

CHAPTER 380
ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
BETWEEN
THE CITY OF CORPUS CHRISTI, TEXAS
AND
UPPER PADRE PARTNERS, LP
AND
NORTH PADRE WATERPARK HOLDINGS, LTD

CHAPTER 380

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

This Chapter 380 Economic Development Incentive Agreement ("Agreement") is entered into as of _____, 2012 by and among the CITY OF CORPUS CHRISTI, TEXAS, a home rule city ("City"), UPPER PADRE PARTNERS, L.P., a Texas limited partnership ("Upper Padre Partners"), and NORTH PADRE WATERPARK HOLDINGS, LTD, a Texas limited partnership ("Operator") and together with Upper Padre Partners, the ("Developer").

RECITALS

WHEREAS, the Developer desires to develop SCHLITTERBAHN BEACH COUNTRY as more particularly described in the conceptual plan for the project attached hereto as Exhibit "A" (the "Project" as more particularly defined below), in Corpus Christi, Texas; and

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

WHEREAS, the Corpus Christi City Council has adopted Resolution No. _____, authorizing City to make certain economic development grants up to approximately \$112,116,878 to Developer in recognition of, conditioned upon and derived from the positive economic benefits that will accrue to City through Developer's development of a waterpark resort project together with certain public improvements for the benefit of City, at an approximate Capital Investment by Developer of \$552,000,000, all as more particularly described herein on **EXHIBIT "A,"** and

WHEREAS, the Corpus Christi Business and Job Development Corporation ("Type A Corporation") has entered into a separate Business Incentive Agreement with Operator, attached hereto as **EXHIBIT "B,"** in which the Type A Corporation agrees to reimburse Operator for the costs of certain infrastructure improvements related to the Park District only, as authorized by Chapter 501 of the Local Government Code and approved by the Type A Corporation, in an amount not to exceed Five Million Dollars (\$5,000,000); and

WHEREAS, the payments to Developer under this Agreement are exclusively performance-based so that no payments will be made to Developer until and unless the Districts or features within the Districts, as described below, are constructed and operated, resulting in tax revenues from each completed District or feature which then will provide income to the City and the payments to Developer, described herein.

WHEREAS, Developer estimates the total Capital Investment in the Project (as defined herein) will be approximately Five Hundred Fifty Two Million Dollars (\$552,000,000), which includes the following:

- 1) approximately Seventy Million Eight Hundred Seventy-Two Thousand Dollars (\$70,872,000) in Capital Investment for the "Park District," as defined herein, of the Project, within which
 - a) "Park District A," as defined herein, shall not include a golf course and
 - b) "Park District B," as defined herein, shall include a golf course; and

- 2) approximately One Hundred Eighteen Million Dollars (\$118,000,000) in Capital Investment for the "IslandWalk District," as defined herein, of the Project; and
- 3) approximately One Hundred Eighty-Seven Million Three Hundred Forty-Three Thousand Dollars (\$187,343,000) in Capital Investment for the "Resort District," within which a) approximately Ninety-Six Million Five Hundred Eighty-Nine Thousand Dollars (\$96,589,000) will be invested in "Resort Rentals," as defined herein, and b) approximately Ninety Million Seven Hundred Fifty-Four Thousand Dollars (\$90,754,000) will be invested in "Resort Residential," as defined herein, of the Project; and
- 4) approximately One Hundred Seventy Five Million Dollars (\$175,000,000) in Capital Investment for the "Marina District," as defined herein, of the Project,

all as more particularly described herein and in the field notes and metes and bounds attached hereto as **EXHIBIT "C,"** provided however that except for the Park District, which will be developed strictly as defined herein, the features within the IslandWalk District, the Resort District and the Marina District may be built in a different District than as defined herein, within the Project boundaries; and

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

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

WHEREAS, in consideration of the development, construction and building of the Park District, the IslandWalk, the Resort District and the Marina District, which will assist in stabilizing the existing Sales Tax Revenues, Property Tax Revenues and Hotel Occupancy Tax Revenues (as defined herein) to the City and create approximately 40 full time and 300 part time jobs located at the Project, the City agrees to use such funds in order to provide the Reimbursement Amount (as defined herein) to the Developer directly in the amount described in Article V of this Agreement; and

WHEREAS, to ensure that the benefits the City provides under this Agreement are utilized in a manner consistent with Article III, Section 52-a of the Texas Constitution, Chapter 380 and other law, the Developer has agreed to comply with certain conditions to the payment of those benefits;

NOW, THEREFORE, in consideration of the mutual benefits described in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City, Developer and Operator agree as follows:

ARTICLE I

REPRESENTATIONS

1.1 Representations of the City. The City hereby represents to the Developer that as of the date hereof

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

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

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

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

1.2 Representations of the Developer. The Developer hereby represents to the City that as of the date hereof;

(A) The Developer is duly authorized and existing and in good standing as limited partnerships under the laws of the State of Texas, and shall remain in good standing in the State of Texas during the Term of this Agreement.

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

(C) (1) The Developer agrees to evidence, no later than the date it Commences Construction of the Waterpark feature of the Park District, which evidence is subject to the administrative approval of the City or its designee(s), whose approval shall not unreasonably be withheld, sufficient available funds to perform its obligations under Section 4.1 (B) herein to Complete the Waterpark feature of the Park District, at the time it needs to have the funds in order to do so.

(2) The Developer agrees not to Commence Construction on a major component of any District (other than the Waterpark feature of the Park District) without evidence, which evidence is subject to the administrative approval of the City or its designee(s), whose approval shall not unreasonably be withheld, of sufficient available funds to Complete each said major component, at the time it needs to have the funds in order to do so.

(D) This Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of the Developer, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to

or affecting the enforcement of creditors' rights and (ii) certain equitable remedies including specific performance may be unavailable.

ARTICLE II

DEFINITIONS

The recitals to this Agreement are hereby incorporated for all purposes. The terms, "Agreement," "Chapter 380," "City," "Developer," "Operator," "Project," and "Schlitterbahn Beach Country" shall have the above meanings, and the following words or phrases shall have the following meanings:

2.1 "Act of Default" or "Default" means failure to timely, fully, and completely comply with one or more requirements, obligations, performance criteria, duties, terms, conditions or warranties, as stated in this Agreement.

2.2 "Annual Approved Spending Plan" means a detailed plan stating Developer's proposed use of Hotel Occupancy Tax revenues to be spent on the Project, accompanied by an opinion by the Texas Attorney General or other legal opinion, the source of which is agreed upon by Developer and City, confirming that said Spending Plan complies with the terms of Section 351 of the Texas Tax Code, as it may be amended from time to time, applicable to the Hotel Occupancy Tax Revenues.

2.3 "Assessed Taxable Value" means the taxable assessed ad valorem tax values set annually by the Nueces County Appraisal District with respect to the Property, improvements, and tangible personal property (with a depreciation schedule of seven (7) years or greater) included in each District of the Project, including all improvements now or hereafter included therein, but excluding any assessed value attributable to the Property as of January 1, 2012 and excluding any assessed value attributable to inventory.

2.4 "Certificate of Occupancy" shall mean that document entitled "Certificate of Occupancy" (or other similar title) issued by City upon substantial completion of certain portions of the Project in accordance with all applicable codes, regulations, and ordinances of City. A Certificate of Occupancy shall not include a certificate issued in error, mistake or misrepresentation of facts, but shall include any temporary certificate of occupancy or other document authorizing temporary or conditional occupancy.

2.5 "Chapter 380 Payment(s)" means the amount(s) payable by City to Developer under Article V of this Agreement, to be paid from Sales Tax Revenue, Property Tax Revenue, Hotel Occupancy Tax Revenue and Construction Sales Tax Revenue from local construction suppliers only.

2.6 "Commence Construction" means (i) to commence the work of constructing the improvements or features with all approvals thereof required by applicable governmental authorities obtained as necessary; (ii) a notice to proceed has been issued to the contractor; (iii) onsite construction of the site development components (such as drainage, extensive grading or utilities) is underway and being pursued; and (iv) sufficient available funds are evidenced as required in Section 1.2 (C) herein.

2.7 "Completion" means, to any other major component or feature of the Project, to any improvement or feature as to which Commence Construction has occurred, (i) substantial completion of said particular structure in accordance with the terms of this Agreement and the plans and specifications therefor, (ii) issuance of Certificates of Occupancy for the improvements or features for which Certificates of Occupancy may be issued, and (iii) the improvement or feature is Open for Business.

2.8 "Compliance" means timely, fully and completely performing or meeting each and every term, requirement, obligation, performance criteria, duty, condition or warranty as stated in this Agreement.

2.9 "Construction Sales and Use Tax Revenues" means the locally paid portion of sales and/or use tax revenues paid to the City by the Texas State Comptroller as the result of purchases of taxable items in connection with the construction of an improvement or feature of a District of the Project during the term of the Agreement, with a goal to use suppliers and providers local to Corpus Christi.

2.10 "Continuously Operate" means (i) seasonal operation of the Waterpark in accordance with the standards of operation of comparable facilities, without interruption for any reason other than Down Times and (ii) possession of all personal property and inventory necessary for the operation of the Waterpark in accordance with the standard of operation of comparable facilities.

2.11 "Development Fees" means any and all fees imposed by City upon Developer (including but not limited to Developer's affiliates, assigns, successors, related parties, contractors and subcontractors) in any way related to Developer's platting, zoning, permitting, designing, building, constructing or developing the Project. Development Fees shall include but not be limited to permitting/approval fees, inspection fees and supervision fees.

2.12 "District(s)" means, collectively or individually, as used in context herein, the Park District, the IslandWalk District, the Resort District and the Marina District.

2.13 "Down Times" means temporary cessation of operation of all or substantially all of a facility for, and only for, limited periods of time for the limited purpose of, and only for the limited purpose of, one or more of the following circumstances for the applicable period specified below:

(a) during the period following any fire or other casualty or condemnation or other exercise by a governmental authority of the power of eminent domain, to the extent, and only to the extent, necessary to adjust the claim and take other actions related to the repair and restoration of the facility;

(b) as a result of such commercially reasonable interruptions for repairs, remodeling or installation of new equipment as are incidental to the normal operation of the facility after notice to the City with regard thereto;

(c) during any period required by applicable law, to the extent, and only to the extent, that the necessity of compliance is not the result of Developer's failure to timely fulfill its obligations under this Agreement;

(d) in keeping with the standard hours and days of operation of comparable facilities taking into account the seasonal nature of the Project and the fact that operation of portions of the Project are subject to weather conditions; or

(e) during any period of Force Majeure or during any period Developer, Operator or any other operator of any element of the Project reasonably deems it is socially irresponsible to operate all or part of the facilities due to circumstances which are not Force Majeure but under which a socially responsible operator would temporarily curtail or cease operations, such as if a pervasive flu or other communicable illness were present or threatened; provided, however, that during the Down Times described in clauses (a) through (e) above, Developer and Operator shall (i) use their commercially reasonable efforts to minimize the disruption of such Down Time and (ii) use their commercially reasonable efforts to minimize the disruption to the areas of the facility which remain open to the public, if any, and the services, aesthetic appearances and public and guest access to and in such portions of the facility.

2.14 "Effective Date" means the first date by which this Agreement has been signed by all of the parties hereto.

2.15 "Federal Bankruptcy Code" means Title 11, United States Code, as amended, and any successor statute.

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

2.17 "Force Majeure" means any act that (a) materially and adversely affects the affected Party's ability to perform the relevant obligations under this Agreement or delays such affected Party's ability to do so, (b) is beyond the reasonable control of the affected Party, (c) is not due to the affected Party's negligence or willful misconduct and (d) could not be avoided by the Party who suffers it by the exercise of commercially reasonable efforts (provided that such commercially reasonable efforts shall not require such Party to expend a material amount of money to avoid the act giving rise to a Force Majeure). Subject to the satisfaction of the conditions set forth in (a) through (d) above, Force Majeure shall include but not be limited to: (i) natural phenomena, such as storms, floods, lightning and earthquakes; (ii) wars, civil disturbances, revolts, insurrections, terrorism, sabotage and threats of sabotage or terrorism; (iii) transportation disruption, whether by ocean, rail, land or air; (iv) strikes or other labor disputes that are not due to the breach of any labor agreement by the affected Party; (v) fires; (vi) the unavailability of necessary and essential equipment and supplies; (vii) a breach by the City of this Agreement or any other actions, omissions of or delays by a Governmental Authority (including the actions of City in its capacity as a Governmental Authority) that were not voluntarily induced or promoted by the affected Party, or brought about by the breach or noncompliance by the affected Party of its obligations under this Agreement or any applicable law; and (viii) failure of the other Party to perform any of its obligations under this Agreement within the time or by the date required pursuant to the terms of this Agreement for the performance thereof; provided, however, that under no circumstances shall Force Majeure include any of the following events: (A) economic hardship; (B) changes in market condition; or (C) weather conditions which could be anticipated by experienced contractors operating at the relevant location and exercising commercially reasonable business judgment.

2.18 "Hotel" means one or two hotels rated by Smith Travel Research in a category at or above "Midscale," provided, however, that if Smith Travel Research shall no longer publish United States hotel ratings, a rating publication mutually agreeable to City and Developer shall be substituted.

2.19 "Hotel Occupancy Tax Revenues" means the seven percent (7%) Hotel Occupancy Tax revenues derived from the operation by Developer, other person or entity of a completed feature of a District of the Project for the Term of the Agreement received by City from the imposition by City of a municipal sales and use tax on the price paid for use or possession of rooms in a hotel or other transient lodging accommodations at a rate of seven percent (7%) pursuant to Chapter 351, Texas Tax Code, as it may be amended from time to time, or any successor statute but does not mean the additional two percent (2%) collected for certain other properties not related to the Project.

2.20 "Insolvent" means failure to timely pay debts in the ordinary course of business or failure to pay all debts when and as they become due, or insolvent within the meaning of the Federal Bankruptcy Code.

2.21 "IslandWalk District" means an approximately 94.628 acre recreational mixed-use area that may include additional theme-style designed lodging similar to Treehaus lodging, related indoor and outdoor Resort Retail, restaurant space and which may include one or more Hotels;

2.22 "Licensing Agreement" has the meaning assigned to such term in Article IV.

2.23 "Management Agreement" has the meaning assigned to such term in Article IV.

2.24 "Marina District" means an approximately 91.587 acre marina area and associated water and which may include one or more Hotels.

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

2.26 "Open for Business" means open for full-time business operations with products and/or services that are necessary for Continuous Operation of the Waterpark.

2.27 "Park District" means (1) "Park District A:" the part of the Park District that does not include a golf course and from which tax revenues may be generated as stated herein that will be included in the computation of the Reimbursement Amount (as defined herein) to be paid to Developer as stated herein and on which said Reimbursement Amounts can be spent by Developer as stated herein; together with (2) "Park District B:" the part of the Park District that includes a golf course and from which tax revenues shall not be generated as stated herein for purposes of computation of the Reimbursement Amount to be paid to Developer as stated herein and on which said Reimbursement Amounts can be spent by Developer as stated herein.

2.28 "Property Tax Revenues" means the M&O portion only of the City ad valorem taxes attributable to a completed feature of a District of the Project for the Term of the Agreement and collected by the City in each Fiscal Year.

2.29 "Reimbursement Amount" shall mean the portion of the Property Tax Revenues, Sales Tax Revenues, Hotel Occupancy Tax Revenues and Construction Sales Tax Revenues (from local construction suppliers only) that the City agrees to pay to the Developer during the Term of the Agreement, but limited to the maximum City Commitment as stated herein, if the Developer satisfies the conditions thereto stated in this Agreement. The Reimbursement Amount shall not include any: i) sales and use taxes received by the City for crime control and prevention or pursuant to Sections 4A or 4B of the Development Corporation Act; and ii) utilities revenues and other fees collected by the City from the Project.

2.30 "Reimbursement Account" shall mean the special account created by the City as described in Article V of this Agreement.

2.31 "Resort District" means the approximately 231.899 acre area of the Project that includes both "Resort Lodging" and residential units.

2.32 "Resort Lodging" means any lodging unit, rented for less than thirty (30) days at one time, that generates Hotel Occupancy Tax Revenues for the City.

2.33 "Resort Retail" means the sale of goods and services by retailers of varying types each of whose site square footage shall not exceed 20,000 square feet, an exception to which may be made subject to approval by the City Manager or designee.

2.34 "Resort Residential" means any residential unit that does not generate Hotel Occupancy Tax Revenues for the City and from which Property Tax Revenues shall not be generated as stated herein for purposes of computation of the Reimbursement Amount to be paid to Developer as stated herein.

2.35 "Sales Tax Revenues" means all revenues attributable to a completed feature of a District of the Project for the Term of the Agreement and collected by City from the imposition by City of a municipal sales and use tax at a rate of one percent (1%) pursuant to Section 321.101(a) and Section 321.103, Texas Tax Code, as amended, or any successor statute; provided, however, that if City ever elects to impose a sales and use tax at a rate other than one percent, then, instead of being based on a sales and use tax at a rate of 1%, Sales Tax Revenues shall be computed on the actual sales and use tax rate imposed by the City. If the sales and use tax of the City are wholly or partially replaced by the City, then revenues from the replacement tax will be included with sales and use tax revenues received by the City to determine the Sales Tax Revenues received by the City for purposes of calculating Sales Tax Revenues under this Agreement.

2.36 "Schlitterbahn Waterpark" or "Waterpark" means an approximately 75.119 acre waterpark resort that will be built in phases over a period of several years, whose initial components will feature a minimum capacity of three thousand (3,000) simultaneous visitors, with future phases increasing the capacity based on demonstrated demand. The Waterpark will be based on the "Transportainment" model in place at each of the other Schlitterbahn Waterparks in which multiple entertainment elements and rides are integrated with each other, typically featuring tube chutes, momentum rivers, torrent rivers, slides, pools and aquaveyors (all based on proprietary technologies and patents). Other elements of the Waterpark include, but are not limited to, heated pools, children pools and play areas, and support areas such as food and beverage, dressing areas, shade structures, gift shops, admission areas and parking areas. The Waterpark also may include a hotel or theme-style designed lodging consistent with but not specifically limited to the Treehaus lodging located at Schlitterbahn New Braunfels or other theme-style designed lodging that may be developed by Developer. The mix of rides and attractions, and the integration of ride technology, of the Waterpark will be similar to other Schlitterbahn Waterparks.

2.37 "Term" means the period defined in Article III of this Agreement.

2.38 "Treehaus" means theme-style designed lodging consistent with but not specifically limited to the Treehaus lodging located at Schlitterbahn New Braunfels or other theme-style designed lodging that may be developed by Developer.

2.39 "TRZ" means the Reinvestment Zone Number Two, City of Corpus Christi, Texas adopted November 14, 2000 by City Ordinance No. 024270.

2.40 "Type A Business Incentive Agreement" means an agreement between Developer and Operator and the Corpus Christi Business and Job Development Corporation ("Type A Corporation") in which the Type A Corporation agrees to reimburse Operator for the costs of certain infrastructure improvements related to the Schlitterbahn Waterpark part of the Project only, authorized by Chapter 501 of the Local Government Code and approved by the Type A Corporation in an amount not to exceed Five Million Dollars (\$5,000,000).

ARTICLE III

TERM

The term of this Agreement (the "Term") will begin on the Effective Date and will terminate upon the first to occur of (a) Twenty Five (25) full calendar years after the Effective Date; (b) payment in full from City to Developer of the entire City Commitment contemplated herein; or (c) termination as provided for herein.

ARTICLE IV
DEVELOPER REQUIREMENTS

4.1 Development of Districts. If the Developer performs the following requirements, pertaining to a District, City agrees to pay the Chapter 380 Payments as stated in this Agreement with respect to said District:

(A) If Developer achieves Completion of the Waterpark within the time frame described below, subject to extension for Force Majeure and delay due to meeting governmental environmental compliance requirements, Developer shall receive the Chapter 380 Payments as stated herein. Should Developer fail to achieve Completion of the Waterpark within this time frame Developer shall forfeit all Chapter 380 Payments and this Agreement shall terminate.

(B) Developer must Commence Construction of the Waterpark feature of the Park District no later than nine (9) months after the Effective Date of this Agreement, subject to extension upon approval by the City Manager or designee, and must reach Completion of the Waterpark no later than Twenty Four (24) months after it Commences Construction, subject to extension upon approval by the City Manager or designee. Notwithstanding the foregoing, this Section 4.1 (B) is subject to whole or partial exception only if approved by Resolution of the Corpus Christi City Council.

(C) The Developer shall pay, or cause third parties to pay, its engineering, planning, accounting, architectural, legal fees and expenses, survey, testing, laboratory costs, license fees, land clearing and grading costs, advertising and other bidding costs, amounts due under construction contracts, costs of labor and material, insurance premiums, interest, carry cost, financing fees and other costs and expenses incurred in connection with the construction of Developer improvements and features in a District.

(D) If requested by the City, the Developer must reasonably assist the City in the preparation of any documentation necessary to enable the City to prepare and obtain approval of any of the documents or actions required of the City to perform any of its obligations under this Agreement. The City shall not be responsible for any of such costs out of its current revenues or other sources, except in accordance with payment of Chapter 380 Payments to the Developer as provided in this Agreement.

(E) Upon Completion of the Project and during the term of this Agreement, the Developer shall maintain the property, improvements and premises in a commercially reasonable manner, comparable to the maintenance of similar establishments, and minimize Down Times.

(F) Developer may spend Chapter 380 Payments received as Reimbursement Amounts or in satisfaction of other City Commitment on improvements or other lawful uses only within the Project boundaries.

4.2 Operational Requirement. During the Term following Completion of a Schlitterbahn Waterpark in the Park District, a Schlitterbahn Waterpark must be Continuously Operated in the Park District, subject to Force Majeure. If a Schlitterbahn Waterpark once in operation is not Continuously Operated during any calendar year, subject to Force Majeure, then upon written notice thereof being given to Developer by the City and the failure of Developer, within sixty (60) days after the city gives said notice, to commence Continuous Operation of the Schlitterbahn Waterpark, Developer shall not be entitled to any Chapter 380 Payments for the remainder of the Term unless Developer obtains a Variance under Section 13.15 herein.

4.3 Trade name and Related Matters. Prior to when Developer Commences Construction of the Park District, (and as a condition precedent to such being deemed to have occurred), Developer shall enter into

a management agreement (the "Management Agreement") and a licensing agreement (the "Licensing Agreement") with the Operator.

4.4 Licensing. The Licensing Agreement will provide that (i) Developer and its successors will have a license to use the "Schlitterbahn" name in connection with the Waterpark for the entire Term of this Agreement, subject to compliance with the terms and conditions of the Licensing Agreement and (ii) Developer and its successors will have the right for the entire Term of this Agreement to purchase rides that use the most current patented ride technology and trade secret technology developed by Operator or its affiliates (or such other entity which supplies the majority of the rides to Schlitterbahn waterparks even if such entity is not an affiliate of Operator) that is available from time to time to all other waterparks operating under the "Schlitterbahn" name (and once purchased, Developer and its successors retains the rights to use such equipment regardless of the existence of the Management Agreement or Licensing Agreement). If, prior to the expiration of the Term of this Agreement, (i) the Licensing Agreement is terminated or expires for any reason or (ii) Developer is no longer permitted to use the "Schlitterbahn" name or technology in connection with the Waterpark, then upon written notice thereof being given to Developer by the City and the failure of Developer, within sixty (60) days after the city gives said notice, to re-establish its right to use the "Schlitterbahn name" or technology in connection with the Waterpark, Developer shall not be entitled to any Chapter 380 Payments for the remainder of the Term unless Developer obtains a Variance under Section 13.15 herein.

4.5 Management. The Management Agreement will provide that (i) Developer and Operator will include the terms "Schlitterbahn" and "Corpus Christi" in the signage and promotional materials pertaining to the Waterpark so long as the Licensing Agreement is in full force and effect and (ii) the Operator will operate the Waterpark and will, among other things, provide the employees and the expertise and management required for such operation. If the Management Agreement is terminated or expires during the Term of this Agreement or if the Henry family ceases to control the operations and policies of the Operator during the Term of this Agreement, City shall have the right to approve the replacement operator or the replacement party who does so control the operations and policies of the Operator, as applicable, provided in all events City shall exercise its approval right in a reasonable manner. If City and Developer are not able to agree on a replacement operator or a replacement control party for Operator within sixty (60) days following the recommendation of Developer or Operator, as applicable, Developer may proceed to retain the replacement operator or Operator may transfer control to the replacement control party, as applicable, but City may elect to suspend payment of any further Chapter 380 Payments for the Park District and any expansion of the Park District until such time as Developer demonstrates to City that (i) the attendance at the Waterpark for a twelve (12) month period, while operated by the replacement operator or by Operator with a replacement control party, is 80% of or greater than the average attendance at the Waterpark achieved by the Operator during the thirty-six (36) month period prior to said suspension and (ii) the Waterpark is operated and maintained to the same standards of operation, maintenance and aesthetics as the Schlitterbahn waterparks in South Padre Island, Texas and Kansas City, Kansas, including with respect to safety. The sum of any said suspended Chapter 380 Payments shall be paid to Developer upon demonstration that the replacement operator has met the requirements set out in (i) and (ii) herein. A replacement operator or replacement control party for Operator shall, at a minimum, have an executive management team which controls the operations and policies of the replacement operator or be a replacement control party that includes persons who have significant experience operating waterparks, amusement parks or resorts with destination water or amusement-related amenities, in each case, which waterparks, amusement parks or resorts with destination water or amusement-related amenities have a capacity to service in excess of 3,000 simultaneous visitors.

4.6 Height Restriction. No Waterpark play feature in the Park District shall exceed a completed height of Sixty (60) feet unless the Corpus Christi City Council passes a Resolution approving an exception to this height restriction. If a Waterpark play feature built by Developer in the Park District exceeds this Sixty

(60) foot height restriction, and no exception to this restriction is approved by the Corpus Christi City Council as stated herein, then Developer will be in Default under this Agreement and Developer will have the opportunity to cure the Default as set out in Section 11.1 herein and City will be entitled to exercise its remedies as set out in Section 11.1 herein. Additionally, if a Waterpark play feature built by Developer in the Park District exceeds this Sixty (60) foot height restriction, and no exception to this restriction is approved by the Corpus Christi City Council as stated in this Section, Developer may seek a Variance under Section 13.15 herein. If a Waterpark play feature built by Developer in the Park District exceeds this Sixty (60) foot height restriction and no exception to this restriction is approved by the Corpus Christi City Council as stated in this Section, Developer fails or refuses to timely cure under Section 11.1 herein, and no extension to cure is approved by the Corpus Christi City Council under Section 11.1 herein, and no Variance is granted or approved by the Corpus Christi City Council under Section 13.15 herein, then this Agreement shall terminate, all right by Developer to receive Chapter 380 Payments shall cease and Developer shall be required to refund the City any Chapter 380 Payments previously paid to it by the City prior to the date Developer received written notice by the City of such Default.

4.7 Required Buffer Zone. A buffer area no less than four hundred (400) feet wide shall be preserved and maintained for the Term of this Agreement between any vertical Waterpark play feature taller than the maximum height of a standard two story residence, as defined in the Corpus Christi Unified Development Code, and any platted single family residential lot existing of record on the Effective Date of this Agreement.

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

4.9 Utilization of Disadvantaged Business Enterprises: Small Business Initiatives.

(A) Developer agrees to exercise reasonable efforts in utilizing contractors and suppliers that are determined to be disadvantaged business enterprises, including minority business enterprises women-owned business enterprises and historically-underutilized business enterprises, in the construction of elements of the Project that are not owner-provided or owner affiliate-provided. In order to qualify as a business enterprise under this provision, the firm must be certified by the City, the Regional Transportation Authority or another governmental entity in the jurisdiction of the home office of the business as complying with state or federal standards for qualification as such an enterprise. The Developer agrees to a goal of 30% of the total dollar amount of all construction contracts and supply agreements, for elements of the Project that are not owner-provided or owner affiliate-provided, being paid to disadvantaged business enterprises, with a priority made for disadvantaged business enterprises

which are local. The Developer agrees, during the construction of the Project and for four years after Completion, to maintain written records documenting the efforts of the Developer to comply with the DBE Requirement, pursuant to Article X herein.

(B) For the purposes of this section, the term "local" as used to describe contractors and suppliers that are determined to be disadvantaged business enterprises, including minority business enterprises women-owned business enterprises and historically-underutilized business enterprises includes firms, businesses, and persons who reside in or maintain an office within a 50-mile radius of Nueces County. This goal shall apply to the total amount of all construction contracts and supply agreements for elements that are not owner-provided or owner affiliate-provided made by the Developer in connection with the construction of the Project. The parties acknowledge that some construction and supply agreements will be controlled by particular tenants of the Developer and not under the control of the Developer, The Developer agrees to encourage such third parties to adopt a comparable goal of 30% of their construction costs, but the City acknowledges that Developer has no legal authority in connection with such third-party contracting.

4.10 Compliance with City Standards. Developer acknowledges that, unless specifically otherwise provided in this Agreement, development of the Project must comply with all applicable City codes and ordinances. For any development requirements not covered in this Section or in the remainder of the Agreement, the applicable City code and ordinance provisions shall control.

4.11 Resort Rentals Ownership. Resort Rental properties may be owned by Developer, another person or entity for rentals by customers of less than thirty (30) days at a time. Hotel Occupancy Tax Revenues and the M&O portion of Property Tax Revenues generated by Completed Resort Rental properties owned by Developer, another person or entity and rented as stated herein are eligible for the Chapter 380 Payments to Developer as stated herein. Hotel Occupancy Tax Revenues, but not any Property Tax Revenues, generated by Completed Resort Rental properties owned by persons other than Developer and rented as stated herein are eligible for the Chapter 380 Payments to Developer as stated herein.

ARTICLE V

PROJECT FINANCING AND FUNDING

5.1 Project Financing: Reimbursement Account / Reimbursement Amount. The City hereby covenants and agrees upon the Effective Date of this Agreement to create a special account (the "Reimbursement Account") for the benefit of the Developer for the purpose of paying the Reimbursement Amount. The City shall fund the Reimbursement Account through the Term of this Agreement from the following sources and in the following manner: i) with respect to the portion of the Reimbursement Amount calculated based on the M&O portion only of the Property Tax Revenues, the City shall annually fund the Reimbursement Account from the M&O portion only of the Property Tax Revenues collected from the Districts within the Project boundaries for the Term of this Agreement; ii) with respect to the portion of the Reimbursement Amount calculated based on the Sales Tax Revenues, the City shall timely fund the Reimbursement Account in an amount equal to the Sales Tax Revenues from the Sales Tax Revenues collected from the Districts within the Project boundaries for the Term of this Agreement; iii) with respect to the portion of the Reimbursement Amount calculated based on the Hotel Occupancy Tax Revenues, the City shall timely fund the Reimbursement Account in an amount equal to the Hotel Occupancy Tax Revenues from the Hotel Occupancy Tax Revenues collected from the Districts within the Project boundaries for the Term of this Agreement; and iv) with respect to the portion of the Reimbursement Amount calculated based on the Construction Sales Tax Revenues, the City shall timely fund the Reimbursement Account in an amount equal to the Construction Sales Tax Revenues from the Construction Sales Tax Revenues collected from the Districts within the Project boundaries for the Term

of this Agreement. The City shall establish a separate bank account for Reimbursement. This bank account shall always remain unencumbered by the City and segregated from all other funds of the City.

5.2 City Commitment.

(A) Pursuant to its authority under Chapter 380, the City hereby agrees to pay the Reimbursement Amount to the Developer. It is intended by the parties that the Reimbursement Amount will be paid by the City solely out of the Reimbursement Account and used to make Chapter 380 Payments to the Developer as provided in this Agreement (the "City Commitment"). The City Commitment will commence upon Completion and will continue through and until the Reimbursement Amount has been paid. The City agrees that it will pay the Reimbursement Amount during the term of this Agreement, as an unconditional obligation of the City (but solely from the Reimbursement Account), if the Project is Commenced and Completed as required herein and generates the Reimbursement Amount.

(B) The Parties agree that the maximum City Commitment per District shall be as stated in Section 5.3 herein, and such obligation on behalf of the City will be limited solely to the funds deposited into the Reimbursement Account pursuant to this Agreement. Upon such time as the City has paid the maximum City Commitment per District in full, the City shall have no further obligation under this Agreement for that District.

(C) Sales Tax Revenues. During the Term of this Agreement, the City shall determine semi-annually the amount of the Sales Tax Revenues attributable to features of each District within the Project boundaries completed during the Term of this Agreement from information provided by the State Comptroller and in cooperation with the Developer and the State Comptroller. The City and Developer agree to cooperate in any way necessary to receive information from the Comptroller necessary to determine said Sales Tax Revenue, including the filing or submittal of any forms or letters necessary to determine the incidence of local sales and use taxes. The City hereby agrees to deposit timely from available funds in the City's General Fund the Sales Tax Revenues portion of the City Commitment for each District in the percentages stated in Section 5.3 herein into the Reimbursement Account, and hereby pledges such fund to the payment of the City Commitment as provided herein. The City designates this Agreement as a Revenue Sharing Agreement, thereby entitling the City to request sales tax information from the Comptroller, pursuant to section 321.3022, Texas Tax Code, as amended. Unless determined otherwise by the Texas Attorney General in writing, any information received relating to the City Sales Tax Revenue shall be considered confidential proprietary financial information not subject to immediate release to the public. The City shall seek a written opinion from the Texas Attorney General, raising any applicable exception to release, prior to any release to a third-party under the Texas Public Information Act.

(D) Property Tax Revenues. During the Term of this Agreement, the City shall determine annually the amount of the Property Tax Revenues received by the City and attributable to completed features of each District within the Project boundaries in cooperation with the Developer. The City hereby agrees to deposit into the Reimbursement Account annually from available funds in the City's General Fund an amount equal to the M&O portion only of said Property Tax Revenues for each District in the percentages stated in Section 5.3 herein, and hereby pledges such fund to the payment of the City Commitment as provided herein. The City shall maintain complete books and records showing deposits to and disbursements from the Reimbursement Account, which books and records shall be deemed complete if kept in accordance with generally accepted accounting principles as applied to Texas municipalities. Such books and records shall be available for examination by the duly authorized officers or agents of the Developer during normal business hours upon request made not less than five (5) business days prior to

the date of such examination. The City shall maintain such books and records throughout the term of this Agreement and store the same for four years thereafter.

(E) Hotel Occupancy Tax Revenues. During the Term of this Agreement, the City shall determine semi-annually the amount of the Hotel Occupancy Tax Revenues attributable to completed features of each District within the Project boundaries in cooperation with the Developer. The City hereby agrees to deposit timely from available funds in the City's Hotel Occupancy Tax Fund an amount equal to said Hotel Occupancy Tax Revenues portion of the City Commitment for each District in the percentages stated in Section 5.3 herein into the Reimbursement Account, and hereby pledges such fund to the payment of the City Commitment as provided herein. The City shall maintain complete books and records showing deposits to and disbursements from the Reimbursement Account, which books and records shall be deemed complete if kept in accordance with generally accepted accounting principles as applied to Texas municipalities. Such books and records shall be available for examination by the duly authorized officers or agents of the Developer during normal business hours upon request made not less than five business days prior to the date of such examination. The City shall maintain such books and records throughout the term of this Agreement and store the same for four years thereafter. Developer shall comply with the terms of Section 351 of the Texas Tax Code, as it may be amended from time to time, applicable to the Hotel Occupancy Tax Revenues. Further, Developer shall deliver to City, upon the City's request, such information and reports which the City reasonably requests as evidence that Developer is in compliance with such statutes. Should any expenditure of Hotel Occupancy Tax Revenues by Developer be for a use that is found to be illegal, the City shall have no liability in connection thereof.

(F) Construction Sales Tax Revenues. During the Term, the City shall determine semi-annually the amount of the Construction Sales Tax Revenues from local construction suppliers only for completed features of each District within the Project boundaries received by the City in cooperation with the Developer. The City hereby agrees to deposit timely from available funds in the City's General Fund an amount equal to said Construction Sales Tax Revenues portion of the City Commitment attributable to each District in the percentages stated in Section 5.3 herein into the Reimbursement Account, and hereby pledges such fund to the payment of the City Commitment as provided herein. The City shall maintain complete books and records showing deposits to and disbursements from the Reimbursement Account, which books and records shall be deemed complete if kept in accordance with generally accepted accounting principles as applied to Texas municipalities. Such books and records shall be available for examination by the duly authorized officers or agents of the Developer during normal business hours upon request made not less than five business days prior to the date of such examination. The City shall maintain such books and records throughout the term of this Agreement and store the same for four years thereafter.

5.3 Reimbursement Amounts to be Paid by City to Developer.

(A) Sales Tax Revenues and Construction Sales Tax Revenues: Developer shall provide the City a semi-annual report, no later than March 1 and September 1 of each year, stating Developer's sales figures attributable to the completed features of each District within the Project boundaries and the corresponding amount of Sales Tax and Construction Sales Tax Revenues. Within Sixty (60) days of receiving written request from Developer, accompanied by all reasonable supporting documentation from Developer that it has fully complied with its performance requirements, subject to the satisfaction of Developer's Commitments under Article IV herein and Developer's timely and full compliance with all applicable terms and conditions contained in this Agreement, City shall pay to Developer the applicable Chapter 380 Payments attributable to the completed features of each District within the Project boundaries based on the percentages stated below for the applicable Tax Revenues collected by City on the completed features of each District, subject to the limitations set forth herein. Developer may spend

said Chapter 380 Payments received as Reimbursement Amounts or in satisfaction of other City Commitment on improvements or other lawful uses only within the Project boundaries.

(B) Property Tax Revenues: Developer shall provide the City an annual paid property tax bill, no later than March 1 of each year, stating Developer's figures attributable to the completed features of each District within the Project boundaries and the corresponding amount of Property Tax Revenues. Within Sixty (60) days of receiving written request from Developer, accompanied by all reasonable supporting documentation from Developer that it has fully complied with its performance requirements, subject to the satisfaction of Developer's Commitments under Article IV herein and Developer's timely and full compliance with all applicable terms and conditions contained in this Agreement, City shall pay to Developer the applicable Chapter 380 Payments attributable to the completed features of each District within the Project boundaries based on the percentages stated below for the applicable Tax Revenues collected by City on the completed features of each District, subject to the limitations set forth herein. Developer may spend said Chapter 380 Payments received as Reimbursement Amounts or in satisfaction of other City Commitment on improvements or other lawful uses only within the Project boundaries.

(C) Hotel Occupancy Tax Revenues: Developer shall provide the City a semi-annual report, no later than March 1 and September 1 of each year, stating Developer's occupancy figures attributable to the completed features of each District within the Project boundaries and the corresponding amount of Hotel Occupancy Tax paid to the City. Within Sixty (60) days of receiving written request from Developer, accompanied by Developer's annual Approved Spending Plan (as defined herein) and all reasonable supporting documentation from Developer that it has fully complied with its performance requirements, subject to the satisfaction of Developer's Commitments under Article IV herein and Developer's timely and full compliance with all applicable terms and conditions contained in this Agreement, City shall pay Developer an amount not to exceed the applicable Chapter 380 Payments attributable to the completed features of each District within the Project boundaries, in an amount equal to the amount indicated in the annual Approved Spending Plan, based on the percentages stated below for the Hotel Occupancy Tax Revenues collected by City on the completed features of each District, subject to the limitations set forth herein; provided, however, that Developer must comply with the terms of Section 351 of the Texas Tax Code, as it may be amended from time to time, applicable to the Hotel Occupancy Tax Revenues. Further, Developer shall deliver to City, upon the City's request, such information and reports which City reasonably requests in order for City to verify that Developer is in compliance with said statutes. Any Hotel Occupancy Tax Revenues remaining unspent by Developer, and all accrued interest thereon, if any, at the expiration or earlier termination of this Agreement shall be returned by Developer to City, which obligation shall survive the expiration or earlier termination of this Agreement. By this Agreement, City is delegating, pursuant to Section 351.101(c) of the Texas Tax Code, as it may be amended from time to time, the management or supervision of certain programs and activities to be funded by Hotel Occupancy Tax Revenues. Developer may spend such funds received as Reimbursement Amounts or in satisfaction of other City Commitment on improvements or other lawful uses only within the Project boundaries.

Developer and Developer's subcontractors shall apply for reimbursement for the applicable City Tax Revenues only from the City. Failure to do so would be an Act of Default hereunder.

Park District A Payments:

Sales Tax: 100%

Property Tax (M&O portion thereof only): 100% beginning in fiscal year 2022 or upon termination of the TRZ, whichever occurs sooner, for the part of the Park District A within the boundaries of the TRZ, as shown on **EXHIBIT "D"**, " attached hereto. Parts of the Park District A not within the boundaries of the TRZ are eligible for said Property Tax Chapter 380 Payments upon completion of the Park District.

Hotel Occupancy Tax: 100%
Construction Sales Tax: 50%

The City Commitment attributable to the Park District to be paid to Developer for the Park District A shall not exceed \$34,130,131.

IslandWalk District Payments:

Sales Tax: 85%

Property Tax (M&O portion thereof only): 85% beginning in fiscal year 2022 or upon termination of the TRZ, whichever occurs sooner, for the part of the IslandWalk District within the boundaries of the TRZ, as shown on **EXHIBIT "D,"** attached hereto. Parts of the IslandWalk District not within the boundaries of the TRZ are eligible for said Property Tax Chapter 380 Payments upon completion of the IslandWalk District.

Hotel Occupancy Tax: 85%
Construction Sales Tax: 95%

The City Commitment attributable to the IslandWalk District to be paid to Developer for the IslandWalk District shall not exceed \$29,897,428.

Resort District Payments: The Reimbursement Amount is to be applied only to the Resort Rental part of the Resort District in the following percentages, with no City Commitment allocated to the residential part of the Resort District.

Sales Tax: 70%
Property Tax (M&O portion thereof only): 70%
Hotel Occupancy Tax: 57%
Construction Sales Tax: 0%

The City Commitment attributable to the Resort District to be paid to Developer for the Resort District shall not exceed \$28,192,908.

Marina District Payments:

Sales Tax: 70%
Property Tax (M&O portion thereof only): 70% beginning in fiscal year 2022 or upon termination of the TRZ, whichever occurs sooner, for the part of the Marina District within the boundaries of the TRZ, as shown on **EXHIBIT "D,"** attached hereto. Parts of the Marina District not within the boundaries of the TRZ are eligible for said Property Tax Chapter 380 Payments upon completion of the Marina District.
Hotel Occupancy Tax: 70%
Construction Sales Tax: 0%

The City Commitment attributable to the Marina District to be paid to Developer for the Marina District shall not exceed \$24,896,411.

5.5 Development Fees. City shall waive for Developer (as part of City Commitment) an amount equal to all Development Fees paid pertaining to the Project, provided that the aggregate amount of such payment shall not exceed One Million Four Hundred Thousand Dollars (\$1,400,000.00). The Director of Development Services for the City shall be responsible for tracking and supplying information related to Development Fees to the EDC.

5.6 Maintenance of Project Infrastructure. For no less than the Term of this Agreement, it shall be Developer's sole responsibility to provide proper and timely maintenance of all infrastructure other than paved streets and associated curb and gutters and utility related infrastructure accepted by or typically owned and maintained by the City, in accordance with standard City policy, including but not limited to public water, wastewater, storm water, and gas infrastructure located within the street right of way or other public easement, (collectively, "City Infrastructure") within the property boundaries of the Project. To ensure that all infrastructure associated with the Project other than City Infrastructure are properly and timely maintained, Developer may create a public improvement district, or any other similar self-funding mechanism available under the law, that will encompass the property boundaries of the Project and generate adequate revenue to pay for said proper and timely maintenance of all infrastructure other than City Infrastructure within the property boundaries of the Project. The City agrees to cooperate with the Developer in their application for and creation of a public improvement district under The Public Improvement District Assessment Act, Chapter 372 of the Texas Local Government Code (or any successor statute thereto), a statute corresponding to a similar mechanism, or under a statute to be passed and enacted into law through the state legislative process in the future. The purposes of the public improvement district may include, among others, paying, or reimbursing the costs incurred for the design, construction, operation and maintenance of all infrastructure associated with the Project other than City Infrastructure within the property boundaries of the Project.

ARTICLE VI

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ARTICLE VII

COVENANTS, WARRANTIES, OBLIGATIONS AND DUTIES OF DEVELOPER AND OPERATOR

If the Developer or Operator shall have made any false or substantially misleading statement herein or failed to timely and fully perform as required in this Agreement, such shall be an Act of Default by Developer, subject to Section 11.1 herein. Failure to comply with any one covenant or warranty shall constitute an Act of Default by Developer or Operator, subject to Section 11.1 herein. Developer and Operator, as of the Effective Date, make the following covenants and warranties to City, and agree to timely and fully perform the following obligations and duties.

7.1 Litigation. No litigation or governmental proceeding is pending or, to the knowledge of Developer, Operator or their respective general partner and officers, threatened against or affecting Developer, Operator or the Property that may result in any material adverse change in Developer's or Operator's business, properties or operation.

7.2 Untrue Statements. To the best of their knowledge, no certificate or statement delivered by Developer or Operator to City in connection herewith, or in connection with any transaction contemplated hereby, contains any untrue statement or fails to state any fact necessary to keep the statements contained therein from being misleading except those which have been replaced by subsequent certificates or statements heretofore given to the City in substitution.

7.3 Bankruptcy. There are no bankruptcy proceedings or other proceedings currently pending or contemplated, and Developer and Operator have not been informed of any potential involuntary bankruptcy proceedings.

7.4 Licenses and Authority. To the best of their knowledge, Developer or Operator have acquired and maintained all necessary rights, licenses, permits and authority to carry on their respective businesses in

Corpus Christi, Texas, and will continue to use commercially reasonable efforts to maintain all necessary rights, licenses, permits and authority.

7.5 Payment of Taxes. Developer and Operator shall timely pay all taxes due and owing by them to all taxing authorities having jurisdiction. In addition, Developer and Operator shall timely pay all employment, income, franchise, and all other taxes hereafter to become due and owing by them, respectively, to all local, state, and federal entities subject, however to their right to contest the same in a lawful manner.

7.6 Timely Commencement; Continuous Operations. Developer acknowledges and agrees that if it fails to Commence Construction of the Schlitterbahn Waterpark and pursue its Completion within the time periods herein provided, and Operator acknowledges and agrees that if it fails to Continuously Operate the Schlitterbahn Waterpark in the Park District as herein provided, in either of said cases or events, the City has the right to terminate this Agreement as herein provided.

7.7 Management Changes. Developer and Operator shall notify City in writing of any substantial changes in management of Developer or Operator within seven (7) days after Developer's or Operator's knowledge thereof. Substantial changes mean changes in Chairman of the Board, President, or Chief Executive Officer.

7.8 Ownership Changes. Developer and Operator shall notify City in writing of any changes in ownership of any part of the Project or of Developer or Operator within seven (7) days after Developer's or Operator's knowledge thereof.

7.9 Succession of Ownership. No change of ownership or management of any part of the Project and/or a change of ownership or management of Developer or of Operator shall abate, waive, terminate or in any way relieve Developer or Operator of their respective obligations herein.

7.10 Non-discrimination. Developer agrees that, as to all of the programs and activities arising out of this Agreement, it will not discriminate against any person on the basis of race, color, national origin, sex, or by reason of being disabled.

7.11 Lessee/Owner Lists. Developer or Operator shall provide to City in writing lists of all Project tenants or other persons making sales or purchases of taxable items or real property in each District of the Project, identified by District (the "Lessee/Owner List"). Developer or Operator will periodically and timely notify City of changes to the Lessee/Owner List. For the Park District, the Lessee/Owner List shall include Developer and/or Operator. Developer and Operator are responsible as herein provided for supplying to City such identifying information for each person on the Lessee/Owner List as is required by the Comptroller to issue their sales tax area reports and Hotel Occupancy Tax area reports.

7.12 Sales Tax Reports. If the sales tax area reports described herein are unavailable or otherwise inadequate to allow computation of the Sales Tax Revenue, Developer or Operator shall timely acquire from each tenant a waiver of confidentiality or other document required or approved by the Texas Comptroller that allows City to review individual tenants' reported sales tax information on a semi-annual basis throughout the Term of this Agreement as necessary to compute the Sales Tax Revenue.

7.13 Employment of Undocumented Workers. The Developer does not and agrees that it will not knowingly employ an undocumented worker. If, after receiving Chapter 380 Payments, Developer or Operator is convicted of a violation under 8 U.S.C. Section 1324a (f), the convicted Developer or Operator shall repay the Chapter 380 Payments at the rate and according to the terms as specified by City

Ordinance, as amended, not later than the 120th day after the date the Developer or Operator has been notified of the violation.

ARTICLE VIII **CITY'S COVENANTS, WARRANTIES, OBLIGATIONS AND DUTIES**

8.1 Type II Reclaimed Water Supply. To the extent permitted by law, the City shall authorize Developer to receive Type II reclaimed water, as defined in Title 30 of the Texas Administrative Code, from the City for the Project needs at no cost on an as needed, end-user demand basis within the boundaries of the Project for use by Developer and Operator within statutory and governmental agency requirements. In the event that there is any proposed change to policy, legislation, and terms, conditions or restrictions in the governing permits or authorizations that may impact the delivery to Developer or Operator of Type II reclaimed water or impose a future fee to Developer or Operator for the use of the Type II reclaimed water, the City shall notify Developer at least sixty (60) days before such proposed change is to take effect. In their use of the Type II reclaimed water, Developer and Operator shall comply with all TCEQ and all other applicable governmental agency requirements and regulations.

ARTICLE IX **SUSPENSIONS/TERMINATION**

Subject to the terms of Article V herein, City, under the following circumstances, and at its sole discretion, may temporarily suspend making Chapter 380 Payments under this Agreement and/or terminate this Agreement, without liability to Developer, and all future payment obligations shall automatically cease upon anyone of the following events:

9.1 Receiver. The appointment of a receiver for Developer, or of all or any substantial part of its property, and the failure of such receiver to be discharged within sixty (60) days thereafter.

9.2 Bankruptcy. The adjudication of Developer as a bankrupt.

9.3 Bankruptcy Petition. The filing by Developer of a petition or an answer seeking bankruptcy, receivership, reorganization, or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

9.4 Failure to Comply with Audit Requirements. The failure of Developer or Operator to reasonably cooperate with the City in the monitoring process described in Article X below.

ARTICLE X **REPORTING AND AUDITING**

10.1 Audit by the City. The City may audit Developer's and Operator's records to determine their compliance with the terms of this Agreement. This audit will be done by the City on an annual basis in March of each year. During the monitoring process, the City will make maximum use of any State submissions for the determination of Reimbursement Amount. Developer and Operator shall provide the City an annual report, no later than March 1 of each year, stating Developer's and Operator's occupancy and sales figures attributable to the completed features of each District within the Project boundaries and the corresponding amount of Sales Tax, Property Tax and Hotel Occupancy Tax paid to the City by Developer.

10.2 Access to Records / Right to Audit. Developer and Operator, during normal business hours shall allow City reasonable access to its records and books and all other relevant records related to each of the

economic development considerations and incentives and performance requirements, as stated in this Agreement, but the confidentiality of such records and information shall be maintained by City unless disclosure of such records and information shall be required by a court order, a lawfully issued subpoena, or at the direction of the Office of the Texas Attorney General.

ARTICLE XI

DEFAULT

11.1 Default. Subject to Force Majeure and any consent given under Section 11.2 or Variance granted under Section 13.15, should Developer fail to timely, fully and completely keep or perform any one or more of the covenants or warranties made by Developer in this Agreement (but excluding achieving satisfaction of any condition to the Developer's right to receive Chapter 380 Payments under this Agreement), such failure to perform shall be an Act of Default by Developer and, if not cured and corrected within sixty (60) days after written notice to do so or by express waiver by the Corpus Christi City Council, City may terminate this Agreement and cease making any further Chapter 380 Payments which have not been earned by performance by Developer theretofore. Developer shall be liable to City for any actual damages sustained by the City as a result of said Act of Default by Developer under this Agreement, subject to the provisions of Section 13.17.

11.2 Consent and Excuse. In the event of unforeseeable third party delays which are not Force Majeure and upon a reasonable showing by Developer that it has immediately and in good faith commenced and is diligently and continuously pursuing the correction, removal or abatement of such delays by using commercially reasonable efforts, the Corpus Christi City Council may consent to and excuse any such delays, which consent and excuse shall not be unreasonably withheld.

11.3 City Delay. Any delay for any amount of time by City in providing notice of Default to Developer or Operator hereunder, shall in no event be deemed or constitute a waiver of such Default by City of any of its rights and remedies available in law or in equity.

11.4 City Waiver. Any waiver granted by City to Developer or Operator of an Act of Default shall not be deemed or constitute a waiver of any other existing or future Act of Default by Developer or of a subsequent Act of Default of the same act or event by Developer.

ARTICLE XII

CITY'S LIABILITY LIMITATIONS

Should City fail to timely, fully and completely comply with any one or more of the requirements, obligations, duties, terms, conditions or warranties of this Agreement, such failure shall be an Act of Default by City and City shall have sixty (60) days to cure and remove the Default after receipt of written notice to do so from Developer or Operator.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

13.1 Sign Permitting. Prior to submitting any building permit applications for any sign, Developer shall obtain approval from City's Planning and Building Inspection Department's Director for plans for signs.

13.2 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 to be in a state of Completion.

13.3 Attorneys' Fees. If any legal action or proceeding is commenced between City and Developer or Operator based on this Agreement, the prevailing party in the legal action will be entitled to recover its reasonable attorneys' fees and expenses incurred by reason of such action, to the extent allowed by law.

13.4 Binding Effect. This Agreement will be binding on and inure to the benefit of the parties and their respective successors and assigns.

13.5 Assignment. Except as provided below, Developer may not assign all or part of its rights and obligations under this Agreement to a third party without prior written approval of City, which approval will not be unreasonably withheld or delayed. The City agrees, however, that the Developer may assign all or part of its rights and obligations under this Agreement to any entity affiliated with the Developer by reason of controlling, being controlled by, or being under common control with the Developer; to a subsequent Developer of all or any part of the Project; to a tenant in the Project or to a third party lender advancing funds for the acquisition of all or any part of the Property or for the construction or operation of the Project. The City expressly consents to any assignment described in the preceding sentence, and agrees that no further consent of City to such an assignment will be required. The Developer agrees to provide City with written notice of any such assignment.

13.6 Termination. If Developer elects not to proceed with the development of a Schlitterbahn Waterpark in the Park District as contemplated by this Agreement, Developer will notify City in writing, and this Agreement and the obligations of both parties will be deemed terminated and of no further force or effect as of the date of such notice. Additionally, at any time during the Term following the Completion of a Schlitterbahn Waterpark in the Park District, the Developer may elect to terminate this Agreement as to any or all parts of the Project which have not been completed and placed in service, by giving the City written notice thereof specifying the part or parts of the Project to which the notice of termination relates. Following the giving of said notice, this Agreement shall terminate and be of no further force or effect as to the part or parts of the Project designated in said notice of termination and all parties shall be fully released of any further obligations under this Agreement relating to said designated part or parts of the Project.

13.7 Notice. Any notice or other communication ("Notice") given under this Agreement must be in writing, and may be given: (i) by depositing the Notice in the United States Mail, postage paid, certified, and addressed to the party to be notified with return receipt requested; (ii) by personal delivery of the Notice to the party, or an agent of the party; or (iii) by confirmed facsimile, provided that a copy of the Notice is also given in one of the manners specified in (i) or (ii). Notice deposited in the mail in the manner specified will be effective two (2) days after deposit. Notice given in any other manner will be effective only if and when received by the party to be notified. For the purposes of Notice, the addresses of the parties will, until changed as provided below, be as follows:

Developer: Upper Padre Partners, L.P.
Attention: Paul Schexnailder
381 East Austin Street
New Braunfels, Texas 78130
Ph:
Facsimile:

with a copy to:
R. G. Converse
Fulbright & Jaworski L.L.P.
98 San Jacinto Blvd

Suite 1100
Austin, Texas 78701
Ph: (512) 536-4535
Facsimile: (512) 536-4598

City: City of Corpus Christi
Attn.: City Manager
P.O. Box 9277
Corpus Christi, Texas 78469-9277
Ph: (361) 826-3220
Facsimile: (361) 826-3839

with a copy to: City Attorney
P.O. Box 9277
Corpus Christi, Texas 78469-9277
Ph: (361) 826-3360
Facsimile: (361) 826-3239

Operator: North Padre Waterpark Holdings, LTD
381 East Austin Street
New Braunfels, Texas 78130
Attention: Gary Henry
Ph: (830) 625-2351
Fax: (830) 625-3515

Any party may designate a different address at any time by giving Notice to the other party.

13.8 Interpretation. Each of the parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. In the event of any dispute regarding the interpretation of this Agreement, this Agreement will be interpreted fairly and reasonably and neither more strongly for nor against any party based on draftsmanship.

13.9 Relationship of the Parties. This Agreement will not be construed as establishing a partnership or joint venture, joint enterprise, express or implied agency, or employer-employee relationship between the parties. Neither City, nor its past, present or future officers, elected officials, employees or agents, assume any responsibility or liability to any third party in connection with the development of the Project or the design, construction or operation of any portion of the Project.

13.10 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected and it is also the intention of the parties that, in lieu of each provision that is found to be illegal, invalid or unenforceable, a provision be added to this Agreement which is legal, valid or enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

13.11 Paragraph Headings, Etc. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the paragraphs.

13.12 No Third Party Beneficiaries. This Agreement is not intended to confer any rights, privileges or causes of action upon any third party.

13.13 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument. A facsimile signature will be deemed to be an original signature for all purposes.

13.14 Exhibits. The following exhibits are attached to and incorporated into this Agreement for all purposes:

Exhibit "A:" Schlitterbahn Beach Country Project Description
Exhibit "B:" Type A Corporation Business Incentive Agreement
Exhibit "C:" Project Boundaries: Field Notes/Metes and Bounds
Exhibit "D:" TRZ Boundary Map

13.15 Variances. The Corpus Christi City Council, in its sole discretion, may grant and approve variances to Developer or Operator from the performance criteria and development standards described herein upon application in writing therefor by Developer on behalf of itself or the Operator.

13.16 Balance Owed under the Agreement. The total amount of money awarded in an adjudication brought against City for breach of this Agreement is limited to the following: (i) the balance then due and owed by City under the Agreement plus any balance which may become due by City during the remaining term of the Agreement, including any amendments thereto; (ii) interest as allowed by law; and (iii) attorney's fees as allowed by law.

13.17 Damages not included. Damages awarded in an adjudication brought against City or Developer arising under the Agreement, including any amendments thereto, may not include: (i) consequential damages, except as expressly allowed under Section 13.16 above; (ii) exemplary damages; or (iii) damages for unabsorbed home office overhead.

ARTICLE XIV **GENERAL TERMS**

14.1 Entire Agreement. This Agreement embodies the complete Agreement of the parties hereto, superseding all oral or written, previous and contemporary, agreements between the parties relating to matters in this agreement; and, except as otherwise provided herein, this Agreement cannot be modified or amended without a written agreement of the parties.

14.2 Law. This Agreement is subject to all legal requirements in City Charter and Code of Ordinances of City of Corpus Christi, Texas and all other applicable County, State and Federal laws, and Developer and Operator agree that it will promptly comply with all such applicable laws, regulations, orders and rules of the State, City and other applicable governmental agencies. This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas without regard, however, to the conflicts of laws provisions of Texas law.

14.3 Venue. Venue for any legal action related to this Agreement is in Nueces County, Texas.

14.4 Confidential. City, its officers and employees, and its agents or contractors retained to perform economic development services for City, shall treat as confidential the financial statements and information together with any proprietary information delivered by Developer, Operator or their respective representatives to City and its representatives and shall not release such information to the public, unless required by law or court order. City shall immediately notify Developer of requests or court orders to release such information.

14.5 Exhibits. Exhibits "A" through "D" attached hereto are made a part of this Agreement for all purposes as if they were set forth herein in their entirety.

[Remainder of page intentionally left blank]

EXECUTED to be effective as of this 18 day of MAY, 2012

UPPER PADRE PARTNERS, L.P., a Texas limited partnership

Signed on this 18 day of MAY, 2012

By: Upper Padre GP, INC, general partner

By: Paul Schexnayder
Paul Schexnayder, Manager

NORTH PADRE WATERPARK HOLDINGS, LTD, a Texas limited partnership

Signed on this 18 day of MAY, 2012

By: North Padre WPH GP, LLC, general partner

By: Gary Henry
Gary Henry, Manager

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

Signed on this _____ day of _____, 2012

ATTEST:

CITY OF CORPUS CHRISTI

Armando Chapa, City Secretary

Ronald L. Olson, City Manager



Schlitterbahn Beach Country is planned to provide the essential elements of a true family destination on Upper Padre Island at Corpus Christi, Texas.

The Park District

Park District A contains the Schlitterbahn Waterpark. The Waterpark is approximately 75.119 acre waterpark resort that will be built in phases over a period of several years, whose initial components will feature a minimum capacity of three thousand simultaneous visitors, with future phases increasing the capacity based on demonstrated demand. The Waterpark will be based on the "Transportainment" model in place at each of the other Schlitterbahn Waterparks in which multiple entertainment elements and rides are integrated with each other, typically featuring tube chutes, momentum rivers, torrent rivers, slides, pools and aquaveyors (all based on proprietary technologies and patents). Other elements of the Waterpark include, but are not limited to, heated pools, children pools and play areas, and support areas such as food and beverage, dressing areas, shade structures, gift shops, admission areas and parking areas. The Waterpark also may include a hotel or theme-style designed lodging consistent with but not specifically limited to the Treehaus lodging located at Schlitterbahn New Braunfels or other theme-style designed lodging that may be developed by Developer. The mix of rides and attractions, and the integration of ride technology, of the Waterpark will be similar to other Schlitterbahn Waterparks.

Park District B includes a golf course. The numbers of holes will be reduced but will remain at least a 9-hole course.

The IslandWalk District

The IslandWalk District offers several use options from the canal side restaurants and retail to residential with rental units up to residential units lining the golf course. Residential units in this district will range from traditional canal side units, cottage clusters and pond and golf course residential.

The creation of the IslandWalk canal creates a truly pedestrian experience that is not available elsewhere along the Texas Coast. The heart of the district is the 2,500 feet of canal on the west side of Park Road 22. Once completed, residents and tourists will use the canal system as a transportation system. In addition to walking along the canal, visitors will be able to dock their boats as they visit the various shops and restaurants or attend events on the IslandWalk.

The Marina District

The Marina District is designed as a mixed use marina development serving Padre Harbor and the IslandWalk. With its access to the Gulf of Mexico via Packery Channel, the Marina District is designed to include in-the-water boat slips and dry-stack boat storage.

The Marina District will become the center of the boating community and will provide essential elements to the fishing and water sports visitors. The Marina District is envisioned to include restaurants, entertainment, retail and lodging. The Lodging facilities will be comprised of traditional apartment and hotel units as well as residential above retail.

The location and configuration will be designed to offer a Live-Work-Play lifestyle. As the harbor side anchor of the IslandWalk those choosing to live in or visit the Marina District will have easy access to the pedestrian IslandWalk district and Schlitterbahn Beach Country.

The Resort District

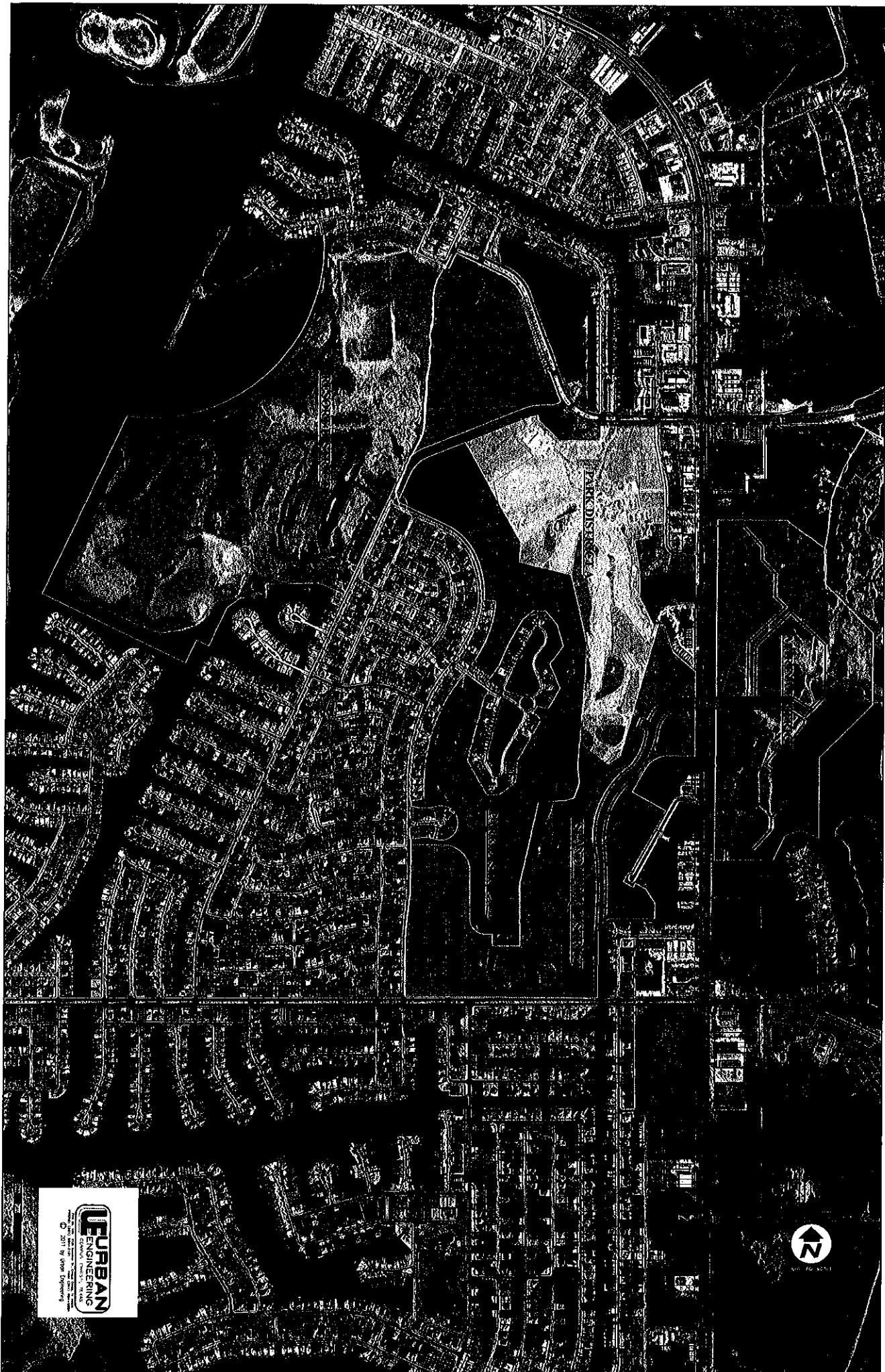
The Resort District is designed as the resort residential district serving Upper Padre Island and Schlitterbahn Beach Country. The roughly 250 acres will be designed with full architectural design standards, mixed residential uses and resort quality lodging facilities.

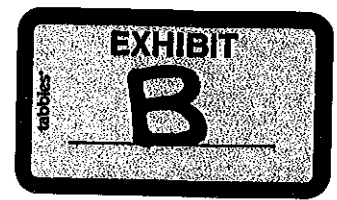
Cooper Robertson and Associates, the land planners of WaterColor and Water Sound in the Florida Panhandle, prepared the conceptual land plan for the Resort District.

The Resort District will be subject to the City of Corpus Christi's zoning ordinance and unified development code prior to construction. In addition, any changes in the development plan will require Corps of Engineer permit modifications procedures. Accordingly there will be substantial public input prior to construction of the district.

The Resort District plan contains the traditional bulk headed canal lots, canal lots with natural shore line and areas with fresh water ponds. In addition to the canal system the district will include pedestrian pathways, cart paths and open areas.

The Resort District borders Commodores Drive, Aquarius Street and portions of the Laguna Madre. A portion of the Resort District fronts on a protected habitat and will be designed to add separation between the protected habitat and the developed property.





**BUSINESS INCENTIVE AGREEMENT BETWEEN
THE CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION AND
NORTH PADRE WATERPARK HOLDINGS LTD
FOR INFRASTRUCTURE CONSTRUCTION TO ENHANCE ECONOMIC
DEVELOPMENT**

This Business Incentive Agreement for Capital Investments and the Creation and Retention of Jobs ("Agreement") is entered into between the Corpus Christi Business and Job Development Corporation ("Corporation") and North Padre Waterpark Holdings Ltd. ("Schlitterbahn"), a Texas limited partnership.

WHEREAS, the Texas Legislature in Section 4A of Article 5190.6, Vernon's Texas Revised Civil Statutes (Development Corporation Act of 1979), now codified as Subtitle C1, Title 12, Texas Local Government Code, empowered local communities with the ability to adopt an optional local sales and use tax as a means of improving the economic health and prosperity of their citizens;

WHEREAS, on November 5, 2002, residents of the City of Corpus Christi ("City") passed Proposition 2, New and Expanded Business Enterprises, which authorized the adoption of a sales and use tax for the promotion and development of new and expanded business enterprises at the rate of one-eighth of one percent to be imposed for 15 years;

WHEREAS, the 1/8th cent sales tax authorized by passage of Proposition 2 was subsequently enacted by the City Council and filed with the State Comptroller of Texas, effective April 1, 2003, to be administered by the Corpus Christi Business and Job Development Corporation Board;

WHEREAS, the Corpus Christi Business and Job Development Corporation exists for the purposes of encouraging and assisting entities in the creation of jobs for the citizens of Corpus Christi, Texas;

WHEREAS, the Board of Directors of the Corporation ("Board"), on September 10, 2007, amended the Corporation's Guidelines and Criteria for Granting Business Incentives ("Type A Guidelines"), which the City Council incorporated into the City of Corpus Christi Economic Development Incentive Policies 2009-2011 on November 17, 2009;

WHEREAS, the City Council approved the Corporation's amended Guidelines and Criteria for Granting Business Incentives on September 18, 2007;

WHEREAS, the Board, on November 9, 2010, amended the Corporation's Guidelines and Criteria for Granting Business Incentives;

WHEREAS, the City Council approved the Corporation's amended Guidelines and criteria for Granting Business Incentives on November 9, 2010;

WHEREAS, Section 501.073, Texas Local Government Code, formerly Section 21 of the Texas Development Corporation Act of 1979, Art. 5190.6, Vernon's Texas Revised Civil Statutes, requires the City Council to approve all programs and expenditures of the corporation;

WHEREAS, Schlitterbahn is a major destination waterpark resort that will draw tourists and visitors from outside of the local area;

WHEREAS, Schlitterbahn proposes to invest approximately \$39 million over a 3 year period;

WHEREAS, on May 4, 2012, the Board determined that it is in the best interests of the citizens of Corpus Christi, Texas that business development funds be provided to Schlitterbahn, through this Agreement with Schlitterbahn, to be used by Schlitterbahn to pay for the creation of certain infrastructure improvements allowed under Section 501.103 of the Texas Local Government Code needed for the development of the Schlitterbahn waterpark and that will result in increased economic development and the creation of 40 new full-time permanent jobs and 300 seasonal jobs in the City of Corpus Christi.

In consideration of the covenants, promises, and conditions stated in this Agreement, the Corporation and Schlitterbahn agree as follows:

1. **Effective Date.** The effective date of this Agreement ("Effective Date") is the latest date that either party executes this Agreement.
2. **Term.** The term of this Agreement is for three years beginning on the effective date.
3. **Performance Requirements.**
 - a. Schlitterbahn agrees to use these funds to pay for the creation of certain infrastructure improvements allowed under Section 501.103 of the Texas Local Government Code needed for the development of the Schlitterbahn waterpark .
 - b. Schlitterbahn agrees to provide the Corporation with a sworn certificate by authorized representative of the business, certifying the amount used for infrastructure improvements.
 - c. Schlitterbahn will provide the Corporation with a detailed list of infrastructure expenditures each year within 30 days of the anniversary of the effective date until the end of this agreement.
4. **Grant Award.**
 - a. The Board will grant Schlitterbahn the amount of \$5,000,000 over the term of the agreement, to be paid to North Padre WPH GP, LLC, general partner of Schlitterbahn.

b. One half of the grant (\$2,500,000) will be awarded upon the Developer providing documentation that they have spent \$5,000,000 for infrastructure improvements for the waterpark allowed under Section 501.103 of the Texas Local Government Code or have achieved 50% completion of the waterpark. 50% completion of the waterpark means that at least \$10,000,000 has been spent on construction of the first phase of the waterpark.

c. One half of the grant (\$2,500,000) will be awarded upon the completion of the waterpark. Completion means that the Certificate of Occupancy for the waterpark has been issued by the City.

5. Buy Local Provision.

a. Schlitterbahn agrees to use its best efforts to give preference and priority to local manufacturers, suppliers, contractors, and labor, except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operating efficiency in the normal course of business.

b. For the purposes of this section, the term "local" as used to describe manufacturers, suppliers, contractors, and labor includes firms, businesses, and persons who reside in or maintain an office within a 50 mile radius of Nueces County.

8. Warranties. Schlitterbahn warrants and represents to Corporation the following:

a. Schlitterbahn is a corporation duly organized, validly existing, and in good standing under the laws of the State of Texas, has all corporate power and authority to carry on its business as presently conducted in Corpus Christi, Texas.

b. Schlitterbahn has the authority to enter into and perform, and will perform, the terms of this Agreement to the best of its ability.

c. Schlitterbahn has timely filed and will timely file all local, State, and Federal tax reports and returns required by laws to be filed and all Texas, assessments, fees, and other governmental charges, including applicable ad valorem taxes, have been timely paid, and will be timely paid, during the term of this Agreement.

d. Schlitterbahn has received a copy of the Texas Development Corporation Act, Subtitle C1, Title 12, Texas Local Government Code, and acknowledges that the funds granted in this Agreement must be utilized solely for purposes authorized under State law and by the terms of this Agreement.

e. The parties executing this Agreement on behalf of Schlitterbahn are duly authorized to execute this Agreement on behalf of Schlitterbahn.

f. Schlitterbahn does not and agrees that it will not knowingly employ an undocumented worker. If, after receiving payments under this Agreement,

Schlitterbahn is convicted of a violation under §U.S.C. Section 1324a(f), Schlitterbahn shall repay the payments at the rate and according to the terms as specified by City Ordinance, as amended, not later than the 120th day after the date Schlitterbahn has been notified of the violation.

7. Compliance with Laws. Schlitterbahn shall observe and obey all applicable laws, ordinances, regulations, and rules of the Federal, State, county, and city governments.

8. Non-Discrimination. Schlitterbahn covenants and agrees that Schlitterbahn will not discriminate nor permit discrimination against any person or group of persons, with regard to employment and the provision of services at, on, or in the Facility, on the grounds of race, religion, national origin, marital status, sex, age, disability, or in any manner prohibited by the laws of the United States or the State of Texas.

9. Force Majeure. If the Corporation or Schlitterbahn are prevented, wholly or in part, from fulfilling its obligations under this Agreement by reason of any act of God, unavoidable accident, acts of enemies, fires, floods, governmental restraint or regulation, other causes of force majeure, or by reason of circumstances beyond its control, then the obligations of the Corporation or Schlitterbahn are temporarily suspended during continuation of the force majeure. If either party's obligation is affected by any of the causes of force majeure, the party affected shall promptly notify the other party in writing, giving full particulars of the force majeure as soon as possible after the occurrence of the cause or causes relied upon.

10. Assignment. Except as provided below, Schlitterbahn may not assign all or part of its rights and obligations under this Agreement to a third party without prior written approval of City Council and the Board, which approval will not be unreasonably withheld or delayed. The City agrees, however, that Schlitterbahn may assign all or part of its rights and obligations under this Agreement to any entity affiliated with Schlitterbahn by reason of controlling, being controlled by, or being under common control with Schlitterbahn or to a third party lender advancing funds for the construction or operation of the waterpark. The City expressly consents to any assignment described in the preceding sentence, and agrees that no further consent of City Council or the Board to such an assignment will be required. Schlitterbahn agrees to provide City with written notice of any such assignment. The foregoing notwithstanding, any assignment of Schlitterbahn's rights under this Agreement shall not release Schlitterbahn from its obligations hereunder.

11. Indemnity. Schlitterbahn covenants to fully indemnify, save, and hold harmless the Corporation, the City, their respective officers, employees, and agents ("Indemnitees") against all liability, damage, loss, claims demands, and actions of any kind on account of personal injuries (including, without limiting the foregoing, workers' compensation and death claims), or property loss or damage of any kind, which arise out of or are in any manner connected with, or are claimed to arise out of or be in any manner connected with

Schlitterbahn activities conducted under or incidental to this Agreement, including any injury, loss or damage caused by the sole or contributory negligence of any or all of the Indemnitees. Schlitterbahn must, at its own expense, investigate all those claims and demands, attend to their settlement or other disposition, defend all actions based on those claims and demands with counsel satisfactory to Indemnitees, and pay all charges of attorneys and all other cost and expenses of any kind arising from the liability, damage, loss, claims, demands, or actions.

12. Events of Default by Schlitterbahn. The following events constitute a default of this Agreement by Schlitterbahn:

- a. The Corporation or City determines that any representation or warranty on behalf of Schlitterbahn contained in this Agreement or in any financial statement, certificate, report, or opinion submitted to the Corporation in connection with this Agreement was incorrect or misleading in any material respect when made;
- b. Any judgment is assessed against Schlitterbahn or any attachment or other levy against the property of Schlitterbahn with respect to a claim remains unpaid, undischarged, or not dismissed for a period of 120 days.
- c. Schlitterbahn makes an assignment for the benefit of creditors.
- d. Schlitterbahn files a petition in bankruptcy, or is adjudicated insolvent or bankrupt.
- e. If taxes owed by Schlitterbahn become delinquent, and Schlitterbahn fails to timely and properly follow the legal procedures for protest or contest.
- f. Schlitterbahn changes the general character of business as conducted as of the date this Agreement is approved by the Corporation.

13. Notice of Default. Should the Corporation or City determine that Schlitterbahn is in default according to the terms of this Agreement, the Corporation or City shall notify Schlitterbahn in writing of the event of default and provide 60 days from the date of the notice ("Cure Period") for Schlitterbahn to cure the event of default.

14. Results of Uncured Default by Schlitterbahn. After exhausting good faith attempts to address any default during the cure Period, and taking into account any extenuating circumstances that might have occurred through no fault of Schlitterbahn, as determined by the Board of Directors of the Corporation, the following actions must be taken for any default that remains uncured after the Cure Period.

- a. Schlitterbahn shall immediately repay all funds paid by Corporation to them under this Agreement.

b. Schlitterbahn shall pay Corporation reasonable attorney fees and costs of court to collect amounts due to Corporation if not immediately repaid upon demand from the Corporation.

c. Upon payment by Schlitterbahn of all sums due, the Corporation and Schlitterbahn shall have no further obligations to one another under this Agreement.

d. Neither the City, the Corporation, nor Schlitterbahn may be held liable for any consequential damages.

15. No Waiver.

a. No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, constitutes a waiver of any subsequent breach of the covenant or condition of the Agreement.

b. No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, justifies or authorizes the nonobservance on any other occasion of the covenant or condition or any other covenant or condition of this Agreement.

c. Any waiver or indulgence of Schlitterbahn's default may not be considered an estoppel against the Corporation.

d. It is expressly understood that if at any time Schlitterbahn is in default in any of its conditions or covenants of this Agreement, the failure on the part of the Corporation to promptly avail itself of the rights and remedies that the Corporation may have, will not be considered a waiver on the part of the Corporation, but Corporation may at any time avail itself of the rights or remedies or elect to terminate this Agreement on account of the default.

16. Schlitterbahn specifically agrees that Corporation shall only be liable to Schlitterbahn for the actual amount of the money grants to be conveyed to Schlitterbahn, and shall not be liable to Schlitterbahn for any actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by Corporation under the terms of this Agreement. Payment by Corporation is strictly limited to those funds so allocated, budgeted, and collected solely during the grant term of this Agreement. Corporation shall use its best efforts to anticipate economic conditions and to budget accordingly. However, it is further understood and agreed that, should the actual total sales tax revenue collected for any one year be less than the total amount of grants to be paid to all contracting parties with Corporation for that year, then in that event, all contracting parties shall receive only their pro rata share of the available sales tax revenue for that year, less Corporation's customary and usual costs and expenses, as compared to each contracting parties' grant amount for that year, and Corporation shall not be liable to for any deficiency at that time or at any time in the future. In this event, Corporation will provide all supporting documentation, as

requested. Payments to be made shall also require a written request from Schlitterbahn to be accompanied by all necessary supporting documentation.

17. Notices.

a. Any required written notices shall be sent mailed, certified mail, postage prepaid, addressed as follows:

Schlitterbahn:

North Padre Waterpark Holdings Ltd.
Attn: Gary Henry
381 East Austin
New Braunfels, Texas 78130

Corporation:

City of Corpus Christi
Business and Job Development Corporation
Attn.: Executive Director
1201 Leopard Street
Corpus Christi, Texas 78401

b. A copy of all notices and correspondence must be sent the City at the following address:

City of Corpus Christi
Attn.: City Manager
P.O. Box 9277
Corpus Christi, Texas 78469-9277

c. Notice is effective upon deposit in the United States mail in the manner provided above.

18. Incorporation of other documents. The Corpus Christi Business and Job Development Corporation Guidelines and Criteria for Granting Business Incentives ("Corporation Guidelines"), as amended, are incorporated into this Agreement.

19. Amendments or Modifications. No amendments or modifications to this Agreement may be made, nor any provision waived, unless in writing signed by a person duly authorized to sign Agreements on behalf of each party.

20. Relationship of Parties. In performing this Agreement, both the Corporation and Schlitterbahn will act in an individual capacity, and not as agents, representatives, employees, employers, partners, joint-venturers, or associates of one another. The employees or agents of either party may not be, nor be construed to be, the employees or agents of the other party for any purpose.

21. Captions. The captions in this Agreement are for convenience only and are not a part of this Agreement. The captions do not in any way limit or amplify the terms and provisions of this Agreement.

22. Severability.

a. If for any reason, any section, paragraph, subdivision, clause, provision, phrase or word of this Agreement or the application of this Agreement to any person or circumstance is, to any extent, held illegal, invalid, or unenforceable under present or future law or by a final judgment of a court of competent jurisdiction, then the remainder of this Agreement, or the application of the term or provision to persons or circumstances other than those as to which it is held illegal, invalid, or unenforceable, will not be affected by the law or judgment, for it is the definite intent of the parties to this Agreement that every section, paragraph, subdivision, clause, provision, phrase, or word of this Agreement be given full force and effect for its purpose.

b. To the extent that any clause or provision is held illegal, invalid, or unenforceable under present or future law effective during the term of this Agreement, then the remainder of this Agreement is not affected by the law, and in lieu of any illegal, invalid, or unenforceable clause or provision, a clause or provision, as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable, will be added to this Agreement automatically.

23. Venue. Venue for any legal action related to this Agreement is in Nueces County, Texas.

24. Sole Agreement. This Agreement constitutes the sole Agreement between Corporation and Schlitterbahn. Any prior Agreements, promises, negotiations, or representations, verbal or otherwise, not expressly stated in this Agreement, are of no force and effect.

25. Survival of terms of Agreement and obligations of parties. The terms of this Agreement and the obligation of the parties relating to Section 14.a and b shall survive the termination of this Agreement.

Corpus Christi Business & Job Development Corporation

By:

Robert Tamez
Vice President

Date: _____

Attest:

By:

Armando Chapa
Assistant Secretary

Schlitterbahn

North Padre Waterpark Holdings Ltd

By: North Padre WPH GP, LLC, general partner

By:


Gary Henry
Manager

Date:

5/18/12

THE STATE OF TEXAS

COUNTY OF Comal

This instrument was acknowledged before me on 18 of May, 2012, by Gary Henry, Manager of North Padre WPH GP, LLC, general partner of North Padre Waterpark Holdings Ltd for North Padre Waterpark Holdings Ltd., a Texas limited partnership, on behalf of the partnership.


Notary Public
State of Texas





Job No. 38808.B201

April 19, 2012



Park District A

STATE OF TEXAS
COUNTY OF NUECES

Fieldnotes for a 75.119 acre tract of land; said 75.119 acre tract being comprised of the following tracts:

Portion of Block 27A, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 46, Pages 208 thru 210, Map Records of Nueces County, Texas;

Portion of Lot 1, Block 27B, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 47, Pages 163 thru 165, Map Records of Nueces County, Texas;

Lots 9 thru 13, Block 43, Lots 4 and 5, Block 44 and portions of Lots 6, 8 and 14, Block 43, portions of Lots 1, 2, 3, 6, 7, and 8, Block 44, portions of Maracaibo Drive and Zaraza Drive, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 42, Pages 10 and 11, Map Records of Nueces County, Texas;

Block 26, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 40, Pages 154 thru 159, Map Records of Nueces County, Texas;

Lots 7 thru 14, Block 41, Island Fairway Estates, a map of which is recorded in Volume 42, Pages 16 and 17, Map Records of Nueces County, Texas;

Commencing at a point on the west boundary of Padre Island Drive (State Highway 358) for the northeast corner of Block 46, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 42, Pages 153 and 154, Map Records of Nueces County, Texas and for the southeast corner of said Block 27A;

Thence, North 06°24'41" West, a distance of 2312.75 feet to a point on the west boundary of Compass Street, a 60 foot wide public roadway, for a common corner of Lots 6 and 7, Block 41, Island Fairway Estates, a map of which is recorded in Volume 42, Pages 16 and 17, Map Records of Nueces County, Texas, for the Point of Beginning of this tract and for a corner of this tract;

Thence, North 88°43'30" West, with the common boundary of said Lots 6 and 7, Block 41, same being the east boundary of this tract, a distance of 107.28 feet for the southwest corner of said Lot 7, for the northwest corner of said Lot 6, for a corner of said Block 27A and for a corner of this tract;

Thence, with the common boundary of Lots 6, 5, 4, and 3, said Block 41 and said Block 27A, same being the east boundary of this tract, as follows:

South 80°34'30" West, a distance of 89.00 feet;

South 09°25'30" East, a distance of 132.00 feet;

South 80°34'30" West, a distance of 130.00 feet;

South 09°25'30" East, a distance of 312.20 feet;

South 01°16'24" West, at 63.69 feet pass the southwest corner of said Lot 3, Block 4, and the northwest corner of Lot 1, Block 27B, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 47, Pages 163 thru 165, Map Records of Nueces County, Texas, in all a total distance of 236.96 feet for a common corner of said Lot 1, Block 27B, and said Block 27A and a corner of this tract;

Thence, with the westerly boundary of Lot 1, Block 27B, same being the easterly boundary of said Block 27A and of this tract, as follows:

South 24°32'29" East, a distance of 314.16 feet;

South 87°22'40" East, a distance of 44.36 feet;

South 17°02'40" West, a distance of 1350.00 feet for the southeast corner of this tract;

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Park District A - 75.119 acres

Thence, South $58^{\circ}23'41''$ West, with the south boundary of this tract, a distance of 147.91 feet for a corner of this tract;

Thence, North $50^{\circ}59'09''$ West, continuing with the south boundary of this tract, a distance of 390.56 feet for the southwest corner of this tract;

Thence, with the west boundary of this tract, a distance follows:

North $05^{\circ}19'27''$ East, a distance of 711.17 feet;

North $02^{\circ}47'20''$ East, a distance of 257.36 feet;

North $11^{\circ}30'08''$ West, a distance of 696.00 feet;

North $75^{\circ}21'49''$ West, a distance of 532.65 feet;

North $04^{\circ}50'17''$ East, a distance of 200.23 feet;

North $28^{\circ}53'07''$ West, a distance of 1125.48 feet to the proposed south boundary of the 80 foot wide Aquarius Street re-alignment for the northwest corner of this tract;

Thence, North $69^{\circ}18'32''$ East, with said south boundary of proposed 80 foot wide Aquarius Street, same being the north boundary of this tract, a distance of 684.61 feet for the point of curvature of a circular curve to the right which has a delta angle of $18^{\circ}13'16''$, a radius of 330.00 feet, a tangent length of 52.92 feet and an arc length of 104.95 feet;

Thence, with circular curve to the right, continuing said south boundary of proposed 80 foot wide Aquarius Street, same being the north boundary of this tract, and arc length of 104.95 feet for the end of this circular curve to the right, for the northeast corner of Lot 20, Block 34 and the northwest of Lot 21, Block 34, Island Fairway Estates, a map of which is recorded in Volume 40, Pages 183 and 184, Map Records of Nueces County, Texas and for a corner of this tract;

Thence, South $02^{\circ}09'30''$ East, with the common boundary of said Lots 20 and 21, Block 34, same being the north boundary of this tract, a distance of 50.57 feet for the common corner of said Lots 20 and 21, Block 34 and said Block 27A and for a corner of this tract;

Thence, South $44^{\circ}14'30''$ East, with the south boundary of Lot 21, said Block 34, same being the north boundary of said Block 27A and of this tract, a distance of 280.66 feet for a common corner of said Lot 21, Block 34 and said Block 27A and for a corner of this tract;

Thence, South $88^{\circ}42'30''$ East, with the south boundary of Lots 22 and 23, said Block 34, same being the north boundary of said Block 27A and of this tract, a distance of 401.33 feet for a common corner of said Lot 23, Block 34 and said Block 27A and for a corner of this tract;

Thence, North $01^{\circ}16'30''$ East, with the east boundary of said Lot 23, Block 34, same being the north boundary of said Block 27A and of this tract, a distance of 142.15 feet for the beginning of a circular curve to the left whose radius point bears North $07^{\circ}41'08''$ East 506.86 feet and which has a delta angle of $06^{\circ}24'38''$, a radius of 506.86 feet, a tangent length of 28.38 feet and an arc length of 56.71 feet;

Thence, with said circular curve to the left, with the existing south boundary of Commodore's Cove, a 120 foot wide public roadway, same being the north boundary of said Block 27A and the north boundary of this tract, an arc length of 56.71 feet for the point of tangency;

Thence, South $88^{\circ}44'15''$ East, with the existing south boundary of Commodore's Cove, a 120 foot wide public roadway, same being the north boundary of said Block 27A and the north boundary of this tract, at 310.23 feet pass northeast corner of said Block 27A and the northwest corner of Block 41, Island Fairway Estates, Blocks 41-42, a map of which is recorded in Volume 42, Pages 16 and 17, Map Records of Nueces County, Texas and continuing South $88^{\circ}44'15''$ East, with the existing south boundary of Commodore's Cove, a 120 foot wide public roadway, same being the north boundary of said Block 41 and of this tract, in all a total distance of 507.24 feet for the northeast corner of this tract and for the point of curvature of a circular curve to the right which has a delta angle of $90^{\circ}00'00''$, a radius of 10.00 feet, a tangent length of 14.14 feet and an arc length of 15.71 feet;

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Park District A - 75.119 acres

Thence, with said circular curve to the right, with the northerly boundary of said Block 41 and of this tract, an arc length of 15.71 feet to a point on the west boundary of Compass Street, a 60 foot wide public roadway, for the point of tangency;

Thence, South $01^{\circ}16'30''$ West, with the west boundary of said Compass Street, same being the east boundary of said Block 41 and of this tract, a distance of 100.00 feet for the point of curvature of a circular curve to the left which has a delta angle of $10^{\circ}57'52''$, a radius of 549.81 feet, a tangent length of 52.77 feet and an arc length of 105.21 feet;

Thence, with said circular curve to the left, with the west boundary of said Compass Street, same being the east boundary of said Block 41 and of this tract, an arc length of 105.21 feet for the point of tangency;

Thence, South $09^{\circ}41'22''$ East, continuing with the west boundary of said Compass Street, same being the east boundary of said Block 41 and of this tract, a distance of 362.89 feet for the point of curvature of a circular curve to the right which has a delta angle of $10^{\circ}57'52''$, a radius of 489.81 feet, a tangent length of 47.01 feet and an arc length of 93.73 feet;

Thence, South $01^{\circ}16'30''$ West, continuing with the west boundary of said Compass Street, same being the east boundary of said Block 41 and of this tract, a distance of 291.90 feet for the Point of Beginning and containing 75.119 acres of land.

Description prepared from previous recorded plats and not from a current on the ground survey. No monumentation was found or set at property corners unless otherwise noted.

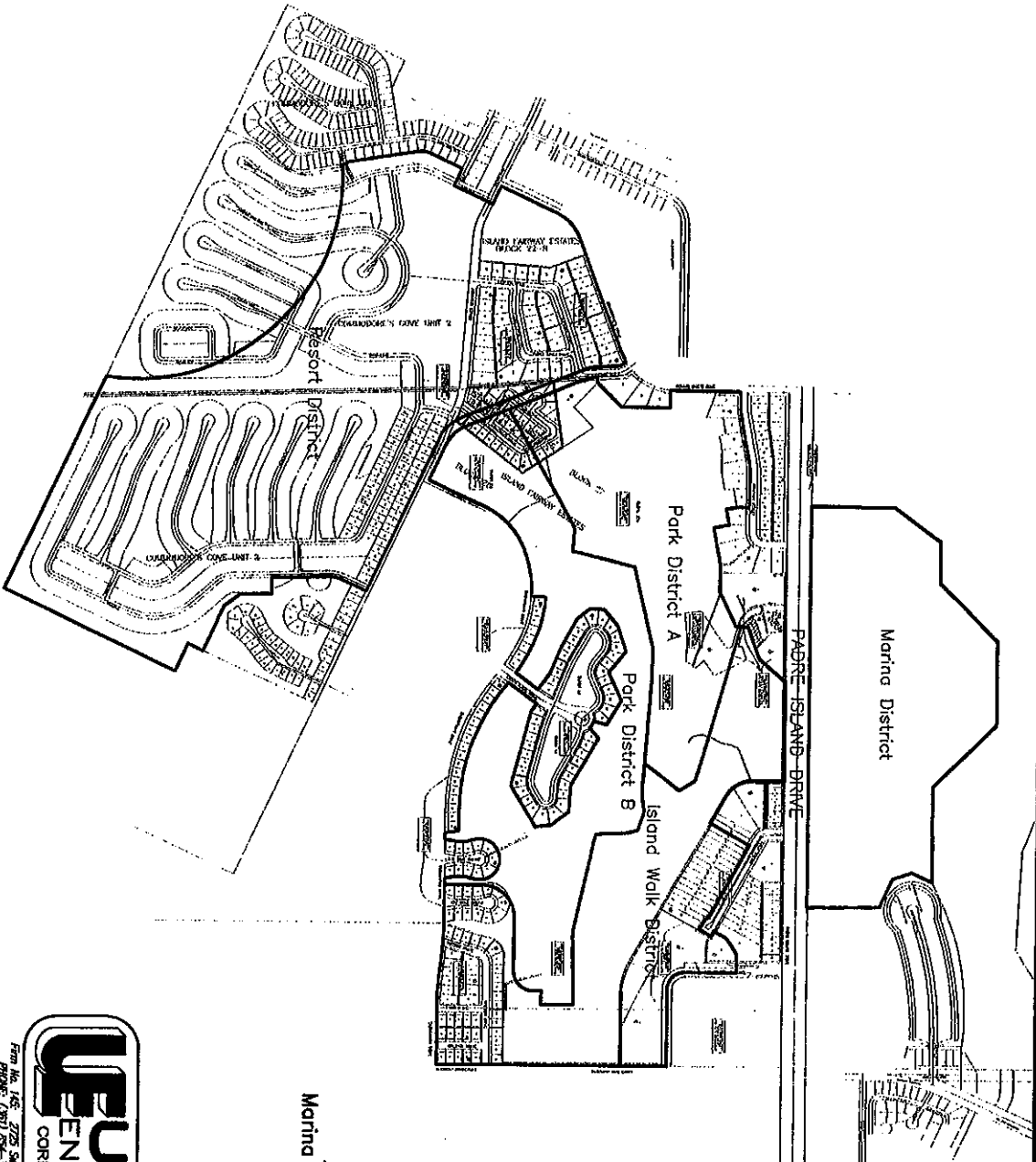
Bearings based on the recorded plat of Block 27A & 27B, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 46, Pages 208 thru 210, Map Records of Nueces County, Texas.

Unless this fieldnotes description, including preamble, seal and signature, appears in its entirety, in its original form, surveyor assumes no responsibility for its accuracy.



URBAN ENGINEERING

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LOCATION MAP OF

Marina District, Island Walk District, Park District A,
Park District B and Resort District



Form No. 145 2725 Seaside St. Corpus Christi TX 78404
PHONE: (361) 854-3100 FAX: (361) 854-6001

SS:www@urbaneng.com; e:info@urbaneng.com; g:323844

DATE: APRIL 20, 2012
SCALE: NTS
JOB NO.: 38808.B2.01
SHEET: 1 OF 1
DRAWN BY: RLG



Job No. 38808.B201
April 19, 2012

Park District B

STATE OF TEXAS
COUNTY OF NUECES

Fieldnotes for an 80.528 acre tract of land out of the following tracts of land:

Block 27A, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 46, Pages 208 thru 210, Map Records of Nueces County, Texas;

Portion of Block 26, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 40, Pages 154 thru 159, Map Records of Nueces County, Texas;

Lots 15 thru 21 and portions of Lots 14, 22 and 23, Block 43, portions of Lots 6 thru 9, Block 43, portions of Maracaibo Drive and Zaraza Drive, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 42, Pages 10 and 11, Map Records of Nueces County, Texas;

Portions of Lots 1 thru 7, Block 33, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 40, Pages 154 thru 159, Map Records of Nueces County, Texas;

Beginning at a point on the east boundary of Dasmarrinas Drive, a public roadway, for the southwest corner of Lot 11, Block 32, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 40, Pages 154 thru 159, Map Records of Nueces County, Texas and for a corner of said Block 27A and of this tract;

Thence, with the common boundary of said Block 27A and said Block 32, same being the west boundary of this tract, as follows:

North 81°54'02" East, a distance of 101.34 feet;

South 88°43'30" East, a distance of 74.22 feet;

South 73°44'29" East, a distance of 74.35 feet for the point of curvature of circular curve to the left which has a delta angle of 209°58'02", a radius of 170.00 feet, and an arc length of 622.99 feet;

Thence, with said circular curve to the left, continuing with the common boundary of said Block 27A and said Block 32, same being the west boundary of this tract, an arc length of 622.99 feet for the point of tangency;

Thence, continuing with the common boundary of said Block 27A and said Block 32, same being the west boundary of this tract, as follows:

South 76°17'29" West, a distance of 74.35 feet;

North 88°43'30" West, a distance of 74.22 feet;

North 79°21'02" West, a distance of 101.34 feet to the aforementioned east boundary of Dasmarrinas Drive for a common corner of said Block 27A and Lot 1, said Block 32 for a corner of this tract;

Thence, North 01°16'30" East, with the east boundary of said Dasmarrinas Drive, same being the west boundary of said Block 27A and of this tract, a distance of 55.50 feet for a common corner of said Block 27A and Block 31A, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 40, Pages 154 thru 159, Map Records of Nueces County, Texas;

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Thence, North 81°48'46" East, with the common boundary of said Block 27A and said Block 31A, same being the west boundary of this tract, a distance of 121.65 feet;

Thence, North 01°16'30" East, continuing with the common boundary of said Block 27A and said Block 31A, same being the west boundary of this tract, a distance of 160.00 feet

Thence, North 81°48'46" East, with the common boundary of said Block 31A and said Block 27A, same being the west boundary of this tract, a distance of 121.65 feet;

Thence, North 01°16'30" East, continuing with the common boundary of said Block 31A and said Block 27A, same being the west boundary of this tract, a distance of 160.00 feet for the point of curvature of a circular curve to the right which has a delta angle of 24°45'00", a radius of 1722.47 feet, a tangent distance of 377.92 feet and an arc length of 744.05 feet;

Thence, with said circular curve to the right, continuing with the common boundary of said Block 31A and said Block 27A, same being the west boundary of this tract, an arc length of 744.05 feet for the end of this circular curve to the right and for the beginning of another circular curve to the right which has a delta angle of 15°08'06", a radius of 1435.64 feet, a tangent distance of 190.73 feet and an arc length of 379.23 feet;

Thence, with said circular curve to the right, continuing with the common boundary of said Block 31A and said Block 27A, same being the west boundary of this tract, an arc length of 379.23 feet for the point of tangency;

Thence, North 41°09'36" East, continuing with the common boundary of said Block 31A and said Block 27A, same being the west boundary of this tract, a distance of 57.09 feet to the south boundary of Crown Royal Drive, a 100 foot wide public roadway, for a common corner of said Block 31A and said Block 27A and for a corner of this tract;

Thence, South 52°22'26" East, with the south boundary of said Crown Royal Drive, same being the westerly boundary of said Block 27A and of this tract, a distance of 293.48 feet for a common corner of said Block 27A and Block 30, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 40, Pages 181 and 182, Map Records of Nueces County, Texas and for a corner of this tract;

Thence, with the common boundary of said Block 27A and said Block 30, same being the westerly boundary of this tract, as follows:

South 37°37'34" West, a distance of 73.43 feet;
South 16°00'00" West, a distance of 649.00 feet;
South 29°30'00" East, a distance of 400.00 feet;
North 85°00'00" East, a distance of 135.00 feet;
North 54°00'00" East, a distance of 190.00 feet;
North 04°30'00" East, a distance of 220.00 feet;
North 31°20'00" East, a distance of 460.00 feet;

North 39°30'00" West, a distance of 115.00 feet for the beginning of a circular curve to the left whose radius point bears North 39°30'00" West 100.00 and which has a delta angle of 36°00'00", a radius of 100.00 feet, a tangent distance of 32.49 feet and an arc length of 62.83 feet;

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Thence, with circular curve to the left, continuing with the common boundary of said Block 27A and said Block 30, same being the westerly boundary of this tract, an arc length of 62.83 feet for corner of this tract

Thence, continuing with the common boundary of said Block 27A and said Block 30, same being the westerly boundary of this tract, as follows:

South 75°30'00" East, a distance of 112.17 feet;

North 31°20'00" East, a distance of 235.00 feet;

North 23°18'30" West, a distance of 259.40 feet;

North 40°00'00" East, a distance of 225.00 feet;

North 16°30'00" West, a distance of 220.00 feet;

North 38°30'00" West, a distance of 180.00 feet;

North 87°00'00" West, a distance of 120.00 feet;

South 52°00'00" West, a distance of 135.00 feet;

South 31°00'00" West, a distance of 270.00 feet;

South 24°30'00" West, a distance of 250.00 feet;

South 37°37'34" West, a distance of 160.00 feet to the north boundary of said Crown Royal Drive for a common corner of said Block 27A and said Block 30 and for a corner of this tract;

Thence, North 52°22'26" West, with the north boundary of said Crown Royal Drive, same being the westerly boundary of this tract, a distance of 229.43 feet for a common corner of said Block 27A and Block 29, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 40, Pages 154 thru 159, Map Records of Nueces County, Texas, for a corner of this tract and for the beginning of a circular curve to the left whose radius point bears North 54°01'30" West 1735.64 feet and which has a delta angle of 09°57'00", a radius of 1735.64 feet, a tangent distance of 151.09 feet and an arc length of 301.41 feet;

Thence, with said circular curve to the left, along the common boundary of said Block 27A and said Block 29, same being the westerly boundary of this tract, an arc length of 301.41 feet for the end of this curve and for the beginning of another circular curve to the left which has a delta angle of 21°30'53", a radius of 1032.13 feet, a tangent distance of 196.09 feet and an arc length of 387.57 feet;

Thence, with said circular curve to the left, continuing along the common boundary of said Block 27A and said Block 29, same being the westerly boundary of this tract, an arc length of 387.57 feet for a common corner of said Block 27A and said Block 29 and for a corner of this tract;

Thence, North 85°29'23" West, continuing along the common boundary of said Block 27A and said Block 29, same being the westerly boundary of this tract, a distance of 120.00 feet to the east boundary of said Dasmarinas Drive for a common corner of said Block 27A and said Block 29, for a corner of this tract and for the beginning of a circular curve to the left whose radius point bears North 85°29'23" West 912.13 feet, and which has a delta angle of 29°01'29", a radius of 912.13 feet, a tangent distance of 236.10 feet and an arc length of 462.06 feet;

Thence, with said circular curve to the left, along the east boundary of said Dasmarinas Drive, same being the westerly boundary of this tract, an arc length of 462.06 feet for the point of tangency and the beginning of another circular curve to the left which has a delta angle of 39°27'38", a radius of 617.67 feet, a tangent distance of 221.53 feet and an arc length of 425.40 feet;

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Park District B - 80.528 acres

Thence, with said circular curve to the left, continuing with the east boundary of said Dasmariñas Drive, same being the westerly boundary of said Block 27A and of this tract, an arc length of 425.40 feet for the point of tangency;

Thence, North 63°58'30" West, continuing with the east boundary of said Dasmariñas Drive, same being the westerly boundary of said Block 27A and of this tract, a distance of 515.00 feet for the northwest corner of this tract and for the point of curvature of a circular curve to the right which has a central angle of 89°59'55", a radius of 15.00 feet, a tangent distance of 15.00 feet and an arc length of 23.56 feet;

Thence, with said circular curve to the right, with the north boundary of this tract, an arc length of 23.56 feet to a point on the south boundary of proposed 80 foot wide Aquarius Street for the point of tangency;

Thence, North 26°01'30" East, with the south boundary of proposed 80 foot wide Aquarius Street, same being the north boundary of this tract, a distance of 290.98 feet for the point of curvature of a circular curve to the right which has a delta angle of 43°17'02", a radius of 330.00 feet, a tangent distance of 130.94 feet and an arc length of 249.30 feet;

Thence, with said circular curve to the right, continuing with the south boundary of proposed 80 foot wide Aquarius Street, same being the north boundary of this tract, an arc length of 249.30 feet for the point of tangency;

Thence, North 69°18'32" East, with said south boundary of proposed 80 foot wide Aquarius Street, same being the north boundary of this tract, a distance of 385.50 feet for a corner of this tract;

Thence, with the northerly boundary of this tract, as follows:

South 28°53'07" East, a distance of 1125.48 feet;
South 04°50'17" West, a distance of 200.23 feet;
South 75°21'49" East, a distance of 532.65 feet for the northeast corner of this tract;

Thence, with the east boundary of this tract, as follows:

South 11°30'08" East, a distance of 696.00 feet;
South 02°47'20" West, a distance of 257.36 feet;
South 05°19'27" West, a distance of 961.17 feet;
South 05°21'25" East, a distance of 163.50 feet;
South 20°11'42" West, a distance of 155.61 feet;
South 75°41'27" West, a distance of 90.76 feet;
South 88°11'47" West, a distance of 260.62 feet;
South 13°56'44" West, a distance of 833.29 feet;
South 00°37'27" West, a distance of 612.84 feet for the southeast corner of this tract;

Thence, with the south boundary of this tract, as follows:

North 89°01'05" West, a distance of 270.00 feet;
North 00°58'55" East, a distance of 115.00 feet;
North 89°01'05" West, a distance of 70.18 feet for the point of curvature of a circular curve to the right which has a delta angle of 90°17'35", a radius of 160.00 feet, a tangent distance of 160.82 feet and an arc length of 252.15 feet;

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Park District B - 80.528 acres

Thence, with said circular curve to the right, continuing with the southerly boundary of this tract, an arc length of 252.15 feet for the point of tangency;

Thence, North $01^{\circ}16'30''$ East, continuing with the southerly boundary of this tract, a distance of 454.66 feet for the point of curvature of a circular curve to the left which has a delta angle of $90^{\circ}00'00''$, a radius of 265.00 feet, a tangent distance of 265.00 feet and an arc length of 416.26 feet;

Thence, with said circular curve to the left, continuing with the southerly boundary of this tract, an arc length of 416.26 feet for the point of tangency;

Thence, North $88^{\circ}43'30''$ West, continuing with the southerly boundary of this tract, a distance of 320.61 feet to the east boundary of said Dasmariñas Drive for the southwest corner of this tract;

Thence, North $01^{\circ}16'30''$ East, with the east boundary of said Dasmariñas Drive, same being the west boundary of said Block 27A and of this tract, a distance of 53.13 feet for the Point of Beginning and containing 80.528 acres of land.

Description prepared from previous recorded plats and not from a current on the ground survey. No monumentation was found or set at property corners unless otherwise noted.

Bearings based on the recorded plat of Block 27A & 27B, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 46, Pages 208 thru 210, Map Records of Nueces County, Texas.

Unless this fieldnotes description, including preamble, seal and signature, appears in its entirety, in its original form, surveyor assumes no responsibility for its accuracy.



URBAN ENGINEERING

Juan J. Salazar

Juan J. Salazar, R.P.L.S.
License No. 4909

LINE	BEARING	DISTANCE
L1	N81°54'02"E	101.34'
L2	S88°43'30"E	74.22'
L3	S73°44'28"E	74.56'
L4	S78°17'28"W	74.58'
L5	N88°43'30"W	74.22'
L6	N79°21'02"W	101.34'
L7	N01°16'30"E	55.50'
L8	N81°48'48"E	121.65'
L9	N01°16'30"E	160.00'
L10	N41°09'38"E	57.08'
L11	S82°22'28"E	283.48'
L12	S37°37'34"W	73.43'
L13	S16°00'00"W	649.00'
L14	S29°30'00"E	400.00'
L15	N85°00'00"E	135.00'
L16	N54°00'00"E	150.00'
L17	N04°30'00"E	220.00'
L18	N31°20'00"E	460.00'
L19	N39°30'00"E	115.00'
L20	S75°30'00"E	112.17'
L21	N31°20'00"E	235.00'
L22	N25°18'30"W	259.40'
L23	N40°00'00"E	225.00'
L24	N16°30'00"W	220.00'

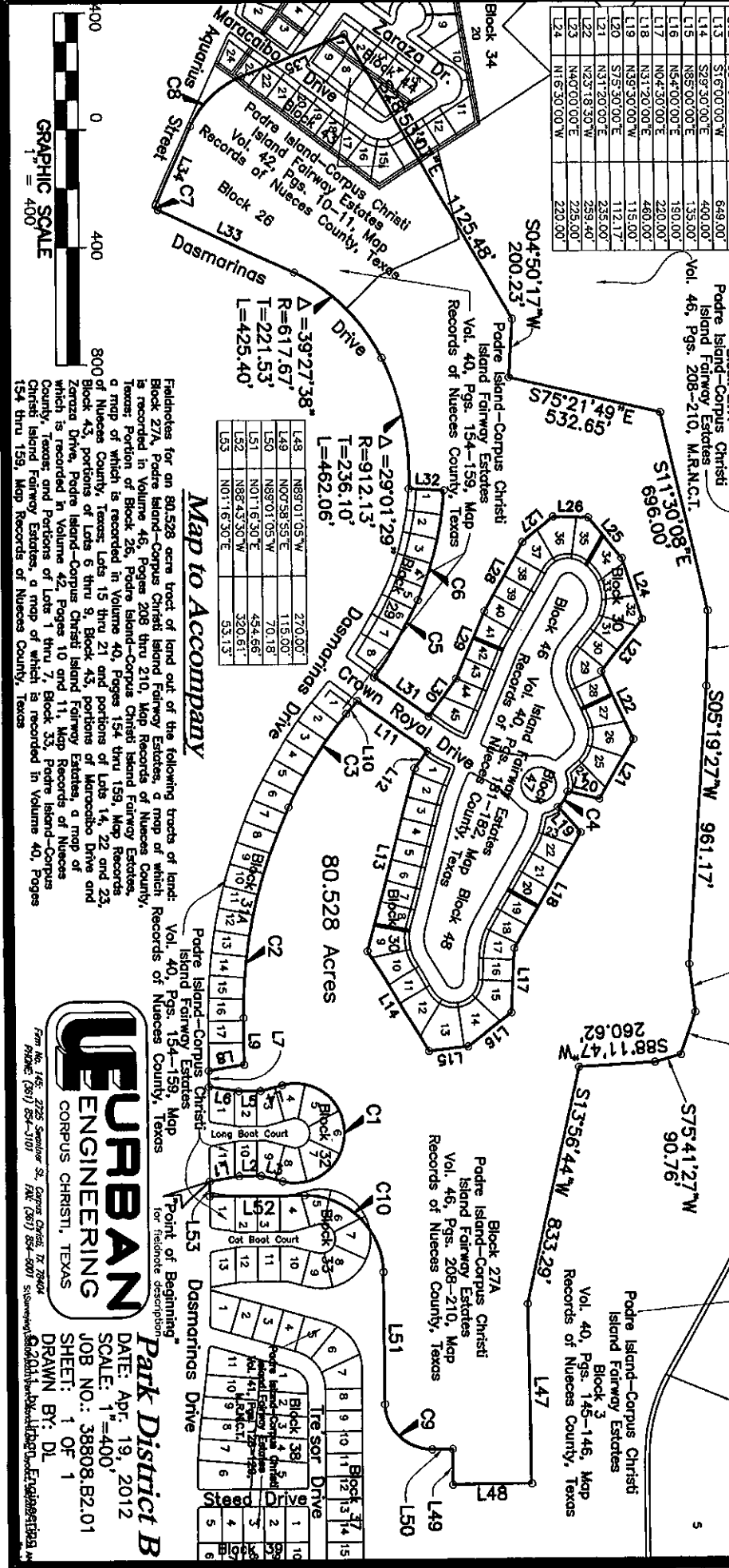
LINE	BEARING	DISTANCE
L25	N35°30'00"W	180.00'
L26	N87°00'00"W	120.00'
L27	S52°00'00"W	135.00'
L28	S31°00'00"W	270.00'
L29	S24°30'00"W	250.00'
L30	S37°37'34"W	160.00'
L31	N52°22'28"W	229.43'
L32	N85°29'23"W	120.00'
L33	N63°58'30"W	515.00'
L34	N26°01'30"E	280.98'
L35	N69°18'32"E	385.50'
L47	S00°37'27"W	612.84'

LINE	BEARING	DISTANCE
L36	N87°00'00"W	120.00'
L37	S52°00'00"W	135.00'
L38	S31°00'00"W	270.00'
L39	S24°30'00"W	250.00'
L40	S37°37'34"W	160.00'
L41	N52°22'28"W	229.43'
L42	N85°29'23"W	120.00'
L43	N63°58'30"W	515.00'
L44	N26°01'30"E	280.98'
L45	N69°18'32"E	385.50'
L46	S00°37'27"W	612.84'

LINE	BEARING	DISTANCE
L48	N89°01'05"W	270.00'
L49	N00°58'55"E	115.00'
L50	N89°01'05"W	70.18'
L51	N01°16'30"E	454.66'
L52	N82°43'30"W	320.61'
L53	N01°16'30"E	53.13'

LINE	BEARING	DISTANCE
L54	N89°01'05"W	270.00'
L55	N00°58'55"E	115.00'
L56	N89°01'05"W	70.18'
L57	N01°16'30"E	454.66'
L58	N82°43'30"W	320.61'
L59	N01°16'30"E	53.13'

CURVE	DELTA ANGLE	RADIUS	TANGENT	ARC LENGTH
C1	205°58'02"	170.00'	622.99'	622.99'
C2	24°45'00"	1722.47'	377.92'	744.05'
C3	15°08'06"	1435.64'	180.73'	378.23'
C4	36°00'00"	100.00'	32.49'	62.83'
C5	09°57'00"	135.64'	151.09'	301.41'
C6	21°30'53"	1032.13'	196.09'	387.57'
C7	89°59'55"	15.00'	23.56'	3.56'
C8	43°17'02"	330.00'	130.94'	249.30'
C9	90°17'35"	160.00'	160.82'	252.15'
C10	90°00'00"	265.00'	265.00'	416.26'

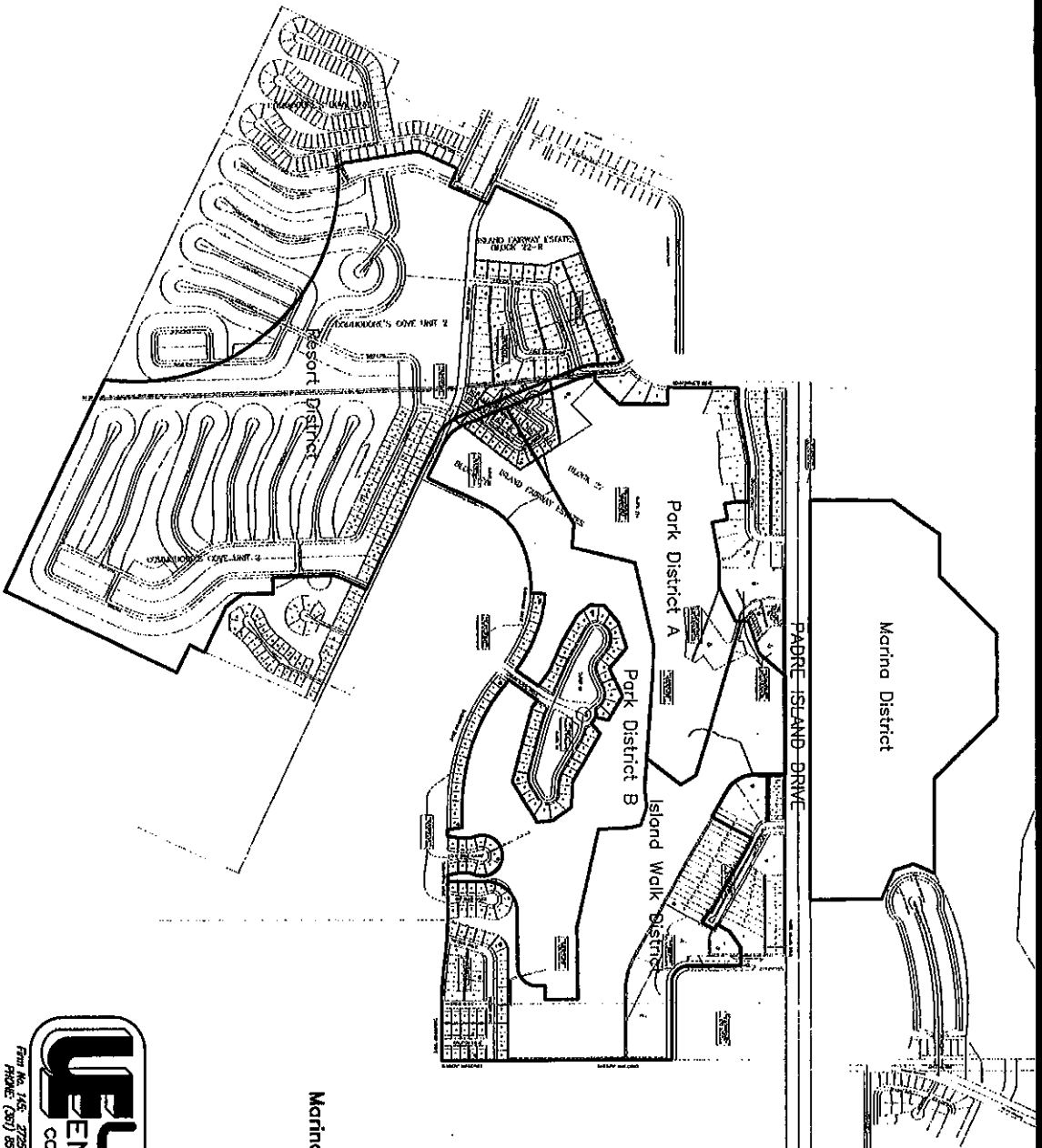


Fieldnotes for an 80.528 acre tract of land out of the following tracts of land:
 Block 27A, Podre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 46, Pages 208-210, Map Records of Nueces County, Texas; Portion of Block 26, Podre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 40, Pages 154-159, Map Records of Nueces County, Texas; Lots 15 thru 21 and portions of Lots 14, 22 and 23, Block 43, portions of Lots 5 thru 9, Block 43, portions of Maracibo Drive and Zeniza Drive, Podre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 42, Pages 10 and 11, Map Records of Nueces County, Texas; and Portions of Lots 1 thru 7, Block 33, Podre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 40, Pages 154 thru 159, Map Records of Nueces County, Texas.

URBAN ENGINEERING
 CORPUS CHRISTI, TEXAS

From No. 145, 2725 San Antonio St., Corpus Christi, TX 78404
 Phone: (361) 854-1101 Fax: (361) 854-0001

Park District B
 DATE: Apr. 19, 2012
 SCALE: 1"=400'
 JOB NO.: 38808.B2.01
 SHEET: 1 OF 1
 DRAWN BY: DL



LOCATION MAP OF
 Marina District, Island Walk District, Park District A,
 Park District B and Resort District



From No. 145, 2725 Santhier St., Corpus Christi, TX 78404
 PHONE: (361) 854-5101 FAX: (361) 854-8001

DATE: APRIL 20, 2012
 SCALE: NTS
 JOB NO.: 36808.B2.01
 SHEET: 1 OF 1
 DRAWN BY: RL.G



Island Walk District

STATE, OF TEXAS
COUNTY OF NUECES

Fieldnotes for a 94.628 acre tract of land; said 94.628 acre tract being comprised of the following tracts:
a portion of Block 27A, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 46, Pages 208 thru 210, Map Records of Nueces County, Texas;
a portion of Lot 1, Block 27B, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 47, Pages 163 thru 165, Map Records of Nueces County, Texas;
all of Lots 13 through 28 and Lot 15, Block 45, Padre Island - Corpus Christi, Island Fairway Estates, Blocks 45 and 46, a map of which is recorded in Volume 42, Pages 153 through 154, Map Records of Nueces County, Texas;
all of Lots 4 and 5, Block 3, Padre Island - Corpus Christi Island Fairway Estates, Block 3, a map of which is recorded in Volume 40, Pages 145 through 146, Map Records of Nueces County, Texas;
all of Lots 1 through 5, Block 40, Lots 1 through 10, Block 39, Lots 1 through 11, Block 38, Lots 1 through 18, Block 37, Lots 1 through 3, 8 through 13, portions of Lots 4 through 7, Block 33, portion of Tre'sor Drive, Steed Drive and Calypso Drive, all as shown on the recorded plat of Padre Island - Corpus Christi, Island Fairway Estates, a map of which is recorded in Volume 41, Pages 128 through 129, Map Records of Nueces County, Texas.

Beginning at a point (no monumentation found or set) on the west boundary of Padre Island Drive (State Highway 358) for the northeast corner of Block 46, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 42, Pages 153 and 154, Map Records of Nueces County, Texas, for the southeast corner of said Block 27A and for the a corner of this tract;

Thence North $88^{\circ}43'30''$ West, with the common boundary of said Block 27A and said Block 46, same being the east boundary of this tract, a distance of 262.59 feet for the point of curvature (no monumentation found or set) of a circular curve turning to the left which has a delta angle of $61^{\circ}00'00''$, a radius of 254.65 feet, a tangent length of 150.00 feet and an arc length of 271.11 feet;

Thence, with said circular curve to the left, continuing with said common boundary of said Block 27A and said Block 46, same being the east boundary of this tract, an arc length of 271.11 feet for the point of tangency (no monumentation found or set);

Thence, South $30^{\circ}16'30''$ West, continuing with said common boundary of said Block 27A and said Block 46, same being the east boundary of this tract, a distance of 258.55 feet for a corner of this tract;

Thence, South $59^{\circ}43'30''$ East, with the common boundary of Lots 12 and 13, said Block 46, same being the easterly boundary of this tract, a distance of 380.00 feet to the west boundary of Nemo Court, a public roadway, for a common corner of said Lots 12 and 13 and for a corner of this tract;

Thence, with the west boundary of said Nemo Street, same being the easterly boundary of this tract, as follows:

South $30^{\circ}16'30''$ West, a distance of 695.87 feet;

South $75^{\circ}16'22''$ West, a distance of 28.29 feet;

South $30^{\circ}16'30''$ West, a distance of 100.00 feet;

South $59^{\circ}43'30''$ East, a distance of 110.00 feet to the east boundary of said Nemo Court;

Thence, North $30^{\circ}16'30''$ East, with the east boundary of said Nemo Court, same being the easterly boundary of this tract, a distance of 46.01 feet for a common corner of Lots 15 and 16, Block 45, Padre Island-Corpus Christi Island Fairway Estates and for a corner of this tract;

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April 19, 2012
Island Walk District – 94.628 acres

Thence, South $59^{\circ}43'30''$ East, with the common boundary of said Lots 15 and 16, same being the easterly boundary of this tract, a distance of 120.00 feet;

Thence, South $32^{\circ}12'43''$ East, continuing with the common boundary of said Lots 15 and 16, same being the easterly boundary of this tract, a distance of 165.81 feet;

Thence, South $01^{\circ}16'30''$ West, continuing with the common boundary of said Lots 15 and 16, same being the easterly boundary of this tract, a distance of 155.00 feet to the center of an existing Navigation Channel for a corner of this tract;

Thence, North $88^{\circ}43'30''$ West, along the center of said Navigation channel, same being the easterly boundary of this tract, a distance of 423.58 feet for the point of curvature of a circular curve to the left which has a delta angle of $90^{\circ}00'00''$, a radius of 140.00 feet, a tangent length of 140.00 feet and an arc length of 219.91 feet;

Thence, with circular curve to the left, continuing along the center of said Navigation channel, same being the easterly boundary of this tract, an arc length of 219.91 feet for the point of tangency;

Thence, South $01^{\circ}16'30''$ West, continuing along the center of said Navigation channel, same being the easterly boundary of this tract, a distance of 645.00 feet to the north boundary of Whitecap Boulevard, a public roadway, for the southeast corner of this tract;

Thence, North $88^{\circ}43'30''$ West, with the north boundary of said Whitecap Boulevard, same being the south boundary of this tract, a distance of 1915.00 feet to the intersection of said north boundary of Whitecap Boulevard with the east boundary of Dasmarinas Drive, a public roadway, for the southwest corner of this tract;

Thence, North $01^{\circ}16'30''$ East, with the east boundary of said Dasmarinas Drive, same being the west boundary of this tract, a distance of 470.00 feet for the point of curvature of a circular curve to the right which has a delta angle of $08^{\circ}03'24''$, a radius of 2637.98 feet, a tangent distance of 185.78 feet and an arc length of 370.94 feet;

Thence, with said circular curve to the right, continuing with the east boundary of said Dasmarinas Drive, same being the west boundary of this tract, an arc length of 370.94 feet for the point of reverse curve of a circular curve to the left which has a delta angle of $08^{\circ}02'56''$, a radius of 2430.34 feet, a tangent distance of 170.99 feet and an arc length of 341.41 feet;

Thence, with said circular curve to the left, continuing with the east boundary of said Dasmarinas Drive, same being the west boundary of this tract, an arc length of 341.41 feet for the point of tangency;

Thence, North $01^{\circ}16'30''$ East, continuing with the east boundary of said Dasmarinas Drive, same being the west boundary of this tract, a distance of 319.88 feet for a corner of this tract;

Thence, with the westerly boundary of this tract, as follows:

South $88^{\circ}43'30''$ East, a distance of 320.61 feet for the point of curvature of a of circular curve to the right which has a delta angle of $90^{\circ}00'00''$, a radius of 265.00 feet, a tangent distance of 265.00 feet and an arc length of 416.26 feet;

Thence, with circular curve to the right, continuing with the westerly boundary of this tract, an arc length of 416.26 feet for the point of tangency;

Job No. 38808.B201

April 19, 2012

Island Walk District - 94.628 acres

Thence, South $01^{\circ}16'30''$ West, continuing with the westerly boundary of this tract, a distance of 454.66 feet for the point of curvature of a of a circular curve to the left which has a delta angle of $90^{\circ}17'35''$, a radius of 160.00 feet, a tangent distance of 160.82 feet and an arc length of 252.15 feet;

Thence, with said circular curve to the left, continuing with the westerly boundary of this tract, an arc length of 252.15 feet for the point of tangency;

Thence, continuing with the west boundary of this tract, as follows:

South $89^{\circ}01'05''$ East, a distance of 70.18 feet;
South $00^{\circ}58'55''$ West, a distance of 115.00 feet;
South $89^{\circ}01'05''$ East, a distance of 270.00 feet;
North $00^{\circ}37'27''$ East, a distance of 612.84 feet;
North $13^{\circ}56'44''$ East, a distance of 833.29 feet;
North $88^{\circ}11'47''$ East, a distance of 260.62 feet;
North $75^{\circ}41'27''$ East, a distance of 90.76 feet;
North $20^{\circ}11'42''$ East, a distance of 155.61 feet;
North $05^{\circ}21'25''$ West, a distance of 163.50 feet;
North $05^{\circ}19'27''$ East, a distance of 250.00 feet for the northwest corner of this tract

Thence, South $50^{\circ}59'09''$ East, with the north boundary of this tract, a distance of 360.56 feet;

Thence, North $58^{\circ}23'41''$ East, continuing with the north boundary of this tract, a distance of 147.91 feet;

Thence, North $17^{\circ}02'40''$ East, continuing with the north boundary of this tract, a distance of 1350.00 feet;

Thence, with the westerly boundary of Lots 1, 2 and 3, Block 27B, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 47, Pages 163 thru 165, Map Records of Nueces County, Texas, same being the easterly boundary of said Block 27A and the northerly boundary of this tract, as follows:

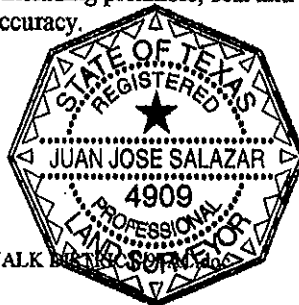
South $87^{\circ}22'40''$ East, a distance of 60.36 feet;
South $17^{\circ}42'39''$ East, a distance of 285.11 feet;
South $47^{\circ}11'01''$ East, a distance of 288.22 feet to the west boundary of aforementioned South Padre Island Drive for the southeast corner of said Lot 3, Block 27B, for a corner of said Block 27A and for the northeast corner of this tract;

Thence, South $01^{\circ}16'30''$ West, with the west boundary of said Padre Island Drive, same being the east boundary of said Block 27A and of this tract, a distance of 831.78 feet for the Point of Beginning and containing 94.628 acres of land.

Description prepared from previous recorded plats and not from a current on the ground survey. No monumentation was found or set at property corners unless otherwise noted.

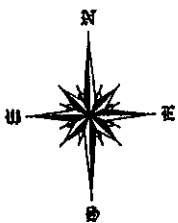
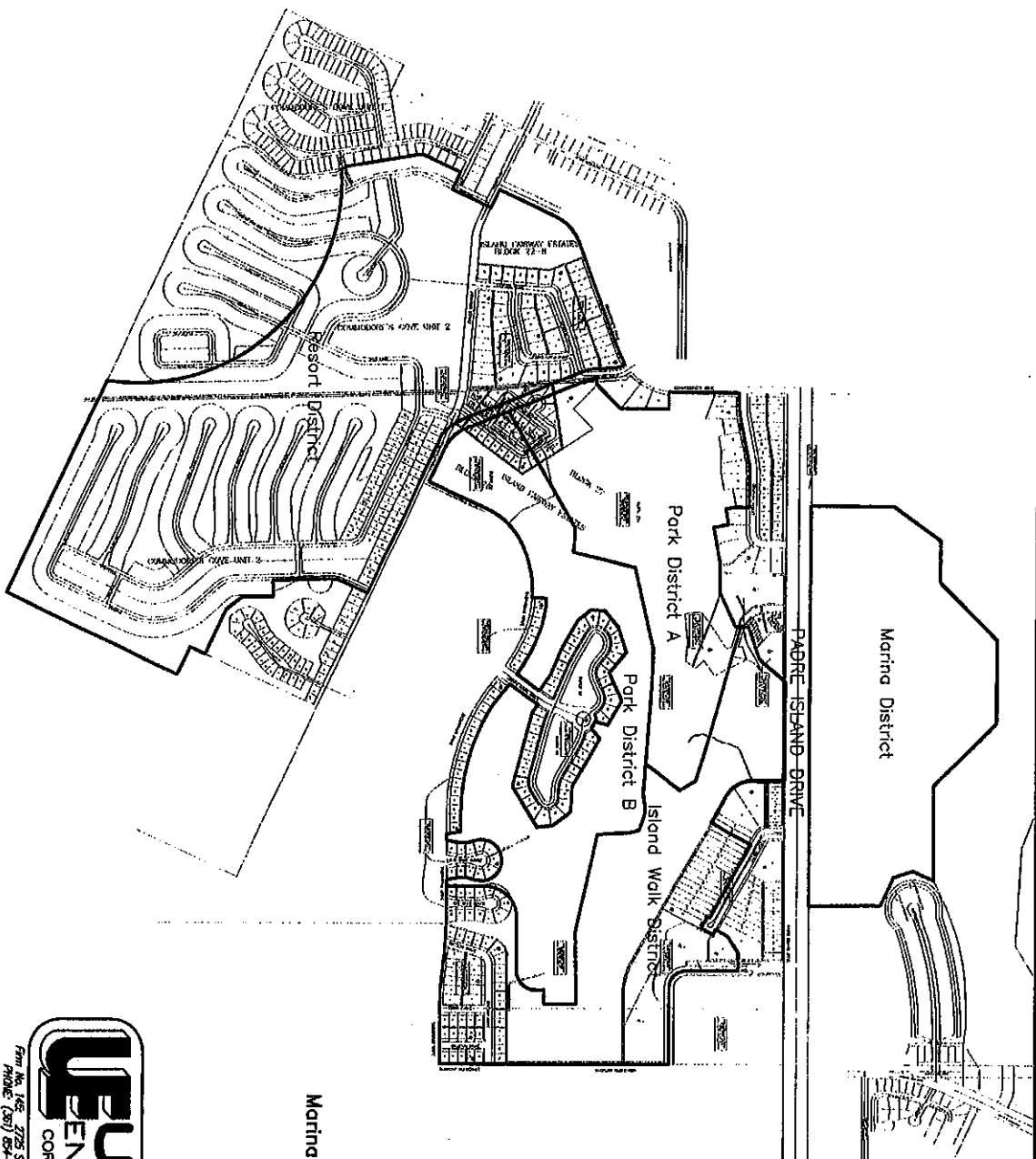
Bearings based on the recorded plat of Block 27A & 27B, Padre Island-Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 46, Pages 208 thru 210, Map Records of Nueces County, Texas.

Unless this fieldnotes description, including preamble, seal and signature, appears in its entirety, in its original form, surveyor assumes no responsibility for its accuracy.



URBAN ENGINEERING

Juan J. Salazar
Juan J. Salazar, R.P.L.S.
License No. 4909



LOCATION MAP OF
 Marina District, Island Walk District, Park District A,
 Park District B and Resort District



From No. 145, 2725 Sam Houston St., Corpus Christi, TX 78404
 PHONE (361) 854-3101 FAX (361) 854-6001

DATE: APRIL 20, 2012
 SCALE: NTS
 JOB NO.: 38808.B2.01
 SHEET: 1 OF 1
 DRAWN BY: RLG



Job No. 38808.B201
April 18, 2012

Resort District

STATE OF TEXAS
COUNTY OF NUECES

Fieldnotes for a 231.899 acre tract of land (not based on an on the ground survey) out of Padre Island-Corpus Christi Commodore's Cove Unit Two, a map of which is recorded in Volume 38, Pages 36 through 44, Map Records of Nueces County, Texas, out of Block 22-R, Padre Island - Corpus Christi Island Fairway Estates, a map of which is recorded in Volume 48, Page 19, Map Records of Nueces County, Texas, out of Island Fairway Estates, Blocks 34, 35 and 36, a map of which is recorded in Volume 40, Pages 183 and 184, Map Records of Nueces County, Texas, and out of Padre Island - Corpus Christi, Island Fairway Estates, Blocks 43 and 44, a map of which is recorded in Volume 42, Pages 10 and 11, Map Records of Nueces County, Texas; said 231.899 acre tract being more fully described as follows:

Beginning at the southwest subdivision corner of said Padre Island-Corpus Christi Commodore's Cove Unit Two for the southwest corner of this tract;

Thence, North $26^{\circ}27'14''$ East, along the west boundary of said of Padre Island-Corpus Christi Commodore's Cove Unit Two, same being the west boundary of this tract, a distance of 1942.87 feet for the beginning of a circular curve to the left whose radius point bears North $09^{\circ}28'56''$ East 1699.66 feet and which has a delta angle of $102^{\circ}05'17''$, a radius of 1699.66 feet, a tangent length of 2102.20 feet and an arc length of 3028.40 feet;

Thence, with said circular curve to the left, leaving said west subdivision boundary and continuing along the west boundary of this tract, an arc length of 3028.40 feet to the common boundary of said Padre Island-Corpus Christi Commodore's Cove Unit Two and of Padre Island-Corpus Christi Commodore's Cove Unit One, a map of which is recorded in Volume 38, Pages 34 and 35, Map Records of Nueces County, Texas for the end of this circular curve to the left and for the northwest corner of this tract;

Thence, North $81^{\circ}29'51''$ East, with the common boundary of said Commodore's Cove Unit One and said Commodore's Cove Unit Two, same being the north boundary of this tract, a distance of 33.16 feet;

Thence, North $08^{\circ}30'00''$ West, continuing with the common boundary of said Commodore's Cove Unit One and said Commodore's Cove Unit Two, same being the north boundary of this tract, a distance of 15.00 feet;

Thence, North $81^{\circ}30'00''$ East, continuing with the common boundary of said Commodore's Cove Unit One and said Commodore's Cove Unit Two, same being the north boundary of this tract, a distance of 605.00 feet for the beginning of circular curve to the right whose radius point bears South $08^{\circ}35'51''$ East 165.54 feet and which has a delta angle of $34^{\circ}40'03''$, with a radius of 165.54 feet, a tangent distance of 51.67 feet and an arc length of 100.16 feet;

Thence, with said circular curve to the right, continuing with the common boundary of said Commodore's Cove Unit One and said Commodore's Cove Unit Two, same being the north boundary of this tract, an arc length of 100.16 feet for the end of this circular curve to the right;

Thence, South $63^{\circ}58'30''$ East, continuing with the common boundary of said Commodore's Cove Unit One and said Commodore's Cove Unit Two, same being the north boundary of this tract, a distance of 300.02 feet to the south boundary of Dragonet Street, a 50 foot wide public roadway, for a corner of this tract;

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April 18, 2012
Resort District - 231.899 acre tract

Thence, South $26^{\circ}01'30''$ West, leaving said common boundary and continuing along said south boundary of Dragonet Street, same being the north boundary of this tract, a distance of 165.00 feet to the east boundary of Bello Drive, a 50 foot wide public roadway, for a corner of this tract;

Thence, South $63^{\circ}58'30''$ East, with the east boundary of said Bello Drive, same being the north boundary of this tract, a distance of 355.00 feet to the east boundary of Aquarius Street, a 60 foot wide public roadway, for a corner of this tract;

Thence, North $26^{\circ}01'30''$ East, with the east boundary of said Aquarius Street, same being the northerly boundary of this tract, a distance of 155.00 feet for the point of curvature of a circular curve to the right which has a delta angle of $90^{\circ}00'00''$, with a radius of 10.00 feet, a tangent distance of 10.00 feet and an arc length of 15.71 feet;

Thence, with said circular curve to the right, an arc length of 15.71 feet for the point of tangency on the southerly boundary of Commodore's Drive, an 80 foot wide public roadway;

Thence, South $63^{\circ}58'30''$ East, with the southerly boundary of said Commodore's Drive, same being the north boundary of this tract, a distance of 512.27 feet for the point of curvature of circular curve to the right which has a delta angle of $44^{\circ}19'25''$, a radius of 377.25 feet, a tangent distance of 153.66 feet and an arc length of 291.84 feet;

Thence, with said circular curve to the right, continuing with the south boundary of Commodore's Drive, same being the north boundary of this tract, an arc length of 291.84 feet;

Thence, South $19^{\circ}13'30''$ East, continuing with the southerly boundary of said Commodore's Drive, same being the north boundary of this tract, a distance of 991.20 feet for the point of curvature of circular curve to the left which has a delta angle of $10^{\circ}15'33''$, with a radius of 506.86 feet, a tangent distance of 45.50 feet and an arc length of 90.76 feet;

Thence, with said circular curve to the left, continuing with the southerly boundary of said Commodore's Drive, same being the north boundary of this tract, an arc length of 90.76 feet for the end of this circular curve to the left, for the northeast corner of this tract and for the beginning of a reverse curve turning to the right which has a delta angle of $86^{\circ}57'28''$, with a radius of 20.00 feet, a tangent distance of 18.97 feet and an arc length of 30.35 feet;

Thence, with said circular curve to the right, an arc length of 30.35 feet for the point of tangency on the west boundary of proposed Aquarius Street and for the beginning of another circular curve to the right which has a delta angle of $30^{\circ}21'53''$, with a radius of 139.50 feet, a tangent distance of 37.86 feet and an arc length of 73.93 feet;

Thence, South $87^{\circ}50'30''$ West, with said west boundary of proposed Aquarius Street, same being the east boundary of this tract, a distance of 153.62 feet for the point of curvature of circular curve to the left which has a delta angle of $18^{\circ}31'58''$, with a radius of 410.00 feet, a tangent distance of 66.89 feet and an arc length of 132.62 feet;

Thence, South $69^{\circ}18'32''$ West, continuing with said west boundary of proposed Aquarius Street, same being the east boundary of this tract, a distance of 1070.11 feet to the point of curvature of a circular curve to the left which has a delta angle of $30^{\circ}31'02''$, with a radius of 410.00 feet, a tangent distance of 111.84 feet and an arc length of 218.38 feet;

Thence, with said circular curve to the left, continuing with said west boundary of proposed Aquarius Street, same being the east boundary of this tract, an arc length of 218.38 feet to the west boundary of existing Aquarius Street for a corner of this tract;

Thence, South $26^{\circ}01'30''$ West, with the west boundary of said existing Aquarius Street, a distance of 1456.54 feet to the intersection of said west boundary of Aquarius Street with the south boundary of Lucio Drive, 50 foot wide public roadway, for the southeast corner of this tract;

Job No. 38808.B201

April 18, 2012

Resort District - 231.899 acre tract

Thence, North $63^{\circ}58'30''$ West, with the south boundary of said Lucio Drive, same being the common boundary of said Commodore's Cove Unit Two and Commodore's Pointe P.U.D 2 Unit 2, a map of which is recorded in Volume 65, Pages 87 and 88, Map Records of Nueces County, Texas and same being the south boundary of this tract, a distance of 220.13 feet to a circular curve to the left which has a delta angle of $26^{\circ}27'16''$, with a radius of 230.26 feet, a tangent distance of 54.12 feet and an arc length of 106.32 feet;

Thence, with circular curve to the left, continuing with said common boundary of said Commodore's Cove Unit Two and Commodore's Pointe P.U.D 2 Unit 2, same being the south boundary of Lucio Street and of this tract, an arc length of 106.32 feet for the point of tangency;

Thence, South $89^{\circ}34'14''$ West, continuing with said common boundary of said Commodore's Cove Unit Two and Commodore's Pointe P.U.D 2 Unit 2, same being the south boundary of Lucio Street and of this tract, a distance of 474.00 feet for the northwest corner of said Commodore's Pointe P.U.D 2 Unit 2 and for a corner of this tract;

Thence, South $00^{\circ}25'46''$ East, with the west boundary of said Commodore's Pointe P.U.D 2 Unit 2, same being the southerly boundary of this tract, a distance of 135.00 feet for a corner of said Commodore's Pointe P.U.D 2 Unit 2 and of this tract;

Thence, South $89^{\circ}34'14''$ West, continuing with the southerly boundary of this tract, a distance of 263.50 feet;

Thence, South $54^{\circ}01'30''$ West, continuing with the southerly boundary of this tract, a distance of 162.50 feet;

Thence, South $26^{\circ}01'30''$ West, continuing with the southerly boundary of this tract, a distance of 413.09 feet;

Thence, North $63^{\circ}58'30''$ West, continuing with the southerly boundary of this tract, a distance of 135.98 feet;

Thence, South $26^{\circ}01'30''$ West, continuing with the southerly boundary of this tract, a distance of 252.75 feet;

Thence, North $63^{\circ}32'46''$ West, continuing with the southerly boundary of this tract, a distance of 1590.75 feet to the Point of Beginning and containing 231.899 acres of land.

Description prepared from recorded plats and previous surveys and not a current on the ground survey. No monumentation was found or set at property corners unless otherwise noted.

Bearings based on the recorded plat of Padre Island-Corpus Christi Commodore's Cove Unit Two, a map of which is recorded in Volume 38, Pages 36 thru 44, Map Records of Nueces County, Texas. Unless this fieldnotes description, including preamble, seal and signature, appears in its entirety, in its original form, surveyor assumes no responsibility for its accuracy.

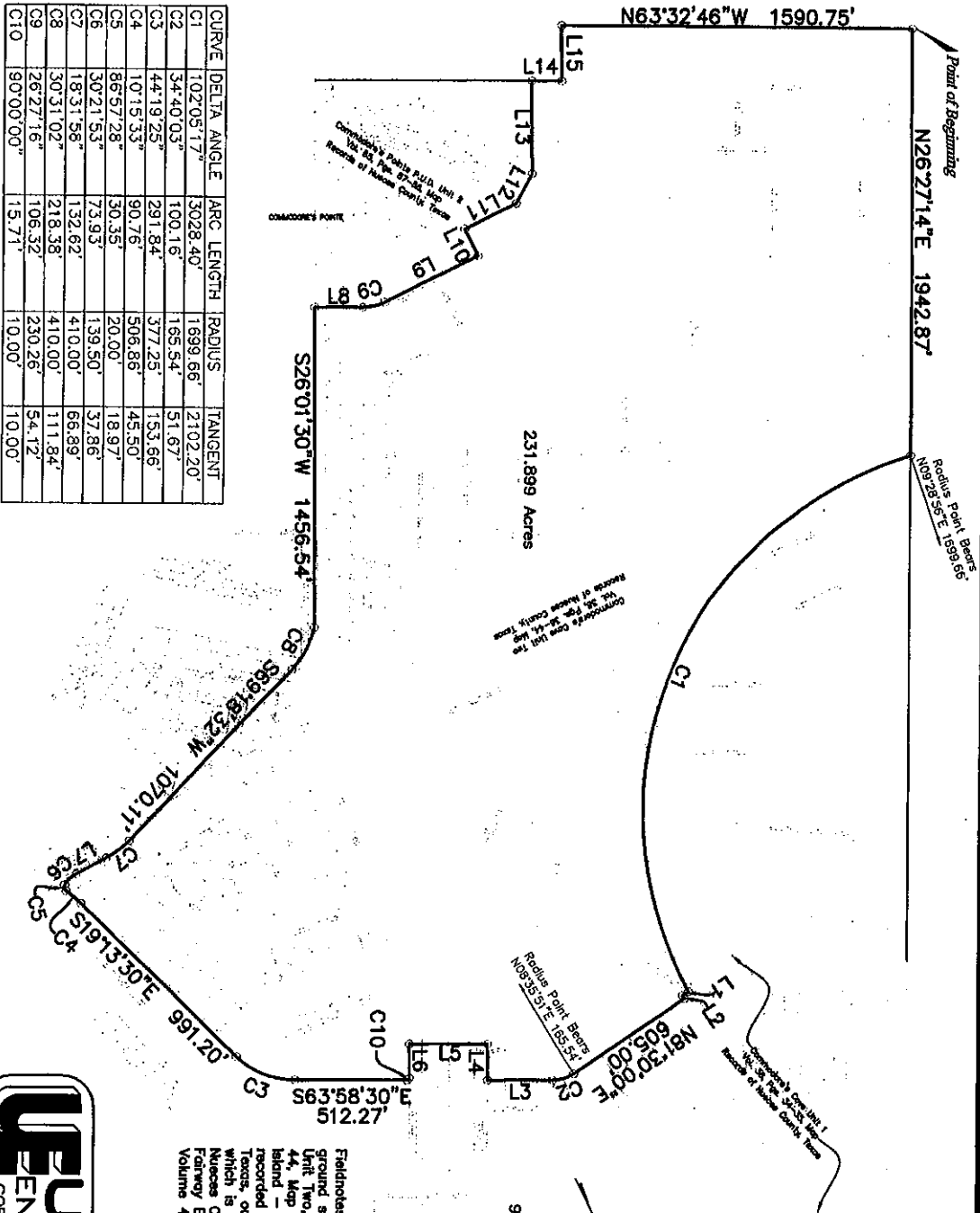


URBAN ENGINEERING

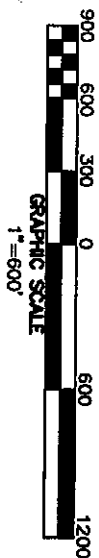
Juan J. Salazar

Juan J. Salazar, R.P.L.S.
License No. 4909

CURVE	DELTA ANGLE	ARC LENGTH	RADIUS	TANGENT
C1	102°05'17"	3028.40'	1699.66'	2102.20'
C2	34°40'03"	100.16'	165.54'	51.67'
C3	44°19'25"	291.84'	377.25'	153.66'
C4	10°15'33"	90.76'	506.86'	45.50'
C5	86°57'28"	30.35'	20.00'	18.97'
C6	30°21'53"	73.93'	139.50'	37.86'
C7	18°31'58"	132.62'	410.00'	66.89'
C8	30°31'02"	218.38'	410.00'	111.84'
C9	26°27'16"	106.32'	230.26'	54.12'
C10	90°00'00"	15.71'	10.00'	10.00'



LINE	BEARING	DISTANCE
L1	N81°29'51\"E	33.16'
L2	N08°30'00\"W	15.00'
L3	S63°58'30\"E	300.02'
L4	S26°01'30\"W	165.00'
L5	S63°58'30\"E	355.00'
L6	N26°01'30\"E	155.00'
L7	S87°50'30\"W	153.62'
L8	N63°58'30\"W	220.13'
L9	S89°34'14\"W	474.00'
L10	S00°25'46\"E	135.00'
L11	S89°34'14\"W	263.50'
L12	S54°01'30\"W	162.50'
L13	S26°01'30\"W	413.09'
L14	N63°58'30\"W	135.98'
L15	S26°01'30\"W	252.75'



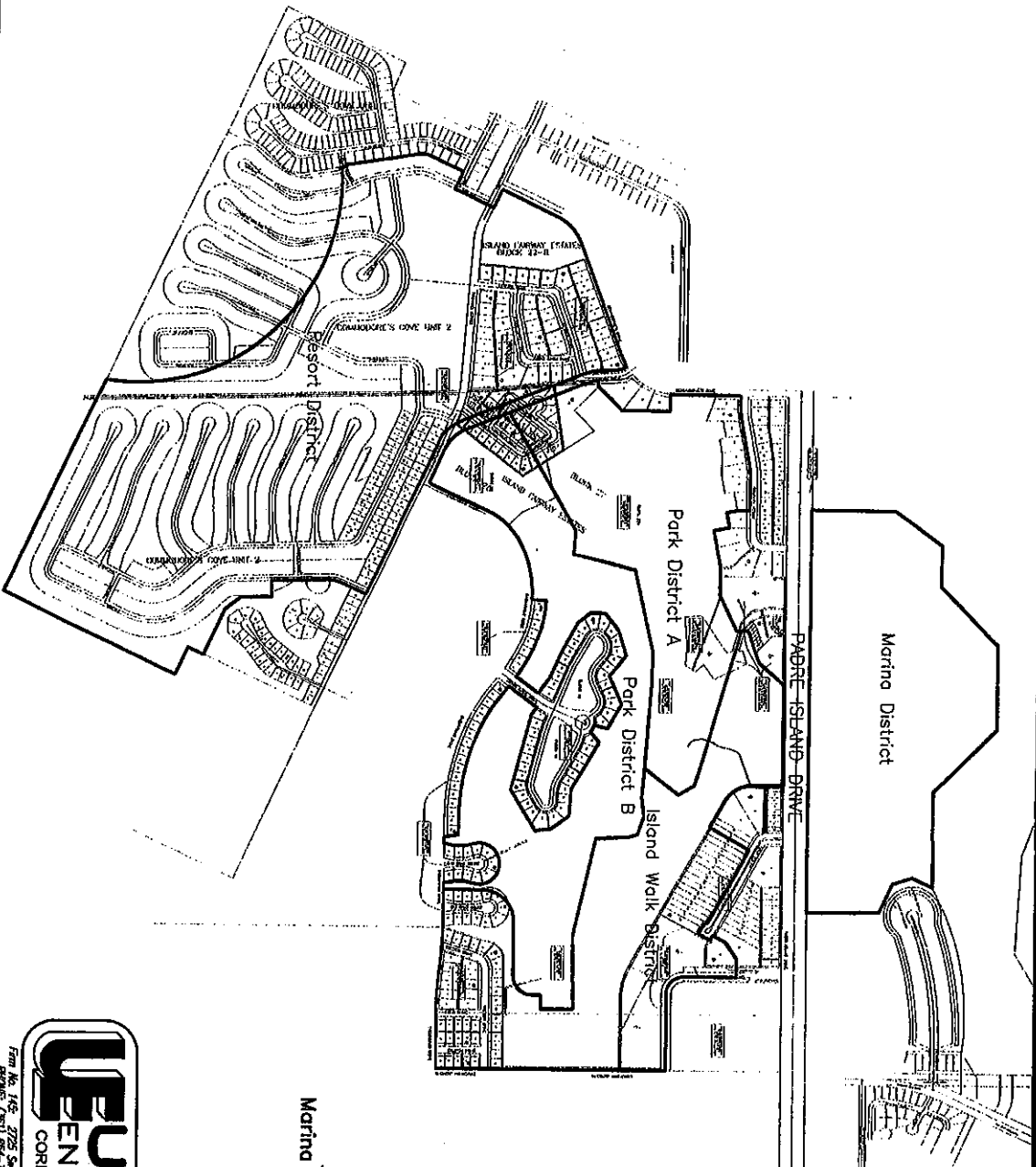
Map to Accompany

Fieldnotes for a 231.899 acre tract of land (not based on an on the ground survey) out of Padre Island—Corpus Christi Commodore's Cove Unit Two, a map of which is recorded in Volume 38, Pages 36 through 44, Map Records of Nueces County, Texas, out of Block 22-R, Padre Island—Corpus Christi Island Ferry Estates, a map of which is recorded in Volume 48, Page 19, Map Records of Nueces County, Texas, out of Island Ferry Estates, Blocks 34, 35 and 36, a map of which is recorded in Volume 40, Pages 183 and 184, Map Records of Nueces County, Texas, and out of Padre Island—Corpus Christi Island Ferry Estates, Blocks 43 and 44, a map of which is recorded in Volume 42, Pages 10 and 11, Map Records of Nueces County, Texas

Resort District



From No. 145, 3725 Seaboard St., Corpus Christi, TX 78404
 Phone: (512) 624-2100 FAX: (512) 624-6661
 DATE: APRIL 19, 2012
 SCALE: 1"=600'
 JOB NO.: 38908.B2.01
 SHEET: 1 OF 1
 DRAWN BY: RLG



LOCATION MAP OF
 Marina District, Island Walk District, Park District A,
 Park District B and Resort District

UEURBAN
 ENGINEERING
 CORPUS CHRISTI, TEXAS

DATE: APRIL 20, 2012
 SCALE: NTS
 JOB NO.: 38808.B2.01
 SHEET: 1 OF 1
 DRAWN BY: RLG

From No. 145 - 2725 Sanluis St., Corpus Christi, TX 78404
 PHONE (361) 654-4101 FAX (361) 654-4001
 sscm@ueurban.com ueurban.com

Marina DistrictSTATE OF TEXAS
COUNTY OF NUECES

Fieldnotes for a 91.587 acre tract of land; said 91.587 acre tract being out of the following tracts: a 23.07 acre tract, an 85.22 acre tract and a 49.89 acre tract out of Padre Island Number 1, as shown on the vacating plat of Padre Island - Corpus Christi Section H Unit 1 and Portions of Padre Island No. 1, a map of which is recorded in Volume 52, Pages 60 through 62, Map Records of Nueces County, Texas, and out of a portion of a 224.923 acre tract of land out of Tracts C and D, Padre Island No. 1; said 91.587 acre tract being more fully described by metes and bounds as follows:

Beginning at a point (no monumentation found or set) on the east boundary of Padre Island Drive (State Highway 358) for the southwest corner of this tract, from which point of beginning, the southwest corner of Lot 19A, Block 22, Padre Island Number 1, a map of which is recorded in Volume 13, Pages 1 through 8, Map Records of Nueces County, Texas, same being the intersection of the north boundary of Whitecap Boulevard, public roadway, with the east boundary of said Padre Island Drive (State Highway 358) bears South $01^{\circ}16'30''$ West, a distance of 1337.62 feet;

Thence, North $01^{\circ}16'30''$ East, along said east boundary of Padre Island Drive (State Highway 358), a distance of 3362.00 feet for the northwest corner (no monumentation found or set) of this tract;

Thence, South $88^{\circ}43'30''$ East, along the north boundary of this tract, a distance of 690.52 feet for the northeast corner (no monumentation found or set) of this tract;

Thence, along the east boundary of this tract as follows:

South $52^{\circ}51'59''$ East, a distance of 478.97 feet;

South $01^{\circ}15'15''$ West, a distance of 350.00 feet;

South $43^{\circ}44'45''$ East, a distance of 680.00 feet;

South $01^{\circ}15'15''$ West, a distance of 700.00 feet;

South $46^{\circ}15'15''$ West, a distance of 741.52 feet;

South $01^{\circ}15'15''$ West, a distance of 801.04 feet for the southeast corner (no monumentation found or set) of this tract;

Thence, along the south boundary of this tract, same being the northerly boundary of Padre Island - Corpus Christi, Cane Harbor Bay, a map of which is recorded in Volume 49, Pages 5 and 6, Map Records of Nueces County, Texas as follows:

North $65^{\circ}19'19''$ West, a distance of 188.29 feet;

South $73^{\circ}40'26''$ West, a distance of 170.00 feet;

Job No. 38803.B201
April 18, 2012
Marina District -- 91.587 Acres

South $25^{\circ}22'02''$ West, a distance of 261.52 feet;

Thence, North $89^{\circ}40'25''$ West, a distance of 594.73 feet to the Point of Beginning and containing 91.587 acres of land.

Description prepared from previous surveys and not a current on the ground survey. No monumentation was found or set at property corners unless otherwise noted.

Bearings based on the recorded plat of Padre Island Number 1, a map of which is recorded in Volume 13, Pages 1 through 8, Map Records of Nueces County, Texas.

Unless this fieldnotes description, including preamble, seal and signature, appears in its entirety, in its original form, surveyor assumes no responsibility for its accuracy.

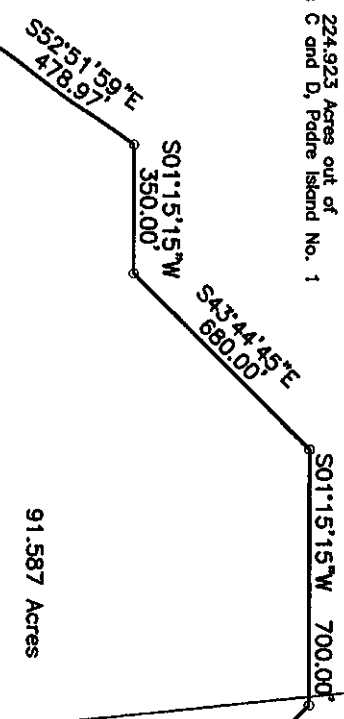


URBAN ENGINEERING

Juan J. Salazar

Juan J. Salazar, R.P.L.S.
License No. 4909

Tracts C and D, Padre Island No. 1

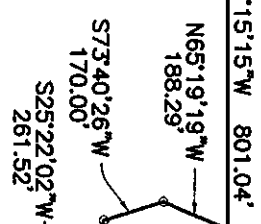


Vacating Plat of
Padre Island - Corpus Christi Section H
Unit 1 and Portions of Padre Island No. 1
Vol. 52, Pgs. 60-62, Map
Records of Nueces County, Texas

91.587 Acres

Padre Island Drive (State Highway 356)

Vacating Plat of
Padre Island - Corpus Christi Section H
Unit 1 and Portions of Padre Island No. 1
Vol. 52, Pgs. 60-62, Map
Records of Nueces County, Texas



Padre Island - Corpus Christi
Cane Harbor Bay Cane Harbor Boulevard
Block 28
Vol. 48, Pgs. 5-6, Map
Records of Nueces County, Texas

Vacating Plat of
Padre Island - Corpus Christi Section H
Unit 1 and Portions of Padre Island No. 1
Vol. 52, Pgs. 60-62, Map
Records of Nueces County, Texas

Block	1A	2A	3A	4A	5A	6A	7A	8A	9A	10A	11A	12A	13A	14A	15A	16A	17A	18A	19A
Records of Nueces County, Texas																			
Vol. 13, Pgs. 1-8, Map																			
Vol. 22, Pgs. 1-1, Map																			
Vol. 48, Pgs. 5-6, Map																			
Vol. 52, Pgs. 60-62, Map																			

"Point of Beginning" for fieldnote description



Fieldnotes for a 91.592 acre tract of land, said 91.592 acre tract being out of the following tracts: a 23.07 acre tract, an 85.22 acre tract and a 49.89 acre tract out of Padre Island Number 1, as shown on the vacating plat of Padre Island - Corpus Christi Section H Unit 1 and Portions of Padre Island No. 1, a map of which is recorded in Volume 52, Pages 60 through 62, Map Records of Nueces County, Texas, and out of a portion of a 224.923 acre tract of land out of Tracts C and D, Padre Island No. 1.

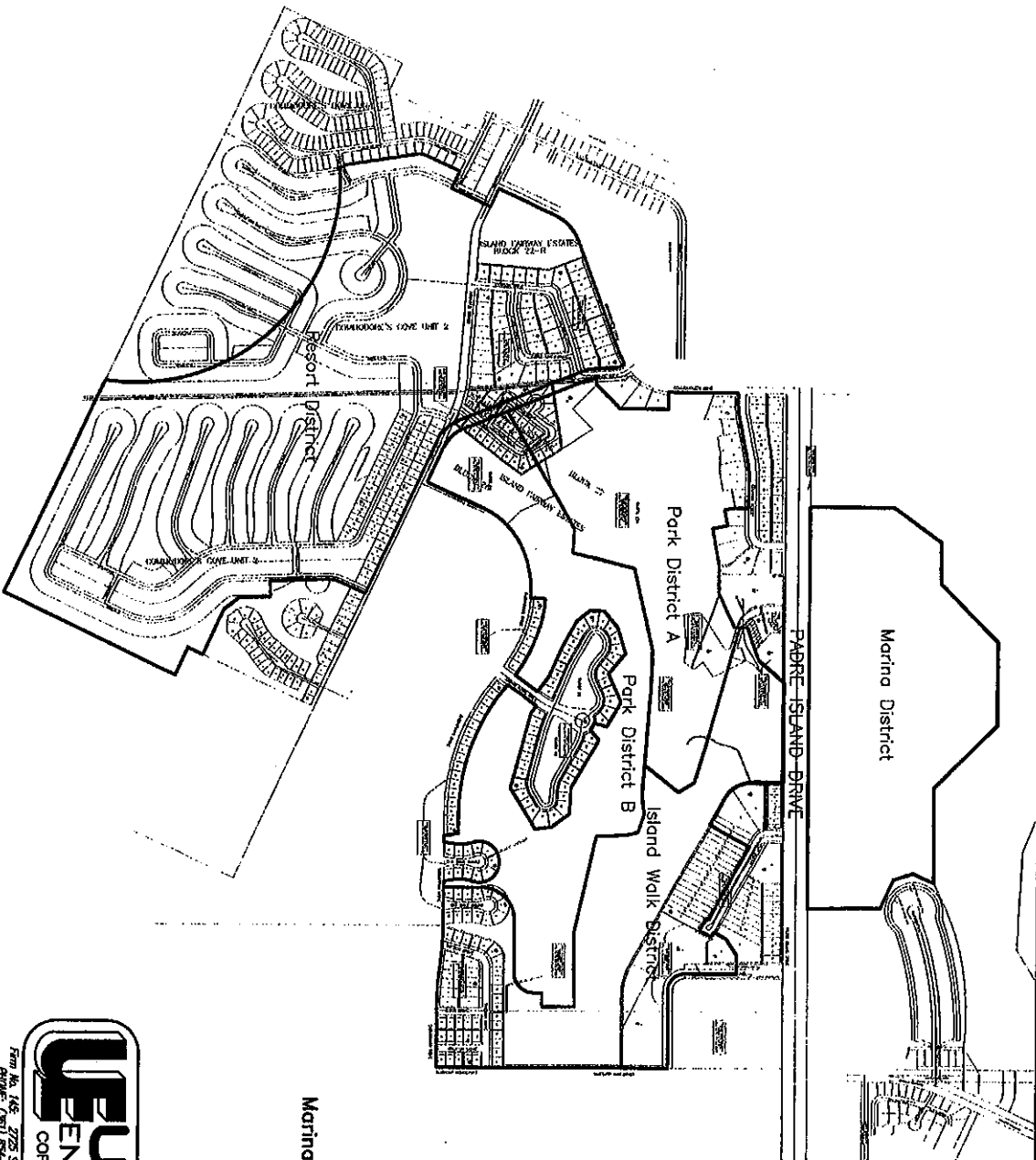
Map to Accompany



From No. 146, 2725 Seawater St., Corpus Christi, TX 78404
PHONE (361) 864-3101 FAX (361) 864-0001

Surveying License No. 12000, State of Texas, Exp. 08/01/2015

Marina District
DATE: Apr. 19, 2012
SCALE: 1"=400'
JOB NO.: 38808.B2.01
SHEET: 1 of 1
DRAWN BY: XG



LOCATION MAP OF
 Marina District, Island Walk District, Park District A,
 Park District B and Resort District



From No. 145, 2725 San Antonio St., Corpus Christi, TX 78404
 PHONE: (361) 834-3077 FAX: (361) 834-6601
 E-mail: info@urban-engineering.com

DATE: APRIL 20, 2012
 SCALE: NTS
 JOB NO.: 36808.B2.01
 SHEET: 1 OF 1
 DRAWN BY: RLG

**METES & BOUND DESCRIPTION
FOR
PROPOSED TAX INCREMENT FINANCE DISTRICT**

A proposed Tax Increment Finance District in the city limits of the City of Corpus Christi, located in Nueces County, Texas consisting of 1,930.30 acres, more or less, and more particularly described as follows;

Beginning at a point, the intersection of the centerline of South Padre Island Drive (Park Road 22) and the present Nueces-Kleberg County line, for the southeasternmost corner of the tract herein described;

Thence northwesterly along the present Nueces-Kleberg County line, to its intersection with the centerline of Palmira Avenue, shown on plat of Padre Island No. 1 in Volume 13, Pages 1 through 8, Nueces County, Texas, Map Records, for the southwesternmost corner of this tract;

Thence northerly along the centerline of Palmira Avenue, to its intersection with the centerline of Avanti Avenue, shown on plat of Padre Island - Corpus Christi, Section 4, in Volume 33, Pages 44 through 47, Nueces County, Texas, Map Records, for an inside corner of this tract;

Thence westerly along the centerline of Avanti Avenue to its intersection with the southerly extension of the centerline of a 20 foot alley located east of and adjacent to Block 215 of said Padre Island - Corpus Christi, Section 4, for an outside corner of this tract;

Thence northerly with the centerline of said 20-foot alley and its northerly extension, to a point on the centerline of Cruiser Street, for an outside corner of this tract;

Thence easterly along the centerline of Cruiser Street, to its intersection with the southerly extension of the east line of Lot 15, Block 192, Padre Island - Corpus Christi, Section 4, for an inside corner of this tract;

Thence northerly with the east line of said Lot 15, Block 192, Padre Island - Corpus Christi, Section 4 and its northerly extension, to a point 40 feet north of the northeast corner of said Lot 15, for an inside corner of this tract;

Thence westerly and southerly along a line that is 40 feet northwest of and parallel to the northwest line of Block 192, Padre Island - Corpus Christi, Section 4, to a point on the north right-of-way line of existing Whitecap Boulevard, for an outside corner of this tract;

Thence westerly along the north right-of-way line of existing White Cap Boulevard, to the southwest corner of Block 27A, Padre Island - Corpus Christi, Island Fairway Estates, shown on Plat of Record in Volume 46, Pages 208 through 210, Nueces County, Texas, Map Records, for an outside corner of this tract;

Thence northerly along the west line of said Block 27A, Padre Island – Corpus Christi, Island Fairway Estates, its curves and its angles, to a point on the south right-of-way line of existing Commodore's Drive, for an outside corner of this tract;

Thence easterly along the south right-of-way line of existing Commodore's Drive, to its intersection with the southerly extension of the centerline of a 100-foot wide canal, located west of and adjacent to Blocks 508 through 511, Padre Island – Corpus Christi, Mariner's Cay, shown on Plat of Record in Volume 34, Pages 54 and 55, Nueces County, Texas, Map Records, for an inside corner of this tract;

Thence northerly with the centerline of said 100-foot wide canal and its northerly extension, to its intersection with the centerline of another 100-foot wide canal, located north of and adjacent to Lot 4, Block 502, Padre Island – Corpus Christi, Mariner's Cay, shown on Plat of Record in Volume 39, Pages 164 and 165, Nueces County, Texas, Map Records, for an outside corner of this tract;

Thence easterly with the centerline of said 100-foot wide canal, which is located north of and adjacent to Lot 4, Block 502, Padre Island – Corpus Christi, Mariner's Cay, to its intersection with the southerly extension of the east line of Lot 1, Block 85, Padre Island – Corpus Christi, Mariner's Cay, shown on Plat of Record in Volume 34, Pages 54 and 55, Nueces County, Texas, Map Records, for an inside corner of this tract;

Thence northerly with said east line of Lot 1, Block 85, Padre Island – Corpus Christi, Mariner's Cay, and its northerly extension, to a point on the centerline of existing Jackfish Avenue, for an inside corner of this tract;

Thence westerly along the centerline of said Jackfish Avenue, to a point on the centerline of existing Ambrosia Street, shown on plat of Padre Island – Corpus Christi, Section 3, in Volume 33, Pages 83 and 84, Nueces County, Texas, Map Records, for an outside corner of this tract;

Thence northwesterly along the centerline of existing Ambrosia Street, to its intersection with the centerline of existing Aquarius Street, for an outside corner of this tract;

Thence northerly along the centerline of said existing Aquarius Street, to its intersection with the southeasterly extension of the southwest line common to Lots 46 through 52, Block 72, Padre Island – Corpus Christi, Section 2, shown on Plat of Record in Volume 41, Page 187, Nueces County, Texas, Map Records, for an inside corner of this tract;

Thence northwesterly with said southwest line common to Lots 46 through 52, Block 72, Padre Island – Corpus Christi, Section 2, to the west corner of said Lot 52, for an outside corner of this tract;

Thence northeasterly with the northwest line of said Lot 52, Block 72, Padre Island – Corpus Christi, Section 2, to a point on the southwest right-of-way of existing South Padre Island Drive (Park Road 22) for the north corner of said Lot 52 and a corner of this tract;

Thence northeasterly crossing said existing South Padre Island Drive (Park Road 22), to a point, for the west corner of Block 1, Padre Island - Corpus Christi, Section 18, shown on Plat of Record in Volume 38, Pages 69 and 70, Nueces County, Texas, Map Records, and a corner of this tract;

Thence northeasterly and southeasterly along the boundary line of said Block 1, Padre Island - Corpus Christi, Section 18, to a point on the southeast line common to State Tracts 58 and 61, for an inside corner of this tract;

Thence northeasterly along said southeast line common to State Tracts 58 and 61, to its intersection with a line that is 500 feet northeast of and parallel to the southwesterly shoreline of existing Packery Channel, for the northernmost corner of this tract;

Thence southeasterly, along said line which is 500 feet northeast of and parallel to the southwesterly shoreline of existing Packery Channel, to its intersection with the northwesterly extension of the southwest line of a 280-acre tract, more or less, now or formerly owned by Nueces County, Texas, described in Document No. 888926, Nueces County, Texas, Deed Records, for an inside corner of this tract;

Thence southeasterly with the southwest line of said 280-acre tract and its extensions, crossing State Highway 361 and continuing southeasterly to a point on the vegetation line near the shoreline of the Gulf of Mexico, for the east corner of this tract;

Thence southwesterly, along said vegetation line, to a point on the southwest line of a 137.73-acre tract, more or less, now or formerly owned by Eric C. Lower, described in Document No. 956588, Nueces County, Texas, Deed Records, for an inside corner of this tract;

Thence southeasterly, with the southwest line of said 137.73-acre tract, to a point on the shoreline of the Gulf of Mexico, for an outside corner of this tract;

Thence southwesterly, along the meanders of the shoreline of the Gulf of Mexico, to its intersection with the easterly extension of the north right-of-way line of Beach Access Road No. 4, for an outside corner of this tract;

Thence easterly, with the north right-of-way line of Beach Access Road No. 4 and its extensions, to a point on the centerline of South Padre Island Drive (Park Road 22), for an inside corner of this tract;

Thence southerly along the centerline of said South Padre Island Drive (Park Road 22), to its intersection with the present Nueces-Kleberg County line, for the point of beginning.

Save and except 18.00 acres, more or less, described as Padre Island - Corpus Christi, Cane Harbor Bay Subdivision, shown on Plat of Record in Volume 49, Pages 5 and 6, Nueces County, Texas, Map Records;

And

Save and except 91.02 acres, more or less, consisting of Nueces County Park No. 2 (Packery Channel Park), a portion of Padre Island No. 1 Subdivision, all of Padre Island No. 2 Subdivision, and a portion of the Nicolas and Juan Jose Balli Survey, Abstract No. 1998, located west of and adjacent to Playa Del Rey, and more particularly described as follows;

Beginning at a point of the southwesterly shoreline of existing Packery Channel, a point of intersection with the easterly extension of the south line of Lot 16, Block 34, Padre Island No. 1, shown on Plat of Record in Volume 13, Pages 1 through 8, Nueces County, Texas, Map Records, for the easternmost corner of this tract;

Thence westerly with the south line of said Lot 16, Block 34, Padre Island No. 1 and its extensions, to a point on a line that is 120 feet west of and parallel to the west right-of-way line of existing Playa Del Rey, for a southwesterly outside corner of this tract;

Thence northwesterly along said line which is 120 feet west of and parallel to the west right-of-way line of existing Playa Del Rey and its northerly extension, to a point on the centerline of existing Verdemar Drive, shown on plat of Padre Island No. 2, in Volume 13, Page 28, Nueces County, Texas, Map Records, for an inside corner of this tract;

Thence northwesterly along the centerline of said existing Verdemar Drive, to its intersection with the centerline of existing Sand Dollar Avenue (formerly Tortugas Avenue), for an outside corner of this tract;

Thence northeasterly along the centerline of said existing Sand Dollar Avenue (formerly Tortugas Avenue), to its intersection with the southeast line of Nueces County Park No. 2 (Packery Channel Park), for an inside corner of this tract;

Thence southwesterly along the southeast line of Nueces County Park No. 2 (Packery Channel Park), to a point on the northeast right-of-way line of existing South Padre Island Drive (Park Road 22), for an outside corner of this tract;

Thence northwesterly along the northeast right-of-way line of said South Padre Island Drive (Park Road 22), to its intersection with southeast line of Block 4, Padre Island - Corpus Christi, Section 18, shown on Plat of Record in Volume 105, Page 57, Nueces County, Texas, Map Records, for the south corner of said Block 4 and an outside corner of this tract;

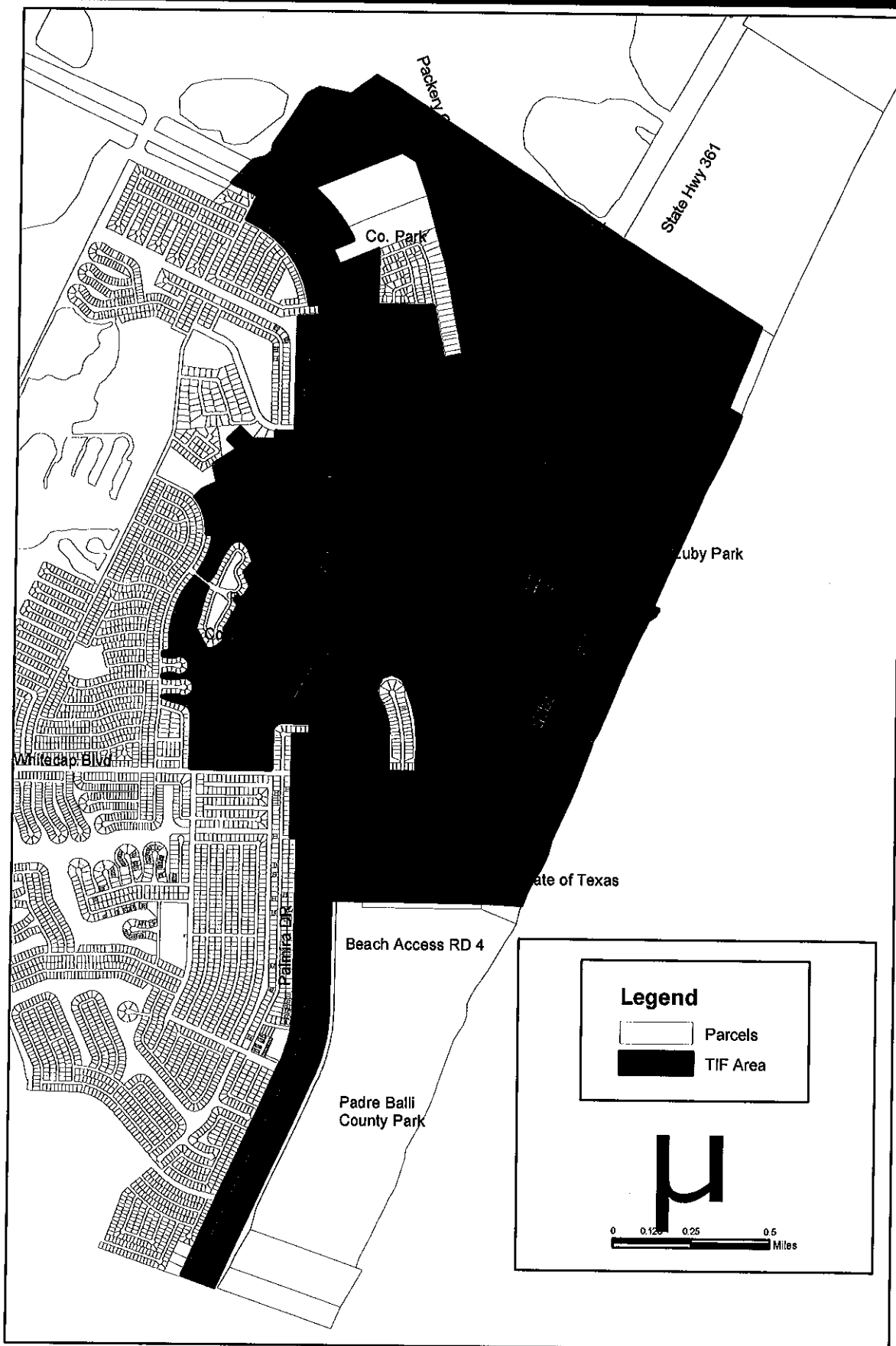
Thence northeasterly along said southeast line of Block 4, Padre Island - Corpus Christi, Section 18, to its east corner thereof, for an inside corner of this tract;

Thence northwesterly along the northeast line of said Block 4, Padre Island - Corpus Christi, Section 18, to its north corner thereof, for a point on a line common to Block 2, Padre Island - Corpus Christi, Section 18, shown on Plat of Record in Volume 38, Pages 69 and 70, Nueces County, Texas, Map Records, and Nueces County Park No. 2 (Packery Channel Park), and the west corner of this tract;

Thence northeasterly with said line common to Block 2, Padre Island - Corpus Christi, Section 18 and Nueces County Park No. 2 (Packery Channel Park), to a point on the southwesterly shoreline of existing Packery Channel, for the north corner of this tract;

Thence southeasterly along the meanders of said southwesterly shoreline of existing Packery Channel, to its intersection with the easterly extension of the south line of Lot 16, Block 34, Padre Island No. 1, for the point of beginning.

Padre Island Tax Increment Finance District



Padre Island - Tax Increment Financing District

