

**DEVELOPMENT AGREEMENT BETWEEN THE CITY OF CORPUS CHRISTI,
TEXAS, AND RHODES DEVELOPMENT, INC.**

This Development Agreement (the "**Agreement**") is entered into by and between the City of Corpus Christi, Texas, a Texas home-rule municipality (the "**City**") and Rhodes Development, Inc., a Texas corporation (the "**Developer**"); to be made effective on the Effective Date, as hereinafter defined.

RECITALS

WHEREAS, the City is a home rule municipality of the State of Texas located within Nueces County (the "**County**"); and

WHEREAS, the City recognizes the importance of its continued role in economic development within the region and desires to encourage development to benefit its inhabitants and the surrounding area by promoting job growth, increasing housing availability and enhancing the standard of living; and

WHEREAS, certain terms used in these Recitals are defined in Section 2; and

WHEREAS, Developer either owns or is under contract to purchase approximately 298 acres located in Nueces County, Texas, said property being more particularly described by metes and bounds contained in **Exhibit A** and depicted in **Exhibit B**, each attached hereto and made a part hereof (the "**Property**"); and

WHEREAS, the Property is located in the City's extraterritorial jurisdiction as defined by Chapter 42, TEX. LOC. GOV'T CODE (the "**ETJ**"), and, in conjunction with the authorization of this Agreement, the Property is intended to be annexed into the City, resulting in all Property being located wholly within the municipal limits of the City and not within the corporate limits or extraterritorial jurisdiction of any other municipality; and

WHEREAS, Developer plans to develop the Property as a residential development consisting of approximately 1,154 lots of varying sizes in accordance with the concept plan set forth in **Exhibit B**, which development is expected to occur over a number of years in phases; and

WHEREAS, the Property is coterminous and lies within the Mirabella Public Improvement District (the "**PID**") created by Resolution No. 033532 approved by the City Council on December 3, 2024, and recorded in the real property records of Nueces County, Texas, as Instrument No. 2024042115 on December 10, 2024, in accordance with and pursuant to Chapter 372, Texas Local Government Code, as amended ("**PID Act**"); and

WHEREAS, the Property additionally lies within the Reinvestment Zone Number Seven, City of Corpus Christi, Texas (the "**Zone**" or "**TIRZ**") established by Ordinance No. 033830 adopted by the City Council on January 13, 2026, in accordance with and pursuant to the Tax Increment Financing Act, Texas Tax Code Chapter 311, as amended (the "**Zone Act**" or "**TIRZ Act**"); and

DRAFT

WHEREAS, the TIRZ is divided into separate subzones, with the Property being located within and coterminous with the boundaries of Subzone A (the “**Subzone A**”) of the TIRZ; and

WHEREAS, Developer intends to begin development of the Property upon the full execution of this Agreement and the approval of preliminary plat(s) consistent with the Concept Plan attached hereto as **Exhibit B**, if not already approved as of the Effective Date hereof; and

WHEREAS, contingent upon the partial or total financing of the PID Improvements, Developer intends for the design, construction, and installation of the PID Improvements to occur in a phased manner and to dedicate such PID Improvements to the City, subject to the approval of the plans and inspection of the PID Improvements in accordance with this Agreement and the City Regulations; and

WHEREAS, the maximum principal amount of PID Bonds to be issued by the City pursuant to the PID Act is \$110,600,000.00; provided, however, in no event shall PID Bonds be issued in an amount which exceeds eligible costs under the PID Act; and

WHEREAS, notwithstanding the City funding all or a portion of the PID Improvement Costs, the Developer will be required to fund shortfalls, if any, associated with the PID Improvements and all Public Infrastructure, as hereinafter specified; and

WHEREAS, the City—subject to the consent and approval of the City Council, the satisfaction of all conditions for PID Bond issuance, Developer’s compliance with this Agreement, and in accordance with the terms of this Agreement—shall use good faith efforts to: (i) adopt a Service and Assessment Plan (as defined below); (ii) adopt one or more Assessment Ordinances (to finance or reimburse Developer for all or a portion of the PID Improvement Cost and the costs associated with the administration of the PID and the issuance of the PID Bonds, and for repayment of PID Bonds); and (iii) issue PID Bonds, in multiple series if requested, up to an amount considered feasible by Developer and City for the purpose of financing the PID Improvements in accordance with the Service and Assessment Plan and reimbursing Developer for certain costs associated therewith and as described herein; and (iv) adopt a project plan and financing plan under the TIRZ Act for Subzone A which allows for such tax increment revenues generated from Subzone A to reduce or buy down the PID Assessment actually paid; and

WHEREAS, the Parties agree that the costs for the PID Improvements, together with other improvements described herein, qualify as “project costs” as that term is used under the TIRZ Act; and

WHEREAS, to the extent funds must be advanced to pay for any costs associated with the issuance of PID Bonds or the preparation of documentation related thereto, including any costs incurred directly by the City and its consultants and advisors (excluding the fees associated with the PID Bonds and paid from PID Bond proceeds, and excluding any costs incurred as the result of third party inquiries, requests, or projects), Developer shall be responsible for advancing such funds and shall have a right to reimbursement for the funds advanced from the PID Bond proceeds and/or Assessment revenues, and the City will not be responsible for such reimbursement or the payment of any such costs from any other sources of funds; and

WHEREAS, the amount of ad valorem tax increment attributable to and collected from real property within Subzone A during the life of the TIRZ, with such ad valorem tax increment being calculated by taking the total ad valorem taxes collected by the City from real property within Subzone A for any given tax year in which this Agreement is in effect, less the Subzone A Tax Increment Base (the “**City’s Subzone A Tax Increment**”); and

WHEREAS, for any given tax year during the term of this Agreement and pursuant to the TIRZ Project and Finance Plan, the City agrees to contribute fifty (50%) percent of the City’s Subzone A Tax Increment, by earmarking and depositing such monies into the Subzone A Fund established by the City in connection with the TIRZ in the manner and for such use(s) as more fully set forth herein (the “**City’s Subzone A Tax Increment Payment**”); and

WHEREAS, the Parties acknowledge that for any given tax year the remaining fifty (50%) percent of the Subzone A Tax Increment shall be unrestricted for use by the City; and

WHEREAS, the County has previously entered into an interlocal agreement with the City pursuant to Chapter 791, Texas Government Code, and Chapter 311, Texas Tax Code, under which the County has agreed to, *inter alia*, contribute forty-five percent (45%) of the County’s Subzone A Tax Increment for any given tax year, by earmarking and depositing such monies into the Subzone A Fund established by the City in connection with the TIRZ to be used in a manner consistent with said interlocal agreement and the TIRZ Project Plan and Finance Plan (the “**County’s Subzone A Tax Increment Payment**”); and

WHEREAS, it is the intent of the Parties that funds deposited by the City and other Participating Taxing Entities into the Subzone A Fund are to be used to offset or pay off a portion of any Assessments levied by the City on parcels within the Mirabella Public Improvement District, being coterminous with Subzone A, to the extent permitted under the TIRZ Act; except as otherwise expressly provided herein; and

WHEREAS, the City recognizes that entering into this Agreement for the construction and installation of the PID Improvements: (a) bring a positive impact to the City; (b) promote state and local economic development; (c) stimulate business and commercial activity in the municipality; (d) promote the development and diversification of the economy of the state; (e) promote the development and expansion of commerce in the state; and (f) eliminate some unemployment or underemployment in the state.

NOW, THEREFORE, in consideration of the mutual promises, covenants, obligations, and benefits contained in this Agreement that will accrue to the Parties, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

**SECTION 1
RECITALS; NON-WAIVER OF LEGISLATIVE DISCRETION**

The above facts, understandings, and agreements of the Parties contained in the Recitals to this Agreement are hereby fully incorporated herein by reference for all intents and purposes and made an enforceable part of this Agreement between the Parties.

Non-Waiver of Legislative Discretion. The Parties acknowledge that certain provisions of this Agreement may be subject to future actions of City Council, which are subject to the Texas Open Meetings Act and may not be prescribed as to outcome. Nothing contained in this Agreement shall be construed as creating a contractual obligation that controls, waives, or supplants the discretion of the City Council regarding future actions for the levy of assessments for the PID, entering into PID reimbursement agreement(s), and/or the issuance of any debt obligations thereunder. To the extent of a conflict between this Section and another provision of this Agreement, this Section controls.

SECTION 2 DEFINITIONS

Unless the context requires otherwise, the following terms, as used in this Agreement, shall have the meanings hereinafter set forth:

Agreement shall mean this Development Agreement.

Assessment(s) shall mean any special assessment levied by the City on property within the PID pursuant to Chapter 372, Texas Local Government Code, pursuant to an Assessment Ordinance, to pay for a specific portion of the Budgeted Cost, which shall be PID Improvement Costs.

Assessment Ordinance shall mean an ordinance adopted by the City Council which authorizes Assessments to be levied on the Property in accordance with the PID Act, the purpose of which shall be to pay for a specified portion of the costs of certain PID Improvements and interest thereon as set forth in the Service and Assessment Plan as well as the costs associated with the issuance of the PID Bonds that provide a special benefit to the Property.

Assessment Roll(s) shall mean an Assessment Roll(s) attached to the Service and Assessment Plan or any other Assessment Roll in an amendment or supplement to the Service and Assessment Plan or in an annual update to the Service and Assessment Plan, which shows the total amount of the Assessment against each parcel assessed under the Service and Assessment Plan related to the PID Improvements.

Available Subzone A Tax Increment Funds shall mean any and all available monies deposited in the Subzone A Fund by Participating Taxing Entities, including the City and the County, as a result of their respective Subzone A Tax Increment Payments.

Bond Ordinance shall mean an ordinance adopted by the City Council that authorizes and approves the issuance and sale of the PID Bonds by the City.

Budgeted Cost(s), with respect to any given PID Improvement, shall mean the estimated cost of such improvement as set forth in **Exhibit C**.

City shall mean the City of Corpus Christi, Texas a home rule municipality located in Nueces County, Texas.

City Council shall mean the City Council of the City of Corpus Christi, Texas.

City Manager shall mean the City Manager of the City of Corpus Christi, Texas, or a person designated to act on behalf of that individual if the designation is in writing and signed by the current or acting City Manager.

City's Subzone A Tax Increment shall mean the ad valorem tax increment attributable to and collected from real property within Subzone A during the life of the TIRZ, with such ad valorem tax increment being calculated by taking the total ad valorem taxes collected by the City from real property within Subzone A for any given tax year in which this Agreement is in effect, less the Subzone A Tax Increment Base.

City's Subzone A Tax Increment Payment shall mean for any given tax year fifty percent (50%) of the City's Subzone A Tax Increment collected by the City from real property within Subzone A that the City has agreed to deposit into Subzone A Fund in accordance with the terms and conditions of this Agreement and the TIRZ Final Project and Finance Plan.

City Regulations shall collectively mean (i) Code of Ordinances, City of Corpus Christi, Texas, the City's Unified Development Code ("UDC"), the City's subdivision regulations, and the City's engineering design standards in effect as of the Effective Date, and (ii) all International Code Council-sanctioned and National codes, as amended and as adopted by the City, including but not limited to the International Building, Construction, Electrical, Energy Conservation, Fire, Fuel Gas, Mechanical, Plumbing, Residential and similar standard codes, and other policies and regulations duly adopted by the City Council and in effect as of submittal of the preliminary plat for a phase of the Development.

Concept Plan shall mean the site plan and conceptual plan for the Property agreed to by the Parties and more particularly described in **Exhibit B** attached hereto and incorporated herein by reference.

Cost Overruns shall mean actual PID Improvement Costs that are more than the Budgeted Costs set forth in the Service and Assessment Plan, as described in Subsection 7.2.

Cost Underruns shall mean actual PID Improvement Costs that are less than the Budgeted Costs set forth in the Service and Assessment Plan, as described in Subsection 7.3.

County shall mean Nueces County, Texas.

County Subzone A Tax Increment shall mean for any given year in which the County is participating in Subzone A of the TIRZ under the terms of the *Interlocal Agreement* with the City, the amount of ad valorem tax increment attributable to and collected by the County from real property within Subzone A, with such ad valorem tax increment being calculated by taking the total ad valorem taxes collected by the County from real property within Subzone A for any given tax year in which the *Interlocal Agreement* is in effect, less the Subzone A Tax Increment Base.

County Subzone A Tax Increment Payment shall mean for any given tax year in which the County is participating in Subzone A of the TIRZ under the terms of the *Interlocal Agreement* with the City, forty-five percent (45%) of the County's Subzone A Tax Increment collected from real property within Subzone A, which the County is obligated to deposit into the Subzone A Fund.

Developer shall mean Rhodes Development, Inc., a Texas corporation and its successors, affiliates, and assigns, responsible for developing all or any portion of the Property in accordance with this Agreement.

Development shall mean the development on the Property that is the subject of this Agreement in accordance with the Concept Plan shown in **Exhibit B**.

Development Standards shall mean those development standards applicable to the Property as set forth in the City Regulations for property located in the ETJ.

Effective Date shall mean the date on which the last of the Parties has executed this Agreement making the same fully executed.

End Buyer shall mean any developer, developer homebuilder, homebuilder, homeowner, tenant, user, or owner of a Fully Developed and Improved Lot.

Estimated Build Out Value shall mean the fair market value of a developed lot, including all improvements to be constructed thereon, as estimated at the time the applicable Assessments are levied.

Extraterritorial Jurisdiction or **ETJ** shall mean the extraterritorial jurisdiction of the City, as that term is defined in Chapter 42, Texas Local Government Code.

Force Majeure shall mean, and be deemed to include without limitation, any acts of God, strikes, lockouts, or other industrial disturbances, acts of a public enemy, acts or orders of any kind of the Government of the United States or the State of Texas, or any civil or military authority, insurrection, riots, epidemics, pandemics, quarantine, viral outbreaks, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, or other acts, events, causes, or circumstances not within the reasonable control of the Party claiming such inability and that could not have been avoided by such Party with the exercise of good faith, due diligence, and reasonable care.

Fully Developed and Improved Lot shall mean any lot in the Property, regardless of proposed use, intended to be served by the PID Improvements and is included in a final plat that has been approved by the City and recorded in the Real Property Records of Nueces County, Texas, and for which the PID Improvements serving said lot have been fully constructed and approved by the City.

Future Land Uses shall mean the uses or activities that shall be permitted to continue or carried out on the Property subsequent to said Property being annexed into the corporate limits of the City, subject to the provisions of this Agreement. Future Land Uses shall be construed to include any and all (i) height(s), number of stories, and size(s) of buildings and other structures; (ii) the percentage(s) of lot(s) that may be occupied; (iii) the size(s) of yards, courts, and other open spaces; (iv) population density(ies); and (v) the location(s) and use(s) of buildings, other structures, and land for business, industrial, residential, or other purposes, to the extent the same are identified or otherwise described in the site plan(s) and/or Concept Plan(s) attached hereto as

Exhibit B, and as may be shown on any plat approval(s), whether final or preliminary, given by the City in relation to the Property in connection to the Development.

Goods and Services shall mean the goods and services that are provided by, performed, and/or installed by Developer pursuant to this Agreement. The Parties agree that the Goods and Services provided by Developer hereunder are "Goods and Services" as that term is defined in Section 271.151 of the Texas Local Government Code, and this Agreement shall be subject to Chapter 271, Texas Local Government Code, for the purposes of interpretation and enforcement between the Parties.

HOA shall mean the homeowners association created for the Development of the Property.

Home Buyer Disclosure Program shall mean the written Seller's Disclosure Forms required by TEX. PROP. CODE § 5.008 and the Notice of Obligations Related to Public Improvement District required by TEX. PROP. CODE § 5.014(A) provided to an End Buyer prior to closing.

Impact Fees shall mean those "impact fees," as defined in Chapter 395 of the Texas Local Government Code, as adopted by the City and in effect as of the Effective Date hereof.

Improvements Account of the Project Fund shall mean that account as defined or described in any Indenture.

Indenture shall mean a trust indenture by and between the City and a trustee bank under which the PID Bonds are secured and funds disbursed.

Landowner shall mean the Developer and any additional owners of the Property.

Landowner Consent Certificate shall mean the certificate, generally in the form of the document set forth in **Exhibit D**, of an owner of the Property consenting to the levy of Assessments.

Notice shall mean any notice required or contemplated by this Agreement (or otherwise given in connection with this Agreement).

Participating Taxing Entity shall mean a taxing unit participating in Subzone A of the TIRZ, which under this Agreement specifically includes the City, the County, and such other taxing entities that have agreed to participate in Subzone A by contributing a percentage of their ad valorem tax increment revenue attributable to and collected from real property within Subzone A over the life of the TIRZ, as may be evidence by any interlocal agreements with the City.

Parties shall collectively mean, the Developer and the City; Party, individually, means either Developer or the City.

PID shall mean the Mirabella Public Improvement District created by the City for the benefit of the Property, pursuant to Chapter 372, Texas Local Government Code, as amended.

PID Act shall mean Chapter 372, "Improvement Districts in Municipalities and Counties," Texas Local Government Code, as amended.

PID Administrator shall mean a company, entity, employee, or designee of the City, who is experienced in public improvement districts and assessment administration and tax increment zones and who shall have the responsibilities provided in the Service and Assessment Plan and Final TIRZ Project and Finance Plan, or any other agreement or document approved by the City, related to the duties and responsibilities for the administration of the PID and TIRZ, as applicable.

PID Bonds shall mean those assessment revenue bond(s) issued by the City and secured by Assessments on Property within the PID.

PID Documents shall mean the City Council-approved and adopted (a) PID Resolution; (b) Service and Assessment Plan; (c) Assessment Ordinance, and (d) bond ordinance(s), as described in the Recitals to this Agreement.

PID Improvements shall collectively mean water, sewer, drainage, roadway, park, trail, and any other facilities and improvements contemplated by the PID Act and needed to serve and fully develop the Property within the PID, which shall be constructed or caused to be constructed by the Developer by or on behalf of the City, including but not limited to the improvements listed in Exhibit C herein and to be reflected in the Service and Assessment Plan.

PID Improvement Costs shall mean the design, engineering, construction, construction management, inspection, and other associated costs of the PID Improvements, with such costs being more particularly estimated in the attached Exhibit C.

PID Resolution shall mean Resolution No. 033532 adopted by the City Council creating the PID pursuant to Section 372.010 of the PID Act and approving the advisability of the PID Improvements.

Project shall mean the Development of the Property as generally depicted in the Concept Plan.

Property shall mean that certain 298 acres, more or less, of real property located in Nueces County, Texas, said property being as more particularly described by metes and bounds description contained in Exhibit A and as depicted on Exhibit B.

Public Infrastructure shall mean all water, sewer, drainage, roadway, park, trail, and other public infrastructure necessary to serve the full development of the Property, which Public Infrastructure includes, but may not be limited to, the PID Improvements.

Real Property Records of Nueces County shall mean the official land recordings of the Nueces County Clerk's Office.

Service and Assessment Plan or **SAP** shall mean the PID Service and Assessment Plan adopted by the City Council, and amended annually, if needed, by the City Council pursuant to the PID Act for the purpose of assessing allocated costs against property located within the boundaries of the PID and having terms, provisions and findings approved by the City, as required by this Agreement.

Subzone A shall mean Subzone A of the TIRZ, which is coterminous with the boundaries of the Property and is as more fully described in the TIRZ Project Plan and Finance Plan, and in the TIRZ No. 7 Ordinance No. 033830.

Subzone A Fund shall mean the account or subaccount set up by the City for receipt of the portions of Subzone A Tax Increment respectively obligated to be deposited Participating Taxing Entities, which includes the City, in accordance with the TIRZ Documents and the TIRZ Act.

Subzone A Tax Increment Base shall mean the total appraised value of all Property located within the boundaries of Subzone A as of 2026, the year in which the TIRZ was created by the City through passage of the TIRZ Ordinance.

Subzone A Tax Increment Payments shall collectively refer to the City's Subzone A Tax Increment Payments and the County's Subzone A Tax Increment Payments, together with any other Participating Taxing Entity's tax increment payments, deposited in the Subzone A Fund over the life of the TIRZ under this Agreement.

TIRZ means Reinvestment Zone Number Seven, City of Corpus Christi, created by the City in the passage of the TIRZ Ordinance pursuant to the TIRZ Act to implement tax increment financing.

TIRZ Act means the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended.

TIRZ Documents means (a) the TIRZ Project and Finance Plan; (b) the TIRZ Ordinance; and (c) this Agreement.

TIRZ Fund(s) means the fund(s) set up by the City to receive the TIRZ monies in accordance with the TIRZ Documents and applicable state law.

TIRZ Ordinance means Ordinance No. 033830, approved and adopted by the City by formal action of the City Council establishing the TIRZ pursuant to the TIRZ Act, and any subsequent ordinance(s) effectuating amendments thereto, over all or any portion of the Property.

TIRZ Project Plan and Finance Plan or Project and Finance Plan or Final Project Plan and Finance Plan means the project plan and finance plan adopted by the City for the TIRZ, as may be amended from time to time, consistent with the TIRZ Act and this Agreement, with such Project Plan and Finance Plan being further broken into Subzones, including Subzone A.

SECTION 3 ANNEXATION; LAND USE RIGHTS

3.1 **Annexation.** This Agreement, as of the Effective Date, shall constitute an amended petition for voluntary annexation of the Property into the corporate limits of the City in compliance with Subchapter C-3, Chapter 43, Texas Local Government Code (the "**Annexation Petition**"). The City shall, in accordance with applicable statutory requirements, take all steps required of the City to complete the annexation of the Property after (i) adoption of a TIRZ Project and Finance

Plan consistent with this Agreement, and (ii) the City issuing a “will serve letter” for water and sewer reasonably satisfactory to Developer. The Developer agrees to execute and supply any additional instruments and/or other documentation necessary for the City to legally annex the Property into the City’s corporate limits.

3.2 Provision of Municipal Services Upon Annexation. Pursuant to TEX. LOC. GOV’T CODE § 43.0672, this Agreement shall constitute an agreement for the provision of municipal services to the Property upon the effective date of annexation by the City. In accordance with TEX. LOC. GOV’T CODE § 43.0672(b), upon the effective date of annexation of the Property the City shall provide or cause to be provided the following municipal services in the manner currently offered to similarly situated properties within the City, including those which may be offered in the future, without discrimination:

- a. Police Protection;
- b. Fire Protection;
- c. Emergency Medical Services;
- d. Solid waste collection;
- e. Operation and maintenance of water and wastewater facilities in the annexed area that are not within the service area of another water or wastewater utility;
- f. Operation and maintenance of roads and streets, including road and street lighting;
- g. Operation and maintenance of parks, playgrounds, and swimming pools; and
- h. Operation and maintenance of any other publicly owned facility, building, or service.

Notwithstanding the foregoing, to the extent any of the above services are owned, operated, or maintained by a homeowners association within the Property, the City shall not be required to provide such services. No schedule is required to be provided, as the above services will be provided by the City on the date of annexation. The City may contract out for the above services, including with a homeowners association, special district, or other entity permitted to provide such services.

3.3 Vested Rights. The Parties agree that pursuant to TEX. LOC. GOV’T CODE § 212.172(g), this Agreement, with the exception of those provisions which govern the PID and the TIRZ, constitutes a permit under Chapter 245 of the Texas Local Government Code, for establishing vested rights on the Property. Accordingly, under TEX. LOC. GOV’T CODE § 245.002, the City shall review any permit application based solely on regulations in effect as of the date of the first preliminary plat approval for the development of the Property under this Agreement. Developer has obtained preliminary plat approvals, and those approvals, together with this Agreement and all permits required for the Project including subdivision plats, site plans, and other development permits shall be treated as a single “series of permits” related to this development under TEX. LOC. GOV’T CODE § 245.002(b). The Parties acknowledge this Agreement is made in compliance with and pursuant to TEX. LOC. GOV’T CODE § 395.017. If the City applies a less restrictive regulation to identically situated property than one for which Developer has vested rights, Developer may elect to follow the less restrictive regulation when seeking any permit or approval. Such election does not waive Developer’s vested rights for the remainder of the Project. Pursuant to TEX. LOC. GOV’T CODE § 43.002, the Parties acknowledge that the Future Land

Uses shown in Exhibit B, including lot sizes and dimensions, were planned and/or existed on the Property for the Project before the ninetieth (90th) day before the proposed effective date of any proposed annexation of the Property under this Agreement. Accordingly, the Parties acknowledge that the requirements of TEX. LOC. GOV'T CODE 43.002(a)–(b) have been satisfied through the execution of this Agreement. Notwithstanding any provision contained herein to the contrary, the Parties expressly acknowledge that (i) pursuant to TEX. LOC. GOV'T CODE 43.002, Developer has the right to continue or carry out those Future Land Uses for the Project as shown or otherwise described in Exhibit B after annexation of the Property, or any portion thereof; and (ii) pursuant to TEX. LOC. GOV'T CODE § 212.172, in the event temporary or permanent zoning is implemented on the Property as a result of annexation and such zoning is inconsistent with the Future Land Uses, then the Future Land Uses will be considered valid non-conforming use(s) of the Property without the need to obtain any form of non-conforming use permits or certificates.

SECTION 4 SUBZONE A; CITY'S OBLIGATIONS

4.1 City's Subzone A Tax Increment Payment. In the TIRZ Project and Finance Plan, the City has agreed to participate in Subzone A by contributing and depositing fifty percent (50%) of the City's Subzone A Tax Increment for any given tax year into the Subzone A Fund for a period of not less than twenty-five (25) years under this Agreement, with such twenty-five (25) year period commencing on the Effective Date hereof. The City's Subzone A Tax Increment Payment shall be deposited into the Subzone A Fund at the times and in the manner provided for in the TIRZ Project and Finance Plan. The Parties acknowledge and agree that the remaining fifty (50%) percent of the Subzone A Tax Increment not pledged by the City for deposit into the Subzone A Fund for any given tax year hereunder, constitute general revenues of the City and shall not be restricted by this Agreement.

4.2 Administrative Costs for Subzone A. The City will pay or incur on an annual basis certain administrative costs for the administration of the entire TIRZ No. 7, with such administrative costs for the entire TIRZ being up to an annual amount not to exceed One-Hundred Thousand and 00/100 (\$100,000.00) Dollars and being up to an aggregate maximum amount of Two Million Five Hundred Thousand and 00/100 (\$2,500,000.00) Dollars over the life of the TIRZ ("**City's TIRZ Administrative Costs**"). The County will likewise pay or incur on an annual basis certain administrative costs associated with the County's participation in the entire TIRZ, with such administrative costs for the entire TIRZ being up to an annual amount not to exceed Fifty Thousand and 00/100 (\$50,000.00) Dollars and being up to an aggregate maximum amount of One Million and 00/100 (\$1,000,000.00) Dollars over the life of the TIRZ during which the County is participating ("**County's TIRZ Administrative Costs**"). Both the City's TIRZ Administrative Costs and the County's TIRZ Administrative Costs are collectively referred to hereinafter as the "**TIRZ Administrative Costs.**" Notwithstanding any provision contained herein to the contrary, the Parties expressly acknowledge and agree that each subzone within the TIRZ, including Subzone A, shall be responsible for its proportionate share of the TIRZ Administrative Costs, with such proportionate share being calculated based on the ratio of the incremental taxable value of real property within such subzone to the total incremental value of all property within the TIRZ as determined for the applicable tax year (the "Subzone A Administrative Costs", with respect to Subzone A) The Parties agree the Subzone A Administrative Costs will be paid from the Subzone A Fund, as monies become available in the Subzone A Fund and subject to the order of priority of

payment set forth in TIRZ Project and Finance Plan. Notwithstanding anything contained herein to the contrary, such annual Subzone A Administrative Costs shall only be paid from Available Subzone A Tax Increment Funds and only as such funds may become and are available in the Subzone A Fund for any given year. In the event there are not sufficient Available Subzone A Tax Increment Funds in the Subzone A Fund to cover a payment for annual Subzone A Administrative Costs, then those funds available for such purpose shall first be paid, together with any remaining outstanding amount rolling over to and becoming due in the next fiscal year until such time that the Subzone A Administrative Costs to be paid for that given year plus any outstanding and unpaid Subzone A Administrative Costs not paid in the previous year(s) have been paid in full.

4.3 Use of Available Subzone A Tax Increment Funds. All Available Subzone A Tax Increment Funds shall only be used for the following purposes and as set forth in the TIRZ Project and Finance Plan: (i) reimburse the Subzone A Administrative Costs attributable to Subzone A for a given year under this Agreement; (ii) offset all or any portion of an annual installment of Assessments levied by the City on the Property within the Mirabella Public Improvement District, to the extent such PID Improvement Costs qualify as “project costs” as that term is defined under the TIRZ Act; (iii) to reimburse the Developer for eligible costs incurred in connection with TIRZ projects identified in the Project Plan and Financing Plan for the Zone No. 7 that have not otherwise been reimbursed, (collectively “Eligible Subzone A Costs”).

4.4 Reporting Under TEX. TAX CODE § 311.0016(a). The City or its hired third party consultant(s) shall be solely responsible for preparing or causing to be prepared an annual report on the status of the TIRZ, which includes Subzone A, that contains the information described in TEX. TAX CODE § 311.016(a). Further, the City or its hired third party consultant(s) shall cause such annual report to be submitted to (i) each chief executive officer of each taxing unit that levies property taxes on real property within the TIRZ, which includes Subzone A; and (ii) the appropriate department of the Texas Comptroller of Public Accounts, on or before, but not later than, the 150th day following the end of the City’s fiscal year.

4.5 Source of Funds for Reimbursement of Eligible Subzone A Costs. The Parties agree that the City's obligation to reimburse or pay the Eligible Subzone A Costs from tax increment revenues generated by the TIRZ shall strictly be limited to the Available Subzone A Tax Increment Funds deposited in the Subzone A Fund, and no other type of funds.

4.6 Disbursements from Subzone A Fund. To the extent funds are available, disbursements from the Subzone A Fund by the City for reimbursement of the Eligible Subzone A Costs shall be made no less frequently than annually under this Agreement.

4.7 Disbursement Records. The City shall maintain complete books and records showing all deposits to and disbursements from the Subzone A Fund, which books and records shall be kept in accordance with generally accepted accounting principles as applied to Texas municipalities. Such books and records can be made available by City Staff for examination and copying by Developer during normal business hours of the City, and subject to City Staff approval. The City shall maintain such books and records throughout the term of this Agreement and for a minimum of two (2) years afterward.

**SECTION 5
PUBLIC IMPROVEMENT DISTRICT**

5.1 Creation and Levy of Assessments by the City. City staff shall initiate and recommend for City Council approval all necessary documents, ordinances, and resolutions, including without limitation the PID Documents required to effectuate this Agreement and to levy the Assessments. The Assessments, if approved by the City Council, shall be levied: (i) on a phase-by-phase basis against the applicable phase(s) benefitted by the applicable portion of the PID Improvements for which the applicable series of the PID Bonds are issued and (ii) prior to the sale of any lot to an end user. The City will select a PID Administrator, and the City Council will consider approval of the SAP, which shall include the PID Improvements and provide for the levy of the Assessments on the Property. Promptly following preparation and approval of a preliminary SAP acceptable to Developer and the City, the City Council shall consider an Assessment Ordinance.

5.2 Acceptance by Developer of Assessments and Recordation of Covenants Running with the Land. Concurrently with the levy of the Assessments on a portion of the Property, the Developer shall approve and accept in writing the levy of such Assessment(s) on all land owned by the Developer within the PID, shall approve and accept in writing the Home Buyer Disclosure Program, and shall cause to be recorded against such Property covenants running with the land that will bind any and all current and successor developers and owners of such Property to: (a) pay the Assessments, with applicable interest and penalties thereon, as and when due and payable hereunder and that the purchasers of such land take their title subject to, and expressly assume, the terms and provisions of such assessments and the liens created thereby; and (b) comply with the Home Buyer Disclosure Program.

5.3 PID Bond Issuance. Subject to the satisfaction of the conditions set forth in this Agreement and applicable law, the City shall issue the PID Bonds for the purpose of financing or reimbursing the PID Improvement Costs in accordance with the SAP. Upon written request by the Developer confirming satisfaction of the applicable conditions to issuance, the City shall proceed with the authorization and issuance of the applicable series of PID Bonds. The City shall not unreasonably withhold, delay, or condition its approval of the issuance of any PID Bonds if the conditions set forth in this Agreement have been satisfied and the issuance otherwise complies with applicable law. Following receipt of a written request from the Developer for the issuance of PID Bonds and confirmation that the conditions to issuance have been satisfied, the City shall initiate proceedings for the issuance of such PID Bonds within thirty (30) days and shall thereafter use good faith efforts to complete the issuance and closing of such PID Bonds within one hundred eighty (180) days following such request. The issuance of each series of PID Bonds is subject to the conditions identified in Section 8 herein. Provided, however, City Council retains full discretion regarding the issuance of PID bonds based on (a) market conditions, (b) creditworthiness of the Developer or any substantial homebuilder, or (c) advice provided by the (i) bond underwriter or initial bond purchaser or (ii) the City's municipal advisor.

SECTION 6 PID IMPROVEMENTS

6.1 PID Improvements. The PID Improvement Costs and the timetable for installation of the PID Improvements will be reviewed by the Parties in an annual update of the Service and Assessment Plan adopted and approved by the City.

6.2 Construction, Ownership, and Transfer of PID Improvements.

(a) Construction Plans. The Developer shall prepare, or cause to be prepared, plans and specifications for each of the PID Improvements and have them submitted to the City for approval in accordance with this section. Any written City approval or denial must be based on compliance with applicable City Regulations in effect as of the submittal. The City acknowledges that the Developer has previously obtained certain permits, approvals, and authorizations from the City in connection with the development of the Project and the construction of certain PID Improvements. All such permits, approvals, and authorizations previously issued by the City relating to the PID Improvements are hereby ratified and confirmed by the City and shall be deemed to satisfy the requirements of this Section 6.2(a).

(b) Contract Award. The contracts for construction of PID Improvements shall be let in the name of the Developer. The Developer's engineers shall prepare, or cause to be prepared, contract specifications and necessary related documents for the PID Improvements. The Developers shall administer all contracts. The Budgeted Costs, which are estimated on Exhibit C, as realized, shall be paid, or caused to be paid by the Developer, or the Developer's assignee, and shall be reimbursed or paid from the proceeds of the PID Bonds in accordance with an Indenture, or reimbursed by the collected Assessments levied pursuant to the terms of a reimbursement agreement entered into between City and Developer, if any.

(c) Construction Standards and Inspection. The PID Improvements and all other Public Infrastructure required for the full development of the Property shall be constructed and inspected in accordance with applicable state law, the City Regulations, the Development Standards, and other development requirements, including those imposed by the City and any other governing body or entity with jurisdiction over the PID Improvements. All applicable fees, including permit fees and inspection fees, shall be paid by the Developer if required.

(d) Competitive Bidding. This Agreement and construction of the PID Improvements are anticipated to be exempt from competitive bidding pursuant to Texas Local Government Code, Sections 252.022(a)(9) and 252.022(a)(11), based upon current cost estimates. In the event that the actual costs for the PID Improvements do not meet the parameters for exemption from the competitive bid requirement, then either competitive bidding or alternative delivery methods may be utilized by the City as allowed by law.

SECTION 7 OWNERSHIP, OPERATION, AND MAINTENANCE.

7.1 Except as otherwise agreed to in writing by the Developer and the City, all PID Improvements, upon completion, shall be dedicated to and thereafter owned by the City. The Developer agrees to take any action reasonably required by the City to transfer or otherwise

dedicate or ensure the dedication of easements and facilities for the PID Improvements to the City and the public pursuant to § 372.023(a), TEX. LOC. GOV'T CODE. The HOA shall maintain and operate, open spaces, common areas, parklands, detention ponds as part of a common area, retention ponds as part of a common area, bike/walking trails, right-of-way landscaping, and any other “common area”.

Mirabella PID Improvements	
Item Description	Maintenance
Traffic / Street Improvements	City
Public Sewage, Storm, & Water	
Sanitary Sewer	
Water	
Storm Sewer	
Public Landscaping and Irrigation Improvements	HOA
Landscaping	
Irrigation	
Detention Ponds	
Public Structures & Common Areas	
Playgrounds	
Sport Courts	
Sport Fields	
Recreational Platforms	
Common Area Improvements	
Screening Walls	
Sidewalks	

7.2 Timing of General Obligations. Except as otherwise provided herein, Developer shall complete all required water, sewer, and roadway facility improvements necessary to serve each phase of the Property prior to or substantially concurrent with the recordation of the final plat covering such phase.

7.3 Mandatory Homeowners Associations. Prior to the closing of the first lot for a single-family residential home by a homebuilder within the residential portion of the Property, the Developer will create a home owner’s association (“**HOA**”) over said Property that shall be required to levy and collect from homeowners annual fees in an amount calculated to maintain and operate the PID Improvements maintained by the HOA including but not limited to the following: open spaces, common areas, parklands, hike and bike trails located in common areas, portions of which will be open to the public, right-of-way irrigation systems, raised medians and other right-of-way landscaping, and screening walls within the PID. Common areas including but not limited to all landscaped entrances to the PID and right-of-way landscaping shall be maintained solely by the HOA. Maintenance of public rights-of-way by the HOA shall comply with City Regulations. The Parties shall cooperate with each other to execute documents necessary to give each HOA permission to maintain and operate facilities on City-owned property.

7.4 HOA Bylaws and Deed Restrictions. A copy of the HOA bylaws and deed restrictions shall be provided to the City prior to the City accepting the Public Infrastructure to serve the first phase of the Development. However, the City will not be responsible for the enforcement of the HOA bylaws or deed restrictions.

SECTION 8
PAYMENT OF PID IMPROVEMENTS AND DEVELOPMENT CHARGES

8.1 Improvements Account of the Project Fund. On the date of issuance of any PID Bonds, the City shall establish the Improvements Account of the Project Fund in accordance with the applicable Indenture. Any Improvements Account of the Project Fund shall be maintained as provided in the Indenture and shall not be commingled with any other funds of the City. Any Improvements Account of the Project Fund shall be administered and controlled (including signatory authority) by the City, or the trustee bank for the PID Bonds, and funds in the Improvements Account of the Project Fund shall be deposited and disbursed in accordance with the terms of the Indenture. In the event of any conflict between the terms of this Agreement and the terms of the Indenture relative to deposit and/or disbursement, the terms of the Indenture shall control.

8.2 Cost Overrun. If the total cost of a PID Improvement (or segment or section thereof) exceeds the total amount of the Budgeted Cost for that PID Improvement (or segment or section thereof) (a "Cost Overrun"), the Developer shall be solely responsible for payment of the remainder of the costs of that PID Improvement (or segment or section thereof), except as provided in Subsection 7.3 below.

8.3 Cost Underrun. If, upon the completion of construction of a PID Improvement (or segment or section thereof) and payment or reimbursement for such PID Improvement, there are Cost Underruns, any remaining Budgeted Cost(s) may be available to pay Cost Overruns on any other PID Improvement funded with the same PID Bonds upon provision by the Developer of proof of the applicable Cost Overrun to the City Manager or PID Administrator and provided that all PID Improvements are set forth in the Service and Assessment Plan. The elimination of a category of PID Improvements in the Service and Assessment Plan will require an amendment to the SAP and corresponding reduction in Assessments. If, upon completion of the PID Improvements in any improvement category, any funds remain in such category, those funds may be used to reimburse the Developer for any qualifying costs of the PID Improvements that have not been paid provided that all PID Improvements are set forth in the Service and Assessment Plan.

8.4 Remainder of Funds in the Improvements Account of the Project Fund. If funds remain in the Improvements Account of the Project Fund after the completion of all PID Improvements and the payment of all PID Improvement Costs as provided for in the Indenture and the SAP, then such funds shall thereafter be the exclusive property of the City and shall be used by the City as provided for in the Indenture, or any other use applicable to the Property as provided by law. In the event of any conflict between the terms of this Agreement and the terms of the Indenture relative to deposit and/or disbursement, the terms of the Indenture shall control.

8.5 Development, Review, and Inspection Fees. Development of any portion of the Property shall be subject to payment to the City of the applicable fees according to the City's Regulations from time to time and then in effect. All costs related to inspection fees for PID Improvements and public infrastructure shall be paid for by the Developer in full.

8.6 Completion of PID Improvements. Prior to the City’s authorization of the PID Bonds, the Developer and the City shall have entered into an agreement obligating the Developer to satisfy the PID Improvement Costs for the PID Improvements being financed not anticipated to be directly funded with proceeds of PID Bonds. Prior to the delivery of any such PID Bonds, the Developer will be required to provide written evidence, satisfactory to the City and the bond underwriter or initial bond purchaser, of its ability to pay any such PID Improvement Costs. One or any combination of the following: (1) escrow; (2) letter of credit; (3) performance and payment bond(s); (4) or lender set aside letter shall be deemed acceptable evidence of ability to pay PID Improvement Costs.

SECTION 9 PID FINANCING

9.1 PID Bond Issuance. As contemplated by the Parties to be the subject of a reimbursement agreement between City and Developer, the City intends to issue the PID Bonds solely for the purpose of financing the costs of the PID Improvements, including Administrative Costs, and paying issuance costs and the cost of funding all reserves, accounts, and funds required by the applicable Bond Ordinance (including a capitalized interest account, a debt service reserve fund, and the project fund); provided, however, the applicable Bond Ordinance may exclude a debt service reserve fund should an initial purchaser choose not to require such a fund. As set forth in the PID Resolution, the Developer have determined that the estimated maximum aggregate principal amount of PID Bonds to be issued, if any, will not exceed \$110,600,000.00. The City staff will, from time to time with Developer input, submit to the City Council agenda items to consider approval of the issuance of the PID Bonds by the City in an amount up to, but not to exceed, the estimated maximum aggregate principal Bond amount provided for herein. Notwithstanding any provision contained herein to the contrary, any PID Assessment revenue collected in excess of required debt-service payments for PID Bond(s), if any, shall be utilized to reimburse Developer for PID Improvement Costs incurred or otherwise advanced by Developer in accordance with the SAP.

9.2 Payment of Costs. PID Improvement Costs shall be paid from time to time with Assessments, proceeds of PID Bonds, Subzone A Fund revenues (if eligible), or directly by the Developer. No City funds other than those listed herein shall be made available for the payment of any PID Improvement Costs and the City shall have no responsibility for the payment of the same in the event of insufficiency of any of such previously specified sources.

9.3 Conditions to PID Bond Issuance. The issuance of each series of PID Bonds is subject to the following conditions:

(a) All costs incurred by the City that are associated with the administration of the PID shall be paid out of special assessment revenue levied against real property located within the PID. City administration costs shall include those associated with continuing disclosure, compliance with federal tax law, agent fees, staff time, regulatory reporting and legal and financial reporting requirements.

(b) The adoption of a Service and Assessment Plan and an Assessment Ordinance levying Assessments at a proposed minimum 2.5:1 value to lien ratio (“VTL”) on all

or any portion of the Property within the PID benefitted by such PID Improvements in amounts sufficient to pay all costs related to such PID Bonds. The minimum VTL of any issuance of PID Bonds on all or any portion of the Property within the PID is estimated to be 2.0:1; provided, however, if such VTL is lower than 2.5:1, the City may, at its discretion, issue PID Bonds, subject to a portion of the PID Bond proceeds being held in reserve until such time as the appraised value to lien ratio meets or exceeds 2.5:1. The election to issue PID Bonds at a VTL lower than 2.5:1 shall not require an amendment to this Agreement.

(c) The tax rate equivalent for the maximum projected annual assessment for a lot within a phase should not exceed (after contribution by the Subzone A Fund) the amount that would be collected by an ad valorem tax rate of \$0.30 per \$100 valuation on the Estimated Build Out Value of each lot, unless agreed to in writing by the Developer; such rate limit for each phase, as determined at the time of the levy of the Assessment, applies on an individual assessed lot basis, as will be set forth in more detail in the Service and Assessment Plan.

(d) The City has or may form and utilize its own financing team including, but not limited to, bond counsel, financial advisor, PID Administrator, and underwriters and/or initial purchaser related to the issuance of PID Bonds and bond financing proceedings; provided, however, with respect to the City's selection of members of the financing team, including but not limited to the underwriters, and/or initial purchaser, the City must obtain the Developer's consent to effectuate such selection.

(e) The aggregate principal amount of PID Bonds issued and to be issued shall not exceed an amount determined and agreed to be feasible by the Developer and City's consultants for such issuance(s) which amount shall not exceed the \$110,600,000.00 amount set forth in the PID Resolution.

(f) The City may choose and utilize its own continuing disclosure consultant and arbitrage rebate consultant, if applicable or required. Any and all costs incurred by these activities will be included in City administration costs recouped from the Assessments. The continuing disclosure will be divided into City disclosure and Developer disclosure, and the City will not be responsible or liable for Developer disclosure.

(g) Approval by the Texas Attorney General of the PID Bonds and registration of the PID Bonds by the Comptroller of Public Accounts of the State of Texas.

(h) The Developer is current on all taxes, Assessments, fees and obligations to the City related to the Property including without limitation payment of Assessments.

(i) The Developer is not in material default under this Agreement or, with respect to the Property, any other agreement to which Developer and the City are parties.

(j) No outstanding PID Bonds are in default and no reserve funds established for outstanding PID Bonds have been drawn upon that have not been replenished.

(k) The specified portions of the costs of the PID Improvements to be paid from the proceeds of the PID Bonds are eligible to be paid with the proceeds of such PID Bonds.

(l) The PID Improvements to be financed by the PID Bonds have been or will be constructed according to the approved standards imposed by this Agreement including any applicable City Regulations.

(m) The maximum maturity for PID Bonds shall not exceed thirty (30) years from the date of delivery thereof subject to the marketability of the PID Bonds

(n) The final maturity for any PID Bonds shall not be later than thirty (30) years from the Effective Date, unless waived in writing by the City.

(o) The City has determined that the PID Bonds meet all regulatory and legal requirements applicable to the issuance of the PID Bonds.

(p) The issuance of a series of bonds for the purpose of refunding any PID Bonds, the principal amount of assessment necessary to pay the refunding bonds shall not exceed the principal amount of the assessments that were levied to pay the PID Bonds that are being refunded.

(q) The Developer and the City entering into a reimbursement agreement with mutually acceptable terms and conditions that provides for the Developer's construction of certain PID Improvements and the City's reimbursement to the Developer of certain actual costs.

(r) Prior to the City's authorization of the initial series of PID Bonds:

(i) the Developer shall provide the City with evidence of sufficient funding to ensure the completion of the PID Improvements as contemplated herein;

(ii) the Developer will create the Home Buyer Disclosure Program and provide a copy of the program to the City Manager; and

(iii) the Developer shall have delivered to the City Manager a fully-executed Landowner Consent Certificate from each owner of the Property.

(s) Each series of PID Bonds shall be in an amount estimated to be sufficient to fund the PID Improvement Costs for which such PID Bonds are being issued.

(t) If applicable, delivery by the Developer to the City of a certification or other evidence acceptable to the City confirming that the special benefits conferred on the parcels of the Property subject to Assessments for payment of PID Improvement Costs increase the value of such parcels of Property by an amount at least equal to the amount assessed against such parcels.

(u) The City has determined that the amount of proposed Assessments and the structure, terms, conditions and timing of the issuance of the series of PID Bonds are reasonable for payment of the PID Improvement Costs to be financed and scope and state of Development within the PID, and that there is sufficient security for the PID Bonds to be creditworthy.

(v) The City has confirmed that no information regarding the City, including (without limitation) financial information, has been included in any offering document relating to PID Bonds without receipt of the City's prior consent.

(w) The Developer has agreed to provide periodic information and notices of material events regarding the Developer as it relates to the development of the Property within the PID in accordance with Securities and Exchange Commission Rule 15c2-12 and any Continuing Disclosure Agreements executed by the Developer in connection with the issuance of such series of PID Bonds; provided, however, that an initial purchaser may choose not to require the Developer to undertake a continuing disclosure undertaking in accordance with Securities and Exchange Commission Rule 15c2-12 and instead may require the Developer to provide only certain mutually agreed upon operating and/or financial data.

SECTION 10 CONSTRUCTION; INSPECTION; INSURANCE REQUIREMENTS

10.1 Full Compliance with City Standards.

(a) When not in conflict with the terms and conditions of this Agreement, including the Development Standards, the development of the Property shall be subject to all applicable City Regulations, including but not limited to the City's subdivision regulations and engineering design standards as provided herein. The party requesting a building permit shall be subject to those fees and charges due and payable to the City in connection with the development and construction of the Property.

(b) Development and use of the Property, including, without limitation, the construction, installation, maintenance, repair, and replacement of all buildings, improvements, and facilities of any kind whatsoever on and within the Property, shall generally comply with the Concept Plan, Development Standards and applicable City Regulations. The City acknowledges and agrees that the Concept Plan may be revised and refined by the Developer as the Developer continues its investigation of and planning for the Property, provided that in no case shall the Concept Plan be revised or refined to contradict any of the requirements of this Agreement or any City Code requirements. The City, or its authorized designated representative, shall be solely responsible for issuing building permits and certificates of occupancy for all structures; provided, however, the City shall recognize Developer's statutory rights described in Section 3 of this Agreement as necessary for the timely issuance of such building permits and certificates of occupancy.

10.2 Easement Dedication and Acquisition. The Developer shall be required to dedicate such easements as may be necessary within the Property to allow for the proper installation, maintenance, replacement, and repair of the Public Infrastructure contemplated herein. The Developer further agrees to use commercially reasonable efforts to obtain all third-party rights-of-way, consents, or easements, if any, required for the Public Infrastructure lying outside the boundaries of the Property.

10.3 Phasing. The Parties acknowledge and agree that the Property will be developed in phases. If deemed necessary, the Developer may submit a replat for all or any portions of the

Property. Any replat shall generally conform to the spirit of the Concept Plan and be subject to City approval in accordance with the City Regulations and this Agreement.

10.4 Soils Testing. Developer shall perform soils testing for all Public Infrastructure to the extent required by City Regulations and provide results to the City upon request.

10.5 Inspections, Acceptance of Public Infrastructure; Developer's Remedy.

(a) Inspections, Generally. The City shall have the right to inspect, at any time, the construction of all Public Infrastructure necessary to support the proposed Development, including but not limited to, water, sanitary sewer, drainage, streets, streetlights, internet, and signs.

(b) City Approval. The City's inspections and related approvals shall not release the Developer from its responsibility to adequately construct, or ensure the adequate construction of, the PID Improvements and Public Infrastructure in accordance with approved engineering plans, construction plans, and other approved plans related to development of the Property. The City shall not withhold building permits, certificates of occupancy, or utility service for any phase of the Development if the Public Infrastructure necessary to serve such phase has been substantially completed and is capable of providing service to such phase, even if minor punch-list items remain to be completed. Additionally, Developer may construct (at risk) up to five (5) model homes per phase prior to the completion of construction of the public infrastructure necessary to serve them.

(c) Dedication and City Ownership of the Public Infrastructure. From and after the City's inspection and acceptance of the Public Infrastructure and any other dedications required under this Agreement, such Public Infrastructure, improvements, and dedications shall be owned by the City as set forth in this Agreement.

(d) Approval of Plats/Plans. Approval by the City, the City's engineer, or other City employee or representative of any plans, designs, or specifications submitted by the Developer to the City pursuant to this Agreement, including the Development Standards, or pursuant to the City Regulations shall not constitute or be deemed to be a release of the responsibility and liability of the Developer or its engineers, employees, officers, and/or agents for the adequacy, accuracy, and competency of their design and specifications. Further, any such approvals shall not be deemed to be an assumption of such responsibility and liability by the City for any defect in the design and specifications prepared by the Developer or the Developer's engineers, or any engineer's officers, agents, servants or employees, it being the intent of the Parties that approval by the City's engineer signifies the City's approval on only the general design concept of the improvements to be constructed.

(e) City's Non-performance. Nonperformance of this Agreement by the City shall allow the Developer to seek specific performance as a remedy pursuant to the terms of this Agreement as well as seek any other remedies available to Developer by law or in equity.

10.6 Private Improvements/Inspections. Houses and buildings within the Property may be inspected by City-approved inspectors specializing in testing, inspections and certifications

hired by the City, who will perform all inspections on such houses and buildings (including residential, commercial and government buildings).

10.7 Insurance. The Developer or its contractor(s) shall acquire and maintain, during the period of time when any of the Public Infrastructure is under construction (and until the Public Infrastructure has been fully and finally completed and accepted by the City): (a) workers compensation insurance in the amount required by law; and (b) commercial general liability insurance, including personal injury liability, premises operations liability, and contractual liability, covering, but not limited to, the liability assumed under any indemnification provisions of this Agreement, with limits of liability for bodily injury, death and property damage of not less than One Million and 00/100 (\$1,000,000.00) Dollars. Such insurance shall also cover any and all claims that might arise out of the Public Infrastructure construction contracts, whether by the Developer, a contractor, subcontractor, material man, or otherwise. Coverage must be on a "per occurrence" basis. Upon request by the City, Developer shall provide certificates of insurance evidencing such insurance coverage together with the declaration of such policies.

10.8 City Cooperation. The City agrees to cooperate in good faith with the Developer to facilitate the timely development of the Property and the financing and construction of the PID Improvements.

SECTION 11 EVENTS OF DEFAULT; REMEDIES

11.1 Events of Default. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform, the nature of which is reasonably detailed, has been given in writing; however, that Party shall be given a reasonable time to cure the alleged failure (such reasonable time to be determined based on the nature of the alleged failure, but, unless otherwise stated in this Agreement or agreed to in writing by the Parties, in no event more than sixty (60) days after written notice of the alleged failure has been received). Notwithstanding the foregoing, no Party shall be in default under this Agreement if, within the applicable cure period, the Party in receipt of the notice begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured.

11.2 Remedies. If a Party is in default, any non-defaulting Party may, at its option and without prejudice to any other right or remedy under this Agreement, seek any relief available at law or in equity against such breaching Party, including, but not limited to, an action under the Uniform Declaratory Judgment Act, or actions for specific performance, mandamus, or injunctive relief.

SECTION 12 ASSIGNMENT; ENCUMBRANCE

12.1 Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties. The obligations, requirements, or covenants to develop the Property in this Agreement shall be able to be assigned, with the prior written consent of the City for: (a) any affiliate or related entity of the Developer; or (b) any lienholder on the Property. The obligations, requirements, or covenants to develop the Property shall not be assigned by the

Developer to any other party, including any person or entity that is or will become an owner of any portion of the Property (an "Owner"), without the prior written consent of the City Council, which consent shall not be unreasonably withheld, conditioned, delayed, or denied if the assignee demonstrates financial ability and the requisite experience to perform. An assignee shall be considered an Owner for the purposes of this Section. Each assignment shall be in writing executed by the Developer and the assignee and shall obligate the assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. No assignment by the Developer shall release the Developer from any liability that resulted from an act or omission by the Developer that occurred prior to the effective date of the assignment unless the City approves the release in writing. Developer shall maintain written records of all assignments made by the Developer to assignees, including a copy of each executed assignment and, upon written request from any Party (which includes the City) or assignee, shall provide a copy of such records to the requesting person or entity, and this obligation shall survive the assigning Party's sale, assignment, transfer, or other conveyance of any interest in this Agreement or the Property. Notice to the City of any assignment by the Developer shall conform to Subsection 12.4, below.

12.2 Encumbrance by Developer and Assignees. The Developer and its assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of its rights, title, or interest under this Agreement (a) for the benefit of its lenders without the consent of, but with prompt written notice to, the City, (b) to any Owner, (c) to any affiliate or related entity to the Developer or (d) with the City Manager's prior written consent, to any other person or entity. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate any lender to perform any obligations or incur any liability under this Agreement unless the lender agrees in writing to perform such obligations or incur such liability. Provided the City has been given a copy of the documents creating the lender's interest, including Notice information for the lender, then that lender shall have the right, but not the obligation, to cure any default under this Agreement and shall be given a reasonable time to do so in addition to the cure periods otherwise provided to the defaulting Party by this Agreement; and the City agrees to accept a cure, not to be unreasonably withheld, offered by the lender as if offered by the defaulting Party. A lender is not a party to this Agreement unless this Agreement is amended, with the consent of the lender, to add the lender as a Party. Notwithstanding the foregoing, however, this Agreement shall continue to bind the Property and shall survive any transfer, conveyance, or assignment occasioned by the exercise of foreclosure or other rights by a lender, whether judicial or non-judicial. Any purchaser or successor owner acquiring title through a lender of any portion of the Property shall be bound by this Agreement and shall not be entitled to the rights and benefits of this Agreement with respect to the acquired portion of the Property until all defaults under this Agreement with respect to the acquired portion of the Property have been cured.

12.3 Third-Party Beneficiaries. Subject to Subsection 12.1 of this Agreement, this Agreement inures only to the benefit of, and may only be enforced by, the Parties. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

12.4 Notice of Assignment. Subject to Subsection 12.1 of this Agreement, the following requirements shall apply in the event that the Developer sells, assigns, transfers, or otherwise conveys the Property or any part thereof and/or any of its rights or benefits under this Agreement:

- (a) within thirty (30) days after the Effective Date of any such sale, assignment, transfer, or other conveyance, the Developer must provide written notice of same to the City;
- (b) said notice must describe the extent to which any rights or benefits under this Agreement were sold, assigned, transferred, or otherwise conveyed;
- (c) said notice must state the name, mailing address, telephone contact information, and, if known, email address, of the person(s) that will acquire any rights or benefits as a result of any such sale, assignment, transfer, or other conveyance; and
- (d) the notice must be signed by a duly authorized person representing the Developer.

12.5 City Consent. Notwithstanding any of the foregoing, Developer must receive the written consent of the City prior to Developer assigning, transferring, or selling any of its rights to physically develop the property and build the PID Improvements as contemplated in the Concept Plan.

SECTION 13 TERM

13.1 Term. The TIRZ is anticipated to remain in effect for twenty-five (25) years and the PID is anticipated to remain in effect for thirty (30) years. As such, the Parties agree the Term of this Agreement shall commence on the Effective Date and expire, if not otherwise extended by the Parties, upon the later of the following: (i) one calendar year after the date the Zone expires; or (ii) final maturity of the PID Bonds. The City shall have the right to terminate this Agreement only if the Developer fails to commence substantial construction activity related to the Development within twelve (12) months following the Effective Date and fails thereafter to pursue development of the Property in good faith.

SECTION 14 INDEMNIFICATION

14.1 Indemnification and Hold Harmless. **DEVELOPER (INCLUDING ANY SUCCESSOR OR ASSIGNEE THEREOF, INCLUDING, WITHOUT LIMITATION, A PURCHASER OF ANY PORTION OF THE PROPERTY EXCEPT FOR AN END BUYER) AGREES TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY THE CITY FROM AND AGAINST ALL THIRD-PARTY CLAIMS, SUITS, JUDGMENTS, DAMAGES, AND DEMANDS (TOGETHER, "CLAIMS") AGAINST THE CITY, INCLUDING REASONABLE ATTORNEY'S FEES AND OTHER COSTS, ARISING OUT OF THE NEGLIGENCE OF THE DEVELOPER, OR DEVELOPER'S CONTRACTOR/AGENT, IN CONNECTION WITH THE DESIGN OR CONSTRUCTION OF ANY INFRASTRUCTURE, STRUCTURE, OR OTHER FACILITIES OR IMPROVEMENTS THAT ARE REQUIRED OR PERMITTED BY THE**

CITY REGULATIONS OR ANY OTHER GOVERNING REGULATIONS AND THAT ARE DEDICATED OR OTHERWISE CONVEYED TO THE CITY.

**SECTION 15
MISCELLANEOUS PROVISIONS**

15.1 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; and (c) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

15.2 Notices. Any notice, submittal, payment, or instrument required or permitted by this Agreement to be given or delivered to any Party shall be deemed to have been received when personally delivered or seventy-two (72) hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City: City of Corpus Christi, Texas
Attn: Peter Zaroni, City Manager
Corpus Christi City Hall
1201 Leopard St.
Corpus Christi, Texas 78401

With a copy to: City of Corpus Christi, Texas
Attn: Miles Risley, City Attorney
P.O. Box 9277
Corpus Christi, Texas 78469

To Developer: Rhodes Development, Inc.
Attn: Nicholas “Nick” B. Rhodes
200 S. 10th St., Ste. 1700
McAllen, Texas 78501

With a copy to: Earl & Associates, P.C.
Attn: Jeffrey L. Earl
10007 Huebner Rd., Ste. 303
San Antonio, Texas 78240

Any Party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other Party.

15.3 Interpretation. The Parties acknowledge that each has been actively involved in negotiating this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of

any dispute over the meaning or application of any provision of this Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for nor against any Party, regardless of which Party originally drafted the provision.

15.4 Conflicts. In the event of any direct conflict between this Agreement and any City Regulations or other ordinance, rule, regulation, standard, policy, order, guideline, or other City-adopted or City-enforced requirement, whether existing on the Effective Date or hereinafter adopted, this Agreement shall control.

15.5 Time. In this Agreement, time is of the essence and compliance with the times for performance herein is necessary and required.

15.6 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by official action of the City Council in accordance with all applicable public notice requirements (including, but not limited to, notices required by Chapter 551 of the Texas Government Code, otherwise known as the “**Texas Open Meetings Act**”) and that the individual executing this Agreement on behalf of the City has been and is duly authorized to do so. The Developer represents and warrants that this Agreement has been approved by appropriate action of the Developer, and that the individual executing this Agreement on behalf of the Developer has been and is duly authorized to do so. Each Party respectively acknowledges and agrees that this Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions and to the extent provided by law.

15.7 Binding Obligations. This Agreement and all amendments thereto and assignments hereof shall be recorded in the property records of Nueces County, Texas. This Agreement binds and constitutes a covenant running with the Property and, upon the Effective Date, is binding upon the Developer and the City, and forms a part of any other requirements for development within the Property. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns as permitted by this Agreement and upon the Property.

15.8 Severability. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible and upon mutual agreement of the Parties, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

15.9 Applicable Law; Venue. This Agreement is entered into pursuant to and is to be construed and enforced in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Nueces County. Exclusive venue for any action related to, arising out of, or brought in connection with this Agreement shall be in the Nueces County State District Court.

15.10 Non-Waiver. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all

provisions of this Agreement. No provision of this Agreement may be waived except in writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

15.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

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

Exhibit A	Metes-and-Bounds Description of the Property
Exhibit B	Concept Plan
Exhibit C	PID Improvements with Budgeted Costs
Exhibit D	Landowner Consent Certificate

15.13 Force Majeure. Each Party shall use good faith, due diligence, and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to Force Majeure, to perform its obligations under this Agreement, then the obligations affected by the Force Majeure shall be temporarily suspended. Within thirty (30) days after the occurrence of a Force Majeure, the Party claiming the right to temporarily suspend its performance shall give Notice to all Parties, including a detailed explanation of the Force Majeure and a description of the action that will be taken to remedy the Force Majeure and resume full performance at the earliest possible time.

15.14 Complete Agreement. This Agreement embodies the entire Agreement between the Parties and cannot be varied or terminated except as set forth in this Agreement, or by written agreement of the City and the Developer expressly amending the terms of this Agreement.

15.15 Consideration. This Agreement is executed by the Parties without coercion or duress and for substantial consideration, the sufficiency of which is hereby acknowledged.

15.16 Anti-Boycott Verifications. Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

15.17 Iran, Sudan, and Foreign Terrorist Organizations. Developer hereby represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following Divestment Statute Lists: “Scrutinized Companies with ties to Foreign Terrorist Organizations,” “Scrutinized Companies with ties to Iran,” or “Scrutinized Companies with ties to Sudan” on such officer’s internet website: <https://comptroller.texas.gov/purchasing/publications/divestment.php>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 270.405, and exists to make a profit.

15.18 Fossil Fuels Boycott Verification. As required by 2274.002, Texas Government Code, as amended, Developer hereby verifies that Developer, including any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott energy companies, and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code, as amended. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 270.405.

15.19 Firearms Discrimination Verification. As required by Section 2274.002, Texas Government Code, as amended, Developer hereby verifies that Developer, including any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, (i) does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, and (ii) will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19), as amended. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 270.405.

[SIGNATURE PAGES FOLLOW, REMAINDER OF PAGE INTENTIONALLY LEFT
BLANK]

DRAFT

EXECUTED BY THE PARTIES TO BE EFFECTIVE ON THE EFFECTIVE DATE:

CITY OF CORPUS CHRISTI, TEXAS

By: _____

Peter Zanoni, City Manager

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ 2026, by Peter Zanoni, City Manager of the City of Corpus Christi, Texas, on behalf of said City.

Notary Public, State of Texas

[SEAL]

DRAFT

DEVELOPER:
RHODES DEVELOPMENT, INC.,
a Texas corporation

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me, on the ____ day of _____, 2026, by Nicholas “Nick” B. Rhodes, President of Rhodes Development, Inc., a Texas corporation, on behalf of said corporation.

[SEAL]

Notary Public, State of Texas

DRAFT

EXHIBIT A

Metes & Bounds Description of the Property

DRAFT

EXHIBIT B
Concept Plan

EXHIBIT C

PID Improvements with Budgeted Costs

Mirabella -Subzone A	
Category	Project Costs
Contingency, Professional Fees, General Conditions, & Soft Cost	\$ 13,138,908.51
Site Work	\$ 601,886.82
Public Sewage, Storm, & Water	\$ 23,454,796.20
Public Landscape Improvements	\$ 1,684,376.24
Traffic and Street Improvements	\$ 16,652,551.81
Public Structures & Common Areas	\$ 3,094,901.70
Total	\$ 58,627,421.27
Design Subtotal	\$ 13,138,908.51
Development Cost	\$ 45,488,512.77

EXHIBIT D

Form of Landowner Consent Certificate

LANDOWNER CONSENT CERTIFICATE

This Landowner Consent Certificate is issued by [LANDOWNER], a _____, (“**Landowner**”), as the landowner that holds record title to approximately [] acres located in Nueces County, Texas, said property being more particularly described by metes and bounds description contained in **EXHIBIT 1** attached to this Landowner Consent Certificate and incorporated herein for all purposes (the “**Property**”), within the Mirabella Public Improvement District (the “**PID**”) created by the City of Corpus Christi, Texas (the “**City**”). Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in the City’s ordinance levying assessments on property within the PID, adopted on _____, 2026, including the Service and Assessment Plan and Assessment Roll attached thereto (the ordinance and Service and Assessment Plan, including Assessment Roll, is referred to collectively as the “**Assessment Ordinance**”).

Landowner hereby declares and confirms that it holds record title to the Property located within the PID which is subject to the special assessments (the “**Assessments**”) levied by the City under the Assessment Ordinance. Further, Landowner hereby ratifies, declares, consents to, affirms, agrees to and confirms each of the following:

- a. The Landowner is the sole owner of the Property as of the date of this Landowner Consent Certificate and was the sole owner of the Property on the date of the Assessment Ordinance.
- b. The right, power and authority of the City Council of the City to adopt the Assessment Ordinance, including the attachments thereto, and to levy the Assessments against the Property.
- c. The Authorized Improvements specially benefit the Property in an amount in excess of the Assessments levied on the Property as shown on the Assessment Roll.
- d. The Assessment against the Property is final, conclusive and binding upon the Landowner and its successors and assigns, including applicable interest thereon, as and when due and payable thereunder, and subsequent purchasers of such land take their title subject to and expressly assume the terms and provisions of the Assessment.
- e. The Assessment against the Property is a first and prior lien against the Property, superior to all other liens and claims except liens or claims for state, county, school district, or municipal ad valorem taxes.
- f. Landowner shall pay the Assessment levied on the Assessed Property owned by such Landowner when due and in the amount required by and stated in the Assessment Ordinance and the attachments thereto.
- g. Delinquent installments of the Assessments shall incur and accrue interest, penalties, and attorney’s fees as provided in Service and Assessment Plan and in accordance with Chapter 372 of the Texas Local Government Code, as amended (the “**PID Act**”).

DRAFT

- h. The “**Annual Installments**” (as defined in the Service and Assessment Plan) of the Assessment levied against the Property may be adjusted, decreased and extended in accordance with the Service and Assessment Plan and the PID Act.
- i. All notices required to be provided to it under the PID Act have been received and to the extent of any defect in such notice, Landowner hereby waives any notice requirements.

Landowner consents to all actions taken by the City with respect to the creation of the PID and the levy of Assessments against the Property. Additionally, Landowner agrees as follows:

- a. The Covenants, Conditions and Restrictions attached hereto as **EXHIBIT 1** shall be terms, conditions and provisions running with the Landowner’s Parcel and shall be recorded (the contents of which shall be consistent with the Assessment Ordinance and the Service and Assessment Plan as reasonably determined by the City) in the records of the County Clerk of Nueces County, as a lien and encumbrance against such Landowner’s Parcel, and Landowner hereby authorizes the City to so record such documents against the Landowner’s Parcel owned by Landowner;
- b. Reference to the Covenants, Conditions and Restrictions attached hereto as **EXHIBIT 1** shall be included on all recordable subdivision plats and such plats shall be recorded in the real property records of Nueces County, Texas; and
- c. In the event of any subdivision, sale, transfer or other conveyance by Landowner of the right, title or interest of Landowner in the Landowner’s Parcel or any part thereof, the Landowner’s Parcel, or any such part thereof, shall continue to be bound by all of the terms, conditions and provisions of such Covenants, Conditions and Restrictions and any purchaser, transferee or other subsequent owner shall take such Landowner’s Parcel subject to all of the terms, conditions and provisions of such Covenants, Conditions and Restrictions.

[SIGNATURE PAGE & EXHIBIT FOLLOWING]

DRAFT

LANDOWNER:

[_____]

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____,
2026, by _____, _____ of _____.

Notary Public in and for the State of Texas

[SEAL]

[EXHIBIT FOLLOWING]