanding Bonds Similarly Secured are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds Similarly Secured due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

“Annual Installment” shall have the same meaning assigned to such term in the Service and Assessment Plan.

“Annual Service Plan Update” means the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

“Applicable Laws” mean the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State of Texas or of the United States, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

“Assessment Ordinance” means Ordinance No. 033302 adopted by the City Council on February 20, 2024, which levied the Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property located within Improvement Area #1 of the District.

“Assessments” shall have the same meaning assigned to such term in the Service and Assessment Plan.

“Authorized Denomination” means \$100,000 and any integral multiple of \$1,000 in excess thereof; provided, however, that if the total principal amount of any Outstanding Bond Similarly Secured is less than \$100,000, then the Authorized Denomination of such Outstanding Bond Similarly Secured shall be the amount of such Outstanding Bond Similarly Secured.

“Authorized Improvements” mean improvements authorized by Section 372.003 of the PID Act, including the Common to All Improvements, the Improvement Area #1 Improvements, district formation expenses, first year annual collection costs, and bond issuance costs, as more specifically listed in Section III of the Service and Assessment Plan.

“Bond” or “Bonds” mean the City's bonds authorized to be issued by Section 3.1(a) of this Indenture entitled “City of Corpus Christi, Texas, Special Assessment Revenue Bonds, Series 2024 (Whitecap Public Improvement District No. 1 Improvement Area #1 Project)”.

“Bond Counsel” means Norton Rose Fulbright US LLP or any other attorney or firm of attorneys designated by the City that is nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Date” means the date designated as the initial date of the respective series of the Bonds Similarly Secured by Section 3.2 of this Indenture.

“Bond Fund” means the Fund of such name established pursuant to Section 6.1(a) and administered as provided in Section 6.4.

“Bond Ordinance” means Ordinance No. 0_____ adopted by the City Council on October 15, 2024, authorizing the issuance of the Bonds pursuant to this Indenture.

“Bond Pledged Revenue Account” means the Account of such name established pursuant to Section 6.1(b).

“Bond Similarly Secured” or “Bonds Similarly Secured” means all bonds or any bond authorized by a bond ordinance and issued in accordance with this Indenture, including the Bonds, Refunding Bonds and any bonds issued in exchange or replacement thereof as permitted by this Indenture. For the avoidance of doubt, such term does not include the future improvement area bonds.

“Bond Year” means the one-year period beginning on September 1 in each year and ending on August 31 in the following year.

“Business Day” means any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the City or the Trustee.

“Certificate for Payment” means a certificate substantially in the form of Exhibit A to the Reimbursement Agreement or otherwise approved by the Developer and a City Representative executed by a Person approved by a City Representative, delivered to a City Representative and the Trustee specifying the amount of work performed related to the Improvement Area #1 Improvements and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in an account of the Project Fund, all as further described in the Reimbursement Agreement and Section 6.5 herein.

“City Certificate” means a certificate signed by a City Representative and delivered to the Trustee.

“City Representative” means any official or agent of the City authorized by the City Council to undertake the action referenced herein, including the City Manager, any Assistant City Manager, the City Attorney, the Chief Financial Officer, City Secretary, and the Director of Finance and Procurement.

“Closing Date” means the date of the initial delivery of and payment for each series of Bonds Similarly Secured. With respect to the Bonds, the Closing Date is October 31, 2024.

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

“Common to All Improvements” mean those certain Authorized Improvements that confer a special benefit to all of the property within the District, excluding Non-Benefited Property. The Common to All Improvements includes the Initial Common to All Improvements (as defined in the Service and Assessment Plan) as well as future improvements that are to be determined and identified in future updates to the Service and Assessment Plan.

“Costs of Issuance Account” means the Account of such name established pursuant to Section 6.1(b).

“Defeasance Securities” mean Investment Securities then authorized by applicable law for the investment of funds to defease public securities.

“Delinquent Collection Costs” mean, for a Parcel, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Improvement Area #1 Assessments, delinquent Improvement Area #1 Annual Installments, or any other delinquent amounts due under the Service and Assessment Plan, including costs and expenses to foreclose liens.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office located in Houston, Texas, or such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

“Developer” means Ashlar Interests, LLC and any successors or assigns thereof.

“Development Agreement” means the *Development Agreement – Whitecap North Padre Island* by and between the Developer and the City related to the development of property within the District, as the same may be amended from time to time.

“District” means the Whitecap Public Improvement District No. 1.

“DTC” shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Foreclosure Proceeds” mean the proceeds, including interest and penalty interest, received by the City from the enforcement of the Improvement Area #1 Assessments against any Improvement Area #1 Assessed Property(ies), whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

“Fund” means any of the funds established pursuant to Section 6.1 of this Indenture.

“Improvement Area #1” means the initial phase to be developed in the District consisting of approximately 55.9022 acres located within the District, more specifically described in Exhibit J-2 and depicted on Exhibit A-2 of the Service and Assessment Plan.

“Improvement Area #1 Annual Installment” means, with respect to each Improvement Area #1 Assessed Property, each annual payment of the Improvement Area #1 Assessments (including both principal of and interest on the Improvement Area #1 Assessments) as shown on the Improvement Area #1 Assessment Roll attached to the Service and Assessment Plan as Exhibit F-1 and related to the Improvement Area #1 Improvements; which annual payment includes Annual Collection Costs and the Additional Interest collected on each annual payment of the Improvement Area #1 Assessments as described in Section 6.7 herein and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.

“Improvement Area #1 Assessed Property” means any Parcel within Improvement Area #1 of the District that benefits from the Authorized Improvements and on which an Improvement Area #1 Assessment is levied as shown on the Improvement Area #1 Assessment Roll and which includes any and all Parcels within Improvement Area #1 of the District other than Non-Benefited Property.

“Improvement Area #1 Assessment Revenue” means monies collected by or on behalf of the City from any one or more of the following: (i) an Improvement Area #1 Assessment levied against an Improvement Area #1 Assessed Property, or Improvement Area #1 Annual Installment payment thereof, including any interest on such Improvement Area #1 Assessment or Improvement Area #1 Annual Installment thereof during any period of delinquency, (ii) a Prepayment, and (iii) Foreclosure Proceeds.

“Improvement Area #1 Assessment Roll” means the assessment roll for the Improvement Area #1 Assessed Property within Improvement Area #1 of the District and included in the Service and Assessment Plan as Exhibit F-1, as updated, modified, or amended from time to time in accordance with the procedures set forth in the Service and Assessment Plan and in the PID Act.

“Improvement Area #1 Assessments” mean the aggregate assessments, shown on the Improvement Area #1 Assessment Roll. The singular of such term means the Improvement Area #1 Assessment levied against an Improvement Area #1 Assessed Property, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation upon the subdivision of an Improvement Area #1 Assessed Property, or consolidation of multiple Improvement Area #1 Assessed Properties, or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

“Improvement Area #1 Improvements” mean the Authorized Improvements which only benefit property within Improvement Area #1 of the District, as described in Section III.A and depicted on Exhibit G-2 of the Service and Assessment Plan.

“Improvement Area #1 Improvements Account” means the Account of such name established pursuant to Section 6.1(b).

“Indenture” means this Indenture of Trust as originally executed, or as it may be from time to time supplemented or amended by one or more indentures supplemental hereto and entered into pursuant to the applicable provisions hereof.

“Independent Financial Consultant” means any consultant or firm of such consultants appointed by the City who, or each of whom: (i) is judged by the City, as the case may be, to have

experience in matters relating to the issuance and/or administration of the Bonds Similarly Secured; (ii) is in fact independent and not under the domination of the City; (iii) does not have any substantial interest, direct or indirect, with or in the City, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

“Initial Bond” means, with respect to the Bonds, the initial bond set forth in Exhibit A to this Indenture, and with respect to any Refunding Bonds, the initial bond set forth in the applicable Supplemental Indenture.

“Interest Payment Date” means the date or dates upon which interest on any series of Bonds Similarly Secured is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 15 and September 15 of each year and commencing, with respect to the Bonds, on March 15, 2025.

“Investment Securities” mean those authorized investments described in the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended; and provided further investments are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds similarly Secured.

“Non-Benefited Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council, and are not assessed.

“Outstanding” means, as of any particular date when used with reference to Bonds Similarly Secured, all Bonds Similarly Secured authenticated and delivered under this Indenture except (i) any Bond Similarly Secured that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond Similarly Secured for which the payment of the principal or Redemption Price of and interest on such Bond Similarly Secured shall have been made as provided in Article IV, and (iii) any Bond Similarly Secured in lieu of or in substitution for which a new Bond Similarly Secured shall have been authenticated and delivered pursuant to Section 3.10 herein.

“Owner” means the Person who is the registered owner of a Bond Similarly Secured or Bonds Similarly Secured, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds Similarly Secured are in book-entry only form and held by DTC as securities depository in accordance with Section 3.11 herein.

“Parcel” means a property, within the boundaries of the District, identified by either a tax map identification number assigned by the Nueces County Appraisal District for real property tax purposes, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means as determined by the City.

“Paying Agent/Registrar” means initially the Trustee, or any successor thereto as provided in this Indenture.

“Person” or “Persons” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“PID Act” means Texas Local Government Code, Chapter 372, as amended.

“Pledged Funds” mean the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

“Pledged Revenue Fund” means that fund of such name established pursuant to Section 6.1(a) and administered pursuant to Section 6.3 herein.

“Pledged Revenues” mean the sum of (i) Improvement Area #1 Assessment Revenue less the Annual Collection Costs and Delinquent Collection Costs, (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that the City may pledge to the payment of Bonds Similarly Secured.

“Prepayment” means the payment of all or a portion of an Improvement Area #1 Assessment before the due date of the final Improvement Area #1 Annual Installment thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Improvement Area #1 Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Improvement Area #1 Annual Installment.

“Preserve” means approximately 4.64 acres located within the District more specifically described in Exhibit J-3 and depicted on Exhibit A-3 of the Service and Assessment Plan. The Preserve is the location of all Common to All Improvements, and is considered Non-Benefited Property.

“Principal and Interest Account” means the Account of such name established pursuant to Section 6.1(b).

“Private Improvements” mean improvements required to be constructed by the Developer that are not Authorized Improvements but are required to reach final lot completion.

“Project Collection Fund” means that Fund established by Section 6.1(a) and administered pursuant to Section 6.10 herein.

“Project Fund” means that fund of such name established pursuant to Section 6.1(a) and administered pursuant to Section 6.5 herein.

“Purchaser” means, with respect to a Series of Bonds Similarly Secured, the initial underwriter of such Bonds Similarly Secured.

“Rebate Amount” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Rebate Fund” means that fund of such name established pursuant to Section 6.1(a) and administered pursuant to Section 6.8 herein.

“Record Date” means the close of business on the last calendar day (whether or not a Business Day) of the month next preceding an Interest Payment Date.

“Redemption Fund” means that fund of such name established pursuant to Section 6.1(a) and administered pursuant to Section 6.6 herein.

“Redemption Price” means, when used with respect to any Bond Similarly Secured or portion thereof, the amount of par plus accrued and unpaid interest to the date of redemption, unless otherwise provided in a Supplemental Indenture.

“Refunding Bonds” mean Bonds Similarly Secured which are secured by a parity lien, with the Outstanding Bonds Similarly Secured, on the Trust Estate issued pursuant to Section 3.6 hereof, as more specifically described in a Supplemental Indenture, authorizing the refunding of all or any portion of the Outstanding Bonds Similarly Secured.

“Register” means the register specified in Article III of this Indenture.

“Reimbursement Agreement” means that certain “PID Reimbursement Agreement Whitecap Public Improvement District No. 1,” effective February 20, 2024 entered into by and between the City and Developer in which: (1) the Developer on behalf of the Owner agrees to construct the Authorized Improvements, including the Common to All Improvements and Improvement Area #1 Improvements, and to fund certain Actual Costs of Authorized Improvements; (2) the City agrees to reimburse the Developer for Actual Costs of the Authorized Improvements solely from the revenue collected by the City from Assessments, including Annual Installments thereof, and/or from the net proceeds of PID Bonds, if issued; and (3) provides for the terms of payment of principal plus interest on each Reimbursement Obligation shown on Schedule I of the Service and Assessment Plan.

“Reimbursement Obligation” means a reimbursement obligation, including but not limited to the Reimbursement Obligation allocable to Improvement Area #1, as provided in the Reimbursement Agreement, related to Actual Costs of Authorized Improvements to be paid to the Developer under the terms of the Reimbursement Agreement. Each Reimbursement Obligation shall be set forth on Schedule I attached to the Service and Assessment Plan, and will be updated at the adoption of each Assessment Ordinance (as defined in the Service and Assessment Plan). Schedule I will be updated as part of the update to the Service and Assessment Plan (1) each time the City levies an Assessment, (2) when PID Bonds are issued, or (3) with each Annual Service Plan Update to reflect annual principal paid with Annual Installments collected.

“Reserve Account” means the Account of such name established pursuant to Section 6.1(b).

“Reserve Account Requirement” means the least of: (i) Maximum Annual Debt Service on the Bonds as of the Closing Date of the Bonds, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date of the Bonds, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Bonds. As of the Closing Date for the Bonds, the Reserve Account Requirement is \$_____, which is [125% of average Annual Debt Service on the Bonds] as of the Closing Date of the Bonds. The Reserve Account Requirement shall be adjusted in accordance with Section 13.2, in the event an additional series of Bonds Similarly Secured is hereafter issued.

“Reserve Fund” means that fund of such name established pursuant to Section 6.1(a) and administered in Section 6.7 herein.

“Series” means any designated series of Bonds issued under this Indenture.

“Service and Assessment Plan” means the “Whitecap Public Improvement District No. 1 Service and Assessment Plan” dated February 20, 2024, including the Improvement Area #1 Assessment Roll, as hereinafter amended, updated, and/or restated by an Annual Service Plan Update or otherwise, a version of which is attached as Exhibit A to the Assessment Ordinance.

“Sinking Fund Installment” means the amount of money to redeem or pay at maturity the principal of Bonds Similarly Secured payable from such installments at the times and in the amounts provided in Section 4.2 herein.

“Stated Maturity” means the date the Bonds Similarly Secured, or any portion of the Bonds Similarly Secured, as applicable, are scheduled to mature without regard to any redemption or prepayment.

“Supplemental Indenture” means an indenture which has been duly executed by the Trustee and the City Representative pursuant to an ordinance adopted by the City Council and which indenture amends or supplements this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

“Tax Certificate” means the Certificate as to Tax Exemption delivered by the City on the Closing Date for each series of the Bonds Similarly Secured setting forth the facts, estimates and circumstances in existence on such Closing Date which establish that it is not expected that the proceeds of such series of Bonds Similarly Secured will be used in a manner that would cause the interest on such Bonds Similarly Secured to be included in the gross income of the Owners thereof for Federal income tax purposes.

“Trust Estate” means the Trust Estate described in Section 2 of this Indenture.

“Trustee” means BOKF, NA, Houston, Texas, a national banking association duly organized and validly existing under the laws of the United States of America, with a corporate trust office in Houston, Texas, serving in its capacity as trustee, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds Similarly Secured.

Section 1.2. Findings.

The declarations, determinations, and findings declared, made and found in the preamble to this Indenture are hereby adopted, restated, and made a part of the operative provisions hereof.

Section 1.3. Table of Contents, Titles and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Words importing persons include any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(c) Any reference to a particular Article or Section shall be to such Article or Section of this Indenture unless the context shall require otherwise.

(d) This Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

ARTICLE II

THE BONDS SIMILARLY SECURED

Section 2.1. Granting Clauses.

(a) In order to secure the payment of debt service on all Bonds Similarly Secured, and the performance and observance by the City of all the covenants expressed or implied herein, the City does hereby grant to the Trustee a security interest in, mortgage, create a first lien on, and pledge to the Trustee, all of its right, title, and interest, whether now owned or hereafter acquired, in, to, and under the following (the "Trust Estate"):

(i) All Pledged Revenues, as herein defined, and all moneys and investments held in the Pledged Funds, including any and all proceeds thereof and any contract or any evidence of indebtedness relating thereto or other rights of the City to receive any such moneys or investments, whether now or existing or hereafter coming into existence, and whether now or hereafter acquired; and

(ii) Any and all other property or money of every name and nature which is, from time to time hereafter by delivery or by writing of any kind, conveyed, pledged, assigned or transferred, to the Trustee as additional security hereunder by the City or by anyone on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property or money at any and all times and to hold and apply the same subject to the terms thereof.

(b) The Trustee shall have and hold the Trust Estate, whether now owned or hereafter acquired or received, in trust upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds Similarly Secured from time to time issued under and secured by this Indenture, and for enforcement of payment of the Bonds Similarly Secured in accordance with their terms, and for the performance and compliance with the obligations, covenants, and conditions of this Indenture.

Provided, however, if the City or its assigns shall well and truly pay, or cause to be paid, the principal or redemption price of and the interest on all the Bonds Similarly Secured at the times and in the manner stated in the Bonds Similarly Secured, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and shall remain in full force and effect.

Except as otherwise provided in the remaining provisions of this Indenture, nothing in this section of this Indenture shall prohibit the Trustee from bringing any actions or proceedings for the enforcement of the obligation of the City hereunder except that nothing in this provision shall prejudice the rights of the Trustee under Articles IX and XI hereof; provided further that the priority

of payment and the source for the repayment of the debt service on the Bonds Similarly Secured shall be subject to the terms as set forth herein, including without limitation Article VI herein; provided further that the right to direct remedies following an Event of Default shall be limited to the Owners of the Bonds Similarly Secured to the extent provided as set forth in Articles XI and XV herein.

(c) The Bonds Similarly Secured are to be issued, registered, authenticated, and delivered, and that the Trust Estate is to be held, dealt with and disposed of by the Trustee, upon and subject to the terms, covenants, conditions, uses, agreements and trusts set forth in this Indenture.

Section 2.2. Security for the Bonds Similarly Secured.

The Bonds Similarly Secured, as to both principal and interest, are and shall be equally and ratably secured by and payable from a first lien on and pledge of the Trust Estate.

The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Trust Estate, the filing of this Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds Similarly Secured and the pledge of the Trust Estate granted by the City under this Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds Similarly Secured are Outstanding such that the pledge of the Trust Estate granted by the City under this Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds Similarly Secured the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.3. Limited Obligations.

The Bonds Similarly Secured are special and limited obligations of the City, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues and the Pledged Funds; and the Bonds Similarly Secured shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the City.

Section 2.4. Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by the City to the Trustee have been duly authorized by official action of the City Council of the City. The City has ascertained and it is hereby determined and declared that the execution and delivery of this Indenture is necessary to carry out and effectuate the purposes set forth in the preambles of this Indenture and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds Similarly Secured and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes herein described.

Section 2.5. Contract with Owners and Trustee.

(a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the

Bonds Similarly Secured and to prescribe the rights of the Owners, and the rights and duties of the City and the Trustee.

(b) In consideration of the purchase and acceptance of any or all of the Bonds Similarly Secured by those who shall purchase and hold the same from time to time, the provisions of this Indenture shall be a part of the contract of the City with the Owners, and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS
SIMILARLY SECURED

Section 3.1. Authorization of the Bonds Similarly Secured.

(a) The Bonds. The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of \$_____, for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Improvements, (ii) funding a reserve fund for payment of principal and interest on the Bonds Similarly Secured, (iii) paying a portion of the costs incidental to the organization and administration of the District, and (iv) paying costs of issuance of the Bonds.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated October 31, 2024 and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond for the Bonds, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the Closing Date of the Bonds or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 15 and September 15 of each year, commencing March 15, 2025 computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 15 in the years and in the principal amounts and shall bear interest as set forth below:

| <u>Years</u> | <u>Principal Amount (\$)</u> | <u>Interest Rate (%)</u> |
|--------------|----------------------------------|------------------------------|
|--------------|----------------------------------|------------------------------|

(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV herein, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Exhibit A to this Indenture.

Section 3.3. Conditions Precedent to Delivery of Bonds.

(a) The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery to the Trustee of:

- (i) a certified copy of the Assessment Ordinance;
- (ii) a certified copy of the Bond Ordinance;
- (iii) a copy of the executed Reimbursement Agreement;
- (iv) a copy of this Indenture executed by the Trustee and the City;
- (v) a copy of the executed Continuing Disclosure Agreement of Issuer;
- (vi) a copy of the executed Continuing Disclosure Agreement of Developer;
- (vii) a copy of the executed opinion of Bond Counsel;
- (viii) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate; and
- (ix) a City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City.

(b) Each Series of Refunding Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate such Refunding Bonds and, upon payment of the purchase price of such Series of Refunding Bonds, shall deliver such series of Refunding Bonds upon the order of the City, but only upon delivery to the Trustee of:

- (i) the items described in Section 3.3(a)(v) and (vii), if any, above;
- (ii) a certified copy of the ordinance of the City Council authorizing the issuance of such Series of Refunding Bonds and all actions necessary therefor;
- (iii) an original executed counterpart of the Supplemental Indenture for such Series of Refunding Bonds that establishes, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Series of Refunding Bonds, which such terms shall include a deposit into the Reserve Account of the Reserve Fund of an amount equal to the Reserve Account Requirement taking into account the then Outstanding Bonds Similarly Secured and the Refunding Bonds then proposed to be issued;
- (iv) a City Certificate, including the requisite information as set forth in Section 3.3(a)(5) above, to the effect that the issuance of such Series of Refunding Bonds complies with the requirements contained herein and in each Supplemental Indenture, including the requirements contained in Section 13.2(c) below; and

(v) the City Representative shall certify to the Trustee in writing that the City is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the City contained herein or in any Supplemental Indenture.

Section 3.4. Medium, Method and Place of Payment.

(a) Principal of and interest on the Bonds Similarly Secured shall be paid in lawful money of the United States of America, as provided in this Section.

(b) Interest on the Bonds Similarly Secured shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from or on behalf of the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bonds Similarly Secured appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

(c) Interest on the Bonds Similarly Secured shall be paid by check, dated as of the Interest Payment Date, and sent, United States mail, first-class, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each Owner as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Bond Similarly Secured shall be paid to the Owner of such Bond Similarly Secured on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond Similarly Secured at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds Similarly Secured shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds Similarly Secured to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State of Texas, any such payments remaining unclaimed by the Owners entitled thereto for two (2) years after the applicable payment or redemption date shall be applied to the next payment or payments on such Bonds Similarly Secured thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds Similarly Secured, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be

liable or responsible to any Owners of such Bonds Similarly Secured for any further payment of such unclaimed moneys or on account of any such Bonds Similarly Secured, subject to any applicable escheat law or similar law of the State of Texas.

Section 3.5. Execution and Registration of Bonds Similarly Secured.

(a) The Bonds Similarly Secured shall be executed on behalf of the City by the Mayor or Mayor Pro Tem of the City and the City Secretary or Assistant City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds Similarly Secured shall have the same effect as if each of the Bonds Similarly Secured had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds Similarly Secured shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds Similarly Secured.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds Similarly Secured ceases to hold such office before the authentication of such Bonds Similarly Secured or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond Similarly Secured shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein or in a Supplemental Indenture, duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. It shall not be required that the same officer or authorized signatory of the Trustee sign the Certificate of Trustee on all of the Bonds Similarly Secured. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date for such series of Bonds Similarly Secured shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein or in a Supplemental Indenture, manually executed by the State Comptroller, or by his or her duly authorized agent, which certificate shall be evidence that such Initial Bond has been duly approved by the Attorney General of the State, is a valid and binding obligation of the City, and has been registered by the State Comptroller, including the provisions of Title 6 of the Texas Property Code, as amended.

(d) On each Closing Date for each Series of the Bonds Similarly Secured, one Initial Bond representing the entire principal amount of such Series of Bonds Similarly Secured, payable in stated installments to the Purchaser of such series of Bonds Similarly Secured, or its designee, executed with the manual or facsimile signatures of the Mayor or Mayor Pro Tem and the City Secretary or Assistant City Secretary, approved by the Attorney General of the State, and registered and manually signed by the State Comptroller, will be delivered to the Purchaser of such series of Bonds Similarly Secured or its designee. Upon payment for such Initial Bond, the Trustee shall cancel the Initial Bond and upon City Certificate deliver to DTC on behalf of the Purchaser of such Bonds Similarly Secured one registered definitive bond for each year of maturity of such series of the Bonds Similarly Secured, in the aggregate principal amount of all bonds for such maturity of such series of the Bonds Similarly Secured, registered in the name of Cede & Co., as nominee of DTC.

Section 3.6. Refunding Bonds.

(a) Except in accordance with the provisions of this Indenture, including Section 13.2, the City shall not issue additional bonds, notes or other obligations payable from any portion of the Trust Estate, other than Refunding Bonds. The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State of Texas. Except as limited by the terms of this Indenture, including Section 13.2, the City reserves the right to incur debt payable from sources other than the Trust Estate, including revenue derived from contracts with other entities, including private corporations, municipalities and political subdivisions issued particularly for the purchase, construction, improvement, extension, replacement, enlargement or repair of the facilities needed in performing any such contract.

(b) The principal of all Refunding Bonds must be scheduled to be paid, be subject to mandatory sinking fund redemption or mature on September 15 of the years in which such principal is scheduled to be paid. All Refunding Bonds must bear interest at a fixed rate and any interest payment dates for Refunding Bonds must be March 15 and September 15. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture.

(c) Upon their authorization by the City, the Refunding Bonds of a Series issued under this Section 3.6 shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee the items required by Section 3.3(b) above.

Section 3.7. Ownership.

(a) The City, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond Similarly Secured is registered as the absolute owner of such Bond Similarly Secured for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond Similarly Secured is registered on the relevant Record Date) and for all other purposes, whether or not such Bond Similarly Secured is overdue, and neither the City nor the Trustee, nor the Paying Agent/Registrar, shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of any Bond Similarly Secured shall be valid and effectual and shall discharge the liability of the City, the Trustee and the Paying Agent/Registrar upon such Bond Similarly Secured to the extent of the sums paid.

Section 3.8. Registration, Transfer and Exchange.

(a) So long as any Bond Similarly Secured remains Outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds Similarly Secured in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will maintain a copy of the Register, with a copy thereof filed with the City, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

(b) A Bond Similarly Secured shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond Similarly Secured shall be effective until entered in the Register. If any Bond Similarly Secured is not presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond Similarly Secured shall have been made available to the Trustee, all liability of the City to the Owner thereof for the payment of such Bond Similarly Secured shall forthwith cease and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Owner of such Bond Similarly Secured who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part under this Indenture, or with respect to, said Bond Similarly Secured.

(c) The Bonds Similarly Secured shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond Similarly Secured or Bonds Similarly Secured of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds Similarly Secured exchanged for other Bonds Similarly Secured in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds Similarly Secured transferred or exchanged in accordance with this Section. A new Bond Similarly Secured or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond Similarly Secured being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each transferred Bond Similarly Secured delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond Similarly Secured or Bonds Similarly Secured in lieu of which such transferred Bond Similarly Secured is delivered.

(e) Each exchange Bond Similarly Secured delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond Similarly Secured or Bonds Similarly Secured in lieu of which such exchange Bond Similarly Secured is delivered.

(f) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different Authorized Denomination of any of the Bonds Similarly Secured. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond Similarly Secured.

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond Similarly Secured or portion thereof called for redemption prior to maturity within 45 days prior to the date fixed for redemption; *provided, however*, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond Similarly Secured.

Section 3.9. Cancellation.

All Bonds Similarly Secured paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds Similarly Secured in lieu of which exchange Bonds Similarly Secured or replacement Bonds Similarly Secured are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall dispose of cancelled Bonds Similarly Secured in accordance with the records retention requirements of the Trustee.

Section 3.10. Temporary Bonds Similarly Secured.

(a) Following the delivery and registration of the Initial Bond of a given Series of Bonds Similarly Secured and pending the preparation of definitive Bonds Similarly Secured for such Series of Bonds Similarly Secured, the proper officers of the City may execute and, upon the City's request, the Trustee shall authenticate and deliver, one or more temporary Bonds Similarly Secured that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any Authorized Denomination, substantially of the tenor of the definitive Bonds Similarly Secured in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds Similarly Secured may determine, as evidenced by their signing of such temporary Bonds Similarly Secured.

(b) Until exchanged for Bonds Similarly Secured in definitive form, such Bonds Similarly Secured in temporary form shall be entitled to the benefit and security of this Indenture.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds Similarly Secured in definitive form; thereupon, upon the presentation and surrender of the Bond Similarly Secured or Bonds Similarly Secured in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds Similarly Secured in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond Similarly Secured or Bonds Similarly Secured of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond Similarly Secured or Bonds Similarly Secured in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.11. Replacement Bonds Similarly Secured.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond Similarly Secured, the Trustee shall authenticate and deliver in exchange therefor a replacement Bond Similarly Secured of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond Similarly Secured to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond Similarly Secured is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond Similarly Secured has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond Similarly Secured of like tenor and principal amount bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond Similarly Secured;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and the City harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Trustee and the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Trustee.

(c) After the delivery of such replacement Bond Similarly Secured, if a bona fide purchaser of the original Bond Similarly Secured in lieu of which such replacement Bond Similarly Secured was issued presents for payment such original Bond Similarly Secured, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond Similarly Secured from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond Similarly Secured has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond Similarly Secured, may pay such Bond Similarly Secured if it has become due and payable or may pay such Bond Similarly Secured when it becomes due and payable.

(e) Each replacement Bond Similarly Secured delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond Similarly Secured or Bonds Similarly Secured in lieu of which such replacement Bond Similarly Secured is delivered.

Section 3.12. Book-Entry Only System.

The Bonds Similarly Secured shall initially be issued in book-entry-only form and shall be deposited with DTC, which is hereby appointed to act as the securities depository therefor, in accordance with the letter of representations from the City to DTC. On the Closing Date of each series of Bonds Similarly Secured, the definitive Bonds Similarly Secured shall be issued in the form of a single typewritten certificate for each maturity thereof registered in the name of Cede & Co., as nominee for DTC.

With respect to Bonds Similarly Secured registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds Similarly Secured. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds Similarly Secured, (ii) the delivery to any DTC Participant or any

other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds Similarly Secured, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds Similarly Secured. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond Similarly Secured is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on such Bond Similarly Secured, for the purpose of giving notices of redemption and other matters with respect to such Bond Similarly Secured, for the purpose of registering transfer with respect to such Bond Similarly Secured, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds Similarly Secured only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds Similarly Secured to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the relevant Record Date, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 3.13. Successor Securities Depository: Transfer Outside Book-Entry-Only System.

In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the City to DTC, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds Similarly Secured to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds Similarly Secured and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds Similarly Secured to DTC Participants having Bonds Similarly Secured credited to their DTC accounts. In such event, the Bonds Similarly Secured shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds Similarly Secured shall designate, in accordance with the provisions of this Indenture.

Section 3.14. Payments to Cede & Co.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds Similarly Secured are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds Similarly Secured, and all notices with respect to such Bonds Similarly Secured shall be made and given, respectively, in the manner provided in the blanket letter of representations from the City to DTC.

ARTICLE IV

REDEMPTION OF BONDS SIMILARLY SECURED BEFORE MATURITY

Section 4.1. Limitation on Redemption.

The Bonds Similarly Secured shall be subject to redemption before their scheduled maturity only as provided in this Article IV. Each Series of Bonds Similarly Secured, other than the Bonds, shall be subject to redemption as provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds Similarly Secured.

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing September 15, 20

| <u>Redemption Date</u> | <u>Sinking Fund Installment (\$)</u> |
|------------------------|--|
| September 15, 20__ | |
| September 15, 20__ | |
| September 15, 20__ | |
| September 15, 20__ | |
| September 15, 20__ | |
| September 15, 20__ | |
| September 15, 20__* | |

* maturity

Term Bonds Maturing September 15, 20

| <u>Redemption Date</u> | <u>Sinking Fund Installment (\$)</u> |
|------------------------|--|
| September 15, 20__ | |
| September 15, 20__ | |
| September 15, 20__ | |
| September 15, 20__ | |
| September 15, 20__ | |
| September 15, 20__* | |

* maturity

Term Bonds Maturing September 15, 20

| <u>Redemption Date</u> | <u>Sinking Fund Installment (\$)</u> |
|------------------------|--|
| September 15, 20__ | |
| September 15, 20__ | |
| September 15, 20__ | |
| September 15, 20__ | |
| September 15, 20__ | |
| September 15, 20__* | |

* maturity

(b) At least forty-five (45) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by subparagraphs (iii) and (iv) of this Section 4.2(a), the Trustee shall select a principal amount of Bonds (in accordance with Section 4.5) of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(c) The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (i) of this Section 4.2(a) shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least forty-five (45) days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (i) of this Section 4.2(a) shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least forty-five (45) days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

The City reserves the right and option to redeem Bonds maturing on or after September 15, 20__, before their respective scheduled maturity dates, in whole or in part, on any date on or after September 15, 20__, such redemption date or dates to be fixed by the City, at the Redemption Price.

Section 4.4. Extraordinary Optional Redemption.

Notwithstanding any provision in this Indenture to the contrary, the City reserves the right and option to redeem Bonds Similarly Secured before their respective scheduled maturity dates, in whole or in part and in an amount and on a date specified in a City Certificate, at the Redemption Price of such Bonds Similarly Secured, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund made pursuant to the terms of

this Indenture, any other transfers to the Redemption Fund under the terms of this Indenture, or as a result of unexpended amounts transferred from the Project Fund pursuant to the terms of this Indenture). The City will provide the Trustee a City Certificate directing the Bonds to be redeemed pursuant to this Section 4.4 in accordance with the provisions of Section 4.5 hereof.

Section 4.5. Partial Redemption.

(a) If less than all of a series of Bonds Similarly Secured are to be redeemed pursuant to Sections 4.2, 4.3, or 4.4, Bonds Similarly Secured shall be redeemed in minimum principal amounts of \$1,000 or any integral multiple thereof. Each Bond Similarly Secured shall be treated as representing the number of bonds that is obtained by dividing the principal amount of such series of Bonds Similarly Secured by \$1,000. No redemption shall result in a Bond Similarly Secured in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of the Outstanding Bond Similarly Secured is less than an Authorized Denomination after giving effect to such partial redemption, a Bond Similarly Secured in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

(b) In selecting the Bonds Similarly Secured to be redeemed pursuant to Section 4.2, the Trustee may select Bonds Similarly Secured in any method that results in a random selection.

(c) In selecting the Bonds Similarly Secured to be redeemed pursuant to Section 4.3, the Trustee may rely on the directions provided in a City Certificate.

(d) If less than all of the Bonds Similarly Secured are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Bonds Similarly Secured or portion of a Bond Similarly Secured, as applicable, to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds Similarly Secured.

(e) Upon surrender of any Bond Similarly Secured for redemption in part, the Trustee, in accordance with Section 3.7 of this Indenture, shall authenticate and deliver an exchange Bond Similarly Secured or Bonds Similarly Secured of the same series and in an aggregate principal amount equal to the unredeemed portion of the Bond Similarly Secured so surrendered, such exchange being without charge.

Section 4.6. Notice of Redemption to Owners.

(a) The Trustee shall give notice of any redemption of Bonds Similarly Secured by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond Similarly Secured or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds Similarly Secured are in book-entry-only form and held by DTC as security depository, references to Owner in this Indenture means Cede & Co., as nominee for DTC.

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds Similarly Secured are to be surrendered for payment, and, if less than all the Outstanding Bonds Similarly Secured are to be redeemed, and subject to Section 4.5 hereof, an identification of the Bonds Similarly Secured or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond Similarly Secured shall become due and payable.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

(d) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds Similarly Secured then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(e) With respect to any optional redemption of the Bonds Similarly Secured, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds Similarly Secured to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds Similarly Secured and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds Similarly Secured have not been redeemed.

Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds Similarly Secured to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds Similarly Secured being redeemed.

(b) Upon presentation and surrender of any Bond Similarly Secured called for redemption at the Designated Payment/Transfer Office of the Trustee (acting as Paying Agent/Registrar) on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond Similarly Secured to the date of redemption from the moneys set aside for such purpose.

Section 4.8. Effect of Redemption.

Notice of redemption having been given as provided in Section 4.6 of this Indenture, the Bonds Similarly Secured or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the Redemption Price of such Bonds Similarly Secured to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds Similarly Secured or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds Similarly Secured are presented and surrendered for payment on such date.

ARTICLE V

FORM OF THE BONDS SIMILARLY SECURED

Section 5.1. Form Generally.

(a) The Bonds Similarly Secured, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Trustee, and the Assignment to appear on each of the Bonds Similarly Secured, (i) shall be, with respect to the Bonds, substantially in the form set forth in Exhibit A to this Indenture with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this

Indenture, and, with respect to any other Bonds Similarly Secured, substantially in the form set forth in an exhibit to a Supplemental Indenture with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds Similarly Secured, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds Similarly Secured may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds Similarly Secured.

(c) The definitive Bonds Similarly Secured shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds Similarly Secured, as evidenced by their execution thereof.

(d) Each respective Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

(e) The form of each Series of Refunding Bonds shall be set forth in the applicable Supplemental Indenture authorizing the issuance of such Refunding Bonds.

Section 5.2. CUSIP Registration.

The City may secure identification numbers through the CUSIP Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds Similarly Secured. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds Similarly Secured shall be of no significance or effect as regards the legality thereof; and none of the City, the Trustee, nor the attorneys approving said Bonds Similarly Secured as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds Similarly Secured.

Section 5.3. Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond Similarly Secured over the certification of the City Secretary or Assistant City Secretary of the City, which may be executed in facsimile.

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

(a) Creation of Funds. The following Funds are hereby created and established under this Indenture:

- (i) Pledged Revenue Fund;
- (ii) Bond Fund;

- (iii) Project Fund;
- (iv) Reserve Fund;
- (v) Redemption Fund;
- (vi) Rebate Fund;
- (vii) Administrative Fund; and
- (viii) Project Collection Fund.

(b) Creation of Accounts.

(i) The following Accounts are hereby created and established under the Pledged Revenue Fund:

- (A) Bond Pledged Revenue Account.

(ii) The following Account is hereby created and established under the Bond Fund:

- (A) Principal and Interest Account.

(iii) The following Accounts are hereby created and established under the Project Fund:

- (A) Improvement Area #1 Improvements Account; and
- (B) Costs of Issuance Account.

(iv) The following Accounts are hereby created and established under the Reserve Fund:

- (A) Reserve Account; and
- (B) Additional Interest Reserve Account.

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds Similarly Secured.

(d) Interest earnings and profit on each respective Fund and Account established by this Indenture, including the Project Collection Fund, shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

(e) The Trustee may, from time to time, upon written direction from the City pursuant to a City Certificate, create additional Funds or Accounts hereunder as may be necessary for the receipt and application of the Improvement Area #1 Assessment Revenues to account properly for the payment of the Actual Costs of the Authorized Improvements benefiting Improvement Area #1 or to facilitate the payment or redemption for the Bonds Similarly Secured.

Section 6.2. Initial Deposits to Funds and Accounts.

(a) The proceeds from the sale of the Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

- (i) to the Improvement Area #1 Improvements Account of the Project Fund: \$_____;
- (ii) to the Costs of Issuance Account of the Project Fund: \$_____;
- (iii) to the Reserve Account of the Reserve Fund: \$_____; and
- (iv) to the Administrative Fund: \$_____.

Section 6.3. Pledged Revenue Fund.

(a) On or before March 1 of each year while the Bonds Similarly Secured are Outstanding and beginning March 1, 2025, the City shall deposit or cause to be deposited the Pledged Revenues, other than the Pledged Revenues on deposit in the Project Collection Fund which revenues shall be transferred in accordance with Section 6.10 hereof, into the Pledged Revenue Fund. As soon as practicable following deposit into the Pledged Revenue Fund pursuant to this Section 6.3(a) or Section 6.10, the Trustee shall apply the Pledged Revenues in the following order of priority: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, in accordance with Section 6.7(a) hereof, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any, in accordance with Section 6.7(b) hereof, (iv) fourth, to pay Actual Costs of the Improvement Area #1 Improvements, and (v) fifth, to pay other costs permitted by the PID Act.

Along with each deposit of Pledged Revenues from the Project Collection Fund to the Pledged Revenue Fund, the City shall provide a City Certificate to the Trustee as to (i) the Funds and Accounts into which the amounts are to be deposited or retained, as applicable, and (ii) the amounts of any payments to be made from such Funds and Accounts.

(b) From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds Similarly Secured on the next Interest Payment Date.

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7 herein, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first, to the payment of interest and, second, to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured, as described in Section 11.4(a) hereof.

(d) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund.

(e) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first, to the Reserve Account to restore any transfers from the

Reserve Account made with respect to the Improvement Area #1 Assessed Property(s) to which the Foreclosure Proceeds relate, second, to the Additional Interest Reserve Account to restore any transfers from the Additional Interest Reserve Account made with respect to the Improvement Area #1 Assessed Property(s) to which the Foreclosure Proceeds relate, and third, to the Redemption Fund.

(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in an account of the Reserve Fund, the City may direct the Trustee by City Certificate to apply Improvement Area #1 Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid.

(g) Any additional Pledged Revenues remaining after the satisfaction of the foregoing shall be applied by the Trustee, as instructed by the City pursuant to a City Certificate, for any lawful purpose permitted by the PID Act for which such additional Pledged Revenues may be used, including transfers to other Funds and Accounts created pursuant to this Indenture.

Section 6.4. Bond Fund.

(a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and/or interest then due and payable on the Bonds Similarly Secured.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in Section 6.7(f) hereof. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1 hereof. Money on deposit in the Improvement Area #1 Improvements Account of the Project Fund shall only be used to pay Actual Costs of Improvement Area #1 Improvements.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay the costs of issuance of the Bonds Similarly Secured pursuant to one or more City Certificates. Disbursements from the Improvement Area #1 Improvements Account of the Project Fund to pay Actual Costs of the Improvement Area #1 Improvements shall be made by the Trustee upon receipt by the Trustee of either properly executed and completed Certificate for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Improvement Area #1 Improvements Account pursuant to a Certificate for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Reimbursement Agreement. Such provisions and procedures related to such disbursements contained in the Reimbursement Agreement, are herein incorporated by reference and deemed set forth herein in full.

(c) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #1 Improvements Account of the Project Fund are not expected to be expended for purposes of such Account due to the abandonment, or constructive abandonment of the Improvement Area #1 Improvements, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #1 Improvements Account of the Project Fund will ever be expended for the purposes of such Account, the City

Representative shall file a City Certificate with the Trustee and shall provide evidence to the Trustee that a copy of such City Certificate was provided to the Developer prior to filing such City Certificate with the Trustee. Such City Certificate shall identify the amounts then on deposit in the Improvement Area #1 Improvements Account of the Project Fund that are not expected to be used for purposes of such Account. If such City Certificate is so filed, the amounts on deposit in the Improvement Area #1 Improvements Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

(d) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(e) Upon the filing of a City Certificate stating that all Improvement Area #1 Improvements have been completed and that all Actual Costs of the Improvement Area #1 Improvements have been paid, or that any such Actual Costs of the Improvement Area #1 Improvements are not required to be paid from the Improvement Area #1 Improvements Account of the Project Fund pursuant to a Certificate for Payment, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #1 Improvements Account of the Project Fund to the Bond Fund and (ii) shall close the Improvement Area #1 Improvements Account. If the Improvement Area #1 Improvements Account has been closed as provided above and the Costs of Issuance Account of the Project Fund has been closed pursuant to the provisions of Section 6.5(f), the Project Fund shall be closed.

(f) Not later than six months following each respective Closing Date, or upon a determination by the City Representative that all costs of issuance of such series of Bonds Similarly Secured have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred, first, to Improvement Area #1 Improvements Account of the Project Fund and used to pay Actual Costs of Improvement Area #1 Improvements, and second, to the Principal and Interest Account of the Bond Fund if no Actual Costs of Improvement Area #1 Improvements remain unpaid and shall be used to pay interest on the Bonds Similarly Secured, as directed by the City in a City Certificate filed with the Trustee and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

(a) The Trustee shall cause to be deposited to the Redemption Fund from the Bond Pledged Revenue Account of the Pledged Revenue Fund an amount sufficient to redeem Bonds Similarly Secured as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds Similarly Secured as provided in Article IV.

Section 6.7. Reserve Fund.

(a) The City agrees with the Owners of the Bonds Similarly Secured to accumulate from the deposits described in Section 6.3(a) hereof, and when accumulated, maintain in the Reserve Account of the Reserve Fund, an amount equal to not less than the Reserve Account Requirement except to the extent such deficiency is due to the application of Section 6.7(d) hereof. All amounts deposited in the Reserve Account of the Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture.

(b) The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 1 and September 1 of each year, commencing March 1, 2026, an amount equal to the Additional Interest collected, if any, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall, and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds Similarly Secured from the proceeds of a Prepayment pursuant to Section 4.4 of this Indenture. In the event the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement then the deposits described in the immediately preceding sentence shall continue until the Additional Interest Reserve Account has been fully replenished. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the City of such transfer in writing. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Improvement Area #1 Annual Installments as shown on the Improvement Area #1 Assessment Roll in the Service and Assessment Plan or an Annual Service Plan Update, unless and until it receives a City Certificate directing that a different amount be used.

(c) Whenever a transfer is made from an Account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

(d) Whenever Bonds Similarly Secured are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, the Trustee shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the City and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a City Certificate to be applied to the redemption of the Bonds Similarly Secured. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount of Bonds Similarly Secured to be redeemed with Prepayments multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayments toward payment of accrued interest, there are insufficient funds in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds Similarly Secured to be redeemed, as identified in a City Certificate, as a result of such Prepayments and as a result of the transfer from the Reserve Account under this Section 6.7(d), the Trustee shall transfer an amount equal to the shortfall, and/or any additional amounts necessary to permit the Bonds Similarly Secured to be redeemed in minimum principal amounts of \$1,000, from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of debt service on the Bonds Similarly Secured on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within thirty days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to a specified Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the date hereof, or (iii) for such other use specified in such City Certificate if the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured.

(f) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer first, from the Additional Interest Reserve Account of the Reserve Fund to the Bond Fund and, second, from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

(g) At the final maturity of the Bonds Similarly Secured, the amount on deposit in the Reserve Account and the Additional Interest Reserve Account shall be transferred to the Principal and Interest Account of the Bond Fund and applied to the payment of the principal of the Bonds Similarly Secured.

(h) If, after a Reserve Account withdrawal pursuant to Section 6.7(f), the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency, in accordance with Section 6.3.

(i) If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund is sufficient to pay the principal amount of all Outstanding Bonds Similarly Secured on the next Interest Payment Date, together with the unpaid interest accrued on such Outstanding Bonds Similarly Secured as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Outstanding Bonds Similarly Secured as of such Interest Payment Date.

Section 6.8. Rebate Fund: Rebate Amount.

(a) There is hereby established a special fund of the City to be designated "City of Corpus Christi, Texas, Rebate Fund" (the "Rebate Fund") to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts relating to the Bonds Similarly Secured due the United States Government in accordance with the Code.

(b) In order to assure that Rebate Amount is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and each respective Tax Certificate.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and Section 7.5(h) and shall not be liable or responsible if it follows the instructions

of the City and shall not be required to take any action under this Section and Section 7.5(h) in the absence of written instructions from the City.

(d) If, on the date of each annual calculation, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the City may direct the Trustee, pursuant to a City Certificate, to transfer the amount in excess of the Rebate Amount to the Bond Fund.

Section 6.9. Administrative Fund.

(a) On or before March 1, 2025, and on or before each March 1 and September 1 of each year thereafter while the Bonds Similarly Secured are Outstanding, the City shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay the Annual Collection Costs and Delinquent Collection Costs, other than the Annual Collection Costs and Delinquent Collection Costs deposited into the Project Collection Fund, which amounts shall be deposited in accordance with Section 6.10 hereof.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds and Accounts created and administered hereunder and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan.

(c) The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

Section 6.10. Project Collection Fund.

While any Bonds Similarly Secured are Outstanding, another taxing unit or an appraisal district, by agreement with the City, may collect Improvement Area #1 Assessment Revenue on the City's behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Improvement Area #1 Assessment Revenue for deposit on the City's behalf, the Trustee shall accept such Improvement Area #1 Assessment Revenue and deposit the same into the Project Collection Fund. The Trustee shall, as directed by the City pursuant to a City Certificate, deposit or cause to be deposited (i) all of that portion of the Improvement Area #1 Assessment Revenue deposited into the Project Collection Fund that consists of the Annual Collection Costs and Delinquent Collection Costs to the Administrative Fund and (ii) all of that portion of the Improvement Area #1 Assessment Revenue deposited into the Project Collection Fund that consists of Pledged Revenues into the Pledged Revenue Fund for future allocations as set forth in Section 6.3(a) hereof. The City shall provide such City Certificate on or before March 1, 2025 and every September 1 and March 1 thereafter while the Bonds Similarly Secured are Outstanding. The Project Collection Fund is not a Pledged Fund.

Section 6.11. Investment of Funds.

(a) Money in any Fund or Account established pursuant to this Indenture shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee at least two (2) days in advance of the making of such investment. The money in any Fund or Account shall be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as

amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in Section 7.5(a) hereof) on the Bonds Similarly Secured, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured. Investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds or Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default. To ensure that cash on hand is invested, in the absence of direction pursuant to a City Certificate, money in any Fund or Account established pursuant to this Indenture shall be invested in the Invesco Short-Term Investments Trust Treasury, CUSIP No. 825252786 until directed otherwise by the City Certificate.

(b) Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in this Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall have no investment discretion and the Trustee's only responsibility for investments shall be to follow the written instructions contained in any City Certificate and to insure that an investment it is directed to purchase is a permitted investment pursuant to the terms of this Indenture. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments.

(d) Investments in any and all Funds and Accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the Funds and Accounts to which they are credited and otherwise as provided in this Indenture.

(e) The Trustee will furnish the City and the Administrator monthly cash transaction statements which include detail for all investment transactions made by the Trustee hereunder; and, unless the Trustee receives a written request, the Trustee is not required to provide brokerage confirmations so long as the Trustee is providing such monthly cash transaction statements.

Section 6.12. Security of Funds.

All Funds or Accounts heretofore created, to the extent not invested as herein permitted, shall be secured in the manner and to the fullest extent required by law for the security of public funds, and such Funds or Accounts shall be used only for the purposes and in the manner permitted or required by this Indenture.

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Improvement Area #1 Assessments.

The City hereby confirms, covenants, and agrees that the Improvement Area #1 Assessments to be collected from the Improvement Area #1 Assessed Property are as so reflected in the Service and Assessment Plan (as it may be updated from time to time) and, in accordance with the Assessment Ordinance, it has levied the Improvement Area #1 Assessments against the respective Improvement Area #1 Assessed Property from which the Pledged Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Improvement Area #1 Assessments.

(a) For so long as any Bonds Similarly Secured are Outstanding and/or amounts are due to the Developer to pay it for funds it has contributed to pay Actual Costs of the Improvement Area #1 Improvements in accordance with the Reimbursement Agreement, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Improvement Area #1 Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Improvement Area #1 Assessments.

(b) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Improvement Area #1 Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Improvement Area #1 Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Improvement Area #1 Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Improvement Area #1 Assessment or the corresponding Improvement Area #1 Assessed Property. Furthermore, nothing shall obligate the City, the City Attorney, or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the City and its appropriate collections enforcement designees.

Section 7.3. Against Encumbrances.

(a) Other than Refunding Bonds, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the

Trust Estate, other than that specified in Section 9.7 of this Indenture, or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

(b) So long as Bonds Similarly Secured are Outstanding hereunder, and except as set forth in Section 13.2 hereof, the City shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds Similarly Secured and Refunding Bonds, if any, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, except for other indebtedness incurred in compliance with Section 13.2 hereof.

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds Similarly Secured or any interest thereon remain Outstanding and unpaid, and/or the obligation to the Developer to pay it for funds it has contributed to pay Actual Costs of the Improvement Area #1 Improvements in accordance with the Reimbursement Agreement remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Improvement Area #1 Assessments. The Trustee and Owners of any Bonds Similarly Secured or any duly authorized agent or agents of such holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds Similarly Secured during the City's regular business hours and on a mutually agreeable date not later than thirty days after the City receives such request.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

"Closing Date" means the date on which each series of Bonds Similarly Secured are first authenticated and delivered to the respective initial purchasers against payment therefor.

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of

the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

“Regulations” means any proposed, temporary or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Yield” of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (2) the Bonds Similarly Secured, as it pertains to a particular series of Bonds Similarly Secured, has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of each series of Bonds Similarly Secured:

(i) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds Similarly Secured of such series, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds Similarly Secured of such series or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan.

(i) Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of any Bonds Similarly Secured to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(ii) The City covenants and agrees that the levied Improvement Area #1 Assessments will meet the requirements of the "tax assessment loan exception" within the meaning of Section 1.141-5(d) of the Regulations on the date that each series of the Bonds Similarly Secured are delivered and will ensure that the Improvement Area #1 Assessments continue to meet such requirements for so long as Bonds Similarly Secured are outstanding.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of any series of Bonds Similarly Secured directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested) if, as a result of such investment, the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of such series of Bonds Similarly Secured.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds Similarly Secured to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe with respect to each series of Bonds Similarly Secured.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Bond Similarly Secured is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds Similarly Secured with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date for each series of Bonds Similarly Secured, the City shall calculate the Rebate Amount for the respective series of Bonds Similarly Secured in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of each series of the Bonds until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds Similarly Secured by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall, pursuant to a City Certificate, direct the Trustee to transfer to the Rebate Fund from the funds or subaccounts designated in such City Certificate and direct the Trustee to pay to the United States from the Rebate Fund the amount that when added to the future value of previous rebate payments made for any series of Bonds Similarly Secured equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds Similarly Secured, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds Similarly Secured not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Chief Financial Officer, City Attorney, Director of Finance, City Secretary or Assistant City Secretary individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

ARTICLE VIII

LIABILITY OF CITY

The City shall not incur any responsibility in respect of the Bonds Similarly Secured or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds Similarly Secured assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds Similarly Secured, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Indenture, the Bonds Similarly Secured, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds Similarly Secured (the "Bond Documents"), shall require the City to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the Annual Collection Costs) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Trust Estate, the funds available for such payment in any of the Pledged Funds, if any, or the amounts collected to pay Annual Collection Costs on deposit in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds Similarly Secured by mandamus or other proceeding at law or in equity.

The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Indenture, the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any

action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. Trustee as Paying Agent/Registrar.

The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and in respect to the Bonds Similarly Secured. The Trustee hereby accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the express terms and conditions, and subject to the provisions of this Indenture to all of which the parties hereto and the Owners of the Bonds Similarly Secured agree. No implied covenants or obligations shall be read into this Indenture against the Trustee.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; *provided, however*, that absent an Event of Default, the Trustee shall not request or require indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its sole and exclusive judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Pledged Revenue Fund or the Administrative Fund to pay all costs, fees, and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

The recitals contained in this Indenture and in the Bonds Similarly Secured shall be taken as the statements of the City and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or

the Bonds Similarly Secured or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds Similarly Secured for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; (v) any loss suffered in connection with any investment of funds in accordance with this Indenture; or (vi) to undertake any other action unless specifically authorized pursuant to a written direction by the City or pursuant to this Indenture.

The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture. The Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture for the existence, furnishing or use of the Improvement Area #1 Improvements.

The Trustee, before the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If any Event of Default occurred and continues, the Trustee shall exercise such rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs in exercising any rights or remedies or performing any of its duties hereunder.

The Trustee shall not be responsible for any recital herein (except with respect to the authentication certificate of the Trustee endorsed on the Bonds Similarly Secured) or for the recording, filing, or refiling of this Indenture in connection therewith, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency or security of the Bonds Similarly Secured.

The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the validity or sufficiency of this Indenture or of the Bonds Similarly Secured. The Trustee shall not be accountable for the use or application of any Bonds Similarly Secured or the proceeds thereof or of any money paid to or upon the order of the City under any provision of this Indenture.

The Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it is established that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of at least 25% of the aggregate outstanding principal of the Bonds Similarly Secured relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default unless the Trustee is notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by an Owner of the Bonds Similarly Secured. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no Event of Default, except as noted above, unless Trustee has actual knowledge of an Event of Default.

Before taking any action under this Indenture (other than making any deposits, payments or transfers prior to an Event of Default when required hereunder), the Trustee may require that a satisfactory indemnity be furnished to it for the payment or reimbursement of all costs and expenses (including, without limitation, attorney's fees and expenses) to which it may be put and to protect it against all liability which it may incur in or by reason of such action, except liability which it adjudicated to have resulted from its negligence or willful misconduct.

The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds Similarly Secured.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys, or receivers, and the Trustee shall be entitled to rely and act upon the opinion or advice of its own counsel, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys, and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of its own counsel.

Section 9.4. Trustee Joining in Supplemental Indentures; Supplemental Indentures Part of Indenture.

The Trustee is authorized to join with the City in the execution of any such Supplemental Indentures and to make the further agreements and stipulations which may be contained therein. Any Supplemental Indenture executed accordance with the provisions of this Section shall thereafter form a part of this Indenture, and all the terms and conditions contained in any such Supplemental Indenture as to any provisions authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. In case of the execution and delivery of any Supplemental Indenture, express reference may be made thereto in the text of any Bonds Similarly Secured issued thereafter, if deemed necessary or desirable by the Trustee or the City.

Upon execution of any Supplemental Indenture pursuant to the provisions of this Section, this Indenture shall be and be deemed to be modified and amended in accordance therewith, and

the respective rights, duties, and obligations under this Indenture of the City and the Trustee and all Owners of Outstanding Bonds Similarly Secured shall thereafter be determined exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 9.5. Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.6. Trustee Protected in Relying on Certain Documents.

The Trustee may conclusively rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, the Reimbursement Agreement and the Development Agreement, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into and shall not be deemed to have knowledge of any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who, at the time of making such request, or giving such authority or consent to the Owner of any Bond Similarly Secured, shall be conclusive and binding upon all future owners of the same Bond Similarly Secured and upon Bonds Similarly Secured issued in exchange therefor and upon transfer or in place thereof.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative.

The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Sections 9.14 and 9.18 herein.

Section 9.7. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, upon written direction of the City, compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees,

incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, upon delivery of an invoice therefor to the City, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder (except the Rebate Fund) prior to any Bonds Similarly Secured Outstanding. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City fails to make any payment required by this Section, the Trustee may make such payment from any moneys in the Administrative Fund and shall have a first lien with right of payment before payment on account of principal of or interest on any Bond Similarly Secured, upon all moneys in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient, then from any moneys in its possession (except the Rebate Fund) under any provisions hereof for the foregoing reasonable advances, fees, costs, and expenses incurred. The right of the Trustee to fees, expenses, and indemnification shall survive the release, discharge, and satisfaction of this Indenture.

Section 9.8. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds Similarly Secured and may join in any action that any Owner of Bonds Similarly Secured may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Bonds Similarly Secured or to effect or aid in any reorganization growing out of the enforcement of the Bonds Similarly Secured or this Indenture, whether or not such committee shall represent the holders of a majority in aggregate outstanding principal amount of the Bonds Similarly Secured. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

Section 9.9. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond Similarly Secured. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.11 and the acceptance of such appointment by such successor. Notwithstanding the foregoing, if, after sixty (60) days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no expense to the City, and such resignation shall take effect upon the court's appointment of a successor Trustee.

Section 9.10. Removal of Trustee.

The Trustee may be removed at any time by the Owners of 25% of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with

respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Owners of a 25% of the aggregate outstanding principal of the Bonds Similarly Secured.

Section 9.11. Successor Trustee.

If the Trustee resigns, is removed, is dissolved, or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property is appointed, or if any public officer takes charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

If the position of Trustee becomes vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed after any such vacancy occurs by 25% of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

Until such successor Trustee shall have been appointed by the Owners of 25% of the Bonds Similarly Secured, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds Similarly Secured within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds Similarly Secured.

If in a proper case no appointment of a successor Trustee is made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.9 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds Similarly Secured may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process. Any duties and obligations of such predecessor Trustee shall thereafter cease and terminate, and the payment of the fees and expenses owed to the predecessor Trustee shall be paid in full.

Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least \$50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

Each successor Trustee shall mail, in accordance with the provisions of the Bonds Similarly Secured, notice of its appointment to any Rating Agency which, at the time of such appointment, is providing a rating on the Bonds Similarly Secured and each of the Owners of the Bonds Similarly Secured.

Section 9.12. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.11 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such

appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.13. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, *provided* that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.11, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.14. Security Interest in the Trust Estate.

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds Similarly Secured and the pledge of the Trust Estate provided for herein, and such pledge is, under current law, valid, effective and perfected. The City shall cause to be filed all appropriate initial financing statements, if any, to ensure that the Trustee (for the benefit of the Owners of the Bonds Similarly Secured) is granted a valid and perfected first priority lien on the entire Trust Estate. Nothing herein shall obligate the Trustee to file any initial financing statements. Upon the City's timely delivery of a copy of such filed initial financing statement, if any, to the Trustee, the Trustee shall file continuation statements of such initial financing statement(s) in the same jurisdictions as the initial financing statement(s) previously provided to the Trustee. Unless the Trustee is otherwise notified in writing by the City, the Trustee may rely upon the initial financing statements in filing any continuation statements hereunder.

Section 9.15. Offering Documentation.

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum, or any other disclosure material prepared or distributed with respect to the Bonds Similarly Secured and shall have no responsibility for compliance with any State or federal securities laws in connection with the Bonds Similarly Secured.

Section 9.16. Expenditure of Funds and Risk.

None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of its rights or powers if the Trustee shall have reasonable grounds for believing that the repayment of such funds or indemnity against such risk or liability is not assured.

Section 9.17. Environmental Hazards

The Trustee may inform any Holder of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and in such event, no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

The Trustee shall not be responsible or liable for the environmental condition related to the improvements to any real property or for diminution in value of the same, or for any claims by or on behalf of the owners thereof as the result of any contamination by a hazardous substance, hazardous material, pollutant, or contaminant. The Trustee assumes no duty or obligation to assess the environmental condition of any improvements or with respect to compliance thereof under State or federal laws pertaining to the transport, storage, treatment, or disposal of hazardous substances, hazardous materials, pollutants, or contaminants or regulations, permits, or licenses issued under such laws.

Section 9.18. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of any Bonds Similarly Secured then Outstanding or their representatives duly authorized in writing.

Section 9.19. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds Similarly Secured.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds Similarly Secured may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds

Similarly Secured, or with the written consent without a meeting, of the Owners of at least a majority of the aggregate principal amount of the Bonds Similarly Secured then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond Similarly Secured or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond Similarly Secured, without the express consent of the Owner of such Bond Similarly Secured, or (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds Similarly Secured (except as otherwise permitted by Applicable Laws and this Indenture), or reduce the percentage of Owners of Bonds Similarly Secured required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds Similarly Secured in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds Similarly Secured;

(iv) to provide for the issuance of Refunding Bonds as set forth in Section 13.2 hereof; and

(v) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds Similarly Secured.

(c) Any modification or amendment made pursuant to Section 10.1(b) shall not be subject to the notice procedures specified in Section 10.3 below.

(d) Notwithstanding the above, no Supplemental Indenture under subsections (a) or (b)(i), (b)(ii), (b)(iii), (b)(v) of this Section shall be effective unless the City first delivers to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the: (i) interest of the Owners in any material respect, or (ii) exclusion of interest on any Bond Similarly Secured from gross income for purposes of federal income taxation.

Section 10.2. Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds Similarly Secured. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 10.3. Procedure for Amendment with Written Consent of Owners.

The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1 herein, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, shall be mailed by first-class mail, by the Trustee to each Owner of Bonds Similarly Secured from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided and the City or Bond Counsel, acting on the City's behalf, has delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds Similarly Secured for which such consent is given, which proof shall be such as is permitted by Section 11.6 herein. Any such consent shall be binding upon the Owner of the Bonds Similarly Secured giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds Similarly Secured shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds Similarly Secured and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds Similarly Secured at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period; provided, however, that the Trustee during such sixty day period and any such further period during which any such action or proceeding may be pending shall be entitled in its sole discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture, as it may deem expedient; provided, further, that the Trustee shall have no obligation to take or refrain from taking any such action and the Trustee shall have no liability with respect to any action taken or any instance of inactions.

Section 10.4. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith,

the respective rights, duties, and obligations under this Indenture of the City, the Trustee and all Owners of Outstanding Bonds Similarly Secured shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.5. Endorsement or Replacement of Bonds Similarly Secured Issued After Amendments.

The City may determine that Bonds Similarly Secured issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Similarly Secured Outstanding at such effective date and presentation of his Bond Similarly Secured for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond Similarly Secured. The City may determine that new Bonds Similarly Secured, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds Similarly Secured then Outstanding, such new Bonds Similarly Secured shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds Similarly Secured then Outstanding, upon surrender of such Bonds Similarly Secured.

Section 10.6. Amendatory Endorsement of Bonds Similarly Secured.

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds Similarly Secured held by such Owner, provided that due notation thereof is made on such Bonds Similarly Secured.

Section 10.7. Waiver of Default

With the written consent of at least a majority in aggregate principal amount of the Bonds Similarly Secured then Outstanding, the Owners may waive non-compliance by the City with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.8. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties and immunities under this Indenture.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

(a) Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(i) The failure of the City to deposit the Pledged Revenues to the Bond Pledged Revenue Account of the Pledged Revenue Fund;

(ii) The failure of the City to enforce the collection of the Improvement Area #1 Assessments, including the prosecution of foreclosure proceedings;

(iii) The failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the City to make the payments; and

(iv) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture and the continuation thereof for a period of ninety (90) days after written notice to the City by the Trustee, or by the Owners of at least 25% of the aggregate Outstanding principal of the Bonds Similarly Secured with a copy to the Trustee, specifying such default and requesting that the failure be remedied.

(b) Nothing in Section 11.1(a) will be an Event of Default if it is in violation of any applicable state law or court order.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, the Trustee may, and at the written direction of the Owners of at least 25% of the Bonds Similarly Secured then Outstanding and its receipt of indemnity satisfactory to it, shall proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies of default.

(b) THE PRINCIPAL OF THE BONDS SIMILARLY SECURED SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds Similarly Secured, in the selection of Trust Estate assets to be used in the payment of Bonds Similarly Secured due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided

in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of not less than 25% of the aggregate principal amount of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2 herein, (iv) the Trustee has for ninety (90) days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of at least a majority of the aggregate principal amount of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds Similarly Secured shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds Similarly Secured.

(c) In case the Trustee or any Owners shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee, and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2 hereof, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, as follows:

FIRST: To the payment to the Owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds Similarly Secured, or Redemption Price of any Bonds Similarly Secured which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds Similarly Secured due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to this Section 11.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds Similarly Secured.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds Similarly Secured may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds Similarly Secured shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds Similarly Secured or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds Similarly Secured and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds Similarly Secured shall bind all future Owners of the same Bonds Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first-class, postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds Similarly Secured.

Bonds Similarly Secured owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds Similarly Secured provided for in this Indenture, and the City shall not be entitled with respect to such Bonds Similarly Secured to give any consent or take any other action provided for in this Indenture.

Section 11.10. Remedies Not Exclusive.

No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, by statute or by contract.

Section 11.11. Direction by Owners.

Anything herein to the contrary notwithstanding, the Owners of at least 25% of the aggregate outstanding principal of the Bonds shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method, and place of conducting a proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture, or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with Applicable Laws and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which, in the opinion of the Trustee, would be unjustly prejudicial to Owners not parties to such direction.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds Similarly Secured, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Pledged Revenues and the Trust Estate are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) The City will take all steps reasonably necessary and appropriate, and will direct the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Improvement Area #1 Assessments and any other amounts pledged to the payment of the Bonds Similarly Secured to the fullest extent permitted by the PID Act and other Applicable Laws.

(d) To the extent permitted by law, notice of the Improvement Area #1 Annual Installments shall be sent by, or on behalf of the City, to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Improvement Area #1 Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

Section 12.2. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of any Bonds Similarly Secured then Outstanding or their representatives duly authorized in writing.

Section 12.3. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Additional Obligations or Other Liens; Refunding Bonds.

(a) The City reserves the right to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues or any portion of the Trust Estate. Additionally, the City has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of Pledged Revenues securing payment of the Bonds Similarly Secured.

(b) Other than Refunding Bonds issued to refund all or a portion of the Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on any portion of the Trust Estate, and will not cause or allow any matter or things whereby the lien of this Indenture or the priority hereof might or could be lost or impaired, and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with this Indenture as a lien or charge upon the Trust Estate; *provided, however*, that nothing in this Section shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would endanger the security for the Bonds.

(c) The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds Similarly Secured or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State, and in accordance with the conditions set forth below:

(i) The principal of all Refunding Bonds must (i) be scheduled to be paid, (ii) be subject to mandatory sinking fund redemption or (iii) mature, on September 15 of the years in which such principal (i) is scheduled to be paid, (ii) is subject to mandatory sinking fund redemption or (iii) matures. All Refunding Bonds must bear interest at a fixed rate and any interest payment dates for Refunding Bonds must be March 15 and September 15. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture; and

(ii) Upon their authorization by the City, the Refunding Bonds of a Series issued under this Section 13.2 shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee (1) a copy, certified by the City Secretary of the City, of the ordinance or ordinances of the City authorizing the issuance, sale, execution and delivery of the Refunding Bonds and the execution and delivery of a Supplemental Indenture establishing, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Refunding Bonds, and (2) an original executed counterpart of the Supplemental Indenture for such Refunding Bonds.

Section 13.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealing, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds, the Trust Estate, and the Bonds Similarly Secured.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture. Specifically, but without limitation, the Trustee shall have no duty to review such information, is not considered to have notice of the contents of such information or a default based on such contents, and has no duty to verify the accuracy of such information.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS SIMILARLY SECURED AND
SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds Similarly Secured secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds Similarly Secured, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds Similarly Secured have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds Similarly Secured, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds Similarly Secured has been paid so that the City may determine if the Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the in Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

Section 14.3. Bonds Similarly Secured Deemed Paid.

All Outstanding Bonds Similarly Secured shall, prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds Similarly Secured are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided herein, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee for such purpose, shall be sufficient to pay when due the principal of and interest on of the Bonds Similarly Secured to become due on such Bonds Similarly Secured on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant or other third-party selected by the City verifying the sufficiency of the moneys and/or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on of the Bonds Similarly Secured to become due on such Bonds Similarly Secured on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if any Bonds Similarly Secured are then rated, the Trustee shall have received written confirmation from each rating agency then publishing a rating on such Bonds Similarly Secured that such deposit will not result in the reduction or withdrawal of the rating on such Bonds Similarly Secured. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds Similarly Secured. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds Similarly Secured on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this

Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds Similarly Secured and the amount, maturity, number, and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond Similarly Secured shall bind all future Owners of such Bond Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds Similarly Secured; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture, including any City Certificate, shall be in writing and shall be telexed, cabled, delivered by hand, mailed by first-class mail, postage prepaid, or transmitted by facsimile or e-mail and addressed as follows:

If to the City: City of Corpus Christi, Texas
1200 Leopard Street
Corpus Christi, Texas 78401

Attn: City Manager

With a copy to:

P3 Works, LLC
Attn: Mary V. Petty, Managing Partner
9284 Huntington Square
North Richland Hills, Texas 76182
Phone No.: 817.393.0353
Email: Admin@P3-Works.com

If to the Trustee
or the Paying Agent/Registrar:

BOKF, NA
Attn: Rachel Roy
1401 McKinney Street, Suite 1000
Houston, Texas 77010
Fax No.: 713-470-5467
Email: rachel.roy@bankoftexas.com

Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(b) The Trustee shall mail to each Owner of a Bond Similarly Secured notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Bonds Similarly Secured Outstanding.

(c) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by

the City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds Similarly Secured pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds Similarly Secured or the date fixed for redemption of any Bonds Similarly Secured or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

Section 15.10. Verifications of Statutory Representations and Covenants.

The Trustee makes the following representations and covenants pursuant to Chapter 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Indenture. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under the common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. Section 230.405, and exists to make a profit. Liability for breach of

any such verification during the term of this Indenture shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Indenture, notwithstanding anything in this Indenture to the contrary.

(a) Not a Sanctioned Company.

The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel.

The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities.

The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies.

The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed all as of the date hereof.

CITY OF CORPUS CHRISTI, TEXAS

By: _____,
Mayor

Attest:

City Secretary

[CITY SEAL]

BOKF, NA,
as Trustee

By: _____
Authorized Officer

Signature Page to Indenture of Trust
relating to
CITY OF CORPUS CHRISTI, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #1 PROJECT)

EXHIBIT A
Form of Bond

(e) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE CITY, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

REGISTERED
No. _____

REGISTERED
\$ _____

United States of America
State of Texas

CITY OF CORPUS CHRISTI, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2024
(WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #1 PROJECT)

INTEREST RATE MATURITY DATE DATE OF DELIVERY CUSIP NUMBER

_____ % _____, 20____ _____ _____

The City of Corpus Christi, Texas (the "City"), for value received, hereby promises to pay, solely from the Trust Estate, to

or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 15 and September 15 of each year, commencing March 15, 2025, until maturity or prior redemption.

Capitalized terms appearing herein that are defined terms in the Indenture defined below, have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Houston, Texas (the "Designated Payment/Transfer Office"), of BOKF, NA, as trustee and paying agent/registrar (the "Trustee", which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at

the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the fifteenth calendar day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated October 31, 2024 and issued in the aggregate principal amount of \$____,____ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of October 1, 2024 (the "Indenture"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Improvements, (ii) funding a reserve fund for payment of principal and interest on the Bonds Similarly Secured, (iii) paying a portion of the costs incidental to the organization and administration of the District, and (iv) paying costs of issuance of the Bonds.

The Bonds are limited obligations of the City payable solely from the Trust Estate as defined in the Indenture. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of \$100,000 and any multiple of \$1,000 in excess thereof.

The Bonds are subject to sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Redemption Fund pursuant to Article VI of the Indenture, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

Term Bonds Maturing _____, 20

| <u>Redemption Date</u> | <u>Sinking Fund Installment (\$)</u> |
|------------------------|--------------------------------------|
|------------------------|--------------------------------------|

* maturity

Term Bonds Maturing _____, 20

| <u>Redemption Date</u> | <u>Sinking Fund Installment (\$)</u> |
|------------------------|--------------------------------------|
|------------------------|--------------------------------------|

* maturity

Term Bonds Maturing _____, 20

| <u>Redemption Date</u> | <u>Sinking Fund Installment (\$)</u> |
|------------------------|--------------------------------------|
|------------------------|--------------------------------------|

* maturity

At least forty-five (45) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select for redemption, pursuant to the provisions of the Indenture, a principal amount of Bonds of such maturity equal to the Sinking Fund Installments of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption and not previously credited to a sinking fund redemption.

The City reserves the right and option to redeem Bonds maturing on or after September 15, 20__ before their scheduled maturity dates, in whole or in part, on any date on or after September 15, 20__, such redemption date or dates to be fixed by the City, at the redemption price of par plus accrued interest to the date of redemption.

Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, and in an amount and on a date specified in a City Certificate, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, pursuant to the provisions of the Indenture, from amounts on deposit in the Redemption Fund as a result of Prepayments, other transfers to the Redemption Fund pursuant to the Indenture, or as a result of unexpended amounts transferred from the Project Fund as provided in the Indenture.

The Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the redemption price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds, and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond redeemed in part.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF CORPUS CHRISTI, TEXAS, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

Mayor, City of Corpus Christi, Texas

City Secretary, City of Corpus Christi, Texas

[City Seal]

(f) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS § REGISTER NO. _____
§
THE STATE OF TEXAS §

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(g) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Bonds of the series of Bonds referred to in the within mentioned Indenture.

BOKF, NA
Houston, Texas, as Trustee

DATED: _____

By: _____
Authorized Signatory

(h) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and zip code of transferee):

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.

(i) The Initial Bond shall be in the form set forth in paragraphs (a) through (d) of this Exhibit A, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on _____ in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

| <u>Years</u> | <u>Principal Amount (\$)</u> | <u>Interest Rate (%)</u> |
|--------------|------------------------------|--------------------------|
|--------------|------------------------------|--------------------------|

(Information to be inserted from Section 3.2(a)(iii) hereof); and

(iii) the Initial Bond shall be numbered T-1.

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APPENDIX C

SERVICE AND ASSESSMENT PLAN

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Whitecap Public Improvement District No. 1

FINAL SERVICE AND ASSESSMENT PLAN

2/13/2024



AUSTIN, TX | NORTH RICHLAND HILLS, TX | HOUSTON, TX

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INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section,” an “Exhibit,” or an “Appendix” shall be a reference to a Section of this Service and Assessment Plan or an Exhibit or Appendix attached to and made a part of this Service and Assessment Plan for all purposes.

The City Council passed and approved Resolution No. 032761 authorizing the establishment of the District on May 17, 2022 in accordance with the PID Act, and recorded such Resolution in the real property records of Nueces County, Texas, as Instrument No. 2022024701 on May 20 2022, and such authorization was effective upon approval of the Resolution in accordance with the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 242.011 acres located within the corporate limits of the City, as described by the legal description on **Exhibit J-1** and depicted on **Exhibit A-1**.

The PID Act requires a service plan must (i) cover a period of at least five years; (ii) define the annual indebtedness and projected cost of the Authorized Improvements; and (iii) include a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan is contained in **Section IV** and the notice form is attached as **Appendix B**.

The PID Act requires that the Service Plan include an Assessment Plan that assesses the Actual Costs of the Authorized Improvements against the Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City Council. The Assessment against each Parcel of Assessed Property must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to such Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Improvement Area #1 Assessment Roll is included as **Exhibit F-1**.

SECTION I: DEFINITIONS

“Actual Costs” mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Developer, (either directly or through affiliates), including: (1) the costs for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvements; (3) the costs for external professional services, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) the costs for all labor, bonds, and materials, including equipment and fixtures, owing to contractors, builders, and materialmen engaged in connection with the acquisition, construction, or implementation of the Authorized Improvements; (5) all related permitting and public approval expenses, and architectural, engineering, consulting, and other governmental fees and charges; and (6) costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee equal to four percent (4%) of construction costs if managed by or on behalf of the Developer.

“Additional Interest” means the amount collected by the application of the Additional Interest Rate.

“Additional Interest Rate” means the 0.50% additional interest rate that may be charged on Assessments securing PID Bonds pursuant to Section 372.018 of the PID Act. The Additional Interest Rate is not charged on Assessments securing any reimbursement obligation for which no PID Bonds are issued.

“Administrator” means the City or independent firm designated by the City who shall have the responsibilities provided in this Service and Assessment Plan, any Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The initial Administrator is P3Works, LLC.

“Annual Collection Costs” mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments, including the costs of foreclosure; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying and redeeming PID Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with this Service and Assessment Plan, the PID Act, and any Indenture, with respect to the PID Bonds, including the City’s continuing disclosure requirements;

and (9) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Installment” means the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest related to the PID Bonds, if applicable.

“Annual Service Plan Update” means an update to this Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

“Assessed Property” means any Parcel within the District against which an Assessment is levied.

“Assessment” means an assessment levied against Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Assessed Property or reduction according to the provisions herein and in the PID Act.

“Assessment Ordinance” means one or more ordinances adopted by the City Council in accordance with the PID Act that levies an Assessment on the Assessed Property, as shown on any Assessment Roll.

“Assessment Plan” means the methodology employed to assess the Actual Costs of the Authorized Improvements against the Assessed Property based on the special benefits conferred on such property by the Authorized Improvements, more specifically set forth and described in **Section V**.

“Assessment Roll” means any assessment roll for the Assessed Property, including the Improvement Area #1 Assessment Roll, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in any Annual Service Plan Updates.

“Authorized Improvements” means the improvements authorized by Section 372.003 of the PID Act, including the Common to All Improvements, the Improvement Area #1 Improvements, Bond Issuance Costs, and deposit to administrative fund, and described in **Sections III.A, Section III.B, Section III.C, and Section III.D** as further depicted on **Exhibits G-1 and G-2**.

“Bond Issuance Costs” means the costs associated with issuing PID Bonds, including, but not limited to, attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter’s discount, fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of any series of PID Bonds.

“**City**” means the City of Corpus Christi, Texas.

“**City Council**” means the governing body of the City.

“**Common to All Improvements**” means those certain Authorized Improvements that confer a special benefit to all of the property within the District, excluding Non-Benefited Property. The Common to All Improvements includes the Initial Common to All Improvements as well as future improvements that are to be determined and identified in future updates to this Service and Assessment Plan.

“**County**” means Nueces County, Texas.

“**Delinquent Collection Costs**” mean costs directly or indirectly related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Service and Assessment Plan, including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

“**Developer**” means Ashlar Interests, LLC and any successors or assigns thereof, engaged by the Owner to develop the property in the District for the ultimate purpose of transferring title to end users.

“**Development Agreement**” means the *Development Agreement – Whitecap North Padre Island* by and between the Developer and the City related to the development of property within the PID, as the same may be amended from time to time.

“**District**” means the Whitecap Public Improvement District No. 1 containing approximately 242.011 acres located within the corporate limits of the City, and more specifically described in **Exhibit J-1** and depicted on **Exhibit A-1**.

“**District Formation Costs**” means the costs associated with forming the District, including, but not limited to, attorney fees, and any other cost or expense incurred by the Owner, Developer, or the City that are directly associated with the establishment of the District.

“**Engineer’s Report**” means the report provided by a licensed professional engineer that describes the Authorized Improvements, including their costs, location, and benefit, and is attached hereto as **Appendix A**.

“**Estimated Buildout Value**” means the estimated value of an Assessed Property with fully constructed buildings, as provided by the Developer and confirmed by the City Council, by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports

from third party consultants, or any other factors that, in the judgment of the City, may impact value. The Estimated Buildout Value for each Lot Type is shown on **Exhibit E**.

“Improvement Area #1” means approximately 55.9022 acres located within the District, more specifically described in **Exhibit J-2** and depicted on **Exhibit A-2**.

“Improvement Area #1 Annual Installment” means the Annual Installment of the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to Improvement Area #1; and (4) Additional Interest related to any series of PID Bonds secured by all or a portion of the Improvement Area #1 Assessment, if applicable.

“Improvement Area #1 Assessed Property” means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied.

“Improvement Area #1 Assessment” means an Assessment levied against Improvement Area #1 Assessed Property, related to the Improvement Area #1 Authorized Improvements, and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation or reduction in accordance with the provisions set forth in **Section VI** herein and in the PID Act.

“Improvement Area #1 Assessment Roll” means the Assessment Roll for the Improvement Area #1 Assessed Property, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #1 Assessment Roll is included in this Service and Assessment Plan as **Exhibit F-1**.

“Improvement Area #1 Authorized Improvements” means collectively, (1) the Improvement Area #1 Improvements; (2) Improvement Area #1’s share of the Initial Common to All Improvements; (3) the first year’s Annual Collection Costs related Improvement Area #1; and (4) Bond Issuance Costs incurred in connection with the issuance of any series of PID Bonds secured by all or a portion of the Improvement Area #1 Assessment, if applicable.

“Improvement Area #1 Improvements” means the Authorized Improvements which only benefit the Improvement Area #1 Assessed Property, as further described in **Section III.A** and depicted on **Exhibit G-2**.

“Improvement Area #1 Initial Parcel” means all of the Improvement Area #1 Assessed Property against which the entire Improvement Area #1 Assessment is levied, as shown on the Improvement Area #1 Assessment Roll.

“Improvement Area #1 Reimbursement Obligation” means the amount shown on **Schedule I** secured by Improvement Area #1 Assessments to be paid to the Developer under the Reimbursement Agreement. The Annual Installments for the Improvement Area #1 Reimbursement Obligation are shown on **Exhibit I**. If the City issues one or more series of PID Bonds secured by Improvement Area #1 Assessments, then the net proceeds of such PID Bonds shall be used to refinance all or a portion of the outstanding Improvement Area #1 Reimbursement Obligation.

“Indenture” means an indenture of trust entered into between the City and the Trustee in connection with the issuance of each series of PID Bonds, as amended from time to time, setting forth the terms and conditions related to a series of PID Bonds.

“Initial Common to All Improvements” means the Common to All Improvements installed with Improvement Area #1, as further described in **Section III.B.** and depicted on **Exhibit G-1**.

“Lot” means (1) for any portion of the District for which a final subdivision plat has been recorded in the plat or official public records of the County, a tract of land described by “lot” in such subdivision plat; and (2) for any portion of the District for which a subdivision plat has not been recorded in the plat or official public records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat as shown on a concept plan or a preliminary plat. A “Lot” shall not include real property owned by a government entity, even if such property is designated as a separate described tract or lot on a recorded subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. lot size, home product, Estimated Buildout Value, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as provided by the Developer, and confirmed by the City Council, as shown on **Exhibit H**.

“Lot Type 1” means a Lot within Improvement Area #1 marketed to homebuilders as a Villa Lot. The buyer disclosure for Lot Type 1 is attached as **Appendix B-2**.

“Lot Type 2” means a Lot within Improvement Area #1 marketed to homebuilders as a Villa + Lot. The buyer disclosure for Lot Type 2 is attached as **Appendix B-3**.

“Lot Type 3” means a Lot within Improvement Area #1 marketed to homebuilders as a Standard Lot. The buyer disclosure for Lot Type 3 is attached as **Appendix B-4**.

“Lot Type 4” means a Lot within Improvement Area #1 marketed to homebuilders as a Standard + Lot. The buyer disclosure for Lot Type 4 is attached as **Appendix B-5**.

“Lot Type 5” means a Lot within Improvement Area #1 marketed to homebuilders as a Medium Lot. The buyer disclosure for Lot Type 5 is attached as **Appendix B-6**.

“Lot Type 6” means a Lot within Improvement Area #1 marketed to homebuilders as a Medium + Lot. The buyer disclosure for Lot Type 6 is attached as **Appendix B-7**.

“Lot Type 7” means a Lot within Improvement Area #1 marketed to homebuilders as a Large + Lot. The buyer disclosure for Lot Type 7 is attached as **Appendix B-8**.

“Maximum Assessment” means, for each Lot, an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.A**, or (2) for each Lot Type, the amount shown on **Exhibit E**.

“Non-Benefited Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council, and are not assessed.

“Notice of Assessment Termination” means a document that shall be recorded in the official public records of the County evidencing the termination of an Assessment, a form of which is attached as **Exhibit H**.

“Owner” or **“Owners”** means Diamond Beach Holdings, LLC and any successors or assigns thereof.

“Parcel” or **“Parcels”** means a specific property within the District identified by either a tax parcel identification number assigned by the Nueces Central Appraisal District for real property tax purposes, by legal description, or by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means determined by the City.

“PID Act” means Chapter 372, Texas Local Government Code, as amended.

“PID Bonds” means any bonds issued by the City in one or more series and secured in whole or in part by Assessments.

“Prepayment” means the payment of all or a portion of an Assessment before the due date of the final Annual Installment thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment.

“Prepayment Costs” means interest, including Additional Interest and Annual Collection Costs, to the date of Prepayment.

“Preserve” means approximately 4.64 acres located within the District more specifically described in **Exhibit J-3** and depicted on **Exhibit A-3**. The Preserve is the location of all Common to All Improvements, and is considered Non-Benefited Property.

“Private Improvements” means improvements required to be constructed by the Developer that are not Authorized Improvements but are required to reach final Lot completion.

“Reimbursement Agreement” means that certain “PID Reimbursement Agreement Whitecap Public Improvement District,” effective [REDACTED] entered into by and between the City and Developer in which: (1) the Developer on behalf of the Owner agrees to construct the Authorized Improvements, including the Common to All Improvements and Improvement Area #1 Improvements, and to fund certain Actual Costs of Authorized Improvements; (2) the City agrees to reimburse the Developer for Actual Costs of the Authorized Improvements solely from the revenue collected by the City from Assessments, including Annual Installments thereof, and/or from the net proceeds of PID Bonds, if issued; and (3) provides for the terms of payment of principal plus interest on each Reimbursement Obligation shown on **Schedule I**.

“Reimbursement Obligation” means a reimbursement obligation, including but not limited to the Improvement Area #1 Reimbursement Obligation, related to Actual Costs of Authorized Improvements to be paid to the Developer under the terms of the Reimbursement Agreement. Each Reimbursement Obligation shall be set forth on **Schedule I** attached to this Service and Assessment Plan, and will be updated at the adoption of each Assessment Ordinance. **Schedule I** will be updated as part of the update to this Service and Assessment Plan (1) each time the City levies an Assessment, (2) when PID Bonds are issued, or (3) with each Annual Service Plan Update to reflect annual principal paid with Annual Installments collected.

“Remainder Area” means approximately 181.4688 acres located within the District and entirely outside of Improvement Area #1 and the Preserve, and depicted on **Exhibit A-4**, to be developed as one or more future improvement areas.

“Service and Assessment Plan” means this Whitecap Public Improvement District No. 1 Service and Assessment Plan as updated, amended, or supplemented from time to time.

“Service Plan” means the plan described in **Section IV** which covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements.

“Trustee” means the trustee or successor trustee under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 242.011 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit J-1** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 620 Lots developed with single-family homes, and 50.3 acres of commercial space.

Improvement Area #1 includes approximately 55.9022 acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit J-2** and depicted on **Exhibit A-2**. Improvement Area #1 is preliminarily platted and includes 199 Lots developed with single-family homes (19 single-family homes that are on Lots classified as Lot Type 1, 47 single-family homes that are on Lots classified as Lot Type 2, 9 single-family homes that are on Lots classified as Lot Type 3, 93 single-family homes that are on Lots classified as Lot Type 4, 15 single-family homes that are on Lots classified as Lot Type 5, 9 single-family homes that are on Lots classified as Lot Type 6, and 7 single-family homes that are on Lots classified as Lot Type 7.) Final platting will be completed when infrastructure is dedicated to the City.

The Remainder Area includes approximately 181.4688 contiguous acres located within the corporate limits of the City, the boundaries of which are depicted on **Exhibit A-4**. Development of the Remainder Area is anticipated to include approximately 421 Lots developed with single-family homes and 50.3 acres of commercial space.

SECTION III: AUTHORIZED IMPROVEMENTS

Based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with the City's standards and specifications and will be owned and operated by the City or maintained by the owner's association. The budget for the Authorized Improvements is shown on **Exhibit B**. As the Remainder Area is subdivided into future improvement areas, the costs of the Authorized Improvements, including additional Common to All Improvements that specially benefit such future improvement areas, will be determined and identified in updates to this Service and Assessment Plan when Assessments relating to Authorized Improvements benefitting such future improvement areas are levied.

A. Initial Common to All Improvements

- *Preserve*

Preserve Improvements – Improvements within or relating to the approximate 4.64 acre

public park and open space to be known as the “Preserve” including installation of entryway monuments, signage, lighting, hardscape, screening walls, trails, sidewalks, pathways, playgrounds, furnishings, and irrigation systems. The Preserve Improvements will benefit all property within the District and will be owned by the City and maintained by one or more owner’s associations as set forth in the Development Agreement.

- *Soft Costs*

Costs related to designing, constructing, and installing the Initial Common to All Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal fees, and consultant fees.

B. Improvement Area #1 Improvements

- *Streets*

Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #1.

- *Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #1.

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1.

- *Wastewater*

Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1.

- *Soft Costs*

Costs related to designing, constructing, and installing the Improvement Area #1 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal fees, District Formation Costs, and consultant fees.

C. Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount to be deposited in a debt service reserve fund under an applicable Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*

Equals the amount required to be deposited for the purpose of paying capitalized interest on a series of PID Bonds under an applicable Indenture in connection with the issuance of such PID Bonds.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds.

- *Costs of Issuance*

Includes costs of issuing a particular series of PID Bonds, including but not limited to issuer fees, attorney's fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City's costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

D. Other Costs

- *Deposit to Administrative Fund*

Equals the amount necessary to fund the first year's Annual Collection Costs for a particular series of PID Bonds.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan is also

required to include a copy of the buyer disclosure notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit C** summarizes the initial Service Plan for Improvement Area #1. Per the PID Act and Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosure for the District. The buyer disclosures are attached hereto as **Appendix B**.

Exhibit D summarizes the sources and uses of funds required to construct the Authorized Improvements and Private Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in an Annual Service Plan Update to show the amount required to fund the required reserves and to reflect any budget revisions at the time the PID Bonds are issued.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the City Council may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this Service and Assessment Plan describes the special benefit received by each Parcel within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Owner, developers, and all future owners and developers of the Assessed Property.

A. Assessment Methodology

Acting in its legislative capacity and based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the

City Council has determined that the costs related to the Authorized Improvements shall be allocated as follows:

- The costs of the Improvement Area #1 Authorized Improvements shall be allocated to each Parcel within Improvement Area #1 based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Improvement Area #1 Assessed Property. Currently, the Improvement Area #1 Initial Parcel is the only Parcel within Improvement Area #1, and as such, the Improvement Area #1 Initial Parcel is allocated 100% of the Improvement Area #1 Authorized Improvements.
- The costs of the Initial Common to All Improvements shall be allocated to Improvement Area #1 and the Remainder Area based upon the acreage of each Parcel or Assessed Property within Improvement Area #1 and the Remainder Area, as applicable, to the total acreage of Improvement Area #1 and the Remainder Area. The Remainder Area is allocated 76.45% of the Initial Common to All Improvements costs, and Improvement Area #1 is allocated 23.55% of the Initial Common to All Improvements costs. The Remainder Area and Improvement Area #1's shares of the Initial Common to All Improvement costs are illustrated in **Exhibit B**.

B. Assessments

The Improvement Area #1 Assessment will be levied on the Improvement Area #1 Initial Parcel in the amount shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit F-1**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit F-2**. Upon division or subdivision of the Improvement Area #1 Initial Parcel, the Improvement Area #1 Assessment will be reallocated pursuant to **Section VI**.

The Maximum Assessment for each Lot Type is shown on **Exhibit E**. In no case will the Assessment for Lots classified as Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, Lot Type 6 or Lot Type 7, respectively, exceed the corresponding Maximum Assessment for each Lot classification.

C. Findings of Special Benefit

Acting in its legislative capacity and based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City Council has found and determined the following:

- *Improvement Area #1*
 - The costs of the Improvement Area #1 Authorized Improvements equal \$31,943,908 as shown on **Exhibit B**;

- The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #1 Authorized Improvements;
- The Improvement Area #1 Initial Parcel will be allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Authorized Improvements, which equals \$23,856,000 as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit F-1**;
- The special benefit (\$31,943,908) received by the Improvement Area #1 Initial Parcel from the Improvement Area #1 Authorized Improvements is equal to or greater than the amount of the Improvement Area #1 Assessment (\$23,856,000) levied on the Improvement Area #1 Initial Parcel for the Improvement Area #1 Authorized Improvements; and
- At the time the City Council approved the Service and Assessment Plan, the Owner owned 100% of the Improvement Area #1 Initial Parcel. In a landowner consent certificate executed by the Owner and filed with the County Clerk of the County, the Owner acknowledged that the Improvement Area #1 Authorized Improvements confer a special benefit on the Improvement Area #1 Initial Parcel and consented to the imposition of the Improvement Area #1 Assessment to pay for the Actual Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the applicable Assessment Ordinance; (2) the Service and Assessment Plan and the applicable Assessment Ordinance; and (3) the levying of the Improvement Area #1 Assessment on the Improvement Area #1 Initial Parcel.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for annually by the owner of each Assessed Property pro rata based on the ratio of the amount of outstanding Assessment remaining on the Assessed Property to the total outstanding Assessment. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

E. Interest

The interest on the Improvement Area #1 Assessment securing the Improvement Area #1 Reimbursement Obligation shall be collected at the rates in the Assessment Ordinance and as depicted on Schedule I attached hereto as part of the Improvement Area #1 Annual Installment,

and will not include Additional Interest unless and until PID Bonds secured by the Improvement Area #1 Assessments are issued. If and when such PID Bonds are issued, the rate calculated will match the rate on the PID Bonds, plus Additional Interest, but in no instance will the Assessment on any Assessed Property be increased.

SECTION VI: TERMS OF THE ASSESSMENTS

Any reallocation of Assessments as described in this Section VI shall be considered an administrative action of the City and will not be subject to the notice or public hearing requirements under the PID Act.

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of a subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Assessed Property

D = the sum of the Estimated Buildout Value for all of the newly divided Assessed Properties

The calculation of the Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property, as provided by the Developer, relying on information from homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property. The Estimated Buildout Values for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, Lot Type 6, and Lot Type 7 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates but **Exhibit E** may be updated in future Annual Service Plan Updates to account for additional Lot Types. The calculation as confirmed by the City Council shall be conclusive and binding.

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made

separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the Annual Service Plan Update immediately following such reallocation.

2. Upon Subdivision by a Recorded Subdivision Plat

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

$$A = [B \times (C \div D)]/E$$

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the Estimated Buildout Value of all newly subdivided Lots with the same Lot Type

D = the sum of the Estimated Buildout Value for all of the newly subdivided Lots excluding Non-Benefited Property

E = the number of newly subdivided Lots with the same Lot Type

Prior to the recording of a subdivision plat, the Developer shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council based on Estimated Buildout Value information provided by the Developer, homebuilders, third party consultants, and/or the Official Public Records of the County regarding the Lot. The Estimated Buildout Values for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, Lot Type 6 and Lot Type 7 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates. The calculation as confirmed by the City Council shall be conclusive and binding.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section

shall be reflected in the Annual Service Plan Update immediately following such reallocation.

3. Upon Consolidation

If two or more Lots or Parcels are consolidated into a single Lot or Parcel, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update immediately following such consolidation. The Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to **Section VI.C.**

B. Mandatory Prepayment of Assessments

If an Assessed Property or a portion thereof is conveyed to a party that is exempt from payment of the Assessment under applicable law, or the owner causes a Lot, Parcel or portion thereof to become Non-Benefited Property, the owner of such Lot, Parcel or portion thereof shall pay to the City, or cause to be paid to the City, the full amount of the Assessment, plus all Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to any such conveyance or act, and no such conveyance shall be effective until the City receives such payment. Following payment of the foregoing costs in full, the City shall provide the owner with a recordable "Notice of Assessment Termination," a form of which is attached hereto as **Exhibit H.**

C. True-Up of Assessments if Maximum Assessment Exceeded at Plat

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type to exceed the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment for that Lot Type, then (1) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City, or cause to be paid to the City, the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City's approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

D. Reduction of Assessments

If as a result of cost savings or the failure to construct all or a portion of an Authorized Improvement the Actual Costs of any Authorized Improvements are less than the Assessments,

then (i) in the event PID Bonds have not been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event that PID Bonds have been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds that are not expected to be used for the purposes of the project fund as directed by the City pursuant to the terms of such Indenture. Such excess PID Bond proceeds may be used for any purpose authorized by such Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments

The owner of any Assessed Property may, at any time, pay all or any part of an Assessment in accordance with the PID Act. Prepayment Costs, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed, or the Annual Service Plan Update has been approved by the City Council prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment on an Assessed Property is prepaid in full, with Prepayment Costs, (1) the Administrator shall cause the Assessment to be reduced to zero on said Assessed Property and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate with respect to said Assessed Property; and (4) the City shall provide the owner with a recordable "Notice of Assessment Termination."

If an Assessment on an Assessed Property is prepaid in part with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced on said Assessed Property and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made.

For purposes of Prepayments, the Improvement Area #1 Reimbursement Obligation is and will remain subordinated to any PID Bonds secured by the Improvement Area #1 Assessments issued to refinance all or a portion of the Improvement Area #1 Reimbursement Obligation.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit F-2** shows the estimated Improvement Area #1 Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the Parcel not including any Non-Benefited Property, as shown by the Nueces Central Appraisal District for each tax parcel identification number.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. The Annual Collection Costs for a given Assessment shall be paid by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes due and owing to the City. To the extent permitted by the PID Act or other applicable law, the City Council may provide for other means of collecting Annual Installments, but in no case shall the City take any action, or fail to take any action, that would cause it to be in default under any Indenture. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay any of the remaining unpaid Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with applicable law, including the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments

so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments of the Improvement Area #1 Assessments shall be due when billed and shall be delinquent if not paid prior to February 1, 2025.

Failure of an owner of an Assessed Property to receive an invoice for an Annual Installment shall not relieve said owner of the responsibility for payment of the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs.

G. Prepayment as a Result of an Eminent Domain Proceeding or Taking

Subject to applicable law, if any portion of any Parcel of Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a "Taking"), the portion of the Assessed Property that was taken or transferred (the "Taken Property") shall be reclassified as Non-Benefited Property.

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the "Remaining Property"), following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner of the Remaining Property will remain liable to pay, pursuant to the terms of this Service and Assessment Plan, as updated, and the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the applicable Maximum Assessment, the owner of the Remaining Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed such Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the Assessment on the Remaining Property.

In all instances the Assessment remaining on the Remaining Property shall not exceed the applicable Maximum Assessment.

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefited Property and the remaining 90 acres constituting the Remaining Property shall be subject to the \$100 Assessment (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the \$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment, as applicable, on the Remaining Property by \$10, then the owner shall be required to pay \$10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to \$90.

Notwithstanding the previous paragraphs in this subsection, if the owner of the Remaining Property notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the applicable Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. The owner will remain liable to pay the Assessment on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

SECTION VII: ASSESSMENT ROLL

The Improvement Area #1 Assessment Roll is attached as **Exhibit F-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #1 Assessment Roll and Improvement Area #1 Annual Installments for each Parcel as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any

Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council's approval of the calculation. Otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. The Administrator shall provide a written response to the City Council and the owner not later than 30 days after receipt of such written notice of error by the Administrator. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and, not later than 30 days after closing such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the applicable Assessment Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners of Assessed Property adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public meeting at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners of Assessed Property and developers and their successors and assigns.

D. Form of Buyer Disclosure/Filing Requirements

Per Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the

District. The buyer disclosures are attached hereto as **Appendix B**. Within seven days of approval by the City Council, the City shall file and record in the real property records of the County the executed ordinance of this Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this Service an Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in their entirety.

E. Severability

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

SCHEDULE AND EXHIBITS

The following Schedule and Exhibits are attached to and made a part of this Service and Assessment Plan for all purposes:

| | |
|--------------------|--|
| Schedule I | Reimbursement Obligations |
| Exhibit A-1 | Map of the District |
| Exhibit A-2 | Plats of Improvement Area #1 |
| Exhibit A-3 | Map of the Preserve |
| Exhibit A-4 | Map of Remainder Area |
| Exhibit A-5 | Lot Type Classification Map |
| Exhibit B | Project Costs |
| Exhibit C | Service Plan |
| Exhibit D | Sources and Uses of Funds |
| Exhibit E | Maximum Assessment and Tax Rate Equivalent |
| Exhibit F-1 | Improvement Area #1 Assessment Roll |
| Exhibit F-2 | Improvement Area #1 Annual Installments |
| Exhibit G-1 | Maps of Initial Common to All Improvements |
| Exhibit G-2 | Maps of Improvement Area #1 Improvements |
| Exhibit H | Form of Notice of Assessment Termination |
| Exhibit I | Annual Installments for Improvement Area #1 Reimbursement Obligation |
| Exhibit J-1 | District Boundary Description |
| Exhibit J-2 | Improvement Area #1 Boundary Description |
| Exhibit J-3 | Remainder Area Boundary Description |

SCHEDULE I

The following Schedule is attached to and made a part of this Service and Assessment Plan for all purposes:

1. Improvement Area #1 Reimbursement Obligation

Original Principal Amount: \$ _____

- Interest Rate: Interest on any unpaid portion of the Improvement Area #1 Reimbursement Obligation shall be _____% provided; however, the Interest Rate at all times shall remain lower than or equal to the lesser of: (1) the interest rates on the City of Corpus Christi, Texas, Special Assessment Revenue Bonds, Series 2024 (Whitecap Public Improvement District No. 1 Improvement Area #1 Project), or (2) _____% based on the Bond Index Rate of _____% as the highest average index rate reported for the [NAME OF INDEX], a weekly bond index approved by the City Council of the City, in the month before the date the City approved the Assessment Ordinance levying the Improvement Area #1 Assessments which is the same date the obligation to pay the Improvement Area #1 Reimbursement Obligation was incurred.

- Date of Improvement Area #1 Assessment Ordinance Approval: Ordinance No. _____ approved on [_____, 20__] and recorded in the real property records of Nueces County, Texas on [_____, 20__], as Document No. [_____].

- Payment Source: Solely from: (1) revenue derived from Improvement Area #1 Assessments collected by the City and deposited in accordance with the Reimbursement Agreement if no PID Bonds secured by Improvement Area #1 Assessments are levied, (2) net bond proceeds of PID Bonds secured by the Improvement Area #1 Assessments levied against the Improvement Area #1 Assessed Property shown on the Improvement Area #1 Assessment Roll attached as **Exhibit F-1** to this Service and Assessment Plan, or (3) a combination of (1) and (2).

APPENDICES

The following Appendices are attached to and made a part of this Service and Assessment Plan for all purposes:

| | |
|-------------------|-------------------|
| Appendix A | Engineer's Report |
| Appendix B | Buyer Disclosures |

EXHIBIT A-1 – MAP OF THE DISTRICT

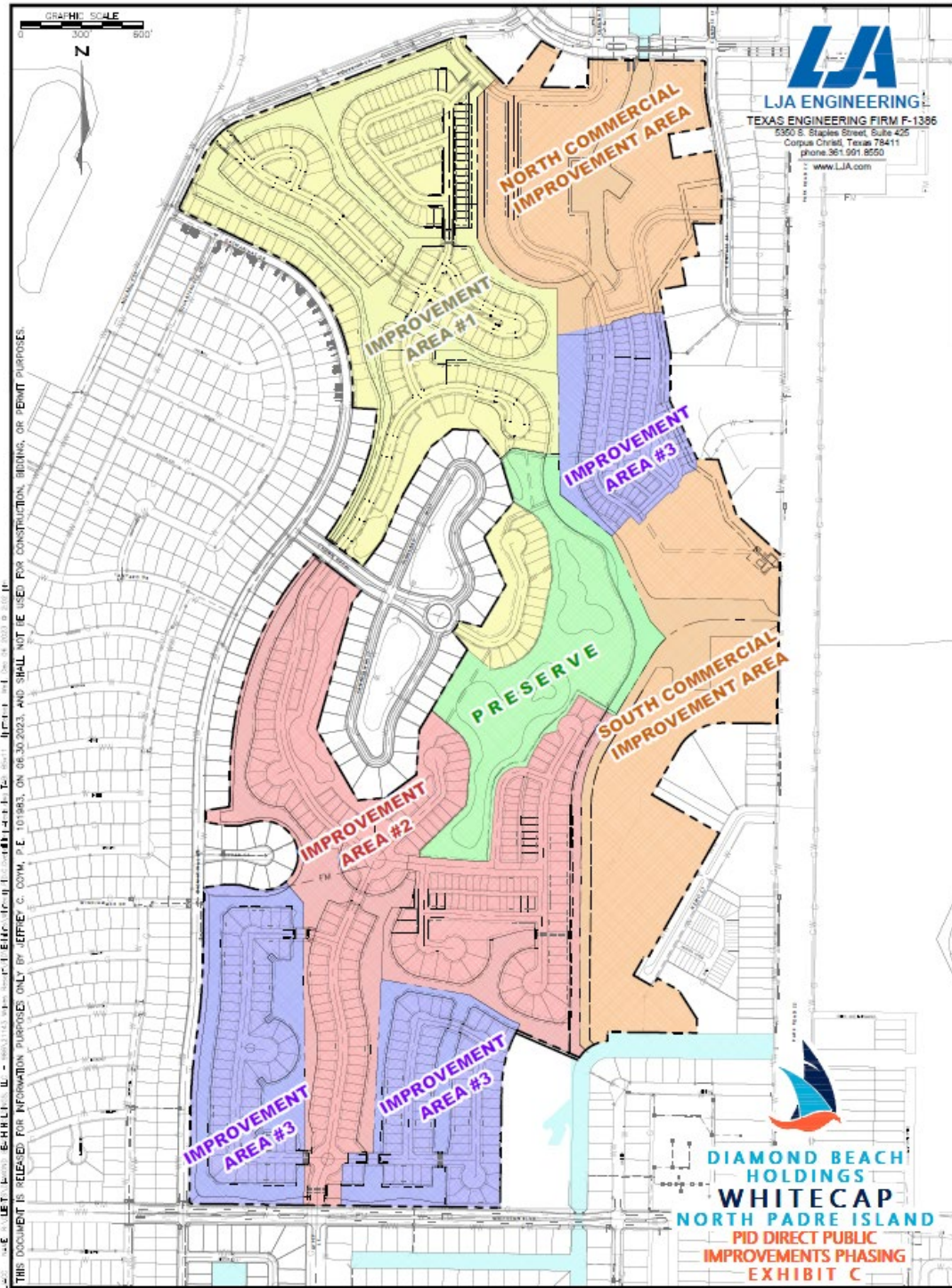


EXHIBIT A-2 – PLATS OF IMPROVEMENT AREA #1

STATE OF TEXAS
COUNTY OF NUECES

We, Diamond Beach Holdings, LLC, do hereby certify that we are the owner of the property referred to as WHITECAP NORTH PADRE ISLAND Unit 1A that we have had sold property surveyed and subdivided as shown; that streets shown are dedicated, in fee simple, to the public use forever; that easements as shown are dedicated to the public use for the installation, operation, and use of public utilities; and we adopt this plat for the purposes of description and dedication this ___ day of _____, 20__.

Diamond Beach Holdings, LLC
Jennifer Hoff, Vice President

Plat of
WHITECAP
NORTH PADRE ISLAND
Unit 1A
Page 1 of 2

NOTES

- TOTAL PLATTED AREA IS 5.608 ACRES (INCLUDES NAVIGABLE CHANNEL).
- TEMA MAP NUMBER 48555007562, OCTOBER 13, 2022 DESIGNATES THE ENTIRETY OF UNIT 1A AS ZONE R-1 WITH FLOOD ELEVATIONS 9 AND 10.5 AS SHOWN THIS SHEET. THE FINISH FLOOR ELEVATION OF RESIDENTIAL STRUCTURES MUST BE 1 FOOT ABOVE THE BASE FLOOD ELEVATIONS AS INDICATED ON THE FLOOD HAZARD BOUNDARY MAP AND IS FURTHER SUBJECT TO ADDITIONAL REGULATIONS CONTAINED IN THE CORPUS CHRISTI FLOOD HAZARD PREVENTION CODE.
- IN ADDITION TO THE REQUIREMENTS OF NOTE 2 ABOVE, THE FINISHED FLOOR ELEVATION MUST BE A MINIMUM OF 18 INCHES ABOVE THE ADJACENT TOP OF CURB.
- THE RECEIVING WATERS FOR THE STORM WATER RUNOFF FROM THIS PROPERTY IS THE LAGUNA WARE. THE TIED HAS CLASSIFIED THE AQUATIC LIFE USE FOR THE LAGUNA MADE AS "CONTACT RECREATION" USE.
- THE ENTIRE PROPERTY LIES WITHIN THE CITY LIMITS OF THE CITY OF CORPUS CHRISTI.
- DEVELOPMENT WITHIN THIS PROPERTY SHALL BE GENERALLY CONSISTENT WITH THE DEVELOPMENT PLAN DESCRIBED IN THE PLANNED UNIT DEVELOPMENT (PUD) ORDINANCE 032890 AS APPROVED BY CITY COUNCIL EFFECTIVE OCTOBER 24, 2022. DEVELOPMENT STANDARDS NOT ADDRESSED IN THE PUD DEVELOPMENT PLAN SHALL COMPLY WITH THE UNIFIED DEVELOPMENT CODE.
- THE YARD REQUIREMENT, AS INDICATED ON THE PLAT, IS IN ACCORDANCE WITH PUD ORDINANCE 032890 EFFECTIVE OCTOBER 24, 2022, AND THE UNIFIED DEVELOPMENT CODE (UDC) AND IS SUBJECT TO CHANGE AS THE ZONING MAY CHANGE. ADDITIONAL 50-FEET YARD USE REQUIREMENTS APPLY (NOT SHOWN).
- EASEMENTS SHOWN ARE DEDICATED TO THE PUBLIC FOR THE INSTALLATION, OPERATION AND USE OF PUBLIC UTILITIES.
- ALL BEARINGS BASED ON GLOBAL POSITIONING SYSTEM TEXAS STATE PLANE NAD 83, TEXAS SOUTH ZONE 4200.
- THE OWNER OF EACH LOT IS RESPONSIBLE FOR STORM WATER POLLUTION PREVENTION PLAN PER TDCD REQUIREMENTS.
- BLOCK 1, LOTS 2 AND 26 ARE PUBLIC PARKS TO BE MAINTAINED BY THE HOMEOWNERS ASSOCIATION.
- BLOCK 1, LOT 27 IS A PRIVATE PARK TO BE MAINTAINED BY THE HOMEOWNERS ASSOCIATION.
- NO DRIVEWAY ACCESS SHALL BE PERMITTED TO AQUARIUS DRIVE.
- FRONT YARD REQUIREMENTS SHALL BE 10-FT AS NOTED ON THIS PLAT AND ON THE ENLARGED LOT PLANS THIS SHEET. FURTHER, NOTE THAT PRIVATE GARAGES, DETACHED OR ATTACHED, SHALL MAINTAIN A YARD OF 15-FT FROM GARAGE ENTRANCE TO STREET RIGHT-OF-WAY, ALSO AS NOTED ON SAID ENLARGED LOT PLANS.

STATE OF TEXAS
COUNTY OF NUECES

Before me, the undersigned authority, on this day personally appeared Jennifer Hoff, proven to me to be the person whose signature she made on the foregoing instrument of writing, and she acknowledged to me that she executed the same for the purposes and considerations therein expressed. Given under my hand and seal of office, this ___ day of _____, 20__.

Notary Public

STATE OF TEXAS
COUNTY OF NUECES

This final plat of the herein described property was approved on behalf of the City of Corpus Christi, Texas by the Planning Commission on the ___th day of _____, 20__.

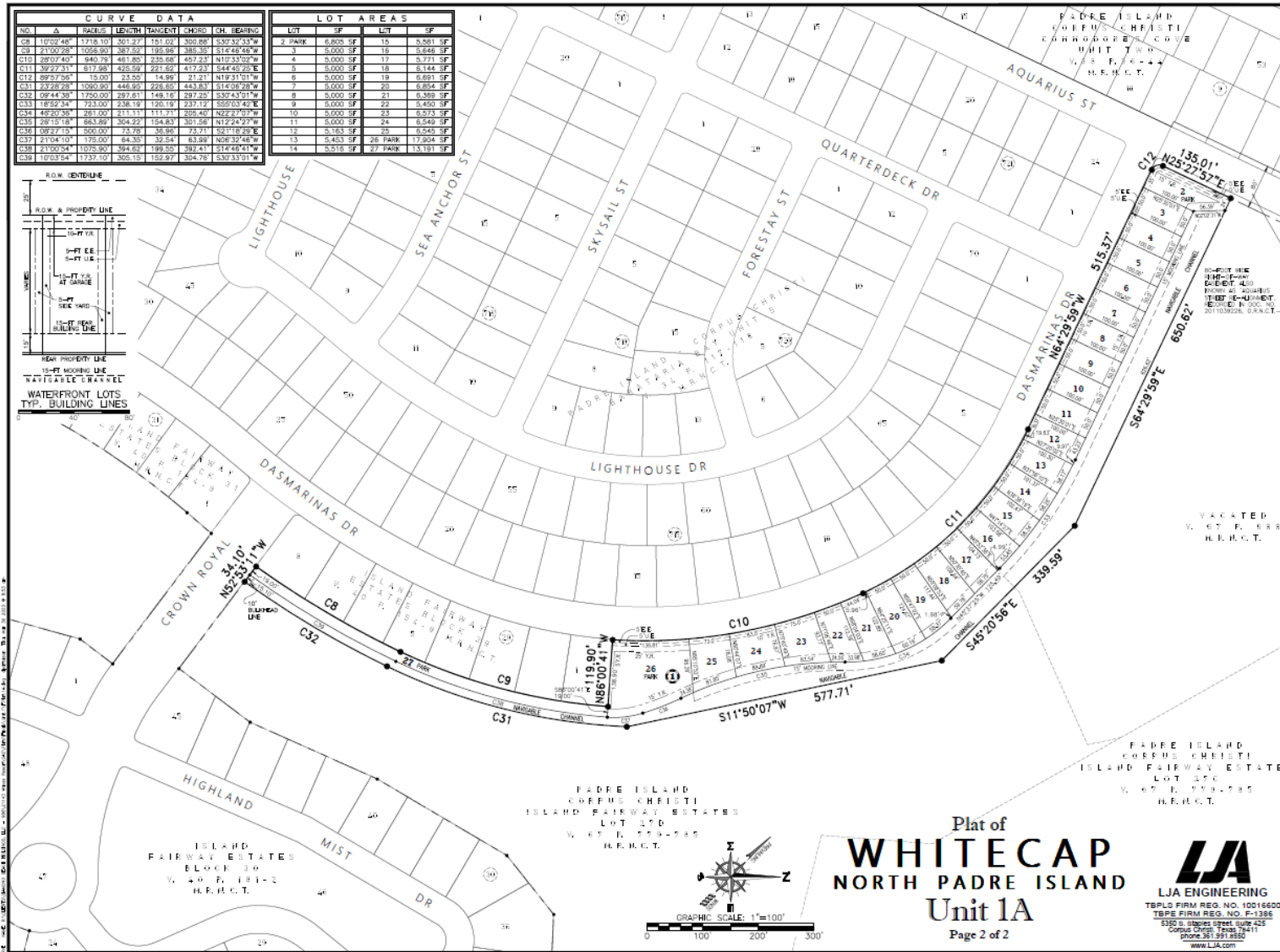
Chairman

Secretary

STATE OF TEXAS
COUNTY OF NUECES

This final plat of the herein described property was approved by the Department of Development Services of the City of Corpus Christi, Texas, this the ___ day of _____, 20__.

Bria Whitmire, P.E., C.F.M., C.P.M.
Development Services Engineer



STATE OF TEXAS
 COUNTY OF NUECES
 We, Diamond Beach Holdings, LLC, do hereby certify that we are the owner of the property referred to as WHITECAP NORTH PADRE ISLAND Unit 1B; that we have had said property surveyed and subdivided as shown; that streets shown are dedicated, in fee simple, to the public use forever; that easements as shown are dedicated to the public use for the installation, operation, and use of public utilities; and we adopt this plat for the purposes of description and dedication this ____ day of _____, 20____.

 Diamond Beach Holdings, LLC
 Jennifer Hoff, Vice President

STATE OF TEXAS
 COUNTY OF NUECES
 Before me, the undersigned authority, on this day personally appeared Jennifer Hoff, proven to me to be the person whose signature she made on the foregoing instrument of writing, and she acknowledged to me that she executed the same for the purposes and considerations therein expressed. Given under my hand and seal of office, this ____ day of _____, 20____.

 Notary Public

STATE OF TEXAS
 COUNTY OF NUECES
 This final plat of the herein described property was approved on behalf of the City of Corpus Christi, Texas by the Planning Commission on the ____th day of _____, 20____.

 Chairman

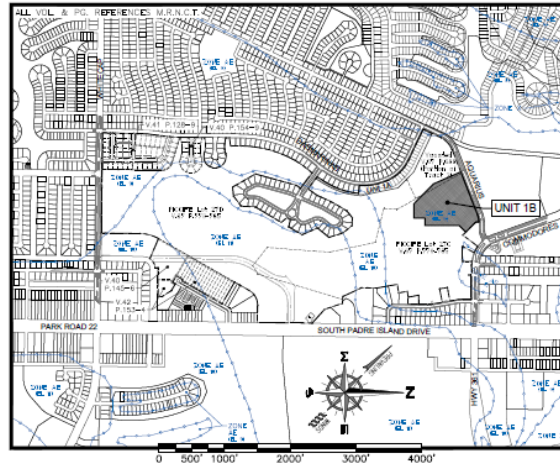
 Secretary

STATE OF TEXAS
 COUNTY OF NUECES
 This final plat of the herein described property was approved by the Department of Development Services of the City of Corpus Christi, Texas, this the ____ day of _____, 20____.

 Brian Whitmore, P.E., C.F.M., C.P.M.
 Development Services Engineer

Plat of
WHITECAP
 NORTH PADRE ISLAND
 Unit 1B
 Page 1 of 2

BEING 12.855 ACRES OUT OF A PORTION OF TRACT 27C OF THE PADRE ISLAND - CORPUS CHRISTI ISLAND FAIRWAY ESTATES, HEREAFTER REFERRED TO AS P.I.C.C.I.F.E., LOTS 27C AND 27D, A MAP OF WHICH IS RECORDED IN VOL. 67, PG. 779-785, MAP RECORDS, NUECES COUNTY, TEXAS, A PORTION OF P.I.C.C.I.F.E., BLOCKS 24-33, A MAP OF WHICH IS RECORDED IN VOL. 40, PG. 154-159, MAP RECORDS, NUECES COUNTY, TEXAS, A PORTION OF P.I.C.C.I.F.E., BLOCKS 43 & 44, A MAP OF WHICH IS RECORDED IN VOL. 42, PG. 10-11, MAP RECORDS, NUECES COUNTY, TEXAS, AND PORTIONS OF P.I.C.C.I.F.E., BLOCKS 34, 35, AND 36, A MAP OF WHICH IS RECORDED IN VOL. 40, PG. 183-184, MAP RECORDS, NUECES COUNTY, TEXAS, SAID BLOCKS 26, 35, 36, 43, 44, AND A PORTION OF BLOCK 34 NOW VACATED AS PER PLAT RECORDED IN VOL. 67, PG. 688, MAP RECORDS, NUECES COUNTY, TEXAS, SAID 12.855 ACRES ALSO BEING A PORTION OF TRACTS 3 AND 4 AS REFERENCED IN CORRECTION WARRANTY DEED, DOC. NO. 2018045542, OFFICIAL RECORDS, NUECES COUNTY, TEXAS, AND DESCRIBED BY METES & BOUNDS OF A 28.629 ACRE TRACT (TRACT 1), A 72.316 ACRE TRACT (TRACT 2), A 74.440 ACRE TRACT (TRACT 3), AND A 30.684 ACRE TRACT (TRACT 4), SAVE & EXCEPT 3.766 ACRES OF A 80-FOOT WIDE STREET TRACT, ALSO KNOWN AS 'AQUARIUS STREET RE-ALIGNMENT', RECORDED IN DOC. NO. 2011039226, OFFICIAL RECORDS, NUECES COUNTY, TEXAS.



NOTES

- TOTAL PLATTED AREA IS 12.855 ACRES (INCLUDES NAVIGABLE CHANNEL).
- FEMA MAP NUMBER 48355C0755G, OCTOBER 13, 2022 DESIGNATES THE ENTIRETY OF UNIT 1A AS ZONE AE WITH FLOOD ELEVATION 9 AS SHOWN THIS SHEET. THE FINISH FLOOR ELEVATION OF RESIDENTIAL STRUCTURES MUST BE 1 FOOT ABOVE THE BASE FLOOD ELEVATION AS INDICATED ON THE FLOOD HAZARD BOUNDARY MAP AND IS FURTHER SUBJECT TO ADDITIONAL REGULATIONS CONTAINED IN THE CORPUS CHRISTI FLOOD HAZARD PREVENTION CODE.
- IN ADDITION TO THE REQUIREMENTS OF NOTE 2 ABOVE, THE FINISHED FLOOR ELEVATION MUST BE A MINIMUM OF 18 INCHES ABOVE THE ADJACENT TOP OF CURB.
- THE RECEIVING WATERS FOR THE STORM WATER RUNOFF FROM THIS PROPERTY IS THE LAGUNA WARE. THE TIED HAS CLASSIFIED THE AQUATIC LIFE USE FOR THE LAGUNA WARE AS 'EXCEPTIONAL AND SPOKE WATERS'. TIED ALSO CATEGORIZED THE LAGUNA WARE AS 'CONTACT RECREATION' USE.
- THE ENTIRE PROPERTY LIES WITHIN THE CITY LIMITS OF THE CITY OF CORPUS CHRISTI.
- DEVELOPMENT WITHIN THIS PROPERTY SHALL BE GENERALLY CONSISTENT WITH THE DEVELOPMENT PLAN DESCRIBED IN THE PLANNED UNIT DEVELOPMENT (PUD) ORDINANCE 02890 AS APPROVED BY CITY COUNCIL, EFFECTIVE OCTOBER 24, 2022. DEVELOPMENT STANDARDS NOT ADDRESSED IN THE PUD DEVELOPMENT PLAN SHALL COMPLY WITH THE UNIFIED DEVELOPMENT CODE.
- THE YARD REQUIREMENT, AS REFLECTED ON THE PLAT, IS IN ACCORDANCE WITH PUD ORDINANCE 02890, EFFECTIVE OCTOBER 24, 2022, AND THE UNIFIED DEVELOPMENT CODE (UDC) AND IS SUBJECT TO CHANGE AS THE ZONING MAY CHANGE. ADDITIONAL SIZE (S-F) YARD UDC REQUIREMENTS APPLY (NOT SHOWN).
- EASEMENTS SHOWN ARE DEDICATED TO THE PUBLIC FOR THE INSTALLATION, OPERATION AND USE OF PUBLIC UTILITIES.
- ALL BEARINGS BASED ON GLOBAL POSITIONING SYSTEM, TEXAS STATE PLANE NAD 83, TEXAS SOUTH ZONE 4200.
- THE OWNER OF EACH LOT IS RESPONSIBLE FOR STORM WATER POLLUTION PREVENTION PLAN PER TIED REQUIREMENTS.
- BLOCK 6, LOTS 1 & 2; AND BLOCK 46, LOT 1; ARE PUBLIC PARKS TO BE MAINTAINED BY THE HOMEOWNERS ASSOCIATION.
- BLOCK 6, LOTS 1 & 2; BLOCK 7, LOT 1; BLOCK 8, LOTS 1, 6, 11, 12, 17, & 22; AND BLOCK 9, LOTS 1, 2, & 7; ARE PRIVATE PARKS TO BE MAINTAINED BY THE HOMEOWNERS ASSOCIATION.
- FRONT YARD REQUIREMENTS SHALL BE 10-FT AS NOTED ON THIS PLAT AND ON THE ENLARGED LOT PLANS SHEET 2. FURTHER, NOTE THAT PRIVATE GARAGES, DETACHED OR ATTACHED, SHALL MAINTAIN A YARD OF 15-FT FROM GARAGE ENTRANCE TO STREET RIGHT-OF-WAY, ALSO AS NOTED ON SAID ENLARGED LOT PLANS, AND AS DESCRIBED IN THE PLANNED UNIT DEVELOPMENT (PUD) ORDINANCE 02890 AS APPROVED BY CITY COUNCIL, EFFECTIVE OCTOBER 24, 2022.

STATE OF TEXAS
 COUNTY OF NUECES
 I, Kara Sands, Clerk of the County Court in and for Nueces County, Texas, hereby certify that the foregoing map of WHITECAP NORTH PADRE ISLAND Unit 1B, dated the ____ day of _____, 20____ with its certificate of authentication was filed for record in my office this ____ day of _____, 20____ at ____ o'clock ____m, and duly recorded in Volume ____ Page(s) ____ Map Records of Nueces County, Texas. Witness my hand and seal of said court at office in Corpus Christi, Texas, this the ____ day of _____, 20____.

Document No. _____

 Kara Sands, County Clerk
 Nueces County, Texas

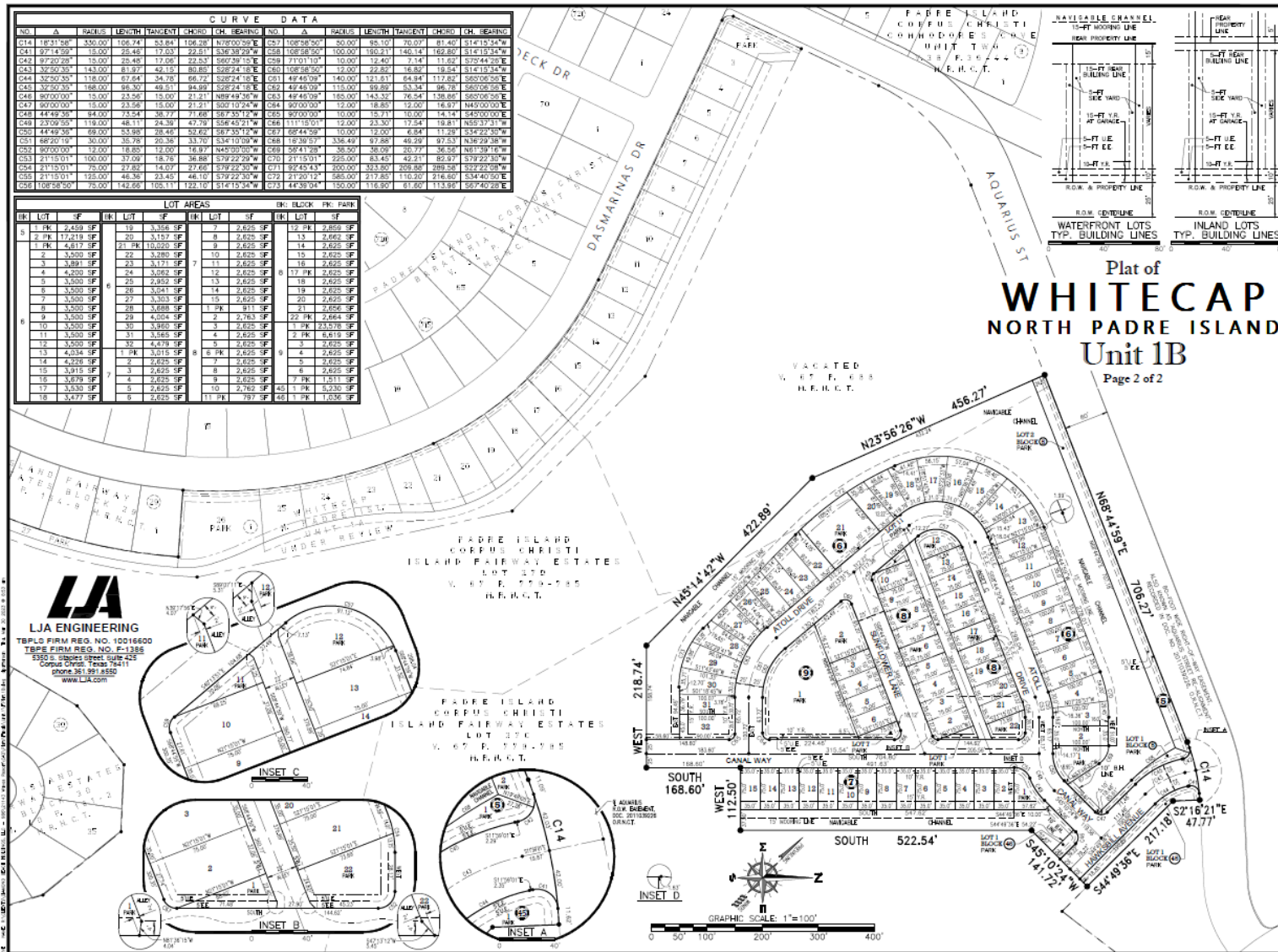
By: _____
 Deputy

STATE OF TEXAS
 COUNTY OF NUECES
 I, Albert E. Franco Jr., a Registered Professional Land Surveyor, have prepared the foregoing map from survey made on the ground under my direction and is true and correct to the best of my knowledge, information and belief; I have been engaged under contract to set all Lot and Block corners as shown hereon and to complete such operations with due and reasonable diligence consistent with sound professional practice.

This the ____ day of _____, 20____.

 Albert E. Franco Jr., R.P.L.S. #4471





STATE OF TEXAS
COUNTY OF NUECES

We, Diamond Beach Holdings, LLC, do hereby certify that we are the owner of the property referred to as WHITECAP NORTH PADRE ISLAND Unit 1C; that we have had said property surveyed and subdivided as shown; that streets shown are dedicated, in fee simple, to the public use forever; that easements as shown are dedicated to the public use for the installation, operation, and use of public utilities; and we adopt this plat for the purposes of description and dedication this ____ day of _____, 20____.

Diamond Beach Holdings, LLC
Jennifer Hoff, Vice President

STATE OF TEXAS
COUNTY OF NUECES

Before me, the undersigned authority, on this day personally appeared Jennifer Hoff, proven to me to be the person whose signature she made on the foregoing instrument of writing, and she acknowledged to me that she executed the same for the purposes and considerations therein expressed. Given under my hand and seal of office, this ____ day of _____, 20____.

Notary Public

STATE OF TEXAS
COUNTY OF NUECES

This final plat of the herein described property was approved on behalf of the City of Corpus Christi, Texas by the Planning Commission on the ____th day of _____, 20____.

Chairman

Secretary

STATE OF TEXAS
COUNTY OF NUECES

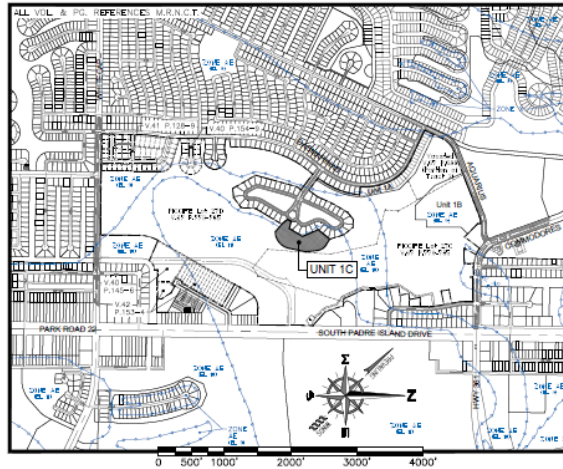
This final plat of the herein described property was approved by the Department of Development Services of the City of Corpus Christi, Texas, this the ____ day of _____, 20____.

Bria Whitmire, P.E., C.F.M., C.P.M.
Development Services Engineer

Plat of WHITECAP NORTH PADRE ISLAND Unit 1C

Page 1 of 2

BEING 4.869 ACRES OUT OF A PORTION OF TRACT 27D OF THE PADRE ISLAND - CORPUS CHRISTI ISLAND FAIRWAY ESTATES, HEREAFTER REFERRED TO AS P.I.C.I.F.E., LOTS 27C AND 27D, A MAP OF WHICH IS RECORDED IN VOL. 87, PG. 779-785, MAP RECORDS, NUECES COUNTY, TEXAS, SAID 4.869 ACRES ALSO BEING A PORTION OF TRACT 3 AS REFERENCED IN CORRECTION WARRANTY DEED, DOC. NO. 2018045642, OFFICIAL RECORDS, NUECES COUNTY, TEXAS, AND DESCRIBED BY METES & BOUNDS OF A 28.629 ACRE TRACT (TRACT 1), A 72.316 ACRE TRACT (TRACT 2), A 74.440 ACRE TRACT (TRACT 3), AND A 30.684 ACRE TRACT (TRACT 4).



NOTES

- TOTAL PLATTED AREA IS 4.869 ACRES (INCLUDES NAVIGABLE CHANNEL).
- TEXA MAP NUMBER 4830007050, OCTOBER 13, 2022 DESIGNATES UNIT 1C AS ZONE AE WITH FLOOD ELEVATIONS OF 10 AND 11 AS SHOWN THIS SHEET. THE FINISH FLOOR ELEVATION OF RESIDENTIAL STRUCTURES MUST BE 1 FOOT ABOVE THE BASE FLOOD ELEVATION AS INDICATED ON THE FLOOD HAZARD BOUNDARY MAP AND IS FURTHER SUBJECT TO ADDITIONAL REGULATIONS CONTAINED IN THE CORPUS CHRISTI FLOOD HAZARD PREVENTION CODE.
- IN ADDITION TO THE REQUIREMENTS OF NOTE 2 ABOVE, THE FINISHED FLOOR ELEVATION MUST BE A MINIMUM OF 18 INCHES ABOVE THE ADJACENT TOP OF CURB.
- THE RECEIVING WATERS FOR THE STORM WATER RUNOFF FROM THIS PROPERTY IS THE LAGUNA MADRE. THE TSEO HAS CLASSIFIED THE AQUATIC LIFE USE FOR THE LAGUNA MADRE AS 'EXCEPTIONAL AND OYSTER WATERS'. TSEs ALSO CATEGORIZED THE LAGUNA MADRE AS 'CONTACT RECREATION' USE.
- THE ENTIRE PROPERTY LIES WITHIN THE CITY LIMITS OF THE CITY OF CORPUS CHRISTI.
- DEVELOPMENT WITHIN THIS PROPERTY SHALL BE GENERALLY CONSISTENT WITH THE DEVELOPMENT PLAN DESCRIBED IN THE PLANNED UNIT DEVELOPMENT (PUD) ORDINANCE 032890 AS APPROVED BY CITY COUNCIL, EFFECTIVE OCTOBER 24, 2022. DEVELOPMENT STANDARDS NOT ADDRESSED IN THE PUD DEVELOPMENT PLAN SHALL COMPLY WITH THE UNIFIED DEVELOPMENT CODE.
- THE YARD REQUIREMENTS AS DEVICED ON THE PLAT, IS IN ACCORDANCE WITH PUD ORDINANCE 032890, EFFECTIVE OCTOBER 24, 2022, AND THE UNIFIED DEVELOPMENT CODE (UDC) AND IS SUBJECT TO CHANGE AS THE ZONING MAY CHANGE. ADDITIONAL SIDE (5-FT) YARD UDC REQUIREMENTS APPLY (NOT SHOWN).
- EASEMENTS SHOWN ARE DEDICATED TO THE PUBLIC FOR THE INSTALLATION, OPERATION AND USE OF PUBLIC UTILITIES.
- ALL BEARINGS BASED ON GLOBAL POSITIONING SYSTEM, TEXAS STATE PLANE NAD 83, TEXAS SOUTH ZONE 4205.
- THE OWNER OF EACH LOT IS RESPONSIBLE FOR STORM WATER POLLUTION PREVENTION PLAN PER TSEO REQUIREMENTS.
- BLOCK 16, LOTS 1 & 18 ARE PUBLIC PARKS TO BE MAINTAINED BY THE HOMEOWNERS ASSOCIATION.
- FRONT YARD REQUIREMENTS SHALL BE 10-FT AS NOTED ON THIS PLAT AND ON THE ENLARGED LOT PLANS SHEET 2. FURTHER, NOTE THAT PRIVATE GARAGES, DETACHED OR ATTACHED, SHALL MAINTAIN A YARD OF 15-FT FROM GARAGE ENTRANCE TO STREET RIGHT-OF-WAY, ALSO AS NOTED ON SAID ENLARGED LOT PLANS AND AS DESCRIBED IN THE PLANNED UNIT DEVELOPMENT (PUD) ORDINANCE 032890 AS APPROVED BY CITY COUNCIL, EFFECTIVE OCTOBER 24, 2022.

STATE OF TEXAS
COUNTY OF NUECES

I, Kara Sands, Clerk of the County Court in and for Nueces County, Texas, hereby certify that the foregoing map of WHITECAP NORTH PADRE ISLAND Unit 1C, dated the ____ day of _____, 20____ with its certificate of authentication was filed for record in my office this ____ day of _____, 20____ at ____ o'clock ____m. and duly recorded in Volume _____, Page(s) _____ Map Records of Nueces County, Texas. Witness my hand and seal of said court at Corpus Christi, Texas, this the ____ day of _____, 20____.

Document No. _____

Kara Sands, County Clerk
Nueces County, Texas

By: _____
Deputy

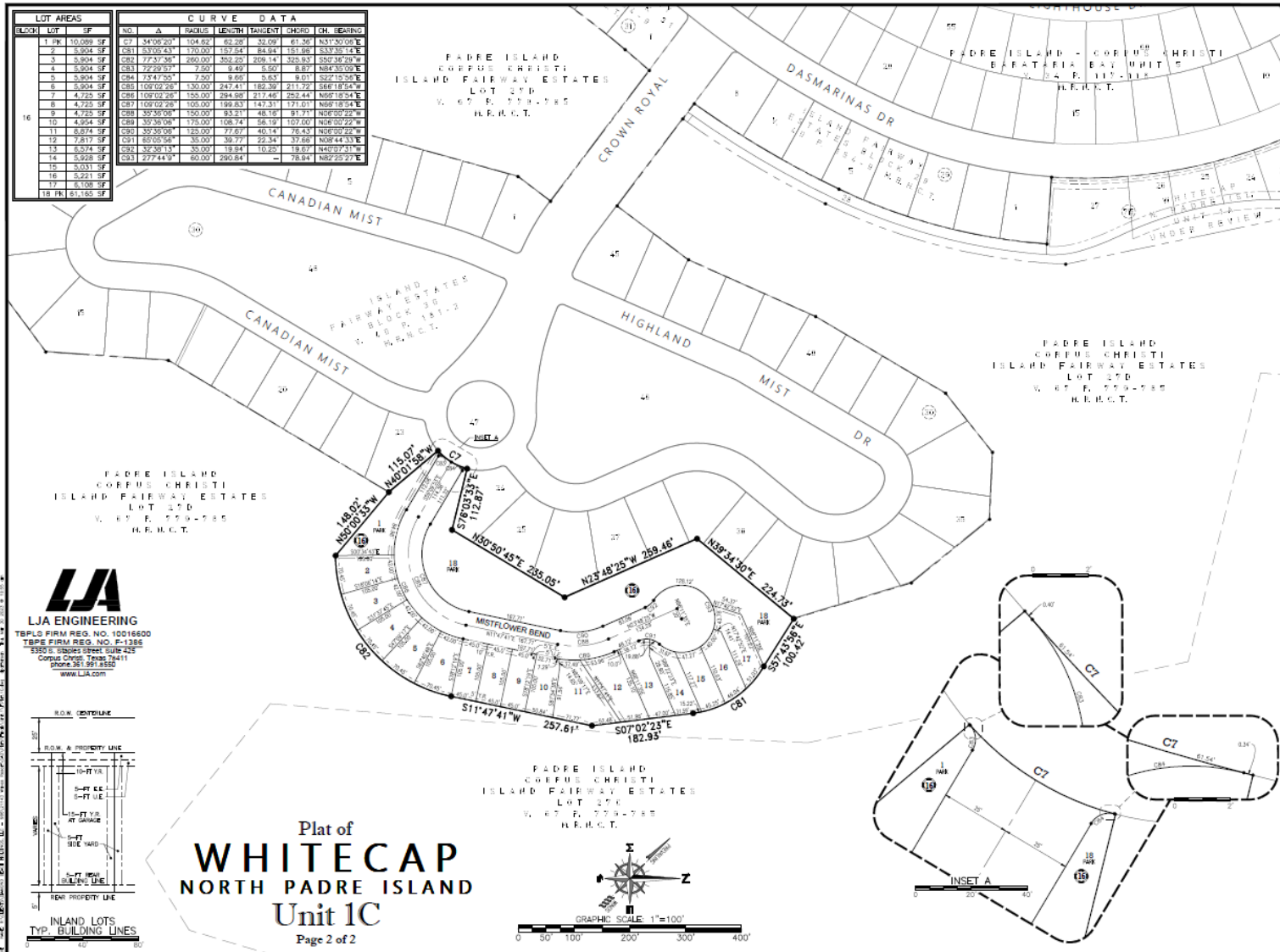
STATE OF TEXAS
COUNTY OF NUECES

I, Albert E. Franco Jr., a Registered Professional Land Surveyor, have prepared the foregoing map from survey made on the ground under my direction and is true and correct to the best of my knowledge, information and belief; I have been engaged under contract to set all Lot and Block corners as shown hereon and to complete such operations with due and reasonable diligence consistent with sound professional practice.

This the ____ day of _____, 20____.

Albert E. Franco Jr., R.P.L.S. #4471





STATE OF TEXAS
COUNTY OF NUECES

We, Diamond Beach Holdings, LLC, do hereby certify that we are the owner of the property referred to as WHITECAP NORTH PADRE ISLAND Unit 1D; that we have had said property surveyed and subdivided as shown; that streets shown are dedicated, in fee simple, to the public use forever; that easements as shown are dedicated to the public use for the installation, operation, and use of public utilities; and we adopt this plat for the purposes of description and dedication this ____ day of _____, 20____.

Diamond Beach Holdings, LLC
Jennifer Hoff, Vice President

STATE OF TEXAS
COUNTY OF NUECES

Before me, the undersigned authority, on this day personally appeared Jennifer Hoff, proven to me to be the person whose signature she made on the foregoing instrument of writing, and she acknowledged to me that she executed the same for the purposes and considerations therein expressed. Given under my hand and seal of office, this ____ day of _____, 20____.

Notary Public

STATE OF TEXAS
COUNTY OF NUECES

This final plat of the herein described property was approved on behalf of the City of Corpus Christi, Texas by the Planning Commission on the ____th day of _____, 20____.

Chairman

Secretary

STATE OF TEXAS
COUNTY OF NUECES

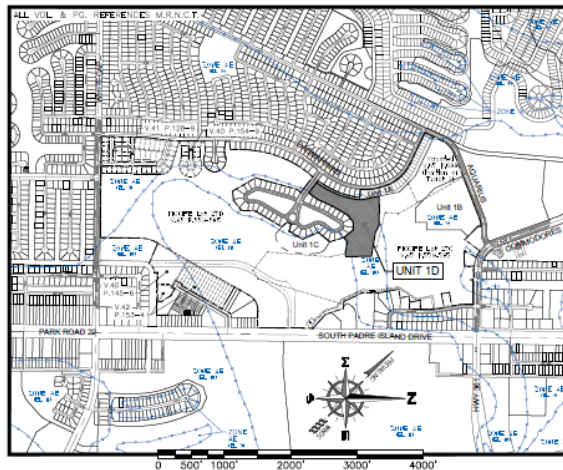
This final plat of the herein described property was approved by the Department of Development Services of the City of Corpus Christi, Texas, this the ____ day of _____, 20____.

Bria Whitmire, P.E., C.F.M., C.P.M.
Development Services Engineer

Plat of WHITECAP NORTH PADRE ISLAND Unit 1D

Page 1 of 2

BEING 11.328 ACRES OUT OF A PORTION OF TRACTS 27C AND 27D OF THE PADRE ISLAND - CORPUS CHRISTI ISLAND FAIRWAY ESTATES, HEREAFTER REFERRED TO AS P.I.C.I.F.E. LOTS 27C AND 27D, A MAP OF WHICH IS RECORDED IN VOL. 67, PG. 773-785, MAP RECORDS, NUECES COUNTY, TEXAS, SAID 11.328 ACRES ALSO BEING A PORTION OF TRACTS 3 AND 4 AS REFERENCED IN CORRECTION WARRANTY DEED, DOC. NO. 2018045542, OFFICIAL RECORDS, NUECES COUNTY, TEXAS, AND DESCRIBED BY METES & BOUNDS OF A 28.629 ACRE TRACT (TRACT 1), A 72.316 ACRE TRACT (TRACT 2), A 74.440 ACRE TRACT (TRACT 3), AND A 30.684 ACRE TRACT (TRACT 4).



NOTES

- TOTAL PLATTED AREA IS 11.328 ACRES (INCLUDES NAVIGABLE CHANNEL).
- TEXAS MAP NUMBER 48355007560, OCTOBER 13, 2022 DESIGNATES UNIT 1C AS ZONE AE WITH FLOOD ELEVATIONS OF 9, 10, AND 11 AS SHOWN THIS SHEET THE FINISH FLOOR ELEVATION OF RESIDENTIAL STRUCTURES MUST BE 1 FOOT ABOVE THE FINISH FLOOR ELEVATION AS INDICATED ON THE FLOOD HAZARD BOUNDARY MAP AND IS FURTHER SUBJECT TO ADDITIONAL REGULATIONS CONTAINED IN THE CORPUS CHRISTI FLOOD HAZARD PREVENTION CODE.
- IN ADDITION TO THE REQUIREMENTS OF NOTE 2 ABOVE, THE FINISHED FLOOR ELEVATION MUST BE A MINIMUM OF 18 INCHES ABOVE THE ADJACENT TOP OF CURB.
- THE RECEIVING WATERS FOR THE STORM WATER RUNOFF FROM THE PROPERTY IS THE LAGUNA MADRE. THE TREC HAS CLASSIFIED THE AQUATIC LIFE USE FOR THE LAGUNA MADRE AS 'EXCEPTIONAL' AND 'OYSTER WATERS'. TREC ALSO CATEGORIZED THE LAGUNA MADRE AS 'CONTACT RECREATION' USE.
- THE ENTIRE PROPERTY LIES WITHIN THE CITY LIMITS OF THE CITY OF CORPUS CHRISTI.
- DEVELOPMENT WITHIN THIS PROPERTY SHALL BE GENERALLY CONSISTENT WITH THE DEVELOPMENT PLAN DESCRIBED IN THE PLANNED UNIT DEVELOPMENT (PUD) ORDINANCE 032890 AS APPROVED BY CITY COUNCIL, EFFECTIVE OCTOBER 24, 2022. DEVELOPMENT STANDARDS NOT ADDRESSED IN THE PUD DEVELOPMENT PLAN SHALL COMPLY WITH THE UNIFIED DEVELOPMENT CODE.
- THE YARD REQUIREMENT AS SHOWN ON THE PLAT, IS IN ACCORDANCE WITH PUD ORDINANCE 032890, EFFECTIVE OCTOBER 24, 2022, AND THE UNIFIED DEVELOPMENT CODE (UDC) AND IS SUBJECT TO CHANGE AS THE ZONING MAY CHANGE. ADDITIONAL SIDE (5-FT) YARD UDC REQUIREMENTS APPLY (NOT SHOWN).
- EASEMENTS SHOWN ARE DEDICATED TO THE PUBLIC FOR THE INSTALLATION, OPERATION AND USE OF PUBLIC UTILITIES.
- ALL BEARINGS BASED ON GLOBAL POSITIONING SYSTEM, TEXAS STATE PLANE NAD 83, TEXAS SOUTH ZONE 4205.
- THE OWNER OF EACH LOT IS RESPONSIBLE FOR STORM WATER POLLUTION PREVENTION PLAN PER TREC REQUIREMENTS.
- BLOCK 14, LOTS 8 & 9; BLOCK 15, LOTS 3 & 26; ARE PRIVATE PARKS TO BE MAINTAINED BY THE HOMEOWNERS ASSOCIATION.
- FRONT YARD REQUIREMENTS SHALL BE 10-FT AS NOTED ON THIS PLAT AND ON THE ENLARGED LOT PLANS SHEET 2. FURTHER, NOTE THAT PRIVATE GARAGES, DETACHED OR ATTACHED, SHALL MAINTAIN A YARD OF 15-FT FROM GARAGE ENTRANCE TO STREET RIGHT-OF-WAY. ALSO AS NOTED ON SAID ENLARGED LOT PLANS AND AS DESCRIBED IN THE PLANNED UNIT DEVELOPMENT (PUD) ORDINANCE 032890 AS APPROVED BY CITY COUNCIL, EFFECTIVE OCTOBER 24, 2022.

STATE OF TEXAS
COUNTY OF NUECES

I, Kara Sands, Clerk of the County Court in and for Nueces County, Texas, hereby certify that the foregoing map of WHITECAP NORTH PADRE ISLAND Unit 1D, dated the ____ day of _____, 20____ with its certificate of authentication was filed for record in my office this ____ day of _____, 20____ at ____ o'clock ____m. and duly recorded in Volume _____, Page(s) _____ Map Records of Nueces County, Texas. Witness my hand and seal of said court of office in Corpus Christi, Texas, this the ____ day of _____, 20____.

Document No. _____

Kara Sands, County Clerk
Nueces County, Texas

By: _____
Deputy

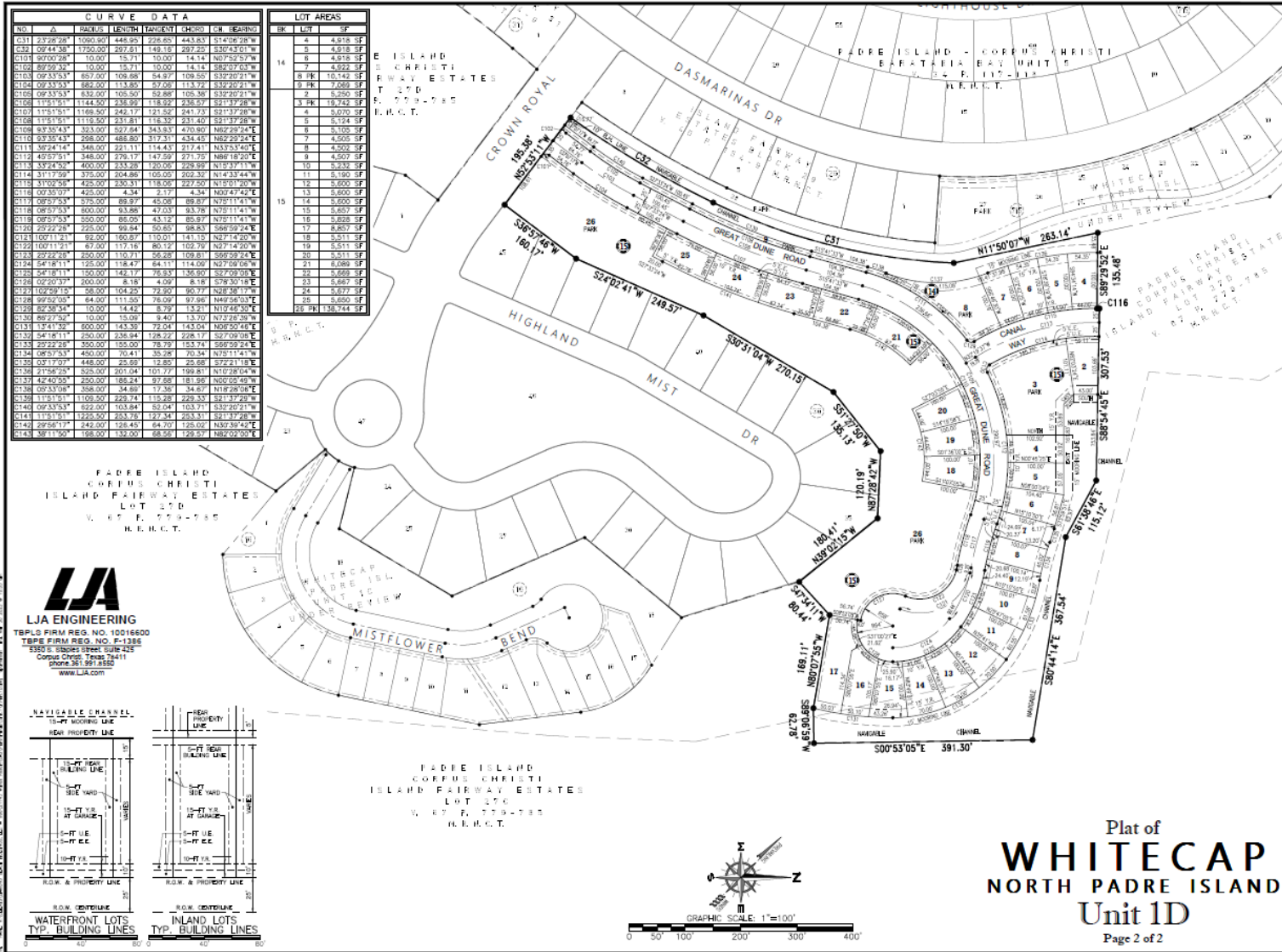
STATE OF TEXAS
COUNTY OF NUECES

I, Albert E. Franco Jr., a Registered Professional Land Surveyor, have prepared the foregoing map from survey made on the ground under my direction and is true and correct to the best of my knowledge, information and belief; I have been engaged under contract to set all Lot and Block corners as shown hereon and to complete such operations with due and reasonable diligence consistent with sound professional practice.

This the ____ day of _____, 20____.

Albert E. Franco Jr., R.P.L.S. #4471





STATE OF TEXAS
 COUNTY OF NUECES
 We, Diamond Beach Holdings, LLC, do hereby certify that we are the owner of the property referred to as WHITECAP NORTH PADRE ISLAND Unit 1E that we have had said property surveyed and subdivided as shown; that streets shown are dedicated, in fee simple, to the public use forever; that easements as shown are dedicated to the public use for the installation, operation, and use of public utilities; and we adopt this plat for the purposes of description and dedication this ____ day of _____, 20____.

Diamond Beach Holdings, LLC
 Jennifer Hoff, Vice President

STATE OF TEXAS
 COUNTY OF NUECES
 Before me, the undersigned authority, on this day personally appeared Jennifer Hoff, proven to me to be the person whose signature she made on the foregoing instrument of writing, and she acknowledged to me that she executed the same for the purposes and considerations therein expressed. Given under my hand and seal of office, this ____ day of _____, 20____.

Notary Public

STATE OF TEXAS
 COUNTY OF NUECES
 This final plat of the herein described property was approved on behalf of the City of Corpus Christi, Texas by the Planning Commission on the ____th day of _____, 20____.

Chairman Secretary

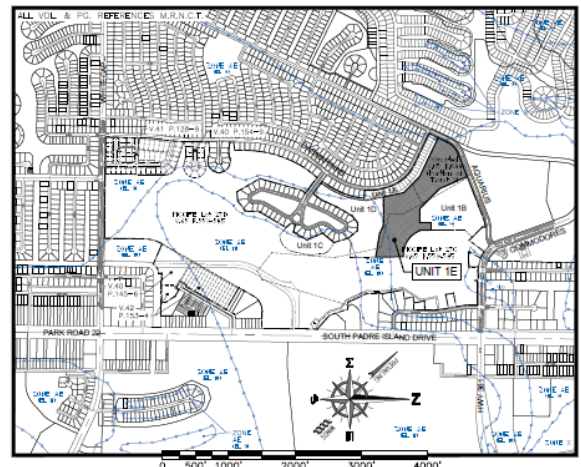
STATE OF TEXAS
 COUNTY OF NUECES
 This final plat of the herein described property was approved by the Department of Development Services of the City of Corpus Christi, Texas, this the ____ day of _____, 20____.

Bria Whitmire, P.E., C.F.M., C.P.M.
 Development Services Engineer

Plat of
WHITECAP
 NORTH PADRE ISLAND
 Unit 1E

Page 1 of 2

BEING 21.243 ACRES OUT OF A PORTION OF TRACTS 27C AND 27D OF THE PADRE ISLAND - CORPUS CHRISTI ISLAND FAIRWAY ESTATES, HEREAFTER REFERRED TO AS P.I.C.C.I.F.E., LOTS 27C AND 27D, A MAP OF WHICH IS RECORDED IN VOL. 67, PG. 779-785, MAP RECORDS, NUECES COUNTY, TEXAS, A PORTION OF P.I.C.C.I.F.E., BLOCKS 24-33, A MAP OF WHICH IS RECORDED IN VOL. 40, PG. 154-159, MAP RECORDS, NUECES COUNTY, TEXAS, A PORTION OF P.I.C.C.I.F.E., BLOCKS 43 & 44, A MAP OF WHICH IS RECORDED IN VOL. 42, PG. 10-11, MAP RECORDS, NUECES COUNTY, TEXAS, AND PORTIONS OF P.I.C.C.I.F.E., BLOCKS 34, 35, AND 36, A MAP OF WHICH IS RECORDED IN VOL. 40, PG. 183-184, MAP RECORDS, NUECES COUNTY, TEXAS, SAID BLOCKS 26, 35, 36, 43, 44, AND A PORTION OF BLOCK 34 NOW VACATED AS PER PLAT RECORDED IN VOL. 67, PG. 688, MAP RECORDS, NUECES COUNTY, TEXAS, SAID 21.243 ACRES ALSO BEING A PORTION OF TRACTS 1, 3, AND 4 AS REFERENCED IN CORRECTION WARRANTY DEED, DOC. NO. 2018045542, OFFICIAL RECORDS, NUECES COUNTY, TEXAS, AND DESCRIBED BY METES & BOUNDS OF A 28.629 ACRE TRACT (TRACT 1), A 72.316 ACRE TRACT (TRACT 2), A 74.440 ACRE TRACT (TRACT 3), AND A 30.684 ACRE TRACT (TRACT 4), SAVE & EXCEPT 3.766 ACRES OF A 80-FOOT WIDE STREET TRACT, ALSO KNOWN AS "AQUARIUS STREET RE-ALIGNMENT", RECORDED IN DOC. NO. 2011039226, OFFICIAL RECORDS, NUECES COUNTY, TEXAS.



NOTES

- TOTAL PLATTED AREA IS 21.243 ACRES (INCLUDES NAVIGABLE CHANNEL).
- TEMA MAP NUMBER 4835607056, OCTOBER 13, 2022 DESIGNATES THE ENTIRETY OF UNIT 1A AS ZONE AE WITH FLOOD ELEVATIONS OF 8.9, AND 10 AS SHOWN THIS SHEET THE FINISH FLOOR ELEVATION OF RESIDENTIAL STRUCTURES MUST BE 1 FOOT ABOVE THE BASE FLOOD ELEVATION AS INDICATED ON THE FLOOD HAZARD BOUNDARY MAP AND IS FURTHER SUBJECT TO ADDITIONAL REGULATIONS CONTAINED IN THE CORPUS CHRISTI FLOOD HAZARD PREVENTION CODE.
- IN ADDITION TO THE REQUIREMENTS OF NOTE 2 ABOVE, THE FINISHED FLOOR ELEVATION MUST BE A MINIMUM OF 18 INCHES ABOVE THE ADJACENT TOP OF CURB.
- THE RECEIVING WATERS FOR THE STORM WATER RUNOFF FROM THIS PROPERTY IS THE LAGUNA MADRE. THE TIED HAS CLASSIFIED THE AQUATIC LIFE USE FOR THE LAGUNA MADRE AS "EXCEPTIONAL" AND "OYSTER WATERS". TIED ALSO CATEGORIZED THE LAGUNA MADRE AS "CONTACT RECREATION" USE.
- THE ENTIRE PROPERTY LIES WITHIN THE CITY LIMITS OF THE CITY OF CORPUS CHRISTI.
- DEVELOPMENT WITHIN THIS PROPERTY SHALL BE GENERALLY CONSISTENT WITH THE DEVELOPMENT PLAN DESCRIBED IN THE PLANNED UNIT DEVELOPMENT (PUD) ORDINANCE 032890 AS APPROVED BY CITY COUNCIL, EFFECTIVE OCTOBER 24, 2022. DEVELOPMENT STANDARDS NOT ADDRESSED IN THE PUD DEVELOPMENT PLAN SHALL COMPLY WITH THE UNIFIED DEVELOPMENT CODE.
- THE YARD REQUIREMENT AS DEPICTED ON THE PLAT, IS IN ACCORDANCE WITH PUD ORDINANCE 032890, EFFECTIVE OCTOBER 24, 2022, AND THE UNIFIED DEVELOPMENT CODE (UDC) AND IS SUBJECT TO CHANGE AS THE ZONING MAY CHANGE. ADDITIONAL 5(F)-YARD UDC REQUIREMENTS APPLY (NOT SHOWN).
- EASEMENTS SHOWN ARE DEDICATED TO THE PUBLIC FOR THE INSTALLATION, OPERATION AND USE OF PUBLIC UTILITIES.
- ALL BEARINGS BASED ON GLOBAL POSITIONING SYSTEM, TEXAS STATE PLANE NAD 83, TEXAS SOUTH ZONE 4209.
- THE OWNER OF EACH LOT IS RESPONSIBLE FOR STORM WATER POLLUTION PREVENTION PLAN PER TIED REQUIREMENTS.
- BLOCK 1, LOT 1; AND BLOCK 5, LOT 3; ARE PUBLIC PARKS TO BE MAINTAINED BY THE HOMEOWNERS ASSOCIATION.
- BLOCK 2, LOTS 1 & 12; BLOCK 3, LOTS 1, 10, & 21; BLOCK 4, LOT 1; BLOCK 7, LOT 18; BLOCK 10, LOT 4; BLOCK 13, LOT 1; AND BLOCK 14, LOT 1; ARE PRIVATE PARKS TO BE MAINTAINED BY THE HOMEOWNERS ASSOCIATION.
- FRONT YARD REQUIREMENTS SHALL BE 10-FT AS NOTED ON THIS PLAT AND ON THE ENLARGED LOT PLANS SHEET 2. FURTHER, NOTE THAT PRIVATE GARAGES, DETACHED OR ATTACHED, SHALL MAINTAIN A YARD OF 15-FT FROM GARAGE ENTRANCE TO STREET RIGHT-OF-WAY, ALSO AS NOTED ON SAID ENLARGED LOT PLANS, AND AS DESCRIBED IN THE PLANNED UNIT DEVELOPMENT (PUD) ORDINANCE 032890 AS APPROVED BY CITY COUNCIL, EFFECTIVE OCTOBER 24, 2022.

STATE OF TEXAS
 COUNTY OF NUECES
 I, Kara Sands, Clerk of the County Court in and for Nueces County, Texas, hereby certify that the foregoing map of WHITECAP NORTH PADRE ISLAND Unit 1E, dated the ____ day of _____, 20____, with its certificate of authentication was filed for record in my office this ____ day of _____, 20____ at ____ o'clock ____ a.m. and duly recorded in Volume _____, Page(s) _____, Map Records of Nueces County, Texas. Witness my hand and seal of said county in Corpus Christi, Texas, this the ____ day of _____, 20____.

Document No. _____

Kara Sands, County Clerk
 Nueces County, Texas

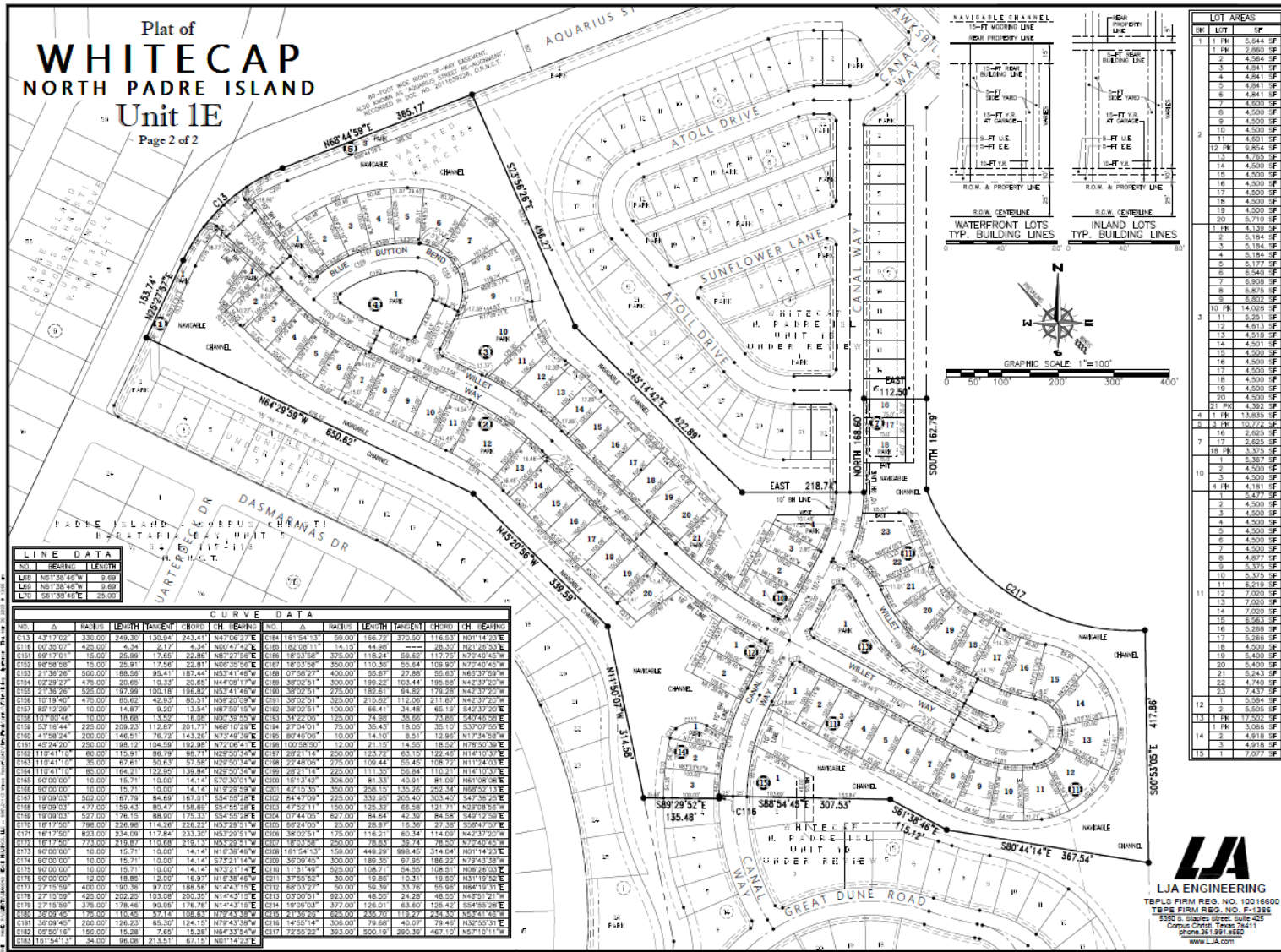
By: _____
 Deputy

STATE OF TEXAS
 COUNTY OF NUECES
 I, Albert E. Franco Jr., a Registered Professional Land Surveyor, have prepared the foregoing map from survey made on the ground under my direction and is true and correct to the best of my knowledge, information and belief. I have been engaged under contract to set all lot and block corners as shown hereon and to complete such operations with due and reasonable diligence consistent with sound professional practice.

This the ____ day of _____, 20____.

Albert E. Franco Jr., R.P.L.S. #4471

Plat of
WHITECAP
 NORTH PADRE ISLAND
 Unit 1E
 Page 2 of 2



WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1
 FINAL SERVICE AND ASSESSMENT PLAN

EXHIBIT A-3 – MAP OF THE PRESERVE



EXHIBIT A-4 – MAP OF REMAINDER AREA

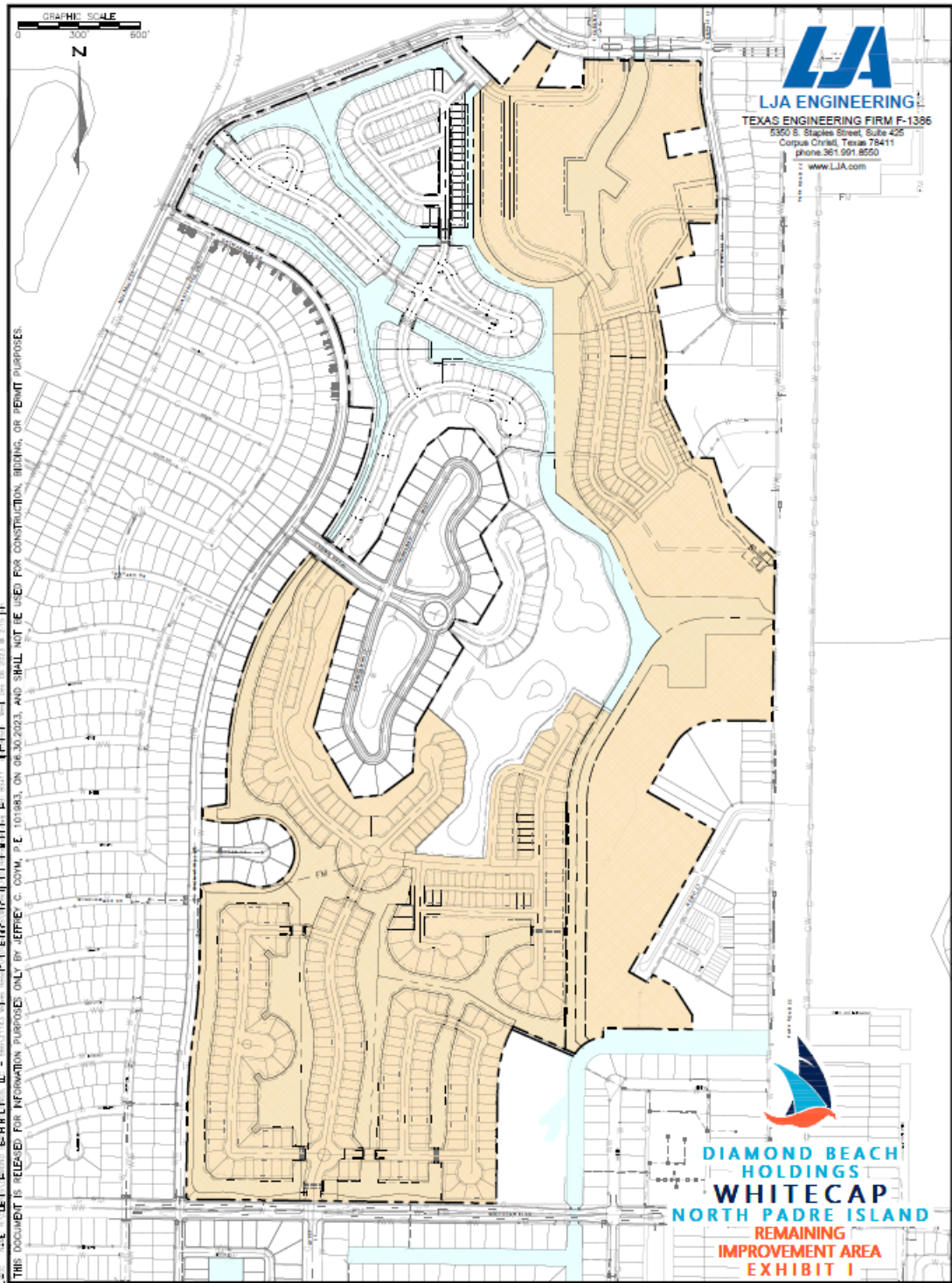


EXHIBIT A-5 – LOT TYPE CLASSIFICATION MAP

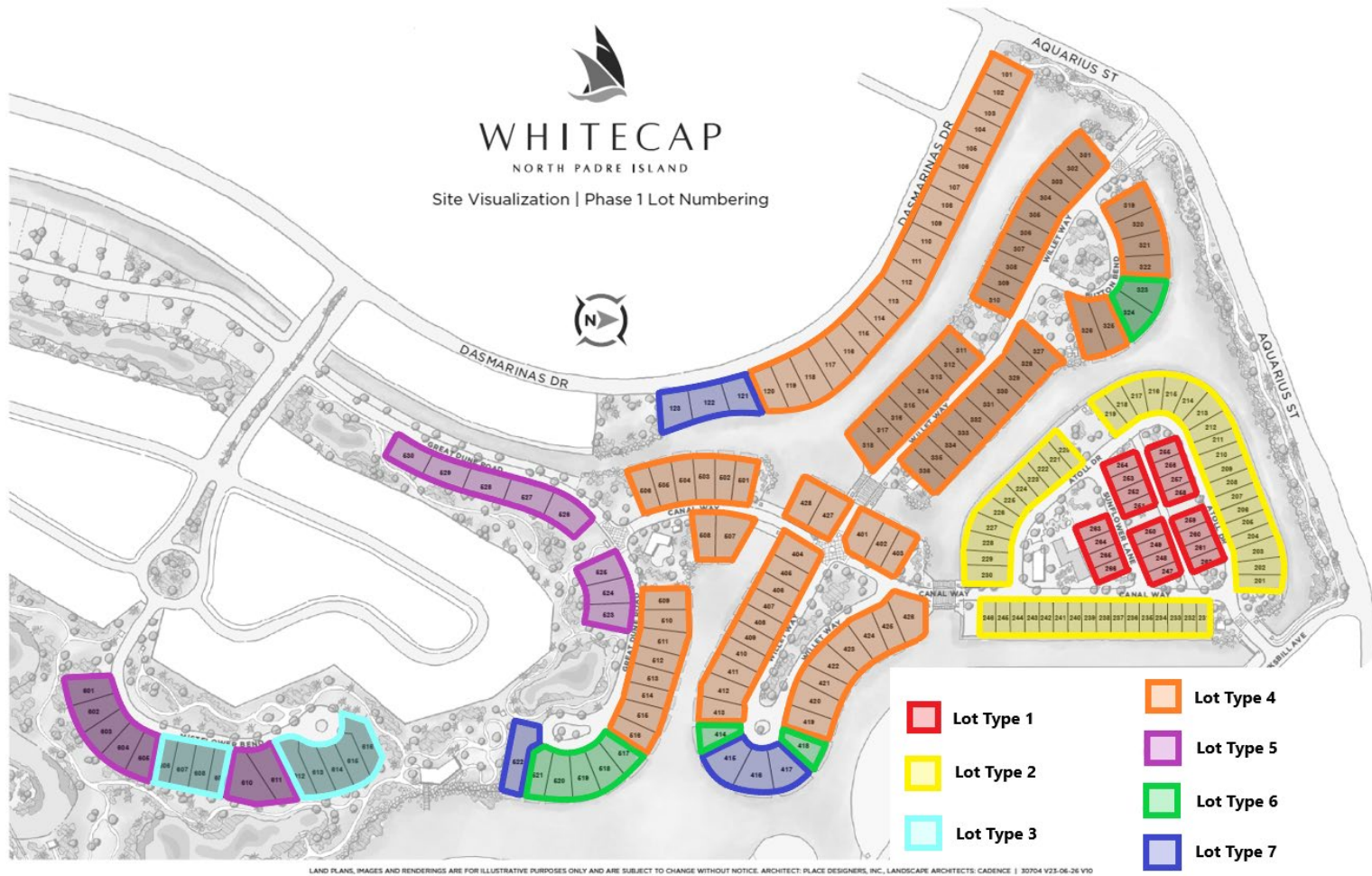


EXHIBIT B – PROJECT COSTS

| | Total Costs ^[a] | Private ^[b] | Improvement Area #1 | | Remainder Area | |
|---|----------------------------|------------------------|---------------------|----------------------|----------------|---------------------|
| | | | % | Cost | % | Cost |
| <i>Initial Common to All Improvements^[c]</i> | | | | | | |
| Preserve | \$ 2,310,000 | \$ - | 23.55% | \$ 544,018 | 76.45% | \$ 1,765,982 |
| Soft Costs ^[d] | 852,500 | - | 23.55% | 200,769 | 76.45% | 651,731 |
| | <u>\$ 3,162,500</u> | <u>\$ -</u> | | <u>\$ 744,786</u> | | <u>\$ 2,417,714</u> |
| <i>Improvement Area #1 Improvements</i> | | | | | | |
| Street | \$ 17,087,424 | \$ - | 100.00% | \$ 17,087,424 | 0.00% | \$ - |
| Drainage | 1,655,010 | - | 100.00% | 1,655,010 | 0.00% | - |
| Water | 1,742,790 | - | 100.00% | 1,742,790 | 0.00% | - |
| Wastewater | 3,196,725 | - | 100.00% | 3,196,725 | 0.00% | - |
| Soft Costs ^[e] | 3,436,250 | - | 100.00% | 3,436,250 | 0.00% | - |
| | <u>\$ 27,118,199</u> | <u>\$ -</u> | | <u>\$ 27,118,199</u> | | <u>\$ -</u> |
| <i>Improvement Area #1 Private Improvements</i> | | | | | | |
| Community Amenities and Parks | \$ 8,460,000 | \$ 8,460,000 | 0.00% | \$ - | 0.00% | \$ - |
| Private Landscape Development Costs | 2,291,000 | 2,291,000 | 0.00% | - | 0.00% | - |
| | <u>\$ 10,751,000</u> | <u>\$ 10,751,000</u> | | <u>\$ -</u> | | <u>\$ -</u> |
| <i>Bond Issuance Costs^[f]</i> | | | | | | |
| Debt Service Reserve | \$ 1,774,602 | | | \$ 1,774,602 | | \$ - |
| Capitalized Interest | - | | | - | | - |
| Underwriter's Discount | 715,680 | | | 715,680 | | - |
| Costs of Issuance | 1,550,640 | | | 1,550,640 | | - |
| | <u>\$ 4,040,922</u> | | | <u>\$ 4,040,922</u> | | <u>\$ -</u> |
| <i>Other Costs</i> | | | | | | |
| Deposit to Administrative Fund | \$ 40,000 | | | \$ 40,000 | | \$ - |
| | <u>\$ 40,000</u> | | | <u>\$ 40,000</u> | | <u>\$ -</u> |
| Total | \$ 45,112,621 | \$ 10,751,000 | | \$ 31,943,908 | | \$ 2,417,714 |

Footnotes:

[a] Total Costs per Preliminary Opinion of Probable Construction Costs Whitecap - North Padre Island, PID Direct Public Improvements dated 11/17/2023.

[b] Not reimbursable through Assessments.

[c] Initial Common to All Improvements are allocated to Improvement Area #1 and the Remainder Area pro rata based on acreage. Improvement Area #1 is 55.9022 acres and the Remainder Area 181.4688 acres. Therefore, Improvement Area #1 is allocated 23.55% (= 55.9022/(55.9022 + 181.4688)) of the Initial Common to all Improvements, and the Remainder Area is allocated the remaining 76.45% (= 181.4688/(55.9022 + 181.4688)) of the Initial Common to All Improvements.

[d] Initial Common to All Improvement Soft Costs include contingency, and consultant fees.

[e] Improvement Area #1 Soft Costs includes \$150,000 in District Formation Costs.

[f] Bond Issuance Costs and Other Costs associated with Improvement Area #1 are estimates only, to be determined at time of issuance of PID Bonds to reimburse all or a portion of the Improvement Area #1 Reimbursement Obligation.

EXHIBIT C – SERVICE PLAN

| | | Improvement Area #1 | | | | |
|---|------------------------------|----------------------------|------------------------|------------------------|------------------------|------------------------|
| Annual Installment Due | | 1/31/2025 | 1/31/2026 | 1/31/2027 | 1/31/2028 | 1/31/2029 |
| <i>Improvement Area #1 Reimbursement Obligation</i> | | | | | | |
| Principal | | \$ 290,000.00 | \$ 308,000.00 | \$ 327,000.00 | \$ 348,000.00 | \$ 369,000.00 |
| Interest | | \$ 1,483,843.20 | \$ 1,465,805.20 | \$ 1,446,647.60 | \$ 1,426,308.20 | \$ 1,404,662.60 |
| | (1) | <u>\$ 1,773,843.20</u> | <u>\$ 1,773,805.20</u> | <u>\$ 1,773,647.60</u> | <u>\$ 1,774,308.20</u> | <u>\$ 1,773,662.60</u> |
| Additional Interest ^[a] | (2) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Annual Collection Costs | (3) | \$ 40,000.00 | \$ 40,800.00 | \$ 41,616.00 | \$ 42,448.32 | \$ 43,297.29 |
| Total Annual Installment | (4) = (1) + (2) + (3) | \$ 1,813,843.20 | \$ 1,814,605.20 | \$ 1,815,263.60 | \$ 1,816,756.52 | \$ 1,816,959.89 |

Footnotes:

[a] Additional Interest will not be charged on the Improvement Area #1 Reimbursement Obligation. In the event PID Bonds secured by the Improvement Area #1 Assessment are issued, the Service Plan and Improvement Area #1 Assessment Roll shall be updated to reflect the Additional Interest collected for such PID Bonds.

EXHIBIT D – SOURCES AND USES OF FUNDS

| | Private | Improvement Area #1 | Remainder Area | Total |
|---|----------------------|----------------------|---------------------|----------------------|
| Sources of Funds | | | | |
| Improvement Area #1 Reimbursement Obligation | \$ - | \$ 23,856,000 | \$ - | \$ 23,856,000 |
| Developer Contribution ^[a] | - | 7,343,121 | - | 9,760,835 |
| Developer Contribution - Initial Common to All Improvements - IA#1 ^[c] | - | 744,786 | - | 744,786 |
| Developer Contribution - Initial Common to All Improvements - Remainder Area ^[d] | - | - | 2,417,714 | 2,417,714 |
| Developer Contribution - Private Improvements ^[a] | 10,751,000 | - | - | 10,751,000 |
| Total Sources | \$ 10,751,000 | \$ 31,943,908 | \$ 2,417,714 | \$ 45,112,621 |
| Uses of Funds | | | | |
| Initial Common to All Improvements | \$ - | \$ 744,786 | \$ 2,417,714 | \$ 3,162,500 |
| Improvement Area #1 Improvements | - | 27,118,199 | - | 27,118,199 |
| Private Improvements | 10,751,000 | - | - | 10,751,000 |
| | \$ 10,751,000 | \$ 27,862,985 | \$ 2,417,714 | \$ 41,031,699 |
| <i>Bond Issuance Costs^[b]</i> | | | | |
| Debt Service Reserve | \$ - | \$ 1,774,602 | \$ - | \$ 1,774,602 |
| Capitalized Interest | - | - | - | - |
| Underwriter's Discount | - | 715,680 | - | 715,680 |
| Costs of Issuance | - | 1,550,640 | - | 1,550,640 |
| | \$ - | \$ 4,040,922 | \$ - | \$ 4,040,922 |
| <i>Other Costs^[b]</i> | | | | |
| Deposit to Administrative Fund | \$ - | \$ 40,000 | \$ - | \$ 40,000 |
| | \$ - | \$ 40,000 | \$ - | \$ 40,000 |
| Total Uses | \$ 10,751,000 | \$ 31,943,908 | \$ 2,417,714 | \$ 45,112,621 |

Footnotes:

[a] Not reimbursable through Assessments.

[b] Bond Issuance Costs and Other Costs associated with Improvement Area #1 are estimates only, to be determined at time of issuance of PID Bonds to reimburse all or a portion of the Improvement Area #1 Reimbursement Obligation.

[c] Initial Common to All Improvements allocable to Improvement Area #1 are financed by the Owner Contribution - Initial Common to All Improvements - IA#1, and are not to be reimbursed from Assessments.

[d] Initial Common to All Improvements allocable to the Remainder Area are eligible to be reimbursed from future Assessments.

EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

| Lot Type | Units ^[a] | Estimated Buildout Value per Unit ^[a] | Total Estimated Buildout Value | Assessment | | Average Annual Installment | | PID TRE | VTL |
|----------------------------|----------------------|--|--------------------------------|----------------------|-----------|----------------------------|----------|-----------|---------------|
| | | | | Total | Per Unit | Total | Per Unit | | |
| Improvement Area #1 | | | | | | | | | |
| Lot Type 1 | 19 | \$ 850,000 | \$ 16,150,000 | \$ 1,491,693 | \$ 78,510 | \$ 114,312 | \$ 6,016 | \$ 0.7078 | 2.8086 |
| Lot Type 2 | 47 | 1,020,000 | 47,940,000 | 4,427,972 | 94,212 | 339,325 | 7,220 | 0.7078 | 2.8086 |
| Lot Type 3 | 9 | 1,150,000 | 10,350,000 | 955,976 | 106,220 | 73,259 | 8,140 | 0.7078 | 2.4995 |
| Lot Type 4 | 93 | 1,380,000 | 128,340,000 | 11,854,108 | 127,464 | 908,407 | 9,768 | 0.7078 | 2.4995 |
| Lot Type 5 | 15 | 1,500,000 | 22,500,000 | 2,078,210 | 138,547 | 159,258 | 10,617 | 0.7078 | 2.2411 |
| Lot Type 6 | 9 | 1,800,000 | 16,200,000 | 1,496,311 | 166,257 | 114,666 | 12,741 | 0.7078 | 2.2411 |
| Lot Type 7 | 7 | 2,400,000 | 16,800,000 | 1,551,730 | 221,676 | 118,913 | 16,988 | 0.7078 | 1.9244 |
| Subtotal | 199 | | \$ 258,280,000 | \$ 23,856,000 | | \$ 1,828,139 | | | 2.5001 |

Footnotes:

[a] Per information provided by Developer on 9/15/2023.

EXHIBIT F-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

| Property ID ^[a] | Lot Type | Acreage | Allocation | Outstanding Assessment | Annual Installment due 1/31/2025 ^[b] |
|----------------------------|------------------------------------|-----------------|----------------|-------------------------|---|
| 571270 | Improvement Area #1 Initial Parcel | 30.6800 | 30.47% | \$ 7,269,565.94 | \$ 552,726.89 |
| 571269 | Improvement Area #1 Initial Parcel | 70.0003 | 69.53% | \$ 16,586,434.06 | \$ 1,261,116.31 |
| Total^[c] | | 100.6803 | 100.00% | \$ 23,856,000.00 | \$ 1,813,843.20 |

Footnotes:

[a] The Assessment and Annual Installment have initially been allocated between all Property IDs within the Improvement Area #1 Initial Parcel pro rata based on acreage as reported by Nueces Central Appraisal District. Future allocation of the Assessment will be done in accordance with Section VI of this Service and Assessment Plan.

[b] Annual Installment covers the period September 30, 2024 to October 1, 2025, and is due January 31, 2025.

[c] For a version of the Improvement Area #1 Assessment Roll broken out on a per Lot basis by legal description per plats submitted by the Owner, see below. Note, Property ID numbers will be added when assigned by Nueces County.

| Property ID | Unit | Legal Description | | Lot Type | Outstanding Assessment | Total Annual Installment Due 1/31/2025 |
|-------------|------|-------------------|-----|------------|------------------------|--|
| | | Block | Lot | | | |
| TBD | 1A | 1 | 3 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 4 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 5 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 6 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 7 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 8 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 9 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 10 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 11 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 12 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 13 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 14 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 15 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 16 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 17 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 18 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 19 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 20 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 21 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 22 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1A | 1 | 23 | Lot Type 7 | \$ 221,675.70 | \$ 16,854.67 |
| TBD | 1A | 1 | 24 | Lot Type 7 | \$ 221,675.70 | \$ 16,854.67 |
| TBD | 1A | 1 | 25 | Lot Type 7 | \$ 221,675.70 | \$ 16,854.67 |
| TBD | 1B | 6 | 2 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 3 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |

| Property ID | Unit | Legal Description | | Lot Type | Outstanding Assessment | Total Annual Installment Due 1/31/2025 |
|-------------|------|-------------------|-----|------------|------------------------|--|
| | | Block | Lot | | | |
| TBD | 1B | 6 | 4 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 5 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 6 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 7 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 8 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 9 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 10 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 11 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 12 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 13 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 14 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 15 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 16 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 17 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 18 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 19 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 20 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 22 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 23 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 24 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 25 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 26 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 27 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 28 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 29 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 30 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 31 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 6 | 32 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 7 | 2 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 7 | 3 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 7 | 4 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 7 | 5 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 7 | 6 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 7 | 7 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 7 | 8 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 7 | 9 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 7 | 10 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 7 | 11 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 7 | 12 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 7 | 13 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |

| Property ID | Unit | Legal Description | | Lot Type | Outstanding Assessment | Total Annual Installment Due 1/31/2025 |
|-------------|------|-------------------|-----|------------|------------------------|--|
| | | Block | Lot | | | |
| TBD | 1B | 7 | 14 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 7 | 15 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1E | 7 | 16 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1E | 7 | 17 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 8 | 2 | Lot Type 2 | \$ 94,212.17 | \$ 7,163.23 |
| TBD | 1B | 8 | 3 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 8 | 4 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 8 | 5 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 8 | 7 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 8 | 8 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 8 | 9 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 8 | 10 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 8 | 13 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 8 | 14 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 8 | 15 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 8 | 16 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 8 | 18 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 8 | 19 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 8 | 20 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 8 | 21 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 9 | 3 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 9 | 4 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 9 | 5 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1B | 9 | 6 | Lot Type 1 | \$ 78,510.14 | \$ 5,969.36 |
| TBD | 1E | 2 | 2 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 2 | 3 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 2 | 4 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 2 | 5 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 2 | 6 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 2 | 7 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 2 | 8 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 2 | 9 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 2 | 10 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 2 | 11 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 2 | 13 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 2 | 14 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 2 | 15 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 2 | 16 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 2 | 17 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 2 | 18 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |

| Property ID | Unit | Legal Description | | Lot Type | Outstanding Assessment | Total Annual Installment Due 1/31/2025 |
|-------------|------|-------------------|-----|------------|------------------------|--|
| | | Block | Lot | | | |
| TBD | 1E | 2 | 19 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 2 | 20 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 3 | 2 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 3 | 3 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 3 | 4 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 3 | 5 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 3 | 6 | Lot Type 6 | \$ 166,256.78 | \$ 12,641.00 |
| TBD | 1E | 3 | 7 | Lot Type 6 | \$ 166,256.78 | \$ 12,641.00 |
| TBD | 1E | 3 | 8 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 3 | 9 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 3 | 11 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 3 | 12 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 3 | 13 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 3 | 14 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 3 | 15 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 3 | 16 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 3 | 17 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 3 | 18 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 3 | 19 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 3 | 20 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 10 | 1 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 10 | 2 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 10 | 3 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 11 | 1 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 11 | 2 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 11 | 3 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 11 | 4 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 11 | 5 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 11 | 6 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 11 | 7 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 11 | 8 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 11 | 9 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 11 | 10 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 11 | 11 | Lot Type 6 | \$ 166,256.78 | \$ 12,641.00 |
| TBD | 1E | 11 | 12 | Lot Type 7 | \$ 221,675.70 | \$ 16,854.67 |
| TBD | 1E | 11 | 13 | Lot Type 7 | \$ 221,675.70 | \$ 16,854.67 |
| TBD | 1E | 11 | 14 | Lot Type 7 | \$ 221,675.70 | \$ 16,854.67 |
| TBD | 1E | 11 | 15 | Lot Type 6 | \$ 166,256.78 | \$ 12,641.00 |
| TBD | 1E | 11 | 16 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 11 | 17 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |

| Property ID | Unit | Legal Description | | Lot Type | Outstanding Assessment | Total Annual Installment Due 1/31/2025 |
|-------------|------|-------------------|-----|------------|------------------------|--|
| | | Block | Lot | | | |
| TBD | 1E | 11 | 18 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 11 | 19 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 11 | 20 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 11 | 21 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 11 | 22 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 11 | 23 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 12 | 1 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 12 | 2 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 14 | 2 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 14 | 3 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1D | 14 | 4 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1D | 14 | 5 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1D | 14 | 6 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1D | 14 | 7 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1E | 15 | 1 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1D | 15 | 2 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1D | 15 | 4 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1D | 15 | 5 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1D | 15 | 6 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1D | 15 | 7 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1D | 15 | 8 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1D | 15 | 9 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1D | 15 | 10 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1D | 15 | 11 | Lot Type 4 | \$ 127,463.53 | \$ 9,691.43 |
| TBD | 1D | 15 | 12 | Lot Type 6 | \$ 166,256.78 | \$ 12,641.00 |
| TBD | 1D | 15 | 13 | Lot Type 6 | \$ 166,256.78 | \$ 12,641.00 |
| TBD | 1D | 15 | 14 | Lot Type 6 | \$ 166,256.78 | \$ 12,641.00 |
| TBD | 1D | 15 | 15 | Lot Type 6 | \$ 166,256.78 | \$ 12,641.00 |
| TBD | 1D | 15 | 16 | Lot Type 6 | \$ 166,256.78 | \$ 12,641.00 |
| TBD | 1D | 15 | 17 | Lot Type 7 | \$ 221,675.70 | \$ 16,854.67 |
| TBD | 1D | 15 | 18 | Lot Type 5 | \$ 138,547.31 | \$ 10,534.17 |
| TBD | 1D | 15 | 19 | Lot Type 5 | \$ 138,547.31 | \$ 10,534.17 |
| TBD | 1D | 15 | 20 | Lot Type 5 | \$ 138,547.31 | \$ 10,534.17 |
| TBD | 1D | 15 | 21 | Lot Type 5 | \$ 138,547.31 | \$ 10,534.17 |
| TBD | 1D | 15 | 22 | Lot Type 5 | \$ 138,547.31 | \$ 10,534.17 |
| TBD | 1D | 15 | 23 | Lot Type 5 | \$ 138,547.31 | \$ 10,534.17 |
| TBD | 1D | 15 | 24 | Lot Type 5 | \$ 138,547.31 | \$ 10,534.17 |
| TBD | 1D | 15 | 25 | Lot Type 5 | \$ 138,547.31 | \$ 10,534.17 |
| TBD | 1C | 16 | 2 | Lot Type 5 | \$ 138,547.31 | \$ 10,534.17 |
| TBD | 1C | 16 | 3 | Lot Type 5 | \$ 138,547.31 | \$ 10,534.17 |

| Property ID | Unit | Legal Description | | Lot Type | Outstanding Assessment | Total Annual Installment Due 1/31/2025 |
|--------------|------|-------------------|-----|------------|-------------------------|--|
| | | Block | Lot | | | |
| TBD | 1C | 16 | 4 | Lot Type 5 | \$ 138,547.31 | \$ 10,534.17 |
| TBD | 1C | 16 | 5 | Lot Type 5 | \$ 138,547.31 | \$ 10,534.17 |
| TBD | 1C | 16 | 6 | Lot Type 5 | \$ 138,547.31 | \$ 10,534.17 |
| TBD | 1C | 16 | 7 | Lot Type 3 | \$ 106,219.61 | \$ 8,076.20 |
| TBD | 1C | 16 | 8 | Lot Type 3 | \$ 106,219.61 | \$ 8,076.20 |
| TBD | 1C | 16 | 9 | Lot Type 3 | \$ 106,219.61 | \$ 8,076.20 |
| TBD | 1C | 16 | 10 | Lot Type 3 | \$ 106,219.61 | \$ 8,076.20 |
| TBD | 1C | 16 | 11 | Lot Type 5 | \$ 138,547.31 | \$ 10,534.17 |
| TBD | 1C | 16 | 12 | Lot Type 5 | \$ 138,547.31 | \$ 10,534.17 |
| TBD | 1C | 16 | 13 | Lot Type 3 | \$ 106,219.61 | \$ 8,076.20 |
| TBD | 1C | 16 | 14 | Lot Type 3 | \$ 106,219.61 | \$ 8,076.20 |
| TBD | 1C | 16 | 15 | Lot Type 3 | \$ 106,219.61 | \$ 8,076.20 |
| TBD | 1C | 16 | 16 | Lot Type 3 | \$ 106,219.61 | \$ 8,076.20 |
| TBD | 1C | 16 | 17 | Lot Type 3 | \$ 106,219.61 | \$ 8,076.20 |
| Total | | | | | \$ 23,856,000.00 | \$ 1,813,842.68 |

EXHIBIT F-2 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

| Installment Due 1/31 | Principal | Interest^[a] | Annual Collection Costs | Total Annual Installments^[b] |
|-----------------------------|----------------------|-------------------------------|--------------------------------|--|
| 2025 | \$ 290,000 | \$ 1,483,843 | \$ 40,000 | \$ 1,813,843 |
| 2026 | \$ 308,000 | \$ 1,465,805 | \$ 40,800 | \$ 1,814,605 |
| 2027 | \$ 327,000 | \$ 1,446,648 | \$ 41,616 | \$ 1,815,264 |
| 2028 | \$ 348,000 | \$ 1,426,308 | \$ 42,448 | \$ 1,816,757 |
| 2029 | \$ 369,000 | \$ 1,404,663 | \$ 43,297 | \$ 1,816,960 |
| 2030 | \$ 392,000 | \$ 1,381,711 | \$ 44,163 | \$ 1,817,874 |
| 2031 | \$ 417,000 | \$ 1,357,328 | \$ 45,046 | \$ 1,819,375 |
| 2032 | \$ 443,000 | \$ 1,331,391 | \$ 45,947 | \$ 1,820,338 |
| 2033 | \$ 470,000 | \$ 1,303,836 | \$ 46,866 | \$ 1,820,703 |
| 2034 | \$ 500,000 | \$ 1,274,602 | \$ 47,804 | \$ 1,822,406 |
| 2035 | \$ 531,000 | \$ 1,243,502 | \$ 48,760 | \$ 1,823,262 |
| 2036 | \$ 564,000 | \$ 1,210,474 | \$ 49,735 | \$ 1,824,209 |
| 2037 | \$ 599,000 | \$ 1,175,393 | \$ 50,730 | \$ 1,825,123 |
| 2038 | \$ 636,000 | \$ 1,138,136 | \$ 51,744 | \$ 1,825,880 |
| 2039 | \$ 676,000 | \$ 1,098,576 | \$ 52,779 | \$ 1,827,356 |
| 2040 | \$ 718,000 | \$ 1,056,529 | \$ 53,835 | \$ 1,828,364 |
| 2041 | \$ 762,000 | \$ 1,011,870 | \$ 54,911 | \$ 1,828,781 |
| 2042 | \$ 810,000 | \$ 964,473 | \$ 56,010 | \$ 1,830,483 |
| 2043 | \$ 860,000 | \$ 914,091 | \$ 57,130 | \$ 1,831,221 |
| 2044 | \$ 914,000 | \$ 860,599 | \$ 58,272 | \$ 1,832,872 |
| 2045 | \$ 970,000 | \$ 803,748 | \$ 59,438 | \$ 1,833,186 |
| 2046 | \$ 1,031,000 | \$ 743,414 | \$ 60,627 | \$ 1,835,041 |
| 2047 | \$ 1,095,000 | \$ 679,286 | \$ 61,839 | \$ 1,836,125 |
| 2048 | \$ 1,163,000 | \$ 611,177 | \$ 63,076 | \$ 1,837,253 |
| 2049 | \$ 1,235,000 | \$ 538,839 | \$ 64,337 | \$ 1,838,176 |
| 2050 | \$ 1,312,000 | \$ 462,022 | \$ 65,624 | \$ 1,839,646 |
| 2051 | \$ 1,394,000 | \$ 380,415 | \$ 66,937 | \$ 1,841,352 |
| 2052 | \$ 1,480,000 | \$ 293,708 | \$ 68,275 | \$ 1,841,984 |
| 2053 | \$ 1,572,000 | \$ 201,652 | \$ 69,641 | \$ 1,843,293 |
| 2054 | \$ 1,670,000 | \$ 103,874 | \$ 71,034 | \$ 1,844,908 |
| Total | \$ 23,856,000 | \$ 29,367,917 | \$ 1,622,723 | \$ 54,846,640 |

Footnotes:

[a] Interest is calculated at a 6.22% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G-1 – MAPS OF INITIAL COMMON TO ALL IMPROVEMENTS

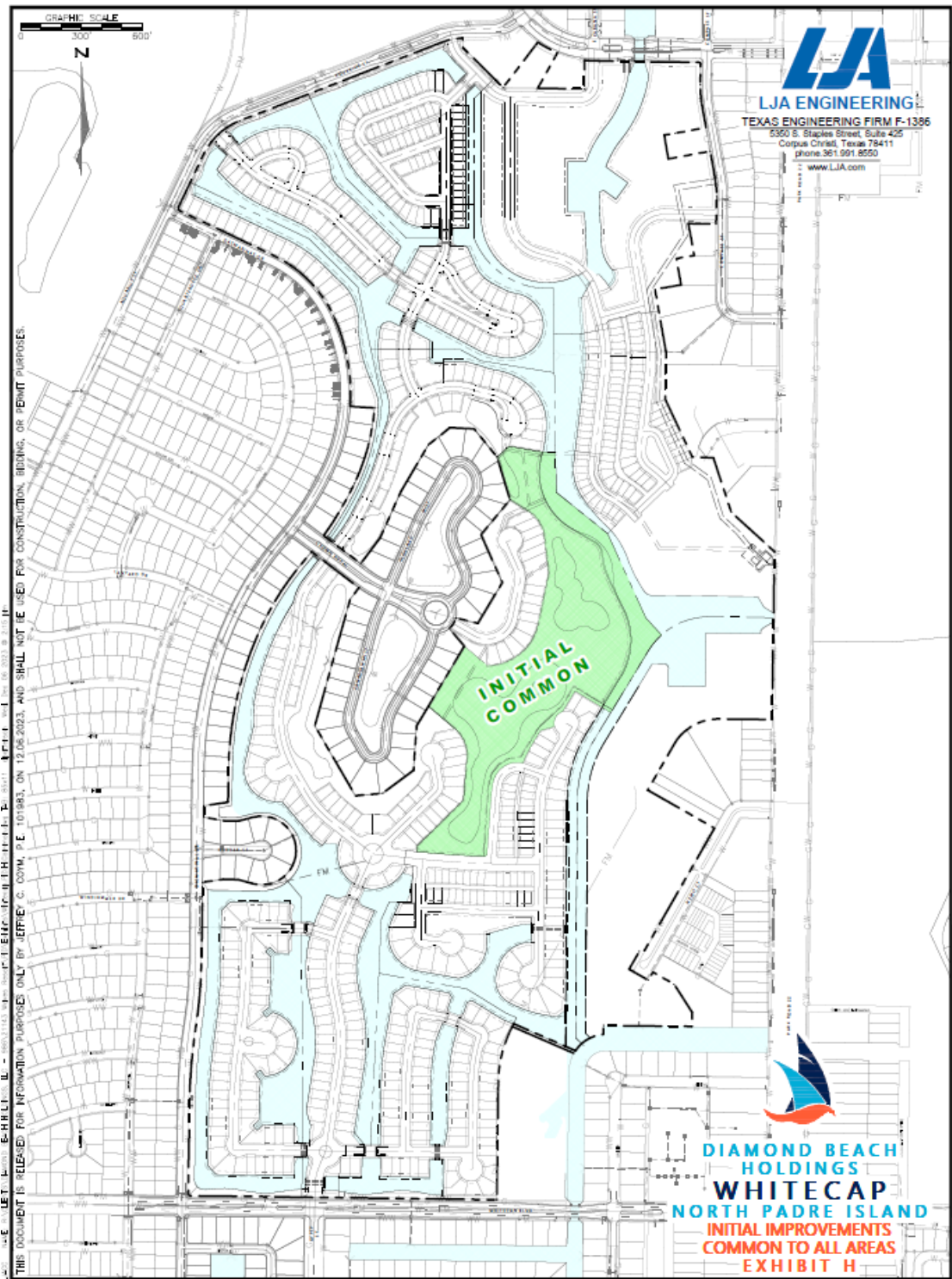
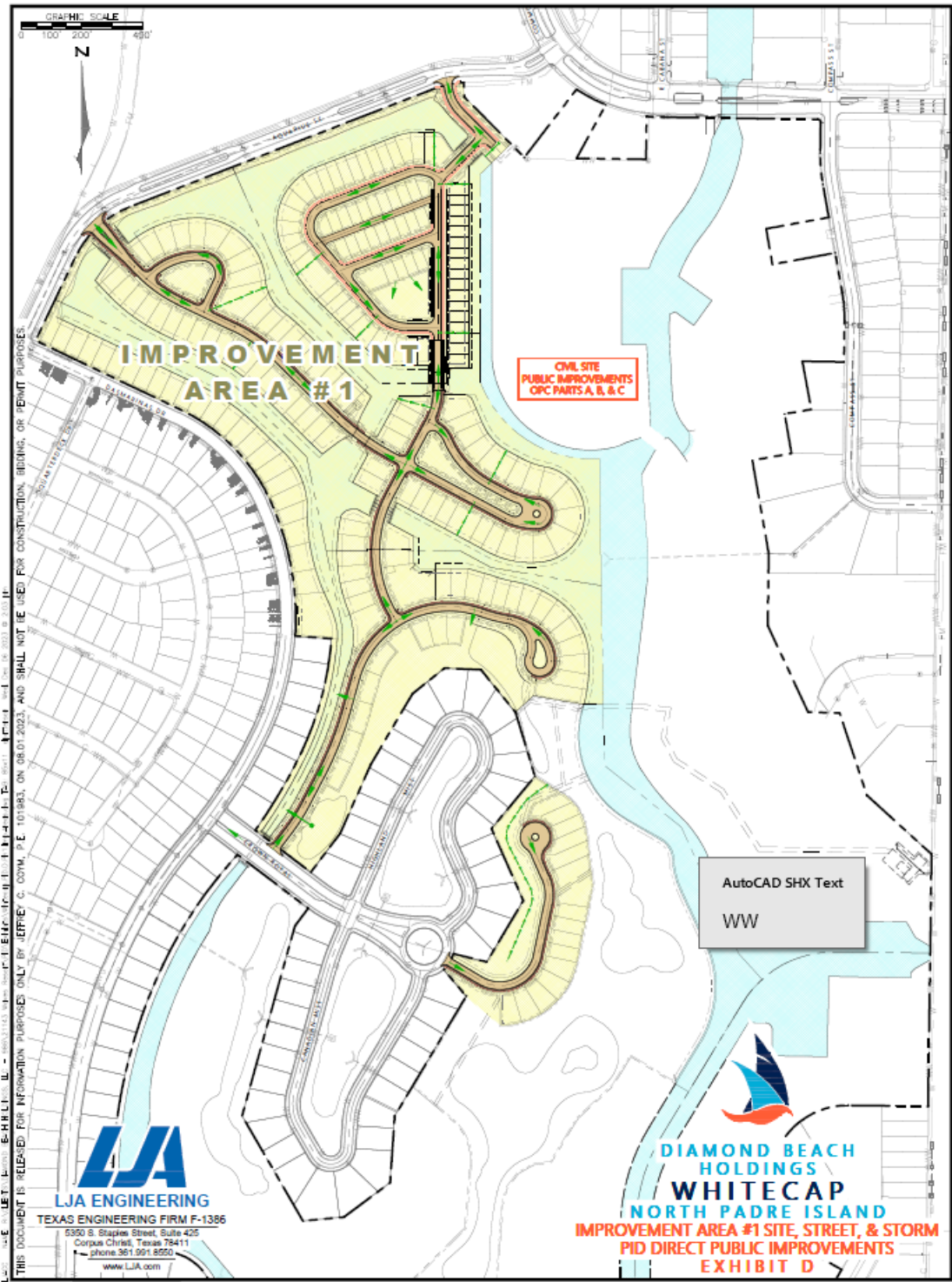
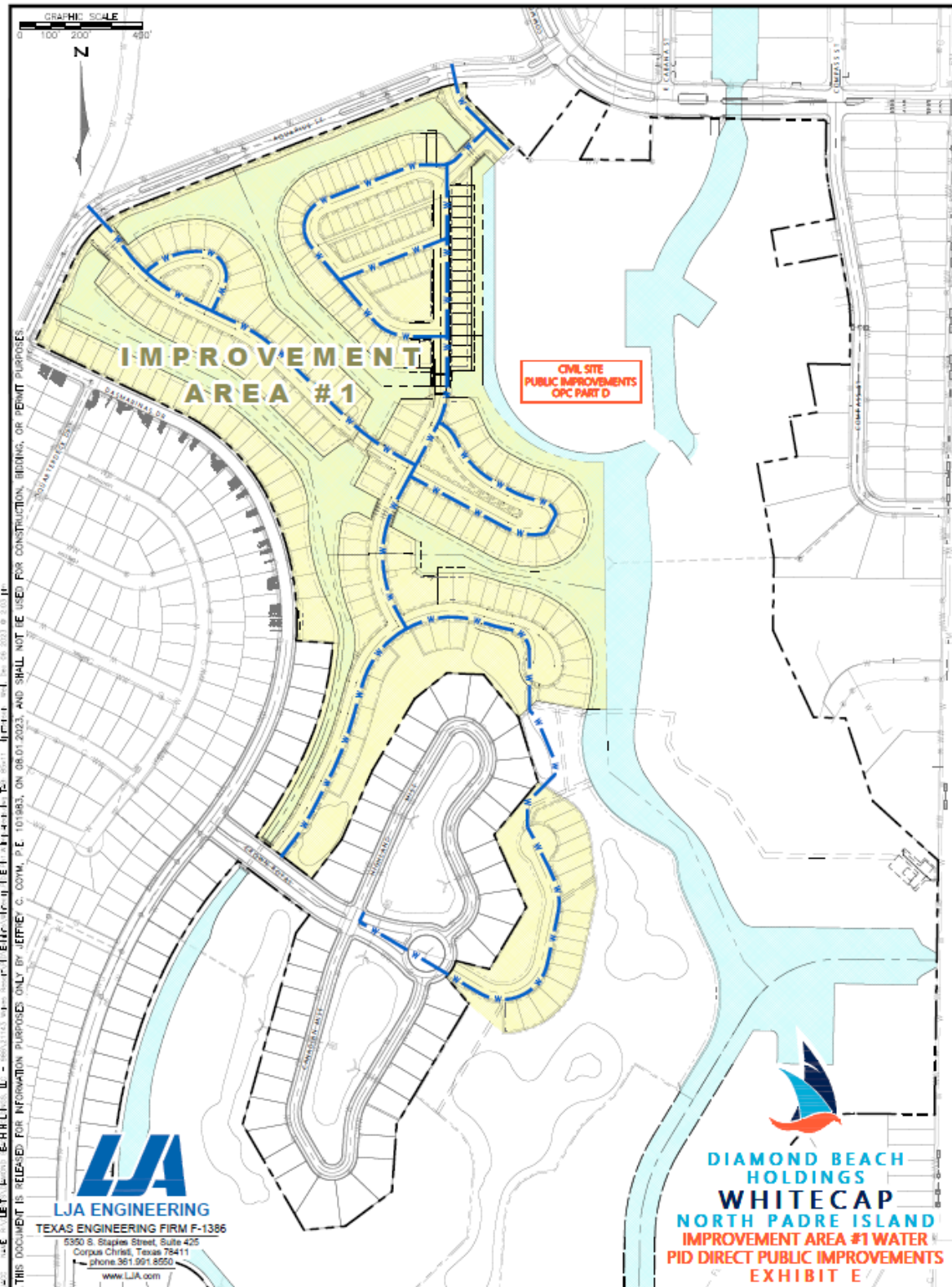
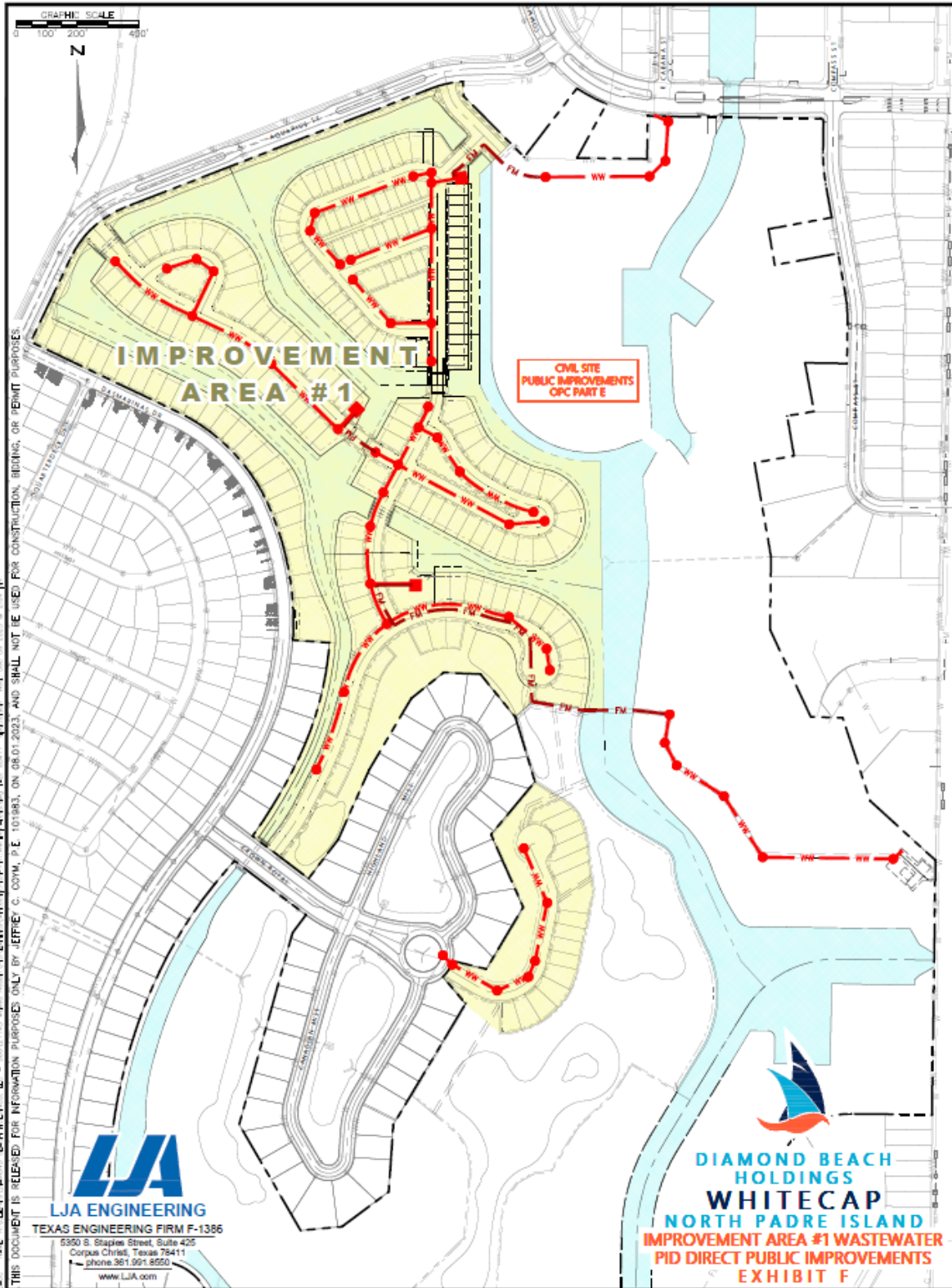


EXHIBIT G-2 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS







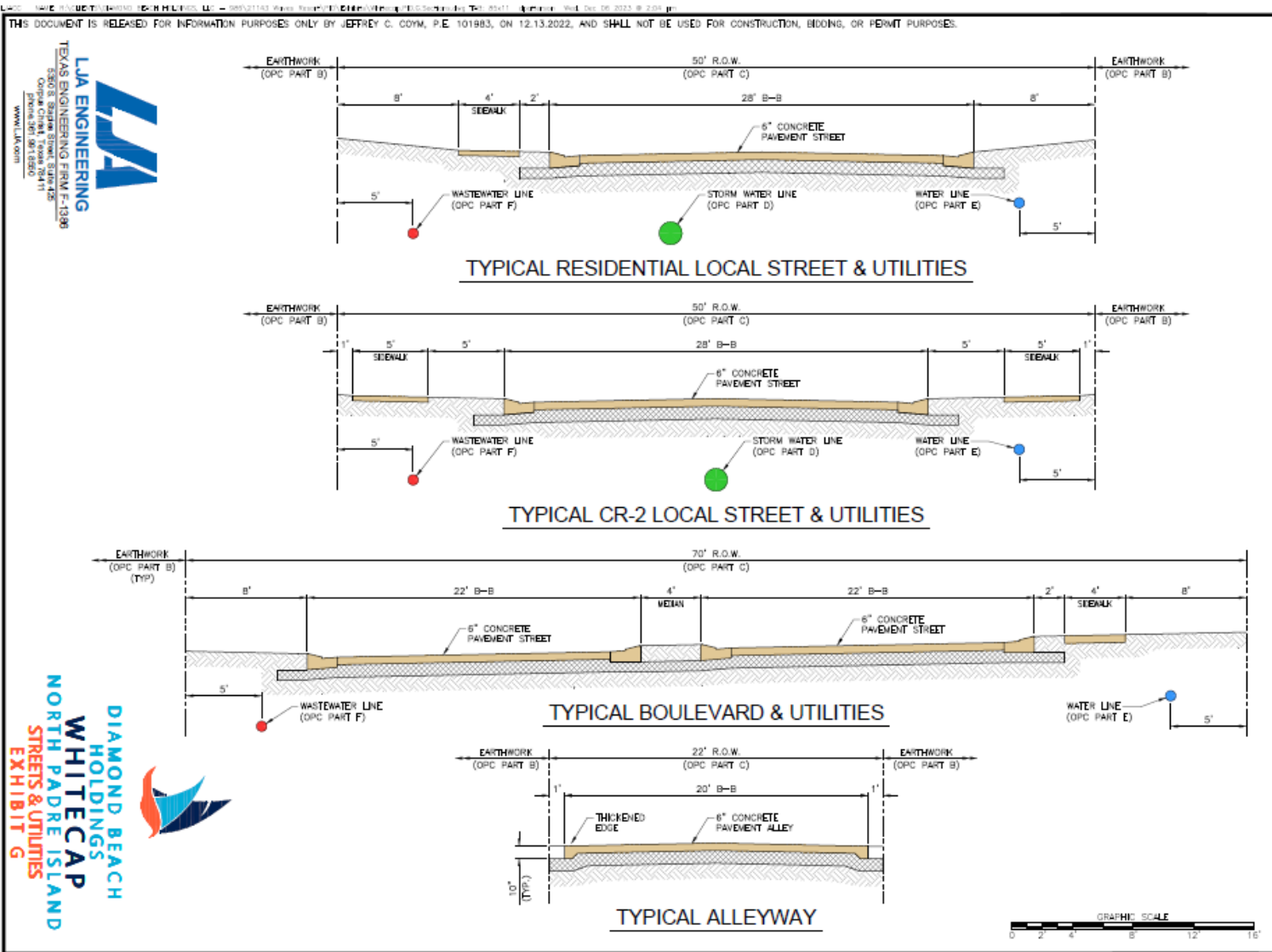


EXHIBIT H – FORM OF NOTICE OF ASSESSMENT TERMINATION



P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Nueces County Clerk's Office
Honorable [County Clerk]
901 Leopard St #201
Corpus Christi, TX 78401

Re: City of Corpus Christi Lien Release documents for filing

Dear Ms./Mr. [County Clerk]

Enclosed is a lien release that the City of Corpus Christi is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents to my attention:

City of Corpus Christi
Attn: City Secretary
1201 Leopard St
Corpus Christi, TX 78401

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

P3Works, LLC
(817) 393-0353
Admin@P3-Works.com
www.P3-Works.com

AFTER RECORDING RETURN TO:

[City Secretary Name]
1201 Leopard St
Corpus Christi, TX 78401

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

STATE OF TEXAS

§
§
§

KNOWN ALL MEN BY THESE PRESENTS:

COUNTY OF NUECES

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of Corpus Christi, Texas, a Texas home rule municipality (the "City").

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council") of the City is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits of the City; and

WHEREAS, on May 17, 2022, the City Council of the City approved Resolution No. 032761 creating the Whitecap Public Improvement District No. 1 (the "District"); and

WHEREAS, the District consists of approximately 242.011 contiguous acres within the corporate limits of the City; and

WHEREAS, on _____, the City Council, approved Ordinance No. _____, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the real property located with the District, the Assessment Ordinance being recorded on _____, as Instrument No. _____ in the official public records of Nueces County, Texas; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of [amount] (hereinafter referred to as the "Lien Amount") and further imposed a lien to secure the payment of the Lien Amount (the "Lien") against the following property located within the District, to wit:

[legal description], an addition to the City of [City], [County], Texas, according to the map or plat thereof recorded as Instrument No. _____ in the Map Records of Nueces County, Texas (the "Property");

and

WHEREAS, the Lien Amount has been paid in full.

RELEASE

NOW THEREFORE, for and in consideration of the full payment of the Lien Amount, the City hereby releases and discharges, and by these presents does hereby release and discharge, the Lien to the extent that it affects and encumbers the Property.

EXECUTED to be **EFFECTIVE** this the ____ day of _____, 20__.

CITY OF CORPUS CHRISTI, TEXAS,
A Texas home rule municipality,

By: _____
[Manager Name], City Manager

ATTEST:

[Secretary Name], City Secretary

STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the ____ day of _____, 20__, by the City Manager for the City of Corpus Christi, Texas, a Texas home rule municipality, on behalf of said municipality.

Notary Public, State of Texas

**EXHIBIT I – ANNUAL INSTALLMENT SCHEDULE FOR THE IMPROVEMENT AREA #1
REIMBURSEMENT OBLIGATION**

| Installment Due 1/31 | Principal | Interest ^[a] | Total Installment |
|-------------------------|----------------------|-------------------------|----------------------|
| 2025 | \$ 290,000 | \$ 1,483,843 | \$ 1,773,843 |
| 2026 | \$ 308,000 | \$ 1,465,805 | \$ 1,773,805 |
| 2027 | \$ 327,000 | \$ 1,446,648 | \$ 1,773,648 |
| 2028 | \$ 348,000 | \$ 1,426,308 | \$ 1,774,308 |
| 2029 | \$ 369,000 | \$ 1,404,663 | \$ 1,773,663 |
| 2030 | \$ 392,000 | \$ 1,381,711 | \$ 1,773,711 |
| 2031 | \$ 417,000 | \$ 1,357,328 | \$ 1,774,328 |
| 2032 | \$ 443,000 | \$ 1,331,391 | \$ 1,774,391 |
| 2033 | \$ 470,000 | \$ 1,303,836 | \$ 1,773,836 |
| 2034 | \$ 500,000 | \$ 1,274,602 | \$ 1,774,602 |
| 2035 | \$ 531,000 | \$ 1,243,502 | \$ 1,774,502 |
| 2036 | \$ 564,000 | \$ 1,210,474 | \$ 1,774,474 |
| 2037 | \$ 599,000 | \$ 1,175,393 | \$ 1,774,393 |
| 2038 | \$ 636,000 | \$ 1,138,136 | \$ 1,774,136 |
| 2039 | \$ 676,000 | \$ 1,098,576 | \$ 1,774,576 |
| 2040 | \$ 718,000 | \$ 1,056,529 | \$ 1,774,529 |
| 2041 | \$ 762,000 | \$ 1,011,870 | \$ 1,773,870 |
| 2042 | \$ 810,000 | \$ 964,473 | \$ 1,774,473 |
| 2043 | \$ 860,000 | \$ 914,091 | \$ 1,774,091 |
| 2044 | \$ 914,000 | \$ 860,599 | \$ 1,774,599 |
| 2045 | \$ 970,000 | \$ 803,748 | \$ 1,773,748 |
| 2046 | \$ 1,031,000 | \$ 743,414 | \$ 1,774,414 |
| 2047 | \$ 1,095,000 | \$ 679,286 | \$ 1,774,286 |
| 2048 | \$ 1,163,000 | \$ 611,177 | \$ 1,774,177 |
| 2049 | \$ 1,235,000 | \$ 538,839 | \$ 1,773,839 |
| 2050 | \$ 1,312,000 | \$ 462,022 | \$ 1,774,022 |
| 2051 | \$ 1,394,000 | \$ 380,415 | \$ 1,774,415 |
| 2052 | \$ 1,480,000 | \$ 293,708 | \$ 1,773,708 |
| 2053 | \$ 1,572,000 | \$ 201,652 | \$ 1,773,652 |
| 2054 | \$ 1,670,000 | \$ 103,874 | \$ 1,773,874 |
| Total | \$ 23,856,000 | \$ 29,367,917 | \$ 53,223,917 |

Footnotes:

[a] Interest is calculated at a 6.22% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT J-1 – DISTRICT LEGAL DESCRIPTION



engineers | architects | contractors

Solutions Today with a
Vision for Tomorrow

30.68 ACRE TRACT

Field Notes Description

SHOWING THE BOUNDARY OF A 30.68-ACRE TRACT OF LAND HEREIN DESCRIBED AS "TRACT 4", COMPRISED OF A PORTION OF LOT 27C OF THE PADRE ISLAND - CORPUS CHRISTI ISLAND FAIRWAY ESTATES, HEREAFTER REFERRED TO AS P.I.C.C.I.F.E, A MAP OF WHICH IS RECORDED IN VOLUME 67, PAGE 779, MAP RECORDS, NUECES COUNTY, TEXAS, A PORTION OF BLOCK 26 OF THE P.I.C.C.I.F.E., BLOCKS 24-33, A MAP OF WHICH IS RECORDED IN VOLUME 40, PAGE 154, MAP RECORDS, NUECES COUNTY, TEXAS A PORTION OF THE P.I.C.C.I.F.E., BLOCKS 43-44, A MAP OF WHICH IS RECORDED IN VOLUME 42, PAGE 10, MAP RECORDS, NUECES COUNTY, TEXAS, AND PORTIONS OF BLOCKS, 34, 35, AND 36 OF THE P.I.C.C.I.F.E, BLOCKS 34, 35, AND 36, A MAP OF WHICH IS RECORDED IN VOLUME 40, PAGE 183, MAP RECORDS, NUECES COUNTY, TEXAS, SAID BLOCKS 26, 35, 36, 43, 44, AND A PORTION OF BLOCK 34 NOW VACATED AS PER PLAT RECORDED IN VOLUME 67, PAGE 688, MAP RECORDS, NUECES COUNTY, TEXAS, SAID 30.68-ACRE TRACT BEING MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING: AT A 5/8 INCH IRON ROD (Y = 17,115,595.64, X = 1,396,489.86) FOUND ON THE SOUTH RIGHT-OF-WAY LINE OF ESTRADA DRIVE (60' R.O.W.), SAME BEING ON THE SOUTH LINE OF A CALLED 3.766-ACRE TRACT KNOWN AS A "RIGHT-OF-WAY EASEMENT FOR THE AQUARIUS STREET RE-ALIGNMENT" DESCRIBED IN A DEED TO THE CITY OF CORPUS CHRISTI AS RECORDED IN DOCUMENT NO. 2011039226, OFFICIAL RECORDS, NUECES COUNTY, TEXAS, FOR THE UPPER NORTHWEST CORNER OF LOT 21, SAID BLOCK 34, FOR AN EXTERIOR CORNER OF SAID LOT 27C, AND FOR A CORNER HEREOF;

THENCE: S 02°16'21" E, ALONG THE WEST LINE OF SAID LOT 21, BLOCK 34, A DISTANCE OF 47.77 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: S 44°49'36" E, A DISTANCE OF 280.79 FEET TO A 5/8 INCH IRON ROD FOUND FOR A COMMON CORNER OF LOTS 21 AND 22, SAID BLOCK 34, AND FOR A CORNER HEREOF;

THENCE: N 37°25'07" E, ALONG THE COMMON LINE OF SAID LOTS 21 AND 22, A DISTANCE OF 283.16 FEET TO A 5/8 INCH IRON ROD FOUND ON THE SOUTH RIGHT-OF-WAY LINE OF COMMODORE'S DRIVE (120' R.O.W.) LOCATED ON A NON-TANGENT CURVE TO THE LEFT, WITH A RADIUS OF 562.31 FEET, A CHORD BEARING OF S 62°06'30" E AND A CHORD LENGTH OF 109.26 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 109.43 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A COMMON CORNER OF LOTS 22 AND 23, SAID BLOCK 34, FOR A CORNER HEREOF;

THENCE: S 28°44'12" W, ALONG THE COMMON LINE OF SAID LOTS 22 AND 23, A DISTANCE OF 200.97 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: S 09°54'41" W, A DISTANCE OF 275.84 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 13°36'58" E, A DISTANCE OF 55.06 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 05°18'06" E, A DISTANCE OF 181.88 FEET TO A POINT LOCATED ON A CURVE TO THE RIGHT, WITH A RADIUS OF 91.11 FEET, A CHORD BEARING OF S 05°22'28" W AND A CHORD LENGTH OF 33.76 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 33.95 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 19°49'40" W, A DISTANCE OF 126.03 FEET TO A POINT LOCATED ON A CURVE TO THE LEFT, WITH A RADIUS OF 133.47 FEET, A CHORD BEARING OF S 10°19'44" W AND A CHORD LENGTH OF 98.40 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 100.78 FEET, TO A POINT, FOR A CORNER HEREOF;

THENCE: S 10°15'25" E, A DISTANCE OF 115.67 FEET TO A POINT LOCATED ON A CURVE TO THE LEFT, WITH A RADIUS OF 142.77 FEET, A CHORD BEARING OF S 24°43'36" E AND A CHORD LENGTH OF 66.19 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 66.80 FEET, TO A POINT, FOR A CORNER HEREOF;

THENCE: S 06°16'08" E, A DISTANCE OF 4.08 FEET TO A POINT, FOR A CORNER HEREOF;

1 | Page

THENCE: S 38°10'10" E, A DISTANCE OF 46.88 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 67°58'17" E, A DISTANCE OF 4.21 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 41°14'16" E, A DISTANCE OF 78.54 FEET TO A POINT LOCATED ON A CURVE TO THE LEFT, WITH A RADIUS OF 348.61 FEET, A CHORD BEARING OF S 52°26'15" E AND A CHORD LENGTH OF 112.41 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 112.91 FEET TO A POINT LOCATED ON A REVERSE CURVE TO THE RIGHT, WITH A RADIUS OF 35.56 FEET, A CHORD BEARING OF S 27°53'47" E AND A CHORD LENGTH OF 48.08 FEET, FOR A CORNER HEREOF;

THENCE: CONTINUING ALONG SAID REVERSE CURVE TO THE RIGHT, AN ARC LENGTH OF 52.79 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 05°55'22" W, A DISTANCE OF 96.67 FEET TO A POINT LOCATED ON A CURVE TO THE LEFT, WITH A RADIUS OF 638.87 FEET, A CHORD BEARING OF S 03°07'54" W AND A CHORD LENGTH OF 76.16 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 76.21 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 00°17'08" E, A DISTANCE OF 77.05 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 00°18'00" E, A DISTANCE OF 84.81 FEET TO A POINT LOCATED ON A CURVE TO THE LEFT, WITH A RADIUS OF 1638.83 FEET, A CHORD BEARING OF S 07°33'45" E AND A CHORD LENGTH OF 112.26 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 112.28 FEET TO A POINT LOCATED ON A REVERSE CURVE TO THE RIGHT WITH A RADIUS OF 388.61 FEET, A CHORD BEARING OF S 02°34'53" E AND A CHORD LENGTH OF 93.96 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID REVERSE CURVE TO THE RIGHT, AN ARC LENGTH OF 94.20 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 04°21'45" W, A DISTANCE OF 63.40 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 07°06'04" W, A DISTANCE OF 83.11 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 08°21'00" W, A DISTANCE OF 169.70 FEET TO A POINT LOCATED ON A CURVE TO THE LEFT, WITH A RADIUS OF 86.27 FEET, A CHORD BEARING OF S 08°46'50" E AND A CHORD LENGTH OF 58.39 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 59.57 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 28°33'42" E, A DISTANCE OF 53.03 FEET TO A POINT, FOR THE SOUTHEAST CORNER HEREOF;

THENCE: N 88°39'54" W, A DISTANCE OF 56.61 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 07°04'31" W, A DISTANCE OF 12.21 FEET TO A POINT, FOR THE SOUTHWEST CORNER HEREOF;

THENCE: N 12°03'35" W, A DISTANCE OF 797.57 FEET TO A POINT, FOR A COMMON CORNER OF SAID LOTS 27C AND 27D, AND FOR A CORNER HEREOF;

THENCE: N 75°55'16" W, ALONG THE COMMON LINE OF SAID LOTS 27C AND 27D, A DISTANCE OF 532.65 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 04°16'50" E, CONTINUING ALONG THE COMMON LINE OF SAID LOTS 27C AND 27D, A DISTANCE OF 200.23 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 29°26'35" W, CONTINUING ALONG THE COMMON LINE OF SAID LOTS 27C AND 27D, A DISTANCE OF 1,206.29 FEET TO A POINT ON THE NORTH LINE OF SAID R.O.W. EASEMENT, FOR THE NORTHWEST CORNER HEREOF;

THENCE: N 68°44'59" E, ALONG THE NORTH LINE OF SAID R.O.W. EASEMENT, A DISTANCE OF 697.30 FEET TO A POINT LOCATED ON A CURVE TO THE RIGHT, WITH A RADIUS OF 410.00 FEET, A CHORD BEARING OF N 78°00'59" E AND A CHORD LENGTH OF 132.04 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 132.62 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 87°16'57" E, A DISTANCE OF 152.58 FEET TO A POINT LOCATED ON A CURVE TO THE LEFT, WITH A RADIUS OF 139.50 FEET, A CHORD BEARING OF N 71°21'24" E AND A CHORD LENGTH OF 76.56 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 77.55 FEET TO A POINT LOCATED ON A COMPOUND CURVE TO THE LEFT, WITH A RADIUS OF 20.52 FEET, A CHORD BEARING OF N 12°59'47" E AND A CHORD LENGTH OF 27.39 FEET, FOR A CORNER HEREOF;

THENCE: CONTINUING ALONG SAID COMPOUND CURVE TO THE LEFT, AN ARC LENGTH OF 29.99 FEET TO A 5/8 INCH IRON ROD FOUND ON THE SOUTH RIGHT-OF-WAY LINE OF SAID COMMODORE'S DRIVE LOCATED ON A NON-TANGENT CURVE TO THE LEFT, WITH A RADIUS OF 492.33 FEET, A CHORD BEARING OF S 36°01'52" E AND A CHORD LENGTH OF 109.12 FEET, FOR THE NORTHEAST CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 109.34 FEET TO A 5/8 INCH IRON ROD FOUND AT THE INTERSECTION OF COMMODORE'S DRIVE AND ESTRADA DRIVE LOCATED ON A NON-TANGENT CURVE TO THE LEFT, WITH A RADIUS OF 10.00 FEET, A CHORD BEARING OF N 84°42'48" W AND A CHORD LENGTH OF 13.58 FEET, FOR A CORNER HEREOF;

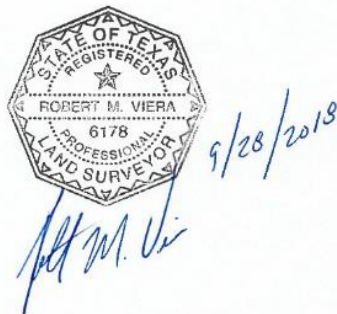
THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 14.93 FEET TO A 5/8 INCH IRON ROD FOUND LOCATED ON A REVERSE CURVE TO THE RIGHT, WITH A RADIUS OF 219.50 FEET, A CHORD BEARING OF S 69°55'45" W AND A CHORD LENGTH OF 131.43 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID REVERSE CURVE TO THE RIGHT, AN ARC LENGTH OF 133.48 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: S 87°21'27" W, CONTINUING ALONG THE SOUTH LINE OF SAID R.O.W. EASEMENT, SAME BEING THE SOUTH LINE OF SAID ESTRADA DRIVE R.O.W., A DISTANCE OF 153.91 FEET TO THE **POINT OF BEGINNING**, CONTAINING WITHIN THESE METES AND BOUNDS A 30.68-ACRE TRACT, SAVE AND EXCEPT 0.38-ACRES WITHIN THE PLATTED PUBLIC RIGHT-OF-WAY, WITH A NET ACREAGE OF 30.30 ACRES, MORE OR LESS;

NOTE: AN EXHIBIT REPRESENTING A GRAPHIC IMAGE OF THIS DESCRIPTION STYLED AS "SHEET 4 OF 5 - 30.68-ACRE TRACT" ACCOMPANIES THIS DOCUMENT. THE BASIS OF BEARING IS TEXAS STATE PLANE COORDINATE SYSTEM NAD 83, SOUTH ZONE.

September 28, 2018
Job No. 170146
I.Rodarte





74.39 ACRE TRACT

Field Notes Description

SHOWING THE BOUNDARY OF A 74.39-ACRE TRACT OF LAND HEREIN DESCRIBED AS "TRACT 3", COMPRISED OF A PORTION OF THE PADRE ISLAND - CORPUS CHRISTI ISLAND FAIRWAY ESTATES, HEREAFTER REFERRED TO AS P.I.C.C.I.F.E., LOTS 27C AND 27D, A MAP OF WHICH IS RECORDED IN VOLUME 67, PAGE 779, MAP RECORDS, NUECES COUNTY, TEXAS, A PORTION OF THE P.I.C.C.I.F.E., BLOCKS 24-33, A MAP OF WHICH IS RECORDED IN VOLUME 40, PAGE 154, MAP RECORDS, NUECES COUNTY, TEXAS, AND A PORTION OF THE P.I.C.C.I.F.E., BLOCKS 43-44, A MAP OF WHICH IS RECORDED IN VOLUME 42, PAGE 10, MAP RECORDS, NUECES COUNTY, TEXAS, SAID BLOCKS 26, 43, AND 44 NOW VACATED AS PER PLAT RECORDED IN VOLUME 67, PAGE 688, MAP RECORDS, NUECES COUNTY, TEXAS, SAID 74.39-ACRE TRACT BEING MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING: AT A 5/8 INCH IRON ROD (Y = 17,111,051.66, X = 1,395,199.05) FOUND ON THE EAST RIGHT-OF-WAY LINE OF DASMARINAS DRIVE (60' R.O.W.), FOR A CORNER OF SAID LOT 27D, FOR THE SOUTHWEST CORNER OF SAID BLOCK 33, AND FOR THE SOUTHWEST CORNER HEREOF;

THENCE: N 00°45'30" E, ALONG THE EAST RIGHT-OF-WAY OF DASMARINAS DRIVE AT 322.94 FEET PASS A 5/8 INCH IRON ROD FOUND, FOR THE NORTHWEST CORNER OF SAID BLOCK 33, IN ALL A DISTANCE OF 362.60 FEET TO A 5/8 INCH IRON ROD FOUND, FOR THE SOUTHWEST CORNER OF BLOCK 32 OF SAID P.I.C.C.I.F.E., AND FOR A CORNER HEREOF;

THENCE: N 81°19'28" E, ALONG THE SOUTH LINE OF SAID BLOCK 32, A DISTANCE OF 101.69 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: S 89°05'55" E, CONTINUING ALONG THE SOUTH LINE OF SAID BLOCK 32, A DISTANCE OF 74.31 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: S 74°13'03" E, A DISTANCE OF 74.31 FEET TO A 5/8 INCH IRON ROD FOUND LOCATED ON A CURVE TO THE LEFT WITH A RADIUS OF 169.95 FEET, A CHORD BEARING OF N 00°46'04" E, AND A CHORD LENGTH OF 328.39 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 622.59 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 75°49'07" W, ALONG THE NORTH LINE OF SAID BLOCK 32, A DISTANCE OF 74.25 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: N 89°11'10" W, A DISTANCE OF 73.86 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: N 79°52'11" W, CONTINUING ALONG THE NORTH LINE OF SAID BLOCK 32, A DISTANCE OF 101.66 FEET TO A 5/8 INCH IRON ROD FOUND ON THE EAST RIGHT-OF-WAY LINE OF DASMARINAS DRIVE, FOR THE NORTHWEST CORNER OF SAID BLOCK 32, AND FOR A CORNER HEREOF;

THENCE: N 00°43'06" E, ALONG THE EAST RIGHT-OF-WAY LINE OF SAID BLOCK 32, A DISTANCE OF 55.99 FEET TO A 5/8 INCH IRON ROD FOUND, FOR THE SOUTHWEST CORNER OF BLOCK 31 OF SAID P.I.C.C.I.F.E., AND FOR A CORNER HEREOF;

THENCE: N 81°30'14" E, ALONG THE SOUTH LINE OF SAID BLOCK 31, A DISTANCE OF 121.50 FEET TO A 5/8 INCH IRON ROD FOUND, FOR THE SOUTHEAST CORNER OF SAID BLOCK 31, AND FOR A CORNER HEREOF;

THENCE: N 00°56'05" E, ALONG THE EAST LINE OF SAID BLOCK 31, A DISTANCE OF 159.98 FEET TO A 5/8 INCH IRON ROD FOUND LOCATED ON A CURVE TO THE RIGHT WITH A RADIUS OF 1698.20 FEET, A CHORD BEARING OF N 13°06'15" E, AND A CHORD LENGTH OF 738.26 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 744.20 FEET TO A 5/8 INCH IRON ROD FOUND LOCATED ON A COMPOUND CURVE TO THE RIGHT WITH A RADIUS OF 1430.48 FEET, A CHORD BEARING OF N 33°06'58" E, AND A CHORD LENGTH OF 378.06 FEET, FOR A CORNER HEREOF;

THENCE: CONTINUING ALONG SAID COMPOUND CURVE TO THE RIGHT, AN ARC LENGTH OF 379.17 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: N 40°34'27" E, CONTINUING ALONG THE EAST LINE OF SAID BLOCK 31, A DISTANCE OF 57.24 FEET TO A 5/8 INCH IRON ROD FOUND ON THE SOUTH RIGHT-OF-WAY LINE OF CROWN ROYAL DRIVE (R.O.W. VARIES) OF THE P.I.C.C.I.F.E., BLOCK 30, A MAP OF WHICH IS RECORDED IN VOLUME

40, PAGE 181, MAP RECORDS, NUECES COUNTY, TEXAS, FOR THE NORTHEAST CORNER OF SAID BLOCK 31, AND FOR A CORNER HEREOF;

THENCE: S 52°52'51" E, ALONG THE SOUTH RIGHT-OF-WAY LINE OF CROWN ROYAL DRIVE, A DISTANCE OF 293.20 FEET TO A 5/8 INCH IRON ROD FOUND, FOR THE NORTHWEST CORNER OF LOT 1, BLOCK 30, OF SAID P.I.C.C. ISLAND FAIRWAY ESTATES, AND FOR A CORNER HEREOF;

THENCE: S 37°05'42" W, ALONG THE WEST LINE OF SAID BLOCK 30, A DISTANCE OF 73.43 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: S 15°34'24" W, CONTINUING ALONG THE WEST LINE OF SAID BLOCK 30, A DISTANCE OF 649.08 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 30°05'45" E, A DISTANCE OF 400.73 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: N 84°46'44" E, A DISTANCE OF 135.17 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: N 53°19'48" E, A DISTANCE OF 190.19 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: N 03°59'08" E, ALONG THE EAST LINE OF SAID BLOCK 30, A DISTANCE OF 220.23 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: N 30°49'48" E, CONTINUING ALONG THE EAST LINE OF SAID BLOCK 30, A DISTANCE OF 459.93 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: N 40°01'58" W, A DISTANCE OF 115.07 FEET TO A 5/8 INCH IRON ROD FOUND, FOR THE NORTHWEST CORNER OF LOT 23, BLOCK 30, LOCATED ON A NON-TANGENT CURVE TO THE LEFT WITH A RADIUS OF 104.62 FEET, A CHORD BEARING OF N 31°30'06" E, AND A CHORD LENGTH OF 61.36 FEET, FOR A CORNER HEREOF;

THENCE: ALONG CURVE TO THE LEFT, AN ARC LENGTH OF 62.27 FEET TO A 5/8 INCH IRON ROD FOUND, FOR THE SOUTHWEST CORNER OF LOT 24, BLOCK 30, AND FOR A CORNER HEREOF;

THENCE: S 76°03'33" E, ALONG THE SOUTH LINE OF SAID LOT 24, A DISTANCE OF 112.87 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: N 30°50'45" E, CONTINUING ALONG THE EAST LINE OF SAID BLOCK 30, A DISTANCE OF 235.05 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: N 23°48'25" W, A DISTANCE OF 259.46 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: N 39°34'30" E, A DISTANCE OF 224.73 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: N 16°54'25" W, A DISTANCE OF 220.32 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: N 39°02'15" W, A DISTANCE OF 180.41 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: N 87°28'42" W, A DISTANCE OF 120.19 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: S 51°27'50" W, ALONG THE WEST LINE OF SAID BLOCK 30, A DISTANCE OF 135.13 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: S 30°31'04" W, CONTINUING ALONG THE WEST LINE OF SAID BLOCK 30, A DISTANCE OF 270.15 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: S 24°02'41" W, A DISTANCE OF 249.57 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: S 36°57'46" W, A DISTANCE OF 160.17 FEET TO A 5/8 INCH IRON ROD FOUND ON THE NORTH RIGHT-OF-WAY LINE OF CROWN ROYAL DRIVE, FOR THE SOUTHWEST CORNER OF LOT 45, BLOCK 30, AND FOR A CORNER HEREOF;

THENCE: N 52°53'11" W, ALONG THE NORTH RIGHT-OF-WAY LINE OF CROWN ROYAL DRIVE, A DISTANCE OF 229.48 FEET TO A 5/8 INCH IRON ROD SET, FOR THE SOUTHEAST CORNER OF LOT 8, BLOCK 29, OF SAID P.I.C.C.I.F.E., LOCATED ON A NON-TANGENT CURVE TO THE LEFT WITH A RADIUS OF 1718.10 FEET, A CHORD BEARING OF N 30°32'33" E, AND A CHORD LENGTH OF 300.88 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 301.26 FEET TO A 5/8 INCH IRON ROD FOUND LOCATED ON A COMPOUND CURVE TO THE LEFT WITH A RADIUS OF 1056.90 FEET, A CHORD BEARING OF N 14°46'46" E, AND A CHORD LENGTH OF 385.35 FEET, FOR A CORNER HEREOF;

THENCE: CONTINUING ALONG SAID COMPOUND CURVE TO THE LEFT, AN ARC LENGTH OF 387.52 FEET TO A 5/8 INCH IRON ROD FOUND, FOR THE NORTHEAST CORNER OF LOT 1, BLOCK 29, AND FOR A CORNER HEREOF;

THENCE: N 86°00'41" W, ALONG THE NORTH LINE OF SAID LOT 1, BLOCK 29, A DISTANCE OF 119.90 FEET TO A 5/8 INCH IRON ROD FOUND ON THE EAST RIGHT-OF-WAY LINE OF DASMARINAS DRIVE LOCATED ON A CURVE TO THE LEFT WITH A RADIUS OF 940.79 FEET, A CHORD BEARING OF N 10°33'02" W, AND A CHORD LENGTH OF 457.23 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 461.85 FEET TO A 5/8 INCH IRON ROD FOUND LOCATED ON A COMPOUND CURVE TO THE LEFT WITH A RADIUS OF 617.98 FEET, A CHORD BEARING OF N 44°45'25" W, AND A CHORD LENGTH OF 417.23 FEET, FOR A CORNER HEREOF;

THENCE: CONTINUING ALONG SAID COMPOUND CURVE TO THE LEFT, AN ARC LENGTH OF 425.59 FEET TO A 5/8 INCH IRON ROD SET, FOR A CORNER HEREOF;

THENCE: N 64°29'59" W, ALONG THE NORTH RIGHT-OF-WAY LINE OF DASMARINAS DRIVE, A DISTANCE OF 530.24 FEET TO A 5/8 INCH IRON ROD FOUND LOCATED ON A CURVE TO THE RIGHT WITH A RADIUS OF 10.13 FEET, A CHORD BEARING OF N 19°22'18" W, AND A CHORD LENGTH OF 14.26 FEET, FOR A CORNER HEREOF;

THENCE: ALONG CURVE TO THE RIGHT, AN ARC LENGTH OF 15.82 FEET TO A 5/8 INCH IRON ROD FOUND ON THE EAST RIGHT-OF-WAY LINE OF AQUARIUS STREET (60' R.O.W.), FOR A CORNER HEREOF;

THENCE: N 64°29'20" W, ACROSS SAID RIGHT-OF-WAY AT RIGHT ANGLES, AT 60.00 FEET PASS A 5/8 INCH IRON ROD FOUND ON THE WEST RIGHT-OF-WAY LINE OF SAID AQUARIUS STREET, IN ALL A DISTANCE OF 70.00 FEET TO A POINT ON THE WEST LINE OF A CALLED 3.766-ACRE TRACT KNOWN AS A "RIGHT-OF-WAY EASEMENT FOR THE AQUARIUS STREET RE-ALIGNMENT" DESCRIBED IN A DEED TO THE CITY OF CORPUS CHRISTI AS RECORDED IN DOCUMENT NO. 2011039226, OFFICIAL RECORDS, NUECES COUNTY, TEXAS, SAID POINT ALSO LOCATED WITHIN LOT 8, BLOCK 9 OF THE PADRE ISLAND - CORPUS CHRISTI COMMODORE'S COVE UNIT TWO, A MAP OF WHICH IS RECORDED IN VOLUME 38, PAGE 36, MAP RECORDS, NUECES COUNTY, TEXAS, AND FOR A CORNER HEREOF;

THENCE: N 25°27'57" E, ACROSS SAID BLOCK 9 AND ALONG THE WEST LINE OF SAID RIGHT-OF-WAY EASEMENT, A DISTANCE OF 294.57 FEET TO A POINT LOCATED ON A CURVE TO THE RIGHT WITH A RADIUS OF 410.00 FEET, A CHORD BEARING OF N 47°06'27" E, AND A CHORD LENGTH OF 302.42 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 309.73 FEET TO A POINT ON THE NORTH LINE OF SAID R.O.W. EASEMENT, AND FOR A CORNER HEREOF;

THENCE: N 68°44'59" E, ALONG THE NORTH LINE OF SAID R.O.W. EASEMENT, A DISTANCE OF 374.14 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 29°26'35" E, ACROSS SAID R.O.W. EASEMENT AND ALONG THE UPPER WEST LINE OF SAID LOT 27C, A DISTANCE OF 1,206.29 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 04°16'50" W, ALONG THE COMMON LINE OF SAID LOTS 27C AND 27D, A DISTANCE OF 200.23 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 75°55'16" E, CONTINUING ALONG SAID COMMON LINE, A DISTANCE OF 532.65 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 12°03'35" E, A DISTANCE OF 797.57 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 07°04'31" W, A DISTANCE OF 134.93 FEET TO A POINT LOCATED ON A CURVE TO THE LEFT WITH A RADIUS OF 120.00 FEET, A CHORD BEARING OF S 12°10'01" E, AND A CHORD LENGTH OF 79.06 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 80.56 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 67°26'22" W, A DISTANCE OF 55.80 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 11°19'46" W, A DISTANCE OF 504.43 FEET TO A POINT LOCATED ON A CURVE TO THE LEFT WITH A RADIUS OF 53.05 FEET, A CHORD BEARING OF S 07°34'15" E, AND A CHORD LENGTH OF 43.11 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 44.39 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 31°32'32" E, A DISTANCE OF 197.16 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 49°18'42" W, A DISTANCE OF 193.33 FEET TO A POINT LOCATED ON A CURVE TO THE LEFT WITH A RADIUS OF 300.00 FEET, A CHORD BEARING OF S 41°09'30" W, AND A CHORD LENGTH OF 85.09 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 85.38 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 33°00'19" W, A DISTANCE OF 188.80 FEET TO A POINT LOCATED ON A CURVE TO THE RIGHT WITH A RADIUS OF 200.00 FEET, A CHORD BEARING OF S 40°17'23" W, AND A CHORD LENGTH OF 50.71 FEET, FOR A CORNER HEREOF;

THENCE: ALONG CURVE TO THE RIGHT, AN ARC LENGTH OF 50.85 FEET TO A POINT LOCATED ON A REVERSE CURVE TO THE LEFT WITH A RADIUS OF 200.00 FEET, A CHORD BEARING OF S 34°48'24" W, AND A CHORD LENGTH OF 88.38 FEET, FOR A CORNER HEREOF;

THENCE: CONTINUING ALONG SAID REVERSE CURVE TO THE LEFT, AN ARC LENGTH OF 89.12 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 17°55'32" E, A DISTANCE OF 128.44 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 15°08'15" W, A DISTANCE OF 311.97 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 55°49'44" W, A DISTANCE OF 167.15 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 50°23'30" W, A DISTANCE OF 253.12 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 03°05'34" E, A DISTANCE OF 97.65 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 70°33'08" W, A DISTANCE OF 284.94 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 15°03'44" W, A DISTANCE OF 70.95 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 72°43'31" W, A DISTANCE OF 158.15 FEET TO A POINT ON THE EASTERN SIDE OF BLOCK 33 OF SAID P.I.C.C. ISLAND FAIRWAY ESTATES, LOCATED ON A NON-TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 170.00 FEET, A CHORD BEARING OF S 65°47'32" W, AND A CHORD LENGTH OF 218.18 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 236.89 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 74°17'18" W, ALONG THE SOUTH LINE OF SAID BLOCK 33, A DISTANCE OF 74.35 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 89°16'19" W, A DISTANCE OF 159.22 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 81°21'49" W, CONTINUING ALONG THE SOUTH LINE OF SAID BLOCK 33, A DISTANCE OF 101.31 FEET TO THE POINT OF BEGINNING, CONTAINING WITHIN THESE METES AND BOUNDS A 74.39-ACRE TRACT, SAVE AND EXCEPT 1.35-ACRES WITHIN THE PLATTED, UNOPENED PUBLIC RIGHT-OF-WAYS, WITH A NET ACREAGE OF 73.04 ACRES, MORE OR LESS;

NOTE: AN EXHIBIT REPRESENTING A GRAPHIC IMAGE OF THIS DESCRIPTION STYLED AS "SHEET 3 OF 5 - 74.39 ACRE TRACT" ACCOMPANIES THIS DOCUMENT. THE BASIS OF BEARING IS TEXAS STATE PLANE COORDINATE SYSTEM NAD 83, SOUTH ZONE.

September 28, 2018
Job No. 170146
I.Rodarte



9/28/2018

[Handwritten signature]



72.31 ACRE TRACT

Field Notes Description

SHOWING THE BOUNDARY OF A 72.31-ACRE TRACT OF LAND HEREIN DESCRIBED AS "TRACT 2" COMPRISED OF A PORTION OF THE PADRE ISLAND - CORPUS CHRISTI ISLAND FAIRWAY ESTATES, HEREAFTER REFERRED TO AS THE P.I.C.C.I.F.E., LOTS 27C AND 27D, A MAP OF WHICH IS RECORDED IN VOLUME 67, PAGE 779, MAP RECORDS, NUECES COUNTY, TEXAS, A PORTION OF THE P.I.C.C.I.F.E., BLOCKS 45 & 46, A MAP OF WHICH IS RECORDED IN VOLUME 42, PAGE 153, MAP RECORDS, NUECES COUNTY, TEXAS, A PORTION OF THE P.I.C.C.I.F.E., BLOCK 3, A MAP OF WHICH IS RECORDED IN VOLUME 40, PAGE 145, MAP RECORDS, NUECES COUNTY, TEXAS, AND P.I.C.C.I.F.E., ALL OF BLOCKS 37, 38, 39, AND 40 A MAP OF WHICH IS RECORDED IN VOLUME 41, PAGE 128, MAP RECORDS, NUECES COUNTY, TEXAS, SAID 72.31-ACRE TRACT BEING MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING: AT A 5/8 INCH IRON ROD (Y = 17,109,842.53, X = 1,396,658.56) FOUND ON THE NORTH RIGHT-OF-WAY LINE OF WHITECAP BOULEVARD (100' R.O.W.), FOR THE SOUTHEAST CORNER HEREOF;

THENCE: N 89°14'35" W, ALONG THE NORTH RIGHT-OF-WAY OF WHITECAP BOULEVARD, AT 964.99 FEET PASS A 5/8 INCH IRON ROD FOUND, FOR THE SOUTHWEST CORNER OF SAID LOT 27D, THE SOUTHEAST CORNER OF SAID BLOCK 37, IN ALL A DISTANCE OF 1,516.00 FEET TO A 5/8 INCH IRON ROD, FOUND FOR THE LOWER SOUTHWEST CORNER OF SAID BLOCK 40, LOCATED ON A CURVE TO THE RIGHT, WITH A RADIUS OF 9.98 FEET, A CHORD BEARING OF N 43°40'56" W AND A CHORD LENGTH OF 14.17 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 15.76 FEET, TO A 5/8 INCH IRON ROD FOUND, FOR A POINT ON THE EAST RIGHT-OF-WAY LINE OF DASMARINAS DRIVE (60' R.O.W.), FOR A CORNER HEREOF;

THENCE: N 00°48'13" E, ALONG THE EAST RIGHT-OF-WAY LINE OF DASMARINAS DRIVE, A DISTANCE OF 459.87 FEET, TO A 5/8 INCH IRON ROD FOUND ON A CURVE TO THE RIGHT, WITH A RADIUS OF 2652.84 FEET, A CHORD BEARING OF N 04°48'03" E AND A CHORD LENGTH OF 370.55 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 370.85 FEET, TO A 5/8 INCH IRON ROD FOUND ON A REVERSE CURVE TO THE LEFT, WITH A RADIUS OF 2559.67 FEET, A CHORD BEARING OF N 04°48'55" E AND A CHORD LENGTH OF 341.30 FEET, FOR A CORNER HEREOF;

THENCE: CONTINUING ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 341.56 FEET, TO A 5/8 INCH IRON ROD FOUND, FOR THE NORTHWEST CORNER OF SAID BLOCK 37, FOR A CORNER HEREOF;

THENCE: N 00°12'31" E, A DISTANCE OF 9.87 FEET, TO A 5/8 INCH IRON ROD FOUND, FOR THE SOUTHWEST CORNER OF BLOCK 33 OF THE P.I.C.C.I.F.E., A MAP OF WHICH IS RECORDED IN VOLUME 40, PAGE 154, MAP RECORDS, NUECES COUNTY, TEXAS, FOR THE MOST WESTERLY NORTHWEST CORNER HEREOF;

THENCE: N 81°21'13" E, ALONG THE SOUTH LINE OF SAID BLOCK 33, A DISTANCE OF 101.32 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 89°16'19" E, A DISTANCE OF 159.22 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 74°17'18" E, A DISTANCE OF 74.35 FEET TO A POINT LOCATED ON A CURVE TO THE LEFT, WITH A RADIUS OF 169.97 FEET, A CHORD BEARING OF N 65°47'32" E AND A CHORD LENGTH OF 218.18 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 236.90 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 72°43'31" E, A DISTANCE OF 158.15 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 15°03'44" E, A DISTANCE OF 70.95 FEET TO A POIN, FOR A CORNER HEREOF;

THENCE: N 70°33'08" E, A DISTANCE OF 284.94 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 03°05'34" W, A DISTANCE OF 97.65 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 50°23'30" E, A DISTANCE OF 253.12 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 55°49'44" E, A DISTANCE OF 167.15 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 15°08'15" E, A DISTANCE OF 311.97 FEET TO A POINT LOCATED ON A CURVE TO THE RIGHT, WITH A RADIUS OF 145.00 FEET, A CHORD BEARING OF N 57°56'16" E AND A CHORD LENGTH OF 188.52 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 205.23 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 81°30'53" E, A DISTANCE OF 207.33 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 27°00'39" E, A DISTANCE OF 55.67 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 64°59'16" E, A DISTANCE OF 92.26 FEET TO A POINT LOCATED ON A NON-TANGENT CURVE TO THE RIGHT, WITH A RADIUS OF 390.00 FEET, A CHORD BEARING OF N 25°53'11" E AND A CHORD LENGTH OF 53.01 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 53.05 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 29°47'00" E, A DISTANCE OF 362.15 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 60°07'11" E, A DISTANCE OF 225.24 FEET TO A POINT ON THE NORTHWEST LINE OF SAID BLOCK 46, FOR A CORNER HEREOF;

THENCE: S 29°52'06" W, ALONG THE NORTHWEST LINE OF SAID BLOCK 46, A DISTANCE OF 87.94 FEET, TO A 5/8 INCH IRON ROD SET, FOR THE SOUTHWEST CORNER OF LOT 12, SAME BEING THE NORTHWEST CORNER OF LOT 13, SAID BLOCK 46, AND FOR A CORNER HEREOF;

THENCE: S 60°15'30" E, ALONG THE COMMON LINE OF LOTS 12 AND 13, A DISTANCE OF 380.10 FEET, TO A 5/8 INCH IRON ROD SET ON THE NORTHWEST RIGHT-OF-WAY LINE OF NEMO COURT (R.O.W. VARIES), FOR A CORNER HEREOF;

THENCE: S 29°45'01" W, ALONG THE NORTHWEST RIGHT-OF-WAY LINE OF NEMO COURT, A DISTANCE OF 695.89 FEET TO A 5/8 INCH IRON ROD FOUND, FOR THE SOUTHWEST CORNER OF LOT 26, FOR A CORNER HEREOF;

THENCE: S 76°11'24" W, A DISTANCE OF 27.65 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: S 29°47'04" W, A DISTANCE OF 100.29 FEET TO A 5/8 INCH IRON ROD FOUND, FOR THE SOUTHWEST CORNER OF LOT 28, BLOCK 46, FOR A CORNER HEREOF;

THENCE: S 59°59'36" E, CONTINUING ALONG THE RIGHT-OF-WAY OF NEMO COURT, A DISTANCE OF 109.90 FEET TO A 5/8 INCH IRON ROD FOUND, FOR AN INTERIOR CORNER OF SAID LOT 15, BLOCK 45, FOR A CORNER HEREOF;

THENCE: N 29°38'51" E, ALONG THE SOUTHWEST RIGHT-OF-WAY LINE OF NEMO COURT, A DISTANCE OF 45.99 FEET TO A 5/8 INCH IRON ROD FOUND, FOR THE UPPER NORTHWEST CORNER OF SAID LOT 15, THE SOUTHWEST CORNER OF LOT 16, FOR A CORNER HEREOF;

THENCE: S 60°12'57" E, ALONG THE COMMON LINE OF LOTS 15 AND 16, A DISTANCE OF 120.20 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: S 32°44'41" E, CONTINUING ALONG THE COMMON LINE OF LOTS 15 AND 16, A DISTANCE OF 165.63 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: S 00°41'24" W, A DISTANCE OF 70.34 FEET TO A 5/8 INCH IRON ROD FOUND ON THE NORTH RIGHT-OF-WAY LINE OF A NAVIGATION CHANNEL (R.O.W. VARIES), FOR A CORNER HEREOF;

THENCE: N 89°17'24" W, ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID NAVIGATION CHANNEL, A DISTANCE OF 437.46 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 02°01'48" W, A DISTANCE OF 44.63 FEET TO A DRILL HOLE IN CONCRETE FOUND, FOR A CORNER OF SAID LOT 4, BLOCK 3, LOCATED ON A NON-TANGENT CURVE TO THE LEFT, WITH A RADIUS OF 179.52 FEET, A CHORD BEARING OF S 59°36'20" W AND A CHORD LENGTH OF 159.13 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, THE NORTH RIGHT-OF-WAY LINE OF SAID NAVIGATION CHANNEL, AN ARC LENGTH OF 164.86 FEET TO A POINT, BEING THE MOST SOUTHERLY SOUTHWEST CORNER OF SAID LOT 4, BLOCK 3, FOR A CORNER HEREOF;

THENCE: N 66°26'56" W, ALONG THE MOST SOUTHERLY SOUTH LINE OF SAID LOT 4, BLOCK 3, A DISTANCE OF 333.35 FEET, TO A 5/8 INCH IRON ROD FOUND, FOR THE SOUTHWEST CORNER OF SAID LOT 4, BLOCK 3, ON THE EAST LINE OF SAID LOT 27D, LOCATED ON A NON-TANGENT CURVE TO THE LEFT, WITH A RADIUS OF 601.61 FEET, A CHORD BEARING OF S 15°04'01" W AND A CHORD LENGTH OF 291.34 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 294.26 FEET, TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: S 00°45'14" W, A DISTANCE OF 590.13 FEET, TO THE **POINT OF BEGINNING**, CONTAINING WITHIN THESE METES AND BOUNDS A 72.31 ACRE TRACT, SAVE AND EXCEPT 2.87-ACRES WITHIN THE PLATTED, UNOPENED PUBLIC RIGHT-OF-WAYS, WITH A NET ACREAGE OF 69.44 ACRES, MORE OR LESS;

NOTE: AN EXHIBIT REPRESENTING A GRAPHIC IMAGE OF THIS DESCRIPTION STYLED AS "SHEET 2 OF 5 - 72.31 ACRE TRACT" ACCOMPANIES THIS DOCUMENT. THE BASIS OF BEARING IS TEXAS STATE PLANE COORDINATE SYSTEM NAD 83, SOUTH ZONE.

September 28, 2018
Job No. 170146
I.Rodarte





28.63 ACRE TRACT

Field Notes Description

SHOWING THE BOUNDARY OF A 28.63-ACRE TRACT OF LAND HEREIN DESCRIBED AS "TRACT 1" OUT OF A PORTION OF LOT 27C OF THE PADRE ISLAND - CORPUS CHRISTI ISLAND FAIRWAY ESTATES, HEREAFTER REFERRED TO AS THE P.I.C.C.I.F.E., A MAP OF WHICH IS RECORDED IN VOLUME 67, PAGE 779, MAP RECORDS, NUECES COUNTY, TEXAS, SAID 28.63-ACRE TRACT BEING MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING: AT A 5/8 INCH IRON ROD (Y = 17,115,342.99, X = 1,397,090.68) FOUND ON AN INTERIOR LINE OF SAID LOT 27C, FOR AN INTERIOR CORNER HEREOF;

THENCE: N 00°49'34" E, A DISTANCE OF 141.97 FEET TO A 5/8 INCH IRON ROD FOUND ON THE SOUTH RIGHT-OF-WAY LINE OF COMMODORE'S DRIVE (120' R.O.W.), SAID IRON ROD LOCATED ON A NON-TANGENT CURVE TO THE LEFT, WITH A RADIUS OF 493.90 FEET, A CHORD BEARING OF S 86°16'00" E AND A CHORD LENGTH OF 56.52 FEET, FOR AN EXTERIOR CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 56.55 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: S 89°15'39" E, CONTINUING ALONG THE SOUTH RIGHT-OF-WAY OF COMMODORE'S DRIVE, A DISTANCE OF 310.86 FEET TO A 5/8 INCH IRON ROD SET, FOR A CORNER HEREOF;

THENCE: S 89°15'33" E, A DISTANCE OF 196.76 FEET TO A POINT, SAID POINT LOCATED ON A CURVE TO THE RIGHT, WITH A RADIUS OF 10.00 FEET, A CHORD BEARING OF S 44°16'50" E AND A CHORD LENGTH OF 14.14 FEET, FOR A CORNER HEREOF;

THENCE: CONTINUING ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 15.71 FEET TO A 5/8 INCH IRON ROD SET ON THE WEST RIGHT-OF-WAY LINE OF COMPASS STREET (60' R.O.W.), FOR A CORNER HEREOF;

THENCE: S 00°42'49" W, ALONG THE WEST RIGHT-OF-WAY OF COMPASS STREET, A DISTANCE OF 99.93 FEET TO A 5/8 INCH IRON ROD SET, SAID IRON ROD LOCATED ON A CURVE TO THE LEFT, WITH A RADIUS OF 553.81 FEET, A CHORD BEARING OF S 04°55'45" E AND A CHORD LENGTH OF 104.90 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 105.05 FEET TO A 5/8 INCH IRON ROD SET, FOR A CORNER HEREOF;

THENCE: S 10°06'06" E, A DISTANCE OF 110.22 FEET TO A 5/8 INCH IRON ROD SET, FOR THE NORTHEAST CORNER OF LOT 11, BLOCK 41 OF THE P.I.C.C.I.F.E., A MAP OF WHICH IS RECORDED IN VOLUME 42, PAGE 17, MAP RECORDS, NUECES COUNTY, TEXAS, FOR A CORNER HEREOF;

THENCE: S 79°38'09" W, ALONG THE COMMON LINE OF LOTS 11 AND 12, A DISTANCE OF 155.16 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 80°04'16" W, A DISTANCE OF 54.93 FEET TO A POINT, FOR THE NORTHWEST CORNER OF SAID LOT 11, FOR A CORNER HEREOF;

THENCE: S 09°55'44" E, ALONG THE WEST LINE OF SAID LOT 11, A DISTANCE OF 119.53 FEET, TO A POINT FOR THE SOUTHWEST CORNER OF SAID LOT 11, FOR A CORNER HEREOF;

THENCE: N 79°37'29" E, ALONG THE COMMON LINE OF LOTS 10 AND 11, A DISTANCE OF 210.45 FEET TO A 5/8 INCH IRON ROD FOUND ON THE WEST RIGHT-OF-WAY OF COMPASS STREET, FOR A CORNER HEREOF;

THENCE: S 09°59'42" E, ALONG THE WEST RIGHT-OF-WAY OF COMPASS STREET, A DISTANCE OF 133.72 FEET TO A 5/8 INCH IRON ROD SET ON A CURVE TO THE RIGHT, WITH A RADIUS OF 463.32 FEET, A CHORD BEARING OF S 04°41'22" E AND A CHORD LENGTH OF 93.23 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 93.38 FEET TO A 5/8 INCH IRON ROD FOUND, FOR A CORNER HEREOF;

THENCE: S 00°54'41" W, CONTINUING ALONG THE WEST RIGHT-OF-WAY OF COMPASS STREET, A DISTANCE OF 135.04 FEET TO A 5/8 INCH IRON ROD FOUND, FOR THE SOUTHEAST CORNER OF LOT 8, BLOCK 41, FOR A CORNER HEREOF;

THENCE: N 89°09'11" W, ALONG THE COMMON LINE OF LOTS 7 AND 8, A DISTANCE OF 136.86 FEET TO A 5/8 INCH IRON ROD FOUND, FOR THE SOUTHWEST CORNER OF SAID LOT 8, FOR A CORNER HEREOF;

THENCE: N 10°25'28" W, ACROSS LOTS 8 AND 9, A DISTANCE OF 168.01 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 79°53'54" W, CONTINUING ACROSS LOT 9, A DISTANCE OF 133.13 FEET, TO A POINT LOCATED ON A CURVE TO THE RIGHT WITH A RADIUS OF 78.00 FEET, A CHORD BEARING OF N 87°22'58" W, AND A CHORD LENGTH OF 34.36 FEET, FOR A CORNER HEREOF;

THENCE: ALONG CURVE TO THE RIGHT, AN ARC LENGTH OF 34.64 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 74°39'37" W, A DISTANCE OF 17.85 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 15°20'23" W, A DISTANCE OF 56.53 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 09°09'05" E, A DISTANCE OF 319.29 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 32°38'10" W, A DISTANCE OF 161.42 FEET TO A POINT ON A NON-TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 199.85 FEET, A CHORD BEARING OF S 23°11'33" E, AND A CHORD LENGTH OF 177.73 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 184.18 FEET TO A POINT LOCATED ON A REVERSE CURVE TO THE LEFT WITH A RADIUS OF 354.88 FEET, A CHORD BEARING OF S 06°16'17" E, AND A CHORD LENGTH OF 141.95 FEET, FOR A CORNER HEREOF;

THENCE: CONTINUING ALONG SAID REVERSE CURVE TO THE LEFT, AN ARC LENGTH OF 142.91 FEET TO A POINT LOCATED ON A REVERSE CURVE TO THE RIGHT WITH A RADIUS OF 75.93 FEET, A CHORD BEARING OF S 01°24'10" W, AND A CHORD LENGTH OF 39.88 FEET, FOR A CORNER HEREOF;

THENCE: CONTINUING ALONG SAID REVERSE CURVE TO THE RIGHT, AN ARC LENGTH OF 40.35 FEET TO A POINT LOCATED ON A REVERSE CURVE TO THE LEFT WITH A RADIUS OF 252.95 FEET, A CHORD BEARING OF S 12°38'17" W, AND A CHORD LENGTH OF 35.18 FEET, FOR A CORNER HEREOF;

THENCE: CONTINUING ALONG SAID REVERSE CURVE TO THE LEFT, AN ARC LENGTH OF 35.21 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 01°16'54" E, A DISTANCE OF 91.61 FEET TO A POINT LOCATED ON A CURVE TO THE RIGHT WITH A RADIUS OF 126.17 FEET, A CHORD BEARING OF S 20°16'09" W, AND A CHORD LENGTH OF 47.71 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 48.00 FEET TO A POINT LOCATED ON A REVERSE CURVE TO THE LEFT WITH A RADIUS OF 54.40 FEET, A CHORD BEARING OF S 17°10'30" W, AND A CHORD LENGTH OF 29.00 FEET, FOR A CORNER HEREOF;

THENCE: CONTINUING ALONG SAID REVERSE CURVE TO THE LEFT, AN ARC LENGTH OF 29.36 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 05°17'34" W, A DISTANCE OF 75.84 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 09°00'03" W, A DISTANCE OF 160.18 FEET TO A POINT LOCATED ON A CURVE TO THE LEFT WITH A RADIUS OF 224.76 FEET, A CHORD BEARING OF S 02°55'53" E, AND A CHORD LENGTH OF 64.38 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 64.60 FEET TO A POINT LOCATED ON A REVERSE CURVE TO THE RIGHT WITH A RADIUS OF 160.49 FEET, A CHORD BEARING OF S 03°59'21" W, AND A CHORD LENGTH OF 93.18 FEET, FOR A CORNER HEREOF;

THENCE: CONTINUING ALONG SAID REVERSE CURVE TO THE RIGHT, AN ARC LENGTH OF 94.54 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 26°52'49" W, A DISTANCE OF 43.58 FEET TO A POINT LOCATED ON A CURVE TO THE LEFT WITH A RADIUS OF 36.52 FEET, A CHORD BEARING OF S 17°51'57" E, AND A CHORD LENGTH OF 37.27 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 39.11 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 41°09'40" E, A DISTANCE OF 96.97 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: S 01°20'06" W, A DISTANCE OF 50.38 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 88°46'57" W, A DISTANCE OF 291.63 FEET TO A POINT LOCATED ON A CURVE TO THE RIGHT WITH A RADIUS OF 70.00 FEET, A CHORD BEARING OF N 51°36'31" W, AND A CHORD LENGTH OF 84.60 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 90.84 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 88°39'54" W, A DISTANCE OF 31.58 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 28°33'42" W, A DISTANCE OF 53.03 FEET TO A POINT LOCATED ON A CURVE TO THE RIGHT WITH A RADIUS OF 86.27 FEET, A CHORD BEARING OF N 08°46'50" W, AND A CHORD LENGTH OF 58.39 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 59.57 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 08°21'00" E, A DISTANCE OF 169.70 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 07°06'04" E, A DISTANCE OF 83.11 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 04°21'45" E, A DISTANCE OF 63.40 FEET TO A POINT LOCATED ON A CURVE TO THE LEFT WITH A RADIUS OF 388.61 FEET, A CHORD BEARING OF N 02°34'53" W, AND A CHORD LENGTH OF 93.97 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 94.20 FEET TO A POINT LOCATED ON A REVERSE CURVE TO THE RIGHT WITH A RADIUS OF 1638.83 FEET, A CHORD BEARING OF N 07°33'45" W, AND A CHORD LENGTH OF 112.26 FEET, FOR A CORNER HEREOF;

THENCE: CONTINUING ALONG SAID REVERSE CURVE TO THE RIGHT, AN ARC LENGTH OF 112.28 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 00°18'00" W, A DISTANCE OF 84.81 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 00°17'08" W, A DISTANCE OF 77.05 FEET TO A POINT LOCATED ON A CURVE TO THE RIGHT WITH A RADIUS OF 638.87 FEET, A CHORD BEARING OF N 03°07'54" E, AND A CHORD LENGTH OF 76.16 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 76.21 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 05°55'22" E, A DISTANCE OF 96.67 FEET TO A POINT LOCATED ON A CURVE TO THE LEFT WITH A RADIUS OF 35.56 FEET, A CHORD BEARING OF N 27°53'47" W, AND A CHORD LENGTH OF 48.08 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 52.79 FEET TO A POINT LOCATED ON A REVERSE CURVE TO THE RIGHT WITH A RADIUS OF 348.61 FEET, A CHORD BEARING OF N 52°26'15" W, AND A CHORD LENGTH OF 112.41 FEET, FOR A CORNER HEREOF;

THENCE: CONTINUING ALONG SAID REVERSE CURVE TO THE RIGHT, AN ARC LENGTH OF 112.91 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 41°14'16" W, A DISTANCE OF 78.54 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 67°58'17" W, A DISTANCE OF 4.21 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 38°10'10" W, A DISTANCE OF 46.88 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 06°16'08" W, A DISTANCE OF 4.08 FEET TO A POINT LOCATED ON A CURVE TO THE RIGHT WITH A RADIUS OF 142.77 FEET, A CHORD BEARING OF N 24°43'36" W, AND A CHORD LENGTH OF 66.19 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 66.80 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 10°15'25" W, A DISTANCE OF 115.67 FEET TO A POINT LOCATED ON A CURVE TO THE RIGHT WITH A RADIUS OF 133.47 FEET, A CHORD BEARING OF N 10°19'44" E, AND A CHORD LENGTH OF 98.40 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 100.78 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 19°49'40" E, A DISTANCE OF 126.03 FEET TO A POINT LOCATED ON A CURVE TO THE LEFT WITH A RADIUS OF 91.11 FEET, A CHORD BEARING OF N 05°22'28" E, AND A CHORD LENGTH OF 33.76 FEET, FOR A CORNER HEREOF;

THENCE: ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 33.95 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 05°18'06" W, A DISTANCE OF 181.88 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 13°36'58" W, A DISTANCE OF 55.06 FEET TO A POINT, FOR A CORNER HEREOF;

THENCE: N 09°54'41" E, A DISTANCE OF 275.84 FEET TO A 5/8 INCH IRON ROD FOUND, FOR AN INTERIOR CORNER OF SAID LOT 27C, AND FOR A CORNER HEREOF;

THENCE: S 89°10'01" E, CONTINUING ALONG THE LOWER NORTH LINE OF SAID LOT 27C, A DISTANCE OF 229.01 FEET TO THE **POINT OF BEGINNING**, CONTAINING WITHIN THESE METES AND BOUNDS A 28.63-ACRE TRACT, MORE OR LESS;

NOTE: AN EXHIBIT REPRESENTING A GRAPHIC IMAGE OF THIS DESCRIPTION STYLED AS "SHEET 1 OF 5 - 28.63-ACRE TRACT" ACCOMPANIES THIS DOCUMENT. THE BASIS OF BEARING IS TEXAS STATE PLANE COORDINATE SYSTEM NAD 83, SOUTH ZONE 4205.

September 28, 2018
Job No. 170146
I.Rodarte



EXHIBIT J-2 –IMPROVEMENT AREA #1 LEGAL DESCRIPTION



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November 21, 2023
 S001-C986-21143.101

Field Notes Description for a 51.03-Acre Tract Improvement Area #1, Tract 1

STATE OF TEXAS §

COUNTY OF NUECES §

Field notes, to describe a 51.03-acre tract Improvement Area being out a portion of Tracts 27C and 27D of the Padre Island – Corpus Christi Island Fairway Estates, hereafter referred to as P.I.C.C.I.F.E., Lots 27C and 27D, a map recorded in Volume 67, Pages 779-785, Map Records, Nueces County, Texas, a portion of P.I.C.C.I.F.E., Blocks 24-33, a map recorded in Volume 40, pages 154-159, Map Records, Nueces County, Texas, a portion of out of P.I.C.C.I.F.E., Blocks 43 & 44, a map recorded in Volume 42, Pages 10-11, Map Records, Nueces County, Texas, and Portions of P.I.C.C.I.F.E., Blocks 34, 35, and 36, a map recorded in Volume 40, Pages 183-184, Map Records, Nueces County, Texas, said Blocks 26, 35, 36, 43, 44, and a portion of Block 34, now vacated as per plat recorded in Volume 67, Page 688, Map Records, Nueces County, Texas, said 51.03-acre tract being out of a portion of a 28.63-acre tract (Tract 1), a 72.31-acre tract (Tract 2), a 74.39-acre tract (Tract 3), and a 30.68-acre tract (Tract 4), as referenced in a correction warranty deed, Document Number 2018045542, Official Records, Nueces County, Texas, save and except 3.766 acres of a 80-foot wide street, also known as 'Aquarius Street Re-Alignment', and recorded in Document Number 2011039226, Official Records, Nueces County, Texas, and said 51.03 acres more particularly described by metes and bounds as follows;

BEGINNING at a 5/8" iron rod found on said Lot 27C of the Padre Island-Corpus Christi Island Fairway Estates, and being on the south right of way of said Aquarius Street, and said iron rod being on a curve to the right, having a radius of 330.00', a length of curve of 106.74', a delta angle of 18°31'58", and a chord bearing and distance of S 78°00'59" W, 106.28' for a corner of said 30.68-acre tract (Tract 4) , for the **POINT-OF-BEGINNING** and northeast corner of this 51.03-acre tract;

THENCE S 02°16'21" E, a distance of **47.77'** to a 5/8" iron rod found, for an angle corner of this 51.03-acre tract;

THENCE S 44°49'36" E, a distance of **217.18'** to a point, for an angle corner of this 51.03-acre tract;

THENCE S 45°10'24" W, a distance of **141.72'** to a point, for an angle corner of this 51.03-acre tract;

THENCE S 00°00'00" W, a distance of **685.33'** to a point and a corner of this 51.03-acre tract, and said point being at the beginning of a curve to the left, having a radius of 393.00', a length of curve of 500.19', a delta angle of 72°55'22", and a chord bearing and distance of S 57°10'11" E, 467.10';

THENCE along said curve to the left, a curve length of **500.19'** to a point of tangency of said curve, for a corner of this 51.03-acre tract;

THENCE S 00°53'05" E, a distance **809.16'** to a point, for an angle corner of this 51.03-acre tract;

THENCE S 89°06'59" W, a distance of **62.78'** to a point, for an angle corner of this 51.03-acre tract;

THENCE N 80°07'55" W, a distance of **169.11'** to a point, for an angle corner of this 51.03-acre tract;

THENCE S 47°34'11" W, a distance of **80.44'** to a point, for an angle corner of this 51.03-acre tract;

THENCE N 39°02'15" W, a distance of **180.41'** to a point, for an angle corner of this 51.03-acre tract;

THENCE N 87°28'42" W, a distance of **120.19'** to a point, for an angle corner of this 51.03-acre tract;

THENCE S 51°27'50" W, a distance of **135.13'** to a point, for an angle corner of this 51.03-acre tract;

THENCE S 30°31'04" W, a distance of **270.15'** to a point, for an angle corner of this 51.03-acre tract;

THENCE S 24°02'41" W, a distance of **249.57'** to a point, for an angle corner of this 51.03-acre tract;

THENCE S 36°57'46" W, a distance of **160.17'** to a point on the north right of way of Crown Royal, for an angle corner of this 51.03-acre tract;

THENCE N 52°53'11" W, along the north right of way of Crown Royal, a distance of **229.48'** to a point on the north right of way of Crown Royal, for a corner of this 51.03-acre tract and said point being at the beginning of a curve to the left, having a radius of 1,718.10', a length of curve of 301.27', a delta angle of 10°02'48", and a chord bearing and distance of N 30°32'33" E, 300.88';

THENCE along said curve to the left, a curve length of **301.27'** to a point of tangency of said curve, for a corner of this 51.03-acre tract, and said point being at the beginning of a curve to the left, having a radius of 1,056.90', a length of curve of 387.52', a delta angle of 21°00'28", and a chord bearing and distance of N 14°46'46" E, 385.35';

THENCE along said curve to the left, a curve length of **387.52'** to a point of tangency of said curve, for a corner of this 51.03-acre tract;

THENCE N 86°00'41" W, a distance of **119.90'** to a point at the east right of way of Dasmariñas Drive, for a corner of this 51.03-acre tract, and said point being at the beginning of a curve to the left, having a radius of 940.79', a length of curve of 461.85', a delta angle of 28°07'40", and a chord bearing and distance of N 10°33'02" W, 457.23';

THENCE along said curve to the left, a curve length of **461.85'** to a point of tangency of said curve, for a corner of this 51.03-acre tract and said point being at the beginning of a curve to the left, having a radius of 617.98', a length of curve of 425.59', a delta angle of 39°27'31", and a chord bearing and distance of N 44°45'25" W, 417.23';

THENCE along said curve to the left, a curve length of **425.59'** to a point of tangency of said curve, for a corner of this 51.03-acre tract;

THENCE N 64°29'59" W, a distance of **515.37'** to a point, for a corner of this 51.03-acre tract and said point being at the beginning of curve to the right, having a radius of 15.00', a length of curve of 23.55', a delta angle of 89°57'56", and a chord bearing and distance of N 19°31'01" W, 21.21';

THENCE along said curve to the right, a curve length of **23.55'** to a point of tangency of said curve, for a corner of this 51.03-acre tract;

THENCE N 25°27'57" E, a distance of **288.75'** to a point, for a corner of this 51.03-acre tract and said point being at the beginning of curve to the right, having a radius of 330.00', a length of curve of 249.30', a delta angle of 43°17'02", and a chord bearing and distance of N 47°06'27" E, 243.41';

THENCE along said curve to the right, a curve length of **249.30'** to a point of tangency of said curve, for a corner of this 51.03-acre tract;

THENCE N 68°44'59" E, a distance of **1,071.44'** to a point, for a corner of this 51.03-acre tract, and said point being at the beginning of curve to the right, having a radius of 330.00', a length of curve of 106.74', a delta angle of 18°31'58", and a chord bearing and distance of N 78°00'59" E, 106.28';

THENCE along said curve to the right, a curve length of **106.74'** to the point of tangency and the **POINT-OF-BEGINNING**, and containing 51.03 acres, more or less.

The bearings for this field notes description are based on GPS, NAD83, State Plane Coordinate System, Texas South Zone 4205.

I, Albert E. Franco, Jr., Registered Professional Land Surveyor of Texas, do hereby certify that this description represents the actual perimeter of this 51.03-acre tract, this the 21st day of November 2023.



Albert E. Franco, Jr.
Registered Professional Land Surveyor
Texas Registration No. 4471

EXHIBIT J-3 – THE PRESERVE LEGAL DESCRIPTION



361.991.8550
TBPELS F-19613
TBPELS 10194382
www.LJASurvey.com
5350 South Staples Street, Suite 425, Corpus Christi, Texas 78411

November 21, 2023
S001-C986-21143.101

Field Notes Description for a 4.64-Acre Tract Improvement Area #1, Tract 2

STATE OF TEXAS §

COUNTY OF NUECES §

Field notes, to describe a 4.64-acre tract being out a portion of Tracts 27D of the Padre Island – Corpus Christi Island Fairway Estates, hereafter referred to as P.I.C.C.I.F.E., Lots 27C and 27D, a map recorded in Volume 67, Pages 779-785, Map Records, Nueces County, Texas, said 4.64-acre tract being out of a portion of a 74.39-acre tract (Tract 3), as referenced in a correction warranty deed, Document Number 2018045542, Official Records, Nueces County, Texas, and said 4.64 acres more particularly described by metes and bounds as follows;

BEGINNING at a 5/8" iron rod found at the southeast corner of Lot 24, Block 30 of the Padre Island-Corpus Christi Island Fairway Estates, recorded in Volume 40, Pages 181-182, Map Records, Nueces County, Texas, for the **POINT-OF-BEGINNING** and interior corner of this 4.64-acre tract;

THENCE N 30°50'45" E, a distance of **235.05'** to a point, for an angle corner of this 4.64-acre tract;

THENCE N 23°48'25" W, a distance of **259.46'** to a point, for an angle corner of this 4.64-acre tract;

THENCE N 39°34'30" E, a distance of **224.73'** to a point, for an angle corner of this 4.64-acre tract;

THENCE S 57°43'56" E, a distance of 100.42' to a point and a corner of this 4.64-acre tract, and said point being at the beginning of a curve to the right, having a radius of 170.00', a length of curve of 157.54', a delta angle of 53°05'43", and a chord bearing and distance of S 33°35'14" E, 151.96';

THENCE along said curve to the right, a curve length of **157.54'** to a point of tangency of said curve, for a corner of this 4.64-acre tract;

THENCE S 07°02'23" E, a distance **182.93'** to a point, for an angle corner of this 4.64-acre tract;

THENCE S 11°47'41" W, a distance of **257.61'** to a point, for a corner of this 4.64-acre tract and said point being at the beginning of a curve to the right, having a radius of 260.00', a length of curve of 352.26', a delta angle of 77°37'36", and a chord bearing and distance of S 50°36'29" W, 325.93';

THENCE along said curve to the right, a curve length of **352.26'** to a point of tangency of said curve, for a corner of this 4.64-acre tract;

THENCE N 00°34'43" W, a distance of **105.00'** to a point, for a corner of this 4.64-acre tract and said point being at the beginning of a curve to the right, having a radius of 155.00', a length of curve of 84.98', a delta angle of 31°24'50", and a chord bearing and distance of N 74°52'18" W, 83.92';

4.64-Acre Tract
November 21, 2023
Page 2 of 2

THENCE along said curve to the right, a curve length of **84.98'** to a point of tangency of said curve, for a corner of this 4.64-acre tract;

THENCE N 59°09'53" W, a distance of **112.06'** to a point, for an exterior corner of this 4.64-acre tract;

THENCE S 83°07'14" W, a distance of **9.19'** to a point, for a corner of this 4.64-acre tract and said point being at the beginning of a curve to the left, having a radius of 104.62', a length of curve of 62.28', a delta angle of 34°06'20", and a chord bearing and distance of N 31°30'06" E, 61.36';

THENCE along said curve to the left, a curve length of **62.28'** to a point of tangency of said curve, for a corner of this 4.64-acre tract;

THENCE S 76°03'33" E, a distance of **112.87'** to a point, for an angle corner and the **POINT-OF-BEGINNING**, and containing 4.64 acres, more or less.

The bearings for this field notes description are based on GPS, NAD83, State Plane Coordinate System, Texas South Zone 4205.

I, Albert E. Franco, Jr., Registered Professional Land Surveyor of Texas, do hereby certify that this description represents the actual perimeter of this 4.64-acre tract, this the 21st day of November 2023.


Registered Professional Land Surveyor
Texas Registration No. 4471



APPENDIX A – ENGINEER’S REPORT

[Remainder of page left intentionally blank.]

APPENDIX B – BUYER DISCLOSURES

Forms of the buyer disclosures for the following Lot Types are found in this appendix:

Improvement Area #1

- Initial Parcel
- Lot Type 1
- Lot Type 2
- Lot Type 3
- Lot Type 4
- Lot Type 5
- Lot Type 6
- Lot Type 7

[Remainder of page left intentionally blank.]

WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1 - IMPROVEMENT AREA #1
INITIAL PARCEL BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF CORPUS CHRISTI, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 INITIAL PARCEL PRINCIPAL ASSESSMENT: \$23,856,000

As the purchaser of the real property described above, you are obligated to pay assessments to City of Corpus Christi, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Whitecap Public Improvement District No. 1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Corpus Christi. The exact amount of each annual installment will be approved each year by the Corpus Christi City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Corpus Christi.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

COUNTY OF _____

§

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 INITIAL PARCEL

| Installment Due 1/31 | Principal | Interest^[a] | Annual Collection Costs | Total Annual Installments^[b] |
|-----------------------------|----------------------|-------------------------------|--------------------------------|--|
| 2025 | \$ 290,000 | \$ 1,483,843 | \$ 40,000 | \$ 1,813,843 |
| 2026 | \$ 308,000 | \$ 1,465,805 | \$ 40,800 | \$ 1,814,605 |
| 2027 | \$ 327,000 | \$ 1,446,648 | \$ 41,616 | \$ 1,815,264 |
| 2028 | \$ 348,000 | \$ 1,426,308 | \$ 42,448 | \$ 1,816,757 |
| 2029 | \$ 369,000 | \$ 1,404,663 | \$ 43,297 | \$ 1,816,960 |
| 2030 | \$ 392,000 | \$ 1,381,711 | \$ 44,163 | \$ 1,817,874 |
| 2031 | \$ 417,000 | \$ 1,357,328 | \$ 45,046 | \$ 1,819,375 |
| 2032 | \$ 443,000 | \$ 1,331,391 | \$ 45,947 | \$ 1,820,338 |
| 2033 | \$ 470,000 | \$ 1,303,836 | \$ 46,866 | \$ 1,820,703 |
| 2034 | \$ 500,000 | \$ 1,274,602 | \$ 47,804 | \$ 1,822,406 |
| 2035 | \$ 531,000 | \$ 1,243,502 | \$ 48,760 | \$ 1,823,262 |
| 2036 | \$ 564,000 | \$ 1,210,474 | \$ 49,735 | \$ 1,824,209 |
| 2037 | \$ 599,000 | \$ 1,175,393 | \$ 50,730 | \$ 1,825,123 |
| 2038 | \$ 636,000 | \$ 1,138,136 | \$ 51,744 | \$ 1,825,880 |
| 2039 | \$ 676,000 | \$ 1,098,576 | \$ 52,779 | \$ 1,827,356 |
| 2040 | \$ 718,000 | \$ 1,056,529 | \$ 53,835 | \$ 1,828,364 |
| 2041 | \$ 762,000 | \$ 1,011,870 | \$ 54,911 | \$ 1,828,781 |
| 2042 | \$ 810,000 | \$ 964,473 | \$ 56,010 | \$ 1,830,483 |
| 2043 | \$ 860,000 | \$ 914,091 | \$ 57,130 | \$ 1,831,221 |
| 2044 | \$ 914,000 | \$ 860,599 | \$ 58,272 | \$ 1,832,872 |
| 2045 | \$ 970,000 | \$ 803,748 | \$ 59,438 | \$ 1,833,186 |
| 2046 | \$ 1,031,000 | \$ 743,414 | \$ 60,627 | \$ 1,835,041 |
| 2047 | \$ 1,095,000 | \$ 679,286 | \$ 61,839 | \$ 1,836,125 |
| 2048 | \$ 1,163,000 | \$ 611,177 | \$ 63,076 | \$ 1,837,253 |
| 2049 | \$ 1,235,000 | \$ 538,839 | \$ 64,337 | \$ 1,838,176 |
| 2050 | \$ 1,312,000 | \$ 462,022 | \$ 65,624 | \$ 1,839,646 |
| 2051 | \$ 1,394,000 | \$ 380,415 | \$ 66,937 | \$ 1,841,352 |
| 2052 | \$ 1,480,000 | \$ 293,708 | \$ 68,275 | \$ 1,841,984 |
| 2053 | \$ 1,572,000 | \$ 201,652 | \$ 69,641 | \$ 1,843,293 |
| 2054 | \$ 1,670,000 | \$ 103,874 | \$ 71,034 | \$ 1,844,908 |
| Total | \$ 23,856,000 | \$ 29,367,917 | \$ 1,622,723 | \$ 54,846,640 |

Footnotes:

[a] Interest is calculated at a 6.22% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1 - IMPROVEMENT AREA #1
LOT TYPE 1 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF CORPUS CHRISTI, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 1 PRINCIPAL ASSESSMENT: \$78,510.14

As the purchaser of the real property described above, you are obligated to pay assessments to City of Corpus Christi, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Whitecap Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Corpus Christi. The exact amount of each annual installment will be approved each year by the Corpus Christi City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Corpus Christi.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

COUNTY OF _____

§

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

COUNTY OF _____

§

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 1

| Installment Due 1/31 | Principal | Interest ^[a] | Annual Collection Costs | Total Annual Installments ^[b] |
|-------------------------|---------------------|-------------------------|----------------------------|---|
| 2025 | \$ 954.39 | \$ 4,883.33 | \$ 131.64 | \$ 5,969.36 |
| 2026 | \$ 1,013.63 | \$ 4,823.97 | \$ 134.27 | \$ 5,971.87 |
| 2027 | \$ 1,076.16 | \$ 4,760.92 | \$ 136.96 | \$ 5,974.04 |
| 2028 | \$ 1,145.27 | \$ 4,693.98 | \$ 139.70 | \$ 5,978.95 |
| 2029 | \$ 1,214.38 | \$ 4,622.75 | \$ 142.49 | \$ 5,979.62 |
| 2030 | \$ 1,290.07 | \$ 4,547.21 | \$ 145.34 | \$ 5,982.63 |
| 2031 | \$ 1,372.35 | \$ 4,466.97 | \$ 148.25 | \$ 5,987.57 |
| 2032 | \$ 1,457.91 | \$ 4,381.61 | \$ 151.21 | \$ 5,990.74 |
| 2033 | \$ 1,546.77 | \$ 4,290.93 | \$ 154.24 | \$ 5,991.94 |
| 2034 | \$ 1,645.50 | \$ 4,194.72 | \$ 157.32 | \$ 5,997.54 |
| 2035 | \$ 1,747.52 | \$ 4,092.37 | \$ 160.47 | \$ 6,000.36 |
| 2036 | \$ 1,856.13 | \$ 3,983.67 | \$ 163.68 | \$ 6,003.48 |
| 2037 | \$ 1,971.31 | \$ 3,868.22 | \$ 166.95 | \$ 6,006.48 |
| 2038 | \$ 2,093.08 | \$ 3,745.61 | \$ 170.29 | \$ 6,008.97 |
| 2039 | \$ 2,224.72 | \$ 3,615.42 | \$ 173.70 | \$ 6,013.83 |
| 2040 | \$ 2,362.94 | \$ 3,477.04 | \$ 177.17 | \$ 6,017.15 |
| 2041 | \$ 2,507.74 | \$ 3,330.06 | \$ 180.71 | \$ 6,018.52 |
| 2042 | \$ 2,665.71 | \$ 3,174.08 | \$ 184.33 | \$ 6,024.12 |
| 2043 | \$ 2,830.26 | \$ 3,008.28 | \$ 188.01 | \$ 6,026.55 |
| 2044 | \$ 3,007.98 | \$ 2,832.23 | \$ 191.77 | \$ 6,031.98 |
| 2045 | \$ 3,192.27 | \$ 2,645.14 | \$ 195.61 | \$ 6,033.02 |
| 2046 | \$ 3,393.02 | \$ 2,446.58 | \$ 199.52 | \$ 6,039.12 |
| 2047 | \$ 3,603.65 | \$ 2,235.53 | \$ 203.51 | \$ 6,042.69 |
| 2048 | \$ 3,827.44 | \$ 2,011.39 | \$ 207.58 | \$ 6,046.40 |
| 2049 | \$ 4,064.39 | \$ 1,773.32 | \$ 211.73 | \$ 6,049.44 |
| 2050 | \$ 4,317.79 | \$ 1,520.51 | \$ 215.97 | \$ 6,054.28 |
| 2051 | \$ 4,587.66 | \$ 1,251.95 | \$ 220.29 | \$ 6,059.89 |
| 2052 | \$ 4,870.68 | \$ 966.59 | \$ 224.69 | \$ 6,061.97 |
| 2053 | \$ 5,173.46 | \$ 663.64 | \$ 229.19 | \$ 6,066.28 |
| 2054 | \$ 5,495.97 | \$ 341.85 | \$ 233.77 | \$ 6,071.60 |
| Total | \$ 78,510.14 | \$ 96,649.87 | \$ 5,340.39 | \$ 180,500.40 |

Footnotes:

[a] Interest is calculated at a 6.22% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1 - IMPROVEMENT AREA #1
LOT TYPE 2 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller; to or from a governmental entity; or
- 8) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF CORPUS CHRISTI, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 2 PRINCIPAL ASSESSMENT: \$94,212.17

As the purchaser of the real property described above, you are obligated to pay assessments to City of Corpus Christi, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Whitecap Public Improvement District No. 1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Corpus Christi. The exact amount of each annual installment will be approved each year by the Corpus Christi City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Corpus Christi.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

COUNTY OF _____

§

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

COUNTY OF _____

§

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 2

| Installment Due 1/31 | Principal | Interest ^[a] | Annual Collection Costs | Total Annual Installments ^[b] |
|-------------------------|---------------------|-------------------------|----------------------------|---|
| 2025 | \$ 1,145.27 | \$ 5,860.00 | \$ 157.97 | \$ 7,163.23 |
| 2026 | \$ 1,216.35 | \$ 5,788.76 | \$ 161.13 | \$ 7,166.24 |
| 2027 | \$ 1,291.39 | \$ 5,713.10 | \$ 164.35 | \$ 7,168.84 |
| 2028 | \$ 1,374.32 | \$ 5,632.78 | \$ 167.64 | \$ 7,174.74 |
| 2029 | \$ 1,457.26 | \$ 5,547.30 | \$ 170.99 | \$ 7,175.54 |
| 2030 | \$ 1,548.09 | \$ 5,456.66 | \$ 174.41 | \$ 7,179.15 |
| 2031 | \$ 1,646.82 | \$ 5,360.36 | \$ 177.90 | \$ 7,185.08 |
| 2032 | \$ 1,749.50 | \$ 5,257.93 | \$ 181.46 | \$ 7,188.88 |
| 2033 | \$ 1,856.13 | \$ 5,149.11 | \$ 185.08 | \$ 7,190.32 |
| 2034 | \$ 1,974.60 | \$ 5,033.66 | \$ 188.79 | \$ 7,197.05 |
| 2035 | \$ 2,097.03 | \$ 4,910.84 | \$ 192.56 | \$ 7,200.43 |
| 2036 | \$ 2,227.35 | \$ 4,780.41 | \$ 196.41 | \$ 7,204.17 |
| 2037 | \$ 2,365.57 | \$ 4,641.87 | \$ 200.34 | \$ 7,207.78 |
| 2038 | \$ 2,511.69 | \$ 4,494.73 | \$ 204.35 | \$ 7,210.77 |
| 2039 | \$ 2,669.66 | \$ 4,338.50 | \$ 208.44 | \$ 7,216.60 |
| 2040 | \$ 2,835.53 | \$ 4,172.45 | \$ 212.60 | \$ 7,220.58 |
| 2041 | \$ 3,009.29 | \$ 3,996.08 | \$ 216.86 | \$ 7,222.23 |
| 2042 | \$ 3,198.85 | \$ 3,808.90 | \$ 221.19 | \$ 7,228.95 |
| 2043 | \$ 3,396.31 | \$ 3,609.93 | \$ 225.62 | \$ 7,231.86 |
| 2044 | \$ 3,609.57 | \$ 3,398.68 | \$ 230.13 | \$ 7,238.38 |
| 2045 | \$ 3,830.73 | \$ 3,174.17 | \$ 234.73 | \$ 7,239.62 |
| 2046 | \$ 4,071.63 | \$ 2,935.89 | \$ 239.43 | \$ 7,246.95 |
| 2047 | \$ 4,324.38 | \$ 2,682.64 | \$ 244.22 | \$ 7,251.23 |
| 2048 | \$ 4,592.92 | \$ 2,413.66 | \$ 249.10 | \$ 7,255.68 |
| 2049 | \$ 4,877.26 | \$ 2,127.98 | \$ 254.08 | \$ 7,259.33 |
| 2050 | \$ 5,181.35 | \$ 1,824.62 | \$ 259.16 | \$ 7,265.13 |
| 2051 | \$ 5,505.19 | \$ 1,502.34 | \$ 264.35 | \$ 7,271.87 |
| 2052 | \$ 5,844.82 | \$ 1,159.91 | \$ 269.63 | \$ 7,274.37 |
| 2053 | \$ 6,208.15 | \$ 796.37 | \$ 275.03 | \$ 7,279.54 |
| 2054 | \$ 6,595.17 | \$ 410.22 | \$ 280.53 | \$ 7,285.91 |
| Total | \$ 94,212.17 | \$ 115,979.85 | \$ 6,408.46 | \$ 216,600.48 |

Footnotes:

[a] Interest is calculated at a 6.22% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1 - IMPROVEMENT AREA #1
LOT TYPE 3 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF CORPUS CHRISTI, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 3 PRINCIPAL ASSESSMENT: \$106,219.61

As the purchaser of the real property described above, you are obligated to pay assessments to City of Corpus Christi, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Whitecap Public Improvement District No. 1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Corpus Christi. The exact amount of each annual installment will be approved each year by the Corpus Christi City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Corpus Christi.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

COUNTY OF _____

§

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 3

| Installment Due 1/31 | Principal | Interest ^[a] | Annual Collection Costs | Total Annual Installments ^[b] |
|-------------------------|----------------------|-------------------------|----------------------------|---|
| 2025 | \$ 1,291.23 | \$ 6,606.86 | \$ 178.10 | \$ 8,076.20 |
| 2026 | \$ 1,371.38 | \$ 6,526.54 | \$ 181.66 | \$ 8,079.59 |
| 2027 | \$ 1,455.98 | \$ 6,441.24 | \$ 185.30 | \$ 8,082.52 |
| 2028 | \$ 1,549.48 | \$ 6,350.68 | \$ 189.00 | \$ 8,089.17 |
| 2029 | \$ 1,642.98 | \$ 6,254.31 | \$ 192.78 | \$ 8,090.07 |
| 2030 | \$ 1,745.39 | \$ 6,152.11 | \$ 196.64 | \$ 8,094.14 |
| 2031 | \$ 1,856.71 | \$ 6,043.55 | \$ 200.57 | \$ 8,100.83 |
| 2032 | \$ 1,972.47 | \$ 5,928.06 | \$ 204.58 | \$ 8,105.12 |
| 2033 | \$ 2,092.69 | \$ 5,805.37 | \$ 208.67 | \$ 8,106.74 |
| 2034 | \$ 2,226.27 | \$ 5,675.21 | \$ 212.85 | \$ 8,114.32 |
| 2035 | \$ 2,364.29 | \$ 5,536.73 | \$ 217.10 | \$ 8,118.13 |
| 2036 | \$ 2,511.23 | \$ 5,389.68 | \$ 221.45 | \$ 8,122.35 |
| 2037 | \$ 2,667.07 | \$ 5,233.48 | \$ 225.88 | \$ 8,126.42 |
| 2038 | \$ 2,831.81 | \$ 5,067.59 | \$ 230.39 | \$ 8,129.79 |
| 2039 | \$ 3,009.91 | \$ 4,891.45 | \$ 235.00 | \$ 8,136.36 |
| 2040 | \$ 3,196.92 | \$ 4,704.23 | \$ 239.70 | \$ 8,140.85 |
| 2041 | \$ 3,392.83 | \$ 4,505.38 | \$ 244.49 | \$ 8,142.71 |
| 2042 | \$ 3,606.55 | \$ 4,294.35 | \$ 249.38 | \$ 8,150.28 |
| 2043 | \$ 3,829.18 | \$ 4,070.02 | \$ 254.37 | \$ 8,153.57 |
| 2044 | \$ 4,069.61 | \$ 3,831.85 | \$ 259.46 | \$ 8,160.92 |
| 2045 | \$ 4,318.96 | \$ 3,578.72 | \$ 264.65 | \$ 8,162.32 |
| 2046 | \$ 4,590.56 | \$ 3,310.08 | \$ 269.94 | \$ 8,170.58 |
| 2047 | \$ 4,875.52 | \$ 3,024.54 | \$ 275.34 | \$ 8,175.41 |
| 2048 | \$ 5,178.29 | \$ 2,721.29 | \$ 280.85 | \$ 8,180.43 |
| 2049 | \$ 5,498.88 | \$ 2,399.20 | \$ 286.46 | \$ 8,184.54 |
| 2050 | \$ 5,841.72 | \$ 2,057.17 | \$ 292.19 | \$ 8,191.08 |
| 2051 | \$ 6,206.83 | \$ 1,693.81 | \$ 298.04 | \$ 8,198.68 |
| 2052 | \$ 6,589.75 | \$ 1,307.75 | \$ 304.00 | \$ 8,201.49 |
| 2053 | \$ 6,999.38 | \$ 897.86 | \$ 310.08 | \$ 8,207.32 |
| 2054 | \$ 7,435.73 | \$ 462.50 | \$ 316.28 | \$ 8,214.51 |
| Total | \$ 106,219.61 | \$ 130,761.59 | \$ 7,225.23 | \$ 244,206.43 |

Footnotes:

[a] Interest is calculated at a 6.22% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1 - IMPROVEMENT AREA #1
LOT TYPE 4 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF CORPUS CHRISTI, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 4 PRINCIPAL ASSESSMENT: \$127,463.53

As the purchaser of the real property described above, you are obligated to pay assessments to City of Corpus Christi, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Whitecap Public Improvement District No. 1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Corpus Christi. The exact amount of each annual installment will be approved each year by the Corpus Christi City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Corpus Christi.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

COUNTY OF _____

§

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 4

| Installment Due 1/31 | Principal | Interest^[a] | Annual Collection Costs | Total Annual Installments^[b] |
|-----------------------------|----------------------|-------------------------------|--------------------------------|--|
| 2025 | \$ 1,549.48 | \$ 7,928.23 | \$ 213.72 | \$ 9,691.43 |
| 2026 | \$ 1,645.66 | \$ 7,831.85 | \$ 218.00 | \$ 9,695.51 |
| 2027 | \$ 1,747.17 | \$ 7,729.49 | \$ 222.36 | \$ 9,699.02 |
| 2028 | \$ 1,859.38 | \$ 7,620.82 | \$ 226.80 | \$ 9,707.00 |
| 2029 | \$ 1,971.58 | \$ 7,505.17 | \$ 231.34 | \$ 9,708.09 |
| 2030 | \$ 2,094.47 | \$ 7,382.53 | \$ 235.97 | \$ 9,712.97 |
| 2031 | \$ 2,228.05 | \$ 7,252.26 | \$ 240.69 | \$ 9,720.99 |
| 2032 | \$ 2,366.97 | \$ 7,113.67 | \$ 245.50 | \$ 9,726.14 |
| 2033 | \$ 2,511.23 | \$ 6,966.45 | \$ 250.41 | \$ 9,728.09 |
| 2034 | \$ 2,671.52 | \$ 6,810.25 | \$ 255.42 | \$ 9,737.19 |
| 2035 | \$ 2,837.15 | \$ 6,644.08 | \$ 260.53 | \$ 9,741.76 |
| 2036 | \$ 3,013.47 | \$ 6,467.61 | \$ 265.74 | \$ 9,746.82 |
| 2037 | \$ 3,200.48 | \$ 6,280.17 | \$ 271.05 | \$ 9,751.70 |
| 2038 | \$ 3,398.17 | \$ 6,081.10 | \$ 276.47 | \$ 9,755.75 |
| 2039 | \$ 3,611.89 | \$ 5,869.74 | \$ 282.00 | \$ 9,763.63 |
| 2040 | \$ 3,836.30 | \$ 5,645.08 | \$ 287.64 | \$ 9,769.02 |
| 2041 | \$ 4,071.40 | \$ 5,406.46 | \$ 293.39 | \$ 9,771.25 |
| 2042 | \$ 4,327.86 | \$ 5,153.22 | \$ 299.26 | \$ 9,780.34 |
| 2043 | \$ 4,595.01 | \$ 4,884.02 | \$ 305.25 | \$ 9,784.28 |
| 2044 | \$ 4,883.54 | \$ 4,598.21 | \$ 311.35 | \$ 9,793.10 |
| 2045 | \$ 5,182.75 | \$ 4,294.46 | \$ 317.58 | \$ 9,794.79 |
| 2046 | \$ 5,508.67 | \$ 3,972.09 | \$ 323.93 | \$ 9,804.70 |
| 2047 | \$ 5,850.63 | \$ 3,629.45 | \$ 330.41 | \$ 9,810.49 |
| 2048 | \$ 6,213.95 | \$ 3,265.54 | \$ 337.02 | \$ 9,816.51 |
| 2049 | \$ 6,598.65 | \$ 2,879.04 | \$ 343.76 | \$ 9,821.45 |
| 2050 | \$ 7,010.07 | \$ 2,468.60 | \$ 350.63 | \$ 9,829.30 |
| 2051 | \$ 7,448.20 | \$ 2,032.57 | \$ 357.65 | \$ 9,838.41 |
| 2052 | \$ 7,907.70 | \$ 1,569.30 | \$ 364.80 | \$ 9,841.79 |
| 2053 | \$ 8,399.26 | \$ 1,077.44 | \$ 372.09 | \$ 9,848.79 |
| 2054 | \$ 8,922.87 | \$ 555.00 | \$ 379.54 | \$ 9,857.41 |
| Total | \$ 127,463.53 | \$ 156,913.91 | \$ 8,670.27 | \$ 293,047.71 |

Footnotes:

[a] Interest is calculated at a 6.22% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1 - IMPROVEMENT AREA #1
LOT TYPE 5 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF CORPUS CHRISTI, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 5 PRINCIPAL ASSESSMENT: \$138,547.31

As the purchaser of the real property described above, you are obligated to pay assessments to City of Corpus Christi, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Whitecap Public Improvement District No. 1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Corpus Christi. The exact amount of each annual installment will be approved each year by the Corpus Christi City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Corpus Christi.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

COUNTY OF _____

§

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 5

| Installment Due 1/31 | Principal | Interest ^[a] | Annual Collection Costs | Total Annual Installments ^[b] |
|-------------------------|----------------------|-------------------------|----------------------------|---|
| 2025 | \$ 1,684.22 | \$ 8,617.64 | \$ 232.31 | \$ 10,534.17 |
| 2026 | \$ 1,788.76 | \$ 8,512.88 | \$ 236.95 | \$ 10,538.59 |
| 2027 | \$ 1,899.10 | \$ 8,401.62 | \$ 241.69 | \$ 10,542.42 |
| 2028 | \$ 2,021.06 | \$ 8,283.50 | \$ 246.53 | \$ 10,551.09 |
| 2029 | \$ 2,143.02 | \$ 8,157.79 | \$ 251.46 | \$ 10,552.27 |
| 2030 | \$ 2,276.60 | \$ 8,024.49 | \$ 256.48 | \$ 10,557.58 |
| 2031 | \$ 2,421.79 | \$ 7,882.89 | \$ 261.61 | \$ 10,566.29 |
| 2032 | \$ 2,572.79 | \$ 7,732.25 | \$ 266.85 | \$ 10,571.89 |
| 2033 | \$ 2,729.60 | \$ 7,572.23 | \$ 272.18 | \$ 10,574.01 |
| 2034 | \$ 2,903.83 | \$ 7,402.45 | \$ 277.63 | \$ 10,583.90 |
| 2035 | \$ 3,083.86 | \$ 7,221.83 | \$ 283.18 | \$ 10,588.87 |
| 2036 | \$ 3,275.51 | \$ 7,030.01 | \$ 288.84 | \$ 10,594.37 |
| 2037 | \$ 3,478.78 | \$ 6,826.27 | \$ 294.62 | \$ 10,599.68 |
| 2038 | \$ 3,693.67 | \$ 6,609.89 | \$ 300.51 | \$ 10,604.07 |
| 2039 | \$ 3,925.97 | \$ 6,380.15 | \$ 306.52 | \$ 10,612.64 |
| 2040 | \$ 4,169.89 | \$ 6,135.95 | \$ 312.65 | \$ 10,618.50 |
| 2041 | \$ 4,425.43 | \$ 5,876.59 | \$ 318.91 | \$ 10,620.92 |
| 2042 | \$ 4,704.20 | \$ 5,601.32 | \$ 325.28 | \$ 10,630.80 |
| 2043 | \$ 4,994.58 | \$ 5,308.72 | \$ 331.79 | \$ 10,635.09 |
| 2044 | \$ 5,308.19 | \$ 4,998.06 | \$ 338.43 | \$ 10,644.68 |
| 2045 | \$ 5,633.42 | \$ 4,667.89 | \$ 345.19 | \$ 10,646.51 |
| 2046 | \$ 5,987.69 | \$ 4,317.49 | \$ 352.10 | \$ 10,657.28 |
| 2047 | \$ 6,359.38 | \$ 3,945.06 | \$ 359.14 | \$ 10,663.57 |
| 2048 | \$ 6,754.30 | \$ 3,549.50 | \$ 366.32 | \$ 10,670.12 |
| 2049 | \$ 7,172.45 | \$ 3,129.39 | \$ 373.65 | \$ 10,675.48 |
| 2050 | \$ 7,619.64 | \$ 2,683.26 | \$ 381.12 | \$ 10,684.02 |
| 2051 | \$ 8,095.86 | \$ 2,209.32 | \$ 388.75 | \$ 10,693.93 |
| 2052 | \$ 8,595.32 | \$ 1,705.76 | \$ 396.52 | \$ 10,697.60 |
| 2053 | \$ 9,129.63 | \$ 1,171.13 | \$ 404.45 | \$ 10,705.20 |
| 2054 | \$ 9,698.78 | \$ 603.26 | \$ 412.54 | \$ 10,714.58 |
| Total | \$ 138,547.31 | \$ 170,558.60 | \$ 9,424.21 | \$ 318,530.12 |

Footnotes:

[a] Interest is calculated at a 6.22% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1 - IMPROVEMENT AREA #1
LOT TYPE 6 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF CORPUS CHRISTI, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 6 PRINCIPAL ASSESSMENT: \$166,256.78

As the purchaser of the real property described above, you are obligated to pay assessments to City of Corpus Christi, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Whitecap Public Improvement District No. 1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Corpus Christi. The exact amount of each annual installment will be approved each year by the Corpus Christi City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Corpus Christi.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

COUNTY OF _____

§

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 6

| Installment Due 1/31 | Principal | Interest^[a] | Annual Collection Costs | Total Annual Installments^[b] |
|-----------------------------|----------------------|-------------------------------|--------------------------------|--|
| 2025 | \$ 2,021.06 | \$ 10,341.17 | \$ 278.77 | \$ 12,641.00 |
| 2026 | \$ 2,146.51 | \$ 10,215.46 | \$ 284.34 | \$ 12,646.31 |
| 2027 | \$ 2,278.92 | \$ 10,081.95 | \$ 290.03 | \$ 12,650.90 |
| 2028 | \$ 2,425.27 | \$ 9,940.20 | \$ 295.83 | \$ 12,661.30 |
| 2029 | \$ 2,571.63 | \$ 9,789.35 | \$ 301.75 | \$ 12,662.72 |
| 2030 | \$ 2,731.92 | \$ 9,629.39 | \$ 307.78 | \$ 12,669.09 |
| 2031 | \$ 2,906.15 | \$ 9,459.47 | \$ 313.94 | \$ 12,679.55 |
| 2032 | \$ 3,087.35 | \$ 9,278.70 | \$ 320.22 | \$ 12,686.27 |
| 2033 | \$ 3,275.51 | \$ 9,086.67 | \$ 326.62 | \$ 12,688.81 |
| 2034 | \$ 3,484.59 | \$ 8,882.93 | \$ 333.15 | \$ 12,700.68 |
| 2035 | \$ 3,700.63 | \$ 8,666.19 | \$ 339.82 | \$ 12,706.64 |
| 2036 | \$ 3,930.62 | \$ 8,436.01 | \$ 346.61 | \$ 12,713.24 |
| 2037 | \$ 4,174.54 | \$ 8,191.53 | \$ 353.54 | \$ 12,719.61 |
| 2038 | \$ 4,432.40 | \$ 7,931.87 | \$ 360.62 | \$ 12,724.89 |
| 2039 | \$ 4,711.17 | \$ 7,656.18 | \$ 367.83 | \$ 12,735.17 |
| 2040 | \$ 5,003.87 | \$ 7,363.14 | \$ 375.18 | \$ 12,742.20 |
| 2041 | \$ 5,310.52 | \$ 7,051.90 | \$ 382.69 | \$ 12,745.11 |
| 2042 | \$ 5,645.04 | \$ 6,721.59 | \$ 390.34 | \$ 12,756.97 |
| 2043 | \$ 5,993.50 | \$ 6,370.47 | \$ 398.15 | \$ 12,762.11 |
| 2044 | \$ 6,369.83 | \$ 5,997.67 | \$ 406.11 | \$ 12,773.61 |
| 2045 | \$ 6,760.11 | \$ 5,601.47 | \$ 414.23 | \$ 12,775.81 |
| 2046 | \$ 7,185.23 | \$ 5,180.99 | \$ 422.52 | \$ 12,788.73 |
| 2047 | \$ 7,631.25 | \$ 4,734.07 | \$ 430.97 | \$ 12,796.29 |
| 2048 | \$ 8,105.16 | \$ 4,259.40 | \$ 439.59 | \$ 12,804.15 |
| 2049 | \$ 8,606.94 | \$ 3,755.26 | \$ 448.38 | \$ 12,810.58 |
| 2050 | \$ 9,143.57 | \$ 3,219.91 | \$ 457.35 | \$ 12,820.82 |
| 2051 | \$ 9,715.04 | \$ 2,651.18 | \$ 466.49 | \$ 12,832.71 |
| 2052 | \$ 10,314.39 | \$ 2,046.91 | \$ 475.82 | \$ 12,837.12 |
| 2053 | \$ 10,955.55 | \$ 1,405.35 | \$ 485.34 | \$ 12,846.24 |
| 2054 | \$ 11,638.53 | \$ 723.92 | \$ 495.05 | \$ 12,857.50 |
| Total | \$ 166,256.78 | \$ 204,670.32 | \$ 11,309.05 | \$ 382,236.15 |

Footnotes:

[a] Interest is calculated at a 6.22% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1 - IMPROVEMENT AREA #1
LOT TYPE 7 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF CORPUS CHRISTI, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 7 PRINCIPAL ASSESSMENT: \$221,675.70

As the purchaser of the real property described above, you are obligated to pay assessments to City of Corpus Christi, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Whitecap Public Improvement District No. 1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Corpus Christi. The exact amount of each annual installment will be approved each year by the Corpus Christi City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Corpus Christi.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

COUNTY OF _____

§
§
§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

COUNTY OF _____

§

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Nueces County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 7

| Installment Due 1/31 | Principal | Interest ^[a] | Annual Collection Costs | Total Annual Installments ^[b] |
|-------------------------|----------------------|-------------------------|----------------------------|---|
| 2025 | \$ 2,694.75 | \$ 13,788.23 | \$ 371.69 | \$ 16,854.67 |
| 2026 | \$ 2,862.01 | \$ 13,620.62 | \$ 379.12 | \$ 16,861.75 |
| 2027 | \$ 3,038.56 | \$ 13,442.60 | \$ 386.71 | \$ 16,867.87 |
| 2028 | \$ 3,233.70 | \$ 13,253.60 | \$ 394.44 | \$ 16,881.74 |
| 2029 | \$ 3,428.84 | \$ 13,052.46 | \$ 402.33 | \$ 16,883.63 |
| 2030 | \$ 3,642.56 | \$ 12,839.19 | \$ 410.38 | \$ 16,892.12 |
| 2031 | \$ 3,874.86 | \$ 12,612.62 | \$ 418.58 | \$ 16,906.07 |
| 2032 | \$ 4,116.46 | \$ 12,371.61 | \$ 426.95 | \$ 16,915.02 |
| 2033 | \$ 4,367.35 | \$ 12,115.56 | \$ 435.49 | \$ 16,918.41 |
| 2034 | \$ 4,646.12 | \$ 11,843.91 | \$ 444.20 | \$ 16,934.24 |
| 2035 | \$ 4,934.18 | \$ 11,554.92 | \$ 453.09 | \$ 16,942.19 |
| 2036 | \$ 5,240.82 | \$ 11,248.02 | \$ 462.15 | \$ 16,950.99 |
| 2037 | \$ 5,566.05 | \$ 10,922.04 | \$ 471.39 | \$ 16,959.48 |
| 2038 | \$ 5,909.87 | \$ 10,575.83 | \$ 480.82 | \$ 16,966.52 |
| 2039 | \$ 6,281.55 | \$ 10,208.24 | \$ 490.44 | \$ 16,980.23 |
| 2040 | \$ 6,671.83 | \$ 9,817.52 | \$ 500.25 | \$ 16,989.60 |
| 2041 | \$ 7,080.69 | \$ 9,402.54 | \$ 510.25 | \$ 16,993.47 |
| 2042 | \$ 7,526.72 | \$ 8,962.12 | \$ 520.46 | \$ 17,009.29 |
| 2043 | \$ 7,991.33 | \$ 8,493.96 | \$ 530.86 | \$ 17,016.15 |
| 2044 | \$ 8,493.11 | \$ 7,996.90 | \$ 541.48 | \$ 17,031.49 |
| 2045 | \$ 9,013.47 | \$ 7,468.62 | \$ 552.31 | \$ 17,034.41 |
| 2046 | \$ 9,580.30 | \$ 6,907.99 | \$ 563.36 | \$ 17,051.64 |
| 2047 | \$ 10,175.00 | \$ 6,312.09 | \$ 574.62 | \$ 17,061.72 |
| 2048 | \$ 10,806.88 | \$ 5,679.21 | \$ 586.12 | \$ 17,072.20 |
| 2049 | \$ 11,475.92 | \$ 5,007.02 | \$ 597.84 | \$ 17,080.78 |
| 2050 | \$ 12,191.42 | \$ 4,293.22 | \$ 609.80 | \$ 17,094.43 |
| 2051 | \$ 12,953.38 | \$ 3,534.91 | \$ 621.99 | \$ 17,110.29 |
| 2052 | \$ 13,752.52 | \$ 2,729.21 | \$ 634.43 | \$ 17,116.16 |
| 2053 | \$ 14,607.40 | \$ 1,873.80 | \$ 647.12 | \$ 17,128.33 |
| 2054 | \$ 15,518.04 | \$ 965.22 | \$ 660.06 | \$ 17,143.33 |
| Total | \$ 221,675.70 | \$ 272,893.76 | \$ 15,078.73 | \$ 509,648.19 |

Footnotes:

[a] Interest is calculated at a 6.22% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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October 31, 2024

Norton Rose Fulbright US LLP
98 San Jacinto Boulevard, Suite 1100
Austin, Texas 78701-4255
United States

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Fax +1 512 536 4598
nortonrosefulbright.com

DRAFT

IN REGARD to the authorization and issuance of the “City of Corpus Christi, Texas Special Assessment Revenue Bonds, Series 2024 (Whitecap Public Improvement District No. 1 Improvement Area #1 Project)” (the “Bonds”), dated October 31, 2024, in the principal amount of \$_____, we have examined the legality and validity of the issuance thereof by the City of Corpus Christi, Texas (the “City”) solely to express legal opinions as to the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, or the history or prospects of the collection of the Pledged Revenues, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds, and have not assumed any responsibility with respect thereto. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Indenture.

THE BONDS are issued in fully registered form only and mature, unless redeemed prior to maturity in accordance with the terms stated on the Bonds, on September 1 in each of the years specified in the Bonds, all in accordance with the Indenture of Trust (the “Indenture”), dated as of October 1, 2024, between the City and BOKF, NA, as trustee (the “Trustee”), approved by the City Council of the City pursuant to an ordinance (the “Ordinance”) adopted by the City Council of the City on October 15, 2024 authorizing the issuance of the Bonds. The Bonds accrue interest from the date, at the rates, and in the manner and interest is payable on the dates, all as provided in the Indenture.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings had in connection with the issuance of the Bonds, including the Indenture, the Ordinance and an examination of the initial Bond executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the City and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATION, we are of the opinion that, under applicable law of the United States of America and the State of Texas in force and effect on the date hereof:

Norton Rose Fulbright US LLP is a limited liability partnership registered under the laws of Texas.

Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright North Africa Inc are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients. Details of each entity, with certain regulatory information, are available at nortonrosefulbright.com.

1. The Bonds have been authorized, issued and delivered in accordance with law; that the Bonds are valid, legally binding and enforceable limited obligations of the City in accordance with their terms payable solely from a first and prior lien on the Trust Estate, except to the extent the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditors' rights generally.

2. Assuming continuing compliance after the date hereof by the City with the provisions of the Indenture and in reliance upon representations and certifications of the City made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, interest on the Bonds for federal income tax purposes (i) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date hereof, of the owners thereof pursuant to Section 103 of such Code, existing regulations, published rulings, and court decisions thereunder, and (ii) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

We express no opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Norton Rose Fulbright US LLP

APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF ISSUER

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**CITY OF CORPUS CHRISTI, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #1 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer, dated as of October 1, 2024 (this “Disclosure Agreement”), is executed and delivered by and among the City of Corpus Christi, Texas (the “Issuer”), P3Works, LLC (the “Administrator”), and BOKF, NA, acting solely in its capacity as dissemination agent (the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2024 (Whitecap Public Improvement District No. 1 Improvement Area #1 Project)” (the “Bonds”). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of October 1, 2024, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

“Additional Obligations” shall have the meaning assigned to such term in the Indenture.

“Administrator” shall have the meaning assigned to such term in the Indenture. The initial Administrator is P3Works, LLC.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Collections Report” shall mean any Annual Collections Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

“Annual Collections Report Filing Date” shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in subsection 4(a) of this Disclosure Agreement.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Annual Issuer Report” shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Annual Issuer Report Filing Date” shall mean, for each Fiscal Year, the date that is six (6) months after the end of the Issuer’s Fiscal Year, which Annual Issuer Report Filing Date is currently March 31.

“Annual Service Plan Update” shall have the meaning assigned to such term in the Indenture.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Collections Reporting Date” shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

“Delinquency Date” shall mean February 1 of the year following the year in which the Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

“Developer” shall mean Ashlar Interests, LLC, a Texas limited liability company, and its designated successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of October 1, 2024, executed and delivered by the Developer, the Administrator, and the Dissemination Agent.

“Disclosure Representative” shall mean the Finance Director or City Manager of the Issuer or his or her designee or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean BOKF, NA, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Whitecap Public Improvement District No. 1.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“Final Assessment Payment Date” shall mean the calendar day preceding the Delinquency Date.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the twelve-month period from October 1 through September 30.

“Improvement Area #1” shall have the meaning assigned to such term in the Indenture.

“Listed Events” shall mean any of the events listed in subsection 6(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Prepayment” shall have the meaning assigned to such term in the Indenture.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Tax Year” means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

“Trust Estate” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall have the meaning assigned to such term in the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2025, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Issuer Report Filing Date, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement. The Annual Issuer Report may, but is not required to, include the Audited Financial Statements and the failure to include the audited financial statements as a part of the Annual Issuer Report shall not violate the Issuer’s obligations under this Disclosure Agreement provided the Issuer provides its audited financial statements within twelve (12) months of the most recently ended Fiscal Year or, if the audited financial statements are not available within such twelve-month period, the Issuer provides unaudited financial statements within such twelve-month period, and provides audited financial statements when and if available. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer’s Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Annual Issuer Report Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Issuer Report Filing Date, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent together with written direction to file such Annual Issuer Report with the MSRB. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report from the Issuer, but in no event later than the Annual Issuer Report Filing Date for such Fiscal Year.

If by the fifth (5th) day before the Annual Issuer Report Filing Date the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the Annual Issuer Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report by the Annual Issuer Report Filing Date, state the date by which the Annual Issuer Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Issuer Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Issuer Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Issuer Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Issuer Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to the Annual Issuer Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the applicable Annual Issuer Report Filing Date.

- (b) The Issuer shall or shall cause the Dissemination Agent pursuant to written direction to:
 - (i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report; and
 - (ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof.

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall provide written confirmation to the Issuer verifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which report shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Issuer Report Filing Date, the following:

(a) Annual Financial Information. The following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date(s), the interest rate(s), the original aggregate principal amount(s), the principal amount(s) remaining Outstanding, and the total interest amount due on the aggregate principal amount Outstanding;

(B) The amounts in the funds and accounts securing the Bonds and a description of the related investments;

(C) The assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Sections 4(a)(ii) of Exhibit B attached hereto. Such information shall be provided as of the end of the reporting Fiscal Year;

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update;

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) Audited Financial Statements. The audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer and that have been audited by an independent certified public accountant, *but only if* available by the Annual Issuer Report Filing Date. If the audited financial statements of the Issuer are not available within twelve months after the end of the Fiscal Year, the Issuer shall provide notice that the audited financial statements are not available, file unaudited financial statements within such twelve-month period, and file audited financial statements when prepared and available.

(c) A form for submitting the information described in subsection 4(a) above is attached as Exhibit B hereto. Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Issuer Reports under this Section 4.

SECTION 5. Annual Collections Report.

(a) For each Fiscal Year succeeding the reporting Fiscal Year, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Collections Report Filing Date, an Annual Collections Report provided to the Dissemination Agent which complies with the requirements specified in this Section 5; provided that the Issuer may provide the Annual Collections Report as part of the Annual Issuer Report, if such Annual Collections Report is available when the Annual Issuer Report is provided to the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Collections Report Filing Date, the Issuer shall provide the Annual Collections Report to the Dissemination Agent together with written direction to file such Annual Collections Report with the MSRB. The Dissemination Agent shall provide such Annual Collections Report to the MSRB not later than ten (10) days from receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5th) day before the Annual Collections Report Filing Date the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A hereto; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Collections Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Collections Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Collections Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to the Annual Collections Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the applicable Annual Collections Report Filing Date.

(b) The Annual Collections Report for the Bonds shall contain, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Collections Report Filing Date, certain financial information and operating data with respect to collection of the Assessments of the general type and in substantially similar form to that shown in the tables provided in Exhibit C attached hereto. Such information shall cover the period beginning the first (1st) day of the

Fiscal Year succeeding the reporting Fiscal Year through the Collections Reporting Date. If the State Legislature amends the definition of Delinquency Date or Tax Year, the City shall file notice of such change or changes with the MSRB prior to the next Annual Collections Report Filing Date. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Collections Report. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Collections Report under this Section 5.

SECTION 6. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 6, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Developer of real property within Improvement Area #1 in the ordinary course of the Developer's business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the incurrence of Additional Obligations without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 6 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than three (3) Business Days immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information.

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Trustee, any Owner or beneficial owner of any interests in the Bonds, or any other party as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 7. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within 30 days of such discharge. The Dissemination Agent may resign at any time with 30 days’ written notice to the Issuer. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination appointed hereunder shall be BOKF,

NA, Houston, Texas. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer. The Dissemination Agent may resign at any time with thirty (30) days' written notice to the Issuer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5, or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(a), and (ii) the Annual Financial Information for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such

information or include it in any future Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Dissemination Agent (at the written request of the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Developer and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #1, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Issuer Report in accordance with subsection 3(a) or the Annual Collections Report in accordance with subsection 5(a), the Dissemination Agent shall not be responsible for the failure to submit an Annual Issuer Report or an Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #1, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds, or any other document related to the Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications. The Dissemination Agent and the Administrator, each individually, make the following representation and verifications to enable the Issuer to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator, as the case may be, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification prior to the expiration or earlier termination of this Disclosure Agreement shall survive until barred by the applicable

statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

(a) *Not a Sanctioned Company.* The Dissemination Agent and the Administrator, each individually, represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent and the Administrator and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) *No Boycott of Israel.* The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) *No Discrimination Against Firearm Entities.* The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) *No Boycott of Energy Companies.* The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. *Disclosure of Interested Parties.* Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator’s participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 21. Governing Law and Venue. This Disclosure Agreement shall be governed by the laws of the State of Texas. Venue of any action to enforce the rights and privileges existing under this Disclosure Agreement shall be brought in the state district court of Nueces County, Texas.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Issuer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

CITY OF CORPUS CHRISTI, TEXAS

By: _____
City Manager

BOKF, NA
(as Dissemination Agent)

By: _____
Authorized Officer

P3Works, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL ISSUER REPORT][ANNUAL COLLECTIONS REPORT]
[AUDITED/UNAUDITED FINANCIAL STATEMENTS]**

Name of Issuer: City of Corpus Christi, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024
(Whitecap Public Improvement District No. 1 Improvement Area
#1 Project) (the “Bonds”)
CUSIP Nos. [insert CUSIP Nos.]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that the City of Corpus Christi, Texas (the “Issuer”), has not provided [an Annual Issuer Report][an Annual Collections Report][audited/unaudited financial statements] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of October 1, 2024, by and among the Issuer, P3Works, LLC., as “Administrator,” and BOKF, NA, as “Dissemination Agent.” The Issuer anticipates that [the Annual Issuer Report][the Annual Collections Report][audited/unaudited financial statements] will be filed by _____.

Dated: _____

BOKF, NA, on behalf of the City of Corpus
Christi, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Corpus Christi, Texas

EXHIBIT B

**CITY OF CORPUS CHRISTI, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #1 PROJECT)**

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: BOKF, NA
Address: [_____]]
City: []
Telephone: () ___-____
Contact Person: Attn: _____

Section 4(a)(i)(A)

BONDS OUTSTANDING

| Maturity Date | Interest Rate | Original Principal Amount | Outstanding Principal Amount | Outstanding Interest Amount |
|---------------|---------------|---------------------------|------------------------------|-----------------------------|
| | | | | — |
| | | | | — |
| Total | | | | |

Section 4(a)(i)(B)

INVESTMENTS

| Fund/ Account Name | Investment Description | Par Value ⁽¹⁾ | Book Value ⁽¹⁾ | Market Value ⁽¹⁾ |
|--------------------|------------------------|--------------------------|---------------------------|-----------------------------|
| | | | | |
| | | | | |

⁽¹⁾ According to account balance statement dated as of [insert date] as provided by the Trustee.

*Excluding audited financial statements of the Issuer

Section 4(a)(i)(C)

ASSETS AND LIABILITIES OF TRUST ESTATE

| Cash Position of Trust Estate for statements dated September 30, 20[] | | |
|---|--------------------|-------|
| [List of Funds/Accounts Held Under Indenture] | Amount In the Fund | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total | | A |
| | | |
| Bond Principal Amount Outstanding | | B |
| Outstanding Assessment Amount to be collected | | C |
| | | |
| Net Position of Trust Estate and Outstanding Bonds and Assessments | | A-B+C |

September 30, 20[] Trust Statements: Audited Unaudited

Accounting Type: Cash Accrual Modified Accrual

Section 4(a)(ii)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

| <u>Year Ending</u> <u>(September 30)</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|------------------|-----------------|--------------|
|---|------------------|-----------------|--------------|

Top [Five] Assessment Payers in Improvement Area #1 ⁽¹⁾

| <u>Property Owner</u> | <u>No. of Parcels/Lots</u> | <u>Percentage of</u> <u>Parcels/Lots</u> | <u>Outstanding</u> <u>Assessments</u> | <u>Percentage of Total</u> <u>Assessments</u> |
|-----------------------|----------------------------|---|--|--|
|-----------------------|----------------------------|---|--|--|

⁽¹⁾ Does not include those owing less than one percent (1%) of total Assessments; may be fewer than five.

Assessed Value of Improvement Area #1 of the District

The [YEAR] certified total assessed value for the Assessed Property in Improvement Area #1 of the District is approximately \$[AMOUNT] according to the Nueces County Appraisal District.

Foreclosure History Related to the Assessments for the Past Five Fiscal Years

| Fiscal Year Ended (9/30) | Delinquent Assessment Amount not in Foreclosure Proceedings | Parcels in Foreclosure Proceedings | Delinquent Assessment Amount in Foreclosure Proceedings | Foreclosure Sales | Foreclosure Proceeds Received |
|--------------------------|---|------------------------------------|---|-------------------|-------------------------------|
| 20__ | \$ | | \$ | | \$ |
| 20__ | | | | | |
| 20__ | | | | | |
| 20__ | | | | | |
| 20__ | | | | | |

[insert any necessary footnotes]

Collection and Delinquency History of Annual Installments for the Past Five Fiscal Years

| Fiscal Year Ended (9/30) | Total Annual Installment Billed | Parcels Levied ⁽¹⁾ | Delinquent Amount as of 3/1 | Delinquent % as of 3/1 | Delinquent Amount as of [9/1] | Delinquent % as of [9/1] | Total Assessments Collected ⁽²⁾ |
|--------------------------|---------------------------------|-------------------------------|-----------------------------|------------------------|-------------------------------|--------------------------|--|
| 20__ | \$ | | \$ | % | \$ | % | \$ |
| 20__ | | | | | | | |
| 20__ | | | | | | | |
| 20__ | | | | | | | |
| 20__ | | | | | | | |

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽²⁾ [Does/does not] include interest and penalties.

Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Annual Installments Due

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of Annual Installments due, a list of parcel numbers for which the Annual Installments are delinquent.

| Fiscal Year Ended (9/30) | Delinquent % as of 9/1 | Parcel Numbers |
|--------------------------|------------------------|----------------|
| 20__ | % | |
| 20__ | | |
| 20__ | | |
| 20__ | | |
| 20__ | | |

History of Prepayment of Assessments for the Past Five Fiscal Years

| Fiscal Year Ended (9/30) | Number of Prepayments | Amount of Prepayments | Bond Call Date | Amount of Bonds Redeemed |
|--------------------------|-----------------------|-----------------------|----------------|--------------------------|
| 20__ | | \$ | | \$ |
| 20__ | | | | |
| 20__ | | | | |
| 20__ | | | | |
| 20__ | | | | |

[insert any necessary footnotes]

ITEMS REQUIRED BY SECTION 4(a)(iii) - (iv)

[Insert a line item for each applicable listing]

EXHIBIT C

**CITY OF CORPUS CHRISTI, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #1 PROJECT)**

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: BOKF, NA
Address: [_____] _____
City: [_____, Texas _____]
Telephone: (____) ____ - ____
Contact Person: Attn: _____

**SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO
THE COLLECTION OF ASSESSMENTS COVERING THE PERIOD BEGINNING WITH
THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL
YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN
COMPLIANCE WITH SUBSECTION 5(A) OF THE ISSUER'S DISCLOSURE
AGREEMENT**

Foreclosure History Related To The Annual Installments⁽¹⁾

| Succeeding Fiscal Year | Delinquent Annual Installment Amount not in Foreclosure Proceedings | Parcels in Foreclosure Proceedings | Delinquent Annual Installment Amount in Foreclosure Proceedings | <u>Foreclosure Sales</u> | Foreclosure Proceeds <u>Received</u> |
|---------------------------|--|--|--|------------------------------|---|
| 20 | \$ | | \$ | | \$ |

(i) Period covered includes October 1, 20__ through March 1, 20__.

Collection and Delinquency of Annual Installments ⁽¹⁾

| <u>Succeeding Fiscal Year</u> 20__ | <u>Total Annual Installments Levied</u> \$ | <u>Parcels Levied</u> ⁽²⁾ | <u>Delinquent Amount as of 3/1</u> \$ | <u>Delinquent % as of 3/1</u> % | <u>Total Annual Installments Collected</u> ⁽³⁾ \$ |
|---|---|--|--|--|---|
|---|---|--|--|--|---|

⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

⁽²⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽³⁾ [Does/does not] include interest and penalties.

Prepayment of Assessments ⁽¹⁾

| <u>Succeeding Fiscal Year</u> | <u>Number of Prepayments</u> | <u>Amount of Prepayments</u> \$ | <u>Bond Call Date</u> | <u>Amount of Bonds Redeemed</u> \$ |
|-----------------------------------|----------------------------------|--|-----------------------|---|
|-----------------------------------|----------------------------------|--|-----------------------|---|

⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

EXHIBIT D

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES¹

| <u>Date</u> | <u>Delinquency Clock (Days)</u> | <u>Activity</u> |
|---------------|-------------------------------------|---|
| January 31 | | Assessments are due. |
| February 1 | 1 | Assessments delinquent if not received. |
| | 15 | Upon receipt, but no later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies. Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. Issuer and Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September. |
| March 15 | 43/44 | Trustee pays bond interest payments to Owners. |
| April 1 | 59/60 | At this point, if total delinquencies are under 5% and if there is adequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account for full September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund. |
| July 1 | 152/153 | If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for |

¹ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33, and 34, Texas Tax Code, as amended (the "Code"), and the Tax Assessor/Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas, an amendment to the Code, or otherwise, such modifications shall control.

transfer to the Principal and Interest Account of such amounts as shall be required for the full September payment, Issuer and/or Administrator to notify Dissemination Agent in writing for inclusion in the next Annual Report.

Preliminary Foreclosure activity commences in accordance with Tax Assessor/Collector's procedures.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.

August 15

197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent and the Trustee. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court as soon as practicable, in accordance with the Tax Assessor/Collector's procedures.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing for inclusion in next Annual Report.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the Issuer to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

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**CITY OF CORPUS CHRISTI, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(WHITECAP PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of October 1, 2024 (this “Disclosure Agreement”), is executed and delivered by and among Ashlar Interests, LLC, a Texas limited liability company (the “Developer”), P3Works, LLC (the “Administrator”), and BOKF, NA, acting solely in its capacity as dissemination agent (the “Dissemination Agent”) with respect to the captioned bonds (the “Bonds”). The Developer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust, dated as of October 1, 2024, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

“Administrator” shall have the meaning assigned to such term in the Indenture. The Issuer has selected P3Works, LLC, as the initial Administrator.

“Affiliate” shall mean an entity that owns property within Improvement Area #1 of the District and is controlled by, controls, or is under common control with the Developer, which may include any Homebuilder.

“Amenities” shall mean the community pool with a children’s water play area and restrooms, the fitness center, and the preserve nature area to be constructed by the Developer within the District and to be owned and/or operated by a homeowners’ association.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Certification Letter” shall mean a certification letter provided by the Developer or Homebuilder, if any, pursuant to Section 3, in substantially the form attached as Exhibit D.

“Developer” shall mean Ashlar Interests, LLC, a Texas limited liability company, its successors and assigns, including any Affiliate of the Developer.

“Developer Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of Issuer with respect to the Bonds dated as of even date herewith executed and delivered by the Issuer, the Administrator, and the Dissemination Agent.

“Dissemination Agent” shall mean BOKF, NA, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer, and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean the Whitecap Public Improvement District No. 1.

“EMMA” shall mean the Electronic Municipal Market Access System administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at <http://emma.msrb.org>.

“Homebuilder” shall mean any merchant homebuilder who enters into an Lot Purchase Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

“Improvement Area #1” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1 Improvements” shall have the meaning assigned to such term in the Indenture.

“Issuer” shall mean the City of Corpus Christi, Texas.

“Landowner” shall mean Diamond Beach Holdings, a Texas limited liability company, its successors and assigns, including any Affiliate of the Landowner.

“Listed Events” shall mean, collectively, Developer Listed Events and Significant Homebuilder Listed Events.

“Lot Purchase Agreement” shall mean, with respect to lots or land within Improvement Area #1 of the District, any agreement between a Homebuilder and the Landowner to purchase lots or to purchase land.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Parcel” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Person” shall have the meaning assigned to such term in the Indenture.

“Quarterly Ending Date” shall mean each March 31, June 30, September 30 and December 31, beginning March 31, 2025.

“Quarterly Filing Date” shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being February 15, May 15, August 15, November 15.

“Quarterly Information” shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

“Quarterly Report” shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

“Reporting Party” shall mean, collectively, the Developer and any Significant Homebuilder who has acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Significant Homebuilder” shall mean a Homebuilder that then owns 20 or more of the single family residential lots within Improvement Area #1.

“Significant Homebuilder Listed Events” shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

“Trustee” shall have the meaning assigned to such term in the Indenture.

SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder that is a Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to Section 3(d) (with respect to each Reporting Party, the “Quarterly Information”). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party’s obligations terminate pursuant to Section 7 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder, and (ii) the Developer shall remain obligated to provide Quarterly Information with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of

assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) no later than twenty (20) days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any necessary changes to the applicable Quarterly Information or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any necessary changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than thirty (30) days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly Information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Parties pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than twenty (20) days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and authorize the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report. The Developer agrees that each Lot Purchase Agreement that is executed with a Homebuilder after the date hereof will contain a provision obligating the applicable Homebuilder to provide the Developer the information required by Section 3(d) as and when required for the Developer to comply with its obligations hereunder.

(c) The Administrator shall provide to the Dissemination Agent, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in Section 3(d), the Certification Letter(s), if applicable, and written direction to the Dissemination Agent to file such report with the MSRB. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided

complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Each Quarterly Report shall consist of the information listed in Exhibit A attached hereof.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #1 on a Parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Area #1 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within Improvement Area #1, including the Improvement Area #1 Improvements, and the Amenities;

(iii) Material default by the Developer or any of the Developer's Affiliates on any loan with respect to the acquisition, development, or permanent financing of Improvement Area #1 undertaken by the Developer or any of the Developer's Affiliates;

(iv) Material default by the Developer or any of Developer's Affiliates on any loan secured by property within Improvement Area #1 owned by the Developer or any of the Developer's Affiliates;

(v) The bankruptcy, insolvency, or similar filing of the Developer or any of the Developer's Affiliates or any determination that the Developer or any of the Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's Affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages in excess of \$1,000,000 against the Developer or any of the Developer's Affiliates that may adversely affect the completion of development of Improvement Area #1, or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any material change in the legal structure, chief executive officer, or controlling ownership of the Developer; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 hereof; and

(x) Early termination of or material default by a Homebuilder under a Lot Purchase Agreement.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #1 on a lot or Parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area #1 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency, or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any material change in the type of legal entity, chief executive officer, or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Lot Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 herein.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the

Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Developer and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if such Reporting Party is providing Quarterly Information on behalf of any other Reporting Party.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written authorization of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the Reporting Party desires for the Dissemination Agent to disseminate the information.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations of Developer.

The Developer shall cause each Person who, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Improvements, or the Amenities to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement. The Developer shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgement from each Person who assumes the obligations, requirements, or covenants to

construct one or more of the Improvement Area #1 Improvements or Amenities in substantially the form attached as Exhibit E (the “Developer Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person’s delivery of written acknowledgement of assumption of Developer’s obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall require that any Person comply with obligations of this Section 5 with respect to any subsequent transfers by such Person to any individual or entity meeting the definition of a “Developer” in the future.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilder.

(a) If a Homebuilder acquires ownership of real property in Improvement Area #1 resulting in such Homebuilder becoming a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer’s disclosure obligations under Section 3 and Section 4(b) hereof, with respect to such acquired real property, until such party’s disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Developer may elect in the future to cause such Significant Homebuilder to comply with the Developer’s disclosure obligations, as described in (i) above.

(b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer’s disclosure obligations, as described in (i) above, the Developer shall deliver to the Dissemination Agent, Administrator and the Issuer a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit E (the “Significant Homebuilder Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) above. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder’s delivery of written acknowledgement of assumption of the Developer’s obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered to the Dissemination Agent, Administrator, the Issuer and the MSRB, in accordance with this Section 6(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall use commercially reasonable efforts to

require that any Significant Homebuilder comply with obligations of this Section 6 with respect to any subsequent transfers by such Significant Homebuilder to any individual or entity meeting the definition of a “Significant Homebuilder” in the future, including the requirement, pursuant to Section 4(b)(vi) above, to direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Section 4(e) above.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer or any Significant Homebuilder under this Disclosure Agreement shall terminate upon the earliest of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer or such Significant Homebuilder, including their respective affiliates and/or successors and assigns, no longer owns 20 or more single family residential lots within Improvement Area #1, as of each Quarterly Ending Date, or (iii) the Issuer’s issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Developer or such Significant Homebuilder, including their respective Affiliates and/or successors and assigns, respectively; provided, however, if the Developer elects to provide any or all Quarterly Information on behalf of a Significant Homebuilder in accordance with Section 6(a) above, the reporting obligations of the Developer under this Disclosure Agreement shall terminate upon the earliest of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns, collectively no longer own 20 or more single family residential lots within Improvement Area #1, as of each Quarterly Ending Date, or (iii) the Issuer’s issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party’s reporting obligations under this Disclosure Agreement (the “Termination Notice”). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties’ reporting obligations in accordance with subsection (a) of this Section 7 and any Termination Notice required by subsection (b) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist the Developer, any Person that has executed a Developer Acknowledgement pursuant to Section 5 hereof, or any Significant Homebuilder

that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof in carrying out their obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time with thirty (30) days' notice to the Issuer, the Developer, and the Administrator; provided, however, that if the Dissemination Agent is serving in the same capacity under the Disclosure Agreement of Issuer, the Dissemination Agent shall resign under the Disclosure Agreement of Issuer simultaneously with its resignation hereunder; provided, further, that if the Issuer is the Dissemination Agent, the Issuer may not resign without first appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each of the Developer, any Person that has executed a Developer Acknowledgement pursuant to Section 5 hereof, or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof of any change in the identity of the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be BOKF, NA.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator, and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Developer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Developer or any Significant Homebuilder, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into in accordance with this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Developer or any Significant Homebuilder from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If the Developer or Significant Homebuilder chooses to include any information

in any Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, the Developer or the Significant Homebuilder, as applicable, shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided hereunder.

SECTION 12. Default. In the event of a failure of the Developer, any Significant Homebuilder, or the Administrator to comply with any provision of this Disclosure Agreement, (i) the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and (ii) at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction, the Dissemination Agent shall take such actions as may be necessary and appropriate to cause the Developer, Significant Homebuilder, and/or the Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Developer, Significant Homebuilder, or the Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by the Developer or any Significant Homebuilder, as applicable, shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by the Developer, any Significant Homebuilder, or the Administrator. Additionally, a default by the Developer of its obligations under this Disclosure Agreement shall not be deemed a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement; and, likewise, a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement shall not be deemed a default of the Developer of the Developer's obligations under this Disclosure Agreement.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by the Developer, Significant Homebuilder, and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the

performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to hold harmless the Administrator, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence, or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 12 WITH RESPECT TO THE DISSEMINATION AGENT.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation, or agreement of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of

any present or future officer, agent, or employee of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder, or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act, or action, or part thereof, is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof, shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Developer, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Improvement Area #1, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any written notice required to be given or made hereunder among or between any of the Parties and/or Participating Underwriter, shall be given or made by e-mail, facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered

by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such notice. Failure of any party to this Disclosure Agreement or Significant Homebuilder to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such party or Significant Homebuilder under this Disclosure Agreement.

If to Developer: c/o Ashlar Interests, LLC
Attn: Steve Yetts
400 Las Colinas Blvd., E., Suite 1075
Irving, Texas 75039
E-mail: syetts@ashlardev.com

With a copy to: Shupe Ventura PLLC
Attn: Misty Ventura
9406 Biscayne Blvd.
Dallas, Texas 75218
E-mail: misty.ventura@svlandlaw.com

If to the Dissemination Agent or Trustee: BOKF
Attn: Rachel Roy
1401 McKinney Street, Suite 1000
Houston, Texas 77010
Fax No.: 713-470-5467
Email: rachel.roy@bankoftexas.com

If to Administrator: P3Works, LLC
9284 Huntington Square, Ste 100
North Richland Hills, Texas 76182
E-mail: admin@p3-works.com

If to the Issuer: City of Corpus Christi, Texas
Attn: City Manager's Office
P.O. Box 9277
Corpus Christi, Texas 78469-9277
E-mail: ElsyB@cctexas.com

If to Participating Underwriter: FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034
E-mail: Tdavenport@fmsbonds.com

SECTION 21. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

BOKF, NA,
Dissemination Agent

By: _____
Authorized Officer

DEVELOPER:

Ashlar Interests, LLC, a Texas limited liability
company

By: _____
Steve Yetts, Manager

P3Works, LLC,
Administrator

By: _____

Name: _____

Title: _____

EXHIBIT A

**CITY OF CORPUS CHRISTI, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(WHITECAP PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #1 PROJECT)**

**DEVELOPER QUARTERLY REPORT
[INSERT QUARTERLY ENDING DATE]**

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: BOKF, NA
Address: 1401 McKinney Street, Suite 1000
Email: rachel.roy@bankoftexas.com
City: Houston, Texas 77010
Telephone: _____
Contact Person: Attn: Rachel Roy

I. Expenditures Paid from Accounts under Indenture

TOTAL BUDGETED COSTS REQUIRED TO COMPLETE IMPROVEMENT AREA #1 IMPROVEMENTS: \$ _____

Of the budgeted costs for Improvement Area #1 Improvements shown in the Service and Assessment Plan:

1. Actual costs drawn from the Improvement Area #1 Improvements Account:
\$ _____

II. Status of Improvement Area #1 Improvements

Projected/actual completion date of the Improvement Area #1 Improvements

1. Actual/Expected date of completion of the Improvement Area #1 Improvements:

2. If applicable, explanation of any delay/change in projected completion date since last Quarterly Report was filed: _____

III. Unit Mix in Improvement Area #1

| <u>Product Type</u> | <u>Number of Units</u> |
|----------------------------|-------------------------------|
| Villa | |
| Villa + | |
| Standard | |
| Standard + | |
| Medium | |
| Medium + | |
| Large + | |

IV. Lot Status in Improvement Area #1

Of the 199 lots in Improvement Area #1, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 199
2. Planned lots as of the date of this Quarterly Report: _____
3. Lots developed: _____
4. Lots platted: _____
5. Expected completion date of all lots in Improvement Area #1 (if incomplete):

V. Ownership of Lots/Units in Improvement Area #1

PLANNED LOTS IN IMPROVEMENT AREA #1: 199

Of the 199 lots in Improvement Area #1:

1. Number of lots owned by the Landowner: _____
2. Number of lots under contract but not closed to Homebuilder(s): _____
3. Number of lots owned by all Homebuilder(s): _____¹
 - a. Number of lots owned by [*insert name of Homebuilder*]: _____²
 - b. Number of lots owned by [*insert name of Homebuilder*]: _____
4. Number of units owned by homeowners: _____

VI. Home Sales Information in Improvement Area #1

PLANNED HOMES IN IMPROVEMENT AREA #1: 199

Of the 199 homes planned for Improvement Area #1:

1. How many total building permits were issued **during the current quarter?** _____
 - a. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____²

¹ If Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Developer is not using EMMA filing assistance software, Developer shall prepare a chart containing such Quarterly Information.

² Include a line item for each individual Homebuilder.

- b. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____²
- 2. How many total homes have closed with homebuyers **during the current quarter?**
 - a. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: _____²
 - b. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: _____³
- 3. How many total homes have closed with homebuyers **cumulatively?** _____
 - a. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____³
 - b. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____³

VII. Amenities

TOTAL [EXPECTED/ACTUAL] COSTS OF AMENITIES: \$ _____

Of the \$ _____ [expected/actual] costs of the Amenities:

- 1. Amount spent as of Quarterly Ending Date: \$ _____
- 2. [Actual/Expected] completion date of Amenities: _____

VIII. Material Changes

Describe any material changes, if applicable:

- 1. **Permits and Approvals** - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
- 2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
- 3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
- 4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Lot Purchase Agreement, has there been any sale, assignment or transfer of ownership of

³ Include a line item for each individual Homebuilder.

lands subject to the Assessments securing the Bonds by the Landowner to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgement pursuant to the Disclosure Agreement?

5. **Reserved.**
6. **Amendments** – Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.
7. **Other** – Provide any other material information that should be disclosed.

EXHIBIT B

**NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]**

[DATE]

Name of Issuer: City of Corpus Christi, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024 (Whitecap Public Improvement District No. 1 Improvement Area #1 Project) (the “Bonds”)
CUSIP Numbers: [insert CUSIP Numbers]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that _____, a _____ (the [“Developer⁴”] [“Significant Homebuilder”]) has not provided the [Quarterly Information][Quarterly Report] for the period ending on [Insert Quarterly Ending Date] with respect to the Bonds as required by the Continuing Disclosure Agreement of Developer related to such Bonds, by and among Ashlar Interests, LLC, a Texas limited liability company (the “Developer”), P3Works, LLC, as Administrator, and BOKF, NA, as Dissemination Agent. The [Developer][Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

BOKF, NA,
on behalf of the Developer,
as Dissemination Agent

By: _____

Title: _____

cc: City of Corpus Christi, Texas

⁴ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: City of Corpus Christi, Texas
 Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024 (Whitecap Public Improvement District No. 1 Improvement Area #1 Project) (the “Bonds”)
 CUSIP Numbers. [insert CUSIP Numbers]
 Date of Delivery: _____, 20__

FMSbonds, Inc.
 5 Cowboys Way, Suite 300-25
 Frisco, Texas 75034

BOKF, NA
 Attn: Rachel Roy
 1401 McKinney Street, Suite 1000
 Houston, Texas 77010

City of Corpus Christi, Texas
 1201 Leopard St.
 Corpus Christi, Texas 78401

Ashlar Interests, LLC
 400 Las Colinas Blvd. E, Suite 1075
 Irving, Texas 75039

[Significant Homebuilder]

NOTICE IS HEREBY GIVEN that that _____, a _____ (the [“Developer¹”] [“Significant Homebuilder”]) is no longer responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the Bonds, thereby terminating such party’s reporting obligations under the Continuing Disclosure Agreement of Developer related to such Bonds, by and among Ashlar Interests, LLC, a Texas limited liability company (the “Developer”), P3Works, LLC, as Administrator, and BOKF, NA, as Dissemination Agent.

Dated: _____

P3Works, LLC
 on behalf of the [Developer] [Significant Homebuilder],
 as Administrator)

By: _____

Title: _____

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer: City of Corpus Christi, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024 (Whitecap Public Improvement District No. 1 Improvement Area #1 Project)
CUSIP Numbers: [insert CUSIP Numbers]
Quarterly Ending Date: _____, 20__

Re: Quarterly Report for Whitecap Public Improvement District No. 1 – Improvement Area #1

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer related to the captioned Bonds by and among Ashlar Interests, LLC, a Texas limited liability company¹ (the “Developer”), P3Works, LLC, as Administrator, and BOKF, NA, as Dissemination Agent, this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][_____, as a “Significant Homebuilder”], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [Insert Quarterly Ending Date], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

Ashlar Interests, LLC, a Texas limited liability company

By: _____
[Steve Yetts, Manager]

[OR

SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)

By: _____
Title: _____]

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT E

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF DEVELOPER REPORTING OBLIGATIONS**

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Whitecap Public Improvement District No. 1 – Improvement Area #1 – Continuing Disclosure Obligation

Dear _____,

Per [*Insert name of applicable agreement*], as of _____, 20__ , you have been assigned and have assumed the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Improvements or Amenities (as those terms are defined in the Disclosure Agreement of Developer (as defined herein) within Improvement Area #1 of the Whitecap Public Improvement District No. 1 (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer (the “Disclosure Agreement of Developer”) by and among Ashlar Interests, LLC, a Texas limited liability company (the “Developer”), P3Works, LLC (the “Administrator”), and BOKF, NA (the “Dissemination Agent”), with respect to the “City of Corpus Christi, Texas, Special Assessment Revenue Bonds, Series 2024 (Whitecap Public Improvement District No. 1 Improvement Area #1 Project),” any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Improvements or Amenities is defined as a Developer.

As a Developer, pursuant to Section 5 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

Ashlar Interests, LLC, a Texas limited liability company

By: _____
[Steve Yetts, Manager]

Acknowledged by:

[INSERT ASSIGNEE NAME]

By: _____

Title: _____

EXHIBIT F

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS**

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

Re: Whitecap Public Improvement District No. 1 – Improvement Area #1 – Continuing Disclosure Obligation

Dear _____,

As of _____, 20__, you own ____ lots within Improvement Area #1 of Whitecap Public Improvement District No. 1 (the “District”). Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer related to the captioned Bonds (the “Disclosure Agreement of Developer”) by and among Ashlar Interests, LLC, a Texas limited liability company (the “Developer”), P3Works, LLC (the “Administrator”), and BOKF, NA (the “Dissemination Agent”), with respect to the “City of Corpus Christi, Texas, Special Assessment Revenue Bonds, Series 2024 (Whitecap Public Improvement District No. 1 Improvement Area #1 Project),” any entity that owns 20 or more of the single family residential lots within Improvement Area #1 of the District is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations under Sections 3(d)(iv) and 4(b) of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

Ashlar Interests, LLC, a Texas limited liability company

By: _____
[Steve Yetts, Manager]

Acknowledged by:

[INSERT ASSIGNEE NAME]

By: _____

Title: _____

APPENDIX F
DEVELOPMENT AGREEMENT

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DEVELOPMENT AGREEMENT
WHITECAP NORTH PADRE ISLAND

This Development Agreement (this "**Agreement**") is entered into by and between ASHLAR INTERESTS, LLC, a Texas limited liability company, (the "**Developer**") and the City of Corpus Christi, Texas (the "**City**"), to be effective on December 12, 2023 ("**Effective Date**").

RECITALS

WHEREAS, the City is a home-rule municipality of the State of Texas located within Nueces, Aransas, San Patricio, and Kleberg Counties; and

WHEREAS, Developer, acting solely on behalf of Diamond Beach Holdings, LLC (the "**Owner**"), and the City (which are sometimes individually referred to as a "**Party**" and collectively as the "**Parties**") desire to enter into this Agreement; and

WHEREAS, Owner owns approximately 242.011 acres of land located wholly within the corporate limits of the City and Nueces County (the "**County**") and described by metes and bounds in **Exhibit A** and depicted on **Exhibit B** (the "**Property**"); and

WHEREAS, the Property is zoned as "RS-4.5/PUD" Single-Family 4.5 District with a Planned Unit Development Overlay by Ordinance No. 032890 (the "**Zoning Ordinance**") approved by the City Council of the City ("**City Council**") on October 18, 2022; and

WHEREAS, the Parties intend that the Property will be developed in accordance with the Zoning Ordinance as a master planned mixed-use development (the "**Development**" or the "**Project**") consisting of single-family, multi-family and commercial uses as described in the Zoning Ordinance; and

WHEREAS, the Property lies within Reinvestment Zone Number Two, City of Corpus Christi, Texas (the "**Zone**") established by Ordinance No. 024270 adopted by the City Council on November 14, 2000 in accordance with the Tax Increment Financing Act, Texas Tax Code Chapter 311, as amended (the "**Zone Act**"); and

WHEREAS, on December 6, 2022, the City Council approved Ordinance No. 032929 extending the term of the Zone to December 31, 2042 and amending the *Tax Increment Reinvestment Zone #2, City of Corpus Christi Project and Finance Plan* (as revised and amended, the "**TIRZ Final Project and Finance Plan**") to add certain onsite and offsite public infrastructure projects (the "**TIRZ Projects**") for the benefit of the Property and the Zone; and

WHEREAS, Developer has agreed to pay for and construct the TIRZ Projects; and, the board of directors of the Zone (the "**Zone Board**") and the City have agreed to reimburse Developer for a portion of the costs of the TIRZ Projects from certain revenues deposited into the tax increment fund for the Zone (the "**TIF Fund**") in accordance with the TIRZ Final Project and Finance Plan, and that certain *TIRZ #2 Development Reimbursement Agreement – Whitecap*, effective as of April 28, 2023 (as the same may be amended from time to time, the "**TIRZ Agreement**")¹ a copy of which is attached hereto as **Exhibit C** and is incorporated herein for all purposes, and this Agreement; and

¹ The Parties acknowledge that the Zone Board intends to consider approval of an Amended and Restated TIRZ Agreement that increases the maximum reimbursement from the TIF Fund from \$11,500,000 to \$25,500,000.

WHEREAS, the Property also lies within the Whitecap Public Improvement District No. 1 (the "**PID**") created by Resolution No. 032761 approved by the City Council on May 17, 2022, and recorded in the real property records of Nueces County as Instrument No. 2022024701 on May 20, 2022; and

WHEREAS, Developer has agreed to pay for and construct certain public infrastructure projects (the "**PID Authorized Improvements**"); and, the City intends to reimburse Developer under the terms of a reimbursement agreement (the "**PID Reimbursement Agreement**"), substantially in the form attached as **Exhibit D** with such changes as may be agreed to by the Parties, for a portion of the costs of the PID Authorized Improvements from the collection of special assessments ("**PID Assessments**") levied against portions of the Property that are specially benefitted by the PID Authorized Improvements, which may include through the issuance and sale by the City of special revenue bonds secured by the PID Assessments ("**PID Bonds**"), as described in this Agreement; and

WHEREAS, the Parties intend to enter into one or more agreements related to the Project (each a "**Chapter 380 Agreement**") in accordance with Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code, as amended;

WHEREAS, the Parties intend for this Agreement, the TIRZ Agreement, the PID Reimbursement Agreement (as defined below), and any Chapter 380 Agreement, if entered into in the future (collectively, the "**Public Infrastructure Agreements**") to establish certain commitments related to the Project, the construction and financing of the TIRZ Projects and PID Authorized Improvements (collectively, the "**Public Infrastructure**"), and

WHEREAS, based on current plans, which are subject to change as development of the Project progresses, the Developer estimates the total Capital Investment in the Project will be approximately as follows:

| | |
|---|---------------------------|
| TIRZ Projects: | |
| • <i>Bridge Improvements</i> | \$25,500,000 ² |
| • <i>Project Increment Improvements</i> | |
| PID Authorized Improvements: | |
| • <i>Road Improvements</i> | \$70,000,000 |
| • <i>Water Improvements</i> | to |
| • <i>Sanitary Sewer Improvements</i> | \$100,000,000 |
| • <i>Drainage Improvements</i> | |
| • <i>Parks and Open Space Improvements</i> | |
| Private Investment | |
| • <i>Amenities, Parks and Open Space Improvements for Initial Phase</i> | \$30,000,000 |
| • <i>Private Infrastructure</i> | to |
| • <i>Public Infrastructure not Reimbursed by PID or TIRZ</i> | \$50,000,000 |

² Subject to Zone Board approval an Amended and Restated TIRZ Agreement consistent with the TIRZ Final Project and Finance Plan and the Zone Act.

NOW, THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree as follows:

ARTICLE ONE
RECITALS AND REPRESENTATIONS

1.01 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; (c) are legislative findings of the City Council, and (d) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, must be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

1.02 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by the City Council in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been duly authorized to do so. Developer represents and warrants that this Agreement has been approved by appropriate action of Developer, and that the individual executing this Agreement on behalf of Developer has been duly authorized to do so. Each Party acknowledges and agrees that this Agreement is binding upon such Party and enforceable against such Party in accordance with its terms and conditions. Each Party further acknowledges and agrees that the performance by the Parties under this Agreement is authorized by Sections 372.023 and 372.152 of the PID Act (defined below); and Section 311.008 of the Zone Act (defined below).

ARTICLE TWO
PURPOSES, TERM AND CONSIDERATION

2.01 Purposes. The Parties desire to enter into this Agreement and the PID Reimbursement Agreement, and have entered into the TIRZ Agreement, to provide for the construction of the Public Infrastructure related to the Project and to establish the means of and terms for financing the Public Infrastructure by the City and the Developer.

2.02 Term. The term of this Agreement (the "**Term**") shall start on the Effective Date and shall expire on the later of: (1) all costs of the Public Infrastructure to be reimbursed to the Developer under the Public Infrastructure Agreements have been paid in full, or (2) thirty (30) years from the Effective Date of this Agreement. The Parties may extend the term of this Agreement if they execute an agreement in writing. Each of the Public Infrastructure Agreements will expire in accordance with their terms.

2.03 Consideration. The covenants of, benefits to, and performances by, the Parties set forth in the Public Infrastructure Agreements, plus the mutual promises expressed herein, are good and valuable consideration for the Public Infrastructure Agreements, the sufficiency of which is hereby acknowledged by the Parties.

ARTICLE THREE
PUBLIC INFRASTRUCTURE

3.01 Public Infrastructure. Except as otherwise expressly provided for in this Agreement, all Public Infrastructure shall be designed, constructed, installed, and inspected in compliance with all applicable City ordinances, rules, regulations, standards, policies, orders, guidelines or other City-adopted or City-enforced requirements, including the City's uniform engineering design standards and the Zoning Ordinance, as they exist as of the date of this Agreement (collectively, the "City Regulations"). Additionally, the TIRZ Projects shall also comply with the TIRZ Final Project and Finance Plan and the PID Authorized Improvements provide a special benefit to the Property to be assessed and shall be as described in the PID Service and Assessment Plan for the PID to be adopted by the City Council.

3.02 License to Enter. If any TIRZ Projects or PID Authorized Improvements are or will be on land owned or controlled by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction and maintenance (pending acquisition and acceptance) of the TIRZ Projects or PID Authorized Improvements, as applicable. Developer agrees that it and all of its agents, assigns, contractor, and employees will comply with the City's requirements for construction of public works on City property, which are attached hereto as **Exhibit E**. The City hereby agrees to enter into a license agreement, in a form reasonably acceptable to the City Attorney, to allow Developer to enter upon City-owned land as required by any agreement relating to the dredging of canals as described in Section 3.06 below.

3.03 Effluent Water. The Parties agree that they will enter into an agreement for access to effluent water substantially in the form of the City's standard agreement for effluent water for the purposes of maintaining pond levels within the Project and for the irrigation of public open spaces.

3.04 The City acknowledges that no sales tax is owed on materials incorporated into all Public Infrastructure to be owned by the City. The City agrees to provide to Developer and its designees a copy of the City's sales tax exemption certificate to be used when purchasing materials incorporated into the Public Infrastructure. The City supports sales tax exemption for such materials incorporated into such Public Infrastructure to the extent such improvements are to be conveyed to the City and primarily used for a public purpose. Developer acknowledges and agrees that sales tax will not be approved for reimbursement by the City.

3.05 Ownership and Maintenance of Public Infrastructure and Other Improvements.

(a) Upon inspection, approval, and acceptance of the water and wastewater Public Infrastructure, the City shall own, maintain, and operate the water and wastewater Public Infrastructure and provide water and wastewater service to the Project.

(b) Upon inspection, approval, and acceptance of the roadway and storm water Public Infrastructure, the City shall own and maintain the roadways and storm water Public Infrastructure.

(c) Upon establishment of one or more owners' association(s) (each an "Owners' Association"), an Owner Association shall maintain and operate the City-owned public open spaces, pedestrian mobility bridges, trails, common areas, right-of-way irrigation systems, right-of-way landscaping, screening walls, and appurtenances on behalf of the City as shown on **Exhibit F**. The City will enter one or more maintenance

agreements with an Owners' Association prior to such improvements being dedicated to the City. Such areas may be irrigated from any available water source, including, but not limited to, water from the retail water provider, ponds, or a water well. Said improvements shall not be maintained and operated by the City unless the Parties agree in writing to the terms and conditions of maintenance and operation by the City.

3.06 Canals and Bulkheads. The Parties acknowledge and agree that all canals and bulkheads within the Project shall be privately owned and maintained. The Parties further acknowledge and agree that an Owners' Association will enter into an agreement with the United States Army Corp of Engineers (USACE) for the purposes of dredging the canals and managing the dredged material as part of the necessary maintenance of the canals and bulkheads. The Parties agree that if required, each Party will work diligently with the USACE to identify an appropriate location within City-owned open space for the deposit of dredged materials (typically consisting of naturally recurring deposited bottom sediment such as sand, silt and clays) in accordance with such agreement. The deposit of any such dredged materials shall comply with all applicable Federal and State laws and City regulations.

3.07 Permitting. Subject to Developer's complying with all applicable laws, City agrees to cooperate with Developer to expeditiously process permits, including plat applications, site plan applications, building permit applications, building and construction inspections required for the Project. The Parties agree that a designated individual from the Development Services Department shall be appointed by the City and to assist in facilitating efficient review and processing of applications, plans, permits, inspections, and other approvals, as applicable, necessary for the Project. The Parties further agree that if delays longer than sixteen (16) days occur, the Parties will work in good faith to identify a third-party engineering firm to assist the City with the necessary reviews of applications, plans, permits, and inspections.

3.08 Recordation of Final Plat. Developer shall be permitted by right to record plats prior to completion of sidewalks required by Section 3.30.2.C.4 of the City's Unified Development Code and shall follow the process set forth in Section 8.1.10.B of the City's Unified Development Code for deferral of sidewalk completion.

ARTICLE FOUR ZONE FINANCING

4.01 Zone Financing. The City has created the Zone and approved the TIRZ Final Project and Finance Plan in accordance with the TIRZ Act to promote economic development and stimulate business and commercial activity in the Zone and to significantly enhance the value of taxable real property in the Zone and to generally benefit the City. Unless extended, the Zone expires on December 31, 2042.

(a) As of the date of this Agreement, the TIRZ Projects consist of the public bridges, ponds, walking trail, kayak launches and water exchange improvements described in the TIRZ Final Project and Finance Plan and the TIRZ Agreement. The total estimated costs of the TIRZ Projects (the "TIRZ Project Costs") are set forth in the TIRZ Agreement. In the TIRZ Agreement, the City and the Zone Board agree to reimburse the Developer for TIRZ Project Costs in an amount not to exceed the Reimbursement Cap as defined in the TIRZ Agreement.