

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED JUNE 3, 2026

NEW ISSUE
Book-Entry Only

NOT RATED

In the opinion of Bradley Arant Boult Cummings LLP, Bond Counsel to the District, under existing law, and assuming compliance with the tax covenants described herein, interest on the Tax-Exempt Series 2026-A Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is of the further opinion that, under existing statutes, interest on both the Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds is exempt from Alabama income taxation. See "TAX MATTERS" herein for further information and certain other tax consequences arising with respect to the Series 2026 Bonds and the form of opinions of Bond Counsel attached hereto as Appendix E.

\$13,540,000*

THE POINT CLEAR CLUB IMPROVEMENT DISTRICT (IN BALDWIN COUNTY, ALABAMA) ASSESSMENT REVENUE BONDS SERIES 2026-A

\$12,115,000*

THE POINT CLEAR CLUB IMPROVEMENT DISTRICT (IN BALDWIN COUNTY, ALABAMA) TAXABLE ASSESSMENT REVENUE BONDS SERIES 2026-B

Dated: Date of Delivery

Due: As shown on the inside cover

The Assessment Revenue Bonds, Series 2026-A (the "**Tax-Exempt Series 2026-A Bonds**") are being issued by The Point Clear Club Improvement District (the "**District**"), pursuant to and under the constitution and laws of the State of Alabama (the "**State**"), including particularly Chapter 99A of Title 11 of the Code of Alabama 1975 (the "**Improvement District Act**"), and a Trust Indenture dated as of June 1, 2026 (the "**Original Indenture**"), as supplemented by the Series 2026-A Supplemental Trust Indenture dated as of June 1, 2026 (the "**Series 2026-A Initial Supplemental Indenture**"), between the District and Regions Bank, Birmingham, Alabama (the "**Trustee**").

The Taxable Assessment Revenue Bonds, Series 2026-B (the "**Taxable Series 2026-B Bonds**") and, collectively with the Tax-Exempt Series 2026-A Bonds, the "**Series 2026 Bonds**") are being issued by the District, pursuant to and under the constitution and laws of the State, including particularly the Improvement District Act, and the Original Indenture, as supplemented by the Series 2026-B Supplemental Trust Indenture dated as of June 1, 2026 (the "**Series 2026-B Initial Supplemental Indenture**") and collectively with the Series 2026-A Initial Supplemental Indenture, the "**Initial Supplemental Indentures**", between the District and the Trustee. The Original Indenture, as supplemented by the Initial Supplemental Indentures, is referred to herein as the "**Indenture**." All capitalized terms used in this Limited Offering Memorandum that are not otherwise defined herein are defined in **Appendix B** and **Appendix C** attached hereto.

The Series 2026 Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "**Securities Act**") and are being offered pursuant to exemptions from registration with the Securities and Exchange Commission.

The Taxable Series 2026-B Bonds are being offered only to "Qualified Institutional Buyers," as defined in Rule 144A under the Securities Act and are subject to transfer restrictions. For the sale of the Taxable Series 2026-B Bonds, Stifel, Nicolaus & Company, Incorporated (the "**Underwriter**") is relying upon Rule 144A and the truth and accuracy of the acknowledgments, representations and agreements of purchasers of the Taxable Series 2026-B Bonds. By its acceptance of the Taxable Series 2026-B Bonds, each purchaser of the Taxable Series 2026-B Bonds in the initial offering is deemed to have acknowledged, and all future purchasers of the Taxable Series 2026-B Bonds will be deemed to have acknowledged, among other things, that (1) it is a Qualified Institutional Buyer, with sufficient knowledge and experience in financial and business matters, including the purchase and ownership of tax-exempt obligations, to be able to evaluate the merits and risks of an investment in the Taxable Series 2026-B Bonds and (2) it is acquiring the Taxable Series 2026-B Bonds for its own account or for the account of a Qualified Institutional Buyer, and not with a view to the further distribution thereof. See "NOTICE TO INVESTORS; TRANSFER RESTRICTIONS ON TAXABLE SERIES 2026-B BONDS" for a more detailed description of acknowledgments, representations and agreements deemed to be made by each purchaser of the Taxable Series 2026-B Bonds and for a description of certain restrictions on transfer of the Taxable Series 2026-B Bonds. Investors purchasing the Taxable Series 2026-B Bonds from the Underwriter will be required to execute an investor letter, the form of which is attached hereto as Appendix H.

The Tax-Exempt Series 2026-A Bonds are being issued for purpose of providing funds to (1) finance a portion of the costs of construction of certain public improvements within the approximately 98.5-acre portion of the approximately 546.7-acre total property within the boundaries of the District (the "**Assessment Area**"), including water, wastewater, and electrical infrastructure improvements and such other improvements permitted by the Improvement District Act (the "**Series 2026-A Capital Improvements**"), (2) fund the Series 2026-A Account of the Reserve Fund in the amount of \$1,354,000,* (3) fund the Series 2026-A Capitalized Interest Account of the Bond Proceeds Fund in the amount of \$806,758* to pay capitalized interest on the Tax-Exempt Series 2026-A Bonds, and (4) pay the costs of issuing the Tax-Exempt Series 2026-A Bonds.

The Taxable Series 2026-B Bonds are being issued for the purpose of providing funds to (1) finance a portion of the costs of construction of certain public improvements within the approximately 98.5-acre Assessment Area, including water, wastewater, and electrical infrastructure improvements and such other improvements permitted by the Improvement District Act (the "**Series 2026-B Capital Improvements**"), (2) fund the Series 2026-B Account of the Reserve Fund in the amount of \$1,211,500, (3) fund the Series 2026-B Capitalized Interest Account of the Bond Proceeds Fund in the amount of \$999,487* to pay capitalized interest on the Taxable Series 2026-B Bonds, and (4) pay the costs of issuing the Taxable Series 2026-B Bonds.

The Series 2026 Bonds are issuable only as fully-registered bonds and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("**DTC**"), New York, New York. Purchases of the Series 2026 Bonds will be made in book-entry form in denominations of (1) with respect to the Tax-Exempt Series 2026-A Bonds, \$5,000 and any multiple thereof for each maturity, and (2) with respect to the Taxable Series 2026-B Bonds, \$100,000 and any multiple of \$1.00 in excess thereof for each maturity. See "**THE SERIES 2026 BONDS – Operation of Indenture for Series 2026 Bonds Held in Book-Entry System**" herein and "**Appendix F – BOOK-ENTRY ONLY SYSTEM**" attached hereto.

The Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds will bear interest at the rates set forth on the inside cover page hereof, payable semiannually on each June 1 and December 1, commencing on December 1, 2026.

The Series 2026 Bonds are limited obligations of the District, payable solely from, and secured by, the Trust Estate established under the Original Indenture, which is defined in the Original Indenture to include: (1) all Assessment Proceeds; (2) all Platted Lot Foreclosure Proceeds; (3) all Pre-Platted Land Foreclosure Proceeds; and (4) all right, title and interest of the District in the Special Assessment Agreement dated as of June 1, 2026 (the "**Special Assessment Agreement**") among the District, the Trustee, Point Clear Club Investments, LLC (as further defined and described herein, "**PCC Investments**"), and Point Clear Club Land, LLC (as further defined and described herein, "**PCC Land**" and, collectively with PCC Investments, the "**Developer**"), and all amounts delivered to, or realized by, the District or the Trustee pursuant to the terms thereof.

Pursuant to the Improvement District Act and the Assessment Proceedings, Baldwin County, Alabama (the "**County**"), upon petition of the District, established and levied "**Assessments**" on an approximately 98.5-acre Assessment Area, which Assessments are a security interest and encumbrance ("**Lien**") on (1) all Pre-Platted Land and (2) each of the Platted Lots in the respective amounts established in the Assessment Proceedings. The Improvement District Act provides that each Assessment constitutes a Lien against the real property upon which the Assessment is imposed that has a priority over all liens other than liens for ad valorem taxes. The Assessments will remain in effect, subject to the Improvement District Act, until the Series 2026 Bonds and any other indebtedness of the District payable from and secured by a pledge of the Assessments has been paid in full.

The Series 2026 Bonds involve a high degree of risk and prospective purchasers should read the entire Limited Offering Memorandum, including the section herein captioned "**BONDOWNERS' RISKS**," for a discussion of certain risk factors that should be considered in connection with an investment in the Series 2026 Bonds. The Series 2026 Bonds may not be suitable investments for all persons. Prospective purchasers should carefully evaluate the risks and merits of an investment in the Series 2026 Bonds, should confer with their own legal, tax and financial advisors and should be able to bear the risk of loss of their investment in the Series 2026 Bonds before considering a purchase of the Series 2026 Bonds.

The Series 2026 Bonds do not, and shall never, constitute or create an indebtedness or pecuniary liability payable from, or a charge against, the revenues, assets, general credit, or taxing powers of the County, or any governmental authority, including the City of Fairhope, Alabama (the "**City**"), the State and any political subdivision thereof, other than the District, within the meaning of any constitutional provision or statutory limitation whatsoever.

The Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds are subject to redemption prior to maturity as provided in the Original Indenture and the Series 2026-A Initial Supplemental Indenture and the Series 2026-B Initial Supplemental Indenture, respectively. See "**THE SERIES 2026 BONDS – Redemption of Tax-Exempt Series 2026-A Bonds**" and "**– Redemption of Taxable Series 2026-B Bonds**" herein.

This cover page contains information for quick reference only and is not a summary of the Series 2026 Bonds. Investors must read the entire Limited Offering Memorandum, including the appendices hereto, to obtain information essential to the making of an informed investment decision.

The Series 2026 Bonds are offered when, as and if issued by the District and accepted by the Underwriter, subject to the approval of legality by Bradley Arant Boult Cummings LLP, Birmingham, Alabama, Bond Counsel to the District, and subject to certain other conditions. Certain other legal matters will be passed upon for the District by Bradley Arant Boult Cummings LLP, Birmingham, Alabama, in its capacity as special counsel to the District, for the Developer by Bradley Arant Boult Cummings LLP, in its capacity as counsel to the Developer, and for the Underwriter by its counsel, Thompson Coburn LLP, St. Louis, Missouri. It is expected that the Series 2026 Bonds will be available for delivery through the facilities of DTC on or about June 25, 2026.

STIFEL

The date of this Limited Offering Memorandum is June __, 2026.

* Preliminary, subject to change.

\$13,540,000*
THE POINT CLEAR CLUB IMPROVEMENT DISTRICT
(IN BALDWIN COUNTY, ALABAMA)
ASSESSMENT REVENUE BONDS
SERIES 2026-A

\$12,115,000*
THE POINT CLEAR CLUB IMPROVEMENT DISTRICT
(IN BALDWIN COUNTY, ALABAMA)
TAXABLE ASSESSMENT REVENUE BONDS
SERIES 2026-B

MATURITY SCHEDULE – TAX-EXEMPT SERIES 2026-A BONDS*

\$13,540,000 ____% Term Bond due June 1, 2046 - Price: ____%; Yield: ____%; CUSIP: ____¹

MATURITY SCHEDULE – TAXABLE SERIES 2026-B BONDS*

\$12,115,000 ____% Term Bond due June 1, 2036 - Price: ____%; Yield: ____%; CUSIP: ____¹

* Preliminary, subject to change.

¹ Copyright CUSIP Global Services. CUSIP is a registered trademark of the American Bankers Association (“ABA”). CUSIP Global Services (“CGS”) is managed on behalf of the ABA by FactSet Research Systems Inc. CUSIP data herein was provided by CGS. The CUSIP numbers listed above are being provided solely for the convenience of owners only at the time of issuance of the Series 2026 Bonds and neither the District nor the Underwriter make any representation with respect to such numbers or undertake any responsibility for the selection or their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2026 Bonds as a result of various subsequent actions, including but not limited to, the refunding or defeasance of the Series 2026 Bonds.

THE POINT CLEAR CLUB IMPROVEMENT DISTRICT
BOARD OF DIRECTORS

Carter Bryars, Chairman
Jason Tickle, Vice-Chairman
Justin Weintraub, Secretary-Treasurer

BOND COUNSEL TO THE DISTRICT

Bradley Arant Boult Cummings LLP
Birmingham, Alabama

SPECIAL COUNSEL TO THE DISTRICT

Bradley Arant Boult Cummings LLP
Birmingham, Alabama

ASSESSMENT METHODOLOGY MANAGER

Wrathell, Hunt & Associates, LLC
Boca Raton, Florida

UNDERWRITER

Stifel, Nicolaus & Company, Incorporated
Montgomery, Alabama

UNDERWRITER'S COUNSEL

Thompson Coburn LLP
St. Louis, Missouri

TRUSTEE

Regions Bank
Birmingham, Alabama

DEVELOPER

Point Clear Club Investments, LLC
Birmingham, Alabama

Point Clear Club Land, LLC
Birmingham, Alabama

DEVELOPER'S COUNSEL

Bradley Arant Boult Cummings LLP
Birmingham, Alabama

REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM

THE SERIES 2026 BONDS HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER ANY STATE SECURITIES OR “BLUE SKY” LAWS, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE SERIES BONDS ARE OFFERED PURSUANT TO SEPARATE EXEMPTIONS FROM REGISTRATION WITH THE SEC.

WITH RESPECT TO THE TAXABLE SERIES 2026-B BONDS ONLY, THIS LIMITED OFFERING MEMORANDUM IS BEING PROVIDED ONLY TO INVESTORS THAT ARE REASONABLY BELIEVED TO BE “QUALIFIED INSTITUTIONAL BUYERS” WITHIN THE MEANING OF RULE 144A (“RULE 144A”) PROMULGATED UNDER THE SECURITIES ACT, WHO ARE WILLING AND ABLE TO CONDUCT AN INDEPENDENT INVESTIGATION OF THE RISKS INVOLVED WITH OWNERSHIP OF THE TAXABLE SERIES 2026-B BONDS. THE TAXABLE SERIES 2026-B BONDS ARE TO BE PURCHASED FOR INVESTMENT ONLY. THE TAXABLE SERIES 2026-B BONDS MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED DIRECTLY OR INDIRECTLY EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE TAXABLE SERIES 2026-B BONDS ARE CONSIDERED “RESTRICTED SECURITIES” WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT. FOR THE SALE OF THE TAXABLE SERIES 2026-B BONDS, THE UNDERWRITER IS RELYING UPON RULE 144A AND THE TRUTH AND ACCURACY OF THE ACKNOWLEDGMENTS, REPRESENTATIONS AND AGREEMENTS OF PURCHASERS OF THE TAXABLE SERIES 2026-B BONDS. FOR CERTAIN RESTRICTIONS ON RESALE, SEE “NOTICE TO INVESTORS; TRANSFER RESTRICTIONS ON TAXABLE SERIES 2026-B BONDS” HEREIN. PROSPECTIVE INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or to make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2026 Bonds offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the District, the Developer and other sources believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the District, the Developer or the Underwriter. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the District or the Developer since the date hereof or that the information contained herein is correct as of any time subsequent to its date. No representation, warranty, or guarantee is made by the District or the Underwriter as to the accuracy or completeness of any information in this Limited Offering Memorandum, including, without limitation, the information contained in the appendices hereto, and nothing contained in this Limited Offering Memorandum is or shall be relied upon as a promise or representation by the District or the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Limited Offering Memorandum. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The purchase of the Series 2026 Bonds is an investment subject to a high degree of risk, including the risk of nonpayment. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary may be a criminal offense.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS LIMITED OFFERING MEMORANDUM

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “anticipate,” “budget,” “intend,” “projection,” or other similar words. Such forward looking statements include, among others, certain statements under the sections in this Limited Offering Memorandum captioned “**THE DEVELOPMENT**,” “**BONDOWNERS’ RISKS**” and in **Appendix A** to this Limited Offering Memorandum.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THESE FUTURE RISKS AND UNCERTAINTIES INCLUDE, BUT ARE NOT LIMITED TO, THOSE DISCUSSED IN THE “**BONDOWNERS’ RISKS**” SECTION OF THIS LIMITED OFFERING MEMORANDUM. UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS LIMITED OFFERING MEMORANDUM ARE BASED ON INFORMATION AVAILABLE TO THE DISTRICT ON THE DATE HEREOF, AND THE DISTRICT ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN THE EXPECTATIONS OR EVENTS, CONDITIONS, OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR.

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NOTICE TO INVESTORS; TRANSFER RESTRICTIONS ON TAXABLE SERIES 2026-B BONDS

Because of the following restrictions, potential purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Taxable Series 2026-B Bonds offered hereby. The Taxable Series 2026-B Bonds may be sold by the Underwriter only to “Qualified Institutional Buyers” (as defined below).

The Taxable Series 2026-B Bonds have not been and will not be registered under the Securities Act or under the securities or “blue sky” laws of any state of the United States or any other jurisdiction. The Taxable Series 2026-B Bonds are being initially sold only to Qualified Institutional Buyers within the meaning of Rule 144A under the Securities Act (“**Rule 144A**”).

Each purchaser who is purchasing the Taxable Series 2026-B Bonds from the Underwriter, and each subsequent purchaser of the Taxable Series 2026-B Bonds (each, a “Taxable Series 2026-B Bond Purchaser”), by purchasing the Taxable Series 2026-B Bonds (or beneficial interests therein), will be deemed to have made certain acknowledgements, representations and agreements as described hereunder. Any resale or other transfer, or attempted resale or other attempted transfer that is not made in accordance with the transfer restrictions may subject the transferor and transferee to certain liabilities under applicable securities laws.

Each Taxable Series 2026-B Bond Purchaser (and if such Taxable Series 2026-B Bond Purchaser is an insurance company general account, insurance company separate account, bank collective investment fund or investment fund managed by a qualified professional asset manager or an “in-house asset manager,” each fiduciary with respect to the assets used to acquire the Taxable Series 2026-B Bonds (or beneficial interests therein) will be deemed to have acknowledged, represented and agreed as follows:

(1) It is a Qualified Institutional Buyer and is purchasing Taxable Series 2026-B Bonds for its own account or for the account of another qualified institutional buyer over which it exercises sole investment discretion, it is aware that the Initial Purchaser is selling the Taxable Series 2026-B Bonds to it in reliance on Rule 144A, it is not an “affiliate” (as defined in Rule 144 under the Securities Act) of the District or the Developer, and it is not acting on behalf of the District or the Developer.

(2) It will treat the Taxable Series 2026-B Bonds as indebtedness for all federal, state and local income tax purposes.

(3) The Taxable Series 2026-B Bonds have not been registered under the Securities Act or any other securities laws. The purchaser of any Taxable Series 2026-B Bonds will, and will inform each subsequent holder that such subsequent holder is required to, notify any subsequent purchaser of the resale restrictions set forth in this section. No representation is being made as to the continued availability of any exemption from registration for resales of the Taxable Series 2026-B Bonds.

(4) None of the District, the Developer nor the Underwriter nor any person representing the District, the Developer or the Underwriter has made any representation to it with respect to the District or the Developer or the offering of the Taxable Series 2026-B Bonds, other than the information contained in this Limited Offering Memorandum. It represents that it is relying only on this Limited Offering Memorandum in making its investment decision with respect to the Taxable Series 2026-B Bonds. It acknowledges that none of the District, the Developer, the Underwriter nor their representatives warrants the completeness or accuracy of the information in this Limited Offering Memorandum. Further, none of the District, the Developer, the Underwriter nor their representatives undertakes to update the information in this Limited Offering Memorandum. The Taxable Series 2026-B Bond Purchaser agrees that it has had access to such financial and other information concerning the District, the Developer, the Development and the Taxable Series 2026-B Bonds as it has deemed necessary in connection with its decision to purchase Taxable Series 2026-B Bonds, including an opportunity to ask questions of and request information from the District and the Developer.

(5) It has sufficient knowledge and experience in business and financial matters in general, and the purchase of bonds such as the Taxable Series 2026-B Bonds in particular, and is capable of evaluating the merits and risks involved in a purchase of the Taxable Series 2026-B Bonds. The Taxable Series 2026-B Bond Purchaser is able to bear the economic risk of, and an entire loss of, a purchase of the Taxable Series 2026-B Bonds and understands that it may be required to bear the risks of an investment in the Taxable Series 2026-B Bonds for an indefinite time, since any sale prior to maturity may not be possible.

(6) It is purchasing the Taxable Series 2026-B Bonds for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Taxable Series 2026-B Bonds in violation of the Securities Act, subject to any requirement of law that the disposition of its property or the property of that investor account or accounts be at all times within its or their control and subject to its or their ability to resell the Taxable Series 2026-B Bonds pursuant to Rule 144A or any other available exemption from registration under the Securities Act. The Taxable Series 2026-B Bond Purchaser agrees on its own behalf and on behalf of any investor account for which it is purchasing the Taxable Series 2026-B Bonds, and each subsequent holder of the Taxable Series 2026-B Bonds by its acceptance of the Taxable Series 2026-B Bonds will agree, that the Taxable Series 2026-B Bonds may be offered, sold or otherwise transferred only:

- (a) to the District;
- (b) pursuant to a registration statement that has been declared effective under the Securities Act;
- (c) for so long as the securities are eligible for resale pursuant to Rule 144A under the Securities Act, to a person it reasonably believes is a “Qualified Institutional Buyer” as defined in Rule 144A under the Securities Act that purchases for its own account or for the account of a Qualified Institutional Buyer to whom notice is given that the transfer is being made in reliance on Rule 144A; or
- (d) in accordance with an exemption from registration provided under the Securities Act, subject to the District’s right prior to any such offer, sale or transfer pursuant to this clause to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them; and in each of such cases in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction; and

(7) The District, the Developer, the Underwriter and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. The Taxable Series 2026-B Bond Purchaser agrees that if any of the acknowledgments, representations or agreements deemed to have been made by it upon purchase of Taxable Series 2026-B Bonds is no longer accurate, the Taxable Series 2026-B Bond Purchaser will promptly notify the District and the Underwriter in writing. If a purchaser is purchasing any Taxable Series 2026-B Bonds as a fiduciary or agent for one or more investor accounts, the purchaser represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the above acknowledgments, representations and agreements on behalf of each account.

Each initial Taxable Series 2026-B Bond Purchaser will be required to sign an investor letter in the form attached hereto as **Appendix H**.

SITE PLAN

POINT CLEAR CLUB DEVELOPMENT

The site plan on the following page depicts the anticipated master-planned residential golf community known as Point Clear Club (as further defined and described herein, the **“Development”**) located in Baldwin County, Alabama (the **“County”**), being developed by Point Clear Club Investments, LLC (**“PCC Investments”**) and an entity wholly owned and controlled by PCC Investments, Point Clear Club Land, LLC (**“PCC Land”**) and, collectively with PCC Investments, the **“Developer”**) on the approximately 546.7 acres (the **“District Property”**) comprising The Point Clear Club Improvement District (the **“District”**), all of which is owned by PCC Land.

PCC Investments was formed in 2025 to develop completed lots (*i.e.*, make building-permit ready) and market and sell the completed lots to third-party purchasers who are then anticipated to engage custom homebuilders to construct homes thereon, although the third-party purchasers are not obligated to construct a home on their lot. PCC Investments is majority owned and controlled by entities related to Daniel Realty Company, LLC, an Alabama limited liability company (**“Daniel Realty”**), and entities or individuals related to the McLean family (the **“McLean Family”**), long-time County residents and landowners who are partnering with the Developer to develop the Development. See **“THE DEVELOPMENT – The Developer, Daniel Realty and the McLean Family”** herein.

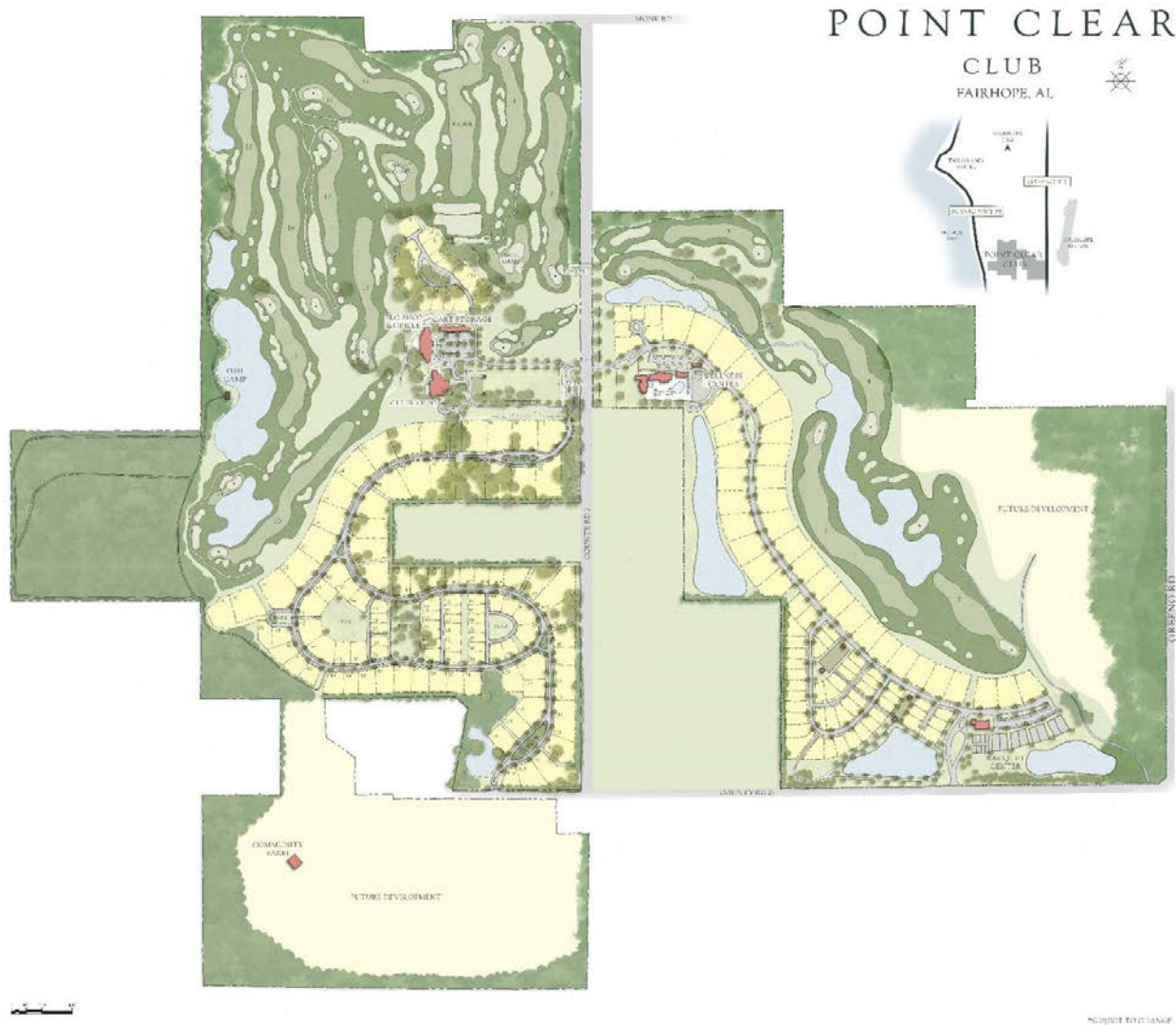
According to the Developer, at full build-out, the Development is anticipated to include a first-class private-membership golf club with an 18-hole Tom Fazio-designed golf course (the **“Golf Course”**), a clubhouse (the **“Clubhouse”**) and golf shop (the **“Golf Shop”**), a golf teaching facility and other golf amenities, as well as approximately 308 single-family homes and other club amenities, including championship croquet lawns, tennis and pickleball courts, state-of-the-art fitness center and aquatics complex for wellness and recreation, and walking trails.

The Developer is developing the Development in phases. The first phase of the Development (referred to herein as **“Phase 1”** or the **“Phase 1 Development”**) is planned to consist of (1) completion of 122 single-family homesites (the **“Assessment Area Development”**) anticipated to be developed on the approximately 98.5 acres in the District located on the west side of County Road 3 (the **“Assessment Area”**) and (2) completion of the Golf Course, the Clubhouse, the Golf Shop and related amenities, championship croquet lawns, and a separate structure for storing golf carts (collectively, the **“Golf Course Development”**), anticipated to be located on approximately 211 acres in the District located on the west side of County Road 3 and additional property located on the east side of County Road 3 as shown on the site plan on the following page (collectively, referred to herein as the **“Golf Course Property”**), all of which is located outside the Assessment Area. The Assessment Area Development and the Golf Course Development are defined and described in more detail in the sections herein captioned **“THE DEVELOPMENT – Assessment Area Development”** and **“ – Golf Course Development.”** *The proceeds of the Series 2026 Bonds will be used to finance a portion of the public and private infrastructure improvements necessary to serve the 122 lots planned for the Assessment Area, the completion of which is a prerequisite for all future platting and the commencement of vertical construction of the Assessment Area Development and development of the Golf Course Property.*

The Developer reports that the next phase of the Development (referred to herein as **“Phase 2”**) is anticipated to be developed on the remaining District Property and is anticipated to consist of approximately 186 single-family homesites anticipated to be developed on the east side of County Road 3, along with amenities including tennis and pickleball courts, a fitness center and a comprehensive aquatics complex for wellness and recreation, and walking trails (the **“Phase 2 Property”**). The Phase 2 Property is outside the boundaries of the Assessment Area and currently consists of vacant, unplatted land. *According to the Developer, it has not determined a specific timeline for development of the Phase 2 Property. While expected to occur, there are no guarantees or representations by the Developer that construction of Phase 2 will commence, and if it does commence, be completed within any particular timeframe. The proceeds of the Series 2026 Bonds will not be used to finance any portion of Phase 2 of the Development.*

While the Developer and the Assessment Area are located within the County and outside of the boundaries of any municipality, the Development is adjacent to the corporate limits of the City of Fairhope (**“Fairhope”**), which the Developer reports has higher personal and family income as well as residential property values than the rest of the County. The unincorporated Point Clear community, for which the Development is named, is located immediately south of Fairhope along Mobile Bay and, according to the Developer, is primarily composed of high-value residential real estate along Mobile Bay and near the Marriott Grand Hotel Resort and Spa. This area is already a well-known vacation and resort destination, and the Developer believes that the Development will attract interest from permanent residents as well as existing and future second-home owners and buyers from outside the local area.

The site plan on the following page is being provided for informational purposes only to provide potential investors with information regarding the anticipated scope of the Development and is not drawn to scale. Neither the District nor the Underwriter make any representation or guarantee regarding future development. *There can be no assurance that the Development will be completed as shown on the site plan on the following page or at all.* See **“BONDOWNERS’ RISKS – Continued Phase 1 Development Not Assured”** and **“THE DEVELOPMENT”** herein.



PHOTOGRAPHS OF THE PHASE 1 DEVELOPMENT

Below are photographs provided by the Developer taken on May 22, 2026, of construction at the site on which the Golf Course is being developed.





Below are photographs provided by the Developer taken on May 22, 2026, of construction at the site on which the 122 lots are being developed in the Assessment Area.



For additional information on the Phase I Development, see “**THE DEVELOPMENT – Assessment Area Development**” and “**– Golf Course Development**” herein.

PHOTOGRAPHS AND RENDERINGS OF THE GOLF COURSE DEVELOPMENT

Below are photographs and renderings of the Golf Course Development provided by the Developer. For additional information on the Golf Course Development, see **“THE DEVELOPMENT – Golf Course Development”** herein.

The Developer is redeveloping the approximately 12,000 square foot McLean Estate as the Clubhouse for the Golf Course, which is lined with champion live oak trees as shown in the photograph below. These live oaks, along with hundreds of other live oaks on the property, will be saved and become a prominent feature of the Golf Course. Below is a current photograph of the McLean Estate and the driveway leading to it, and renderings of an aerial view and exterior elevations of the Clubhouse and the Golf Shop, including the separate structure for storage of golf carts, referred to in the renderings as the “Cart Barn.”





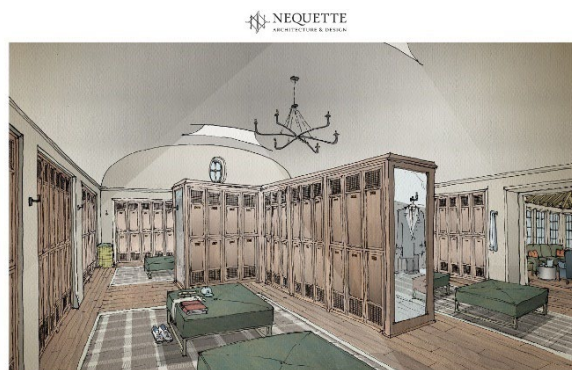
BAR AND LIVING ROOM
POINT CLEAR, AL



DINING HALL
POINT CLEAR, AL



THE GRILLE
POINT CLEAR, AL



GOLF LOCKER ROOM
POINT CLEAR, AL

Below are renderings of the Golf Course provided by the Developer.

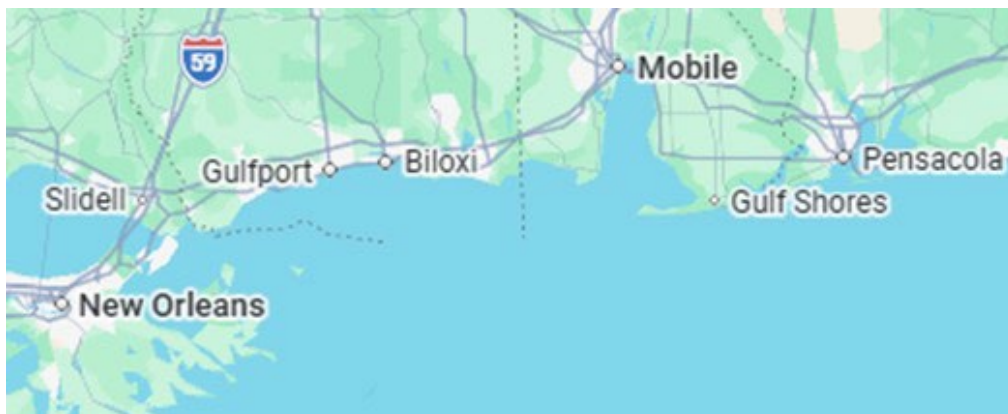


VICINITY MAPS

The vicinity map below shows the location of the Development in relation to the surrounding area. The Development is located in Baldwin County, which is one of the fastest growing counties in the State of Alabama. See **“INTRODUCTION – The County”** herein and **APPENDIX G – “Certain Information Regarding Baldwin County, Alabama”** attached hereto.



The vicinity map below shows the location of the Development, located southeast of Mobile on the east side of the bay, in relation to other coastal destinations.



DRONE VIDEO OF THE DISTRICT AND THE DEVELOPMENT

Video footage of the District and the Development can be viewed by clicking the link below. The videos in the link below were created in May 2026 for the District by the Developer. The link is hosted on a third-party website over which the District has no control. While the link to the videos is included herein to offer prospective investors a visual depiction of the location of the District, the status of development in the District and the immediate vicinity as of the date of the videos, the link and the videos are neither incorporated into nor constitute a part of this Limited Offering Memorandum.

[Click here for the drone video](#)

or access it at: <https://vimeo.com/user258585375?fl=pp&fe=sh>

LIMITED OFFERING MEMORANDUM

\$13,540,000*
THE POINT CLEAR CLUB IMPROVEMENT DISTRICT
(IN BALDWIN COUNTY, ALABAMA)
ASSESSMENT REVENUE BONDS
SERIES 2026-A

\$12,115,000*
THE POINT CLEAR CLUB IMPROVEMENT DISTRICT
(IN BALDWIN COUNTY, ALABAMA)
TAXABLE ASSESSMENT REVENUE BONDS
SERIES 2026-B

INTRODUCTION

*This introduction is only a brief description and summary of certain information contained in this Limited Offering Memorandum and is qualified in its entirety by reference to the more complete and detailed information contained in the entire Limited Offering Memorandum, including the cover page and appendices hereto, and the documents summarized or described herein. The order and placement of materials in this Limited Offering Memorandum, including the appendices, are not to be deemed a determination of relevance, materiality or relative importance, and this Limited Offering Memorandum, including the cover page and the appendices, must be considered in its entirety. The offering of the Series 2026 Bonds to potential investors is made only by means of the entire Limited Offering Memorandum, which supersedes any other information or materials used in connection with the offer or sale of the Series 2026 Bonds. This Limited Offering Memorandum speaks only as of its date, and the information contained herein is subject to change. All capitalized terms used in this Limited Offering Memorandum that are not otherwise defined herein shall have the meaning ascribed to them in **Appendix B** and **Appendix C**.*

The information set forth in this Limited Offering Memorandum has been obtained from the District, the Developer, and other sources believed to be reliable, but is not guaranteed as to accuracy or completeness. This Limited Offering Memorandum, including the appendices hereto, contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized. See **“BONDOWNERS’ RISKS – Forward-Looking Statements”** herein.

Restrictions on Purchase and Transfer of Taxable Series 2026-B Bonds

The Taxable Series 2026-B Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the **“Securities Act”**), and are only being offered to “qualified institutional buyers” (**“Qualified Institutional Buyers”**) as defined in Rule 144A under the Securities Act (**“Rule 144A”**). The Taxable Series 2026-B Bonds are subject to restrictions on transferability and resale and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the requirements set forth in **“NOTICE TO INVESTORS; TRANSFER RESTRICTIONS ON TAXABLE SERIES 2026-B BONDS”** herein. The Taxable Series 2026-B Bonds are considered “Restricted Securities” within the meaning of Rule 144A. For the sale of the Taxable Series 2026-B Bonds, the Underwriter is relying upon Rule 144A and the truth and accuracy of the acknowledgments, representations and agreements of purchasers of the Taxable Series 2026-B Bonds. Prospective purchasers should be aware that they may be required to bear the financial risks of an investment in the Taxable Series 2026-B Bonds for an indefinite period of time. See **“NOTICE TO INVESTORS; TRANSFER RESTRICTIONS ON TAXABLE SERIES 2026-B BONDS”** herein and the form of investor letter attached hereto as **Appendix H**.

Purpose of the Limited Offering Memorandum

The purpose of this Limited Offering Memorandum is to furnish information relating to (1) The Point Clear Club Improvement District (the **“District”**), (2) the District’s \$13,540,000* Assessment Revenue Bonds, Series 2026-A (the **“Tax-Exempt Series 2026-A Bonds”**); (2) the District’s \$12,115,000* Taxable Assessment Revenue Bonds, Series 2026-B (the **“Taxable Series 2026-B Bonds”**) and, collectively with the Tax-Exempt

* Preliminary, subject to change.

Series 2026-A Bonds, the **“Series 2026 Bonds”**); (3) development of the initial phase of a master-planned residential golf community known as Point Clear Club (as further defined and described herein, the **“Development”**) located in Baldwin County, Alabama (the **“County”**), being developed by Point Clear Club Investments, LLC (as further defined and described herein, **“PCC Investments”**), on property in the District owned by an entity wholly owned and controlled by PCC Investments, Point Clear Club Land, LLC (as further defined and described herein, **“PCC Land”** and, collectively with PCC Investments, the **“Developer”**); and (4) the revenues pledged to the payment of debt service on the Series 2026 Bonds as part of the Trust Estate under the Trust Indenture dated as of June 1, 2026 (the **“Original Indenture”**), as supplemented by the Series 2026-A Supplemental Trust Indenture dated as of June 1, 2026 (the **“Series 2026-A Initial Supplemental Indenture”**), and the Series 2026-B Supplemental Trust Indenture dated as of June 1, 2026 (the **“Series 2026-B Initial Supplemental Indenture”**) and, collectively with the Series 2026-A Initial Supplemental Indenture, the **“Initial Supplemental Indentures”**), each between the District and the Trustee. See **“THE SERIES 2026 BONDS,” “THE DEVELOPMENT,” “LEVY AND PAYMENT OF ASSESSMENTS ON PRE-PLATTED LAND AND PLATTED LOTS,” “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS”** and **“ENFORCEMENT OF PAYMENT OF ASSESSMENTS BY TRUSTEE; FORECLOSURE PROCEEDINGS”** herein.

The District

On February 3, 2026, the Baldwin County Commission (the **“Commission”**) adopted a resolution authorizing the formation and incorporation of the District as a public corporation created in accordance with the laws of the State of Alabama (the **“State”**), including particularly Chapter 99A of Title 11 of the Code of Alabama 1975 (the **“Improvement District Act”**).

The District encompasses approximately 546.7 acres and all of the District property, including the approximately 98.5 acres on which the Assessments (as further defined and described herein) have been imposed (the **“Assessment Area”**), is located in an unincorporated area of the County, outside of any municipal jurisdiction. The District (and the Development, as defined and described herein) is located on the east and west sides of County Road 3 at Monk Road, the north side of County Road 24, east of Alternate US Scenic Highway 98, and the west side of US Highway 98, six miles south of the City of Fairhope in Baldwin County, Alabama, 23 miles southeast of the Mobile, Alabama central business district and approximately 5.3 miles from beach access along Mobile Bay. See page xii in this Limited Offering Memorandum for vicinity maps of the location of the District and the surrounding areas. See **“THE DISTRICT”** herein.

The County

The County is located along Mobile Bay, bordered on the west by Mobile County, Alabama, on the northwest by Washington County, Alabama, and Clarke County, Alabama, on the north by Monroe County, Alabama, on the northeast by Escambia County, Alabama, and on the east by Escambia County, Florida, and the Gulf of Mexico to the south. The County has approximately 30 miles of white, sandy beaches and an additional 30 coastal miles on Mobile Bay, both areas of which are popular tourist destinations. The County is also the largest county in the State by total area, encompassing approximately 2,027 square miles.

The central-western portion of the County, where the Development is located, is known as the “Eastern Shore” and is approximately 45 minutes from the coastal beaches and 45 minutes from the City of Mobile, across Mobile Bay in Mobile County, where many residents work. The Eastern Shore encompasses the nearby municipalities of Spanish Fort, Daphne, and Fairhope, and accounts for approximately 30% of the County’s total population. Areas of the County outside of the Eastern Shore and the coastal communities of Gulf Shores, Orange Beach, and Foley (combined approximate population of 51,137), are primarily agricultural in nature.

The Development is located adjacent to the corporate limits of the City of Fairhope (the **“Fairhope”**), which the Developer reports is the most affluent city in the County, and is also near the Point Clear resort area, the most affluent area of the County according to the Developer. The Developer reports that this area has higher personal and family income and residential property values than other parts of the County, and is well known as

a second-home and vacation area. The Developer believes that the Development is ideally situated in the area of the highest local demand and also in an area that attracts high-income vacationers from the Southeast and Midwest. The population of Fairhope has increased approximately 15% since 2020 (and almost 50% since 2010). See **“Development Area; Fairhope and Point Clear”** in **Appendix G** attached hereto.

The County government is headquartered at the County seat in the City of Bay Minette, Alabama. The County is governed by a four-member Commission, with all four members elected by a vote of the entire County, but they must reside in and represent a specific district. The Chairman serves as the presiding officer of the Commission, and such position rotates equally among the Commissioners pursuant to local law governing the County. For additional information on the County, see **Appendix G – “CERTAIN INFORMATION CONCERNING BALDWIN COUNTY, ALABAMA.”**

The information regarding the County included as Appendix G is included solely to provide certain economic and demographic information regarding the larger area in which the District and the Development are located. The Series 2026 Bonds and the interest thereon are not obligations of the County and do not constitute a debt of the County, but are limited obligations of the District, secured solely by and payable solely from the Trust Estate as provided in the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS” herein.

Transaction Overview

Authorization, Purpose and Use of Series 2026 Bonds. The Series 2026 Bonds are being issued by the District pursuant to and under the constitution and laws of the State, including particularly the Improvement District Act, the Original Indenture, as supplemented by the Initial Supplemental Indentures, and a resolution passed by the District on March 31, 2026 (the **“Bond Resolution”**).

The Tax-Exempt Series 2026-A Bonds are being issued for purpose of providing funds to (1) finance a portion of the costs of construction of certain public improvements within the Assessment Area (the **“Series 2026-A Capital Improvements”**), (2) fund the Series 2026-A Account of the Reserve Fund; (3) fund the Series 2026-A Capitalized Interest Account of the Bond Proceeds Fund in an amount sufficient to pay capitalized interest on the Tax-Exempt Series 2026-A Bonds through June 1, 2027,* and (4) pay the costs of issuing the Tax-Exempt Series 2026-A Bonds.

The Taxable Series 2026-B Bonds are being issued for the purpose of providing funds to (1) finance a portion of the costs of construction of certain public improvements within the Assessment Area (the **“Series 2026-B Capital Improvements”**), (2) fund the Series 2026-B Account of the Reserve Fund, (3) fund the Series 2026-B Capitalized Interest Account of the Bond Proceeds Fund in an amount sufficient to pay capitalized interest on the Taxable Series 2026-B Bonds through June 1, 2027,* and (4) pay the costs of issuing the Taxable Series 2026-B Bonds. See **“PLAN OF FINANCE”** herein.

No Authorization of Additional Parity Bonds. No additional parity bonds may be issued under or secured by the Original Indenture.

Development Overview. Point Clear Club Investments, LLC (previously defined as **“PCC Investments”**) and an entity wholly owned and controlled by PCC Investments, Point Clear Club Land, LLC (previously defined as **“PCC Land”** and, collectively with PCC Investments, the **“Developer”**) are developing a master-planned residential golf community known as Point Clear Club (as further defined and described herein, the **“Development”**) on the approximately 546.7 acres comprising the District (the **“District Property”**), all of which is owned by PCC Land.

The Developer. PCC Investments is majority owned and controlled by entities related to Daniel Realty Company, LLC, an Alabama limited liability company (**“Daniel Realty”**), and entities or

* Preliminary, subject to change.

individuals related to the McLean family (the “**McLean Family**”), long-time County residents and landowners who are partnering with the Developer to develop the Development. See “**THE DEVELOPMENT – The Developer, Daniel Realty and the McLean Family**” herein.

The District Property was both acquired and contributed to PCC Land in connection with a joint venture, subject to the terms of a joint venture agreement dated September 11, 2025 (the “**JV Agreement**”), among entities related to Daniel Realty and the McLean Family, whereby Daniel Realty-related entities have an approximately 60% interest and the McLean Family-related entities have an approximately 40% interest. Pursuant to the JV Agreement, Daniel Realty is appointed as the sole and exclusive development manager and sales and marketing representative for the Development, subject to obtaining approval from the McLean Family entities prior to undertaking numerous of its responsibilities as the manager of the Development under the JV Agreement.

A portion of the District Property is encumbered in connection with the SmartBank Loan (defined herein). See “**THE DEVELOPMENT – Development Financing; Encumbrances on District Property**” herein.

The Development. According to the Developer, at full build-out, the Development is anticipated to include a first-class private-membership golf club with an 18-hole Tom Fazio-designed golf course (the “**Golf Course**”), a clubhouse (the “**Clubhouse**”) and golf shop (the “**Golf Shop**”), a golf teaching facility and other golf amenities, as well as approximately 308 single-family homes and other club amenities, including championship croquet lawns, tennis and pickleball courts, state-of-the-art fitness center and aquatics complex for wellness and recreation, and walking trails. For additional information on the Development, see the website for Point Clear Club at <https://www.pointclearclub.com>.¹

Phase 1 Development. The Developer is developing the Development in phases. The first phase of the Development (referred to herein as “**Phase 1**” or the “**Phase 1 Development**”) is planned to consist of (1) completion (*i.e.*, make building-permit ready) of 122 single-family lots (the “**Assessment Area Development**”) anticipated to be developed on approximately 98.5 acres in the District located on the west side of County Road 3 (previously defined as the “**Assessment Area**”) and (2) completion of the Golf Course, the Clubhouse, the Golf Shop and related amenities, championship croquet lawns, and a separate structure for storing golf carts (collectively, the “**Golf Course Development**”) anticipated to be located on approximately 211 acres in the District located on the west side of County Road 3 and additional property located on the east side of County Road 3 (collectively, referred to herein as the “**Golf Course Property**”), all of which is located outside the Assessment Area. The Assessment Area Development and the Golf Course Development are defined and described in more detail in the sections herein captioned “**THE DEVELOPMENT – Assessment Area Development**” and “**– Golf Course Development.**”

The Golf Course Property is not subject to the Assessments and, in the event of nonpayment of the Assessments, will not be subject to foreclosure proceedings pursuant to the Indenture or the Special Assessment Agreement. While the Golf Course Property is not within the Assessment Area, the value of the property in the Assessment Area is anticipated to be largely dependent on the completion and opening of the Golf Course and its related amenities. A failure by the Developer to complete the development planned for the Golf Course Property would likely adversely impact the value of the Assessment Area and, therefore, the property securing the payment of the Assessments.

According to the Developer, the estimated total cost of all improvements necessary to serve Phase 1 of the Development at full build-out (including, without limitation, the construction and completion of the Golf Course, the Clubhouse and the Golf Shop) is approximately \$92,582,483 (referred to herein as the “**Phase 1 Capital Improvements**”). As of May 1, 2026, the Developer reports that it has expended approximately

¹ References to website addresses contained in this Limited Offering Memorandum are for informational purposes only. Such websites and the information or links contained therein are not incorporated into, and are not part of, this Limited Offering Memorandum.

\$14,741,294 (or approximately 16% of its total Phase 1 budget) in connection with construction of Phase 1 Capital Improvements. See “**THE DEVELOPMENT – Phase 1 Capital Improvements**” herein.

The proceeds of the Series 2026 Bonds will be used to finance a portion of the public and private infrastructure improvements necessary to serve the 122 lots planned for the Assessment Area, the completion of which is a prerequisite for all future platting and the commencement of vertical construction of the homes in the Assessment Area Development and development of the Golf Course Property.

Security and Sources of Payment for the Series 2026 Bonds

Limited Obligations. The Series 2026 Bonds are limited obligations of the District, payable solely from, and secured by the Trust Estate established under the Indenture.

Trust Estate. The Trust Estate is defined in the Indenture to include: (1) all Assessment Proceeds; (2) all Platted Lot Foreclosure Proceeds; (3) all Pre-Platted Land Foreclosure Proceeds; (4) all right, title and interest of the District in the Special Assessment Agreement dated as of June 1, 2026 (the “**Special Assessment Agreement**”) among the District, the Trustee, and the Developer, and all amounts delivered to, or realized by, the District or the Trustee pursuant to the terms thereof; and (5) all revenues derived or to be derived by the District in accordance with the Improvement District Act and the Special Assessment Agreement.

Assessments on Property in the Assessment Area; Lien of the Assessments. On April 7, 2026, the District, on behalf of the Developer, submitted the Assessment Petition to the Commission requesting that the Commission approve the Assessment Methodology by which Assessments are imposed on the property in the approximately 98.5-acre Assessment Area. See “**LEVY AND PAYMENT OF ASSESSMENTS ON PRE-PLATTED LAND AND PLATTED LOTS – Levy of Assessments by the County**” herein.

Pursuant to the Improvement District Act and the Assessment Proceedings, the County approved the establishment and levy by the County of Assessments on the 98.5-acre Assessment Area on which 122 single-family detached homes are anticipated to be developed (previously defined as the “**Assessment Area Development**”). PCC Land currently owns all of the approximately 546.7 acres in the District, including the approximately 98.5 acres in the Assessment Area.

[Remainder of page intentionally left blank]

The Assessments are a security interest and encumbrance (“**Lien**”) on the Pre-Platted Land¹ and each of the Platted Lots² within the Assessment Area in the respective amounts established in the Assessment Proceedings. *The Improvement District Act provides that each Assessment constitutes a Lien against the real property upon which the Assessment is imposed that has a priority over all liens (including a mortgage lien) other than liens for ad valorem taxes.* The Assessments are imposed in the amounts shown in the table captioned “**Current Assessments on Platted Lots**” in the section herein captioned “**LEVY AND PAYMENT OF ASSESSMENTS ON PRE-PLATTED LAND AND PLATTED LOTS – Determination of Assessments on Platted Lots and Pre-Platted Land – Assessments on Platted Lots.**”

No Mortgage. The Series 2026 Bonds are not secured by a mortgage on any of the property in the District, including the property in the Assessment Area.

Assessment Proceeds. “**Assessment Proceeds**” is defined in the Indenture to mean, collectively, the amounts due to be paid each year in the period beginning on and including June 1 and ending on and including the next succeeding May 31 (each a “**Bond Year**”) as: (1) for each Platted Lot, (a) the “**Platted Lot Annual Assessment Payment Amount**” and (b) the “**Platted Lot Total Assessment Payment Amount**” and (2) for the Pre-Platted Land, (a) the “**Pre-Platted Land Annual Assessment Payment Amount**” and (b) the “**Pre-Platted Land Total Assessment Payment Amount.**”

The primary source of payment of the Series 2026 Bonds is anticipated to be the Assessment Proceeds resulting from the imposition of the Assessments on the property in the Assessment Area paid by the Developer (1) annually on any Platted Lot or Pre-Platted Land owned by the Developer or an Affiliate of the Developer, consisting of the Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount, and (2) at the time of a sale by PCC Land of any Platted Lot or parcel of Pre-Platted Land to a purchaser that is not an Affiliate of the Developer, consisting of the Platted Lot Total Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount, respectively.

See “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS**” for definitions and further discussion of the Platted Lot Annual Assessment Payment Amount, the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Total Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount.

See also the section herein captioned “**LEVY AND PAYMENT OF ASSESSMENTS ON PRE-PLATTED LAND AND PLATTED LOTS**” for a discussion of the (1) Master Assessment Methodology Report dated May 13, 2026 and the Preliminary First Supplemental Special Assessment Methodology Report, dated May 13, 2026³ (collectively, the “**Assessment Methodology Reports**”) prepared by Wrathell, Hunt and Associates, LLC (the “**Assessment Methodology Manager**”); (2) the Assessment Methodology Manager’s determination of the amount of the Assessments on each Platted Lot and the Pre-Platted Land; (3) the Assessment Methodology Manager’s determination of the amount of Platted Lot Total Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount; and (4) payment by the Developer of the Platted Lot

¹ “**Pre-Platted Land**” is defined in the Special Assessment Agreement to mean, on any date of determination, all real property within the Assessment Area within the boundaries of the District which on such date: (i) is not described or included in a subdivision plat which establishes Platted Lots and is of record in the Office of the Judge of Probate of Baldwin County, Alabama and (ii) has not been released from the Pre-Platted Land Assessment Lien pursuant to the Special Assessment Agreement.

² “**Platted Lot**” is defined in the Indenture to mean any land or lot within the boundaries of the Assessment Area within the District which is described or set forth in a map or plat which shall have been recorded in the Office of the Judge of Probate of Baldwin County, Alabama, and includes without limitation any Platted Lot of which the Developer or any Affiliate thereof is the “owner” (within the meaning of the Improvement District Act).

³ Following pricing, the Preliminary First Supplemental Assessment Methodology Report will be updated to reflect the final par amount of the Series 2026 Bonds.

Annual Assessment Payment Amount, the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Total Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount.

The Developer is responsible for payment of all Assessments until such time as PCC Land sells Platted Lots and Pre-Platted Land to a purchaser that is not an Affiliate of the Developer. Simultaneously with the sale by PCC Land of each Platted Lot and/or each parcel of Pre-Platted Land to a purchaser that is not an Affiliate of the Developer, a portion of the purchase price paid by each purchaser, equal to the total amount of the Assessments attributable to the applicable Platted Lot or parcel of Pre-Platted Land (*i.e.*, the Platted Lot Total Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount, respectively), will be paid directly to the Trustee pursuant to the terms of the Collection and Transfer Agreement, as defined and described in the section herein captioned **“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Collection and Transfer Agreement,”** for the account of the District, at which time the Lien of the Assessment with respect to the applicable Platted Lot or parcel of Pre-Platted Land will be released.

Application of Assessment Proceeds by the Trustee. The Assessment Proceeds received by the Trustee from the Developer:

(1) annually as the Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount will be deposited into the Revenue Fund and applied by the Trustee to the payment of debt service on the Series 2026 Bonds pursuant to the terms of the Indenture as described below and in the sections herein captioned **“THE SERIES 2026 BONDS – Application of Amounts in the Revenue Fund;”** and

(2) upon the sale of any Platted Lot or parcel of Pre-Platted Land by PPC Land to a purchaser that is not an Affiliate of the Developer, consisting of the Platted Lot Total Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount, will be applied by the Trustee to the special mandatory redemption of the Series 2026 Bonds as provided in the Indenture and described in the section herein captioned **“THE SERIES 2026 BONDS – Redemption of Tax-Exempt Series 2026-A Bonds – Special Mandatory Redemption”** and **“ – Redemption of Taxable Series 2026-B Bonds – Special Mandatory Redemption.”**

Application of Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount in the Revenue Fund. The Trustee is directed in the Indenture to deposit all Platted Lot Annual Assessment Payment Amount(s) and the Pre-Platted Land Annual Assessment Payment Amount(s) when and as received pursuant to the Collection and Transfer Agreement pro-rata into the Series 2026-A Account and the Series 2026-B Account of the Revenue Fund and to apply such amounts in the following order:

Trustee Fees and Expenses. First, transfer to the Trustee amounts due thereto for fees, charges, advances, and expenses under this Indenture, in an amount not to exceed \$15,000 in each Bond Year.

Series 2026 Bond Debt Service. Second, transfer to each of the Series 2026-A Account and the Series 2026-B Account of the Bond Fund the amount (if any) by which (1) the amount equal to the Debt Service on the Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds, respectively, becoming due and payable during the 12-month period which next succeeds such date of determination (the **“Bond Fund Account Requirement”**) in the Series 2026-A Account and the Series 2026-B Account of the Bond Fund exceeds (2) the amount then on deposit in each of the Series 2026-A Account and the Series 2026-B Account of the Bond Fund.

Debt Service Reserve Fund. Third, transfer to each of the Series 2026-A Account and the Series 2026-B Account of the Reserve Fund the amount (if any) by which the Reserve Fund Account Requirement for each of the Series 2026-A Account and the Series 2026-B Account of the Reserve Fund exceeds the amount then on deposit in each of the Series 2026-A Account and the Series 2026-B Account of the Reserve Fund.

Foreclosure Expense Reserve Fund. Fourth, transfer to each of the Series 2026-A Account and the Series 2026-B Account of the Foreclosure Expense Reserve Fund until the amount therein is equal to \$5,000.

Extraordinary and Special Mandatory Redemption. Fifth, transfer to each of the Series 2026-A Account and the Series 2026-B Account of the Extraordinary Redemption Fund, pro-rata and without preference, the amount (if any) remaining in each respective account of the Revenue Fund after the above and foregoing transfers therefrom required by the Indenture as described above shall have been made in full; provided, however, pursuant to the Initial Supplemental Indentures, all Series 2026-B Bonds shall be mandatorily redeemed prior to the mandatory redemption of any Series 2026-A Bonds.

Foreclosure on Platted Lots and Pre-Platted Land. If PCC Land, or another Affiliate of the Developer, as the owner of a Platted Lot or Pre-Platted Land, fails to pay, when and as due and payable, (1) for each Platted Lot, the Platted Lot Annual Assessment Payment Amount; (2) for each Platted Lot sold by PCC Land to a purchaser that is not an Affiliate of the Developer, the Platted Lot Total Assessment Payment Amount; (3) for the Pre-Platted Land, the Pre-Platted Land Annual Assessment Payment Amount; (4) for each parcel of Pre-Platted Land sold by PCC Land to a purchaser that is not an Affiliate of the Developer, the Pre-Platted Land Total Assessment Payment Amount, such Platted Lot or Pre-Platted Land is subject to foreclosure and sale as provided in the Improvement District Act, the Indenture and the Special Assessment Agreement, and the Trustee is required under the Indenture to proceed to foreclose and sell such Platted Lot or Pre-Platted Land for an amount not less than the Platted Lot Total Assessment Payment Amount or the Pre-Platted Land Total Assessment Payment Amount, as applicable.

Pursuant to the Improvement District Act, the proceeds from a foreclosure sale shall first be applied to the amount of the delinquent Assessment and all accrued interest thereon, plus penalties, plus the attorneys' fees and other expenses incurred by the District in the foreclosure and suit.

The net proceeds realized from the foreclosure and sale of a Platted Lot (the "Platted Lot Foreclosure Proceeds") and the net proceeds realized from the foreclosure and sale of a parcel of Pre-Platted Land (the "Pre-Platted Land Foreclosure Proceeds") may not generate revenues sufficient to satisfy all existing superior liens for ad valorem taxes and the lien of the delinquent Assessments on the Platted Lot or parcel of Pre-Platted Land, respectively.

See the section herein captioned "ENFORCEMENT OF PAYMENT OF ASSESSMENTS BY TRUSTEE; FORECLOSURE PROCEEDINGS" for a discussion of the determination and application of Platted Lot Foreclosure Proceeds and Pre-Platted Land Foreclosure Proceeds and the provisions in the Indenture and Special Assessment Agreement regarding the Trustee's foreclosure on Platted Lots and Pre-Platted Land.

Reserve Fund Accounts. As additional security for the Series 2026 Bonds, (1) the Series 2026-A Account of the Reserve Fund will be funded with proceeds of the Tax-Exempt Series 2026-A Bonds in the amount of \$1,354,000* (the "Series 2026-A Reserve Fund Account Requirement"); and (2) the Series 2026-B Account of the Reserve Fund will be funded with proceeds of the Taxable Series 2026-B Bonds in the amount of \$1,211,500* (the "Series 2026-B Reserve Fund Account Requirement"). Amounts in the Series 2026-A Account of the Reserve Fund and in the Series 2026-B Account of the Reserve Fund will be available to pay principal of and interest on the Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds, respectively, if there are not sufficient moneys available for such purpose. Amounts remaining in the

* Preliminary, subject to change.

Series 2026-A Account of the Reserve Fund and in the Series 2026-B Account of the Reserve Fund will be applied to the final payment of principal of and interest on the Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds, respectively. See **“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Reserve Fund Accounts – Series 2026-A Account of the Reserve Fund”** and **“– Series 2026-B Account of the Reserve Fund”** and **“THE SERIES 2026 BONDS – Reserve Fund”** herein.

Capitalized Interest Accounts. On the date of issuance of the Series 2026 Bonds, (1) a portion of the proceeds of the Tax-Exempt Series 2026-A Bonds will be deposited into the Series 2026-A Capitalized Interest Account of the Bond Proceeds Fund in the amount of \$806,758* and will be used to pay interest on the Tax-Exempt Series 2026-A Bonds through June 1, 2027;* and (2) a portion of the proceeds of the Taxable Series 2026-B Bonds will be deposited into the Series 2026-B Capitalized Interest Account of the Bond Proceeds Fund in the amount of \$999,487* and will be used to pay interest on the Taxable Series 2026-B Bonds through June 1, 2027.* See **“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Capitalized Interest Accounts – Series 2026-A Capitalized Interest Account”** and **“– Series 2026-B Capitalized Interest Account”** and **“THE SERIES 2026 BONDS – Bond Proceeds Fund”** herein.

Appraisal Report

The Developer engaged Newmark Valuation & Advisory, LLC (**“Newmark”**) to prepare a report (the **“Appraisal Report”**) dated June 2, 2026, for the purpose of (1) providing an opinion of the “as is” market value and the prospective market value, based on certain assumptions identified in the Appraisal Report, of approximately 546.7 acres of real property in the District on which the 308 single-family detached lots are anticipated to be developed, consisting of 122 lots in Phase 1 and 186 lots in Phase 2; and (2) providing a projected absorption of the Phase 1 Platted Lots and a projected absorption of the 186 lots anticipated to be developed in Phase 2 of the Development. The Appraisal Report assumes that the Phase 1 lots will be developed concurrently with approximately \$72 million of improvements, including a Tom Fazio-designed 18-hole golf course, with a golf shop, clubhouse and other club amenities. The Appraisal Report does not assume any commercial development in the District.

The primary purpose of the Appraisal Report is to develop an opinion of the market value of the fee simple ownership of the 546.7 acres of property in the District. Newmark states in the Appraisal Report that it is its opinion that the “as is” market value (*i.e.*, the market value of the real property in its current physical condition, use and zoning as of the appraisal date) of the fee simple interest in the approximately 546.7 acres of real property in the District on which the 308 residential units assumed therein are anticipated to be developed is \$101,500,000 as of May 6, 2026.

The Appraisal Report also states that it is the opinion of Newmark that the (1) prospective market value upon completion (assumed to occur by August 2027) of the Phase 1 Capital Improvements (referred to in the Appraisal Report as the **“Phase 1 Infrastructure”**) for the 122 lots in Phase 1 is \$103,240,000 and (2) the prospective value of the remaining real property in the District (referred to in the Appraisal Report as the “Excess Land”) upon completion of the Phase 1 Capital Improvements is \$54,330,000. *The prospective market values are based on the following assumptions: (1) all of the approximately \$20,006,175¹ in Phase 1 Public Improvements and Phase 1 Private Improvements for the 122 Platted Lots are completed in accordance with the Developer’s plans and specifications, and (2) concurrent development of the Golf Course, Clubhouse and related amenities within the Phase 1 Development, and completion of the Golf Course and Clubhouse by August 1, 2027.*

* Preliminary, subject to change.

¹ This estimated cost of the Phase 1 Public Improvements and the Phase 1 Private Improvements has been updated from the estimated cost of such improvements set forth in the Engineer’s Report to reflect subsequent adjustments by the Developer to the budgeted costs. See **“PLAN OF FINANCE – Summary Chart – Sources and Uses of Funds for the Phase 1 Development”** herein.

The Developer anticipates that the Phase 1 Capital Improvements will be completed by late 2027, the Golf Course will be substantially completed by the end of 2026 and open for play in the Fall of 2027, and the Clubhouse and all related amenities, other than completion of certain landscaping, will be completed by the end of 2027. A copy of the Appraisal Report, dated June 2, 2026, is attached hereto as **Appendix A**.

The Appraisal Report also includes a projected absorption of the Phase 1 Platted Lots and a projected absorption of the 186 lots anticipated to be developed in Phase 2 of the Development as shown in the **“Projected Absorption Summary”** table on page 40 of the Appraisal Report attached hereto as **Appendix A**.

The information in the Appraisal Report regarding prospective values and projected absorption of lots in the Development are “forward-looking statements” as described herein under the caption **“BONDOWNERS’ RISKS – Forward-Looking Statements”** and involves certain assumptions and judgments regarding future events. Although the information in the Appraisal Report regarding prospective values and projected absorption of lots is based on currently available information, such information is also based on assumptions about the future state of the national and regional economy and the local real estate markets as well as assumptions about future actions by various parties, which cannot be assured or guaranteed. The prospective values and projected absorption of lots in the Appraisal Report are not predictions or assurances that a certain level of performance will be achieved or that certain events will occur. The actual results will vary from the projections in the Appraisal Report and the variations may be material. Prospective purchasers of the Series 2026 Bonds should review the Appraisal Report carefully and form their own opinions about the validity and reasonableness of such assumptions. See **Appendix A – “APPRAISAL REPORT”** attached hereto.

The District, the County, the Underwriter, the Developer, and all other parties to the documents executed in connection with the issuance of the Series 2026 Bonds, and legal counsel, financial advisors, and other advisors participating in the transaction, expressly disclaim any representation or warranty (express or implied) as to the accuracy or completeness of any financial, technical, or statistical data, assumptions, conclusions, or expressions of opinion set forth in the Appraisal Report or any information excerpted therefrom. Newmark is solely responsible for the content of the Appraisal Report, including any conclusions expressed therein and the facts and assumptions underlying those projections. None of the above persons or anyone else assumes any responsibility for updating the Appraisal Report, or any material contained in the Appraisal Report, or underlying such projections after the delivery of the Series 2026 Bonds.

Professionals Involved in the Offering

Bradley Arant Boult Cummings LLP, Birmingham, Alabama, is acting as Bond Counsel to the District, and will also pass upon certain legal matters as special counsel for the District. Stifel, Nicolaus & Company, Incorporated will act as the underwriter for the Series 2026 Bonds (the **“Underwriter”**). See **“UNDERWRITING”** herein. Thompson Coburn LLP, St. Louis, Missouri has acted as counsel to the Underwriter in connection with the offering of the Series 2026 Bonds. Bradley Arant Boult Cummings LLP, Birmingham, Alabama, will also pass upon certain legal matters as counsel to the Developer. Regions Bank, Birmingham, Alabama will act as the Trustee for the Series 2026 Bonds.

Bondowners’ Risks

The Series 2026 Bonds involve a high degree of risk and prospective purchasers should read the section herein captioned **“BONDOWNERS’ RISKS.”** The Series 2026 Bonds may not be suitable investments for all persons, and prospective purchasers should carefully evaluate the risks and merits of an investment in the Series 2026 Bonds, should confer with their own legal and financial advisors before considering a purchase of the Series 2026 Bonds and should be able to bear the risk of loss of their investment in the Series 2026 Bonds before considering a purchase of the Series 2026 Bonds. See **“BONDOWNERS’ RISKS”** herein.

Definitions and Summary of Documents

This Limited Offering Memorandum contains certain definitions and a summary or forms of certain provisions of the Original Indenture, the Initial Supplemental Indentures, the Special Assessment Agreement, the District Administration Agreement, the Collection and Transfer Agreement and the Continuing Disclosure Agreement (collectively, the **“Bond Documents”**), but such summaries and forms do not purport to be comprehensive or definitive. See **Appendix B – “FORMS OF THE ORIGINAL INDENTURE AND THE INITIAL SUPPLEMENTAL INDENTURES,”** **Appendix C – “FORM OF SPECIAL ASSESSMENT AGREEMENT,”** and **Appendix D – “FORM OF CONTINUING DISCLOSURE AGREEMENT”** attached hereto. Such definitions and summaries do not purport to be comprehensive or definitive. All references herein to the Bond Documents are qualified in their entirety by reference to the definitive forms of such documents. During the period of the offering, the definitive forms of the Bond Documents and certain other documents and information as described herein are available at the office of the District, Daniel Realty Company, LLC, 505 20th St. N., Birmingham, Alabama; and will be provided to any prospective purchaser by requesting the same in writing by mail or email, in electronic form at no charge or otherwise upon payment by such prospective purchaser of the cost of complying with such request.

Continuing Disclosure Undertaking

To assist the Underwriter with its obligations under Rule 15c2-12 (the **“Rule”**) of the Securities and Exchange Commission and for the benefit of the beneficial owners of the Series 2026 Bonds, the District and PCC Investments have agreed to provide to Regions Bank, as dissemination agent (the **“Dissemination Agent”**), certain financial information relating to collection of the Assessment Proceeds, the sale of Platted Lots and Pre-Platted Land, and certain information with respect to the Assessment Area Development and the Golf Course, respectively, on a quarterly, semi-annual and annual basis, as applicable, and to provide notice of the occurrence of certain enumerated events, all as provided in the Continuing Disclosure Agreement dated the date of issuance of the Series 2026 Bonds. The Dissemination Agent covenants in the Continuing Disclosure Agreement to file the information provided by the District and PCC Investments and notice of certain events to the Electronic Municipal Market Access (**“EMMA”**) system established by the Municipal Securities Rulemaking Board (**“MSRB”**).

See **“CONTINUING DISCLOSURE UNDERTAKING”** herein and **Appendix D – “FORM OF CONTINUING DISCLOSURE AGREEMENT”** attached hereto.

NOTICE TO INVESTORS; TRANSFER RESTRICTIONS ON TAXABLE SERIES 2026-B BONDS

Because of the following restrictions, potential purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Taxable Series 2026-B Bonds offered hereby. The Taxable Series 2026-B Bonds may be sold by the Initial Purchaser only to “Qualified Institutional Buyers.”

Transfer Restrictions

The Taxable Series 2026-B Bonds have not been and will not be registered under the Securities Act or under the securities or “blue sky” laws of any state of the United States or any other jurisdiction. The Taxable Series 2026-B Bonds are being initially sold only to Qualified Institutional Buyers within the meaning of Rule 144A under the Securities Act (**“Rule 144A”**).

Each purchaser who is purchasing the Taxable Series 2026-B Bonds from the Underwriter, and each subsequent purchaser of the Taxable Series 2026-B Bonds (each, a **“Taxable Series 2026-B Bond Purchaser”**), by purchasing the Taxable Series 2026-B Bonds (or beneficial interests therein), will be deemed to have made certain acknowledgements, representations and agreements as described hereunder. Any resale or other transfer, or attempted resale or other attempted transfer that is not made in accordance with the transfer restrictions may subject the transferor and transferee to certain liabilities under applicable securities laws.

Each Taxable Series 2026-B Bond Purchaser (and if such Taxable Series 2026-B Bond Purchaser is an insurance company general account, insurance company separate account, bank collective investment fund or investment fund managed by a qualified professional asset manager or an “in-house asset manager,” each fiduciary with respect to the assets used to acquire the Taxable Series 2026-B Bonds (or beneficial interests therein)) will be deemed to have acknowledged, represented and agreed as follows:

(1) It is a Qualified Institutional Buyer and is purchasing Taxable Series 2026-B Bonds for its own account or for the account of another qualified institutional buyer over which it exercises sole investment discretion, it is aware that the Initial Purchaser is selling the Taxable Series 2026-B Bonds to it in reliance on Rule 144A, it is not an “affiliate” (as defined in Rule 144 under the Securities Act) of the District or the Developer, and it is not acting on behalf of the District or the Developer.

(2) It will treat the Taxable Series 2026-B Bonds as indebtedness for all federal, state and local income tax purposes.

(3) The Taxable Series 2026-B Bonds have not been registered under the Securities Act or any other securities laws. The purchaser of any Taxable Series 2026-B Bonds will, and will inform each subsequent holder that such subsequent holder is required to, notify any subsequent purchaser of the resale restrictions set forth in this section. No representation is being made as to the continued availability of any exemption from registration for resales of the Taxable Series 2026-B Bonds.

(4) None of the District, the Developer nor the Underwriter nor any person representing the District, the Developer or the Underwriter has made any representation to it with respect to the District or the Developer or the offering of the Taxable Series 2026-B Bonds, other than the information contained in this Limited Offering Memorandum. It represents that it is relying only on this Limited Offering Memorandum in making its investment decision with respect to the Taxable Series 2026-B Bonds. It acknowledges that none of the District, the Developer, the Underwriter nor their representatives warrants the completeness or accuracy of the information in this Limited Offering Memorandum. Further, none of the District, the Developer, the Underwriter nor their representatives undertakes to update the information in this Limited Offering Memorandum. The Taxable Series 2026-B Bond Purchaser agrees that it has had access to such financial and other information concerning the District, the Developer, the Development and the Taxable Series 2026-B Bonds as it has deemed necessary in connection with its decision to purchase Taxable Series 2026-B Bonds, including an opportunity to ask questions of and request information from the District and the Developer.

(5) It has sufficient knowledge and experience in business and financial matters in general, and the purchase of bonds such as the Taxable Series 2026-B Bonds in particular, and is capable of evaluating the merits and risks involved in a purchase of the Taxable Series 2026-B Bonds. The Taxable Series 2026-B Bond Purchaser is able to bear the economic risk of, and an entire loss of, a purchase of the Taxable Series 2026-B Bonds and understands that it may be required to bear the risks of an investment in the Taxable Series 2026-B Bonds for an indefinite time, since any sale prior to maturity may not be possible.

(6) It is purchasing the Taxable Series 2026-B Bonds for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Taxable Series 2026-B Bonds in violation of the Securities Act, subject to any requirement of law that the disposition of its property or the property of that investor account or accounts be at all times within its or their control and subject to its or their ability to resell the Taxable Series 2026-B Bonds pursuant to Rule 144A or any other available exemption from registration under the Securities Act. The Taxable Series 2026-B Bond Purchaser agrees on its own behalf and on behalf of any investor account for which it is purchasing the Taxable Series 2026-B Bonds, and each subsequent holder of the Taxable Series 2026-B Bonds by its acceptance of the Taxable Series 2026-B Bonds will agree, that the Taxable Series 2026-B Bonds may be offered, sold or otherwise transferred only:

- (a) to the District;
- (b) pursuant to a registration statement that has been declared effective under the Securities Act;
- (c) for so long as the securities are eligible for resale pursuant to Rule 144A under the Securities Act, to a person it reasonably believes is a “Qualified Institutional Buyer” as defined in Rule 144A under the Securities Act that purchases for its own account or for the account of a Qualified Institutional Buyer to whom notice is given that the transfer is being made in reliance on Rule 144A; or
- (d) in accordance with an exemption from registration provided under the Securities Act, subject to the District’s right prior to any such offer, sale or transfer pursuant to this clause to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them; and in each of such cases in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction; and

(7) The District, the Developer, the Underwriter and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. The Taxable Series 2026-B Bond Purchaser agrees that if any of the acknowledgments, representations or agreements deemed to have been made by it upon purchase of Taxable Series 2026-B Bonds is no longer accurate, the Taxable Series 2026-B Bond Purchaser will promptly notify the District and the Underwriter in writing. If a purchaser is purchasing any Taxable Series 2026-B Bonds as a fiduciary or agent for one or more investor accounts, the purchaser represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the above acknowledgments, representations and agreements on behalf of each account.

Each initial Taxable Series 2026-B Bond Purchaser will be required to sign an investor letter in the form attached hereto as **Appendix H**.

Suitability of the Taxable Series 2026-B Bonds for Investment

The purchase of the Taxable Series 2026-B Bonds is an investment subject to a high degree of risk, including the risk of nonpayment. See “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS**” and “**BONDOWNERS’ RISKS – Limited Offering and Restrictions on Purchase and Transferability of Taxable Series 2026-B Bonds; Investor Suitability**” herein for a discussion of such factors that should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Taxable Series 2026-B Bonds.

LEVY AND PAYMENT OF ASSESSMENTS ON PRE-PLATTED LAND AND PLATTED LOTS

Levy of Assessments by the County

County Proceedings. Pursuant to the Improvement District Act, on April 7, 2026, the District submitted an assessment petition (the “**Assessment Petition**”) to the Commission for approval of the levy of an assessment against the approximately 98.5 acres within the District comprising the Assessment Area. The Assessment Petition requested that the County Commission adopt and approve a methodology (the “**Assessment Methodology**”) by which the approximately 98.5 acres in the District comprising the Assessment Area be assessed pursuant to a Master Assessment Methodology Report dated May 13, 2026 (the “**Master AM Report**”), and the Preliminary First Supplemental Special Assessment Methodology Report, dated May 13, 2026¹ (the “**Preliminary First Supplemental AM Report**”) and, collectively with the Master AM Report, the

¹ Following pricing, the Preliminary First Supplemental AM Report will be updated to reflect the final par amount of the Series 2026 Bonds.

“**Assessment Methodology Reports**”) prepared by Wrathell, Hunt and Associates, LLC (the “**Assessment Methodology Manager**”), which the District has hired to calculate and manage the Assessments in accordance with the terms of the Indenture, the Special Assessment Agreement, the Assessment Methodology Reports and the District Administration Agreement. The Assessments are being imposed on the property in the Assessment Area for the purpose of acquiring, constructing and installing certain public utility, transportation, and other related capital infrastructure improvements within the District for the benefit of the property in the Assessment Area.

On April 7, 2026, the County Commission conducted a hearing with respect to the Assessment Petition and adopted Resolution No. 2026-076 (the “**Assessment Resolution**”) pursuant to which the County (1) adopted and approved the Assessment Methodology set forth in the Assessment Methodology Reports, and (2) approved the levy by the County of the Assessments on the property within the Assessment Area, at such times and in such manner as the District shall determine in compliance with the Improvement District Act.

The above-described County Commission proceedings are referred to in the Indenture as the “**Assessment Proceedings.**”

Notice of Assessment Filed with Probate Court. The District filed a “Notice of Assessment of Real Property” (the “**Notice of Assessment**”) on April 7, 2026 in the Office of the Judge of Probate of Baldwin County, Alabama, which provides notice to all property owners in the District that the County Commission adopted the Assessment Resolution, with the attached Assessment Petition, and that the County imposed the Assessments on the property in the Assessment Area in the amounts shown in the table captioned “**Current Assessments on Platted Lots**” in the subsection below captioned “**Determination of Assessments on Platted Lots and Pre-Platted Land – Assessments on Platted Lots.**”

Pursuant to the Improvement District Act, each Assessment (1) shall constitute, from and after April 7, 2026, a Lien on the property in the Assessment Area, subject to foreclosure as provided in the Improvement District Act, and (2) shall have priority over all other liens, including mortgage liens, other than liens for ad valorem taxes. The Notice of Assessment further provides that Assessments shall be payable as provided by the District and ***shall remain in effect, subject to the Improvement District Act, until all indebtedness of the District payable from and secured by a pledge of the Assessments has been paid in full.***

Determination of Assessments on Platted Lots and Pre-Platted Land

Assessment Methodology Reports. The Developer anticipates that the Development will be completed in two phases and that it may seek approval of more than one series of assessment bonds to finance all or a portion of such costs. The Master AM Report was developed by the Assessment Methodology Manager to provide a financing plan and assessment methodology for the District related to funding the costs of the necessary public infrastructure improvements within the District for the benefit of the property in the Assessment Area (referred to in the Master AM Report as the “**Capital Improvement Plan**” or the “**CIP**”) for the first phase of the Development, referred to herein as “**Phase 1**” (*i.e.*, development of the first 122 lots in the Assessment Area). The Master AM Report includes (1) projections for costs of financing the Capital Improvement Plan for the Assessment Area Development described in the report of Jinright & Associates Development Engineers (the “**District Engineer**”) dated May 13, 2026 (the “**Engineer’s Report**”), which costs as of the date of the Master AM Report were estimated to total \$25,314,871 (the “**Assessment Area Capital Improvement Costs**”), and (2) the method for allocation of the Assessments on the approximately 98.5 acres comprising the Assessment Area in the District to the Assessment Area Capital Improvement Costs. The Assessment Methodology Reports note that the Development Plan¹ may change in the aggregate and in the development of particular parcels in the

¹ “**Development Plan**” is defined in the Assessment Methodology Reports to mean the development of lots in the Assessment Area in a manner sufficient to include all of the planned ERUs as shown in Table 1 in the Assessment Methodology Reports, which number of lots is reflected in the column captioned “Number of Lots” in the table below captioned “**Current Assessments on Platted Lots.**”

Assessment Area and that the information in the Assessment Methodology Reports reflects the current Development Plan provided by the Developer.

The Master AM Report assumes that to fully fund the approximately \$25,314,871 of Assessment Area Capital Improvement Costs will require two bond financings with a total of approximately \$36,630,000 in par amount, plus funding a reserve fund, capitalized interest, underwriter's discount and costs of issuance for each series of bonds.

Since the land in the Assessment Area has not received final development approval for its intended final use and the precise location of the various lot types is unknown, the Master AM Report provides that the Assessments will be levied initially on a per acre methodology equal to \$371,841 per acre for the entire amount of the Assessment Area Capital Improvement Costs of \$25,314,871, which would require approximately \$36,630,000 in par amount of bonds. As lots are platted in the Assessment area, the Master AM Report provides that the Assessments will be allocated to such platted lots anticipated to developed on the approximately 98.5 acres in the Assessment Area based on the equivalent residential unit methodology ("ERU") set forth in the table captioned "**Current Assessments on Platted Lots**" in the subsection below captioned "*Assessments on Platted Lots.*"

The Assessment Methodology Manager produced the Preliminary First Supplemental AM Report to provide a supplemental financing plan and supplemental assessment methodology regarding funding by the District of *a portion of* the Assessment Area Capital Improvement Costs in the amount of approximately \$20,000,000* with proceeds from the Series 2026 Bonds in the par amount of approximately \$25,655,000,* consisting of approximately \$20,000,000* in Assessment Area Capital Improvement Costs, plus funding a reserve fund, costs of issuance and capitalized interest. The Developer anticipates that it will fund the remaining approximately \$5,314,871 in Assessment Area Capital Improvement Costs with a combination of Developer equity and loans.

The Preliminary First Supplemental AM Report provides that, since the land in the Assessment Area has not received final development approval for its intended final use and the precise location of the various lot types by lot is unknown, *the Assessments associated with the Series 2026 Bonds (the "Series 2026 Bond Assessments") will be levied initially on all of the approximately 98.5 acres in the Assessment Area at a rate of \$260,431.41* per acre.*

As the land in the Assessment Area is platted, the Assessment Methodology Manager will allocate the Series 2026 Bond Assessments to each parcel as it is platted on a first platted first-assigned basis, based on the lot type shown in the table below captioned "**Current Assessments on Platted Lots.**" As land in the Assessment Area is platted, the Series 2026 Bond Assessments on the Pre-Platted Land in the Assessment Area will be reduced.

Pursuant to the Special Assessment Agreement, the Developer is required to pay, or cause to be paid, directly to the Trustee, for the account of the District, the Platted Lot Total Assessment Payment Amount prior to the sale by PCC Land of each Platted Lot to any Person that is not an Affiliate of the Developer. The Assessment Methodology Manager, pursuant to the District Administration Agreement, will calculate the amount of the Series 2026 Bond Assessments attributable to the transferred Platted Lot at the time of the sale, based on the maximum total number of ERUs assigned to such Platted Lot. Notwithstanding anything in the Preliminary First Supplemental AM Report to the contrary, after the sale of Platted Lot(s), in no event will the Series 2026 Bond Assessments on the remaining Pre-Platted Land in the Assessment Area be more than \$260,430.41* per acre.

The Preliminary First Supplemental AM Report notes that District's assessment program is predicated on the development of lots in a manner sufficient to include all of the planned ERUs as set forth in the Development Plan. At such time as land in the Assessment Area is platted (or re-platted) or site plans are

* Preliminary, subject to change.

approved (or re-approved), the Developer is required to present the plat or site plan (collectively, the “**Proposed Plat**”) to the District for a “true-up” review as described in the Preliminary First Supplemental AM Report. See the subsection below captioned “**True-Up Payments.**”

Assessments on Platted Lots. An Assessment amount is assigned to each Platted Lot in the District based on categories provided in the Assessment Proceedings and summarized in the table below. Notwithstanding in the Indenture to the contrary, the aggregate amount of Assessments due for each Bond Year shall not be less than the amount of Annual Debt Service due for such Bond Year. See **Appendix B – “FORMS OF ORIGINAL INDENTURE AND INITIAL SUPPLEMENTAL INDENTURES – Definitions from the Original Indenture”** attached hereto for the definition of “Annual Debt Service.”

The land in the Assessment Area has not received final development approval for its intended final use and currently all consists of Pre-Platted Land. As such, the Assessments will be levied initially on all of the approximately 98.5 acres in the Assessment Area at a rate of \$260,431.41* per acre. As the land in the Assessment Area is platted, the Assessment Methodology Manager will allocate the Assessments to each parcel as it is platted, based on the lot type shown in the table below captioned “**Current Assessments on Platted Lots.**” As land in the Assessment Area is platted, the Assessments on the Pre-Platted Land in the Assessment Area will be reduced.

The Indenture incorporates the Assessment for each of the Platted Lots within the Assessment Area for each Bond Year from the Assessment Methodology Reports, which are attached as an exhibits to the Indenture, based on the ERUs attributable to such Platted Lot as determined pursuant to the Assessment Methodology Reports, where the Annual Debt Service for such Bond Year is allocated among all ERUs for both Platted Lots and lots anticipated to be platted on Pre-Platted Land. The ERUs as contemplated by the Assessment Methodology Reports and the Development Plan are as follows, which total ERUs are subject to adjustment as Platted Lots are released from the lien of the Assessment pursuant to the Indenture as described in the subsection below captioned “**Release of Lien of Assessments; Mandatory Prepayment on Transfer,**” or as the Development Plan changes resulting in more or less ERUs as provided in the Indenture and described in the subsection below captioned “**True-Up Payments:**”

Current Assessments on Platted Lots

Lot Type	Number of Lots	Total Assessment Per Lot⁽¹⁾	Maximum ERU Weight Per Unit	Total ERU
Village	6	\$290,359	0.935	5.61
Estate	42	306,569	0.987	41.46
Golf Cottage	40	281,766	0.907	36.29
Typical	20	222,348	0.716	14.32
Golf Estate	14	449,598	1.448	20.27

⁽¹⁾ Reflects the Assessment per lot pursuant to the Master AM Report which assumes bonds are issued in the par amount of \$36,630,000 to fully fund the approximately \$25,314,871 of Assessment Area Capital Improvement Costs. The actual Assessment per lot will be adjusted pursuant to the Preliminary First Supplemental AM Report to reflect the par amount of the Series 2026 Bonds and will be further subject to adjustment as described above. See the table captioned “**Summary of Anticipated Residential Development – Assessment Area**” in the section herein captioned “**THE DEVELOPMENT – Assessment Area Development Summary Chart.**”

Assessments on Pre-Platted Land. The Assessment for Pre-Platted Land within the Assessment Area for each Bond Year is an amount equal to the “**Pre-Platted Land Annual Assessment Payment Amount,**” which is defined in the Indenture to mean the Assessment for Pre-Platted Land within the Assessment Area for each Bond Year in an amount equal to Annual Debt Service, less the amount of the Assessment attributable to

Platted Lots. See the section herein captioned **“INTRODUCTION – Security and Sources of Payment for the Series 2026 Bonds – Assessment Proceeds.”**

True-Up Payments. In the event that a Proposed Plat results in a greater or lesser amount of ERUs attributable to the remaining Pre-Platted Land within the Assessment Area compared to what was originally contemplated under the Development Plan, the District shall (or may, as applicable) take the following actions:

(1) if greater, then the District may, but shall not be required to, undertake a pro rata reduction of the Assessment for all assessed properties within the Assessment Area;

(2) if lesser, then the District shall require the Developer (or an Affiliate of the Developer) to pay a “True-Up Payment” equal to the difference between: (a) the Assessment that would be imposed on the land subject to the Proposed Plat if such land was platted as contemplated by the original Development Plan, and (2) the Assessment attributable to the land subject to the Proposed Plat, after the Proposed Plat (plus applicable interest, collection costs and penalties, if applicable). In the event that the Proposed Plat would result in the total aggregate Assessment attributable to the Pre-Platted Land to exceed \$371,840.42 per acre, the True-Up Payment in connection with such Proposed Plat shall be increased to the extent necessary to reduce such per acre amount equal to or less than \$371,840.42.

Release of Lien of Assessments; Mandatory Prepayment on Transfer

The Indenture provides that the Lien of an Assessment on a Platted Lot will be discharged and released:

(1) upon payment in full of the Platted Lot Total Assessment Payment Amount; and

(2) upon foreclosure and sale of such Platted Lot (regardless of whether the bid accepted at foreclosure is sufficient to pay the entire Assessment) as provided in Section 11-99A-21 of the Improvement District Act.

The Indenture provides that the Lien of an Assessment on Pre-Platted Land will be discharged and released:

(1) upon payment in full of the Pre-Platted Land Total Assessment Payment Amount; and

(2) upon foreclosure and sale of such Pre-Platted Land (regardless of whether the bid accepted at foreclosure is sufficient to pay the entire Assessment) as provided in Section 11-99A-21 of the Improvement District Act.

Pursuant to the Indenture, prior to the sale or transfer of any Platted Lot or Pre-Platted Land to any Person other than an Affiliate of the Developer, the Platted Lot Total Assessment Payment Amount or Pre-Platted Land Total Assessment Payment Amount attributable to such Platted Lot or Pre-Platted Land, as applicable, must first be paid in full to the Trustee for the account of the District. With respect to the sale of any Platted Lot to an entity that is not an Affiliate of the Developer, the Assessment Methodology Manager, pursuant to the District Administration Agreement, will calculate the amount of the Platted Lot Total Assessment Payment Amount(s) and/or the Pre-Platted Land Total Assessment Payment Amount attributable to the transferred Platted Lot or parcel of Pre-Platted Land, as applicable, at the time of the sale, based on the maximum total number of ERUs assigned to such Platted Lot or acres of Pre-Platted Land.

The Assessment Methodology Manager’s calculation of the Platted Lot Total Assessment Payment Amount or Pre-Platted Land Total Assessment Payment Amount attributable to each Platted Lot or parcel of Pre-Platted Land, as applicable, sold to an entity that is not an Affiliate of the Developer, is calculated as follows:

Platted Lot Total Assessment Payment Amount. For any Platted Lot, on the date of sale, the sum of the following:

- (1) the amount of the Platted Lot Annual Assessment Payment Amount then due on such Platted Lot; and
- (2) the amount of the Assessment based on the ERUs attributable to such Platted Lot, where the remaining principal outstanding on the Series 2026 Bonds is allocated among all ERUs for both Platted Lots and lots anticipated to be platted on Pre-Platted Land; and
- (3) the amount of interest plus premium (if any) to accrue on a principal amount of the Series 2026 Bonds equal to the amount of such Assessment (rounded down to the highest Authorized Denomination) at the highest per annum interest rate then in effect for the Series 2026 Bonds for the period beginning on the Stated Interest Payment Date next preceding the date of sale of the Platted Lot and ending on (but not including) the next succeeding Stated Interest Payment Date.

Pre-Platted Land Total Assessment Payment Amount. For any parcel of Pre-Platted Land, on the date of sale, the sum of the following:

- (1) the amount of the Pre-Platted Land Annual Assessment Payment Amount then due on such Pre-Platted Land; and
- (2) the amount of the Assessment attributable to such Pre-Platted Land based on the per-acre amount calculated by allocating the outstanding principal amount of the Series 2026 Bonds, less the portion thereof attributable to Platted Lots, to all remaining Pre-Platted Land; and
- (3) the amount of interest plus premium (if any) to accrue on a principal amount of the Series 2026 Bonds equal to the amount of such Assessment (rounded down to the highest Authorized Denomination) at the highest per annum interest rate then in effect for the Series 2026 Bonds for the period beginning on the Stated Interest Payment Date next preceding the date of sale of the Pre-Platted Land and ending on (but not including) the next succeeding Stated Interest Payment Date.

The Developer is obligated under the Special Assessment Agreement to transfer, or cause to be transferred, such Platted Lot Total Assessment Payment Amount or Pre-Platted Land Total Assessment Payment Amount from a portion of the proceeds of such sale directly to the Trustee pursuant to the Collection and Transfer Agreement for application as provided in the Indenture as described in the sections herein captioned “**THE SERIES 2026 BONDS – Revenue Fund**” and “**– Redemption of Tax-Exempt Series 2026-A Bonds – Special Mandatory Redemption**” and “**– Redemption of Taxable Series 2026-B Bonds – Special Mandatory Redemption.**”

Payment of Assessments on Platted Lots and Pre-Platted Land

General. The Assessments will remain in effect on the Pre-Platted Land and the Platted Lots until PCC Land, or another Affiliate of the Developer, sells Platted Lots or Pre-Platted Land to any Person that is not an Affiliate of the Developer. Simultaneously with the sale of each Platted Lot and/or a parcel of Pre-Platted Land, a portion of the purchase price paid by each purchaser for a Pre-Platted Lot or a parcel of Pre-Platted Land, equal to the total amount of the Assessments attributable to the applicable Platted Lot or each parcel of Pre-Platted Land (referred to in the Indenture and herein as the “**Platted Lot Total Assessment Payment Amount**” and the “**Pre-Platted Land Total Assessment Payment Amount,**” respectively) will be paid directly to the Trustee for the account of the District, at which time the Lien of the Assessment with respect to the applicable Platted Lot or parcel of Pre-Platted Land will be released.

The moneys received by the Trustee will be applied to the special mandatory redemption of the Series 2026 Bonds pursuant to the terms of the Indenture. See “**THE SERIES 2026 BONDS – Redemption of**

Tax-Exempt Series 2026-A Bonds – *Special Mandatory Redemption*” and “ – **Redemption of Taxable Series 2026-B Bonds – *Special Mandatory Redemption***” herein.

Developer Annual Assessment Payments. As long as PCC Land or another Affiliate of the Developer owns a Platted Lot or Pre-Platted Land, the Developer is required under the Indenture and the Special Assessment Agreement to pay in each Bond Year directly to the Trustee on or before April 15: (1) the Platted Lot Annual Assessment Payment Amount on each Platted Lot; and (2) the Pre-Platted Land Annual Assessment Payment Amount on the Pre-Platted Land.

Notwithstanding the foregoing, payment by the Developer of the Platted Lot Annual Assessment Payment Amount and/or the Pre-Platted Land Annual Assessment Payment Amount will not be delinquent, and no Event of Default under the Indenture or the Indenture or the Special Assessment Agreement will occur, if payment of the Platted Lot Annual Assessment Payment Amount and/or the Pre-Platted Land Annual Assessment Payment Amount for such Bond Year is received by the Trustee in such amounts and at such times in an amount sufficient, together with the available amounts in the respective accounts for the Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds in the Bond Fund, to pay in full the principal of and interest on the Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds, respectively, becoming due and payable on each Stated Interest Payment Date and the Stated Principal Payment Date in such Bond Year.

The amount of a Platted Lot Annual Assessment Payment Amount and Pre-Platted Land Annual Assessment Payment Amount which is not paid in full when due on June 1 in each Bond Year will bear interest at the rate of 7.00% per annum from such date until paid in full.

Table of Platted Lot Annual Assessment Payment Amounts

The table below shows the Platted Lot Annual Assessment Payment Amounts the Developer would be required to pay each year in order to pay in full Annual Debt Service on the Series 2026 Bonds, assuming the Series 2026 Bonds bear interest at the maximum annual rate.

Platted Lot Annual Assessment Payment Amounts*

Product Type	Total Units	ERU Weight Per Unit	Series 2026 Bonds Annual Debt Service Payment¹	Series 2026 Bonds Annual Debt Service Assessment Payment Per Unit
Golf Estate A	14	1.448	\$917,593.51	\$ 65,542.39
Estate	42	0.987	625,459.11	14,891.88
Typical A	20	0.716	453,727.18	22,686.36
Village A	6	0.935	592,506.86	98,751.14
Golf Cottage	40	0.907	574,763.34	14,369.08
Total	122	4.993	\$3,164,050.00	

* Preliminary, subject to change.

¹ Assumes that the Series 2026 Bonds bear interest at the maximum annual rate.

Indenture Covenants Regarding Assessments

Maximum Assessments on Platted Lots and Pre-Platted Land. The District covenants in the Indenture that it will provide for the collection and payment of the amounts due and payable in respect of the Assessments for the Assessment Area in each Bond Year at the maximum amount provided in the Indenture as described in the subsection above captioned “**Determination of Assessments on Platted Lots and Pre-Platted Land – Assessments on Platted Lots,**” “**– Assessments on Pre-Platted Land,**” “**– True-Up Payments,**” and “**Payment of Assessments on Platted Lots and Pre-Platted Land.**”

No Amendment of Assessment Proceedings. The District covenants in the Indenture that it will not amend, or consent to the amendment of, the Assessment Proceedings, including without limitation any amendment which would, or would have the effect of, (1) reducing the amount or rate, or extending the due date, or changing the form and manner of payment, of any Assessment; or (2) changing the Assessment Methodology defined and set forth in the Assessment Proceedings in such manner as to reduce the amounts due to be paid as Assessments by application of the Assessment Methodology below the amount required by the Indenture.

No Amendment of Terms of Payment of Assessments. The District covenants in the Indenture that it will not amend, suspend, or terminate any of the terms of payment of the Assessments if any such action would adversely affect the due and punctual payment of the Debt Service on the Series 2026 Bonds.

Illegality or Invalidity of Assessments. The District covenants in the Indenture that if any court of competent jurisdiction determines that all or any portion of the Assessments are illegal, invalid, or otherwise unenforceable, for any reason, and such determination is not appealed (or, if appealed, it is affirmed on appeal), the District will take all steps legally available to it in order to cause the Assessments to be legal, valid, and enforceable or, if that is impossible, then the District will petition the County to levy new special assessments within the Assessment Area, upon validation thereof pursuant to Article 7 of Chapter 81 of Title 11 of the Code of Alabama 1975 (or any successor provision of law) by lot size and amount as set forth in the table above captioned “**Current Assessments on Platted Lots**” and in the subsection above captioned “***Assessments on Pre-Platted Land,***” and such new special assessments shall be part of the Trust Estate and subject to the Lien created by, and all of the provisions of, the Indenture, to the same extent as the Assessments.

No Levy of Additional Assessments in Assessment Area. The District covenants in the Indenture that it will not petition the County to levy any additional assessments on property within the Assessment Area.

Collection and Enforcement of Payment of Assessments. The District covenants in the Indenture that it will collect or cause to be collected pursuant to the District Administration Agreement, and enforce the payment of Assessments, in the manner prescribed in the Indenture and the Improvement District Act, and all resolutions, ordinances or laws related to the Assessments at the times and in the amounts as provided therein.

Direct Payment of Assessments to Trustee. The District covenants in the Indenture that it will, pursuant to the Improvement District Act, cause the payment of all Assessments to be made directly to the Trustee as provided in the Indenture for application thereof as provided in the Indenture and will promptly transfer, or cause to be transferred, to the Trustee pursuant to the Collection and Transfer Agreement, the amount of any Assessment received by the District.

ENFORCEMENT OF PAYMENT OF ASSESSMENTS BY TRUSTEE; FORECLOSURE PROCEEDINGS

Attachment of the Lien of Assessments on Platted Lots and Pre-Platted Land

The District agrees in the Indenture that the Pre-Platted Land is subject to an Assessment (the “**Pre-Platted Land Assessment Lien**”)¹ in the amount determined therefor pursuant to the Assessment Proceedings and the Indenture, as described in the section below captioned “**Determination of Assessments on Platted Lots and Pre-Platted Land,**” and such Pre-Platted Land is subject to foreclosure and sale, as provided in the Improvement District Act, the Assessment Proceedings, the Special Assessment Agreement, and the Indenture.

¹ The “**Pre-Platted Land Assessment Lien**” is defined in the Special Assessment Agreement to mean the lien made on the Pre-Platted Land by the assessment thereof by the County pursuant to the authority of the Improvement District Act (as provided in Section 11-99A-31) and the Assessment Proceedings in the amount of the Pre-Platted Land Annual Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount (as determined pursuant to the Indenture and the Special Assessment Agreement).

The District agrees in the Indenture that when and as any land included within the Pre-Platted Land becomes a Platted Lot, such land shall simultaneously therewith, without notice to, or action by, any person, (1) become subject to an Assessment in the amount determined therefor pursuant to the Assessment Proceedings and the Indenture, as described in the section above captioned **“LEVY AND PAYMENT OF ASSESSMENTS ON PRE-PLATTED LAND AND PLATTED LOTS – Determination of Assessments on Platted Lots and Pre-Platted Land,”** and such Platted Lot is subject to foreclosure and sale, as provided in the Foreclosure Act and the Improvement District Act, the Assessment Proceedings, and the Indenture, and (2) be released from the Pre-Platted Land Assessment Lien pursuant to the Special Assessment Agreement.

The Improvement District Act provides that each Assessment constitutes a Lien against the real property upon which the Assessment is imposed that has a priority over all liens other than liens for ad valorem taxes.

Developer Failure to Pay Assessments; Enforcement of Payment of Assessments by Trustee

Failure by the Developer (or an Affiliate of the Developer) as the owner of a Platted Lot or Pre-Platted Land to pay the Assessment thereon (or any portion thereof) when and as due and payable, will trigger an **“Event of Default”**¹ under the Indenture and the Special Assessment Agreement, at which time such Platted Lot or Pre-Platted Land is subject to foreclosure and sale as provided in the Improvement District Act, the Indenture and the Special Assessment Agreement.

Pursuant to the Indenture, the District appoints the Trustee, or any other Person designated by the Trustee, to exercise and perform (at the District’s expense) all duties, obligations and requirement of the District under the Improvement District Act with respect to the foreclosure and sale of any Platted Lot or Pre-Platted Land for which the Developer (or and Affiliate of the Developer) has failed to pay the Assessment when due.

Subject to certain rights retained by the District under the Indenture, upon an Event of Default by the Developer to pay all or any portion of an Assessment when due and payable, the District directs the Trustee in the Indenture to proceed to foreclose and sell such Platted Lot or Pre-Platted Land for an amount not less than the Platted Lot Total Assessment Payment Amount or the Pre-Platted Land Total Assessment Payment Amount, as applicable. This provision of the Indenture may not be modified or waived so as to permit the sale of a Platted Lot or Pre-Platted Land at foreclosure for an amount less than the Platted Lot Total Assessment Payment Amount or the Pre-Platted Land Total Assessment Payment Amount, respectively, without the prior consent of the Owners of all of the Series 2026 Bonds.

The Indenture further requires that the Trustee, prior to taking any action with respect to foreclosure proceedings pursuant to the Indenture, advise the District and any financial institution making a commercial loan to the Developer and taking as security therefor a mortgage or interest in any real property within the Assessment Area (the **“Developer’s Lender”**) in writing of the Platted Lot(s) or Pre-Platted Land with respect to which foreclosure proceedings will be commenced.

Anything in the Indenture to the contrary notwithstanding, the District reserves and retains (1) the right (but not the obligation), which is similarly extended to the Developer’s Lender, to pay to the Trustee the Assessments then due, whereupon the Trustee shall not commence foreclosure proceedings; and (2) the sole and

¹ An **“Event of Default”** is triggered under the Special Assessment Agreement and the Indenture upon failure of the Developer (or an Affiliate of the Developer) to pay all, or any portion, of the following amounts when and as due and payable: (1) the Pre-Platted Land Annual Assessment Payment Amount; (2) the Pre-Platted Land Total Assessment Payment Amount prior to the sale of Pre-Platted Land to a Person that is not an Affiliate of the Developer; (3) the Platted Lot Annual Assessment Payment Amount; and (4) with respect to Platted Lots sold by the Developer to a Person that is not an Affiliate of the Developer, the Platted Lot Total Assessment Payment Amount prior to the sale of any Platted Lot to a Person that not an Affiliate of the Developer.

exclusive right to exercise all rights of the District provided in the Improvement District Act with respect to the foreclosure and sale of any Platted Lot or Pre-Platted Land pursuant to the Indenture.

The District authorizes and directs the Trustee in the Indenture to: (1) pay the fees and expenses for any foreclosure of a Platted Lot or Pre-Platted Land pursuant to the Indenture from the Foreclosure Expense Reserve Fund, and (2) to the extent funds in the Foreclosure Expense Reserve Fund are insufficient for such purpose, to obtain the balance of such funds from the proceeds of such foreclosure.

The Trustee is required to apply all Platted Lot Foreclosure Proceeds and Pre-Platted Land Foreclosure Proceeds as provided in the Indenture as described in the section herein captioned **“THE SERIES 2026 BONDS – Establishment and Use of Indenture Funds and Accounts – Deposit of Revenues of the District in Certain Indenture Funds.”**

State Law Provisions Regarding Foreclosure Proceedings

Overview. If the Developer triggers an Event of Default under the Indenture and Special Assessment Agreement by failing to pay any Assessments by the time required in the Indenture and the Special Assessment Agreement, completion of foreclosure on the land subject to such Assessments and collection of the foreclosure proceeds is essential to the timely payment of principal of and interest on the Series 2026 Bonds when due. The Improvement District Act specifies the process that the Trustee is required to complete to collect delinquent Assessments if the Developer fails to timely pay any Assessment when due and payable, subject to certain provisions in the Indenture and the Special Assessment Agreement.

In compliance with the notice requirements of the Improvement District Act and Article 1A of Chapter 10 of Title 35 of the Code of Alabama 1975 (the **“Foreclosure Act”**), as further described below, the Trustee, acting as the attorney-in-fact for the District, could complete a foreclosure of property in the Assessment Area within approximately two months from the date the Trustee determines the Assessment is delinquent and the Trustee sends notice of such delinquency to the Developer pursuant to the Special Assessment Agreement.

Improvement District Act – General Foreclosure Requirements. In order to commence foreclosure proceedings under the Improvement District Act, notice of a land sale must be given in the county where the land is located by publication once a week for three successive weeks in a newspaper published in the county or counties in which the land is located (which also satisfies the notice requirement of the Foreclosure Act as described in the subsection below captioned **“Foreclosure Act – Manner and Notice”**).

The Trustee, as attorney-in-fact for the District, is required to send a letter, by certified mail, return receipt requested, United States first class mail to the last known address of the owner (*i.e.*, the Developer or an Affiliate of the Developer) of the land on which the Platted Lot Annual Assessment Payment Amount or the Pre-Platted Land Annual Assessment Payment Amount is delinquent. The Improvement District Act requires that the letter specify that if payment is not made within 10 days of the date of the letter, foreclosure proceedings may be commenced. Any late payment received within the 10-day period will accrue a late payment fee of the greater of five percent (5%) or fifty dollars (\$50).

If payment is not made within the 10-day period, the entire outstanding Assessment on the applicable Platted Lot(s) or the Pre-Platted Land for which Assessments have not been timely paid will become immediately due and payable. The Trustee may then do either of the following: (1) file a complaint in the Circuit Court for the County requesting that the property be foreclosed upon and, 30 days following service of process, unless the entire Assessment due and payable on the applicable Platted Lot(s) or the Pre-Platted Land is paid within such 30-day period, the Circuit Court shall enter a decree declaring that the property shall be sold to the highest bidder, or (2) proceed to sell the applicable Platted Lot(s) or Pre-Platted Land against which the Assessment is delinquent, to the highest bidder for cash.

Upon declaring the highest bidder and receipt of the purchase price, the Improvement District Act requires that the District or the Trustee, as the District’s agent conducting the sale, deliver a foreclosure deed to

the highest bidder. Even if the highest amount bid and accepted is insufficient to pay the entire Assessment, the District and Owners of the Series 2026 Bonds shall have no further claim against the owner of the land subject to the Assessment.

The Improvement District Act provides that the prior owner of the property shall have no right of redemption unless otherwise provided in the District's proceedings (such as the Indenture) with respect to the Assessment. The Indenture provides that the Developer or an Affiliate of the Developer as the owner of a Platted Lot or Pre-Platted Land shall have the right of redemption, upon any foreclosure and sale thereof, set forth in Article 14A of Chapter 5 of Title 6 of the Code of Alabama 1975 (the "**Redemption Law**"). See the section below captioned "**Indenture and Special Assessment Agreement Foreclosure Provisions.**" The Redemption Law generally permits redemption within one year from the date of the foreclosure sale. A property owner that exercises its redemption rights must pay the purchaser at the foreclosure sale an amount sufficient to reimburse the purchaser for its purchase price plus other amounts specified in the Redemption Law. *Neither the property owner exercising redemption rights nor the purchaser at the foreclosure sale may recover any money the Trustee receives from the foreclosure sale.*

Pursuant to Improvement District Act, the proceeds from the foreclosure sale shall first be applied to the amount of the Assessment and all accrued interest thereon, plus penalties, plus the attorneys' fees and other expenses incurred by the District in the foreclosure and suit. The Indenture and the Special Assessment Agreement further govern the application of the proceeds of foreclosure on Platted Lots and the Pre-Platted Land. See "**LEVY AND PAYMENT OF ASSESSMENTS ON PRE-PLATTED LAND AND PLATTED LOTS**" herein.

If the District concludes that no bidders are present or that all bids are insufficient, the District may announce that the sale shall be continued to a later date to be announced by public notice.

Foreclosure Act – Manner and Notice. The Improvement District Act provides that, upon foreclosure of any property within the Assessment Area in connection with delinquent Assessments, the property shall be sold in the same manner and upon the same notice as provided by law for the sale of lands or property by foreclosure, by power of sale for real estate mortgages, which is provided for in the Foreclosure Act, even though the Lien of the Assessments on the property in the Assessment Area does not arise from a mortgage. The Foreclosure Act provides that, where a power to sell land is given in any mortgage, the power is part of the security and may be executed by any person, or the personal representative of any person who, by assignment or otherwise, becomes entitled to the money secured by the mortgage. A conveyance of the land sold under such power of sale to the purchaser at the sale vests the legal title of the land in the purchaser at the sale.

Pursuant to the Foreclosure Act, notice of a land sale must be given in the county where the land is located by publication once a week for three successive weeks in a newspaper published in the county or counties in which the land is located. If the land subject to the mortgage is located in more than one county, the publication is required to be made in all counties where the land is located. The notice of sale must give the time, place and terms of the sale, together with a description of the property. If no newspaper is published in the county where the land is located, the notice is required to be placed in a newspaper published in an adjoining county for three successive weeks.

Foreclosure sales under the Foreclosure Act must be exercised at the appropriate courthouse of the county where the mortgaged land or a substantial and material part thereof, is located between the hours of 11 A.M. and 4 P.M. on the day designated for the sale of the land.

Indenture and Special Assessment Agreement Foreclosure Provisions

Pursuant to the Indenture, the District appoints the Trustee, or any other Person designated by the Trustee, to exercise and perform (at the District's expense) all duties, obligations and requirements of the District under the Improvement District Act with respect to the foreclosure and sale of any Platted Lot or Pre-Platted Land for which the Developer has failed to pay the Assessment when due, and to proceed to foreclose and sell

such Platted Lot or Pre-Platted Land, for an amount not less than the Platted Lot Total Assessment Payment Amount or the Pre-Platted Land Total Assessment Payment Amount, as applicable. For additional discussion of the Indenture provisions regarding foreclosure, see the subsection above captioned **“Developer Failure to Pay Assessments; Enforcement of Payment of Assessments by Trustee.”**

The Special Assessment Agreement includes the provisions for providing notice to the Developer of an Event of Default and the pendency of foreclosure proceedings and describes the foreclosure proceedings that the Trustee, or its designee, will pursue to enforce the lien of the unpaid Assessment.

Notice of Event of Default and Amounts Due; Pendency of Foreclosure Proceedings

The District, the Developer and the Trustee agree in the Special Assessment Agreement that, upon the occurrence of an Event of Default thereunder, the Trustee will proceed on behalf of the District as specified in the Special Assessment Agreement and described in this section. Upon an Event of Default under the Special Assessment Agreement, the Trustee is required to deliver written notice to the District, the Developer’s Lender and the Developer (or a Related Developer Person,)¹ within ten (10) days of the date of occurrence of such default, stating:

(1) that an Event of Default has occurred under the Special Assessment Agreement, which triggers and Event of Default under the Indenture) by reason of the failure of the Developer to pay all of the Platted Lot Annual Assessment Payment Amount, the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Total Assessment Payment Amount, and/or the Pre-Platted Land Total Assessment Payment Amount by June 1; and

(2) the amounts then due and payable, as applicable, as the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Annual Assessment Payment Amount, the Pre-Platted Land Total Assessment Payment Amount, and/or the Platted Lot Total Assessment Payment Amount; and

(3) that if payment of the Platted Lot Annual Assessment Payment Amount, the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Total Assessment Payment Amount, and/or the Pre-Platted Land Total Assessment Payment Amount, as applicable, is not made in full by or on behalf of the Developer or an Affiliate of the Developer to the Trustee, including by the Developer’s Lender, pursuant the directions for payment provided by the Trustee, in U.S. Currency immediately available on or before the **“Default Cure Payment Date”**² stated in such notice, then the Platted Lot Annual Assessment Payment Amount, the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Total Assessment Payment Amount, and/or the Pre-Platted Land Total Assessment Payment Amount, as applicable, will become immediately due and payable, without further notice to, or action by, any Person, and the Trustee may commence foreclosure proceedings against all or any portion of the Platted Lot(s) and/or all or any portion of the Pre-Platted Land owned by the Developer or an Affiliate of the Developer pursuant to the Improvement District Act and the Foreclosure Act;

(4) that if payment is made to the Trustee, by or on behalf of the Developer or an Affiliate of the Developer, including the Developer’s Lender, by the Default Cure Payment Date and in the form and manner as provided in such notice, of the Platted Lot Annual Assessment Payment Amount, the

¹ A **“Related Developer Person”** as defined in the Special Assessment Agreement is referred to in this section and elsewhere in this Limited Offering Memorandum as an **“Affiliate”** of the Developer.

² **“Default Cure Payment Date”** is defined in the Special Assessment Agreement to mean a Business Day not more than ten (10) Business Days subsequent to the date presumed by the Trustee to be the date of receipt by the Developer of the notice delivered to the Developer by the Trustee pursuant to the Special Assessment Agreement as described in the section above captioned **“Notice of Event of Default; Pendency of Foreclosure Proceedings.”**

Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Total Assessment Payment Amount, and/or the Pre-Platted Land Total Assessment Payment Amount, the Trustee shall forbear from foreclosure of the applicable Platted Lot(s) and/or Pre-Platted Land as a result of such Event of Default; and

(5) such other information as the Trustee shall determine to be desirable or necessary or required by (a) applicable provisions of all constitutions, statutes, rules, regulations, orders, judgments and decrees of the United States of America, the State of Alabama and any political subdivision thereof, other than the District; and (b) all laws and rules of law which provide legal or equitable rights and remedies for creditors (“**Applicable Law**”) as advised by Counsel.

Right to Make Payments After an Event of Default

The District, the Developer, and the Trustee agree in the Special Assessment Agreement that, upon the occurrence of an Event of Default, the Trustee is authorized to, and shall, accept from the Developer, an Affiliate of the Developer, or the Developer’s Lender, on or before the Default Payment Cure Date: payment in the amount, form and manner specified by the Trustee therefor of the Platted Lot Annual Assessment Payment Amount, the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Total Assessment Payment Amount and/or the Pre-Platted Land Total Assessment Payment Amount, as applicable, then due. The Trustee agrees to apply all amounts received as described in this section pursuant to the terms of the Special Assessment Agreement as described in the subsection below captioned “**Effect of Timely Payment of Assessments After an Event of Default; Forbearance from Foreclosure.**”

Effect of Timely Payment of Assessments After an Event of Default; Forbearance from Foreclosure

The Trustee shall, upon receipt by or on behalf of the Developer (or an Affiliate of the Developer), including the Developer’s Lender, of the Platted Lot Annual Assessment Payment Amount, Pre-Platted Land Annual Assessment Payment Amount, Platted Lot Total Assessment Payment Amount and/or Pre-Platted Land Total Assessment Payment Amount, as applicable, by the Default Cure Payment Date, and in the amount, form, and manner, as specified by the Trustee therefor:

(1) transfer the amount of Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount to the Revenue Fund for application as provided in the Indenture and described in the section herein captioned “**THE SERIES 2026 BONDS – Establishment and Use of Indenture Funds and Accounts – Revenue Fund;**” and

(2) transfer the amount of Platted Lot Total Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount to the Extraordinary Redemption Fund for application as provided in the Indenture and described in the section herein captioned “**THE SERIES 2026 BONDS – Redemption of Tax-Exempt Series 2026-A Bonds – Special Mandatory Redemption**” and “**– Redemption of Taxable Series 2026-B Bonds – Special Mandatory Redemption;**” and

(3) deliver written notice to the Developer, the Developer’s Lender and the District that the Trustee will forbear from foreclosure proceedings with respect to the Platted Lot Annual Assessment Payment Amount, Pre-Platted Land Annual Assessment Payment Amount, Platted Lot Total Assessment Payment Amount and/or Pre-Platted Land Total Assessment Payment Amount as a result of such Event of Default unless and until the occurrence of a subsequent event causes such land to become subject to foreclosure proceedings.

Remedies Upon Event of Default; Foreclosure Proceedings

In the event the Trustee does not receive payment by or on behalf of the Developer (or an Affiliate of the Developer) or the Developer’s Lender, of the Platted Lot Annual Assessment Payment Amount, Pre-Platted

Land Annual Assessment Payment Amount, Platted Lot Total Assessment Payment Amount and/or Pre-Platted Land Total Assessment Payment Amount by the Default Cure Payment Date, and in the amount, form, and manner, as specified by the Trustee therefor, the entire Platted Lot Annual Assessment Payment Amount, Pre-Platted Land Annual Assessment Payment Amount, Platted Lot Total Assessment Payment Amount and/or Pre-Platted Land Total Assessment Payment Amount, as applicable, will become immediately due and payable without notice to the District, the Developer's Lender, the Developer, or any Affiliate of the Developer, and without further action by the District, the Trustee or any other Person, whereupon the Trustee shall: (1) proceed to foreclose the Assessment Lien on the Platted Lot(s) by sale of the Platted Lot(s) at foreclosure, for the full value of the Platted Lot(s), pursuant to the Improvement District Act and the Foreclosure Act; and/or (2) proceed to foreclose the Pre-Platted Land Assessment Lien on the Pre-Platted Land by sale of the Pre-Platted Land at foreclosure, for the full value of the Pre-Platted Land, pursuant to the Improvement District Act and the Foreclosure Act.

Rights of Redemption of Developer

The Developer, the District and the Trustee specifically agree in the Special Assessment Agreement, (anything in the Series 2026 Bonds, the Original Indenture, the Initial Supplemental Indentures, the District Administration Agreement or the Collection and Transfer Agreement (all such agreements, collectively with the Special Assessment Agreement, the **"Financing Documents"**)) to the contrary notwithstanding, that the Developer, as the obligor for payment with respect to Pre-Platted Land and Platted Lots owned by the Developer (or an Affiliate of the Developer), of the Platted Lot Annual Assessment Payment Amount, the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Total Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount, when and as due and payable under the Indenture and the Special Assessment Agreement, has and may exercise the right of redemption, as forth in Redemption Law, upon the foreclosure and sale of all or any portion of the Pre-Platted Land or all or any portion of the Platted Lot(s) owned by the Developer or an Affiliate of the Developer)

The Trust Estate includes the Platted Lot Foreclosure Proceeds and the Pre-Platted Land Foreclosure Proceeds. For a description of such amounts and additional foreclosure-related concepts set forth in the Indenture and the Special Assessment Agreement, see **"ENFORCEMENT OF PAYMENT OF ASSESSMENTS BY TRUSTEE; FORECLOSURE PROCEEDINGS"** herein.

*There can be no assurance that any sale, particularly a bulk sale, of land subject to a delinquent Assessment will produce proceeds sufficient to pay the full amount of such Assessment plus other delinquent ad valorem property taxes and assessments applicable thereto. Any such deficiency could result in the inability of the District to repay, in full, the principal of and interest on the Series 2026 Bonds. Pursuant to the Indenture, the Platted Lot Annual Assessment Payment and the Pre-Platted Lot Annual Assessment Payment amounts will not be delinquent if payment of the Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment amount for such Bond Year is received by the Trustee in such amounts and at such times as, in an amount sufficient, together with the available amounts in the respective accounts for the Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds in the Bond Fund, to pay in full the principal of and interest on the Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds, respectively, becoming due and payable on each Stated Interest Payment Date and the Stated Principal Payment Date in such Bond Year. These time lags and the time required to implement the procedures for foreclosure of delinquent Assessments, which is approximately two months from the date of delinquency, could result in a significant delay in collections of any Assessments through foreclosure. See **"BONDOWNERS' RISKS"** herein.*

PLAN OF FINANCE

Purpose and Application of Series 2026 Bond Proceeds

The Tax-Exempt Series 2026-A Bonds are being issued for purpose of providing funds to (1) finance a portion of the costs of construction of the Series 2026 Capital Improvements; (2) fund the Series 2026-A Account

of the Reserve Fund in the amount of \$1,354,000;* (3) fund the Series 2026-A Capitalized Interest Account of the Bond Fund in the amount of \$806,758* to pay capitalized interest on the Tax-Exempt Series 2026-A Bonds; and (4) pay the costs of issuing the Tax-Exempt Series 2026-A Bonds.

The Taxable Series 2026-B Bonds are being issued for the purpose of providing funds to (1) finance a portion of the costs of construction of the Series 2026 Capital Improvements; (2) fund the Series 2026-B Account of the Reserve Fund in the amount of \$1,211,500;* (3) fund the Series 2026-B Capitalized Interest Account of the Bond Fund in the amount of \$999,487* to pay capitalized interest on the Taxable Series 2026-B Bonds; and (4) pay the costs of issuing the Taxable Series 2026-B Bonds.

Funding Phase 1 Capital Improvements

Series 2026-A Capital Improvement Account of the Bond Proceeds Fund. A portion of the proceeds of the Tax-Exempt Series 2026-A Bonds in the amount of \$10,700,000* will be deposited into the Series 2026-A Capital Improvements Account of the Bond Proceeds Fund and applied to pay a portion of the costs of construction of certain public improvements within the Assessment Area within the boundaries of the District, including water, wastewater, and electrical infrastructure improvements and such other improvements permitted by the Improvement District Act (the “**Series 2026-A Capital Improvements**”).

Series 2026-B Capital Improvement Account of the Bond Proceeds Fund. A portion of the proceeds of the Taxable Series 2026-B Bonds in the amount of \$9,300,000* will be deposited into the Series 2026-B Capital Improvements Account of the Bond Proceeds Fund and applied to pay a portion of the costs of construction of certain public improvements within the Assessment Area within the boundaries of the District, including water, wastewater, and electrical infrastructure improvements and such other public improvements permitted by the Improvement District Act (the “**Series 2026-B Capital Improvements**”).

Approximately \$20,006,175¹ of the Phase 1 Capital Improvements are necessary to serve the 122 lots planned for the Assessment Area, consisting of \$10,704,878 of which are anticipated to be public improvements (referred to herein as the “**Phase 1 Public Improvements**”) and \$9,301,297 of which are anticipated to be private improvements (referred to herein as the “**Phase 1 Private Improvements**”). The completion of the Phase 1 Public Improvements and the Phase 1 Private Improvements are a prerequisite for all future platting and the commencement of vertical construction of the homes in the Assessment Area Development. See “**THE DEVELOPMENT – Phase 1 Capital Improvements – Funding of the Phase 1 Public Improvements**” herein and the subsection below captioned “**Summary Chart – Sources and Uses of Funds for the Phase 1 Development.**”

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* Preliminary, subject to change.

¹ This estimated cost of the Phase 1 Public Improvements and the Phase 1 Private Improvements has been updated from the estimated cost of such improvements set forth in the Engineer’s Report to reflect subsequent adjustments by the Developer to the budgeted costs.

Sources and Uses of Series 2026 Bond Proceeds

Following is a summary of the anticipated sources and uses of funds from the proceeds of the Series 2026 Bonds:

	Tax-Exempt Series 2026-A Bonds	Taxable Series 2026-B Bonds	Total
<u>Sources:</u>			
Bond proceeds	\$ _____	\$ _____	\$ _____
Original Issue Premium/(Original Issue Discount)			
Total	\$ _____	\$ _____	\$ _____
<u>Uses:</u>			
Series 2026-A Capital Improvements Account	\$ _____		\$ _____
Series 2026-B Capital Improvements Account		\$ _____	
Series 2026-A Capitalized Interest Account			
Series 2026-B Capitalized Interest Account			
Series 2026-A Account of the Reserve Fund ¹			
Series 2026-B Account of the Reserve Fund ²			
Series 2026-A Costs of Issuance Account ³			
Series 2026-B Costs of Issuance Account ⁴			
Total	\$ _____	\$ _____	\$ _____

¹ The amount of \$1,354,000* is the Series 2026-A Reserve Fund Account Requirement for the Tax-Exempt Series 2026-A Bonds.

² The amount of \$1,211,500* is the Series 2026-B Reserve Fund Account Requirement for the Taxable Series 2026-B Bonds.

³ Includes without limitation Underwriter's discount, fees and expenses of Bond Counsel, counsel to the District, counsel to the Developer, and counsel to the Underwriter with respect to the Tax-Exempt Series 2026-A Bonds.

⁴ Includes without limitation Underwriter's discount, fees and expenses of Bond Counsel, counsel to the District, counsel to the Developer and counsel to the Underwriter with respect to the Taxable Series 2026-B Bonds.

* Preliminary, subject to change.

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Summary Chart – Sources and Uses of Funds for the Phase 1 Development

A summary of the sources and uses of funds in connection with funding the Phase 1 Development as of May 1, 2026 (whether previously funded or anticipated to be funded in the future) are shown in the table below. *The sources and uses of funds in the table below related to Phase 1 Development were provided by the Developer and have not been independently verified.*

Phase 1 Development Sources and Uses

SOURCES*			
Net Proceeds of the Tax-Exempt Series 2026-A Bonds		\$	10,700,000*
Net Proceeds of the Taxable Series 2026-B Bonds			9,300,000*
McLean Family Land Contribution ⁽¹⁾			17,000,000
Expended Developer Cash Equity ⁽²⁾			30,122,401
Developer Debt (SmartBank Loan) ⁽³⁾			<u>66,684,150</u>
Total Sources		\$	<u>133,806,551</u>
USES			
Category	Actual Uses	Estimated Future Uses	Total
Land Acquisition	\$ 41,224,068	\$ -0-	\$ 41,224,068
Phase 1 Capital Improvements			
Phase 1 Public Improvements	610,210	10,094,668	10,704,878
Phase 1 Private Improvements	1,133,246	8,168,051	9,301,297
Golf Course Property Improvements	<u>12,997,838</u>	<u>59,578,470</u>	<u>72,576,308</u>
Total Phase 1 Capital Improvements	<u>\$ 14,741,294</u>	<u>\$ 77,841,189</u>	<u>\$ 92,582,483</u>
Total Phase 1 Uses	<u>\$55,965,362⁽⁴⁾</u>	<u>\$77,841,189</u>	<u>\$ 133,806,551</u>
Percent of Total Phase 1 Capital Improvements Uses	42%	58%	100%

* Preliminary, subject to change.

(1) Reflects the value attributed to the McLean Family's portion of the District Property contributed to PCC Land.

(2) The Developer reports that it has expended this entire amount on the Phase 1 Development and that PCC Investments is now making draws on the SmartBank Loan to fund Phase 1 Capital Improvements.

(3) According to PCC Investments, as of May 1, 2026, it has drawn \$8,842,961 on the SmartBank Loan, leaving \$57,841,189 remaining and available for draw.

(4) The \$55,965,362 expended on land acquisition and Phase I Capital Improvements of May 1, 2026 consists of Developer equity in the amount of \$30,122,401, \$8,842,961 drawn on the SmartBank Loan, and the \$17,000,000 land contribution from the McLean Family.

Source: The Developer.

THE SERIES 2026 BONDS

The following is a summary of certain provisions of the Original Indenture and the Initial Supplemental Indentures as they relate to the Series 2026 Bonds. Such summary does not purport to be comprehensive or definitive. All references herein to the Original Indenture and the Initial Supplemental Indentures are qualified in their entirety by reference to the definitive forms of such document, forms of which is attached hereto as Appendix B. For the meaning of any capitalized terms in this section not otherwise defined in this section, see Appendix B – "FORMS OF ORIGINAL INDENTURE AND INITIAL SUPPLEMENTAL INDENTURES" attached hereto.

Authorization of Series 2026 Bonds; Authorized Denominations

The District is authorized under the Indenture to issue the Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds, secured by the Indenture, on the terms set forth in the Series 2026-A Initial Supplemental Indenture and the Series 2026-B Initial Supplemental Indenture, respectively, (1) with respect to the Tax-Exempt Series 2026-A Bonds, in the aggregate principal amount of \$13,540,000* designated “Assessment Revenue Bonds, Series 2026-A,” and (2) with respect to the Taxable Series 2026-B Bonds, in the aggregate principal amount of \$12,115,000* designated “Assessment Revenue Bonds, Series 2026-B.”

The Series 2026 Bonds shall be issued and delivered in certificated form as set forth in the Initial Supplemental Indentures (with such changes thereto as required by Applicable Law) on June 25, 2026* (the “**Date of Initial Delivery**”) as a single bond for each stated maturity in each series of Series 2026 Bonds in Authorized Denominations.¹

The Taxable Series 2026-B Bonds and beneficial interests therein may only be purchased by and transferred to Qualified Institutional Buyers purchasing or otherwise acquiring an interest in the Taxable Series 2026-B Bonds for their own account in Authorized Denominations.

Operation of Indenture for Series 2026 Bonds Held in Book-Entry System

General. The District and the Trustee will administer and construe the provisions of the Indenture to effect full compliance with the procedures and rules of the Securities Depository with respect to all Series 2026 Bonds held pursuant to a Book-Entry System, including without limitation: (1) payment and redemption (in whole or in part) of Series 2026 Bonds; (2) transfers of beneficial interests in Series 2026 Bonds; (3) delivery of notices pursuant to the Indenture; and (4) grant of consent or waiver with respect to any action or inaction.

Special Agreements. As a condition of, and as a consideration for, the issuance of the Series 2026 Bonds, each Owner and Beneficial Owner agrees, by acquisition of a Series 2026 Bond or a beneficial interest therein, the District and the Trustee have not undertaken, directly or indirectly, to provide, and therefore shall have no liability, obligation, or responsibility to any Person (including without limitation Beneficial Owners, Direct Participants, and Indirect Participants) for (i) the accuracy of any records maintained by the Securities Depository or any Direct Participant or Indirect Participant, or (ii) the payment by the Securities Depository or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the Debt Service for any of the Series 2026 Bonds, or (iii) the delivery, or timeliness of delivery by the Securities Depository or any Direct Participant or Indirect Participant of any notice due to any Beneficial Owner which is required or permitted under the Indenture to be given to such Beneficial Owner, or (iv) any act (including without limitation any consent to, or waiver of, any action or inaction) of whatever nature or type by the Securities Depository or Securities Depository Nominee, as Owner. See **Appendix F – “BOOK-ENTRY ONLY SYSTEM”** attached hereto.

Determination of Ownership of Bonds. The District, the Trustee and any agent of the District or the Trustee shall treat the Person in whose name any Series 2026 Bond is registered as the owner of such Series 2026

* Preliminary, subject to change.

¹ “**Authorized Denominations**” is defined in the Initial Supplemental Indentures to mean (1) with respect to the Tax-Exempt Series 2026-A Bonds, the amount of \$5,000 and any integral multiple thereof for each maturity, and (2) with respect to the Taxable Series 2026-B Bonds, the amount of \$100,000 and any integral multiple of \$1.00 in excess thereof, provided that: (a) no individual Series 2026 Bond may be in an amount which exceeds the principal amount coming due on any maturity date; and (b) in the event a (i) Tax-Exempt Series 2026-A Bond is partially redeemed and the unredeemed portion is less than \$5,000, such unredeemed portion of such Tax-Exempt Series 2026-A Bond may be issued in the largest possible denomination of less than \$5,000; and (ii) a Taxable Series 2026-B Bond is partially redeemed and the unredeemed portion is less than \$100,000, such unredeemed portion of such Taxable Series 2026-B Bond may be issued in the largest possible denomination of less than \$100,000, in an integral multiple of \$1.00.

Bond for the purpose of receiving payment of Debt Service on such Series 2026 Bond and for all other purposes whatsoever whether or not such Series 2026 Bond is overdue, and, to the extent permitted by Applicable Law, neither the District, the Trustee nor any such agent shall be affected by notice to the contrary.

During a period in which the Series 2026 Bonds are held pursuant to a Book-Entry System, the District and the Trustee shall treat the Securities Depository or the Securities Depository Nominee as the only Owner of the Series 2026 Bonds for all purposes of the Indenture; provided, in the event the Securities Depository or the Securities Depository Nominee assigns its rights to consent or vote under the Indenture to any Direct Participant or Indirect Participant, the District, the Trustee and the Developer shall treat such assignee or assignees as the only Owner or Owners of Series 2026 Bonds for the purpose of exercising such rights so assigned.

Payment of Principal and Interest on Series 2026 Bonds

Payment of Principal and Interest. The principal of the Series 2026 Bonds will mature on the first day of June in each year, provided if any such date is not a Business Day, then the next succeeding Business Day (the “**Stated Principal Payment Date**”), and will accrue interest at the per annum rates of interest, as set forth in the Indenture and as shown on the inside cover page hereof, subject to prior optional, mandatory redemption and extraordinary mandatory redemption. The interest on the Series 2026 Bonds shall become due and payable semiannually on the first day of June and December each year, provided if any such date is not a Business Day, then the next succeeding Business Day (the “**Stated Interest Payment Date**”) in each year.

Accrual of Interest on Series 2026 Bonds. With respect to any Series 2026 Bond on any date of determination, the principal amount of such Series 2026 Bond on such date subject to the accrual of interest pursuant to the Indenture and payable by the District in accordance with the terms of such Series 2026 Bonds and the Indenture (the “**Outstanding Principal Amount**”) of each Series 2026 Bond shall accrue interest at the per annum rate of interest thereof calculated on the basis of a 360-day year of 12 consecutive 30-day months for the period beginning on (and including) the date of delivery of and payment for such Series 2026 Bond and continuing thereafter until (but not including) the date on which the principal of such Series 2026 Bond is paid in full and retired; provided that, anything in the Indenture or in the Series 2026 Bonds to the contrary notwithstanding, interest on the principal amount (or portion thereof called for redemption) of any Series 2026 Bond will cease to accrue from and after the date on which: (1) a trust fund shall have been established for such Series 2026 Bond pursuant to the Indenture; (2) such Series 2026 Bond shall have been replaced pursuant to the Indenture; (3) such Series 2026 Bond shall have been delivered to the Trustee for cancellation pursuant to the Indenture; or (4) the principal (or a stated portion thereof) of such Series 2026 Bond shall have become due and payable by optional redemption if, and to the extent, that on such date the Trustee holds, in an independent and irrevocable account or fund established by the District pursuant to the Indenture for the benefit of any Series 2026 Bond or any portion of the principal amount thereof (a “**Defeasance Fund**”), Qualified Liquid Assets in an aggregate amount sufficient to pay in full the principal (or portion thereof called for redemption) of, and interest on, such Series 2026 Bond becoming due and payable on such date.

Provision for Payment of Series 2026 Bonds

The Trustee shall pay the Debt Service on the Series 2026 Bonds in U.S. Currency immediately available, as follows:

(1) the Trustee will pay to the Owners in whose names the Series 2026 Bonds are registered in the Bond Register: (i) at the close of business on the Record Date, the interest on the Series 2026 Bonds due on each Stated Interest Payment Date, and (ii) the principal of the Series 2026 Bonds due (by maturity or mandatory redemption) on each Stated Principal Payment Date only upon presentation and surrender thereof at the Principal Office of the Trustee, and (iii) the Debt Service on the Series 2026 Bonds due on each date established for optional redemption or extraordinary mandatory redemption of any Series 2026 Bond only upon presentation and surrender thereof at the Principal Office of the Trustee; and

(2) the Trustee will, upon the written request of the Owner of any Series 2026 Bond in a principal amount of not less than \$5,000,000, make payment of Debt Service on such Series 2026 Bond when due by wire transfer to an account of such Owner maintained at a bank in the continental United States or by any other method providing for payment in same-day funds that is acceptable to the Trustee, if such written request contains adequate instructions for the method of payment and final payment of principal is made upon such surrender of the Series 2026 Bond or Series 2026 Bonds.

If any payment on the Series 2026 Bonds is due on a day which is not a Business Day, such payment shall be made, in the same amount, on the first succeeding day which is a Business Day, with the same effect as if made on the date on which such payment was due.

All payments to the Owners of principal of, premium, if any, and interest on the Series 2026 Bonds on behalf of the District or the Trustee shall be valid and effectual to discharge, satisfy and terminate the liability of the District and the Trustee to the extent of the amounts so paid.

If an Owner fails to present or surrender the Series 2026 Bond or Series 2026 Bonds on any date established for payment of principal thereof, the Trustee shall transfer amounts held in the applicable account of the Bond Fund, or in a Defeasance Fund, as applicable, sufficient for the payment of principal of, premium (if any) and interest on such Series 2026 Bond or Series 2026 Bonds to a separate trust fund created by the Trustee for such purpose and hold such amounts in trust for the sole benefit of the Persons entitled thereto, which amounts shall not be invested and shall not constitute part of the Trust Estate. Any amounts held in trust by the Trustee pursuant to the Indenture, as described in this paragraph, which are unclaimed for three (3) years after the date on which payment thereof was due to have been made shall, subject to Applicable Law, be paid to the District upon written request of an Authorized District Representative and the Owner of any such Series 2026 Bond or Series 2026 Bonds to be paid from such amounts shall thereafter, as an unsecured general creditor, have recourse only to the District for payment thereof, and all liability of the Trustee with respect to such trust money shall cease; provided, however, the Trustee may, prior to payment of such amounts to the District and at the written direction and expense of the District, publish notice once, by financial newspaper of national circulation or by Electronic Means as the Trustee determines is appropriate, that such amounts remain unclaimed and that, after a date specified in such notice (which shall be not less than 30 days after publication of such notice), such amounts will be paid to the District.

Special Provisions for Optional Redemption of Series 2026 Bonds

The District shall effect the optional redemption of the Series 2026 Bonds at the Redemption Price thereof on each applicable Business Day established therefor pursuant to the terms thereof and the provisions of the Indenture and each of the Supplemental Indentures.

The District may provide for the optional redemption, in whole or in part, of one or more series of such Series 2026 Bonds without the redemption, in whole or in part, of any other series of Series 2026 Bonds.

The District may redeem less than all of the Series 2026 Bonds of any series upon written notice thereof to the Trustee, by such date in advance of the proposed redemption date as shall enable the Trustee in its sole discretion to comply with the Indenture with respect thereto, which notice shall designate the order, and the aggregate principal amount, by stated maturity and in Authorized Denominations, of the Series 2026 Bonds of such series to be redeemed. The Trustee or the Securities Depository, as applicable, will determine the principal amount of a Series 2026 Bond or Series 2026 Bonds to be redeemed within a maturity.

The District may, anything in the Indenture to the contrary notwithstanding, provide for the conditional optional redemption of any Series 2026 Bond (or portion or portions thereof) contingent upon specified conditions, such as deposit or receipt of funds necessary for such redemption or the occurrence of specified events, provided, if the conditions for such optional redemption are not satisfied prior to the proposed date established for redemption, such Series 2026 Bonds shall not be subject to redemption on such date and the District shall not be required to redeem such Series 2026 Bonds (or portions thereof) subject to such conditional

redemption. The District shall return any Series 2026 Bonds surrendered upon such call for conditional optional redemption to the Owners thereof. The failure of the District to redeem any Series 2026 Bond called for conditional optional redemption as provided in the Indenture shall not constitute an Event of Default under the Indenture.

The Trustee shall give notice of optional redemption of any Series 2026 Bonds in form and manner as set forth in the Indenture and described in the subsection below captioned “**Notice of Redemption**” not less than 30 days prior to the proposed date established for such redemption.

The District will establish, pursuant to separate agreement with the Trustee, a Defeasance Fund for all Bonds called, in whole or in part, for optional redemption. The District agrees to pay the Redemption Price of each Series 2026 Bond (or principal amount thereof) called for optional redemption on or before the Business Day immediately preceding the Business Day established for such redemption solely from the Defeasance Fund established therefor in the manner and as provided in the Indenture for the payment of the Series 2026 Bonds.

Special Provisions for Mandatory Redemption of Series 2026 Bonds

The District shall effect the mandatory redemption of any Series 2026 Bonds at the Redemption Price thereof on each applicable Stated Principal Payment Date pursuant to the terms thereof and the provisions of the Indenture as described in this section and each of the Initial Supplemental Indentures. In the event that any provisions of the Indenture as described in this section and the corresponding provision of each of the Initial Supplemental Indentures conflicts, the provisions of the applicable Initial Supplemental Indenture shall control.

The Trustee shall give notice of such mandatory redemption in form and manner as set forth in the Indenture and described in the subsection below captioned “**Notice of Redemption**” not less than 30 days prior to the proposed date established for such redemption.

The Trustee or the Securities Depository, as appropriate, will determine, on the basis of the smallest Authorized Denomination: (1) by random selection the particular Series 2026 Bonds of each series to be redeemed by mandatory redemption; and (2) the principal amount of a Series 2026 Bond to be redeemed within a maturity.

The District agrees to pay the Redemption Price thereof on each Series 2026 Bond (or principal amount thereof) on the Stated Principal Payment Date on which such Series 2026 Bond shall have been called for mandatory redemption solely from the Bond Fund in the manner and as provided in the Indenture for the payment of the Series 2026 Bonds

Provisions for Special Mandatory Redemption and Extraordinary Redemption of Series 2026 Bonds

The Series 2026 Bonds of each series are subject to special mandatory redemption and extraordinary mandatory redemption by the Trustee at the applicable Redemption Price therefor on each of the following redemption dates:

(1) Special Mandatory Redemption. The Series 2026 Bonds are subject to special mandatory redemption prior to maturity in whole or in part in multiples of an Authorized Denomination in order of mandatory redemption dates and within each mandatory redemption date, on each Stated Interest Payment Date if, and to the extent, funds in the Extraordinary Redemption Fund are available therefor on the date on which the Trustee must give the required notice of such redemption as described below in the paragraph below following paragraph (3), provided, however, that no Tax-Exempt Series 2026-A Bonds shall be mandatorily redeemed pursuant to the Indenture as described in this paragraph (1) unless and until all of the Taxable Series 2026-B Bonds shall have been redeemed.

(2) Extraordinary Mandatory Redemption From Remaining Bond Proceeds. The Series 2026 Bonds are subject to extraordinary mandatory redemption in whole or in part in multiples

of an Authorized Denomination in order of mandatory redemption dates and, within each mandatory redemption date, in order of stated maturity on each Stated Interest Payment Date from amounts remaining in the Bond Proceeds Fund in each of the Initial Supplemental Indentures if and to the extent funds in the Extraordinary Redemption Fund are available therefor on the date on which the Trustee must give the required notice of such redemption as described below in the paragraph below following paragraph (3), provided, however, that no Tax-Exempt Series 2026-A Bonds shall be mandatorily redeemed pursuant to the Indenture as described in this paragraph (2) unless and until all of the Taxable Series 2026-B Bonds shall have been redeemed.

(3) Extraordinary Mandatory Redemption From Proceeds in the Reserve Fund and Other Indenture Funds. The Series 2026 Bonds are subject to extraordinary mandatory redemption in whole, and not in part, on any Business Day if the Trustee determines the aggregate amount on deposit in the Reserve Fund and in the other Indenture Funds, on the date on which the Trustee must give the required notice of such redemption as described below in the paragraph below following this paragraph (3), is available therefor and is sufficient to pay in full the Redemption Price thereof.

The Trustee shall give notice of special mandatory redemption and extraordinary mandatory redemption of any Series 2026 Bonds in form and manner as set forth in the Original Indenture as described in the section below captioned “**Notice of Redemption**” not less than 30 days prior to the proposed date established for such redemption.

Unless otherwise provided in the Initial Supplemental Indenture, the Trustee or the Securities Depository, as appropriate, will determine, on the basis of the smallest Authorized Denomination:

(1) The aggregate principal amount of the Series 2026 Bonds of each series to be redeemed by special mandatory redemption and extraordinary mandatory redemption are to be redeemed on a proportionate basis, without preference or priority, according to the aggregate principal amount of the Series 2026 Bonds of each series and the aggregate amount on deposit in the Extraordinary Redemption Fund (rounded down to the highest Authorized Denomination) on the date on which the Trustee must give the required notice of redemption pursuant to the Original Indenture as described in the paragraph following paragraph (3) above; and

(2) by random selection the particular Series 2026 Bonds of each series to be redeemed by extraordinary mandatory redemption; and

(3) the principal amount of a Series 2026 Bond to be redeemed within a maturity.

The District authorizes and directs the Trustee to pay the Redemption Price of all Series 2026 Bonds called for special mandatory redemption and extraordinary mandatory redemption, in whole or in part, on each date set forth in the Indenture as described in paragraphs (1), (2) and (3) above solely from the Extraordinary Redemption Fund in the manner and as provided in the Indenture and in each Initial Supplemental Indenture for the payment of the Series 2026 Bonds.

Redemption of Tax-Exempt Series 2026-A Bonds

No Optional Redemption. The Tax-Exempt Series 2026-A Bonds are not subject to optional redemption prior to maturity.

Mandatory Redemption. The Tax-Exempt Series 2026-A Bonds having a stated maturity on the Stated Principal Payment Date in 20__ (the “**Tax-Exempt Series 2026-A Term Bonds**”) are subject to scheduled mandatory redemption, without consent of or direction by the District, by lot, on such Stated Principal Payment Date in each of the years and in the aggregate principal amounts set forth below (subject to a credit for the principal amount of the Tax-Exempt Series 2026-A 20__ Term Bonds then cancelled or redeemed and not previously claimed as a credit), at a redemption price for each Tax-Exempt Series 2026-A 20__ Term Bond to

be redeemed equal to the principal amount thereof, plus accrued interest thereon to the redemption date, without premium or penalty:

<u>Year</u>	<u>Principal Amount to be Mandatorily Redeemed</u>

The amount of \$_____ of the principal of the Tax-Exempt Series 2026-A 20__ Term Bonds will be paid, subject to prior extraordinary or optional redemption, at maturity on the Stated Principal Payment Date in 20__.

The District authorizes and directs the Trustee to effect the mandatory redemption of the Tax-Exempt Series 2026-A Term Bonds in the stated principal amounts and years set forth in the Series 2026-A Initial Supplemental Indenture without regard to any prior special mandatory redemption or extraordinary mandatory redemption of the Tax-Exempt Series 2026-A Term Bonds.

Special Mandatory Redemption. The Tax-Exempt Series 2026-A Bonds are subject to special mandatory redemption prior to maturity in whole or in part on each Stated Interest Payment Date, in multiples of an Authorized Denomination, commencing December 1, 2027, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, in an amount equal to (1) Assessment Proceeds consisting of the Platted Lot Annual Assessment Payment Amount(s) and/or the Pre-Platted Land Annual Assessment Payment Amount(s), if any, deposited in the Series 2026-A Account of the Extraordinary Redemption Fund pursuant to step Fifth in the Original Indenture as described in the subsection herein captioned “**Application of Amounts in the Revenue Fund**” that are not needed to pay amounts required to be paid in steps First through Fourth in the Original Indenture as described in the section herein captioned “**Application of Amounts in the Revenue Fund**” on such Stated Interest Payment Date; and (2) Assessment Proceeds consisting of the Platted Lot Total Assessment Payment Amount(s) and/or the Pre-Platted Land Total Assessment Payment Amount(s), if any, transferred to the Trustee and deposited in the Series 2026-A Account of the Extraordinary Redemption Fund; provided, however, that no Tax-Exempt Series 2026-A Bonds shall be mandatorily redeemed unless and until all of the Taxable Series 2026-B Bonds shall have been redeemed. Such Assessment Proceeds shall be applied to the special mandatory redemption of the Tax-Exempt Series 2026-A Bonds in order of stated maturity.

Extraordinary Mandatory Redemption From Remaining Proceeds in the Series 2026-A Capital Improvements Account of the Bond Proceeds Fund. The Tax-Exempt Series 2026-A Bonds are subject to extraordinary mandatory redemption in part at any time (1) on or before June 1, 2029, if the Trustee receives the certificate from the District required by the Series 2026-A Initial Supplemental Indenture prior to June 1, 2029 and (2) anytime after June 1, 2029 at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, from amounts transferred to the Series 2026-A Account of the Extraordinary Redemption Fund from the Series 2026-A Capital Improvements Account of the Bond Proceeds Fund in accordance with the Original Indenture as described in the section herein captioned “**Extraordinary Redemption Fund;**” provided, however, that no Tax-Exempt Series 2026-A Bonds shall be mandatorily redeemed unless and until all of the Taxable Series 2026-B Bonds shall have been redeemed. Such moneys shall be applied to the extraordinary mandatory redemption of Tax-Exempt Series 2026-A Bonds in inverse order of maturity.

Extraordinary Mandatory Redemption from Moneys on Deposit in the Series 2026-A Account of the Reserve Fund and Series 2026-A Accounts in Other Indenture Funds. On the first Stated Interest Payment Date on which all of the Outstanding Tax-Exempt Series 2026-A Bonds can be paid in full with the sum of (1) moneys on deposit in the Series 2026-A Account of the Reserve Fund and (b) Assessment Proceeds available in the Series 2026-A Accounts in any other Indenture Funds on such Stated Interest Payment Date for the payment of the principal of and interest on the Tax-Exempt Series 2026-A Bonds (whether by maturity, special mandatory redemption, optional redemption, defeasance or purchase), the Tax-Exempt Series 2026-A Bonds

shall be subject to extraordinary mandatory redemption, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, from amounts on deposit and amounts transferred to the Series 2026-A Account of the Extraordinary Redemption Fund from (1) the Series 2026-A Account of the Reserve Fund pursuant to the Original Indenture as described in the section herein captioned **“Reserve Fund,”** (2) the Series 2026-A Account in the Bond Fund pursuant to the Original Indenture as described in the section herein captioned **“Bond Fund,”** and (3) the Series 2026-A Account in any other Indenture Funds pursuant to the provisions of the Original Indenture, less the amount of scheduled principal of and interest due and payable on the Series 2026-A Bonds on such Stated Interest Payment Date

Redemption of Taxable Series 2026-B Bonds

No Optional Redemption – Taxable Series 2026-B Bonds. The Taxable Series 2026-B Bonds are not subject to optional redemption prior to maturity.

Mandatory Redemption. The Taxable Series 2026-B Bonds having a stated maturity on the Stated Principal Payment Date in 20__ (the **“Taxable Series 2026-B Term Bonds”**) are subject to scheduled mandatory redemption, without consent of or direction by the District, by lot, on such Stated Principal Payment Date in each of the years and in the aggregate principal amounts set forth below (subject to a credit for the principal amount of the Taxable Series 2026-B 20__ Term Bonds then cancelled or redeemed and not previously claimed as a credit), at a redemption price for each Taxable Series 2026-B 20__ Term Bond to be redeemed equal to the principal amount thereof, plus accrued interest thereon to the redemption date, without premium or penalty:

<u>Year</u>	<u>Principal Amount to be Mandatorily Redeemed</u>

The amount of \$ _____ of the principal of the Taxable Series 2026-B 20__ Term Bonds will be paid, subject to prior special or extraordinary redemption, at maturity on the Stated Principal Payment Date in 20__.

The District authorizes and directs the Trustee to effect the mandatory redemption of the Taxable Series 2026-B Term Bonds in the stated principal amounts and years set forth in the Series 2026-B Initial Supplemental Indenture without regard to any prior special mandatory redemption or extraordinary mandatory redemption of the Taxable Series 2026-B Term Bonds.

Special Mandatory Redemption. The Taxable Series 2026-B Bonds are subject to special mandatory redemption prior to maturity in whole or in part on each Stated Interest Payment Date in multiples of an Authorized Denomination, commencing December 1, 2027, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, in an amount equal to (1) Assessment Proceeds consisting of the Platted Lot Annual Assessment Payment Amount(s) and/or the Pre-Platted Land Annual Assessment Payment Amount(s), if any, deposited in the Series 2026-B Account of the Extraordinary Redemption Fund pursuant to step Fifth in the Original Indenture as described in the section herein captioned **“Application of Amounts in the Revenue Fund”** that are not needed to pay amounts required to be paid in steps First through Fourth in the Original Indenture as described in the section herein captioned **“Application of Amounts in the Revenue Fund”** on such Stated Interest Payment Date; and (2) Assessment Proceeds consisting of the Platted Lot Total Assessment Payment Amount(s) and/or the Pre-Platted Land Total Assessment Payment Amount(s), if any, transferred to the Trustee and deposited in the Series 2026-B Account of the Extraordinary Redemption Fund. Such Assessment Proceeds shall be applied to the special mandatory redemption of the Taxable Series 2026-B Bonds in order of stated maturity. All Taxable Series 2026-B Bonds shall be mandatorily redeemed prior to the mandatory redemption of any Tax-Exempt Series 2026-A Bonds.

Extraordinary Mandatory Redemption From Remaining Proceeds in the Series 2026-B Capital Improvements Account of the Bond Proceeds Fund. The Taxable Series 2026-B Bonds are subject to extraordinary mandatory redemption in part at any time (1) on or before June 1, 2029, if the Trustee receives the certificate from the District required by the Series 2026-B Initial Supplemental Indenture prior to June 1, 2029 and (2) anytime after June 1, 2029 at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, from amounts transferred to the Series 2026-B Account of the Extraordinary Redemption Fund from the Series 2026-B Capital Improvements Account of the Bond Proceeds Fund in accordance with the Original Indenture as described in the section herein captioned “**Extraordinary Redemption Fund.**” Such moneys shall be applied to the extraordinary mandatory redemption of Taxable Series 2026-B Bonds in inverse order of maturity. All Taxable Series 2026-B Bonds shall be mandatorily redeemed prior to the mandatory redemption of any Tax-Exempt Series 2026-A Bonds.

Extraordinary Mandatory Redemption from Moneys on Deposit in the Series 2026-B Account of the Reserve Fund and Series 2026-B Accounts in Other Indenture Funds. On the first Stated Interest Payment Date on which all of the Outstanding Taxable Series 2026-B Bonds can be paid in full with the sum of (1) moneys on deposit in the Series 2026-B Account of the Reserve Fund and (b) Assessment Proceeds available in the Series 2026-B Accounts in any other Indenture Funds on such Stated Interest Payment Date for the payment of the principal of and interest on the Taxable Series 2026-B Bonds (whether by maturity, special mandatory redemption, optional redemption, defeasance or purchase), the Taxable Series 2026-B Bonds shall be subject to extraordinary mandatory redemption, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, from amounts on deposit in and amounts transferred to the Series 2026-B Account of the Extraordinary Redemption Fund from (1) the Series 2026-B Account of the Reserve Fund pursuant to the Original Indenture as described in the section herein captioned “**Reserve Fund,**” (2) the Series 2026-B Account in the Bond Fund pursuant to the Original Indenture as described in the section herein captioned “**Bond Fund,**” (3) the Series 2026-B Account in any other Indenture Funds pursuant to the provisions of the Original Indenture, less the amount of scheduled principal of and interest due and payable on the Taxable Series 2026-B Bonds on such Stated Interest Payment Date.

Notice of Redemption

The District authorizes and directs the Trustee to give notice of redemption, in the name and at the expense of the District, to the Owner of each Series 2026 Bond to be redeemed (in whole or in part), subject to waiver by any Owner of notice of redemption of the Series 2026 Bonds thereof, by United States registered or certified mail or, if the Securities Depository is the Owner, at the times and in the manner as provided in the rules and procedures of the Securities Depository, at the address of such Owner in the Bond Register, by the date in advance of the proposed date of redemption as specified in the section of the Indenture which provides for such redemption.

All notices of redemption shall state: (i) the principal amount of the Series 2026 Bonds to be redeemed in whole or in part; (ii) the Business Day, or Stated Interest Payment Date, established for such redemption; (iii) the applicable Redemption Price; (iv) whether such redemption is mandatory or extraordinary; (v) that the Redemption Price of each of the Series 2026 Bonds (or principal portion thereof) to be redeemed will become due and payable on the stated redemption date and that interest thereon shall cease to accrue from and after said date; (vi) to the extent required for Series 2026 Bonds in certificated form, the place or places where the Series 2026 Bonds to be redeemed are to be surrendered for payment of such Redemption Price; (vii) if applicable, the terms upon which optional redemption is contingent upon specified conditions; and (viii) such additional terms or provisions which the Trustee may determine to be necessary or desirable or required by Applicable Law or the internal procedures of the Trustee.

Establishment and Use of Indenture Funds and Accounts

Establishment Indenture Funds and Accounts. The Indenture establishes certain funds and accounts to be held by the Trustee (“**Indenture Funds**”) consisting of (1) the Revenue Fund, (2) the Bond Fund, (3) the Reserve Fund, (4) the Extraordinary Redemption Fund, and (5) the Foreclosure Expense Reserve Fund.

Deposit of Revenues of the District in Certain Indenture Funds. The District authorizes and directs the Trustee in the Indenture to:

- (1) deposit the Platted Lot Annual Assessment Payment Amount(s) and the Pre-Platted Land Annual Assessment Payment Amount(s), when and as received, in the Revenue Fund;
- (2) deposit any Platted Lot Total Assessment Payment Amount and Pre-Platted Land Total Assessment Payment Amount, when and as received, in the Extraordinary Redemption Fund;
- (3) deposit and transfer all Platted Lot Foreclosure Proceeds, when and as received, as follows:
 - (a) deposit in each Account of the Extraordinary Redemption Fund an amount equal to the lesser of the Platted Land Foreclosure Proceeds and the Platted Lot Total Assessment Payment Amount; and
 - (b) transfer the amount, if any, by which the Platted Lot Foreclosure Proceeds exceeds the Platted Lot Total Assessment Payment Amount to the Developer or to whomsoever may be entitled thereto by Applicable Law as specified to the Trustee by an Opinion of Counsel delivered in writing to the Trustee;
- (4) deposit and transfer all Pre-Platted Land Foreclosure Proceeds, when and as received, as follows:
 - (a) deposit in each Account of the Extraordinary Redemption Fund an amount equal to the lesser of the Pre-Platted Land Foreclosure Proceeds and the Pre-Platted Land Total Assessment Payment Amount; and
 - (b) transfer the amount, if any, by which the Pre-Platted Land Foreclosure Proceeds exceeds the Pre-Platted Land Total Assessment Payment Amount to the Developer or to whomsoever may be entitled thereto by Applicable Law as specified to the Trustee by an Opinion of Counsel delivered in writing to the Trustee.

Revenue Fund

The District authorizes and directs the Trustee in the Indenture to deposit in the Revenue Fund, when and as received:

- (1) all amounts required to be deposited in the Revenue Fund pursuant to the Indenture, including Platted Lot Annual Assessment Payment Amount(s) and/or the Pre-Platted Land Annual Assessment Payment Amount(s), when and as received; and
- (2) all amounts delivered to the Trustee by any Person with written instructions to deposit such amounts in the Revenue Fund.

The Indenture provides that the amounts in the Revenue Fund shall not be invested.

Application of Amounts in the Revenue Fund

The District authorizes and directs the Trustee to apply all amounts in the Revenue Fund (*i.e.*, the Platted Lot Annual Assessment Payment Amount(s) and/or the Pre-Platted Land Annual Assessment Payment Amount(s)) in the following order and amounts when and as received:

First: Transfer to the Trustee amounts due thereto for fees, charges, advances, and expenses under the Indenture, upon appropriate invoice therefor; provided, that the amount invoiced for regular fees, charges, advances and expenses, exclusive of extraordinary expenses upon default or otherwise incurred in the exercise of remedies under the Indenture, shall not exceed \$30,000 in each Bond Year.

Second: Transfer to each of the Accounts in the Bond Fund the amount (if any) by which the **“Bond Fund Account Requirement”** for such Account exceeds the amount then on deposit in such Account.

Third: Transfer to each Account in the Reserve Fund the amount (if any) by which the **“Reserve Fund Account Requirement”** for such Account exceeds the amount then on deposit in such Account.

Fourth: Transfer \$5,000 to each Account of the Foreclosure Expense Reserve Fund.

Fifth: Transfer to each Account of the Extraordinary Redemption Fund, pro-rata and without preference, the amount (if any) remaining in the Revenue Fund after the transfers therefrom as described in First through Fourth above shall have been made in full; provided, however, pursuant to the Initial Supplemental Indentures, all Series 2026-B Bonds shall be mandatorily redeemed prior to the mandatory redemption of any Series 2026-A Bonds. See the subsections above captioned **“Redemption of Tax-Exempt Series 2206-A Bonds – Special Mandatory Redemption”** and **“Redemption of Taxable Series 2026-B Bonds – Special Mandatory Redemption.”**

The Indenture defines **“Bond Fund Account Requirement”** to mean, on any date of determination, for each Account of the Bond Fund, an amount equal to the Debt Service on the series of Bonds for which such Account was established becoming due and payable during the 12-month period which next succeeds such date of determination.

The Indenture defines **“Reserve Fund Account Requirement”** to mean on any date of determination for each Account of the Reserve Fund (i) for any Tax-Exempt Bond, the amount equal to the greatest amount at the time permitted by the Federal Tax Code to be on deposit in the Reserve Fund; and (ii) for any Taxable Bond, the amount specified therefor in the Supplemental Indenture which shall have created such Taxable Bond.

If, on any Stated Interest Payment Date, the amounts in the Revenue Fund are insufficient to pay the Trustee the fees and expenses thereof, then the unpaid amount thereof shall become due and payable on the next succeeding Stated Interest Payment Date without interest.

Bond Fund

The District authorizes and directs the Trustee to establish in the Bond Fund a separate Account for each series of Bonds simultaneously with the issuance of such Bonds. The amounts in each Account of the Bond Fund shall be allocated to, and applied only to pay the Debt Service on, the series of Bonds for which such Account was established.

The Accounts for the Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds in the Bond Fund established by the Trustee are referred to in this section and elsewhere in this Limited Offering Memorandum, respectively, as the **“Series 2026-A Account of the Bond Fund”** and the **“Series 2026-B Account of the Bond Fund.”**

The District authorizes and directs the Trustee in the Indenture to credit to, or deposit in, each Account of the Bond Fund, including the Series 2026-A Account of the Bond Fund and the Series 2026-B Account of the Bond Fund, when and as received:

(1) pro-rata in proportion to the amounts available, without preference or priority of any Account or series of Bonds over another, all amounts required to be transferred to or deposited in the Bond Fund from (a) the Revenue Fund, (b) the Reserve Fund, (c) the Foreclosure Expense Reserve Fund, (d) the Extraordinary Redemption Fund, only on April 1 in each Bond Year, in an amount sufficient to pay the principal maturing or subject to scheduled mandatory redemption on the next succeeding June 1; (e) any fund or account created in a Supplemental Indenture, or (f) as provided in the Indenture;

(2) the proceeds of any Qualified Credit Facility in the Account for the series of Bonds for which such Qualified Credit Facility was issued; and

(3) all amounts delivered to the Trustee by any Person with written directions to deposit such amounts in the Account or Accounts of the Bond Fund specified in such written directions.

The Indenture provides that the amounts in the Bond Fund shall be invested as provided therein.

The aggregate amount of Qualified Liquid Assets and Authorized Investments at any time on deposit in, or credited to, the Bond Fund shall not exceed the Bond Fund Account Requirement. The Trustee shall, on each date of deposit of any amount in an Account of the Bond Fund, determine the value of the Qualified Liquid Assets and Authorized Investments in such Account, and transfer the amount therein, if any, by which the value on such date of the Qualified Liquid Assets and Authorized Investments in such Account exceeds the Bond Fund Account Requirement therefor first, to the Account of the Reserve Fund for such series of Bonds to the extent the Reserve Fund Account Requirement for such Account exceeds the value of the amounts then on deposit in such Account and, second to, to the extent of any remaining amount, the Extraordinary Redemption Fund.

The District authorizes and directs the Trustee in the Indenture to apply the amounts in each Account of the Bond Fund, subject to all requirements of the Indenture as follows:

(1) on each Stated Interest Payment Date to the payment in full of all accrued and unpaid interest (including without limitation any overdue installments of interest) then due on the series of Bonds for which such Account was created; and

(2) on each Stated Principal Payment Date, to the payment in full of the principal (including without limitation any overdue installments of principal) then due by maturity or mandatory redemption on the series of Bonds for which such Account was created, as provided in the Indenture as described above under the sections captioned **“Provisions for Special Mandatory Redemption and Extraordinary Redemption of Series 2026 Bonds,” “Redemption of Tax-Exempt Series 2026-A Bonds – Extraordinary Redemption of Tax-Exempt Series 2026-A Bonds,”** and **“Redemption of Taxable Series 2026-B Bonds – Extraordinary Redemption of Taxable Series 2026-B Bonds.”**

The District authorizes and directs the Trustee to determine, not less than 30 days prior to any Stated Interest Payment Date, if the amount in each Account of the Bond Fund is expected to be sufficient to pay in full all Debt Service on the series of Bonds payable from each such Account becoming due and payable on such Stated Interest Payment Date pursuant to the Indenture, as described in the prior paragraph regarding application of amounts in each Account of the Bond Fund, and upon any determination by the Trustee that the amounts in any Account shall be insufficient for such purpose, to:

(1) first, deposit, on a pro-rata basis, in each such Account such amounts on deposit in, if any (i) only on April 1 in each Bond Year, the Extraordinary Redemption Fund, resulting from the deposit therein of Platted Lot Total Assessment Payment Amount(s) and the Pre-Platted Land Total

Assessment Payment Amount; provided however, the amount transferred to the applicable account in the Bond Fund shall be limited to the principal portion attributable to the prepayment of the Assessments on the Platted Lot and/or Pre-Platted Land calculated by the Assessment Methodology Manager at the time of prepayment and such amounts shall be applied to pay only principal on the series of Bonds and; (ii) the Revenue Fund, (iii) the Reserve Fund, and (iv) the Foreclosure Expense Reserve Fund as shall cause the amount on deposit in each such Account to be sufficient to make the payments therefrom pursuant to the Indenture, as described in the paragraphs above regarding application of amounts in each Account of the Bond Fund, in full when due; and

(2) second, if the deposits made into any Account pursuant to the Indenture as described in paragraph (1) above do not cause the amount in such Account to be sufficient to make the payments therefrom pursuant to the Indenture, as described in the paragraphs above regarding application of amounts in each Account of the Bond Fund, in full when due, to apply the amounts in such Account on such Stated Interest Payment Date in the following order and priority:

(a) first, to the payment of accrued and unpaid interest then due; provided, if such amounts are insufficient therefor, to the proportionate payment of such interest according to amounts thereof due, without preference or priority; and

(b) second, to the payment of principal (and premium, if any) then due; provided, if such amounts are insufficient therefor, to the proportionate payment of such principal according to amounts thereof due, without preference or priority.

The District authorizes and directs the Trustee to transfer the amounts in the Accounts of the Bond Fund to the corresponding Accounts of the Extraordinary Redemption Fund on each Business Day on which the respective series of Bonds for which such Accounts have been established are subject to extraordinary mandatory redemption pursuant to the Indenture as described in paragraphs (2) and (3) in the sections above captioned **“Provisions for Special Mandatory Redemption and Extraordinary Redemption of Series 2026 Bonds.”**

The District authorizes and directs the Trustee to apply, anything in the Indenture to the contrary notwithstanding, (1) all amounts transferred to, or deposited in, each Account of the Bond Fund for Tax-Exempt Bonds to the payment of the Bonds for which such Account was established within 13 months of the date of such deposit or transfer and (2) all income and profits received from the investment of amounts in such Account to the payment of the Bonds for which such Account was established within 12 months of the date of receipt thereof.

Reserve Fund

The District authorizes and directs the Trustee to establish in the Reserve Fund a separate Account for each series of the Series 2026 Bonds simultaneously with the issuance of such Series 2026 Bonds. Pursuant to the Series 2026-A Initial Supplemental Indenture and the Series 2026-B Initial Supplemental Indenture, the District authorizes and directs the Trustee to establish an Account in the Reserve Fund designated the **“Series 2026-A Account of the Reserve Fund”** and the **“Series 2026-B Account of the Reserve Fund,”** respectively, to be held and applied as provided in the Series 2026-A Initial Supplemental Indenture and the Series 2026-B Initial Supplemental Indenture for the exclusive benefit of the Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds, respectively.

The District authorizes and directs the Trustee in the Indenture to deposit in the Reserve Fund, when and as received, subject to the provisions of the Indenture described in this subsection **“Reserve Fund:”**

(1) the amount for such Account specified in the Supplemental Indenture for the series of Bonds for which such Account was created (which includes the deposit of (1) the Reserve Fund Account Requirement for the Tax-Exempt Series 2026-A Bonds into the Series 2026-A Account of the Reserve Fund from proceeds of the Tax-Exempt Series 2026-A Bonds and (2) the Reserve Fund Account

Requirement for the Taxable Series 2026-B Bonds into the Series 2026-B Account of the Reserve Fund from proceeds of the Taxable Series 2026-B Bonds); and

(2) pro- rata in proportion to the amounts available therefor, without preference or priority of any Account or series of Bonds over another, all amounts required to be deposited in the Accounts of the Reserve Fund pursuant to the Indenture, including without limitation from the (i) Revenue Fund, (ii) Bond Fund, and (iii) amounts resulting from the investment of amounts on deposit in the Reserve Fund pursuant to the terms of the Indenture; and

(3) the amount required to be deposited in a specified Account by any Supplemental Indenture; and

(4) all amounts delivered to the Trustee by any Person with written directions to deposit such amounts in a specified Account of the Reserve Fund.

The District may, at its option, provide the funds (or any portion thereof) required in an Account of the Reserve Fund by a Qualified Credit Facility if the aggregate available amount in such Account (including the amount of each Qualified Credit Facility forming a part of, and all Qualified Liquid Assets on deposit in, such Account) is not less than the Reserve Fund Account Requirement for such Account.

The District authorizes and directs the Trustee to transfer the amounts in each Account of the Reserve Fund:

(1) to the corresponding Account of the Bond Fund for the series of Bonds for which such Account of the Reserve Fund was created on each Stated Interest Payment Date if, and to the extent, amounts in the Account of the Bond Fund for such series of Bonds are insufficient for the payment of interest then due; and

(2) to the corresponding Account of the Bond Fund for the series of Bonds for which such Account of the Reserve Fund was created on each Stated Principal Payment Date if, and to the extent, amounts in the Account of the Bond Fund for such series of Bonds are insufficient for the payment of principal then due; and

(3) to the Extraordinary Redemption Fund on each Business Day on which the Bonds are subject to extraordinary mandatory redemption pursuant to the Indenture as described in the third paragraph in the section above captioned **“Provisions for Special Mandatory Redemption and Extraordinary Redemption of Series 2026 Bonds.”**

(4) to the Bond Fund on the Stated Principal Payment Date on which the final payment of principal of all Series 2026 Bonds becomes due.

Extraordinary Redemption Fund

The District authorizes and directs the Trustee to establish in the Extraordinary Redemption Fund a separate Account for each series of Bonds simultaneously with the issuance of such Bonds. Pursuant to the Series 2026-A Initial Supplemental Indenture and the Series 2026-B Initial Supplemental Indenture, the District authorizes and directs the Trustee to establish an Account in the Extraordinary Redemption Fund designated the **“Series 2026-A Account of the Extraordinary Redemption Fund”** and the **“Series 2026-B Account of the Extraordinary Redemption Fund,”** respectively, to be held and applied as provided in the Series 2026-A Initial Supplemental Indenture and the Series 2026-B Initial Supplemental Indenture for the exclusive benefit of the Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds, respectively.

The District authorizes and directs the Trustee to deposit in the Extraordinary Redemption Fund, when and as received, subject to all the following subsections:

(1) pro-rata in proportion to the amounts available therefor, without preference or priority of any Account or series of Bonds over another, all amounts required to be deposited in the Accounts of the Extraordinary Redemption Fund pursuant to the Indenture, including without limitation from all amounts required to be transferred to or deposited in the Extraordinary Redemption Fund from (i) amounts in the Extraordinary Redemption Fund as described above under the subheading captioned **“Establishment and Use of Indenture Funds and Accounts – Deposit of Revenues of the District in Certain Indenture Funds,”** (ii) the Revenue Fund, including as required in step Fifth as described in the subsection above captioned **“Application of Amounts in the Revenue Fund,”** (iii) the Bond Fund, (iv) the Reserve Fund, (v) amounts remaining in the Series 2026-A and Series 2026-B Capital Improvements Accounts of the Bond Proceeds Fund pursuant to the Series 2026-A Supplemental Indenture and the Series 2026-B Supplemental Indenture, respectively, (vi) from amounts remaining in all of the Series 2026-A and Series 2026-B Accounts in the Indenture Funds in an amount sufficient to redeem all of the Outstanding Tax-Exempt Series 2026-A Bonds and all of the Outstanding Taxable Series 2026-B Bonds, respectively, in full, and (vii) as provided in any of the Financing Documents; and

(2) all amounts delivered to the Trustee from any Person with written instructions to deposit such amounts in a specified Account of the Extraordinary Redemption Fund.

The amounts in the Extraordinary Redemption Fund shall be invested pursuant to the Indenture. The amounts in each Account of the Extraordinary Redemption Fund shall be allocated and applied to pay the Redemption Price on each date fixed for special mandatory redemption pursuant to the Indenture as described in the section above captioned **“Provisions for Special Mandatory Redemption and Extraordinary Redemption of Series 2026 Bonds;”** *provided, however, pursuant to the Initial Supplemental Indentures, all Taxable Series 2026-B Bonds shall be mandatorily redeemed prior to the mandatory redemption of any Tax-Exempt Series 2026-A Bonds:* (i) for any series of Tax-Exempt Bonds, the series of Bonds for which such Account was established and (ii) for any series of Taxable Bonds, such series of Taxable Bonds and such other series of Bonds as may be provided in the Supplemental Indenture which shall have created such Taxable Bonds.

Pursuant to the Indenture as described the section herein captioned **“Bond Fund,”** the Trustee is authorized to transfer from the Extraordinary Redemption Fund to the applicable accounts in the Bond Fund for each series of Bonds, only on April 1, the amount, if any, on deposit in the Extraordinary Redemption Fund resulting from the deposit therein of Platted Lot Total Assessment Payment Amount(s) and the Pre-Platted Land Total Assessment Payment Amount necessary to cause the Bond Fund to have sufficient funds to pay the principal maturing or subject to mandatory redemption on the next succeeding June 1.

Foreclosure Expense Reserve Fund

The District creates a special fund designated the “Foreclosure Expense Reserve Fund” to be held and applied by the Trustee pursuant to the Indenture. The District authorizes and directs the Trustee to deposit in the Foreclosure Expense Reserve Fund:

(1) all amounts required to be transferred to or deposited in the Foreclosure Expense Reserve Fund as provided in the Indenture (including without limitation any Supplemental Indenture); and

(2) all amounts delivered to the Trustee by any Person with written directions to deposit such amounts in the Foreclosure Expense Reserve Fund.

The amounts in the Foreclosure Expense Reserve Fund shall not be invested. The District authorizes and directs the Trustee to:

(1) apply the amounts in the Foreclosure Expense Reserve Fund to pay the fees and expenses for any foreclosure of any land pursuant to the Indenture or the Special Assessment Agreement; and

(2) transfer the amounts in the Foreclosure Expense Reserve Fund:

(a) to the Bond Fund on each Stated Interest Payment Date if, and to the extent, amounts in the Bond Fund are insufficient for the payment of interest then due; and

(b) to the Bond Fund on each Stated Principal Payment Date if, and to the extent, amounts in the Bond Fund are insufficient for the payment of principal then due; and

(c) to the Extraordinary Redemption Fund on each Business Day on which the Bonds are subject to extraordinary mandatory redemption pursuant to the Indenture as described in the third paragraph in the section above captioned **“Provisions for Special Mandatory Redemption and Extraordinary Redemption of Series 2026 Bonds.”**

The District is not required to maintain any amount in the Foreclosure Expense Reserve Fund for the purposes of payment of Debt Service on the Series 2026 Bonds. No proceeds of the Series 2026 Bonds shall be deposited into the Foreclosure Expense Reserve Fund.

Bond Proceeds Fund

Each of the Series 2026-A Initial Supplemental Indenture and the Series 2026-B Initial Supplemental Indenture creates a special fund designated the **“Bond Proceeds Fund”** to be held and applied by the Trustee in accordance with the Series 2026-A Initial Supplemental Indenture and the Series 2026-B Initial Supplemental, respectively.

Series 2026-A Bond Proceeds Fund. The Series 2026-A Initial Supplemental Indenture provides that the Bond Proceeds Fund created therein (referred to herein as the **“Series 2026-A Bond Proceeds Fund”**) shall consist of three accounts, designated the “Series 2026-A Capitalized Interest Account,” the “Series 2026-A Capital Improvements Account” and the “Series 2026-A Costs of Issuance Account.” The Trustee is directed to deposit a portion of the proceeds of the Tax-Exempt Series 2026-A Bonds into the three accounts in the Series 2026-A Bond Proceeds Account in the respective amounts as provided in the Series 2026-A Initial Supplemental Indenture.

The District authorizes and directs the Trustee to apply the amounts in:

(1) the Series 2026-A Capitalized Interest Account to pay interest on the Tax-Exempt Series 2026-A Bonds on each Stated Interest Payment Date during the period beginning on the Date of Initial Delivery and ending on June 1, 2027 and thereafter to transfer any amounts in such account to the Series 2026-A Capital Improvements Account; and

(2) the Series 2026-A Capital Improvements Account for the payment of Authorized Purpose Costs upon receipt by the Trustee of a requisition therefor in substantially the form of Exhibit B attached to the Series 2026-A Initial Supplemental Indenture, appropriately completed and executed by an Authorized District Representative, which authorization and direction the Trustee accepts; and

(3) the Series 2026-A Costs of Issuance Account for the payment of the costs of issuance related to the Tax-Exempt Series 2026-A Bonds, which amounts shall be disbursed by the Trustee from time to time, upon receipt of written disbursement requests of the District in substantially the form of Exhibit C attached to the Series 2026-A Initial Supplemental Indenture and signed by an Authorized District Representative, in amounts equal to the amount of costs of issuance certified in such written requests. At such time as the Trustee is furnished with a certificate of the District, signed by an

Authorized District Representative, stating that all costs of issuance with respect to the Tax-Exempt Series 2026-A Bonds have been paid, and in any case not later than six months from the date of issuance of the Tax-Exempt Series 2026-A Bonds, the Trustee shall transfer any moneys remaining in the Series 2026-A Costs of Issuance Account of the Bond Proceeds Fund to the Series 2026-A Capital Improvements Account.

The District authorizes and directs the Trustee to transfer any funds on deposit in the Series 2026-A Capital Improvements Account of the Bond Proceeds Fund to the Series 2026-A Account of the Mandatory Redemption Fund for deposit and application as provided in the Original Indenture as described in the section herein captioned “**Extraordinary Redemption Fund**,” upon receipt by the Trustee prior to June 1, 2029 of a certificate from the District that all Authorized Purpose Costs shall have been paid in full.

The District authorizes and directs the Trustee to transfer any funds remaining on deposit in the Series 2026-A Capital Improvements Account of the Bond Proceeds Fund on June 1, 2029 to the Series 2026-A Account of the Mandatory Redemption Fund for deposit and application as provided in the Original Indenture as described in the section herein captioned “**Extraordinary Redemption Fund**.”

Series 2026-B Bond Proceeds Fund. The Series 2026-B Initial Supplemental Indenture provides that the Bond Proceeds Fund created therein (referred to herein as the “**Series 2026-B Bond Proceeds Fund**”) shall consist of three accounts, designated the “Series 2026-B Capitalized Interest Account,” and the “Series 2026-B Capital Improvements Account” and the “Series 2026-B Costs of Issuance Account.” The Trustee is directed to deposit a portion of the proceeds of the Taxable Series 2026-B Bonds into the three accounts in the Series 2026-B Bond Proceeds Account in the respective amounts as provided in the Series 2026-B Initial Supplemental Indenture.

The District authorizes and directs the Trustee to apply the amounts in:

(1) the Series 2026-B Capitalized Interest Account to pay interest on the Taxable Series 2026-B Bonds on each Stated Interest Payment Date during the period beginning on the Date of Initial Delivery and ending on June 1, 2027 and thereafter to transfer any amounts in such account to the Series 2026-B Capital Improvements Account; and

(2) the Series 2026-B Capital Improvements Account for the payment of Authorized Purpose Costs upon receipt by the Trustee of a requisition therefor in substantially the form of Exhibit B attached to the Series 2026-B Initial Supplemental Indenture, appropriately completed and executed by an Authorized District Representative, which authorization and direction the Trustee accepts; and

(3) the Series 2026-B Costs of Issuance Account for the payment of the costs of issuance related to the Taxable Series 2026-B Bonds, which amounts shall be disbursed by the Trustee from time to time, upon receipt of written disbursement requests of the District in substantially the form of Exhibit C attached to the Series 2026-B Initial Supplemental Indenture, and signed by an Authorized District Representative, in amounts equal to the amount of costs of issuance certified in such written requests. At such time as the Trustee is furnished with a certificate of the District stating that all costs of issuance with respect to the Taxable Series 2026-B Bonds have been paid, and in any case not later than six months from the date of issuance of the Taxable Series 2026-B Bonds, the Trustee shall transfer any moneys remaining in the Series 2026-B Costs of Issuance Account of the Bond Proceeds Fund to the Series 2026-B Capital Improvements Account.

The District authorizes and directs the Trustee to transfer any funds on deposit in the Series 2026-B Capital Improvements Account of the Bond Proceeds Fund to the Series 2026-B Account of the Mandatory Redemption Fund for deposit and application as provided in the Original Indenture as described in the section herein captioned “**Extraordinary Redemption Fund**,” upon receipt by the Trustee prior to June 1, 2029 of a certificate from the District that all Authorized Purpose Costs shall have been paid in full.

The District authorizes and directs the Trustee to transfer any funds remaining on deposit in the Series 2026-B Capital Improvements Account of the Bond Proceeds Fund on June 1, 2029 to the Series 2026-B Account of the Mandatory Redemption Fund for deposit and application as provided in the Original Indenture as described in the section above captioned **“Extraordinary Redemption Fund.”**

No Authorization of Additional Parity Bonds

No additional parity bonds may be issued under or secured by the Indenture.

Covenants of the District

Exercise of Remedies Under the Special District Act. The District covenants and agrees that it will do all things under or as permitted by, and, except as provided in the Indenture, will exercise all rights and remedies available under, the Improvement District Act to provide for the payment of the Bonds.

No Indebtedness. The District shall not issue or incur any financial liability or obligation, whether direct, indirect, or contingent, which shall be payable, in whole or in part, from Assessments Proceeds except Subordinate Debt in accordance with the Indenture.

Financial Records. The District shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the Trust Estate and the Indenture Funds.

Compliance with Continuing Disclosure. The District covenants and agrees to observe and perform all agreements of the District set forth in any written undertaking delivered by the District in accordance with 17 CFR Section 240.15c2-12 in due time, form and manner as required thereby, provided, the Owners will have only the rights and remedies set forth in any such written undertaking for the enforcement of the agreements of the District thereunder and the failure of the District to observe or perform any agreement of the District in any such undertaking will not constitute an Event of Default under the Indenture.

Corporate Existence. The District will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence subject to the Indenture as described in the paragraph below.

The District shall not consolidate with or merge into any other corporation or transfer its property constituting the Trust Estate substantially as an entirety to any Person unless: (i) such consolidation, merger, conveyance or transfer shall be on such terms as shall fully preserve the Lien and security of the Indenture and the rights and powers of the Trustee and the Owners of the Bonds; (ii) the corporation formed by such consolidation or into which the District is merged or the Person which acquires by conveyance or transfer the District's said property substantially as an entirety (the **“Successor”**) shall be a municipal corporation or public corporation organized under the laws of the State; (iii) the Successor will execute and deliver to the Trustee (A) a written instrument in form recordable and acceptable to the Trustee containing an assumption by such Successor of the due and punctual payment of the Debt Service on the Bonds and the performance and observance of every covenant and condition of the Financing Documents to be performed or observed by the District and (B) an Opinion of Counsel to the effect the Bonds, and the obligations of the District under the Financing Documents, are the legal, valid and binding obligations of the Successor and are enforceable against the Successor in accordance with the terms thereof (subject to appropriate qualifications); (iv) immediately after giving effect to such transaction, no Event of Default or any event which, upon notice or lapse of time (or both), would constitute such an Event of Default shall have occurred and be continuing; and (v) the District shall have delivered to the Trustee an Opinion of Bond Counsel which shall state that such consolidation, merger, conveyance or transfer complies with the Indenture as described in this subsection and will not cause interest on any Tax-Exempt Bond to be or become Taxable.

Upon any consolidation or merger or any conveyance or transfer of the District's property substantially as an entirety in accordance with the Indenture as described in this subsection, the Successor shall succeed to,

and be substituted for, and may exercise every right and power of, the District under the Indenture with the same effect as if such Successor had been named as the District in the Indenture, and shall be legally bound by the obligations of the District under the Bonds and the Financing Documents.

The District may, anything in the Financing Documents to the contrary notwithstanding, transfer all, or any part, of the property of the District, including without limitation any capital improvements acquired or constructed by the District with the proceeds of the Bonds to a Governmental Authority, with or without valuable consideration, and without recourse to such Governmental Authority for the payment of any amount, or the performance of any agreement or covenant, with respect to the Bonds or the Indenture.

Supplemental Indentures without Consent of Owners

The District and the Trustee may, upon compliance with the Indenture and without the consent of, or any notice to, any of the Owners, execute and deliver one or more Supplemental Indentures for any of the following purposes:

- (1) to provide for the issuance of any Bond or series of Bonds pursuant to the Indenture as provided therein; or
- (2) to correct or amplify the description of any property at any time subject to the Lien of the Indenture, or to subject to the Lien of the Indenture additional revenues, properties or collateral, or to better to assure, convey and confirm unto the Trustee any property subject or required to be subjected to the Lien of the Indenture; or
- (3) to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue of the Bonds; or
- (4) to evidence the succession of another Person to the District or the Trustee or the Appointing Government and the assumption by any such successor of the agreements thereof under the Financing Documents; or
- (5) to add to the covenants of the District for the benefit of the Owners of Bonds and to make the occurrence, or the occurrence and continuance, of a default in any of such additional covenants an Event of Default permitting the enforcement of all or any of the several remedies provided in the Indenture; provided, however, that with respect to any such covenant, such Supplemental Indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available to the Trustee upon such default; or
- (6) to surrender any right or power in the Indenture conferred upon the District; or
- (7) to correct or supplement any provision in the Indenture which may be ambiguous, or inconsistent with any other provision therein, to add any provision to clarify a matter or question arising under the Indenture, or to make any other provisions which shall not be in conflict or inconsistent with the provisions of the Indenture, provided any such action shall not materially and adversely affect upon the interests of the Owners of the Bonds; or
- (8) to permit fully registered Bonds to be exchanged for coupon Bonds (which may be registrable as to principal only), provided that the Trustee receives an Opinion of Bond Counsel with respect to the Bonds to the effect that such exchange is permitted by Applicable Law; or
- (9) to make further provisions with respect to the administration and operation of a Book-Entry System; or

(10) to secure or maintain ratings from a nationally recognized credit or securities rating agency, provided that (i) the changes necessary to obtain or secure such ratings shall not have a material adverse effect upon the interests of the Owners of the Bonds and (ii) the Trustee receives an opinion of Independent Counsel to the effect that such changes are permitted by Applicable Law and will not cause the interest on any Tax-Exempt Bond to be or become Taxable; or

(11) to modify, amend or supplement the Indenture in such manner as to permit the qualification of the Indenture under the Trust Indenture Act of 1939 or any similar federal statute in effect after the Indenture or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States, and, if they so determine, to add to the Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute; or

(12) to modify, amend, or supplement the Indenture in such manner as to assure the continued exclusion of the interest on any Tax-Exempt Bonds from the gross income of the Owners thereof for federal income tax purposes; or

(13) to modify, amend, or supplement the Indenture in such a manner as necessary in connection with the appointment of a successor Securities Depository under the Indenture; or

(14) to comply with any provisions of the Securities Act, the Exchange Act, or any rules or regulations promulgated thereunder; or

(15) to reflect a change in Applicable Law provided that the Trustee determines that such amendment or Supplemental Indenture does not materially adversely affect the Owners; or

(16) to make any other change in the Indenture that does not prejudice the Trustee or materially adversely affect the Owners; or

(17) to modify or delete any provisions of the Indenture provided such modification or deletion shall be, and shall be expressed to be, effective only after all Outstanding Bonds the Owners of which shall not have consented to such change shall have ceased to accrue interest.

Supplemental Indentures with Consent of Owners

The District and the Trustee may, upon compliance with the Indenture and with the prior written consent of the Owners of not less than two-thirds (67%) in aggregate principal amount of the Bonds obtained as provided in the Indenture, execute and deliver one or more Supplemental Indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of modifying in any manner the rights of the Owners of the Bonds under the Indenture; provided, the District and the Trustee shall not execute and deliver any Supplemental Indenture which shall or shall affect, any of the following except upon the prior written consent by Act of the Owner of each Bond which may be affected thereby:

(1) change or consent to the extension of the stated maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption or prepayment thereof, or change the coin or currency in which any Bond, or the interest thereon is payable, or change the mandatory redemption schedule applicable to any Bonds, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption or prepayment, on or after the redemption or prepayment date); or

(2) reduce the percentage in principal amount of the Bonds the consent of whose Owners is required for any such Supplemental Indenture or the consent of whose Owners is required for any

waiver provided for in the Indenture of compliance with certain provisions of the Indenture or certain defaults under the Indenture and their consequences; or

(3) modify or alter any of the provisions of the Indenture as described in this subsection except to increase any percentage provided or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Owner of each Bond affected thereby; or

(4) permit the creation of any Lien ranking prior to or on a parity with the Lien of the Indenture with respect to the Trust Estate or any part thereof or terminate the Lien of the Indenture on any property at any time subject to the Indenture or deprive the Owner of any Bond of the security afforded by the Lien of the Indenture; or

(5) establish preference or priority as between the Bonds; or

(6) permit the sale at foreclosure of any Platted Lot for an amount less than the Platted Lot Total Assessment Payment Amount.

If the District shall request the Trustee to enter into any such Supplemental Indenture, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed to the Owners at their addresses as they appear on the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Owners. If the Owners of not less than two-thirds (67%) in aggregate principal amount of the Bonds at the time of the execution of any such Supplemental Indenture shall, by Act thereof, have consented to and approved the execution thereof, no Owner shall have any right to object to any of the terms and provisions contained in the Indenture, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the District from executing the same or from taking any action pursuant to the provisions thereof.

Effect of Supplemental Indenture

Upon the execution of any Supplemental Indenture the Indenture shall be modified in accordance therewith, and such Supplemental Indenture shall form a part of the Indenture for all purposes; and every Owner of Bonds theretofore or thereafter authenticated and delivered under the Indenture shall be bound thereby.

Amendments to Special Assessment Agreement

Except as provided in the Indenture as described in the paragraph below, the District and the Trustee shall not directly, or indirectly by inaction, agree or consent to any amendment, restatement or supplement to the Special Assessment Agreement except upon the prior written consent thereto by Act of the Owners of all of the Bonds.

The District and the Trustee may, without the consent of, or any notice to, any of the Owners, agree or consent to any amendment, restatement or supplement to the Special Assessment Agreement to correct or supplement any provision therein which may be ambiguous or inconsistent with any other provision therein or the Indenture, to add any provision to clarify a matter or question arising thereunder, to add to the covenants of the Developer therein, to provide further for the payment of Assessments in connection with the improvement and development of the Pre-Platted Land, or to make any other provisions which shall not be in conflict or inconsistent with the provisions of the Indenture; provided any such amendment, restatement or supplement shall not materially and adversely affect upon the interests of the Owners of all of the Bonds.

Events of Default and Remedies

Events of Default. The occurrence of any one or more of the following events constitutes an “Event of Default” under the Indenture (whatever the reason for such event and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to action of any Governmental Authority):

(1) the failure by the District to pay in full when due any amount of the Debt Service becoming due and payable on any Bond on:

(i) any Stated Interest Payment Date; or

(ii) any Stated Principal Payment Date, by maturity or mandatory redemption; or

(iii) any date established for redemption pursuant to the Indenture for extraordinary and special mandatory redemption as described in the section above captioned “ – Provisions for Special Mandatory Redemption and Extraordinary Mandatory Redemption of Series 2026 Bonds;” or

(2) the occurrence of an Act of Insolvency with respect to the District; or

(3) default in the performance, or breach, of any covenant or warranty of the District in the Indenture (other than a covenant or warranty a default in the performance or breach of which is elsewhere in the Indenture as described in this subsection specifically dealt with), and continuance of such default or breach for a period of 30 days after notice of such default or breach, stating that such notice is a “notice of default,” has been given to the District by the Trustee, or to the District and the Trustee by the Owners of at least 25% in principal amount of the Bonds, provided, a default or breach that cannot be cured by the payment of money shall not constitute an Event of Default if the District initiates efforts to correct such default or breach within 30 days from the receipt of such notice and diligently pursues such action until the default or breach is corrected; or

(4) any warranty, representation or other statement by or on behalf of the District in the Indenture, or made by the District in any certificate or document provided to the Trustee, shall be false, untrue or misleading in any material respect at the time made and the same shall not be made good or remedied within 30 days after written notice thereof to the District by the Trustee; or

(5) any material provision of the Indenture shall at any time for any reason cease to be the legal, valid and binding obligation of the District or shall cease to be in full force and effect, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the District, or the District shall renounce the same or deny that it has any further liability under the Indenture; or

(6) the interest of the Trustee in the Trust Estate shall be subject to any prior Lien thereon or the Lien created by the Indenture is invalid or unenforceable as to any part of the Trust Estate; or

(7) the occurrence under the Special Assessment Agreement of any event of default (as defined therein).

Remedies. Whenever any Event of Default shall have happened and be continuing:

(1) The Trustee shall have and may exercise all rights and remedies available under the Improvement District Act and Applicable Law for the enforcement of the Financing Documents, and the protection of the interests of the Owners.

(2) The Trustee may, subject to the terms of the Indenture, proceed to protect and enforce its rights and the rights of the Owners by any suit, action or proceeding at law or in equity, including

but not limited to an action for mandamus, or for specific performance of any agreement or covenant in the Indenture, or for enforcing payment and collection of any revenues due under the Financing Documents, or for making a demand for payment from the District, or for taking action pursuant to any other document to which the Trustee is a party by signature, assignment, operation of law, or otherwise, or in execution or aid of any power granted in the Indenture or for the enforcement of any other proper, legal or equitable remedy, as the Trustee, being advised by Counsel, shall deem most effectual to protect and enforce its rights and the rights of the Owners under the Indenture.

(3) The Trustee may institute and maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of the Indenture and to protect its interests and the interests of the Owners in the Trust Estate and in the issues, profits, revenues and other income arising therefrom, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security under the Indenture or be prejudicial to the interests of the Owners or the Trustee.

Rights and Remedies of Trustee upon Act of Insolvency of the District. In case of the pendency of any Act of Insolvency, the Trustee (irrespective of whether there has been an Event of Default under the Indenture) shall be entitled and empowered to intervene in such proceedings on behalf of the Owners, to file and prove a claim or claims for the whole amount owing and unpaid and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee, its agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its gross negligence or willful misconduct) and of the Owners allowed in any such judicial proceedings, to collect and receive any moneys or other property payable or deliverable on any such claims, and to take such other action in the Indenture as the Trustee may deem necessary or appropriate to protect the interests of the Owners, and any receiver, assignee or trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is authorized by each of the Owners to make payments to the Trustee.

When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Waivers of Past Defaults under the Indenture. The Majority Owners may waive any Event of Default under the Indenture and its consequence except a default:

- (1) in the payment of the Debt Service on any Bond; or
- (2) in respect of any covenant or provision of the Indenture which cannot be modified or amended without the consent of the Owner of each Bond affected thereunder.

Upon any such waiver, such default shall cease to exist, and an Event of Default arising therefrom shall be deemed to have been cured, for every purpose of the Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Restoration of Positions. If the Trustee or any Owner shall have instituted any proceeding to enforce any right or remedy under the Indenture and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or to such Owner, then and in every such case the District, the Trustee and the Owners shall, subject to any determination in such proceeding, be restored to their former positions under the Indenture, and thereafter all rights and remedies of the Trustee and the Owners shall continue as though no such proceeding had been instituted.

General Availability of Remedies. No right or remedy in the Indenture conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given under the Indenture or now or existing at law or in equity or otherwise after the Indenture. The assertion or employment of any right or remedy under the Indenture, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

No delay or omission of the Trustee or of any Owner of any Bond to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence in the Indenture. Every right and remedy given by the Indenture or by law to the Trustee or to the Owners may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Owners.

JUDICIAL VALIDATION OF THE SERIES 2026 BONDS

Alabama statutes establish a procedure for judicial validation of bonds and other obligations of governmental entities such as the District (the “**Bond Validation Act**”), including the Series 2026 Bonds. On April 8, 2026, the District filed a petition pursuant to the Bond Validation Act in the Circuit Court of Baldwin County, Alabama (the “**Court**”), seeking validation of the (1) Series 2026 Bonds, (2) Indenture, (3) Initial Supplemental Indentures, (4) the Assessment Methodology Reports, and (5) Special Assessment Agreement (the “**Validated District Documents**”). Following the conclusion of the proceedings in the Court set forth in the Bond Validation Act, the Court entered an order on or about May 7, 2026 (the “**Final Judgment**”) in which it validated and confirmed, among other things, (1) the Assessment Proceedings, (2) all proceedings had or taken by the District and the Developer in connection with the authorization of the Indenture, the Initial Supplemental Indentures, and the Special Assessment Agreement (the “**Validation Documents**”), (3) the Validation Documents, (4) the Series 2026 Bonds, (5) the amount of the Assessments as provided in the Indenture, (6) the levy, collection and enforcement of the Assessments pursuant to the Improvement District Act, the Assessment Proceedings and the Validation Documents, and (7) the priority of the lien of the Assessments over all liens on the real property subject thereto, other than the liens for ad valorem property taxes. No appeal of the Final Judgment has been filed or taken and the period for filing an appeal of the Final Judgment has expired.

Pursuant to the Bond Validation Act, the Court’s Final Judgment with respect to all obligations issued in connection with the Validated District Documents “shall be forever conclusive as to the validity of such obligations against the unit issuing them (e.g., the District with respect to the Series 2026 Bonds) and against all taxpayers and citizens of each organizing subdivision, and the validity of such obligations or of the taxes, revenues or other means provided for their payment and of any pledge, covenant or provision for the benefit of said obligations, to the extent that the validity of any such pledge, covenant or provision shall have been presented to the court and validated by its judgment, shall never be called in question in any court in this state.” The form of the Series 2026 Bonds includes a legend setting forth the validation of the Series 2026 Bonds pursuant to the Final Judgment as required by the Bond Validation Act.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS

Limited Obligations; Trust Estate

The Series 2026 Bonds are limited obligations of the District, payable solely from, and secured by the Trust Estate established under the Indenture.

The Trust Estate is defined in the Indenture to include: (1) all Assessment Proceeds, (2) all Platted Lot Foreclosure Proceeds; (3) all Pre-Platted Land Foreclosure Proceeds; (4) all right, title and interest of the District in the Special Assessment Agreement, and all amounts delivered to, or realized by, the District or the Trustee pursuant to the terms thereof; and (5) all revenues derived or to be derived by the District in accordance with the Improvement District Act and the Special Assessment Agreement.

The Series 2026 Bonds do not, and shall never, constitute or create an indebtedness or pecuniary liability payable from, or a charge against, the revenues, assets, general credit, or taxing powers of the County, or any successor thereto, whether by annexation, consolidation or merger, or otherwise, or any governmental authority, including the State and any political subdivision thereof, other than the District, within the meaning of any constitutional provision or statutory limitation whatsoever.

Assessments on Property in the Assessment Area; Lien of the Assessments

On April 7, 2026, the District, on behalf of the Developer, submitted the Assessment Petition to the Commission requesting that the Commission approve the Assessment Methodology by which Assessments are imposed on the property in the approximately 98.5-acre Assessment Area. See **“LEVY AND PAYMENT OF ASSESSMENTS ON PRE-PLATTED LAND AND PLATTED LOTS – Levy of Assessments by the County”** herein.

Pursuant to the Improvement District Act and the Assessment Proceedings, the County approved the establishment and levy by the County of Assessments on the 98.5-acre Assessment Area on which 122 single-family detached homes are anticipated to be developed (previously defined as the **“Assessment Area Development”**). PCC Land currently owns all of the approximately 546.7 acres in the District, including the approximately 98.5 acres in the Assessment Area.

The Improvement District Act provides that each Assessment constitutes a Lien against the real property upon which the Assessment is imposed that has a priority over all liens (including a mortgage lien) other than liens for ad valorem taxes. The Assessments are imposed in the amounts shown in the table captioned **“Current Assessments on Platted Lots”** in the section herein captioned **“LEVY AND PAYMENT OF ASSESSMENTS ON PRE-PLATTED LAND AND PLATTED LOTS – Determination of Assessments on Platted Lots and Pre-Platted Land – Assessments on Platted Lots.”**

See also the section herein captioned **“LEVY AND PAYMENT OF ASSESSMENTS ON PRE-PLATTED LAND AND PLATTED LOTS”** for a discussion of the (1) Assessment Methodology Reports prepared by the Assessment Methodology Manager; (2) the Assessment Methodology Manager’s determination of the amount of the Assessments on each Platted Lot and the Pre-Platted Land; (3) the Assessment Methodology Manager’s determination of the amount of Platted Lot Total Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount; and (4) payment by the Developer of the Platted Lot Annual Assessment Payment Amount, the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Total Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount.

As of May 1, 2026, the Developer reports that all of the approximately 98.5 acres in the Assessment Area consists of vacant Pre-Platted Land. The Developer anticipates that it will substantially complete the horizontal improvements necessary to serve all 122 lots in the Assessment Area Development by late 2027. As the Developer completes horizontal improvements related to certain lots, it anticipates that the County will approve the final plats for such lots. Upon the County’s approval of the final plats, it is anticipated that PCC Land will begin recording the final plats in mid-2027 and begin to close on the sale of certain of the contracts with third-party purchasers. *The Developer is obligated pursuant to the Indenture and the Special Assessment Agreement to prepay, or cause to be prepaid, in full the portion of the Assessment attributable to any portion of the property in the Assessment Area (i.e., any Platted Lot and/or any parcel of Pre-Platted Land) prior to PCC Land’s sale of such property to any Person that is not an Affiliate of the Developer.*

The Lien of the Assessment on each Platted Lot or parcel of Pre-Platted Land will be released when PCC Land or another Affiliate of the Developer sells a Platted Lot or a parcel of Pre-Platted Land to any Person that is not an Affiliate of the Developer.

No Mortgage

The Series 2026 Bonds are **not** secured by a mortgage on any of the property in the District, including the property in the Assessment Area.

Assessment Proceeds

“Assessment Proceeds” is defined in the Indenture to mean, collectively, the amounts due to be paid each year in the period beginning on and including June 1 and ending on and including the next succeeding May 31 (each a **“Bond Year”**) as: (1) for each Platted Lot, (a) the **“Platted Lot Annual Assessment Payment Amount”** and (b) the **“Platted Lot Total Assessment Payment Amount”** and (2) for the Pre-Platted Land, (a) the **“Pre-Platted Land Annual Assessment Payment Amount”** and (b) the **“Pre-Platted Land Total Assessment Payment Amount.”**

The primary source of payment of the Series 2026 Bonds is anticipated to be the Assessment Proceeds resulting from the imposition of the Assessments on the property in the Assessment Area paid by the Developer (1) annually on any Platted Lot or Pre-Platted Land owned by the Developer or an Affiliate of the Developer, consisting of the Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount, and (2) at the time of a sale by PCC Land of any Platted Lot or parcel of Pre-Platted Land to a purchaser that is not an Affiliate of the Developer, consisting of the Platted Lot Total Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount, respectively.

Developer Annual Assessment Payments on Platted Lots and Pre-Platted Land

As long as PCC Land or another Affiliate of the Developer owns a Platted Lot or Pre-Platted Land, the Developer is required under the Special Assessment Agreement to pay, or cause to be paid, in each Bond Year directly to the Trustee on or before April 15: (1) the Platted Lot Annual Assessment Payment Amount on each Platted Lot owned by PCC Land or another Affiliate of the Developer; and (2) the Pre-Platted Land Annual Assessment Payment Amount on the Pre-Platted Land owned by PCC Land or another Affiliate of the Developer.

Platted Lot Annual Assessment Payment Amount. The **“Platted Lot Annual Assessment Payment Amount”** is defined in the Indenture to mean the amount payable in each Bond Year in respect of the Assessment on each of the respective Platted Lots as determined by the District pursuant to the Indenture.

Pre-Platted Land Annual Assessment Payment Amount. The **“Pre-Platted Land Annual Assessment Payment Amount”** is defined in the Indenture to mean the Assessment for Pre-Platted Land within the Assessment Area for each Bond Year in an amount equal to Annual Debt Service, less the amount of the Assessment attributable to Platted Lots in that Bond Year.

The Indenture provides that the Developer’s payment of the Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount will not be delinquent, and no Event of Default under the Indenture or the Special Assessment Agreement will occur, if payment of the Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount for such Bond Year is received by the Trustee in such amounts and at such times in an amount sufficient, together with the available amounts in the respective accounts for the Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds in the Bond Fund, to pay in full the principal of and interest on the Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds, respectively, becoming due and payable on each Stated Interest Payment Date and the Stated Principal Payment Date in such Bond Year.

The Trustee is required to apply the moneys received from the Developer annually as the Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount pursuant to the terms of the Indenture and described in the subsection below captioned **“Application of Assessment Proceeds by the Trustee”** and in the section herein captioned **“THE SERIES 2026 BONDS – Application of Amounts in the Revenue Fund.”**

Developer Payment in Full of Assessments Upon Transfer to Unrelated Third Party

The Developer is responsible for payment of all Assessments until such time as PCC Land sells Platted Lots and Pre-Platted Land to a purchaser that is not an Affiliate of the Developer.

The Developer is required under the Special Assessment Agreement to provide notice to the District and the Trustee of the sale of any Platted Lot or parcel of Pre-Platted Land two Business Days prior to the day PCC Land closes on the sale of any Platted Lot or parcel of Pre-Platted Land to any Person that is not an Affiliate of the Developer, the amount of the Platted Lot Total Assessment Payment Amount for each Platted Lot anticipated to be sold, and the amount of the Pre-Platted Land Total Assessment Payment Amount for each parcel of Pre-Platted Land anticipated to be sold.

The **“Platted Lot Total Assessment Payment Amount”** is defined in the Indenture to mean:

(1) the amount of the Platted Lot Annual Assessment Payment Amount then due on such Platted Lot; and

(2) the amount of the Assessment based on the equivalent residential units (“ERUs”) attributable to such Platted Lot, where the remaining principal outstanding on the Series 2026 Bonds is allocated among all ERUs for both Platted Lots and lots anticipated to be platted on Pre-Platted Land; and

(3) the amount of interest plus premium (if any) to accrue on a principal amount of the Series 2026 Bonds equal to the amount of such Assessment (rounded down to the highest Authorized Denomination) at the highest per annum interest rate then in effect for the Series 2026 Bonds for the period beginning on the Stated Interest Payment Date next preceding the date of sale of the Platted Lot and ending on (but not including) the next succeeding Stated Interest Payment Date; and

(4) if applicable, the amount of interest which may have accrued on the principal amount of the Assessment to (but not including) the date of foreclosure; and

(5) if applicable, any True-Up Payment payable pursuant to the Indenture as described in the section herein captioned **“Determination of Assessments on Platted Lots and Pre-Platted Land – True-Up Payments;”** and

(6) if applicable, such costs, fees and expenses with respect to such foreclosure as shall be permitted by Section 11-99A-21(7) of the Improvement District Act and as shall be sufficient to pay the costs of such foreclosure.

The **“Pre-Platted Land Total Assessment Payment Amount”** is defined in the Indenture to mean for any Pre-Platted Land on any date of determination, the sum of the following as determined by the District, based on information provided by the Assessment Methodology Manager from time to time:

(1) the amount of the Pre-Platted Land Annual Assessment Payment Amount then due on such Pre-Platted Land; and

(2) the amount of the Assessment attributable to such Pre-Platted Land which shall be based on the per-acre amount calculated by allocating the outstanding principal amount of the Series 2026 Bonds, less the portion thereof attributable to Platted Lots, to all remaining Pre-Platted Land; and

(3) the amount of interest, plus premium (if any), to accrue on a principal amount of the Serie 2026 Bonds equal to the amount of such Assessment (rounded down to the highest Authorized Denomination) at the highest per annum interest rate then in effect for the Serie 2026 Bonds for the

period beginning on the Stated Interest Payment Date next preceding the date of sale of the Pre-Platted Land and ending on (but not including) the next succeeding Stated Interest Payment Date; and

(4) if applicable, the amount of interest which may have accrued on the principal amount of the Assessment to (but not including) the date of foreclosure pursuant to the Indenture; and

(5) if applicable, any True-Up Payment payable pursuant to the Indenture as described in the section herein captioned **“Determination of Assessments on Platted Lots and Pre-Platted Land – True-Up Payments;”** and

(6) if applicable, such costs, fees and expenses with respect to such foreclosure as shall be permitted by Section 11-99A-21(7) of the Improvement District Act and as shall be sufficient to pay the costs of such foreclosure.

Simultaneously with the sale by PCC Land of each Platted Lot and/or each parcel of Pre-Platted Land to a purchaser that is not an Affiliate of the Developer, a portion of the purchase price paid by each purchaser, equal to the total amount of the Assessments attributable to the applicable Platted Lot or parcel of Pre-Platted Land (*i.e.*, the Platted Lot Total Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount, respectively), will be paid directly to the Trustee pursuant to the terms of the Collection and Transfer Agreement, as defined and described in the subsection below captioned **“Collection and Transfer Agreement,”** for the account of the District.

The Lien of the Assessment on each Platted Lot or parcel of Pre-Platted Land will be released when PCC Land or another Affiliate of the Developer sells a Platted Lot or a parcel of Pre-Platted Land to any Person that is not an Affiliate of the Developer.

Application of Assessment Proceeds by the Trustee

The Assessment Proceeds received by the Trustee from the Developer:

(1) annually as the Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount will be deposited into the Revenue Fund and applied by the Trustee to the payment of debt service on the Series 2026 Bonds pursuant to the terms of the Indenture as described below and in the sections herein captioned **“THE SERIES 2026 BONDS – Application of Amounts in the Revenue Fund;”** and

(2) upon the sale of any Platted Lot or parcel of Pre-Platted Land by PPC Land to a purchaser that is not an Affiliate of the Developer, consisting of the Platted Lot Total Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount, will be applied by the Trustee to the special mandatory redemption of the Series 2026 Bonds as provided in the Indenture and described in the section herein captioned **“THE SERIES 2026 BONDS – Redemption of Tax-Exempt Series 2026-A Bonds – Special Mandatory Redemption”** and **“ – Redemption of Taxable Series 2026-B Bonds – Special Mandatory Redemption.”**

Collection and Transfer Agreement

Pursuant to an agreement among PCC Land, the Assessment Methodology Manager and Fairhope Title Services, LLC, and Alabama Land Title Company, Inc. (each an **“Agent”** and, collectively, the **“Agents”**), dated as of June 1, 2026 (previously defined as the **“Collection and Transfer Agreement”**), the applicable Agent, on behalf of PCC Land, is required to collect from each purchaser of a Platted Lot or parcel of Pre-Platted Land the Platted Lot Total Assessment Payment Amount or the Pre-Platted Land Total Assessment Payment Amount, on the Platted Lot(s) or Pre-Platted Land being sold by PCC Land, which amounts the applicable Agent will deduct from the purchase price for each Platted Lot or parcel of Pre-Platted Land, based on the amount of the Platted Lot Total Assessment Payment Amount or the Pre-Platted Land Total Assessment Payment Amount provided by the Assessment Methodology Manager in writing to the applicable Agent. The Assessment Methodology

Manager is also required to provide the applicable Agent with a customary estoppel letter and Lien release letter for each parcel of Pre-Platted Land and/or Platted Lot(s) being sold at the time of such sale.

Simultaneously with the other closing disbursements by the Agent on behalf of PCC Land related to the purchase price for the sale of a Platted Lot or parcel of Pre-Platted Land, the Agent is required to wire-transfer the Platted Lot Total Assessment Payment Amount or the Pre-Platted Land Total Assessment Payment Amount, as applicable, for each parcel of Pre-Platted Land or Platted Lot(s) sold by PCC Land directly to the Trustee on behalf of PCC Land and the District pursuant to written wire instructions provided by the District to the Trustee for such transfer.

PCC Land assigned its rights under the Collection and Transfer Agreement, including all Platted Lot Total Assessment Payment Amounts and all Pre-Platted Land Total Assessment Payment Amounts, to the Trustee as additional security for the payment of the Series 2026 Bonds. The District and the Trustee are third-party beneficiaries of the Collection and Transfer Agreement and are entitled to enforce the obligations of the Agents and PCC Land thereunder. The Collection and Transfer Agreement will continue until the Assessment Methodology Manager provides written confirmation to the Agents that all Platted Lot Total Assessment Payment Amounts and Pre-Platted Land Total Assessment Payment Amounts have been paid in full.

In the event that the either or both Agents is replaced, resigns, or otherwise notifies PCC Land that it is unable to perform under the Collection and Transfer Agreement, PCC Land is required to immediately designate a successor; provided however, that any such successor must first agree to perform the obligations of the Agent under the Collection and Transfer Agreement.

District Administration Agreement

Pursuant to an agreement between the District and the Assessment Methodology Manager, dated as of June 1, 2026 (the “**District Administration Agreement**”), the District engaged the Assessment Methodology Manager to (1) process and document release of the Lien of any Pre-Platted Land or Platted Lot at the closing of the sale thereof by PCC Land to an unrelated third party, (2) identify to the Trustee the Pre-Platted Land or Platted Lot being released from such Lien, (3) upon platting of any property in the Assessment Area, allocate the Assessments to each Platted Lot, (4) determine the reduction in the amount of the Assessments attributable to Pre-Platted Land resulting from platting of the Pre-Platted Land, (5) upon the sale of any Platted Lot or Pre-Platted Land to an entity that is not an Affiliate of the Developer, calculate the Assessments attributable to such transferred Platted Lot and/or Pre-Platted Land at time of such sale, and (6) upon any platting or re-platting of the property in the Assessment Area, calculate any “true-up” amounts as required in the Assessment Methodology Reports.

Lien and Release of Lien Upon Prepayment. Prior to the delivery of the Series 2026 Bonds, the District is required to record a notice of lien in the Office of the Judge of Probate of Baldwin County, Alabama, in a form sufficient to encumber the approximately 98.5 acres in the Assessment Area subject to the Assessments under the Assessment Proceedings.

Upon notification of a proposed prepayment of a Platted Lot Total Assessment Payment Amount or a Pre-Platted Land Total Assessment Payment Amount, the Assessment Methodology Manager is required to provide a customary estoppel and release letter from the County to the prospective purchaser, the Developer, and either Fairhope Title Services, LLC or Alabama Land Title Company, Inc. (each an “**Agent**” and collectively, the “**Agents**”), as applicable, for the payment of the Platted Lot Total Assessment Payment Amount or the Pre-Platted Land Total Assessment Payment Amount, as applicable, and the release of the Lien with a portion of the proceeds resulting from the closing of the sale by PCC Land of such Pre-Platted Land or Platted Lot.

The Assessment Methodology Manager is authorized in the District Administration Agreement to document and release the Lien evidencing the Assessment on behalf of the District upon full payment of the

Platted Lot Total Assessment Payment Amount or the Pre-Platted Land Total Assessment Payment Amount with respect to each Platted Lot(s) or each parcel of Pre-Platted Land, respectively, sold by PCC Land to an unrelated third party and all associated fees with respect thereto. The Assessment Methodology Manager is prohibited from releasing the District's Lien without full payment of the Platted Lot Total Assessment Payment Amount or the Pre-Platted Land Total Assessment Payment Amount with respect to each Platted Lot(s) or each parcel of Pre-Platted Land, respectively, sold by PCC Land to an unrelated third party, and associated fees. The Platted Lot Total Assessment Payment Amount and/or the Pre-Platted Land Total Assessment Payment Amount attributable to each Platted Lot or parcel of Pre-Platted Land sold by PCC Land will be transferred directly from the applicable Agent to the Trustee pursuant to the Collection and Transfer Agreement, as described above.

Notice to Trustee. Simultaneously with the receipt by the Trustee of any Platted Lot Total Assessment Payment Amount or Pre-Platted Land Total Assessment Payment Amount for any Pre-Platted Land or Platted Lot pursuant to the Collection and Transfer Agreement or any other Financing Documents, the Assessment Methodology Manager is required to provide the Trustee with (1) written notice of the geographic description and parcel/lot identification of the Pre-Platted Land or Platted Lot on which the Lien is being released, (2) a copy of the recorded release of the Lien on the Pre-Platted Land or Platted Lot, and (3) such other reasonable information as the Trustee may request to document the release of such Pre-Platted Land or Platted Lot from the Lien of the Assessments and/or such other information as may be required by the Indenture or Special Assessment Agreement with respect thereto.

Assessment Rolls; Books and Records; Developer Report Due February 1. The Assessment Methodology Manager is required to maintain a detailed record of the Assessment Area sufficient to enable the District, the Developer, and the Trustee to identify and determine each of the following, all of which shall be included within the Developer's report, to be prepared by the Assessment Methodology Manager in consultation with the District and the Developer, required pursuant to the Special Assessment Agreement as described in the section herein captioned **"THE SPECIAL ASSESSMENT AGREEMENT – Developer to Provide Certain Annual Reports."**

(1) the Platted Lots for which the Platted Lot Total Assessment Payment Amount has been received and the Lien released (including the date of sale, the lot number, the sales price, and the Platted Lot Total Assessment Payment Amount transferred to the Trustee for deposit into the Extraordinary Redemption Fund pursuant to the Collection and Transfer Agreement to be applied pursuant to the terms of the Indenture);

(2) the Pre-Platted Land for which the Pre-Platted Land Total Assessment Payment Amount has been received and the Lien released (including the date of sale, the parcel number, the sales price, and the Pre-Platted Land Total Assessment Payment Amount transferred to the Trustee for deposit into the Extraordinary Redemption Fund pursuant to the Collection and Transfer Agreement to be applied pursuant to the terms of the Indenture);

(3) the Platted Lots for which the Platted Lot Total Assessment Payment Amount has not been received and the amount of the Assessment outstanding on each such Platted Lot;

(4) the Pre-Platted Land for which the Pre-Platted Land Total Assessment Payment Amount has not been received and the amount of the Assessment outstanding on such Pre-Platted Land; and

(5) the outstanding principal amount of the Series 2026 Bonds.

Assessment Methodology Manager Report and Obligations. The Assessment Methodology Manager is required in the District Administration Agreement to prepare and submit to the Trustee no later than March 15 of each year, beginning March 15, 2027, pursuant to the Special Assessment Agreement, a report, as described in the section herein captioned **"THE SPECIAL ASSESSMENT AGREEMENT – Trustee to Invoice Developer on April 1,"** in such form that will permit the Trustee to invoice the Developer on April 1 for the

Annual Debt Service due on the Series 2026 Bonds on the next succeeding June 1. Such report shall include without limitation the following information:

- (1) Annual Debt Service due on the Series 2026 Bonds on June 1;
- (2) Platted Lot Total Assessment Payment Amount(s) and/or the Pre-Platted Land Total Assessment Payment Amount transferred to the Trustee for deposit into the Mandatory Redemption Fund pursuant to the Collection and Transfer Agreement for application as provided in the Indenture;
- (3) If (1) is greater than (2), then the Trustee will invoice the Developer for the amount of such difference; provided however, such difference shall be considered Platted Lot Annual Assessment Payment Amount(s) and/or Pre-Platted Land Annual Assessment Payment Amount, as applicable, and shall be applied pro-rata to each remaining Platted Lot(s) or acre(s) of Pre-Platted Land which, when added to the Platted Lot Annual Assessment Payment Amount(s) and/or Pre-Platted Land Annual Assessment Payment Amount(s), as applicable, equals the Annual Debt Service; and
- (4) If (2) is greater than (1), then the Trustee will advise the Developer that the difference has been deposited into the Extraordinary Redemption Fund to be applied to Special Mandatory Redemption as provided in the Indenture.

Pursuant to the Assessment Methodology Reports, the Assessment Methodology Manager is required in the District Administration Agreement to (1) upon platting of any property in the Assessment Area, allocate the Assessments to each Platted Lot, (2) determine the reduction in the amount of the Assessments attributable to Pre-Platted Land resulting from platting of the Pre-Platted Land, (3) upon the sale of any Platted Lot or Pre-Platted Land to an entity that is not an Affiliate of the Developer, calculate the Assessments attributable to such transferred Platted Lot and/or Pre-Platted Land at time of such sale, and (4) upon any platting or re-platting of the property in the Assessment Area, calculate any “true-up” amounts as required in the Assessment Methodology Reports.

The Trustee is required in the District Administration Agreement to advise the Assessment Methodology Manager in writing if the Trustee has not received the amount of Platted Lot Total Assessment Payment Amount(s) and/or the Pre-Platted Land Total Assessment Payment Amount that the Assessment Methodology Manager believes have or should have been transferred to the Trustee pursuant to paragraph 2 above or if the Trustee believes there is any discrepancy between the Trustee’s records and the Assessment Methodology Manager’s records.

Effective Date; Termination. The District Administration Agreement will become effective as of June 1, 2026 (i.e., the date of delivery of the Series 2026 Bonds), and the term thereof will commence on such date and continue until the District Administration Agreement is terminated pursuant to the terms thereof as follows:

- (1) by the District for “good cause,” which shall include misfeasance, malfeasance, nonfeasance by the Assessment Methodology Manager, or failure of the Assessment Methodology Manager to perform the services as required under the District Administration Agreement, if such failure to perform the services as required thereunder has not been cured within 30 business days after the District has provided notice to the Assessment Methodology Manager (the “**Cure Period**”);
- (2) upon the dissolution or court-declared invalidity of the District; or
- (3) by either party, for any reason, by providing 30 days prior written notice to the other party.

Upon the termination of the District Administration Agreement, the Assessment Methodology Manager agrees to take all reasonable and necessary actions to transfer to the District, or to such other party as directed by the District, all the books and records of the District in the Assessment Methodology Manager's possession.

Foreclosure on Platted Lots and Pre-Platted Land

If PCC Land, or another Affiliate of the Developer, as the owner of a Platted Lot or Pre-Platted Land, fails to pay, when and as due and payable, (1) for each Platted Lot, the Platted Lot Annual Assessment Payment Amount; (2) for each Platted Lot sold by PCC Land to a purchaser that is not an Affiliate of the Developer, the Platted Lot Total Assessment Payment Amount; (3) for the Pre-Platted Land, the Pre-Platted Land Annual Assessment Payment Amount; (4) for each parcel of Pre-Platted Land sold by PCC Land to a purchaser that is not an Affiliate of the Developer, the Pre-Platted Land Total Assessment Payment Amount, such Platted Lot or Pre-Platted Land is subject to foreclosure and sale as provided in the Improvement District Act, the Indenture and the Special Assessment Agreement, and the Trustee is required under the Indenture to proceed to foreclose and sell such Platted Lot or Pre-Platted Land, for an amount not less than the Platted Lot Total Assessment Payment Amount or the Pre-Platted Land Total Assessment Payment Amount, as applicable.

The Trust Estate includes (1) the net proceeds realized from the foreclosure and sale of a Platted Lot ("**Platted Lot Foreclosure Proceeds**") and (2) the net proceeds realized from the foreclosure and sale of the Pre-Platted Land pursuant to the Special Assessment Agreement ("**Pre-Platted Land Foreclosure Proceeds**").

Pursuant to the Indenture, the District authorizes and directs the Trustee to:

- (1) deposit and transfer all Platted Lot Foreclosure Proceeds, when and as received, as follows:
 - (a) deposit in the Extraordinary Redemption Fund an amount equal to the lesser of the Platted Lot Foreclosure Proceeds and the Platted Lot Total Assessment Payment Amount; and
 - (b) transfer the amount, if any, by which the Platted Lot Foreclosure Proceeds exceeds the Platted Lot Total Assessment Payment Amount to the Developer or to whomsoever may be entitled thereto by Applicable Law.
- (2) deposit and transfer all Pre-Platted Land Foreclosure Proceeds, when and as received, as follows:
 - (a) deposit in the Extraordinary Redemption Fund an amount equal to the lesser of the Pre-Platted Land Foreclosure Proceeds and the Pre-Platted Land Total Assessment Payment Amount; and
 - (b) transfer the amount, if any, by which the Pre-Platted Land Foreclosure Proceeds exceeds the Pre-Platted Land Total Assessment Payment Amount to the Developer or to whomsoever may be entitled thereto by Applicable Law.

See the section herein captioned "**ENFORCEMENT OF PAYMENT OF ASSESSMENTS BY TRUSTEE; FORECLOSURE PROCEEDINGS**" for a discussion of the determination and application of Platted Lot Foreclosure Proceeds and Pre-Platted Land Foreclosure Proceeds and the provisions in the Indenture and Special Assessment Agreement regarding the Trustee's foreclosure on Platted Lots and Pre-Platted Land.

Projected Market Value of Property in the Assessment Area

The Developer engaged Newmark to prepare the Appraisal Report for the purpose of (1) providing an opinion of the "as is" market value and the prospective market value, based on certain assumptions identified in the Appraisal Report, of approximately 546.7 acres of real property in the District on which the 308 single-family

detached lots are anticipated to be developed, consisting of 122 lots in Phase 1 and 186 lots in Phase 2; and (2) providing a projected absorption of the Phase 1 Platted Lots and a projected absorption of the 186 lots anticipated to be developed in Phase 2 of the Development. The Appraisal Report assumes that the Phase 1 lots will be developed concurrently with approximately \$72 million of improvements, including a Tom Fazio-designed 18-hole golf course, with a golf shop, clubhouse and other club amenities. The Appraisal Report does not assume any commercial development in the District.

The primary purpose of the Appraisal Report is to develop an opinion of the market value of the fee simple ownership of the 546.7 acres of property in the District. Newmark states in the Appraisal Report that it is its opinion that the “as is” market value (*i.e.*, the market value of the real property in its current physical condition, use and zoning as of the appraisal date) of the fee simple interest in the approximately 546.7 acres of real property in the District on which the 308 residential units assumed therein are anticipated to be developed is \$101,500,000 as of May 6, 2026.

The Appraisal Report also states that it is the opinion of Newmark that the (1) prospective market value upon completion (assumed to occur in August 2027) of the Phase 1 Capital Improvements (referred to in the Appraisal Report as the “Phase 1 Infrastructure”) for the 122 lots in Phase 1 is \$103,240,000 and (2) the prospective value of the remaining real property in the District (referred to in the Appraisal Report as the “Excess Land”) upon completion of the Phase 1 Capital Improvements is \$54,330,000. ***The prospective market values are based on the following assumptions: (1) all of the approximately \$20,006,175¹ in Phase 1 Public Improvements and Phase 1 Private Improvements for the 122 Platted Lots are completed in accordance with the Developer’s plans and specifications, and (2) concurrent development of the Golf Course, Clubhouse and related amenities within the Phase 1 Development, and completion of the Golf Course and Clubhouse by August 1, 2027.***

Under the assumptions in the Appraisal Report, the prospective market value-to-lien ratio for the 122 lots in Phase 1 upon completion of the Phase 1 Capital Improvements, based on the assumptions in the Appraisal Report as described above, is anticipated to be as shown in the table below as of May 6, 2026. No assurance can be given that the ratio in the table below can or will be maintained during the period of time that the Series 2026 Bonds are outstanding due to factors that could impact property values in the Assessment Area and the larger area in the District boundaries outside the Assessment Area.

Number of Lots (Anticipated) ¹	Prospective Market Value (Developed Lots) ²	Lien (par amount of Series 2026 Bonds)*	Prospective Value-to- Lien Ratio*
122	\$103,240,000	\$25,655,000	4.0

¹ As of May 6, 2026.

² Based on the “Prospective Value Upon Completion of Phase 1 Infrastructure” for the 122 lots in the Assessment Area as described in the Appraisal Report.

* Preliminary, subject to change.

Reserve Fund Accounts

Series 2026-A Account of the Reserve Fund. As additional security for the Tax Exempt Series 2026-A Bonds, the Series 2026-A Account of the Reserve Fund will be funded with proceeds of the Tax-Exempt Series 2026-A Bonds in the amount of \$1,354,000* (the “**Series 2026-A Reserve Fund Account Requirement**”). Amounts in the Series 2026-A Account of the Reserve Fund will be available to pay principal of and interest on

¹ This estimated cost of the Phase 1 Public Improvements and the Phase 1 Private Improvements has been updated from the estimated cost of such improvements set forth in the Engineer’s Report to reflect subsequent adjustments by the Developer to the budgeted costs. See “**PLAN OF FINANCE – Summary Chart – Sources and Uses of Funds for the Phase 1 Development**” herein.

* Preliminary, subject to change.

the Tax-Exempt Series 2026-A Bonds, if there are not sufficient moneys available for such purpose. Amounts remaining in the Series 2026-A Account of the Reserve Fund will be applied to the final payment of principal of and interest on the Tax-Exempt Series 2026-A Bonds.

Series 2026-B Account of the Reserve Fund. As additional security for the Taxable Series 2026-B Bonds, the Series 2026-B Account of the Reserve Fund will be funded with proceeds of the Taxable Series 2026-B Bonds in the amount of \$1,211,500* (the “**Series 2026-B Reserve Fund Account Requirement**”). Amounts in the Series 2026-B Account of the Reserve Fund will be available to pay principal of and interest on the Taxable Series 2026-B Bonds, if there are not sufficient moneys available for such purpose. Amounts remaining in the Series 2026-B Account of the Reserve Fund will be applied to the final payment of principal of and interest on the Taxable Series 2026-B Bonds.

Capitalized Interest Accounts

Series 2026-A Capitalized Interest Account. On the date of issuance of the Series 2026 Bonds, a portion of the proceeds of the Tax-Exempt Series 2026-A Bonds will be deposited into the Series 2026-A Capitalized Interest Account of the Bond Proceeds Fund in the amount of \$806,758* and will be used to pay interest on the Tax-Exempt Series 2026-A Bonds through June 1, 2027.*

Series 2026-B Capitalized Interest Account. On the date of issuance of the Series 2026 Bonds, a portion of the proceeds of the Taxable Series 2026-B Bonds will be deposited into the Series 2026-B Capitalized Interest Account of the Bond Proceeds Fund in the amount of \$999,487* and will be used to pay interest on the Taxable Series 2026-B Bonds through June 1, 2027.*

THE DISTRICT

Creation of the District

On February 3, 2026, the Commission adopted a resolution authorizing the formation and incorporation of the District as a public corporation created in accordance with the laws of the State, including particularly the Improvement District Act.

On April 7, 2026, the District, on behalf of PCC Land and PCC Investments, submitted the Assessment Petition to the Commission requesting that the Commission approve the Assessment Methodology by which Assessments are imposed on the Assessment Area for the purpose of acquiring, constructing and installing certain public utility, transportation, and other related capital infrastructure improvements benefitting the Assessment Area, based on the Assessment Methodology Reports. The Assessment Methodology Reports were prepared by Wrathell, Hunt and Associates, LLC, which firm the District has engaged to calculate and manage the Assessments in accordance with the terms of the Indenture, the Special Assessment Agreement, and the Assessment Methodology Reports (previously defined as the “**Assessment Methodology Manager**”).

The District encompasses approximately 546.7 acres and all of the District property, including the Assessment Area, is located in an unincorporated area of the County, outside of any municipal jurisdiction. The District (and the Development, as defined and described herein) is located on the east and west sides of County Road 3 at Monk Road, the north side of County Road 24, east of Alternate US Scenic Highway 98, and the west side of US Highway 98, six miles south of the City of Fairhope in Baldwin County, Alabama, 23 miles southeast of the Mobile, Alabama central business district and approximately five miles from beach access along Mobile Bay. See page xi in this Limited Offering Memorandum for vicinity maps of the location of the District and the surrounding areas.

For a description of the development within the District, see “**THE DEVELOPMENT**” herein.

Legal Powers and Authority

The Improvement District Act provides for the establishment by a municipality or a county of improvement districts as independent public corporations. A district created pursuant to the Improvement District Act has the power to finance the acquisition, construction, operation and maintenance of public infrastructure improvements within its boundaries. Among other things, the Improvement District Act authorizes improvement districts to (1) acquire and construct improvements specified in the Improvement District Act, including, but not limited to, sanitary sewer systems, storm sewer systems, utilities, streets, bridges, curbs, gutters, off-street parking, sidewalks, street lighting and public recreational facilities, (2) borrow money and issue revenue bonds of the district, (3) collect assessments levied on land within the district by the municipality or county which created such district, apply the proceeds of such assessments to the payment of bonds of the district, and enforce payment of such assessments by foreclosure as provided in the Improvement District Act, and (4) exercise all powers of the district as provided in the Improvement District Act. The Improvement District Act provides that a district created thereunder may not be dissolved if the district has any assessments or indebtedness outstanding.

Board of Directors

The Board of Directors (the “**Board**”) is the governing body of the District. The current directors and officers of the District are as follows:

Name	Office	Expiration of Term
Carter Bryars	Chairman	February 3, 2031
Jason Tickle	Vice-Chairman	February 3, 2030
Justin Weintraub	Secretary-Treasurer	February 3, 2032

Immunity

The Improvement District Act provides that a district created thereunder, and the members of its board of directors, and its officers and agents shall have the same immunity from liability as a municipality and its officers under the laws of the State.

Operation of the District

The Developer entity is majority owned and controlled by entities related to Daniel Realty and entities or individuals related to the McLean Family. Carter Bryars, Chairman of the District, is the Chief Operating Officer for Daniel Realty. The other two directors of the District are employed by Daniel Realty. See “**THE DEVELOPMENT**” herein.

The principal office of the District is located in Fairhope, Alabama, but the District also conducts business at the offices of Daniel Realty Company, LLC, at 505 20th Street N., Birmingham, Alabama, 35203.

THE DEVELOPMENT

Certain of the information contained in this section has been obtained from public records, the Appraisal Report (defined herein) attached hereto as **Appendix A**, and the District; however, most of the information contained in this section has been supplied primarily by the Developer and contains important information concerning the Developer and the Development. Although believed to be reliable, such information has not been independently verified by the Underwriter and the Underwriter makes no representation or warranty regarding the accuracy or completeness thereof. Investors are urged to review this information carefully before making an investment in the Series 2026 Bonds. None of the District, the District’s consultants, the Underwriter or the Underwriter’s consultants make any representation regarding projected development plans within the District, the financial soundness of the Developer or its ability to complete the Development as planned.

Investors are urged to review this information carefully before making an investment in the Series 2026 Bonds. See **“RISK FACTORS”** herein.

References to website addresses contained in this Limited Offering Memorandum are for informational purposes only. Such websites and the information or links contained in this section are not incorporated into, and are not part of, this Limited Offering Memorandum.

Overview

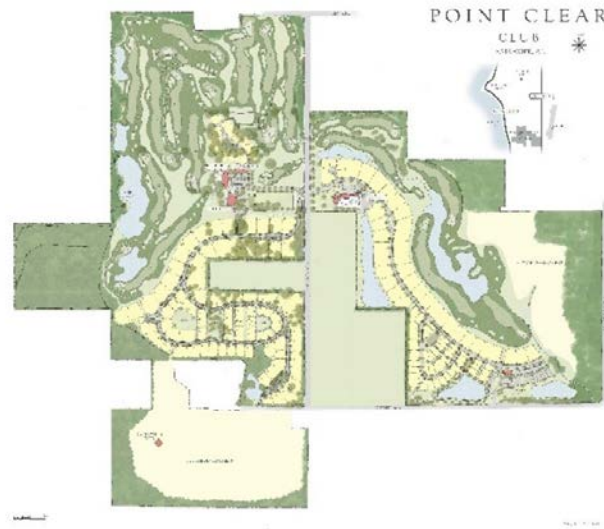
The site plan on the following page depicts the anticipated master-planned residential golf community known as Point Clear Club (as further defined and described herein, the **“Development”**) being developed by Point Clear Club Investments, LLC (previously defined as **“PCC Investments”**) and an entity wholly owned and controlled by PCC Investments, Point Clear Club Land, LLC (previously defined as **“PCC Land”** and, collectively with PCC Investments, the **“Developer”**) on the approximately 546.7 acres comprising the District (the **“District Property”**), all of which is owned by PCC Land.

PCC Investments was formed in 2025 to develop completed lots (*i.e.*, make building-permit ready) and market and sell the completed lots to third-party purchasers who are then anticipated to engage custom homebuilders to construct homes thereon, although the third-party purchasers are not obligated to construct a home on their lot. PCC Investments is majority owned and controlled by entities related to Daniel Realty Company, LLC, an Alabama limited liability company (**“Daniel Realty”**), and entities or individuals related to the McLean family (the **“McLean Family”**), long-time County residents and landowners who are partnering with the Developer to develop the Development. See the subsection below captioned **“The Developer, Daniel Realty and the McLean Family.”**

According to the Developer, at full build-out, the Development is anticipated to include a first-class private-membership golf club with an 18-hole Tom Fazio-designed golf course (the **“Golf Course”**), a clubhouse (the **“Clubhouse”**) and golf shop (the **“Golf Shop”**), a golf teaching facility and other golf amenities, as well as approximately 308 single-family residential units and other club amenities, including championship croquet lawns, tennis and pickleball courts, state-of-the-art fitness center and aquatics complex for wellness and recreation, and walking trails.

The Development is located on the east and west sides of County Road 3 at Monk Road, the north side of County Road 24, east of Alternate US Scenic Highway 98, and the west side of US Highway 98, six miles south of the City of Fairhope in Baldwin County, Alabama, and 23 miles southeast of the Mobile, Alabama central business district. The Development is approximately 5.3 miles from beach access along Mobile Bay. See page xi this Limited Offering Memorandum for vicinity maps of the location of the Development and the surrounding areas.

The Development is being marketed as “Point Clear Club” and is being developed on property comprised of centuries-old live oak trees, open rolling fields, lakes and streams. The driveway to the Clubhouse is lined with champion live oak trees. These live oaks will be saved and become a prominent feature of the Golf Course. According to the Developer, the Development will highlight the land’s natural beauty and storied heritage to result in a premier family-oriented private community. For additional information on the Development, see the Point Clear Club website at <https://www.pointclearclub.com>.



Point Clear Club – Phase 1. The Developer is developing the Development in phases. The first phase of the Development (referred to herein as “**Phase 1**” or the “**Phase 1 Development**”) is planned to consist of (1) completion (*i.e.*, make building-permit ready) of 122 single-family lots (previously defined as the “**Assessment Area Development**”) anticipated to be developed on approximately 98.5 acres in the District located on the west side of County Road 3 (the “**Assessment Area**”) and (2) completion of the Golf Course, the Clubhouse, the Golf Shop and related amenities, championship croquet lawns, and a separate structure for storing golf carts (collectively, the “**Golf Course Development**”) anticipated to be located on approximately 211 acres in the District located on the west side of County Road 3 and additional property located on the east side of County Road 3 (collectively, referred to herein as the “**Golf Course Property**”), all of which is located outside the Assessment Area. The Assessment Area Development and the Golf Course Development are defined and described in more detail in the subsections below captioned “– **Assessment Area Development**” and “– **Golf Course Development**.”

The Golf Course Property is not subject to the Assessments and, in the event of nonpayment of the Assessments, will not be subject to foreclosure proceedings pursuant to the Indenture or the Special Assessment Agreement.

According to the Developer, the estimated total cost of all improvements necessary to serve Phase 1 of the Development at full build-out (including, without limitation, the construction and completion of the Golf Course, the Clubhouse and the Golf Shop) is approximately \$92,582,483 (referred to herein as the “**Phase 1 Capital Improvements**”). As of May 1, 2026, the Developer reports that it has expended approximately \$14,741,294 (or approximately 16% of its total Phase 1 budget) in connection with construction of Phase 1 Capital Improvements. See the section below captioned “**Phase 1 Capital Improvements**.”

Point Clear Club – Phase 2. The Developer reports that the next phase of the Development (referred to herein as “**Phase 2**”) is anticipated to be developed on the remaining District Property and is anticipated to consist of approximately 186 single-family homesites anticipated to be developed on the east side of County Road 3, along with amenities including tennis and pickleball courts, a fitness center and a comprehensive aquatics complex for wellness and recreation, and walking trails (the “**Phase 2 Property**”). The Phase 2 Property is outside the boundaries of the Assessment Area and currently consists of vacant, unplatted land. ***According to the Developer, it has not determined a specific timeline for development of the Phase 2 Property. There are no guarantees or representations by the Developer that construction of Phase 2 will commence, and if it does commence, be completed within any particular timeframe.***

The Phase 2 Property is not subject to the Assessments and, in the event of nonpayment of the Assessments, will not be subject to foreclosure proceedings pursuant to the Indenture or the Special Assessment Agreement.

The proceeds of the Series 2026 Bonds will not be used to finance any portion of Phase 2 of the Development.

Phase 1 Development Timeline

The timeline on the following page illustrates the progression of the Phase 1 Development from the time the McLean Family and the Developer purchased the property on which the Development is anticipated to be developed through the time that the Developer anticipates it will close on the sale of all 122 lots in the Assessment Area to third-party purchasers.

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Phase 1 Development Timeline

1985–2009	◆	McLean Family acquires 300 acres of the District Property
July 2025	◆	Zoning/Conceptual Site Plan approved
September 2025	◆	Daniel Realty entities acquire 246 acres of the District Property; District Property contributed to PCC Land in connection with Daniel Realty/McLean Family joint venture
October 2025	◆	Developer commenced site work for 122 lots anticipated to be developed as the Assessment Area Development and site work on the Golf Course
December 2025		PCC Investments entered into contract with Integrity Golf Inc. as its general contractor for construction of the Golf Course
April 2026		PCC Investments entered into contract with Cunningham Delaney Construction, LLC for construction of infrastructure for the Assessment Area Development, consisting generally of demolition and construction of roads, water and sewer utilities, and drainage and erosion control
April 2026		PCC Investments entered into contract with A-Long Boring, Inc. for the construction of infrastructure improvements for the Golf Course Development, consisting generally of certain on-site and off-site utilities
As of May 1, 2026	◆	Developer has expended \$14,741,294 on Phase 1 Capital Improvements
As of May 6, 2026	◆	Developer Pre-Sold 74 lots in the Assessment Area Development
May 2026		Developer obtained permits and commenced construction of horizontal improvements in the Assessment Area, including installation of water and sewer utilities and stormwater
Year-End 2026	◆	Developer anticipates that the Golf Course will be completed along with a majority of the Phase 1 Capital Improvements related to the Golf Course
Mid-2027	◆	As Developer completes horizontal improvements related to certain lots in the Assessment Area Development, it anticipates County approval of final plats related to such lots; PCC Land anticipates recording final plats in mid-2027, after which lot purchasers may request vertical building permits for lots included in recorded final plats
Fall 2027		Developer anticipates that the Golf Course will be open for play
As of November 2027	◆	Developer projected to close on sale of 88 lots planned for the Assessment Area Development as set forth in the Appraisal Report
Year End 2027		Developer anticipates completion of all Phase 1 Capital Improvements and completion of the Clubhouse and all related club amenities, other than certain landscaping
2028–2029	◆	Developer projected to close on sale of remaining 34 lots planned for the Assessment Area Development as set forth in the Appraisal Report

Property Ownership

PCC Land currently owns all of the approximately 546 acres within the boundaries of the District (previously defined as the “**District Property**”). The District Property was both acquired and contributed to PCC Land in connection with a joint venture, subject to the terms of a joint venture agreement dated September 11, 2025 (the “**JV Agreement**”), among entities related to Daniel Realty and the McLean Family, whereby Daniel Realty-related entities have an approximately 60% interest and the McLean Family-related entities have an approximately 40% interest. Pursuant to the JV Agreement, Daniel Realty is appointed as the sole and exclusive development manager and sales and marketing representative for the Development, subject to obtaining approval from the McLean Family entities prior to undertaking numerous of its responsibilities as the manager of the Development under the JV Agreement.

A portion of the District Property is encumbered in connection with the SmartBank Loan (defined herein). See “– **Development Financing; Encumbrances on District Property**” below.

Prior to the District Property being contributed to PCC Land as described above, the McLean Family owned approximately 300 acres in the District. McLean Family members acquired approximately 14 acres of property currently located within the boundaries of the District in 1985 and built the McLean Family estate (the “**McLean Estate**”) thereon, where members of the McLean Family lived prior to vacating it in December 2025 in anticipation of its redevelopment into the Clubhouse. The McLean Family acquired an additional approximately 286 acres currently located within the boundaries of the District between 1995 and 2009. In September 2025, in preparation for the Development, entities related to Daniel Realty acquired approximately 246 acres of the District Property, which was subsequently transferred to PCC Land.

Assessment Area Development

General. The Assessment Area Development is being developed as part of Phase 1 of the Development and, according to the Developer, will include 122 single-family homesites. PCC Investments commenced site work for the Assessment Area Development in October 2025, and, as of May 1, 2026, has expended approximately \$1,743,456 in connection with such site work, consisting generally of mass grading and leveling of the lots. According to the Developer, the City issued permits for construction of certain of the horizontal improvements in the Assessment Area Development and, as of May 1, 2026, the Developer reports that construction has commenced on horizontal improvements in the Assessment Area. See the subsection below captioned “**Phase 1 Capital Improvements.**”

According to the Developer, it commenced marketing of lots in the Assessment Area in October 2025 and as of May 6, 2026, PCC Land has executed lot sale agreements (“**Pre-Sold**”) for 74¹ lots to third-party purchasers, representing \$65,917,580 in lot sales. According to the Developer, it has obtained verbal commitments for an additional six lots for which lot sale agreements are pending finalization and execution with third-party purchasers. The Developer is marketing lots with prices ranging from \$1,900,000 for a Golf Cottage North Lot to \$472,500 for a Golf Cottage Narrow Lot. According to the Developer, the average sales price for 72 of the 74 Pre-Sold lots is \$915,533 per lot. The Developer reports that in connection with the Pre-Sold lots, as of May 6, 2026, it has \$15,293,970 of non-refundable (except as otherwise specifically set forth in the applicable Lot Sale Agreement (defined herein)) down payments in escrow and \$1,425,000 in additional escrow deposits are anticipated but not yet received.

¹ In connection with its acquisition of the District Property, the Developer agreed to transfer one completed lot to a third-party in exchange for the contribution by the third party of property to be included in the Development, without additional payment by the third party for the lot at the time of transfer. Another completed lot will be transferred to a third-party, Kenny McLean, in exchange for his land contribution pursuant to the JV Agreement, without additional payment by Mr. McLean at the time of transfer. The Developer will be obligated to pay the Assessments attributable to such lots at the time of transfer to these two third parties in the same manner as all other lots planned for the Assessment Area Development.

PCC Investments anticipates that it will complete (*i.e.*, make building-permit ready) all of the Pre-Sold lots and that PCC Land will close the sale of the Pre-Sold lots beginning in June 2027 to third-party purchasers, who are then anticipated to engage custom homebuilders to construct homes thereon, although the third-party purchasers are not obligated to construct a home on their lot. The Developer is obligated pursuant to the Indenture and the Special Assessment Agreement to prepay in full the portion of the Assessment attributable to any portion of the property in the Assessment Area prior to PCC Land's sale of such property to a third-party purchaser. See **LIEN, PAYMENT AND ENFORCEMENT OF ASSESSMENTS – Payment of Assessments on Platted Lots** herein.

Only the portion of the District Property consisting of approximately 98.5 acres within the Assessment Area on which the 122 lots comprising the Assessment Area Development are being developed is subject to the lien of the Assessments.

As of May 6, 2026, the Developer reports that it was marketing all of the remaining 42 unsold lots, which are not Pre-Sold or for which the Developer has not received a verbal commitment for sale to third-party purchasers, other than the 15 Golf Cottage lots, which the Developer expects to begin marketing for sale in late May or early June, 2026.

Lot Sale Agreements. As described above, PCC Land has Pre-Sold 74¹ of the planned lots in the Assessment Area pursuant to lot sale agreements (collectively referred to herein as the “**Lot Sale Agreements**”) with third-party purchasers. Pursuant to the Lot Sale Agreements, PCC Land anticipates that it will close the sale of the first finished lots (*i.e.*, lots ready for a building permit) to third-party purchasers who are then anticipated to engage custom homebuilders to construct homes thereon, although the third-party purchasers are not obligated to construct a home on their lot. According to the Developer, the primary terms of the Lot Sale Agreements are generally consistent from agreement to agreement. Such primary terms are summarized in more detail below.

The Lot Sale Agreements, and all obligations for the parties thereunder, are contingent on the County approving a final plat for the applicable lot. The Lot Sale Agreements obligate the purchaser to deposit earnest money with the title company, generally within three days of acceptance of the Lot Sale Agreement. The earnest money is to be applied as a credit to the purchaser at the closing of the lot sale. Prior to any release of the earnest money, the title company must obtain a mutual release agreement signed by the parties to the Lot Sale Agreement. In the event of a default by the purchaser, PCC Land may cancel the Lot Sale Agreement and retain the earnest money deposit (or 15% of the purchase price, if less), subject to a notice period. In the event of a default by PCC Land, the purchaser may cancel the Lot Sale Agreement and be refunded the earnest money deposit or seek specific performance of the Lot Sale Agreement.

Certain terms of the Lot Sale Agreements are subject to the options selected by the purchaser at the time of execution, including whether the purchase is subject to the lot appraising for at least the purchase price and whether the purchaser is paying cash or if the purchase is subject to the purchaser obtaining a mortgage (provided that the purchaser is required to use its best efforts to obtain such a mortgage). The Lot Sale Agreements may also be subject to a due diligence period (generally 10 days, if applicable) as set forth in the specific Lot Sale Agreement but, according to the Developer, to the extent such due diligence periods were applicable, they have expired. Individual Lot Sale Agreements may be contingent on other items specifically noted by the purchaser, such as being accepted as a member of Point Clear Club.

¹ In connection with its acquisition of the District Property, the Developer agreed to transfer one completed lot to a third-party in exchange for the contribution by the third party of property to be included in the Development, without additional payment by the third party for the lot at the time of transfer. Another completed lot will be transferred to a third-party, Kenny McLean, in exchange for his land contribution pursuant to the JV Agreement, without additional payment by Mr. McLean at the time of transfer. The Developer will be obligated to pay the Assessments attributable to such lots at the time of transfer to these two third parties in the same manner as all other lots planned for the Assessment Area Development.

Assessment Area Development Summary Chart

The following chart summarizes information provided by the Developer with respect to the current contractual and projected sales status of the Assessment Area Development. See the Appraisal Report attached hereto as **Appendix A** for additional discussion of the anticipated future lot sale absorption for the Assessment Area Development.

Summary of Anticipated Residential Development – Assessment Area⁽¹⁾

Product, Assessment, ERUs and Planned Residential Units				Contract Status			Projected Years for Lot Sales
Lot Product Type	Assessment per Platted Lot ^{(2), *}	ERUs	Number of Planned Residential Units	Under Contract for Sale to Third-Party ⁽³⁾	Verbal Commitment Pending Final Contract	Not Under Contract (or Verbal) for Sale to Third-Party	
Golf Estate	\$314,890	1.448	14	14	-	-	2027
Estate	214,715	0.987	28	20	1	7	2027-2028
Interior – (Typical)	155,728	0.716	14	11	2	1	2027-2028
Village	203,362	0.935	6	1	2	3	2027-2028
Golf Cottage – Narrow	197,344	0.907	25	18	1	6	2027-2029
Interior 2 Frontage – (Typical)	155,728	0.716	6	5	-	1	2027
Estate 2 Frontage	214,715	0.987	14	5	-	9	2027-2029
Golf Cottage – North	197,344	0.907	<u>15</u>	-	-	<u>15</u>	2027
Total			<u>122</u>	<u>74</u>	<u>6</u>	<u>42</u>	
Percent of Total			100.0%	61%	5%	34%	

* Preliminary, subject to change.

(1) All information as of May 6, 2026.

(2) Reflects the par amount of the Bonds allocated by lot type based on the ERUs attributed to each lot type pursuant to the Assessment Methodology Reports.

(3) In connection with its acquisition of the District Property, the Developer agreed to transfer one completed lot to a third-party in exchange for the contribution by the third party of property to be included in the Development, without additional payment by the third party for the lot at the time of transfer. Another completed lot will be transferred to a third-party, Kenny McLean, in exchange for his land contribution pursuant to the JV Agreement, without additional payment by Mr. McLean at the time of transfer. The Developer will be obligated to pay the Assessments attributable to such lots at the time of transfer to these two third parties in the same manner as all other lots planned for the Assessment Area Development.

Source: Assessment Methodology Reports, Appraisal Report and the Developer.

No assurance is given as to the timing or anticipated valuation of any future development within the District. The sufficiency of the land value in the Assessment Area to secure payment of the Assessments has been assessed by the District based on the projections regarding anticipated future development in Phase 1 contained in the Appraisal Report attached hereto as Appendix A. Information regarding future development within the District in this Limited Offering Memorandum is not a guarantee of any future development within the District or the Assessments that may result from the property in the Assessment Area. The actual amount and type of development is subject to change, depending upon execution by the Developer of its development plan, market conditions and other factors. Although the Golf Course Property and the Phase 2 Property are not subject to the Assessments, their development (or lack thereof), is anticipated to impact the value of the Assessment Area and such impact could be material. See “RISK FACTORS – Planned Development Not Assured” herein.

Appraisal Report and Absorption of Lots. The Appraisal Report attached as Appendix A sets forth the conclusions of the provider of the Appraisal Report as to the potential future market-based pricing and absorption of the 122 Phase 1 Platted Lots on which single-family detached homes are anticipated to be constructed. See Appendix A attached hereto and “BOWNERS’ RISKS – Risks Inherent in the Appraisal Report” herein. *There is no assurance that the property in the District will be developed in the time and manner described herein and in Appraisal Report, or at all. The completion of Phase I requires PCC Land’s sale of the remaining Phase 1 Platted Lots and completion by PCC Investments of development and platting of the*

remaining Phase 1 Property, which is not guaranteed to occur. The actual rate and amount of development is subject to material change. See “BONDOWNERS’ RISKS – Planned Phase 1 Development Not Assured” herein.

Projected Lot Sale Absorption Summary Chart

The following chart summarizes the projected lot sale absorption for the Assessment Area Development as provided in the Appraisal Report and the total lot sale proceeds that the Developer anticipates generating from such Platted Lot sales. See the Appraisal Report attached hereto as **Appendix A** for additional discussion of the anticipated future lot sale absorption for the Assessment Area Development.

Projected Lot Sale Absorption Summary

Assessment Area Development	Nov 2027	May 2028	November 2028	May 2029	Total
Projected Number of Lot Sales	88	18	13	3	122
Average Asking Price ⁽¹⁾	\$ 1,042,000	\$ 1,042,000	\$ 1,042,000	\$1,042,000	N/A
Total Projected Lot Sale Proceeds ⁽²⁾	\$89,612,000 ⁽⁵⁾	\$18,756,000	\$13,546,000	\$3,126,000	\$125,040,000
Approximate Platted Lot Total Assessment Payment Amount ^{(3), *}	\$18,505,264	\$ 3,785,164	\$ 2,733,730	\$ 630,861	\$ 25,655,000
Approximate Net Developer Lot Sale Proceeds ^{(4), *}	\$71,106,754	\$14,970,836	\$10,812,270	\$2,495,139	\$ 99,385,000

* Preliminary, subject to change.

(1) As projected in the Appraisal Report.

(2) Assumes the average asking price for each lot.

(3) This amount is approximate and is calculated by allocating the par amount of the Series 2026 Bonds equally among all lots. The actual Platted Lot Total Assessment Payment Amounts will vary based on the type of lot and will include certain amounts in addition to the principal amount of the Series 2026 Bonds allocated to such lot as set forth in the Indenture.

(4) This amount is calculated by subtracting the “Approximate Platted Lot Total Assessment Payment Amount” from the “Total Projected Lot Sale Proceeds.”

(5) Based on 86 lots due to the two lots which the Developer agreed to transfer, in connection with its acquisition of the District Property, consisting of one completed lot to be transferred to a third-party in exchange for the contribution by the third party of property to be included in the Development, without additional payment by the third party for the lot at the time of transfer. Another completed lot will be transferred to a third-party, Kenny McLean, in exchange for his land contribution pursuant to the JV Agreement, without additional payment by Mr. McLean at the time of transfer. The Developer will be obligated to pay the Assessments attributable to such lots at the time of transfer to these two third parties in the same manner as all other lots planned for the Assessment Area Development.

Source: Appraisal Report and the Developer.

Golf Course Development

Overview. The Golf Course, the Clubhouse and the Golf Shop are being developed as part of Phase 1 of the Development. The Golf Course is being developed as an 18-hole Tom Fazio-designed course on approximately 211 acres in the District located on the west side of County Road 3 and additional property located on the east side of County Road 3 (collectively, previously defined herein as the “**Golf Course Property**”), all of which is located outside the Assessment Area.

Ownership of lots in the Development will be a prerequisite for membership to the Point Clear Club Golf Course and initial membership fees are anticipated to start at \$100,000. Prior to the Golf Course opening, upon approval of membership applications, the applicant will be required to deposit 25% of the stated membership initiation fee with the Developer and the balance will be due in full upon the Golf Course opening for play. The Developer anticipates approving membership applications, and thus collecting portions of the

membership initiation fee, as early as Summer 2026. Membership initiation fees collected by the Developer will be used at the discretion of the Developer in accordance with governing Point Clear Club membership documents.

The Golf Course Property is not subject to the Assessments and, in the event of nonpayment of the Assessments, will not be subject to foreclosure proceedings pursuant to the Indenture or the Special Assessment Agreement. While the Golf Course Property is not within the Assessment Area, the value of the property in the Assessment Area is anticipated to be largely dependent on the completion and opening of the Golf Course and its related amenities. A failure by the Developer to complete the development planned for the Golf Course Property would likely adversely impact the value of the Assessment Area and, therefore, the property securing the payment of the Assessments.

See pages ix through xi in this Limited Offering Memorandum for an aerial view and exterior elevations of the Clubhouse and the Golf Shop, including the separate structure for storage of golf carts, referred to in the renderings as the “Cart Barn.”

Golf Course. According to the Developer, PCC Investments commenced site work on the Golf Course in October 2025 and anticipates that the Golf Course will be substantially completed by the end of 2026 and open for play in the Fall of 2027. As of May 1, 2026, the Developer has expended approximately \$9,084,077 in connection with construction of the Golf Course, consisting generally of moving approximately 1.75 million cubic yards of dirt, moving over 120 live oak trees, shaping 13 fairways on the Golf Course, and digging over 12 acres of lakes, some of which will be used for irrigation. In addition, Developer has developed greens, bunkers, tee boxes and irrigation and drainage on 11 holes on the Golf Course. The Developer reports that commencement of construction on horizontal improvements related to the Golf Course began in May, 2026.

See page xiii of this Limited Offering Memorandum for a drone video of the status of the Golf Course development as of May 5, 2026 and page xi for renderings of the Golf Course provided by the Developer.

Clubhouse. The Developer is redeveloping the approximately 12,000 square foot McLean Estate as the Clubhouse for the Golf Course. The driveway of the McLean Estate is lined with champion live oak trees, which, along with hundreds of other live oaks on the property, will be saved and become a prominent feature of the Golf Course. See page ix of this Limited Offering Memorandum for a current photograph of the McLean Mansion and the oak-lined driveway. The Developer expects to commence redevelopment of the McLean Estate in the summer of 2026 and anticipates that the Clubhouse will be completed by the end of 2027 shortly after the anticipated opening of the Golf Course for play in the Fall of 2027. As of May 1, 2026, the Developer has expended approximately \$3,913,761 in connection with costs related to architectural plans and designs for the Clubhouse. The McLean Estate was originally built in 1985 and has been occupied by members of the McLean family since that time. Throughout the years, the McLean Family has made various improvements to the McLean Estate.

Golf Shop. According to the Developer, the Golf Shop will be an integral component of the overall Point Clear Club experience. Strategically located adjacent to both the Clubhouse and the primary golf operations, the Golf Shop is intended to provide members with convenient access to golf-related services and merchandise. In addition to retail, the Golf Shop is designed to function as the operational center of the golf program, supporting tee-time coordination, member services, and professional staff operations. See page x in this Limited Offering Memorandum for renderings provided by the Developer of certain areas anticipated to be part of the Golf Shop, including grill area, locker rooms, golf simulator, cold plunge and other amenities.

Zoning and Platting Status

Zoning. Approximately 92 acres in the approximately 98.5-acre Assessment Area was rezoned pursuant to Resolution #2025-148 adopted by the County Commission on July 16, 2025 (the “**Rezoning Resolution**”) from “RA, Rural Agricultural District” to “RSF-1, Residential Single Family District” which allows for the 122 lots anticipated to be developed in the Assessment Area. The remaining approximately 212 acres of the

approximately 310.5 acres in the Development west of County Road 3 remains zoned “RA, Rural Agricultural District” which allows for the development of a golf course by right. A conceptual site plan for the approximately 310.5 acres west of County Road 3 was approved pursuant to Resolution #2025-153 adopted by the County Commission on July 16, 2025 (the “**Conceptual Site Plan Resolution**”) which contemplated up to 126 lots but allowed for flexibility in lot size, width and setbacks while maintaining the underlying density.

According to the Developer, the approximately 237 acres east of County Road 3 that includes the Phase 2 Property and a portion of the Golf Course Property has no zoning designation and that a vote of the property owners of such property is required before the County will approve zoning for the property. The Developer reports that if property owners ever vote to impose zoning on this property, it anticipates that the County will not impose zoning on the 237 acres currently owned by PCC Land.

Platting. Prior to the issuance of building permits for the Assessment Area Development, PCC Land will need to obtain approval from the County for the final plats which will subdivide the Assessment Area into the 122 single-family lots as currently planned by the Developer.

A prerequisite for the County’s approval of a final plat subdividing residential lots is substantial completion of the horizontal improvements necessary to serve such residential lots. The Developer reports that the County has completed the preliminary plat approval process for 65 of the lots in the Assessment Area Development and is in the permitting process for preliminary plat approval of the remaining 57 lots. The Developer anticipates that it will substantially complete the horizontal improvements necessary to serve all 122 lots in the Assessment Area Development by late 2027. As the Developer completes horizontal improvements related to certain lots, it anticipates that the County will approve the final plats. Upon the County’s approval of the final plats, it is anticipated that PCC Land will begin recording the final plats in mid-2027 in the following order as final plats are approved: (1) 15 residential lots anticipated to be developed as the Golf Cottage – North lots (“**Filing 1A**”), (2) 50 residential lots anticipated to be developed as the following type of lots: 13 Estate Lots; 9 Typical Lots; 4 Estate 2 Frontage Lots; 5 Typical Interior 2 Lots; 14 Golf Estate Lots; and 5 Golf Cottage-Narrow Lots (“**Filing 1B**”), and (3) 57 residential lots anticipated to be developed as the following type of lots: 6 Village Lots; 5 Typical Lots; 20 Golf Cottage-Narrow Lots; 15 Estate Lots; 10 Estate 2 Frontage Lots; and 1 Typical Interior 2 Lot (“**Filing 1C**”), each as shown in the table in the subsection above captioned “**Summary of Anticipated Residential Development – Assessment Area.**”

Phase 1 Capital Improvements

Overall Budget. According to the Developer, the estimated total cost of all improvements necessary to serve Phase 1 of the Development at full build-out (including, without limitation, the construction and completion of the Golf Course, the Clubhouse and the Golf Shop) is approximately \$92,582,483 (referred to herein as the “**Phase 1 Capital Improvements**”), \$14,741,294 of which the Developer has expended as of May 1, 2026 on site work, consisting generally of mass grading and leveling of the lots. In connection with its valuation of the Assessment Area, the Appraisal Report assumes all of the Phase 1 Capital Improvements will be complete as of August 1, 2027. See “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Projected Market Value of Property in the Assessment Area**” herein.

Pursuant to the Engineer’s Report, \$25,314,871 of the Phase 1 Capital Improvements are necessary to serve the 122 homesites planned for the Assessment Area, \$10,704,100 of which are anticipated to be public improvements (referred to herein as the “**Phase 1 Public Improvements**”) and \$14,610,771 of which are anticipated to be private improvements (referred to herein as the “**Phase 1 Private Improvements**”).¹ According to the Developer, as of May 1, 2026, it has expended approximately \$610,210 and \$1,133,246 in connection with the Phase 1 Public Improvements and Phase 1 Private Improvements, respectively. The

¹ This estimated cost of the Phase 1 Public Improvements and the Phase 1 Private Improvements in the “Phase 1 Capital Improvements Budget Summary” table below has been updated from the estimated cost of such improvements set forth in the Engineer’s Report to reflect subsequent adjustments by the Developer to the budgeted costs.

remaining approximately \$12,997,838 in Phase 1 Capital Improvements expended as of May 1, 2026 as described above consists of certain improvements in connection with the Golf Course, the Clubhouse and the Golf Shop.

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A summary of the total Phase 1 Capital Improvements budget for the Phase 1 Development as of May 1, 2026 is as follows:

Phase I Capital Improvements Budget Summary

Primary Capital Improvements	Total Estimated Cost	Estimated/Actual Start Date	Estimated Completion Date
Phase 1 Public Improvements			
District Water Utilities	\$ 922,500	May 1, 2026	May 1, 2027
Offsite Water Utilities	2,169,000	May 1, 2026	May 1, 2027
District Wastewater Utilities	1,745,500	May 1, 2026	May 1, 2027
Offsite Wastewater Utilities	700,000	May 1, 2026	May 1, 2027
U.S. Highway 98 & Monk Road Lanes	200,000	May 1, 2026	May 1, 2027
U.S. Highway 98 & County Road 24 Lanes	350,000	May 1, 2026	May 1, 2027
U.S. Highway 98 Bridge & County Road 24	1,500,000	May 1, 2026	May 1, 2027
County Road 3 Widening	325,000	June 1, 2026	May 1, 2027
District Electrical Power	430,500	June 1, 2026	May 1, 2027
Offsite Electrical Power	153,000	June 1, 2026	May 1, 2027
Engineering and Design Services	509,500	October 1, 2025	May 1, 2027
Contingency (20%)	<u>1,699,878</u>		
Phase 1 Public Improvements Subtotal	<u>\$ 10,704,878</u>		
Phase 1 Private Improvements			
Private Streets and Lot Development	\$6,745,287	May 1, 2026	December 1, 2026
Engineering and Design Services	695,751	October 1, 2025	May 1, 2026
Contingency (20%)	<u>1,860,259</u>		
Phase 1 Private Improvements Subtotal	<u>\$ 9,301,297</u>		
Golf Course Property			
Club Facilities	\$22,540,000	June 1, 2026	November 1, 2027
Landscape	760,000	July 1, 2026	November 1, 2027
Furniture, Fixtures and Equipment	2,500,000	August 1, 2026	December 1, 2027
Entry Gate / Restrooms	1,200,000	July 1, 2026	September 1, 2027
Course Design and Construction	25,530,000	October 1, 2025	October 1, 2026
Landscape	3,470,000	January 1, 2026	October 1, 2026
Maintenance Site	1,600,000	May 1, 2026	July 1, 2027
Architectural/Engineering/Permits/Legal	3,725,000	October 1, 2025	July 1, 2027
Other Soft Costs	<u>11,251,308</u>	October 1, 2025	December 1, 2027
Golf Course Property Subtotal	<u>\$ 72,576,308</u>		
TOTAL PHASE 1 CAPITAL IMPROVEMENTS:	<u>\$ 92,582,483</u>		

Source: The Developer.

For a summary of the sources and uses in connection with the funding of the Improvements, see “**PLAN OF FINANCE – Summary Chart – Sources and Uses of Funds for the Phase 1 Development**” herein.

Funding of the Phase 1 Public Improvements. The net proceeds of the Series 2026 Bonds are anticipated to be used to fund, or reimburse the Developer for, the cost of all of the Phase 1 Public Improvements necessary to serve Phase 1 of the Development at full build-out and a portion of the cost of the Phase 1 Private Improvements necessary to serve Phase 1 at full build-out. According to the Developer, to the extent proceeds of the Series 2026 Bonds are insufficient to fund any portion of the Phase 1 Capital Improvements, the Developer

anticipates funding such Phase 1 Capital Improvements from private financing which may consist of additional equity and/or private loans. ***No assurance can be given as to the Developer's ability to fund all or any portion of the remaining Phase 1 Capital Improvements.*** See “**RISK FACTORS – Financial Condition of the Developer; Single Purpose Entity**” herein. ***There is no guarantee that the Developer will fund and construct the Phase 1 Capital Improvements in the time and manner contemplated herein or at all.***

Public Services for the Development

Utilities Development Agreement. Daniel Realty and the City of Fairhope entered into a Development Agreement dated March 14, 2025 (the “**Utilities Development Agreement**”) setting forth the rights and obligations of the parties thereto with respect to the provision of water, sewer and natural gas utility services (the “**Utility Services**”) to the Development.

The Utilities Development Agreement obligates Daniel Realty, promptly after the City's issuance of a letter to Daniel Realty that the City will make water, sewer and natural gas utility services available to the Development (the “**Availability Letter**”), to proceed to acquire the District Property, seek subdivision approval from the County Planning and Zoning Commission, and construct the Development with reasonable diligence, generally in accordance with the site plan attached to the Utilities Development Agreement. On March 14, 2025, the City issued the Availability Letter to Daniel Realty as contemplated by the Development Agreement. Daniel Realty, through PCC Land, subsequently acquired the District Property.

Pursuant to the Availability Letter, the City is obligated, subject to Daniel Realty's performance of its obligations under the Utilities Development Agreement, to make available water and sewer services for the entire Development by January 31, 2027 (with sufficient water and sewer to service no more than 120 single-family lots and the Golf Course by October 1, 2026).

The Utilities Development Agreement provides that the City's commitment to provide water and sewer utility services to the Development is conditioned upon Daniel Realty's construction and installation of all necessary water and sewer infrastructure for the Development (the “**Utility Improvements**”) at no cost to the City, excluding the water tower, well and water treatment facility which the City is required to construct in accordance with the Utilities Development Agreement. The Developer reports that the City anticipates that it will complete the water tower, well and water treatment facility by May, 2027.

The Developer is required to design, construct, and install, on behalf of Daniel Realty, the Utility Improvements in accordance with the City's specifications, as more particularly described in the Utilities Development Agreement. Under the Utilities Development Agreement, Daniel Realty is required to construct a detention pond and well for irrigation of the Golf Course. Separate irrigation for the single-family lots in the Development may require additional irrigation well(s) at the builder's expense depending on the size of the proposed lots.

The Utilities Development Agreement provides that promptly after Daniel Realty's acquisition of the District Property, Daniel Realty is required to, at no cost to the City, donate, dedicate, and convey to the City by warranty deed in a form acceptable to the City, an approximately one-acre parcel of land on the District Property at a location agreed upon by the parties on which the City will construct the water tower (the “**City Parcel**”). According to the Developer, it anticipates that PCC Land will complete the conveyance of the City Parcel to the City by the end of the second quarter of 2026, which will consist of one acre of the Phase 2 Property.

Daniel Realty is required to dedicate the Utility Improvements to the City and grant to the City such easements and other property rights with respect to the District Property as are requested by the City in order to enable the City to provide water, sewer and natural gas services to the Development.

Pursuant to the Utilities Development Agreement, if and when any portion of the District Property becomes contiguous with the corporate limits of the City or annexation of the District Property into the City otherwise becomes feasible through any legal means, Daniel Realty is required to take all reasonable steps to

cause the District Property to be annexed into the City, including endeavoring to coordinate the consent and/or affirmative votes of any other owners of land within the District Property to the extent necessary to effect annexation. Daniel Realty or its assigns is required to file a petition for annexation with the City within 30 days from when any portion of the District Property becomes contiguous with the corporate limits of the City or annexation of the District Property otherwise becomes feasible.

The Utilities Development Agreement provides that it runs with the land, may be recorded in the Office of the Judge of Probate of Baldwin County, and is a continuing lien and encumbrance upon the District Property.

According to the Developer, all of its obligations related to the construction of the Utility Improvements necessary for the Phase 1 Development as set forth in the Development Agreement are contemplated by the budget summary for the Phase 1 Capital Improvements described herein.

Electric. Pursuant to a letter from Riviera Utilities dated January 15, 2025 (the “**Electric Services Letter**”), Riviera Utilities is willing and able to provide electric service to the entire Development. The Electric Services Letter provides that, upon final design, Riviera Utilities will provide estimates for service fees and system installation requirements to meet all specifications.

Internet. Pursuant to an agreement dated April 30, 2026 by and between HighStream Fiber, Inc., an Alabama corporation (“**HighStream**”), and PCC Investments, HighStream will design, install, operate and maintain fiber optic infrastructure and provide internet services to the Development.

Development Management Agreement

As contemplated by the JV Agreement, PCC Investments engaged Daniel Realty Holdings II, LLC, a Daniel Realty-related entity (“**Daniel Realty Holdings**”), pursuant to a Development Management Agreement dated September 11, 2025 (the “**DMA**”) to assist PCC Investments in developing Point Clear Club (referred to herein as the “**Development**”) by providing development services, with Daniel Realty Holdings having ultimate responsibility for overseeing all services related to the Development on behalf of PCC Investments.

Pursuant to the DMA, Daniel Realty Holdings is responsible, among other things, for selecting and hiring architectural, engineering, golf course design, interior design and other specialists and consultants required to complete the Development, including, in consultation with PCC Investments, engaging Nequette Architecture and Design as the architects (the “**Architect**”), Ben M. Radcliff Contractor, Inc. as the general contractor (the “**General Contractor**”), Jade Engineering as the engineer (the “**Engineer**”) and Fazio Design (the “**Golf Course Designer**”). See the subsection below captioned “**Design and Construction Contracts**” for a discussion of certain executed contracts related to the Development. Additional responsibilities of Daniel Realty Holdings related to completing the Development, include, but are not limited to, (1) coordinating with PCC Investments with respect to the negotiation of all necessary agreements with the appropriate municipal or county authorities and utility companies related to access, traffic, utilities, zoning and other design and construction elements pertaining to the Development and supervising the performance and enforcement of such agreements after their execution during the term of the DMA; (2) coordinating with PCC Investments, the Architect, the General Contractor, the Engineer and the Golf Course Designer, and any other contractors engaged for the Development in the design and construction of the Development, including all buildings constructed as a part of the Development and all off-site improvements and on-site common area improvements, such as site preparation and grading, above-ground and underground utility systems, surface improvements, lighting, and landscaping; (3) reviewing and processing submissions for payments from contractors, monitor and keep PCC Investments informed on outstanding retentions and process draw requests to and otherwise interface with the lenders for the construction of the Development; and (4) make final inspections of the Development with the General Contractor and prepare or cause to be prepared and issue an exception report and process all exception report items, warranties, guarantees, bonds and other matters required with respect thereto and, to the extent not an obligation of the General Contractor under the General Contractor’s construction contract, procure and maintain all necessary operating and occupancy certificates and permits for the Development.

The DMA provides that notwithstanding anything therein to the contrary, in no event will Daniel Holdings be obligated to execute any contracts in its own name nor to bind itself directly; instead, it is acting as agent for PCC Investments pursuant to the DMA and it has no obligation to advance funds on behalf of PCC Investments under the DMA.

In consideration of the performance of its obligations under the DMA, Daniel Holdings will be paid a development fee (the “**Development Fee**”) equal to 4.0% of the aggregate cost of all labor, materials, equipment, and fixtures incurred and required to complete the Development to the extent set forth in a budget approved by PCC Investments (the “**Project Hard Costs**”). In accordance with the JV Agreement, Daniel Holdings is required to pay 1.0% of Project Hard Costs to the McLean-related entity that is a member of the JV Agreement when each payment of the Development Fee is made to Daniel Holdings by PCC Investments.

Design and Construction Contracts

Golf Course Contract. Pursuant to a Standard Abbreviated Form of Agreement Between Owner and Contractor dated December 8, 2025 (the “**GC Contract**”), PCC Investments, in coordination with Tom Fazio Design (the “**Architect**”), engaged Integrity Golf Inc. as its contractor (the “**General Contractor**”) for the construction of the Work, consisting generally of completion of the Golf Course, as defined in the Construction Documents (as defined in the GC Contract).

Contract Sum. PCC Investments agrees in the GC Contract to pay the General Contractor a Stipulated Sum (referred to in the GC Contract as the “**Contract Sum**”) in an amount equal to \$17,799,933, subject to additions and deductions as provided in the Contract Documents.

Payment. The GC Contract provides that based upon payment requests submitted by the General Contractor (“**Applications for Payment**”) to the Architect and a certificate of the Architect verifying the Applications for Payment (the “**Certificates for Payment**”), PCC Investments is required to make progress payments to the General Contractor as provided in the GC Contract. The GC Contract provides that each Application for Payment is limited to one calendar month. Provided that an Application for Payment is received by the Architect not later than the 25th day of a month, PCC Investments is required to make payment of the certified amount to the General Contractor not later than the 15th day of the following month. If an Application for Payment is received by the Architect after the 25th day of a month, payment is required to be made by PCC Investments not later than 25 days after the Architect receives the Application for Payment.

Final Completion and Final Payment. Upon receipt of the General Contractor’s notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work is acceptable under the Construction Documents and the GC Contract is fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect’s knowledge and on the basis of the Architect’s onsite visits and inspections, the Work had been completed in accordance with the Construction Documents and that the final balance due the General Contractor is due and payable. The GC Contract provides that final payment, constituting the entire unpaid balance of the Contract Sum, is required to be made by PCC Investments to the General Contractor no later than 30 days after the issuance of the Architect’s final Certificate for Payment.

Correction of Work. The GC Contract provides that the General Contractor is required to promptly correct work rejected by the Architect or failing to conform to the requirements of the Contract Documents, whether discovered before or after December 15, 2026, the date the General Contractor is required to complete all of the Work in accordance with the GC Contract (“**Substantial Completion**”).

Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect’s services and expenses made necessary thereby, will be at the General Contractor’s expense, unless otherwise compensable under the GC Contract. If, within one year after the date of Substantial Completion or after the date for commencement of warranties established under the GC Contract, any of the Work is found to be not in accordance with the requirements of

the Contract Documents, the General Contractor is required to correct it promptly after receipt of notice from PCC Investments to do so unless PCC Investments has previously given the General Contractor a written acceptance of such condition. If the General Contractor fails to correct nonconforming Work within a reasonable time, PCC Investments may correct it in accordance with the GC Contract. The one-year period for correction of the Work is required not to be extended by corrective Work performed by the General Contractor pursuant to the GC Contract.

Termination of the GC Contract. The GC Contract provides that if the Architect fails to certify payments as provided therein for a period of 30 days through no fault of the General Contractor, or if PCC Investments fails to make payment as provided therein for a period of 30 days, the General Contractor may, upon seven additional days' notice to PCC Investments and the Architect, terminate the GC Contract and recover from PCC Investments payment for Work executed, including reasonable overhead and profit, costs incurred by reason of such termination, and damages. PCC Investments may, at any time, terminate the GC Contract for PCC Investments' convenience and without cause. PCC Investments is required to pay the General Contractor for Work executed; and costs incurred by reason of such termination, including costs attributable to termination of Subcontracts (as defined therein); and a termination fee, if any.

Architect Contract – Clubhouse and Golf Shop. Daniel Realty and Nequette Architects, Inc. (“**Nequette**”) entered into an AIA Standard Form of Agreement Between Owner and Architect dated June 25, 2025 (the “**Nequette Architect Contract**”) for design and construction administrative services for certain amenities related to the Golf Course Property, including the Clubhouse, Golf Shop and two cart storage buildings.

The Nequette Architect Contract provides that Nequette is required to, among other things, produce drawings and other documents, including a site plan and preliminary building plans and elevations (“**Schematic Design Documents**”). Based on Daniel Realty's approval of the Schematic Design Documents, Nequette is required to produce documents that describe the development of the approved Schematic Design Documents, including the architectural, structural, mechanical and electrical systems (the “**Design Development Documents**”). Based on Daniel Realty's approval of the Design Development Documents, Nequette will produce construction documents necessary to complete development of the Clubhouse, Golf Shop, cart storage buildings and related amenities. PCC Investments reports that it does not have completed construction documents as of May 1, 2026. See the subsection above captioned “**Golf Course Development**” for renderings of the Clubhouse and Golf Shop provided to Daniel Realty by Nequette.

Landscape Architectural and Design Services. PCC Investments and Ervin Lovett Miller (“**ELM**”) executed a Proposal for Professional Landscape Architectural and Related Design Services dated August 7, 2025 (the “**ELM Proposal**”) pursuant to which ELM agreed to provide certain landscape architectural services and related planning and design services for Phase 1. The ELM Proposal provides that ELM's primary focus will be the Clubhouse and residential areas of the Development, including critical interface of adjacent components such as parking, landscape zones, the Golf Course, and surrounding parcels.

JADE Engineering Services. Daniel Realty and Jade Consulting, LLC (“**JADE**”) executed a Professional Services Agreement dated August 21, 2025 (the “**JADE Engineering Contract**”) pursuant to which JADE will provide certain professional engineering services related to the Phase 1 Capital Improvements. The JADE Engineering Contract outlines specific services that will be rendered by JADE which relate to the Phase 1 Capital Improvements.

JADE Offsite Water Services. Daniel Realty and JADE executed a Professional Services Agreement dated August 21, 2025 (the “**JADE Offsite Water Contract**”) pursuant to which JADE will provide certain professional engineering services related to offsite water and sewer improvements within the Development. The JADE Offsite Water Contract outlines specific services that will be rendered by JADE which relate to the offsite water and sewer improvements located within the Development.

Beatty Construction Contract. PCC Investments and C.S. Beatty Construction, LLC (“**Beatty**”) entered into an AIA Standard Form of Agreement Between Owner and Contractor dated November 17, 2025 (the “**Beatty Construction Contract**”) for the construction of the Work, consisting generally of mass grading and earthwork, as defined in the Construction Documents (as defined in the Beatty Construction Contract). The Beatty Construction Contract provides that subject to adjustments of the Contract Time (as provided in the Contract Documents), Beatty is required to complete all of the Work by July 2026. PCC Investments reports that Beatty has not completed the Work, but it anticipates that Beatty will do so by July 2026.

Delaney Infrastructure Contract (Assessment Area Development). Pursuant to an AIA Standard Form of Agreement Between Owner and Contractor dated April 15, 2026 (the “**Delaney Contract**”), PCC Investments engaged Cunningham Delaney Construction, LLC as its contractor (referred to therein as “Contractor,” but referred to in this subsection as “**Delaney**”) for the construction of certain infrastructure improvements for the Assessment Area Development, relating to the demolition and construction of certain roads, water and sewer utilities, grading and drainage and erosion control (the “**Work**”) as defined and described in the Contract Documents (as defined in the Delaney Contract).

Contract Sum. PCC Investments agrees in the Delaney Contract to pay Delaney the total sum of \$6,976,110 (“**Contract Sum**”), subject to additions and deductions as provided in the Contract Documents.

Commencement and Completion Date. The date of commencement of the Work is required to be the date set forth in a notice to proceed issued by PCC Investments. The period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion (defined below) of the Work (collectively, the “**Contract Time**”) is measured from the date of commencement of the Work. By executing the Delaney Contract, Delaney confirms that the Contract Time is a reasonable period for performing the Work. Delaney is required to proceed expeditiously with adequate forces and achieve Substantial Completion within the Contract Time. According to PCC Investments, Delaney commenced construction on May 1, 2026 (the “**Commencement Date**”). The Delaney Contract requires that Delaney complete the Work no later than December 31, 2026 (“**Substantial Completion**”).

Payment. The Delaney Contract provides that based upon payment requests submitted to Jinright & Associates Development Engineers (referred to in this subsection as the “**Engineer**”) by Delaney (the “**Applications for Payment**”) and a certificate of the Engineer verifying the Applications for Payment (the “**Certificates for Payment**”) issued by the Engineer, PCC Investments is required to make progress payments to Delaney for the period of one calendar month ending on the last day of the month.

Final Payment. Final payment, constituting the entire unpaid balance of the Contract Sum, is required to be made by PCC Investments to Delaney when Delaney has fully performed the Delaney Contract, except for the provisions therein that extend beyond final payment, and a final Certificate for Payment has been issued by the Engineer. PCC Investments’ final payment to Delaney is required to be made after final completion and acceptance of the work and no later than 30 days after the issuance of the Engineer’s final Certificate for Payment.

Correction of Work. The Delaney Contract provides that Delaney is required to promptly correct Work rejected by the Engineer or failing to conform to the requirements of the Contract Documents, discovered before Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Engineer’s services and expenses made necessary thereby, is required to be at Delaney’s expense.

If, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under the Delaney Contract, or by terms of any applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, Delaney is required to correct it promptly after receipt of notice from PCC Investments to do so, unless PCC Investments has previously given Delaney a written

acceptance of such condition. PCC Investments is required to give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if PCC Investments fails to notify Delaney and give Delaney an opportunity to make the correction, PCC Investments waives the rights to require correction by Delaney and to make a claim for breach of warranty. If Delaney fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from PCC Investments or the Engineer, PCC Investments may correct it in accordance with the Delaney Contract.

Retainage. For each progress payment made prior to Substantial Completion of the Work, PCC Investments may withhold 5%, as retainage, from the payment otherwise due. Except as set forth in the Delaney Contract, upon Substantial Completion of the Work, Delaney may submit an Application for Payment that includes the retainage withheld from prior Applications for Payment pursuant to the Delaney Contract.

Early Completion Bonus. If Delaney achieves substantial completion on or before November 30, 2026, the sum of \$100,000 will be added to the Contract Amount.

Performance Bond and Payment Bond. Delaney is required to provide a payment bond of a sum of 100% of the Contract Sum and a performance bond of a sum of 100% of the Contract Sum (the “**Payment and Performance Bonds**”). Payment and Performance Bonds are required to be in a form approved by PCC Investments. Delaney is required to file copies of each Payment and Performance Bond with the County Clerk of Baldwin County and provide PCC Investments with a filed receipt. The Payment and Performance Bonds are required to remain in full force throughout the contractual correction period of the Delaney Contract. Delaney is required to deliver the Payment and Performance Bonds to PCC Investments prior to commencement of the Work.

Termination of the Delaney Contract. The Delaney Contract provides that if the Engineer has not issued a Certificate for Payment and has not notified Delaney of the reason for withholding certification as provided in the Delaney Contract or because PCC Investments has not made payment on a Certificate for Payment within the time stated in the Contract Documents causing the Work to be stopped for a period of 30 consecutive days, then Delaney may terminate the Delaney Contract. PCC Investments is required to pay Delaney for Work executed, as well as reasonable overhead and profit on Work not executed, and costs incurred by reason of such termination. PCC Investments may, at any time, terminate the Delaney Contract for PCC Investments’ convenience and without cause.

A-Long Boring Infrastructure Contract (Golf Course Development). Pursuant to a Contract for Construction dated April 14, 2026 (the “**A-Long Boring Contract**”), PCC Investments engaged A-Long Boring, Inc. (referred to therein as “Contractor,” but referred to in this subsection as “**A-Long Boring**”) for the construction of certain infrastructure improvements for the Golf Course Development, relating to the construction of certain on-site and off-site utilities (the “**Work**”) as defined and described in the Contract Documents (as defined in the A-Long Boring Contract).

Contract Price. A-Long Boring is required to furnish the materials and perform the work for the construction of certain off-site utilities and other work, complete in place with all appurtenances, for the consideration of the unit prices set forth in A-Long Boring’s proposal estimated to total \$4,845,926 (the “**Contract Price**”).

Commencement and Completion Date. The work is required to commence within 10 days of the date specified in a work order to be issued to A-Long Boring by PCC Investments and is required to be sustainably complete and have systems operational in 180 calendar days from and after the commencement date stipulated in said work order. According to PCC Investments, A-Long Boring will commence construction on May 18, 2026 (the “**Commencement Date**”).

Payment. The schedule prepared and maintained by A-Long Boring, allocating portions of the Contract Price to various portions of the Work and used as the basis for reviewing the Applications for Payment (defined below) (the “**Schedule of Values**”) established under the A-Long Boring Contract will serve as the

basis for progress payments and will be incorporated into a form acceptable to Jinright & Associates Development Engineers (referred to in this subsection as the “**Engineer**”) in requesting progress or final payments (“**Applications for Payment**”). Progress payments on account of Work paid for on the basis of unit prices (“**Unit Price Work**”) will be based on the number of units completed.

Final Payment. After A-Long Boring has, in the opinion of the Engineer, satisfactorily completed all corrections identified during the final inspection and has delivered, in accordance with the Contract Documents, all maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance, certificates of inspection, marked-up record documents and other documents, A-Long Boring may make application for final payment following the procedure for progress payments. Thirty days after the presentation to PCC Investments of the Application for Payment and accompanying documentation, the amount recommended by the Engineer, less any sum PCC Investments is entitled to set off against the Engineer’s recommendation, will become due.

Correction of Work. The A-Long Boring Contract provides that promptly after receipt of written notice, A-Long Boring is required to correct all defective Work, whether or not fabricated, installed, or completed, or, if the Work has been rejected by the Engineer, remove it and replace it with Work that is not defective. A-Long Boring is required to pay all claims, costs, losses, and damages arising out of or relating to such correction or removal.

If, within one year after the date of Substantial Completion or by any specific provision of the Contract Documents, any Work is found to be defective, or if the repair of any damages to the land or areas made available for A-Long Boring’s use by PCC Investments or as otherwise contemplated in the A-Long Boring Contract, is found to be defective, A-Long Boring is required to promptly, without cost to PCC Investments and in accordance with PCC Investments’ written instructions repair such defective land or areas or correct such defective Work. If A-Long Boring does not promptly comply with PCC Investments’ written instructions, PCC Investments may have the defective Work corrected or repaired or may have the rejected Work removed or replaced with all claims, costs, losses, and damages paid by A-Long Boring.

Performance Bond and Payment Bond. A-Long Boring is required to furnish performance and payment bonds (the “**Performance and Payment Bonds**”), each in an amount at least equal to the Contract Price as security for the faithful performance and payment of all of A-Long Boring’s obligations under the Contract Documents. These Performance and Payment Bonds are required to remain in effect until 1 year after the date when final payment becomes due or until completion of the correction period specified in the A-Long Boring Contract, whichever is later, except as otherwise provided therein. A-Long Boring is also required to furnish such other bonds as are required by the Contract Documents.

Termination of A-Long Boring Contract. If, through no act or fault of A-Long Boring, (i) the Work is suspended for more than 90 consecutive days by PCC Investments or under an order of court or other public authority, or (ii) the Engineer fails to act on any Application for Payment within 30 days after it is submitted, or (iii) PCC Investments fails for 30 days to pay A-Long Boring any sum finally determined to be due, then A-Long Boring may, upon 7 days written notice to PCC Investments and the Engineer, and provided PCC Investments or the Engineer does not remedy such suspension or failure within that time, terminate the A-Long Boring Contract and recover from PCC Investments payment on the same terms as provided in the A-Long Boring Contract. Upon 7 days written notice to A-Long Boring and the Engineer, PCC Investments may, without cause and without prejudice to any other right or remedy of PCC Investments, terminate the A-Long Boring Contract.

Development Financing; Encumbrances on District Property

SmartBank Loan. PCC Investments obtained a loan pursuant to a Construction Loan Agreement dated September 11, 2025 (the “**Construction Loan Agreement**”) from SmartBank, Mountain Brook, Alabama (“**SmartBank**”) in the initial amount of \$36,684,150, including provisions allowing for an additional

\$30,000,000 of financing (the “**SmartBank Loan**”) for the purpose of funding costs in connection with developing the Development.

Security. The SmartBank Loan is secured by (1) a Promissory Note dated September 11, 2025, executed by PCC Investments in favor of SmartBank in the principal sum of \$66,684,150 (the “**SmartBank Note**”); (2) a Future Advance Mortgage, Assignment of Rents and Leases and Security Agreement dated September 11, 2025 (the “**SmartBank Mortgage**”) encumbering all of the District Property in favor of SmartBank; (3) an Assignment of Contract Documents and an Assignment of Sales Contracts, each dated as of September 11, 2025 (together, the “**SmartBank Assignment**”), pursuant to which PCC Investments agrees to comply with all contracts related to the District Property and, if PCC Investments fails to so comply, grants SmartBank the right to perform PCC Investments’ obligations and enforce its rights under such contracts at the cost of PCC Investments (such costs to be added to the SmartBank Loan); and (4) payment guarantees in favor of SmartBank from PCC Investments-related entities including, among others, PCC Land and Daniel Realty, whereby such entities promise to pay SmartBank all amounts owed to it in connection with the SmartBank Loan.

Disbursements and Capital Contributions. Pursuant to the Construction Loan Agreement, SmartBank is obligated to loan PCC Investments up to \$66,684,150 in multiple loan disbursements (“**Disbursements**”) in accordance with a project budget for the Development approved by SmartBank, provided that PCC Investments is otherwise in compliance with the provisions of the Construction Loan Agreement at such time. The Construction Loan Agreement provides that Disbursements are to be made no more frequently than monthly and subject to SmartBank’s approval, which shall not be unreasonably withheld.

As a condition precedent to SmartBank’s initial Disbursement, PCC Investments deposited \$20,000,000 in cash equity in an escrow account, such funds to be used solely in connection with the Development. As of May 1, 2026, PCC Investments reports that it has drawn all \$20,000,000 from the escrow account and that all such funds have been expended in connection with certain Phase 1 Capital Improvements. See the subsection above captioned “ – **Capital Improvements.**”

Notwithstanding any provision in the Construction Loan Agreement to the contrary, PCC Investments acknowledges and agrees that, absent the express written consent of SmartBank, all capital contributed by PCC Investments to the Development is to remain in the Development until the earliest of (1) the repayment in full of the SmartBank Loan; or (2) the sale of the Development, provided PCC Investments may make certain payments to its preferred equity holders in an aggregate amount up to \$2,000,000 without SmartBank’s prior consent. According to PCC Investments, it has not made the permitted \$2,000,000 equity payment to its preferred equity holders contemplated by the Construction Loan Agreement.

Lot Sale Proceeds. The Construction Loan Agreement provides that within two business days after PCC Investments’ receipt of proceeds from the sale of a lot in the Development, it shall use the greater of (1) 49% of the gross proceeds or (2) a minimum amount per lot (ranging from \$240,000 to \$697,000 depending on lot type) to prepay the SmartBank Loan. SmartBank agrees to partially release its lien on the subject lot in connection with the applicable prepayment and that it will release any excess proceeds from the lot sale to PCC Investments for the purpose of reinvestment into the Development and for no other purpose. Notwithstanding the foregoing, SmartBank acknowledges and agrees in the Construction Loan Agreement that, prior to PCC Investments’ receipt of lot sale proceeds, PCC Investments shall pay the entire amount of the Assessment applicable to such lot.

Pursuant to the Construction Loan Agreement, to the extent PCC Investments obtains earnest money deposits or down payments in conjunction with any sale of a lot, SmartBank may allow PCC Investments to reallocate the maximum lawful percentage of such funds into Phase 1 of the Development, with the remainder to be held in escrow or applied as a principal prepayment of the SmartBank Loan. According to PCC Investments, all down payments it has received on the Pre-Sold lots remain in an escrow account and have not been used to pay any costs related to the Development, nor does the Developer anticipate using the funds from the down payments for such purpose.

The Construction Loan Agreement provides that to the extent PCC Investments or an affiliate of PCC Investments collects club membership initiation fees (each an “**Initiation Fee**”) from purchases of units described in the Construction Loan Agreement as described in the preceding paragraph, SmartBank is required to allow 100% of the proceeds of each Initiation Fee to be reallocated into Phase 1 of the Development. Such proceeds may not be allocated into subsequent phases of the Development beyond Phase 1 or as payments to outside parties without prior written consent from SmartBank. See the subsection above captioned “ – **Golf Course Development.**”

Accordion (Increase Requests). Under the Construction Loan Agreement, provided that no default exists thereunder, at any time prior to September 11, 2028, PCC Investments may, at its option and subject to (1) SmartBank’s approval, which SmartBank may grant or deny in SmartBank’s sole and absolute discretion, and (2) certain conditions in the Construction Loan Agreement as described in this paragraph, request two increases to the SmartBank Loan of up to \$15,000,000 each (each an “**Increase Request**”). Each Increase Request must be for a minimum amount of at least \$7,500,000. If PCC Investments elects to request an increase in the SmartBank Loan as described in this paragraph, each increase is required to be contingent on the satisfaction of the following conditions: (1) SmartBank agrees to the Increase Request in its sole and absolute discretion; (2) PCC Investments is required to execute and deliver to SmartBank such documentation as may be reasonably required by SmartBank in connection with such increase, including, but not limited to, an amendment to the Construction Loan Agreement and an amended and restated Promissory Note evidencing such increased SmartBank Loan; (3) PCC Investments is required to give SmartBank written notice of PCC Investments’ Increase Request at least 45 days prior to the date the increase is effective; and (4) Daniel Realty and certain other PCC Investments-related entities consent to such Increase Request.

As of May 1, 2026, PCC Investments reports that it exercised its option to request the two increases to the SmartBank Loan in the amount of \$15,000,000 each, for a total increase of \$30,000,000. SmartBank has approved the two Increase Requests, and the additional \$30,000,000 is available for use by PCC Investments for any Phase 1 Development costs. PCC Investments reports that SmartBank is currently in the process of amending the SmartBank Loan documents to reflect the additional \$30,000,000 increase to the SmartBank Loan.

Default, Payment and Outstanding Principal. Pursuant to the SmartBank Note, interest payments on the SmartBank Loan are due monthly. Principal of and accrued and unpaid interest and all other charges and expenses of the SmartBank Loan are due and payable in full on September 11, 2028. In the event that PCC Investments defaults in its obligations under the Construction Loan Agreement, SmartBank may, among other things, declare the SmartBank Loan immediately due and payable in full and foreclose on the District Property pursuant to the SmartBank Mortgage. According to PCC Investments, it is in compliance with its obligations under the SmartBank Loan.

According to PCC Investments, as of May 1, 2026, PCC Investments has drawn \$8,842,961 on the SmartBank Loan, leaving \$57,841,189 remaining and available for draw.

Covenants, Conditions and Restrictions

HOA Covenants. According to the Developer, it anticipates forming the Point Clear Club Homeowners Association, Inc., an Alabama nonprofit corporation (the “**HOA**”), in connection with the development of the District Property for the purpose of fostering, promoting, and advancing the common interests of all owners of property located within the District Property, subject to the HOA. According to the Developer, all covenants, conditions and restrictions anticipated to be recorded in connection with the HOA are consistent with the Developer’s plan for the Development as described herein.

Architectural and Building Design Guidelines. The Developer reports that all homes constructed in the Development will be subject to architectural and building design guidelines that every lot purchaser must use and follow when constructing a home on their purchased lot.

Environmental Reports

Phase 1 & 2 Geotechnical Report. A Developer-related entity engaged GeoCon Engineering & Materials Testing, Inc. (“**GeoCon**”) to complete a Pre-Design Geotechnical Testing Report dated September 18, 2025 (the “**Geotechnical Report**”) with respect to the District Property, other than the District Property covered in the Cottages Geotechnical Report described below.

The Geotechnical Report provides that soil conditions along the proposed roadway were investigated by sampling soil from 36 manual hand auger borings to depths of about 5 to 15 feet below the ground surface. In addition, three auger borings were extended to depths of approximately 10 to 20 feet below the existing ground surface in the proposed stormwater management areas. The Geotechnical Report provides that the hand auger borings initially encountered approximately 2 to 12 inches of organic topsoil material and, below the organic topsoil, the borings generally encountered sand, sand with silt, silty clayey sand, clayey sand, sandy clay, clay, and elastic silt soils to boring termination at depths of approximately 5 to 15 feet below the existing ground surface.

The Geotechnical Report provides that groundwater was encountered at a depth of approximately 13 feet below the existing ground surface. Based on the boring data, GeoCon concluded that it did not anticipate that natural groundwater will affect subgrade preparation. GeoCon noted, however, the soils at the subject property are prone to perched groundwater conditions and, if perched groundwater is encountered, the use of tail ditches, temporary underdrains, sumps with pumps, may be required to facilitate subgrade preparation.

The Geotechnical Report provides certain roadway subgrade preparation recommendations and recommends that site grading and subgrade preparation along the roadway alignment should include below the pavement and extend to at least two feet beyond the curb on both sides of the roadways. The Geotechnical Report provides that subgrade soils at the subject property are prone to rutting and displacing during the clearing/grubbing process and during initial phases of site grading. GeoCon recommends that low ground pressure track mounted equipment be used in the clearing/grubbing process along with debris/topsoil removal and general site preparation.

The Geotechnical Report provides that, based on the boring and laboratory test data, the sand, sand with silt and most of the silty sand soils are considered suitable for use as fill material. The silty clayey sand, clayey sand, sandy clay, clay, and elastic silt soils are not considered suitable for use as structural fill material for the Development. However, the Geotechnical Report provides that the silty clayey sand and clayey sand soils could be used as structural fill beyond the roadways. According to the Developer, it has, or is anticipated to, incorporate the recommendations of the Geotechnical Report in connection with the Development.

Cottages Geotechnical Report. A Developer-related entity engaged GeoCon to complete a Pre-Design Geotechnical Testing Report dated September 18, 2025 (the “**Cottages Geotechnical Report**”) with respect the portion of the Assessment Area Development anticipated to contain the cottage units.

The Cottages Geotechnical Report noted that soil conditions were investigated by sampling soil from seven borings of approximately five to 15 feet below the ground surface and two borings at depths beyond 15 feet below the ground surface. The borings initially encountered about 4 to 12 inches of organic topsoil material. Groundwater was not encountered at the depths explored at the time of the field exploration. The Cottages Geotechnical Report provides that, based on the boring data, GeoCon does not anticipate that natural groundwater will affect subgrade preparation.

The Cottages Geotechnical Report provides certain roadway subgrade preparation recommendations and recommends that low ground pressure track mounted equipment be used in the clearing/grubbing process along with debris/topsoil removal and general site preparation. Due to the presence of moisture sensitive soils encountered across portions of the subject property, GeoCon recommends that the undercut excavations be replaced with select sand fill and then capped with structural fill. The Cottages Geotechnical Report provides

certain recommendations related to site drainage during construction to promote the continual removal of surface water that may flow over the construction areas.

In connection with stormwater management areas, the Cottages Geotechnical Report provides that based on the boring and laboratory data, the sand and silty sand soils are considered suitable for use as fill material. However, GeoCon concluded that the silty clayey sand, clayey sand and elastic silt soils are considered moisture sensitive and difficult to properly moisture condition and compact, therefore, GeoCon recommends that the silty clayey sand, clayey sand and elastic silt soils are not used as structural fill material. The silty clayey sand, clayey sand soils may be used as fill material in non-structural areas. According to the Developer, it has, or is anticipated to, incorporate the recommendations of the Cottages Geotechnical Report in connection with the Development.

Phase 1 ESAs. In 2025, prior to PCC Land taking ownership of the property located in the Development, multiple Phase 1 Environmental Site Assessments (the “**Phase 1 ESAs**”) were conducted over approximately 387.35 acres of the District Property. The Phase 1 ESAs were performed for the purpose of identifying recognized environmental conditions (“**RECs**”) indicative of releases and threatened releases of hazardous substances, pollutants, contaminants, petroleum, and petroleum products, and controlled substances on, at, in, or to the subject property in the Phase 1 ESAs. None of the Phase 1 ESAs revealed any RECs indicative of the presence or historic release of hazardous substances, pollutants, contaminants, or controlled substances on, at, in, or to the subject property. According to the Developer, the Phase 1 ESAs covered all of the District Property located on the west side of County Road 3 and a portion of the District Property located on the east side of County Road 3.

According to the Developer, it does not anticipate that additional Phase 1 environmental studies will be done. It does anticipate that additional environmental studies will be completed in connection with Phase 2 of the Development.

Sample Mill Levy – Point Clear Club Homeowner

Based on information obtained from the Baldwin County Assessor, the following is a sample mill levy imposed on a homeowner in the Development:

Sample Mill Levy – Point Clear Club Homeowner – 2026

Taxing Entity	Mill Levy⁽¹⁾
State of Alabama	6.50
Baldwin County	9.50
Fairhope School District	<u>15.00</u>
Total Sample Mill Levy	<u>31.00</u>

⁽¹⁾ One mill equals 1/10 of one percent.

Source: Baldwin County Assessor’s Office.

Example: For a home with a market value of \$350,000 and an assessed value of \$35,000, the homeowner would pay \$1,085.00 per year in property taxes (\$35,000 AV x \$3.10/\$100 in AV = \$1,085.00), less any applicable exemptions or deductions.

The Developer, Daniel Realty and the McLean Family

Overview. PCC Investments was formed in 2025 to develop the District Property into the Point Clear Club development as described herein. PCC Investments is majority owned and controlled by entities related to Daniel Realty Company, LLC, an Alabama limited liability company (previously defined as “**Daniel Realty**”), and entities or individuals related to the McLean Family. Daniel Realty is a nationally recognized real estate development, investment, and management firm based in Birmingham, Alabama. The McLean Family are long-time Baldwin County residents and landowners.

Daniel Realty and the McLean Family are described in more detail below.

Daniel Realty. The following information regarding Daniel Realty was provided by the Developer or obtained from the Daniel Realty website accessed on April 2, 2026 at <https://danielcorp.com>, and has not been independently verified.

Founded in 1964, Daniel Realty is a nationally recognized real estate development, investment, and management firm based in Birmingham, Alabama. Daniel Realty has established itself as a full-service real estate company with a diverse portfolio. With over 60 years in the real estate industry, Daniel Realty has: (1) \$1.2 billion in active project investments primarily through development and management platforms; (2) 20,000 units of multi-family previously developed or managed properties; and (3) 20 million square feet of commercial and industrial space previously developed or managed. Daniel Realty's development projects include multi-family, office and retail, hospitality and senior living and large-scale land developments across the Southeast and Sunbelt Regions.

Daniel Realty is an Accredited Management Organization, a designation granted by the Institute of Real Estate Management in recognition of quality standards and best practices in property management and leasing services. Through its wholly owned subsidiary, Daniel Realty Services, L.L.C., an Alabama limited liability company, Daniel Realty provides a complete suite of asset management services, including property management, construction management, leasing, and accounting on behalf of institutional ownership groups, as well as for its own portfolio.

Certain Daniel Realty Developments. Below is a brief description of certain of Daniel Realty's developments:

Greystone Golf & Country Club. The Greystone Golf & Country Club is a 4,000-acre master-planned golf community that includes two golf courses designed by Bob Cups and Rees Jones, respectively, and is home to over 3,000 families. Ranked in the Top 100 Residential Golf Courses by GolfWeek, the Greystone Golf & Country Club was founded in 1991 and is located in suburban Birmingham, Alabama. In addition to its golf course, the Greystone Golf & Country Club features resort-style swimming pools, a tennis complex, a fitness center, dining and spa services.

Ross Bridge. Located in Hoover, Alabama, and in partnership with United States Steel and Retirement Systems of Alabama, Ross Bridge is a 2,700-acre master-planned mixed-use resort town centered around the Renaissance Ross Bridge Golf Resort & Spa and Robert Trent Jones Golf Course. The Village Center at Ross Bridge anchors the core of the community with residential, retail, offices, parks and recreation, all within a pedestrian-friendly environment. The community includes nearly 2,000 home sites, 600 multifamily units, and numerous shops, dining, retail and commercial spaces.

12th and Midtown. Spanning more than a decade of development, 12th and Midtown includes a massive four-block, master planned development located in the heart of Midtown Atlanta. This four-phased development includes nearly 500 condominiums, over 600 multifamily residences in two towers, a 414-key Loews hotel, approximately 100,000 square feet of ground level retail, and a 700,000 square-foot class A office tower home to PwC, Boston Consulting Group, PNC Bank and numerous law and professional service firms.

The Porte at Pathstone. Located in Pensacola, Florida, The Porte at Pathstone is a 336-unit, premium multi-family rental community, located within the Pathstone, a master-planned mixed-use development that will also include single family homes and neighborhood retail at completion.

Camperdown. Spanning an entire city block, Daniel Realty facilitated the development of Camperdown Plaza, a bustling epicenter for living, culture, community engagement, dining and entertainment. Overlooking Greenville's renowned Falls Park and adjacent to the Peace Center, Camperdown has become a premier downtown destination. The 217-unit Deca Camperdown multifamily project anchored this block transformation along with office, hotel and retail components.

The Mav Channelside. Located in Tampa Florida, The Mav Channelside is a 324-unit premium multi-family rental community offering studio, one-bedroom, two-bedroom, and three-bedroom floorplans with premium finishes and amenities. Apartment homes feature large balconies and custom details, while penthouse residences offer elevated finishes and 13-foot ceilings.

Cypress McKinney Falls. Located in Austin, Texas, Cypress McKinney Falls is a 264-unit luxury apartment community offering spacious one-bedroom, two-bedroom, and three-bedroom apartments, with easy access to a wide variety of restaurants, retail stores and unique entertainment venues in Austin. Cypress McKinney Falls is minutes from the McKinney Falls State Park and easily commutable to downtown Austin and the University of Texas.

Legacy Haywood. Located in Greenville, South Carolina, Legacy Haywood features 244 units consisting of one-bedroom, two-bedroom, and three-bedroom luxury apartment homes., which include top of the market finish packages with high-end community amenities.

Grandview Medical Campus. Located in Birmingham, Alabama, Daniel Realty acquired the distressed 104-acre former Healthsouth campus, including a 200,000 square-foot office building and a 1,000,000 square-foot unfinished hospital. Over the course of two decades, with support from the city of Birmingham, Daniel Realty transformed the existing campus to the state-of-the-art Grandview Medical Center hospital, including two new complimentary medical office buildings totaling 425,000 square feet. Daniel Realty sold the remaining acreage and certain buildings to Church of the Highlands for its Highlands College campus.

Lane Parke. Located in the affluent Mountain Brook suburb of Birmingham, Lane Parke was a redevelopment of existing multifamily buildings for a more efficient usage of the acreage. In partnership with the city of Mountain Brook, Daniel Realty orchestrated the Lane Parke master development, which includes a new 267-unit multifamily property, a new 100-key full service Grand Bohemian Hotel, and approximately 111,126 square feet of dense Publix-anchored urban retail.

For more details on these and other Daniel Realty projects, see the Daniel Realty website referenced above.

Daniel Realty Executives. The information on Daniel Realty executives below was provided by the Developer.

T. Charles (“Charlie”)Tickle – Principal, Chairman. Charlie has led Daniel Realty since 1986, at which time he coordinated a senior management buyout of the Daniel real estate subsidiary from Fluor Corporation, a large international engineering and construction firm.

His tenure with the company began in 1972, at which time he served as an entry-level controller. Charlie quickly advanced through the company and spearheaded a substantial expansion of the company’s syndication business. He established several syndication portfolios that matched networks of investors with real estate opportunities.

Charlie supports a variety of professional and civic organizations. He served as Chairman of the Board for Greystone Golf & Country Club for 17 years and currently serves as Board Member for High Hampton Resort. In addition, he has served as the Greater Alabama Council Director for United Way of Central Alabama and Director of Boy Scouts of America Alabama Council. He is an active member of Asbury United Methodist Church.

Justin Weintraub – Principal, Chief Development Officer. Justin oversees Daniel Realty’s multifamily platform, which includes the procurement and execution oversight of multifamily investment opportunities, both in new developments as well as existing assets, in high-growth markets across the Sunbelt region.

Prior to joining Daniel Realty, Justin was Senior Vice President of Acquisitions and Dispositions for Colonial Properties Trust, a multifamily-focused real estate investment trust with over 35,000 apartment homes located throughout the Sunbelt region of the United States. Justin was responsible for the company's multifamily transaction activity and completed over \$1 billion in transactions during his time with Colonial, comprised of both residential for-sale and for-rent assets.

Justin received his Bachelor of Science degree from Auburn University and is a CCIM designee. Justin is involved in supporting and volunteering his time with numerous civic organizations in Birmingham, including the Birmingham Rotary Club, the Birmingham Business Alliance, the Community Foundation of Greater Birmingham, the Alys Stephens Center and previously served as President and Chair of the Rotary Club of Birmingham. In 2013, Justin was recognized as a Top 40 Under 40 honoree by the Birmingham Business Journal.

W. Carter Bryars, III – Principal, Chief Operating Officer. Carter is responsible for the comprehensive operational, financial and administrative functions of Daniel Realty, including its project investments and its affiliated service company, Daniel Realty Services. These responsibilities include overseeing all investment-related operations, including structuring and financing project investments, as well as assisting with strategic direction and capital placement efforts for Daniel Realty. Carter also directs the management and leasing efforts for all owned and third-party businesses within Daniel Realty Services. Carter has been with Daniel Realty since 2006 and has served in several different roles, the most recent of which was Chief Financial Officer.

Prior to joining Daniel Realty, Carter held various financial positions with Saks Incorporated, the last of which was Vice President Financial Reporting, where he was instrumental in SEC reporting, management reporting and investor relations. Prior to Saks, Carter served as an advisor to numerous mid-sized and SEC-registered companies as an auditor and consultant in the assurance practice of Arthur Andersen LLP.

Carter holds a Master of Science in Accounting and Bachelor of Arts in Business Administration, both from Rhodes College, and he is a Certified Public Accountant (inactive). Carter has served on multiple campaign committees for the United Way of Central Alabama, has served as Chairperson and member of the Board of Directors for Easter Seals Birmingham and is a former member of the Leadership Class for the National Multiple Sclerosis Society. He is currently an acting board member for Christ Health Center, sits on the Industry Advisory Council for Third Lens Ministries, and is also active in the Sonburst ministry of the Center for Executive Leadership and JH Adventures.

McLean Family. The McLean Family previously owned approximately 301 acres of the District Property which it originally acquired in 1995, 1997, 2003, 2005 and 2009.

BONDOWNERS' RISKS

Each prospective purchaser of the Series 2026 Bonds should read this entire Limited Offering Memorandum and consider carefully, along with other matters referred to herein, the following risks of investment. The ability of the District to meet the debt service requirements of the Series 2026 Bonds is subject to various risks and uncertainties which are discussed throughout this Limited Offering Memorandum. The following is a discussion of certain risks that could affect payments to be made with respect to the Series 2026 Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Limited Offering Memorandum and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2026 Bonds should analyze carefully the information contained in this Limited Offering Memorandum, including the appendices hereto, and additional information in the form of the complete documents summarized herein or forms of which are attached hereto, copies of which are available as described herein.

Each prospective investor is urged to consult with its own legal, tax, and financial advisors to determine whether an investment in the Series 2026 Bonds is appropriate in light of its individual legal, tax and financial situation.

Limited Obligations

The Series 2026 Bonds are limited obligations of the District, payable solely from, and secured by the Trust Estate established under the Indenture. The Trust Estate includes (1) all Assessment Proceeds; (2) all Platted Lot Foreclosure Proceeds; (3) all Pre-Platted Land Foreclosure Proceeds; (4) all right, title and interest of the District in the Special Assessment Agreement, and all amounts delivered to, or realized by, the District or the Trustee pursuant to the terms thereof; and (5) all revenues derived or to be derived by the District in accordance with the Improvement District Act and the Special Assessment Agreement.

The primary source of payment of the Series 2026 Bonds is anticipated to be the Assessment Proceeds which consist of, collectively (1) all Platted Lot Annual Assessment Payment Amounts, (2) all Platted Lot Total Assessment Payment Amounts, (3) all Pre-Platted Land Annual Assessment Payment Amounts, and (4) all Pre-Platted Land Total Assessment Payment Amounts. See **“LEVY AND PAYMENT OF ASSESSMENTS ON PRE-PLATTED LAND AND PLATTED LOTS”** and **“ENFORCEMENT OF PAYMENT OF ASSESSMENTS BY TRUSTEE; FORECLOSURE PROCEEDINGS”** for definitions and a discussion of the calculation, process and timing for payment of each component of Assessment Proceeds.

The Improvement District Act provides that each Assessment constitutes a lien against the real property upon which the Assessment is imposed that has a priority over all liens other than liens for ad valorem taxes. See **“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS”** herein.

The Series 2026 Bonds do not, and shall never, constitute or create an indebtedness or pecuniary liability payable from, or a charge against, the revenues, assets, general credit, or taxing powers of the City, or any successor thereto, whether by annexation, consolidation or merger, or otherwise, or any governmental authority, including the State and any political subdivision thereof, other than the District, within the meaning of any constitutional provision or statutory limitation whatsoever.

The Indenture provides that no recourse under or upon any covenant or agreement of the Indenture or of the Series 2026 Bonds, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future incorporator, officer, employee or member of the Board of Directors of the District, or of any successor of any thereof, and all such liability of any such incorporator, officer, employee or member of the Board of Directors of the District as such, is expressly and irrevocably waived and released as a condition of, and as a consideration for, the execution of the Indenture and the issuance of the Series 2026 Bonds.

No Mortgage

Payment of the principal of and interest on the Series 2026 Bonds is not secured by any deed of trust, mortgage or other lien on any property in the District, including the property in the Assessment Area, other than the lien of the Assessments on the Platted Lots and the Pre-Platted Land in the Assessment Area. See **“THE SPECIAL ASSESSMENT AGREEMENT,” “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS,” LEVY AND PAYMENT OF ASSESSMENTS ON PRE-PLATTED LAND AND PLATTED LOTS”** and **“ENFORCEMENT OF PAYMENT OF ASSESSMENTS BY TRUSTEE; FORECLOSURE PROCEEDINGS”** herein.

Assessments

Overview. Payment on the Series 2026 Bonds is solely dependent on the generation and collection of Assessments in an amount sufficient to pay principal of and interest on the Series 2026 Bonds. See **“SECURITY**

AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS” and ENFORCEMENT OF PAYMENT OF ASSESSMENTS BY TRUSTEE; FORECLOSURE PROCEEDINGS” herein.

The revenues generated by Assessments against Pre-Platted Land and Platted Lots are dependent upon the number and size of Platted Lots and amount of Pre-Platted Land, which is, in turn, dependent upon the ability of PCC Land to sell Platted Lots and any Pre-Platted Land in the Assessment Area to unrelated third-parties, to submit final plats to the City and obtain the City’s approval of such final plats. ***Until such time, if ever, as a significant number of lots in the Development become Platted Lots and a significant number of Platted Lots or Pre-Platted is sold to unrelated third parties, the Developer will be the party primarily responsible for paying the Assessments on Platted Lots and the Pre-Platted Land available to pay debt service on the Series 2026 Bonds.***

The size, number, timing and sale of future Platted Lots in the Development is dependent on a variety of factors, including: the ability of the Developer to obtain financing to construct the infrastructure necessary to develop Platted Lots; the ability of the Developer or PCC Land to sell Platted Lots or Pre-Platted Land to unrelated third parties; the ability of the Developer to identify potential purchasers of the Platted Lots and execute sales to such purchasers; economic conditions affecting the Assessment Area Development and the surrounding area; competition from other residential developments; and local unemployment. The amount of Assessment Proceeds is also dependent on timely and full payment of the Assessments by the Developer, the collection and enforcement of Assessments by the District, changes in law relating to Assessments and ad valorem taxes. As a result, it is not possible to predict with certainty the amount of Assessment Proceeds which will be collected and available in any year to pay debt service on the Series 2026 Bonds.

Assessments as a Lien on the Property. Pursuant to the Improvement District Act, each Assessment constitutes a Lien upon the property subject to such Assessment, with priority over all liens other than liens for ad valorem taxes, in the amount of such Assessment together with all interest thereon and all costs of collecting payment thereof, subject to foreclosure as provided in the Improvement District Act. If the Developer fails to pay the Assessments, any funds derived from the foreclosure of the lien will first have to satisfy any existing superior tax lien for ad valorem taxes on the property. No assurances can be given that a foreclosure sale would generate proceeds sufficient to satisfy all existing superior liens for ad valorem taxes and the lien of the Assessment on any property within the Assessment Area.

Collection and Enforcement of Assessments. The Indenture provides that the District will collect, or cause to be collected, and enforce the payment of Assessments, at the times and in the manner prescribed by the Indenture and the Improvement District Act. The District is a special purpose public corporation formed by the City on the petition of the Developer. The Board of the District is made up of three directors, appointed by the City as provided in the Improvement District Act, and such directors have been related to the Developer since the District was formed and are currently related to the Developer. See “**THE DISTRICT**” herein. The offices of the District are maintained at the offices of the Developer and the Board administers the District. The Assessments will be paid directly to the Trustee and the Trustee will deposit the Platted Lot Annual Assessment Payment Amount(s) and/or the Pre-Platted Land Annual Assessment Payment Amount(s) into the Revenue Fund and the Platted Lot Total Assessment Payment Amount(s) and/or the Pre-Platted Land Total Assessment Payment Amount(s) into the Mandatory Redemption Fund to be applied pursuant to the terms of the Indenture. See “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Collection and Transfer Agreement**” and “**– District Administration Agreement**” herein.

Special Risks Associated with Developer Assessments

Concentration of Assessments. On the date of issuance of the Series 2026 Bonds, a portion of the proceeds of the Tax-Exempt Series 2026-A Bonds will be deposited into the Series 2026-A Capitalized Interest Account of the Bond Proceeds Fund in the amount of \$806,758* and will be used to pay capitalized interest on the Tax-Exempt Series 2026-A Bonds, and a portion of the proceeds from the Taxable Series 2026-B Bonds will

* Preliminary, subject to change.

be deposited into the Series 2026-B Capitalized Interest Account of the Bond Proceeds Fund in the amount of \$999,487* and will be used to pay capitalized interest on the Taxable Series 2026-B Bonds. After application of all amounts in the Series 2026-A Capitalized Interest Account and Series 2026-B Capitalized Interest Account to pay interest on the Tax-Exempt Series 2026-A Bonds and Taxable Series 2026-B Bonds, respectively, ***the revenues available to pay debt service on the Series 2026 Bonds will consist entirely of the Assessment Proceeds required to be paid by the Developer, until such time as PCC Land sells Platted Lots or Pre-Platted Land to an entity that is not an Affiliate of the Developer.***

As of May 1, 2026, all of the approximately 98.5 acres in the Assessment Area consists of vacant Pre-Platted Land. The Annual Debt Service for the Series 2026 Bonds in Bond Year ending May 31, 2028 (*i.e.*, the first year in which no more capitalized interest is anticipated to be available for payment of interest on the Series 2026 Bonds) will be \$2,032,050.* At such time the Developer will be responsible for payment of the Platted Lot Annual Assessment Payment Amount and Pre-Platted Land Annual Assessment Payment Amount sufficient to pay Annual Debt Service on December 1, 2027 and June 1, 2028 on the Series 2026 Bonds. The Developer will be responsible for paying the Platted Lot Annual Assessment Payment Amount and Pre-Platted Land Annual Assessment Payment Amount to pay Annual Debt Service on the Series 2026 Bonds until such time the Developer or PCC Land sell Platted Lots or Pre-Platted Land to an entity that is not an Affiliate of the Developer. See **“LEVY AND PAYMENT OF ASSESSMENTS ON PRE-PLATTED LAND AND PLATTED LOTS;” “ENFORCEMENT OF PAYMENT OF ASSESSMENTS BY TRUSTEE; FORECLOSURE PROCEEDINGS;”** and **“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS”** herein.

The concentration of the source of payment of the Assessments increases the risk that negative impacts on the Developer’s finances, home construction business, operations or sales activity may negatively impact the ability of the Developer to pay the Assessment Proceeds in a timely manner or at all. Economic downturn or decreased demand for new residential homes, competition from other residential developments in the region, closing of business or changes in business operations of the Developer could adversely affect the finances of the Developer and the Developer’s ability to pay the Platted Lot Annual Assessment Payment Amount(s) and/or the Pre-Platted Land Annual Assessment Payment Amount(s) each year and, therefore, could have a substantial adverse impact on the payment of debt service on the Series 2026 Bonds in any year.

Until such time, if ever, as a significant number of lots in the Development become Platted Lots and a significant number of Platted Lots or Pre-Platted Land is sold to unrelated third parties, the Developer will be solely responsible for paying the Assessments on Platted Lots and the Pre-Platted Land available to pay debt service on the Series 2026 Bonds. The rate of platting and lot sales in the District could be impacted by many factors such as construction costs, availability of building materials, interest rates, the local, regional and national economy, the availability of private financing for homes, competition from other developments and other political, legal and economic conditions. Neither the District nor the Underwriter can make any representation regarding the development plans of the Developer. See **“THE DEVELOPMENT”** herein.

Pre-Platted Land Annual Assessment Payment Amount on Undeveloped Land. At the time of issuance of the Series 2026 Bonds, all of the approximately 98.5 acres in the Assessment Area consists of vacant Pre-Platted Land; accordingly, all of the Assessment Proceeds pledged to the payment of debt service on the Series 2026 Bonds are anticipated to be initially attributable to the Pre-Platted Land Annual Assessment Payment Amount. Typically, the market value of vacant property that is not developed with a completed residential unit is substantially less than that of property with completed residential units. Accordingly, in the event Assessments on Pre-Platted Land (as well as Assessments on vacant Platted Lots) are not paid and are enforced through a foreclosure sale, the risk that the proceeds of such sale would not generate revenues sufficient to satisfy all existing superior liens for ad valorem taxes and the lien of the Assessments is greater than when foreclosure is initiated with respect to a fully developed lot with a completed residential unit built thereon.

* Preliminary, subject to change.

No assurance can be given that platting of the land in the Development or completion of lots will occur as presently planned, within the presently anticipated timeframes or resulting in the presently anticipated lot sizes. All development projections, including, without limitation, the anticipated timing of platting of the lots in the Development are dependent upon market activity, governmental regulations, general economic conditions, and other factors over which the District and the Developer have no control.

Effect of Developer Bankruptcy. Until further development takes place within the District and Platted Lots or Pre-Platted Land is sold to unrelated third-party purchasers, the Assessment Proceeds available for payment of debt service on the Series 2026 Bonds is dependent upon the timely payment by the Developer of the Platted Lot Annual Assessment Payment Amount(s) and/or the Pre-Platted Land Annual Assessment Payment Amount(s) on the Platted Lots and Pre-Platted Land owned by the Developer (or an Affiliate of the Developer) (although interest on the Series 2026 Bonds is anticipated to initially be paid from capitalized interest funded from the proceeds of the Series 2026 Bonds through June 1, 2027). In the event of the institution of bankruptcy or similar proceedings with respect to the Developer, there could be shortfalls or delays in the payment of Platted Lot Annual Assessment Payment Amount(s) and/or the Pre-Platted Land Annual Assessment Payment Amount(s) and, therefore, payment of debt service on the Series 2026 Bonds. Bankruptcy could not only negatively impact the ability of the Developer to pay the Platted Lot Annual Assessment Payment Amount(s) and/or the Pre-Platted Land Annual Assessment Payment Amount(s), it could also impact the District's ability to foreclose on the lien of the Assessments.

In addition, the remedies available to the Owners of the Series 2026 Bonds under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, during a bankruptcy of the Developer, the remedies specified by federal, state and local law and in the Indenture and the Special Assessment Agreement, including, without limitation, enforcement of the obligation to pay Assessments and the ability of the District to foreclose on the Lien of the Assessments, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds (including Bond Counsel's approving opinions) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available with respect to the Series 2026 Bonds could have a material adverse impact on the interest of the Owners thereof.

Appraisal Report

The Assessments are secured by a lien against the property comprising the Assessment Area. The prospective market value upon completion (assumed to occur in August 2027) of the Phase 1 Capital Improvements for the 122 lots in Phase 1 and the prospective value upon completion of the Phase 1 Capital Improvements of the remaining real property in the District, contained in the Appraisal Report and included or reflected in this Limited Offering Memorandum are based on various assumptions concerning facts and events over which the District or the Developer have no control. Certain assumptions in the Appraisal Report were developed through research and knowledge of the area and the housing market in and around the Assessment Area.

No representation or warranty is or can be made about the representations and assumptions in the Appraisal Report, or that actual results will be consistent with the Appraisal Report or that the opinion of Newmark contained therein of the prospective market value of the Phase 1 Capital Improvements for the 122 lots in Phase 1 and the prospective value upon completion of the Phase 1 Capital Improvements of the remaining real property in the District are anticipated to be developed. The information in the Appraisal Report is based on various assumptions, estimates and opinions. There is no assurance that actual events will correspond with the projections or the assumptions, estimates and opinions on which they are based. None of the District, the Developer, or the Underwriter make any representation or warranty (express or implied) as to the accuracy or completeness of any financial, technical or statistical data or any estimates, projections, assumptions or expressions of opinion set forth in the Appraisal Report.

The Appraisal Report is forward-looking and involves certain assumptions and judgments regarding future events. See “ – **Forward-Looking Statements**” below. Although the Appraisal Report is based on currently available information, it is also based on assumptions about the future state of the national and regional economy and the local real estate markets as well as assumptions about future actions by various parties, which cannot be assured or guaranteed. The Appraisal Report is not a prediction or assurance that a certain level of performance will be achieved or that certain events will occur. The actual results will vary from the Appraisal Report, and the variations may be material. Prospective purchasers should read the Appraisal Report carefully and form their own opinions about the validity and reasonableness of such assumptions. See “**INTRODUCTION – Appraisal Report**” herein and **Appendix A – “APPRAISAL REPORT – PROPOSED POINT CLEAR CLUB – 546.7 ACRES FOR 308-LOT GOLF COURSE COMMUNITY”** attached hereto.

Continued Phase 1 Development Not Assured

The net proceeds of the Series 2026 Bonds will be insufficient to reimburse all costs incurred and anticipated to be incurred in connection with the construction of the Phase 1 Capital Improvements necessary to serve the Phase 1 Development at full build-out. The construction of the Phase 1 Capital Improvements are therefore dependent on the Developer’s ability to construct and fund the Phase 1 Capital Improvements as described herein. See “**THE DEVELOPMENT – Capital Improvements**” herein.

There is no assurance that the Phase 1 Capital Improvements will be completed at the cost estimated by the Developer, in the amount of time currently expected by the Developer, or at all. Unforeseen events such as higher costs of materials, unavailability of materials, weather conditions, engineering or environmental conditions, labor strikes or shortages, trade policies and tariffs, or other unanticipated events could delay the construction of the infrastructure or increase its cost materially. If the Phase 1 Capital Improvements are not completed in the time and manner necessary to support the Developer’s plans for the Development, the Developer’s ability to complete and sell Platted Lots to unrelated third parties and/or pay the Assessments when due could be materially adversely affected, which could have a material, adverse effect on the District’s ability to repay the Series 2026 Bonds. The value set forth in the Appraisal Report assumes the completion of the Phase 1 Capital Improvements. In the event the Developer fails to pay the Assessments, there can be no guarantee that the value of the property subject to the Assessments would be sufficient to pay the Assessments following foreclosure proceedings and such value could be materially adversely affected by any failure of the Developer to complete Phase 1 Capital Improvements for the Development.

Environmental Matters

In 2025, prior to the Developer taking ownership over the property located in the Development, multiple Phase 1 Environmental Site Assessments were conducted over approximately 387.35 acres of real property located in the Development (the “**Phase 1 ESAs**”). The Phase 1 ESAs revealed no RECs indicative of the presence or historic release of hazardous substances, pollutants, contaminants, or controlled substances on, at, in, or to the subject property.

It is possible that environmental contamination or hazards could be discovered in the future in the property comprising the Development. There can be no assurance that during or subsequent to the continued development, hazardous materials, other adverse environmental conditions, endangered species, threatened habitats or adverse soil conditions will not be discovered on the Development which could hinder or prohibit further development. Should such a discovery occur, it is possible that the platting, development, marketing and value of the property in the Development could be materially adversely affected. See “**THE DEVELOPMENT – Environmental Reports**” herein.

Legal Matters; Changes to State and Local Tax Laws; No Additional Assessments

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Series 2026 Bonds. There is no assurance that there will not be any change in, interpretation of, or addition

to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the District or the Assessments. The State legislature has the authority to amend the provisions of Improvement District Act governing the Assessments and the method of enforcing the lien of the Assessments imposed within the Assessment Area. Changes in the current system of imposition and collection of ad valorem taxes in the State, including without limitation the increase of tax rates and assessment, increase in the tax base, elimination or reduction of exemptions, or judicial action concerning real property taxes could increase the amount of ad valorem taxes on property owners in the District. Such taxes have a lien that is prior to the Assessments that would reduce the amount available for payment of the Series 2026 Bonds in the event of enforcement of an Assessment through foreclosure. There can be no assurance that the current system of imposition and collection of ad valorem taxes will not be changed by any competent authority having jurisdiction to do so, including without limitation the State or the courts.

The Improvement District Act authorizes the imposition of additional special assessments on the property within the Assessment Area. Any such additional special assessment would have a lien that is on a parity basis with the lien of the Assessments. In the event of enforcement of an Assessment through foreclosure, any amount realized would be shared to satisfy the obligation of the Assessment and such additional special assessment after the payment of liens for ad valorem taxes. ***However, other than a covenant to petition the County for additional assessments in the event that a court of competent jurisdiction determines that all or any portion of the Assessments are illegal, invalid, or otherwise unenforceable, for any reason, and such determination shall not be appealed (or, if appealed, shall be affirmed on appeal), the District covenants in the Indenture that it will not petition the City to levy any additional Assessments on property within the Assessment Area.***

Bankruptcy of the District

The United States Bankruptcy Code permits municipal corporations, political subdivisions and public agencies or instrumentalities, that are insolvent or unable to meet their debts to file petitions for relief in the federal bankruptcy courts, but only if state law in the state when the local governmental entity is located allows the local entity to file for bankruptcy protection. Under current State law, some governmental entities have the power to file bankruptcy; however, under the current provisions, the District is not afforded this protection. The State legislature, however, could change the State law regarding bankruptcy during the term of the Series 2026 Bonds. If so, and if the District were to file for bankruptcy protection, it is not possible to predict or determine how the Assessments received by the District would be treated by a bankruptcy court and, therefore, whether the Assessments would continue to be available to pay debt service on the Series 2026 Bonds.

Potential Negative Consequences of Public Health Emergencies

Regional, national or global public health emergencies, such as the outbreak of the coronavirus, could have materially adverse regional, national or global economic and social impacts causing, among other things, the promulgation of local or state orders limiting certain activities, extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings, extensive job losses and declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence and/or changes in business and consumer behaviors that negatively impact economic conditions or cause an economic recession. If such an event should occur, the District cannot predict the extent to which its operations or financial condition may decline nor the amount of increased costs, if any, that may be incurred by the District associated with its administrative and operations functions, nor can the District predict the extent to which the development in the District may be adversely impacted. Accordingly, the District cannot predict the effect any public health emergencies will have on the finances or operations of the District or whether any such effects will have a material adverse effect on the ability to support payment of debt service on the Bonds.

Financial Condition of the Developer; Single Purpose Entities

PCC Investments is a single-purpose entity that has been formed to develop the property in the Development, and PCC Land is a single-purpose entity that was formed to acquire such property. There has been no independent investigation of, and no representation is made in this Limited Offering Memorandum regarding, the financial soundness of PCC Investments or PCC Land or of the capability of the Developer to pay the Assessments on Platted Lots and the Pre-Platted Land owned by PCC Land or any other Affiliate of the Developer as they come due or develop and/or market the property within the Assessment Area as planned, nor is PCC Investments or PCC Land required to provide any ongoing financial information concerning their respective financial condition in connection with the issuance of the Series 2026 Bonds. Moreover, the financial circumstances of PCC Investments and PCC Land can change from time to time. Development within the District is dependent upon the ability of PCC Investments and PCC Land to implement the development plan contemplated herein, as described in the section herein captioned **“THE DEVELOPMENT.”** Prospective investors are urged to make an independent investigation as deemed necessary concerning the financial soundness of PCC Investments and PCC Land and their ability to pay the Assessments on Platted Lots and the Pre-Platted Land owned by the PCC Land or any other Affiliate of the Developer as they come due or implement the development plan as described herein. See **“THE DEVELOPMENT – The Developer, Daniel Realty and the McLean Family”** herein and **“ – Special Risks Associated with Developer Assessments”** above.

Loss of Tax Exemption

There is no provision for the redemption of the Tax-Exempt Series 2026-A Bonds or for the payment of additional interest on the Tax-Exempt Series 2026-A Bonds in the event that interest on the Tax-Exempt Series 2026-A Bonds becomes includable in gross income for federal income tax purposes. In the event that interest on the Tax-Exempt Series 2026-A Bonds becomes includable in gross income for federal income tax purposes, the value and marketability of the Tax-Exempt Series 2026-A Bonds would likely be adversely affected. The District, however, has covenanted not to do anything that would adversely affect the tax-exempt status of the Tax-Exempt Series 2026-A Bonds. See **“TAX MATTERS”** herein.

Future Legislation Could Affect Tax-Exempt Obligations

The federal government from time to time considers various proposals to reduce federal budget deficits and the amount of federal debt, including proposals that would eliminate or reduce indirect expenditures made through various deductions and exemptions currently allowed by the income tax laws. The exemption for interest on tax-exempt obligations is one of the indirect expenditures that could be affected by a deficit reduction initiative. Some deficit-reduction proposals would completely eliminate the exemption for interest on all tax-exempt obligations. Other proposals would place an aggregate cap on the total amount of exemptions and deductions that may be claimed by a taxpayer, or a cap on the exemption for interest on all tax-exempt obligations. Changes in the rate of the federal income tax, including so-called “flat tax” proposals, could also reduce the value of the exemption.

Changes affecting the exemption for interest on tax-exempt bonds, if enacted, could apply to tax-exempt obligations already outstanding, including the Tax-Exempt Series 2026-A Bonds offered pursuant to this Limited Offering Memorandum, as well as obligations issued after the effective date of such legislation. It is not possible to predict whether Congress will adopt legislation affecting the exemption for tax-exempt bonds, what the provisions of such legislation may be, whether any such legislation will be retroactive in effect, or what effect any such legislation may have on investors in the Tax-Exempt Series 2026-A Bonds. Investors should consult their own tax advisors about the prospects and possible results of future legislation that could affect the exemption for interest on tax-exempt obligations.

Enforceability of Remedies

The remedies available to the Trustee, the District and Owners of the Series 2026 Bonds upon an event of default under the Indenture, the Special Assessment Agreement or other documents executed in connection

with the issuance of the Series 2026 Bonds are both limited and, in many respects, dependent upon judicial actions that are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the United States Bankruptcy Code, as amended, the remedies specified by the Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by principles of equity and by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally. See **Appendix B – “FORMS OF ORIGINAL INDENTURE AND INITIAL SUPPLEMENTAL INDENTURES.”**

Early Redemption Prior to Maturity

Platted Lot Annual Assessment Payment Amount(s) and/or the Pre-Platted Land Annual Assessment Payment Amount(s) are available to pay debt service on the Series 2026 Bonds in excess of the amount required to pay principal and interest on the Series 2026 Bonds as and when due, to restore any deficiency in the Series 2026-A Account of the Reserve Fund, Series 2026-B Account of the Reserve Fund and to pay certain fees and expenses, are available for the purpose of redeeming Series 2026 Bonds prior to maturity on each Stated Interest Payment Date pursuant to the special mandatory redemption provisions in the Indenture as described herein. Platted Lot Total Assessment Payment Amount(s) and/or the Pre-Platted Land Total Assessment Payment Amount(s) are also available to pay debt service on the Series 2026 Bonds pursuant to the special mandatory redemption provisions in the Indenture as described herein. Platted Land Foreclosure Proceeds, if any, and Pre-Platted Land Foreclosure Proceeds, if any, are required under the Indenture to be applied to the extraordinary mandatory redemption of the Series 2026 Bonds. Purchasers of the Series 2026 Bonds should bear in mind that such redemption features could affect the price of the Series 2026 Bonds in the secondary market. See **“THE SERIES 2026 BONDS – Redemption of Tax- Exempt Series 2026-A Bonds”** and **“– Redemption of Taxable Series 2026-B Bonds”** herein.

Availability of Amounts in the Series 2026-A Account and the Series 2026-B Account of the Reserve Fund

At the time of issuance of the Series 2026 Bonds, the Series 2026-A Account of the Reserve Fund will be funded with proceeds of the Tax-Exempt Series 2026-A Bonds in the amount of \$1,354,000* and the Series 2026-B Account of the Reserve Fund will be funded with proceeds of the Taxable Series 2026-B Bonds in the amount of \$1,211,500.* See **“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Reserve Fund Accounts”** herein. There can be no assurance that: (i) the amounts on deposit in the Series 2026-A Account of the Reserve Fund, if needed for payment of debt service on the Tax-Exempt Series 2026-A Bonds, will be available in the full amount of the Series 2026-A Reserve Fund Account Requirement or (ii) the amounts on deposit in the Series 2026-B Account of the Reserve Fund, if needed for payment of the debt service on the Taxable Series 2026-B Bonds, will be available in the full amount of the Series 2026-B Reserve Fund Account Requirement because (1) of fluctuations in the market value of the securities deposited therein and/or (2) if funds are transferred from the Series 2026-A Account of the Reserve Fund or Series 2026-B Account of the Reserve Fund, as applicable, sufficient revenues may not be available in such Funds to replenish the Series 2026-A Account and the Series 2026-B Account of the Reserve Fund to the Series 2026-A Reserve Fund Account Requirement and the Series 2026-B Reserve Fund Account Requirement, respectively.

Limited Offering and Restrictions on Purchase and Transferability of Taxable Series 2026-B Bonds; Investor Suitability

Each purchaser of the Taxable Series 2026-B Bonds must qualify as a Qualified Institutional Buyer. By its acceptance of the Taxable Series 2026-B Bonds, each purchaser of the Taxable Series 2026-B Bonds in the initial offering is deemed to have acknowledged, and all future purchasers of the Taxable Series 2026-B Bonds will be deemed to have acknowledged, among other things, that (1) it is a Qualified Institutional Buyer, with sufficient knowledge and experience in financial and business matters, including the purchase and ownership of

* Preliminary, subject to change.

tax-exempt obligations, to be able to evaluate the merits and risks of an investment in the Taxable Series 2026-B Bonds and (2) it is acquiring the Taxable Series 2026-B Bonds for its own account or for the account of a Qualified Institutional Buyer, and not with a view to the further distribution thereof.

The Series 2026 Bonds have not been registered or qualified under the Securities Act or the securities laws of any other jurisdiction, and the District is not obligated to register or qualify the Series 2026 Bonds under the Securities Act or any other securities law or to take any action not otherwise required under the Indenture to permit the transfer of any Series 2026 Bonds or any interest therein without such registration or qualification. The Taxable Series 2026-B Bonds are considered “restricted securities” within the meaning of Rule 144A of the Securities Act and may be resold only if an applicable exemption from the registration requirements of the Securities Act and applicable state laws applies to the circumstances of the sale, or a registration covering the sale of the Taxable Series 2026-B Bonds is filed and declared effective. See “**NOTICE TO INVESTORS; TRANSFER RESTRICTIONS ON TAXABLE SERIES 2026-B BONDS**” herein. Each initial Taxable Series 2026-B Bond Purchaser will be required to sign an investor letter in the form attached hereto as **Appendix H**.

The foregoing standards are minimum requirements for prospective purchasers of the Series 2026 Bonds. The satisfaction of such standards does not necessarily mean that the Series 2026 Bonds are a suitable investment for a prospective investor. Accordingly, each prospective investor is urged to consult with its own legal, tax and financial advisors to determine whether an investment in the Series 2026 Bonds is appropriate in light of its individual legal, tax and financial situation.

No Assurance of Secondary Market

No assurance can be given concerning the future existence of a secondary market for the Series 2026 Bonds. The Series 2026 Bonds are not readily liquid, and no person should invest in the Series 2026 Bonds with funds such person may need to convert readily into cash. The Underwriter will not be obligated to repurchase any of the Series 2026 Bonds, and no representation is made concerning the existence of any secondary market for the Series 2026 Bonds. Prospective purchasers of the Series 2026 Bonds should therefore be prepared, if necessary, to hold the Series 2026 Bonds to maturity or prior redemption, if any. Because the Series 2026 Bonds are not rated, the secondary market for the Series 2026 Bonds, if any, is expected to be limited. Even if a secondary market exists, as with any marketable securities, there can be no assurance as to the price for which the Series 2026 Bonds may be sold and no assurance can be given that the initial offering price for the Series 2026 Bonds will continue for any period of time.

No Credit Rating; Risk of Investment

The Series 2026 Bonds do not have a credit rating from any source and are not suitable investments for all investors. The absence of a rating could affect the ability of owners of the Series 2026 Bonds to sell their Series 2026 Bonds or the price at which their Series 2026 Bonds can be sold. Each prospective purchaser of a Series 2026 Bond is responsible for assessing the merits and risks of an investment in the Series 2026 Bonds and must be able to bear the economic risk of such investment in the Series 2026 Bonds.

Forward-Looking Statements

Certain statements included in or incorporated by reference in this Limited Offering Memorandum, including the Market Study and the Financial Forecast that are not purely historical are “*forward-looking statements*” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended, and reflect current expectations, hopes, intentions or strategies regarding the future. Such statements may be identifiable by the terminology used such as “*project*,” “*plan*,” “*expect*,” “*estimate*,” “*budget*,” “*intend*,” “*anticipate*” or other similar words.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Included in such risks and uncertainties are (i) those relating to the possible invalidity of the underlying assumptions and estimates; (ii) possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances; and (iii) conditions and actions taken or omitted to be taken by third parties, including homebuilders, homebuyers, lenders, business partners, competing developments, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately. For these reasons, there can be no assurance that the forward-looking statements included in this Limited Offering Memorandum will prove to be accurate.

Undue reliance should not be placed on forward-looking statements. All forward-looking statements included in this Limited Offering Memorandum are based on information available on the date hereof, and the District assumes no obligation to update any such forward-looking statements if or when events, conditions or circumstances on which such statements are based occur or fail to occur, except to the extent (if any) indicated under the caption “INTRODUCTION – Continuing Disclosure Undertaking” and “CONTINUING DISCLOSURE UNDERTAKING” and in the Continuing Disclosure Agreement, a form of which is attached hereto as Appendix D.

THE SPECIAL ASSESSMENT AGREEMENT

The following is a summary of certain provisions of the Special Assessment Agreement. Such summary does not purport to be comprehensive or definitive. All references herein to the Special Assessment Agreement are qualified in their entirety by reference to the definitive form of such document, a form of which is attached hereto as Appendix C. For the meaning of any capitalized terms in this section not otherwise defined in this section, see Appendix C – “FORM OF SPECIAL ASSESSMENT AGREEMENT” attached hereto.

Purpose of Special Assessment Agreement

The Special Assessment Agreement is intended to provide for the agreement by the Developer with the terms of the Indenture, the payment by the Developer of amounts due and payable in respect of the Platted Lot Annual Assessment Payment Amount, the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Total Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount to the Trustee for application pursuant to the terms of the Indenture.

Effective Date and Termination Date

The District, the Developer, PCC Land and the Trustee agree in the Special Assessment Agreement that all obligations thereunder will become effective on the date of the Special Assessment Agreement of June 1, 2026 (the “**Effective Date**”) and will continue in full force and effect thereafter until the date on which the Indenture is discharged pursuant to its terms (the “**Termination Date**”), at which time all obligations in the Special Assessment Agreement will, without recourse, terminate and be discharged.

Developer to Provide Certain Annual Reports

The Developer agrees in the Special Assessment Agreement to provide to the District and the Trustee on each February 1, beginning February 1, 2027, or such other date as determined by the District, the Trustee, and the Assessment Methodology Manager:

- (1) as of such date, a legal description of, and the number of acres of land (counting a fraction of an acre as one acre) within the Pre-Platted Land; and

(2) a copy of each map or plat that was recorded in the Office of the Judge of Probate of Baldwin County, Alabama, during the period beginning on January 1 of the then immediately preceding calendar year and ending on December 31 of the then immediately preceding calendar year with respect to all lots within the jurisdiction of the District within the Assessment Area that shall have become Platted Lots during such period, beginning with the calendar year commencing January 1, 2027; and

(3) the number of Platted Lots owned by the Developer or an Affiliate of the Developer (including without limitation the number of Platted Lots within each lot size class set forth in the Assessment Methodology Reports); and

(4) a schedule of the number of Platted Lots sold to a Person that is not an Affiliate of the Developer during the period beginning on January 1 of the then immediately preceding calendar year and ending on December 31 of the then immediately preceding calendar year, the sale date of each Platted Lot, the amount of the Platted Lot Total Assessment Payment Amount paid with respect to each Platted Lot, and evidence that the Platted Lot Total Assessment Payment Amount for each Platted Lot sold was transferred to the Trustee prior to the release of the Lien of the Assessment on such Platted Lot, beginning with the calendar year commencing January 1, 2027; and

(5) If the Developer sold any of the Pre-Platted Land to a Person that is not an Affiliate of the Developer during the period beginning on January 1 of the then immediately preceding year and ending on December 31 of the then immediately preceding year, the sale date of each parcel of the Pre-Platted Land, the amount of the Pre-Platted Land Total Assessment Payment Amount paid with respect to each parcel of Pre-Platted Land sold, and evidence that the Pre-Platted Land Total Assessment Payment Amount for each parcel of Pre-Platted Land sold was transferred to the Trustee prior to the release of the Lien of the Assessment on such parcel of Pre-Platted Land.

Trustee to Invoice Developer on April 1

The Trustee is required in the Special Assessment Agreement to provide the Developer with a written invoice on April 1 of each Bond Year, beginning April 1, 2027, detailing the (1) Annual Debt Service due on the Series 2026 Bonds on the next succeeding June 1; (2) the fees owed to the Trustee pursuant to the Indenture as described in in the section herein captioned **“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Application of Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount in the Revenue Fund;”** (3) the amount of any deficiency in the Bond Fund necessary to make the payment due on the next succeeding June 1; provided, however, that the Trustee shall credit to the Bond Fund by transferring from the Extraordinary Redemption Fund the amount, if any, on deposit in the Extraordinary Redemption Fund necessary to cause the Bond Fund to have sufficient funds to pay the principal maturing or subject to mandatory redemption on the next succeeding June 1 payment, pursuant to the Indenture as described in the section herein captioned **“SERIES 2026 BONDS – Bond Fund”** and (4) the amount of any deficiency in any Account of the Reserve Fund.

The Trustee’s invoice to the Developer shall be based in part upon the Report of the Assessment Methodology Manager set forth in the District Administration Agreement, which shall be due from the Assessment Methodology Manager to the Trustee not later than March 15 of each year. See **“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2206 BONDS – District Administration Agreement – Assessment Methodology Manager Report and Obligations”** herein.

Remedies Upon an Event of Default; Foreclosure Proceedings for Platted Lots and Pre-Platted Land

The Special Assessment Agreement includes procedures that the Trustee, or its designee, is required to follow upon an Event of Default by the Developer under the Indenture and the Special Assessment Agreement resulting from the Developer’s failure to pay any Assessment when due and payable, including provision by the Trustee of written notice to the District and the Developer (or an Affiliate of the Developer), as the Property Owner of the Pre-Platted Land and any Platted Lot, and the Developer’s ability to cure the Event of Default by

payment of the applicable Assessment in full by or on behalf of the Developer (or an Affiliate of the Developer) on or before the Default Cure Payment Date, in which event the Trustee will forbear from foreclosure of the applicable Platted Lot(s) and/or Pre-Platted Land as a result of such Event of Default. See the section herein captioned **“ENFORCEMENT OF PAYMENT OF ASSESSMENTS BY TRUSTEE; FORECLOSURE PROCEEDINGS – Notice of Event of Default; Pendency of Foreclosure Proceedings”** for further discussion of these procedures.

Retained Rights of the District

The Special Assessment Agreement provides that, anything therein to the contrary notwithstanding, the District reserves and retains the following rights:

(1) the right (but not the obligation) to pay (from any source including the Developer’s Lender) to the Trustee the Pre-Platted Land Annual Assessment Payment Amount and/or the Platted Lot Annual Assessment Payment Amount then due, whereupon the Trustee shall not commence foreclosure proceedings under the Special Assessment Agreement with respect to the applicable Pre-Platted Land and/or Platted Lot(s); and

(2) the sole and exclusive right to exercise all rights of the District provided in Sections 11-99A-21(8) and Section 11-99A-21(11) of the Improvement District Act with respect to the foreclosure and sale of the Pre-Platted Land or Platted Lot(s).

Remedies of the Trustee

The Special Assessment Agreement provides that if an Event of Default exists, Trustee may, on behalf of the District and the Owners, proceed to protect its rights and the rights of the Owners of the Series 2026 Bonds, by the exercise of all legal and equitable remedies available under Applicable Law, whether for foreclosure and sale of all or any part of the Pre-Platted Land or Platted Lots as provided in the Special Assessment Agreement and the Improvement District Act, for the enforcement of the obligations of the Developer in the Special Assessment Agreement, the specific performance of any covenant or agreement of the Developer contained in the Special Assessment Agreement, or in aid of the exercise of any power or remedy granted to the Trustee under the Indenture; provided, all rights, remedies and powers provided by the Special Assessment Agreement as described in this section may be exercised only to the extent the exercise thereof does not violate any applicable provision of law, and all the provisions of the Special Assessment Agreement as described in this section are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that the same will not render the Special Assessment Agreement invalid or unenforceable.

Remedies of Developer

The Special Assessment Agreement provides the Developer may, notwithstanding anything in the Financing Documents to the contrary, proceed to enforce the agreements of the District and the Trustee set forth in the Special Assessment Agreement by all legal and equitable remedies available under Applicable Law; provided, the Developer agrees that any failure of the District or the Trustee to comply with the provisions of the Special Assessment Agreement shall not constitute an Event of Default thereunder and shall not relieve or discharge the Developer from any obligation under the Special Assessment Agreement.

No Recourse to Directors, Officers, Shareholders, of Developer; Property Owners

The Special Assessment Agreement provides that, pursuant to the Improvement District Act, the Special Assessment Agreement constitutes a corporate obligation of the Developer and the Owners of the Series 2026 Bonds and the Trustee have no recourse against, and thereupon irrevocably waive and release each past, present or future incorporator, officer, general partner, limited partner, or member of the governing body, of Developer or an Affiliate of the Developer from any and all direct, indirect or contingent personal liability or obligation for

the performance of any agreement or covenant in, or the payment of any amount due pursuant to, the Special Assessment Agreement by the Developer or an Affiliate of the Developer, or with respect to the payment of the Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount on Platted Lots and Pre-Platted Land owned by the Developer or an Affiliate of the Developer and any payment on the day of closing on the sale of Platted Lot(s) and/or Pre-Platted Land of the Pre-Platted Land Total Assessment Payment Amount or the Platted Lot Total Assessment Payment Amount on Pre-Platted Land and/or Platted Lots, respectively, sold by PCC Land to a Person that is not an Affiliate of the Developer.

Bondholders and Property Owners as Third-Party Beneficiaries.

The Special Assessment Agreement is a third-party beneficiary contract and provides that the Owners of the Series 2026 Bonds are third-party beneficiaries of the covenants and agreements on the part of the District, the Developer, and the Trustee contained in the Special Assessment Agreement as fully and completely as if the Owners of the Series 2026 Bonds were parties signatory to the Special Assessment Agreement.

The Trustee

The Special Assessment Agreement provides the rights, immunities, limitations of liability, privileges, and protections provided in the Indenture for the benefit of the Trustee in the observance and performance of the agreements, duties and obligations of the Trustee under the Indenture are incorporated into the Special Assessment Agreement, and made a part thereof the same as if set out in full, by the reference thereto, for the benefit of the Trustee in the observance and performance of the agreements, duties and obligations of the Trustee in the Special Assessment Agreement.

Limited Assignment of Special Assessment Agreement

The Special Assessment Agreement is not negotiable and may not be assigned or transferred except to the Trustee or a successor trustee under the Indenture or a successor corporation to the District controlled by the County for purposes of the Improvement District Act. The District will assign its rights under the Special Assessment Agreement to the Trustee as part of the Trust Indenture that secures payment of the Series 2026 Bonds.

NO LITIGATION

The District

At the time of delivery of and payment for the Series 2026 Bonds, the District will certify that there is no litigation, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending with respect to which the District has been served with process, or, to the knowledge of the officer of the District executing such certificate, threatened in writing against the District (1) which is in any way contesting the creation, existence, powers or jurisdiction of the District or the validity or effect of the Indenture or the Improvement District Act or any provision thereof, or the titles of its officers to their respective offices; (2) seeking to restrain or enjoin the issuance, sale or delivery of any of the Series 2026 Bonds, or the payment, collection or application of the Assessments or any other amounts pledged or to be pledged to pay the principal of and interest on the Series 2026 Bonds; (3) in any way contesting or affecting any authority for the issuance of the Series 2026 Bonds or the validity or binding effect of any of the Series 2026 Bonds and the other Financing Documents or any action of the District contemplated by the Series 2026 Bonds on any of the other Financing Documents; (4) contesting in any way the completeness or accuracy of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum or any supplement or amendment thereto; and (5) which, if adversely determined, could materially adversely affect the financial position or operating condition of the District or the transactions contemplated by the Preliminary Limited Offering Memorandum and Limited Offering Memorandum, the Series 2026 Bonds or the Financing Documents.

The Developer

At the time of delivery of and payment for the Series 2026 Bonds, the Developer will certify that there is not pending or, to the knowledge of the Developer, threatened any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or threatened by or against the Developer, which would, in any way: (1) question the due formation, organization, existence or powers of the Developer, or the title or authority of any of the members, managers or officers of the Developer; (2) question the power or authority of the Developer to execute any agreements entered into by the Developer in connection with the Development and the issuance of the Series 2026 Bonds, including the Special Assessment Agreement; (3) question the validity of any of the proceedings for the authorization, execution, or delivery of any agreements entered into by the Developer in connection with the Development and the issuance of the Series 2026 Bonds, including the Special Assessment Agreement; (4) question or affect the execution, issuance, delivery, validity or enforceability of any agreements entered into by the Developer in connection with the Development and the issuance of the Series 2026 Bonds, including the Special Assessment Agreement; or (5) affect the consummation of any of the transactions contemplated by any agreements entered into by the Developer in connection with the Development and the issuance of the Series 2026 Bonds, including the Special Assessment Agreement.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization and issuance of the Series 2026 Bonds by the District are subject to the approval of Bradley Arant Boult Cummings LLP, Birmingham, Alabama, Bond Counsel to the District, whose approving opinions will be delivered with the Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds, respectively. The opinions of Bond Counsel are expected to be delivered in substantially the form included as **Appendix E** to this Limited Offering Memorandum. Bond Counsel has not reviewed or participated in the preparation of this Limited Offering Memorandum except the sections captioned **“INTRODUCTION – The Series 2026 Bonds”** and **“– Security and Sources of Payment for the Series 2026 Bonds,”** **“THE SERIES 2026 BONDS,”** **“JUDICIAL VALIDATION OF THE SERIES 2026 BONDS,”** **“THE SPECIAL ASSESSMENT AGREEMENT,”** **“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS,”** and **“TAX MATTERS,”** and **APPENDICES B, C and E**. Certain legal matters will be passed upon for the District by its special counsel, Bradley Arant Boult Cummings LLP, Birmingham, Alabama, for the Developer, by its counsel, Bradley Arant Boult Cummings LLP, Birmingham, Alabama, and for the Underwriter by its counsel Thompson Coburn LLP, St. Louis, Missouri.

The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State of Alabama and the United States of America and bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

NO RATING

The District has not made, and does not contemplate making, application to any rating agency for assignment of a rating to the initial offering of the Series 2026 Bonds.

TAX MATTERS

General

Tax-Exempt Series 2026-A Bonds. The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements that must be met subsequent to the issuance and delivery of the Tax-Exempt Series 2026-A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Tax-Exempt Series 2026-A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Tax-Exempt Series 2026-A Bonds. In certain certificates and agreements executed by the District in connection with the issuance of the Tax-Exempt Series 2026-A Bonds, the District has covenanted in effect that it will, to the extent permitted by law, comply with the provisions of the Code that constitute conditions to or requirements for the exclusion of the interest on the Tax-Exempt Series 2026-A Bonds from the gross income of the recipient thereof for federal income tax purposes pursuant to the provisions of Section 103 of the Code and the exclusion of such interest from the computation of the alternative minimum tax applicable to taxpayers other than corporations that is imposed by Section 55 of the Code (the “**Compliance Covenants**”).

Bradley Arant Boult Cummings LLP, Bond Counsel to the District, is of the opinion that, under the Code, as presently construed and administered, and assuming compliance by the District with the Compliance Covenants, the interest on the Tax-Exempt Series 2026-A Bonds will be excluded from gross income of the recipient thereof for federal income tax purposes pursuant to the provisions of Section 103 of the Code. Bond Counsel to the District is also of the opinion that the Tax-Exempt Series 2026-A Bonds are not “specified private activity bonds” within the meaning of Section 57(a)(5) of the Code and, therefore, the interest on the Tax-Exempt Series 2026-A Bonds will not be treated as a preference item for purposes of computing the alternative minimum tax imposed by Section 55 of the Code. However, in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on “applicable corporations” (as defined in Section 59(k) of the Code), interest on the Tax-Exempt Series 2026-A Bonds is not excluded from the determination of adjusted financial statement income.

Prospective purchasers of the Tax-Exempt Series 2026-A Bonds should be aware that ownership of the Tax-Exempt Series 2026-A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Tax-Exempt Series 2026-A Bonds. Bond Counsel to the District will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Tax-Exempt Series 2026-A Bonds should consult their tax advisors as to collateral federal income tax consequences.

Taxable Series 2026-B Bonds. Interest on the Taxable Series 2026-B Bonds is not expected to be excludable from the gross income of the recipient thereof for federal income tax purposes pursuant to the Code. BOND COUNSEL HAS NOT RENDERED AN OPINION WITH REGARD TO FEDERAL INCOME TAX CONSEQUENCES WITH RESPECT TO THE TAXABLE SERIES 2026-B BONDS. EACH OWNER OF THE TAXABLE SERIES 2026-B BONDS SHOULD SEEK ADVICE BASED ON SUCH OWNER’S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Series 2026 Bonds – Alabama Income Taxation. Bond Counsel to the District is of the opinion that, under existing statutes, interest on both the Tax-Exempt Series 2026-A Bonds and the Taxable Series 2026-B Bonds is exempt from present Alabama income taxation.

Original Issue Discount

If the initial public offering price to be paid for certain of the Tax-Exempt Series 2026-A Bonds is less than the principal amount thereof (the “**Original Issue Discount Bonds**”), then under existing law, the

difference between (i) the amount payable at the maturity of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond in the initial public offering of the Tax-Exempt Series 2026-A Bonds. Such initial owner is entitled to exclude from gross income to the same extent as interest on the Tax-Exempt Series 2026-A Bonds an amount with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner. Such original issue discount accrues actuarially on a constant interest rate basis over the term of each such Original Issue Discount Bond, and the basis of each such Original Issue Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above.

The tax accounting treatment of Original Issue Discount Bonds is complex. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Discount Bonds.

Original Issue Premium

If the initial public offering price to be paid for certain of the Tax-Exempt Series 2026-A Bonds is greater than the principal amount thereof (the **“Original Issue Premium Bonds”**), then under existing law, the difference between (i) the initial offering price to the public of each Original Issue Premium Bond, and (ii) the amount payable at the maturity of such Original Issue Premium Bond constitutes original issue premium with respect to such Original Issue Premium Bond in the hands of any owner who has purchased such Original Issue Premium Bond in the initial public offering of the Tax-Exempt Series 2026-A Bonds. Such initial owner is required to reduce such owner’s basis in such Original Issue Premium Bonds by the amount of premium allocable to periods during which such owner holds such Original Issue Premium Bonds, and, as a result, such initial owner may realize a taxable gain upon the disposition or redemption of such Original Issue Premium Bonds even though such Original Issue Premium Bonds are sold or redeemed for an amount equal to such owner’s original cost of acquiring such Original Issue Premium Bonds.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Premium Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above.

The tax accounting treatment of Original Issue Premium Bonds is complex. All owners of Original Issue Premium Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Premium Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Premium Bonds.

The foregoing discussion does not address the effects of any applicable federal, state, local or foreign tax laws other than those specifically discussed above. Prospective purchasers are urged to consult their own tax advisor concerning the federal tax consequences of owning and disposing of the Tax-Exempt Series 2026-A Bonds, as well as any consequences under the laws of any state, local or foreign taxing jurisdiction.

See also **“BONDOWNERS’ RISKS – Loss of Tax Exemption”** and **“– Future Legislation Could Affect Tax-Exempt Obligations”** herein for a discussion of certain risk factors relating to investment in the Tax-Exempt Series 2026-A Bonds.

UNDERWRITING

The Series 2026 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the **“Underwriter”**) pursuant to a Bond Purchase Agreement, between the Underwriter and the District (the **“Bond Purchase Agreement”**). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed to purchase the Series 2026 Bonds at a purchase price of \$_____ (the principal amount of the Series 2026 Bonds, [less original issue discount/plus original issue premium] of \$_____, and less the Underwriter’s discount of \$_____).

The initial public offering price of the Series 2026 Bonds may be changed from time to time by the Underwriter. The Bond Purchase Agreement provides that the Underwriter will purchase all the Series 2026 Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement, including, among others, the approval of certain legal matters by counsel.

The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction. The Underwriter has not, however, independently verified the factual and financial information contained in this Limited Offering Memorandum and, accordingly, expresses no view as to the sufficiency or accuracy thereof.

The Underwriter and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

CONTINUING DISCLOSURE UNDERTAKING

2026 Undertaking

To assist the Underwriter with its obligations under Rule 15c2-12 (the **“Rule”**) of the Securities and Exchange Commission and for the benefit of the beneficial owners of the Series 2026 Bonds, the District and the Developer have agreed to provide to Regions Bank, as dissemination agent (the **“Dissemination Agent”**), certain financial information relating to collection of the Assessment Proceeds, the sale of Platted Lots and Pre-Platted Land, and certain information with respect to the Assessment Area Development and the Golf Course, respectively, on a quarterly, semi-annual and annual basis, as applicable, and to provide notice of the occurrence of certain enumerated events, all as provided in the Continuing Disclosure Agreement dated the date of issuance of the Series 2026 Bonds. The Dissemination Agent covenants in the Continuing Disclosure Agreement to file the information provided by the District and the Developer and notice of certain events to the MSRB through its EMMA website.

EMMA is an internet-based, online portal for free investor access to municipal bond information, including offering documents, event notices, real-time municipal securities trade prices and education resources, available at www.emma.msrb.org. Nothing contained on EMMA relating to the District, the Developer or the Series 2026 Bonds is incorporated by reference in this Limited Offering Memorandum. See **Appendix D – “FORM OF CONTINUING DISCLOSURE AGREEMENT”** attached hereto.

No District or Developer Prior Continuing Disclosure Obligations

Neither the District nor the Developer have previously been subject to, and neither are currently subject to, any prior continuing disclosure obligations and therefore neither have prior continuing disclosure obligations pursuant to the Rule.

CERTAIN RELATIONSHIPS

The members of the Board of Directors of the District are all employees, members or related persons to members of the Developer. See **“THE DISTRICT – Operations of the District”** herein. Bradley Arant Boult Cummings LLP, Bond Counsel, has represented the Underwriter and the Trustee from time to time in matters unrelated to the issuance of Series 2026 Bonds, but is not representing the Underwriter or the Trustee in connection with the issuance of the Series 2026 Bonds. In addition to acting as Bond Counsel, Bradley Arant Boult Cummings is also acting as special counsel to the District and as counsel to the Developer.

MISCELLANEOUS

The references herein to the Original Indenture, the Initial Supplemental Indentures, the Special Assessment Agreement, the Bond Purchase Agreement and the other documents related to the transactions contemplated therein are brief outlines of certain provisions thereof and do not purport to be complete. For full and complete statements of the provisions thereof, reference is made to the Original Indenture, the Initial Supplemental Indentures, the Special Assessment Agreement, the Bond Purchase Agreement and such other documents.

The agreement of the District with the owners of the Series 2026 Bonds is fully set forth in the Indenture and the Initial Supplemental Indentures, and neither any advertisement of the Series 2026 Bonds, nor this Limited Offering Memorandum, is to be construed as constituting an agreement with the purchasers of the Series 2026 Bonds.

Information set forth in this Limited Offering Memorandum has been furnished or reviewed by certain officials of the District and other sources, as referred to herein, which are believed to be reliable. Any statements made in this Limited Offering Memorandum involving matters of opinion, estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or projections will be realized. The descriptions contained in this Limited Offering Memorandum of the Series 2026 Bonds do not purport to be complete and are qualified in their entirety by reference thereto.

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THE POINT CLEAR CLUB IMPROVEMENT DISTRICT

By: _____
Chairman

APPENDIX A

APPRAISAL REPORT

PROPOSED POINT CLEAR CLUB – 546.7 ACRES FOR 308-LOT GOLF COURSE COMMUNITY

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Proposed Point Clear Club - 546.70 Acres for 308-lot Golf Course Community

E/W sides of CR 3 and North side of CR 24
Fairhope, Baldwin County, AL 36532

Newmark Job No.: 26-0245082-2

Client Reference: N/A

Appraisal Report Prepared For:

W. Carter Byars
Principal, Chief Operating Officer
The Daniel Corp.
505 20th Street North, Suite 1000
Birmingham, AL 35203

Prepared By:

Newmark Valuation & Advisory
3455 Peachtree Rd NE Ste 1900
Atlanta, GA 30326



NEWMARK VALUATION & ADVISORY

June 2, 2026

W. Carter Byars
Principal, Chief Operating Officer
The Daniel Corp.
505 20th Street North, Suite 1000
Birmingham, AL 35203

RE: Appraisal of 546.70 acres for the future development of the Point Clear Club, location of the E/W sides of CR 3 and North side of CR 24, Fairhope, Baldwin County, AL 36532, Prepared By Newmark Valuation & Advisory, LLC (herein "Firm" or "Newmark")

Newmark Job No.: 26-0245082-2
Client Reference: N/A

Dear Mr. Byars:

The proposed Point Clear Club is a Tom Fazio designed golf club with 308 proposed single-family detached lot located on the off east and west sides of County Road 3, the north side of County Road 24 and west side of US Highway 98, south of the town of Fairhope in Baldwin County, just east of Mobile Bay. The property is 6.0 miles south of downtown Fairhope, 14.0 miles south of the I-10/US Hwy 98 interchange and 23.0 miles southeast of the Mobile central business district.

The proposed Point Clear Club is an assemblage of 17 parcels containing 546.70 acres including 236.2 acres off the east side of CR 3 and 310.50 acres off the west side of CR 3. Approximately 299.50 acres of the project are owned by James McLean (et al) who will serve as a development partner with The Daniel Corp. The remaining 247.68 acres sold from 4 separate entities for a combined \$17,656,968 in September 2025, which is detailed in the Property History section of this report. The proposed subdivision is zoned RA and RSF-1 by Baldwin County and are served by all public utilities, including sanitary sewer. The tracts have gently rolling topography and contain wooded and pasture areas.

The parcels are summarized in the following chart.

Point Clear Club Parcel Summary							
Tract	Parcel	Pin	Address	Entity	Owner	Size (SF)	Size (AC)
East Side Parcel Summary							
1	05-56-03-08-0-000-006.000	41078	0 CO RD 3	McLean	Cutting LLC	426,888	9.80
2	05-56-03-08-0-000-005.000	41064	0 CO RD 3	McLean	Cutting LLC	426,888	9.80
3	05-56-03-08-0-000-004.000	71708	0 CO RD 3	McLean	Cutting LLC	426,888	9.80
4	05-56-03-08-0-000-003.000	41086	0 CO RD 3	McLean	Cutting LLC	426,888	9.80
5	05-56-03-08-0-000-019.001	69502	0 CO Rd 3	McLean	Cutting LLC	426,888	9.80
6	05-56-03-08-0-000-001.009	231427	7741 WAGONER RD	Blue Sky	BLUE SKY HOLDINGS L L C	879,912	20.20
7	05-56-03-08-0-000-020.000	14205	0 GREENO RD & CO RD 24	Gulf States	SOUTHERN BALDWIN MANAGEMENT GROUP - CDA LLC	5,445,000	125.00
8	05-56-03-08-0-000-020.001	400156	0 GREENO RD & CO RD 24	Gulf States	SOUTHERN BALDWIN MANAGEMENT GROUP - CDA LLC	1,829,520	42.00
East Total						10,288,872	236.20
West Side Parcel Summary							
9	05-56-03-07-0-000-001.000	5815	0 CO RD 3	McLean	MCLEAN, JAMES K JR (TRUSTEE)	2,439,360	56.00
10	05-56-03-08-0-000-011.000	62994	0 CO RD 3	McLean	MCLEAN, JAMES K JR (TRUSTEE)	1,568,160	36.00
11	05-56-03-07-0-000-003.000	33951	0	McLean	MERCHANTS NATIONAL BANK OF MOBILE AS	1,045,440	24.00
12	05-56-03-08-0-000-013.00	59610	0 CO RD 3	McLean	FIRST ALABAMA BANK OF MOBILE N.A. TRU	784,080	18.00
13	05-56-03-08-0-000-012.000	28753	15675 CO RD 3	McLean	MCLEAN, JAMES K JR	1,698,840	39.00
14	05-56-03-07-0-000-003.001	26931	0 CO RD 3	McLean	REGIONS BANK AS TRUSTEE (J K MCLEAN)	3,310,560	76.00
15	05-56-03-08-0-000-013.000	58800	0 CO RD 3	McLean	REGIONS BANK AS TRUSTEE (J K MCLEAN)	65,340	1.50
16	05-56-03-08-0-000-015.000	63316	0 CO RD 3	Bluff Springs	BLUFF SPRINGS LAND COMPANY LLC, THE	1,742,400	40.00
17	05-56-03-07-0-000-004.000	39776	6875 BERNICE SOUDERS LN	Macarthur	JOHN S MACARTHUR	871,200	20.00
West Total						13,525,380	310.50
Overall Total						23,814,252	546.70

Compiled by Newmark

The Point Clear Club is approved for the development of 308 single-family detached lots including 122 lots in Phase 1 and 186 lots in Phase 2. The proposed subject lots will range from 0.23-acre to over 1.0-acre and average 0.44-acre. The Phase 1 lots will be developed concurrently with a proposed \$72 million 18-hole Tom Fazio designed golf course with clubhouse and ancillary amenities. The existing improvements on the property will be remodeled/ renovated/ expanded and improved to function as the main clubhouse for the new club. The golf course and clubhouse are proposed to be developed over the next 18 months. Reportedly the developer has secured \$20.0 million in municipal bonds that will be utilized in assisting infrastructure development and will be repaid by developed lot sales over the lot sell-out period. Approximately \$18.0 million of these bonds will be utilized in Phase 1 and \$2.0 million will be contributed to Phase 2. Phase 1 development hard costs are budgeted at \$18.4 million, plus \$7.0 million in soft costs and are lots are projected to be delivered by August 2027.

There have been 74 lots presold at the property average approximately \$915,000 per lot. The remaining lots have an overall asking price of approximately \$1,225,000 per lot. A summary of the contracts secured is included in the property history section of this report. All of the released Phase 1 lots have been sold and all presales have secured a 25.0 percent non-refundable down payment averaging over \$200,000 per lot.

National Trends and Uncertainties

- 1. Newmark Capital Markets assesses that there was a momentum shift in the 4th quarter, leading to both transaction volume and lending volume increasing year-over-year. However, they also note that the notable increase in interest rates since early December complicates matters.
- 2. Real Capital Analytics reported in their end of 2024 Capital Trends publication that “the commercial property markets turned a corner in 2024.” Deal volume climbed in 2024 and price declines are coming to an end overall.
- 3. The uncertainty surrounding the new U.S. administration’s economic policies will be an overhang and the Federal Reserve is expected to pause any additional rate reductions until the effects of these policies are better understood.

Based on the analysis contained in the following report, the opinions of value for the subject are:

Value Conclusions				
Appraisal Premise		Interest Appraised	Date of Value	Value Conclusion
Overall Market Value "As Is"	546.70 Acres	Fee Simple	5/6/2026	\$101,500,000
Market Value "As Is" - East Side	236.2	Fee Simple	5/6/2026	\$42,260,000
Market Value "As Is" - West Side	310.5	Fee Simple	5/6/2026	\$59,070,000
Prospective Value Upon Completion of Phase 1 Infrastructure	122 Developed Lots	Fee Simple	8/1/2027	\$103,240,000
Prospective Value of Excess Land Upon Completion of Phase 1 Infrastructure		Fee Simple	8/1/2027	\$54,330,000

Compiled by Newmark

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from our estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of borrower, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.

Extraordinary Assumptions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. The prospective market value upon completion assumes the completion of the proposed improvements in a timely and workmanlike manner.
2. The Prospective Retail and Bulk Values of the 122 Phase 1 developed lots assumes concurrent development of the \$30 million+ Tom Fazio designed Point Clear Club Golf Course and \$35.5 million Clubhouse and ancillary amenities. In order to achieve projected absorption levels and anticipated lot premiums, the golf course and clubhouse need to be delivered by August 2027. Should the golf course and amenity package component not be constructed as proposed, we would need to revise our appraisal.

The use of these extraordinary assumptions might have affected assignment results.

Hypothetical Conditions

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

The use of this hypothetical condition might have affected assignment results.

The appraisal was developed based on, and this report has been prepared in conformance with the Client's appraisal requirements, the requirements of the current edition as of the date of this report of the Uniform Standards of Professional Appraisal Practice, the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, Title XI of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989, and the Interagency Appraisal and Evaluation Guidelines (December 2, 2010).

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the current edition as of the date of this report of the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Alabama.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Scott Tonneson, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
12. Scott Tonneson, MAI made a personal inspection of the property that is the subject of this report.
13. No one provided significant real property appraisal assistance to the person(s) signing this certification.
14. The Firm operates as an independent economic entity. Although employees of other service lines or affiliates of the Firm may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.

15. Within this report, "Newmark", "Newmark Valuation & Advisory", "Newmark, Inc.", and similar forms of reference refer only to the appraiser(s) who have signed this certification and any persons noted above as having provided significant real property appraisal assistance to the persons signing this report.
16. Scott Tonneson, MAI has previously appraised the property that is the subject of this report for the current client within the three-year period immediately preceding the agreement to perform this assignment. Scott Tonneson, MAI has performed no other services, as an appraiser or in any other capacity, regarding the subject property during this time period.
17. This assignment was made subject to regulation of the State of Alabama Real Estate Appraisers Board. The undersigned state licensed real estate appraiser has met the requirement of the Board that allow this report to be regarded as a "certified appraisal."



Scott Tonneson, MAI
Executive Vice President
Certified General Real Property Appraiser
Alabama # G00624 Expires 9/30/2026
Telephone: 404-343-7249
Email: Scott.Tonneson@nmrk.com

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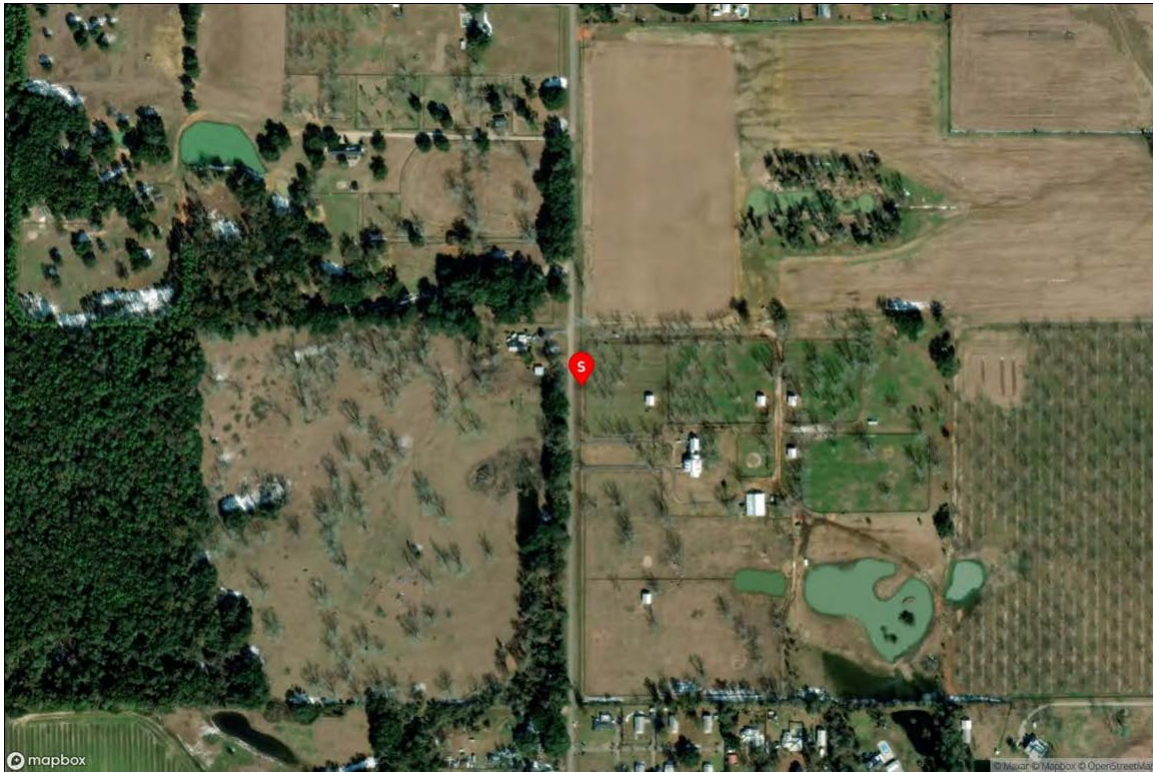
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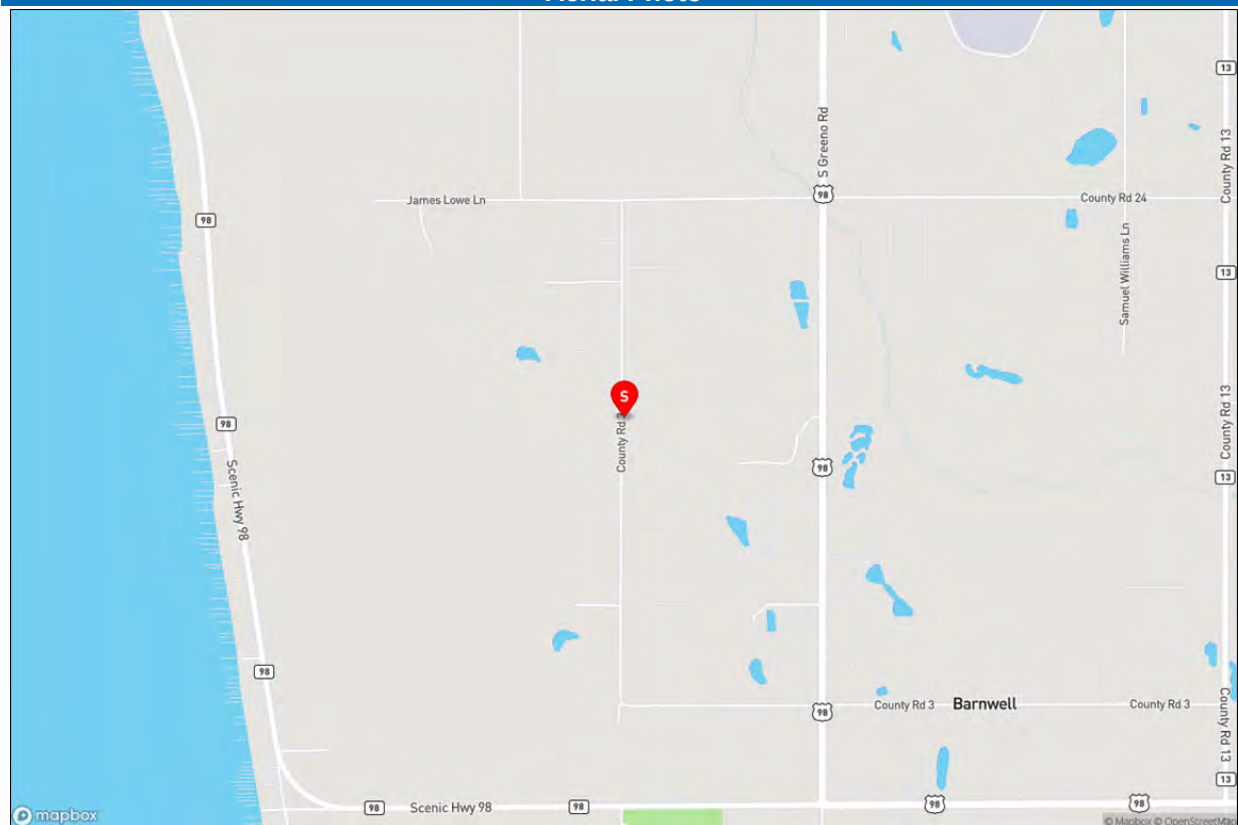
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Aerial Photo



Location Map



US Highway 98 at CR 24



CR 24 Facing West



CR 24 Facing East (Subject on Left)



Typical View of Subject Property



Monk Road Facing West



CR 3 Facing South at Monk Road



Typical View of Subject Property



CR 3 Facing South



Typical View of Subject Property



Typical View of Subject Property



CR 3 Facing South



CR 5 Facing South (Subject on Right)



CR 24 Facing East at CR 3



CR 3 Facing East along northern property line



Sleepy Hollow Lane along northern boundary



Gated Entrance along W/Side of CR 3



Gated Entrance along W/Side of CR 3



Early Stages of Golf Course Development (2/26)



Typical View of Subject



Construction Entrance



Early stages of golf course development



Early stages of golf course development (2/26)

Executive Summary

Proposed Point Clear Club 546.70 Acres for 308-lot Golf Course Community

Property Type:	Land-SF Residential
Street Address:	E/W sides of CR 3 and North side of CR 24
City, State & Zip:	Fairhope, Baldwin County, AL 36532
MSA Name:	Mobile
Market Name:	Baldwin County
Submarket Name:	Fairhope / Point Clear
Investment Class:	Residential Land
Latitude:	30.4352108
Longitude:	-87.8945702
Census Tract:	0113.00
East Side Lots	122
West Side Lots	186
Overall Lots	308
Year Built:	Proposed
Land Area:	546.700 acres; 23,814,252 SF
Zoning:	RA and RSF-1

Tax and Assessment Data

Assessor's Parcel ID(s):	05-56-03-07-0-000-001.000
Current Tax Assessment:	\$1,410,740
Current Annual Tax Amount:	\$29,196.00
Delinquent Taxes:	No

Highest and Best Use and Identification of Most Probable Buyer

Current Use:	Residential Land
Highest and Best Use - As Vacant:	Single-Family Residential Development To Highest Density Allowable Use
Most Probable Buyer - As Vacant:	Owner-User / Developer / Builder
Highest and Best Use - As Improved:	Immediate Vertical Construction Of Single-Family Detached Units Use
Most Probable Buyer - As Improved:	Owner-User

Closed Summary

Buying Entity:	Daniel Realty Company, LLC
Selling Entity:	Blue Sky Holdings, LLC
Selling Entity:	Bluff Springs Land Company, LLC
Selling Entity:	Gulf States Development Services, LLC
Selling Entity:	John S. McArthur
Combined Purchase Price:	\$17,656,968
Contract Dates:	Varies
Comments	247.68-acre portion of assemblage for the future development of the 309-lot Point Clear Club on 546.7 acres

Analysis Details

Valuation Dates:	
Overall Market Value "As Is"	May 6, 2026
Prospective Value Upon Completion of Phase 1 Infrastructure	August 1, 2027
Prospective Value of Excess Land Upon Completion of Phase 1 Infrastructure	August 1, 2027
Inspection Date and Date of Photos:	May 6, 2026
Report Date:	June 2, 2026
Report Type:	Appraisal Report
Client:	Point Clear Improvement District, Stifel, Nicolaus & Company, Inc. and Daniel Corp.
Intended Use:	Loan Underwriting And/Or Credit Decisions and no other use is permitted.
Intended User:	Point Clear Improvement District, Stifel, Nicolaus & Company, Inc. and Daniel Corp., The Daniel Corp. and no other user is permitted by any other party for any other purpose.
Appraisal Premise:	Overall Market Value "As Is", Prospective Value Upon Completion of Phase 1 Infrastructure, Prospective Value of Excess Land Upon Completion of Phase 1 Infrastructure
Intended Use and User:	The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.
Interest Appraised:	Fee Simple
Exposure Time (Marketing Period) Estimate:	12 Months (12 Months)

Site Characteristics

Total Land Area (Gross):	546.700 acres; 23,814,252 SF
Usable Land Area (Net):	546.700 acres; 23,814,252 SF
East Side (Acres)	236.2
West Side (Acres)	310.5
Surplus Land Area:	0.000 acres; 0 SF
Excess Land Area:	0.000 acres; 0 SF
Shape:	Irregular
Topography:	Gently rolling
Flood Zone:	Zone X
Flood Map / Date:	01003C0759M / 4/19/2019
Zoning	RA and RSF-1: Residential Single-Family District
Legally Conforming	Yes
Easements / Encroachments:	None Noted
Environmental Hazards:	None Noted

Compiled by Newmark

Extraordinary Assumptions and Hypothetical Conditions

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1. None

The use of this hypothetical condition might have affected assignment results.

Compiled by Newmark

Introduction

OWNERSHIP HISTORY

The current owner is Point Clear Club, LLC. Approximately 299.50 acres of the project are owned by James McLean (et al) who will serve as a development partner with The Daniel Corp. The McLain tracts are summarized as follows:

McLean/Daniel Parcel Summary							
Tract	Parcel	Pin	Address	Entity	Owner	Size (AC)	
1	05-56-03-08-0-000-006.000	41078	0 CO RD 3	McLean	Cutting LLC	9.80	
2	05-56-03-08-0-000-005.000	41064	0 CO RD 3	McLean	Cutting LLC	9.80	
3	05-56-03-08-0-000-004.000	71708	0 CO RD 3	McLean	Cutting LLC	9.80	
4	05-56-03-08-0-000-003.000	41086	0 CO RD 3	McLean	Cutting LLC	9.80	
5	05-56-03-08-0-000-019.001	69502	0 CO Rd 3	McLean	Cutting LLC	9.80	
6	05-56-03-07-0-000-001.000	5815	0 CO RD 3	McLean	MCLEAN, JAMES K JR (TRUSTEE)	56.00	
7	05-56-03-08-0-000-011.000	62994	0 CO RD 3	McLean	MCLEAN, JAMES K JR (TRUSTEE)	36.00	
8	05-56-03-07-0-000-003.000	33951	0	McLean	MERCHANTS NATIONAL BANK OF MOBILE AS	24.00	
9	05-56-03-08-0-000-013.00	59610	0 CO RD 3	McLean	FIRST ALABAMA BANK OF MOBILE N.A. TRU	18.00	
10	05-56-03-08-0-000-012.000	28753	15675 CO RD 3	McLean	MCLEAN, JAMES K JR	39.00	
11	05-56-03-07-0-000-003.001	26931	0 CO RD 3	McLean	REGIONS BANK AS TRUSTEE (J K MCLEAN)	76.00	
12	05-56-03-08-0-000-013.000	58800	0 CO RD 3	McLean	REGIONS BANK AS TRUSTEE (J K MCLEAN)	1.50	
Overall Total						299.50	

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The following chart summarizes the recently closed land transactions for the subject property.

Point Clear Club Land Sale Summary									
Tract	Parcel	Address	Seller	Sale Price	Sale Date	Deed Book/Page	Size (AC)	\$ /Ac	
1*	05-56-03-08-0-000-001.009	7741 WAGONER RD	BLUE SKY HOLDINGS, LLC	\$2,500,000	9/11/25	2025-2210075	20.41	\$122,489	
2	05-56-03-08-0-000-020.000	0 GREENO RD & CO RD 24	SOUTHERN BALDWIN MANAGEMENT GROUP - CDA LLC	\$9,956,968	9/11/25	2025-2210013	125.00	\$59,623	
	05-56-03-08-0-000-020.001	0 GREENO RD & CO RD 24	SOUTHERN BALDWIN MANAGEMENT GROUP - CDA LLC		9/11/25	2025-2210011	42.00		
3**	05-56-03-08-0-000-015.000	0 CO RD 3	BLUFF SPRINGS LAND COMPANY LLC	\$3,200,000	9/11/25		40.00	\$80,000	
4	05-56-03-07-0-000-004.000	6875 BERNICE SOUDERS LN	JOHN S MACARTHUR	\$2,000,000	9/12/25	2025-2210090	20.27	\$98,668	
Overall Total				\$17,656,968			247.68	\$71,289	

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* Includes \$800,000 extention fee. ** Seller is retaining 7.0 acres

Ownership History

The following summarizes all transactions involving the subject within the prior three years.

Listing Status:	Not Listed For Sale
Contract Summary	
Closing Date	September 11, 2025
Buyer:	Daniel Realty Company, LLC
Seller:	Blue Sky Holdings, LLC
Purchase Price:	\$2,500,000
Comments:	20.41 acres centrally located on the east side of the property.
Closing Date	September 11, 2025
Buyer:	Daniel Realty Company, LLC
Seller:	Bluff Springs Land Company, LLC (Coley)
Purchase Price:	\$3,200,000
Comments:	40.0 acres. The seller will retain 7.0 acres and receive 2 memberships
Closing Date	September 12, 2025
Buyer:	Daniel Realty Company, LLC
Seller:	Gulf States Development Services, LLC
Purchase Price:	\$9,956,968
Comments:	167 Acres on the NW/C of US Highway 98 and CR 24
Closing Date	September 12, 2025
Buyer:	Daniel Realty Company, LLC
Seller:	John S. McArthur
Purchase Price:	\$2,000,000
Comments:	20.27 acres off the west side of CR 3

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Our market value estimate is significantly higher than the recent raw land sales due to the 75 lot presales averaging over \$900,000 per lot and association with a luxury premium product and proposed amenities.

Based on information provided by the developer, there have been 75 lot contracts secured to-date. The contracts are summarized in the chart on the following page:

There have been 74 lots presold at the property average approximately \$915,000 per lot. The remaining lots have an overall asking price of approximately \$1,225,000 per lot. A summary of the contracts secured is included in the property history section of this report. All of the released Phase 1 lots have been sold and all presales have secured a 25.0 percent non-refundable down payment averaging over \$200,000 per lot.

To the best of our knowledge, no other sale or transfer of ownership has taken place within a three-year period prior to the effective date of the appraisal.

Point Clear - Phase 1 Contract Summary							
No.	LOT #	BUYER	LOT TYPE	DATE OF OFFER	ACCEPTANCE DATE	EARNEST MONEY RECEIVED	LOT PRICE
1	17	Russell Buster	Estate (2 Front)	11/10/2025	11/10/2025	\$326,250	\$1,305,000
2	18	Chris & Ellen Semple (Semple Joint Trust)	Golf Estate	10/30/2025	10/30/2025	\$360,000	\$1,440,000
3	19	Vicki Hall	Golf Estate	10/23/2025	10/23/2025	\$360,000	\$1,440,000
4	20	Curtis & Dawn Pilot (CFP Housing, LLC)	Golf Estate	11/5/2025	11/5/2025	\$301,500	\$1,206,000
5	21	RJJB Housing LLC (Rodney Pilot)	Golf Estate	11/5/2025	11/5/2025	\$301,500	\$1,206,000
6	22	Clearwater Land & Minerals, LLC (Chip Campbell)	Golf Estate	10/28/2025	10/29/2025	\$310,500	\$1,242,000
7	23	Chris Haley	Golf Estate	10/23/2025	10/23/2025	\$388,125	\$1,552,500
8	24	Suzie McGowan	Golf Estate	10/28/2025	10/28/2025	\$388,125	\$1,552,500
9	25	Holt & Sidney Crews	Golf Estate	10/24/2025	10/24/2025	\$388,125	\$1,552,500
10	26	Suzie McGowan	Golf Estate	10/28/2025	10/28/2025	\$393,750	\$1,575,000
11	27	CorMc LLC	Golf Estate	11/5/2025	11/7/2025	\$315,000	\$1,260,000
12	28	Paige Meyers	Golf Estate	10/24/2025	10/24/2025	\$405,000	\$1,620,000
13	29*	James K. & Suzanne McLean	Golf Estate	12/29/2025	1/20/2026	---	---
14	30	Christopher G. Campbell	Golf Estate	11/6/2026	11/7/2025	\$405,000	\$1,620,000
15	31	Lee West Morris Exempt Trust	Golf Estate	11/17/2025	11/17/2025	\$388,125	\$1,552,000
16	32	John Ebner	Estate Lot	4/27/2026	4/27/2026	\$348,750	\$1,395,000
17	33	Scott & Sadie Cooper	Estate Lot	11/5/2025	11/5/2025	---	\$1,350,000
18	34	Sharon Shields Browne	Estate Lot	10/30/2025	11/3/2025	\$337,500	\$1,350,000
19	35	Michael Jason Tickle Trust	Estate Lot	---	---	---	\$1,152,000
20	36	Charlie McLean	Estate Lot	---	---	---	\$1,152,000
21	37	MurBai I, LLC (Vernon Nagle)	Estate Lot	12/3/2025	12/8/2025	\$360,000	\$1,440,000
22	38	Mark Douglas ADD	Estate Lot	3/17/2026	3/23/2026	\$326,260	\$1,305,000
23	40	Mike & Candice Snow	Estate Lot	10/28/2025	10/28/2025	\$270,000	\$1,080,000
24	41*	Ward 1031 Exchange	Estate Lot	---	---	---	---
25	43	Mark & Addison McDaniel	Estate Lot	10/27/2025	10/27/2025	\$225,000	\$900,000
26	44	Michael & Mona Blake	Typical Lot	10/28/2025	11/4/2025	\$185,625	\$742,500
27	45	Scott & Brannan Geary	Typical (2 Front)	10/27/2025	10/28/2025	\$160,875	\$643,500
28	46	Allen Meisler	Estate Lot	11/4/2025	11/5/2025	\$213,750	\$855,000
29	47	Daniel Realty Company, LLC	Estate (2 Front)	10/30/2025	10/30/2025	\$171,000	\$684,000
30	48	Robert K. & Cheryl A. Hardwick	Estate (2 Front)	10/28/2025	11/3/2025	\$213,750	\$855,000
31	49	Shaun A. Mayeaux	Typical (2 Front)	10/27/2025	10/29/2025	\$160,875	\$643,500
32	50	Uptick Group, LLC (Wesley & Aema Carpenter	Typical (2 Front)	10/28/2025	10/28/2025	\$160,875	\$643,500
33	51	The Joel B. Bullard, Jr. Revocable Trust of 2010	Golf Cottage (Narrow)	10/26/2026	10/29/2025	\$118,125	\$472,500
34	52	JPM Family Investments (Price McGiffert)	Golf Cottage (Narrow)	10/23/2025	10/24/2025	\$118,125	\$472,500
35	53	John M. (Jr.) & Mary S. Turner	Golf Cottage (Narrow)	10/27/2025	10/31/2025	\$118,125	\$472,500
36	54	Wayne Smith	Golf Cottage (Narrow)	10/28/2025	10/30/2025	\$94,500	\$378,000
37	55	Tom Clark	Golf Cottage (Narrow)	10/23/2025	10/23/2025	\$118,125	\$472,500
38	56	Frank & Virginia Boyd	Typical (2 Front)	10/22/2025	10/24/2025	\$160,875	\$643,400
39	57	Charles & Sharon Stevens	Typical (2 Front)	10/24/2025	10/25/2025	\$200,000	\$643,500
40	58	PLG Properties, LLC	Typical Lot	11/17/2025	11/17/2025	\$168,750	\$675,000
41	59	Palmetto Ranch Properties, LLC (Tommy Weller)	Typical Lot	11/25/2025	12/1/2025	\$160,875	\$643,500
42	60	Charles & Kathryn Yow	Typical Lot	10/28/2025	10/29/2025	\$170,888	\$683,550
43	61	Carl Hunt	Typical Lot	11/6/2026	11/6/2026	\$174,375	\$697,500
44	62	Ozzie Newsome	Typical Lot	11/5/2025	11/5/2025	\$174,375	\$697,500
45	63	Craig and Hanna Miller	Typical Lot	10/26/2025	10/27/2025	\$168,750	\$675,000
46	64	Black Dog Bay Investments, LLC	Typical Lot	10/25/2025	10/27/2025	\$168,750	\$675,000
47	65	Hill House Properties, LLC/Alan Boan	Estate Lot	10/26/2025	10/29/2025	\$174,375	\$697,500
48	66	Daniel and Tamala Prickett	Estate Lot	11/5/2025	11/11/2025	\$179,702	\$718,830
49	67	H. Winchester Thurber, IV	Estate Lot	3/30/2026	3/30/2026	\$231,250	\$925,000
50	71	Collier & Elizabeth Campbell	Estate Lot	12/11/2025	12/11/2025	\$231,250	\$925,000
51	72	Kathryn Lapeyrouse	Golf Cottage (Narrow)	3/10/2026	3/20/2026	\$168,750	\$675,000
52	73	Stoney & Skipper Walters	Golf Cottage (Narrow)	3/18/2026	3/18/2026	\$158,750	\$635,000
53	75	DTL Jr. Properties, LLC	Golf Cottage (Narrow)	3/3/2026	3/3/2026	\$158,750	\$635,000
54	77	CTI Lands, LLC	Golf Cottage (Narrow)	2/23/2026	3/6/2026	\$137,000	\$685,000
55	78	Edward & Lisa Ludwig	Golf Cottage (Narrow)	4/20/2026	4/20/2026	\$148,750	\$650,000
56	79	Chase Adcox	Golf Cottage (Narrow)	4/6/2026	4/7/2026	\$148,750	\$595,000
57	80	Guy & Grace Oswalt	Golf Cottage (Narrow)	4/27/2026	4/28/2026	\$148,750	\$595,000
58	81	RATA Investments, LLC	Golf Cottage (Narrow)	3/24/2026	3/26/2026	\$148,750	\$595,000
59	84	Donald & Catherine Brown	Golf Cottage (Narrow)	3/6/2026	3/6/2026	\$162,500	\$650,000
60	85	Thompson Properties, LLC	Golf Cottage (Narrow)	3/23/2026	3/23/2026	\$165,000	\$660,000
61	86	George & Katherine Martindale	Golf Cottage (Narrow)	2/23/2026	2/23/2026	\$153,750	\$615,000
62	87	Coleman & Aurelia Byars	Golf Cottage (Narrow)	3/2/2026	3/2/2026	\$156,250	\$625,000
63	90	Richard & Angela Cooley	Golf Cottage (Narrow)	3/23/2026	3/23/2026	\$153,750	\$615,000
64	99	Miles Cook (VHO Land Holdings, LLC)	Village Lot	11/20/2025	11/25/2025	\$237,500	\$950,000
65	100	Chris & Elizabeth Lee (Lee Land Company South)	Estate Lot	10/27/2026	10/28/2025	\$231,250	\$925,000
66	101	William & Kelly Ellis	Estate Lot	1/26/2026	1/26/2026	\$218,750	\$875,000
67	103	Howard Holdings	Typical Lot	1/26/2026	1/27/2026	\$196,250	\$785,000
68	107	George & Karen Lupton	Typical Lot	12/20/2025	1/5/2026	\$222,500	\$890,000
69	108	James & Christy Massey	Estate (2 Front)	12/9/2025	12/15/2025	\$225,000	\$900,000
70	109	Christopher Brewer	Estate (2 Front)	2/7/2026	2/7/2026	\$220,000	\$880,000
71	119	Leigh Herrin	Typical Lot	3/23/2026	3/27/2026	\$187,500	\$750,000
72	120	Frank Lott	Estate Lot	4/7/2026	4/7/2026	\$237,500	\$950,000
73	123	Good Soil Ventures, LLC	Estate Lot	7/8/2026	2/10/2026	\$237,500	\$950,000
74	125	Michael & Donna Reiss	Estate Lot	2/6/2026	2/6/2026	\$237,500	\$950,000
						\$225,467	\$915,525

*Lot 41 will be exchanged for an adjacent land parcel that will be added to the development and utilized for the golf course and additional lots. The list price was originally \$1,350,000.

*Lot 29 was listed at \$1,620,000. As part of the joint venture agreement with the JV partner for contributing land into the venture, this lot will be released to the partner at no cost.

INTENDED USE AND USER

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

- The intended use of the appraisal is for loan underwriting and/or credit decisions and no other use is permitted with the exception of those identified in the reliance statement below.
- The client is The Daniel Corp..
- The intended users are Point Clear Improvement District, Stifel, Nicolaus & Company, Inc. and Daniel Corp., The Daniel Corp. and no other user is permitted by any other party for any other purpose with the exception of those identified in the reliance statement below.

DEFINITION OF VALUE

Market value is defined as:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

(Source: Code of Federal Regulations, Title 12, Chapter I, § 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

APPRAISAL REPORT

This appraisal is presented in the form of an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. This report incorporates sufficient information regarding the data, reasoning and analysis that were used to develop the opinion of value in accordance with the intended use and user.

PURPOSE OF THE APPRAISAL & INTEREST APPRAISED

The primary purpose of the appraisal is to develop an opinion of the Overall Market Value "As Is" of the Fee Simple interest in the property. (Please see Glossary of Terms for definition(s) of interest(s) appraised)

Purpose of the Appraisal		
Appraisal Premise	Interest Appraised	Date of Value
Overall Market Value "As Is"	Fee Simple	5/6/2026
Prospective Value Upon Completion of Phase 1 Infrastructure	Fee Simple	8/1/2027

Compiled by Newmark

SCOPE OF WORK

Extent to Which the Property is Identified

- Physical characteristics
- Legal characteristics
- Economic characteristics

Extent to Which the Property is Inspected

Newmark inspected the subject property on May 6, 2026 as per the defined scope of work. Scott Tonneson, MAI made a personal inspection of the property that is the subject of this report.

Type and Extent of the Data Researched

- Exposure and marketing time;
- Neighborhood and land use trends;
- Demographic trends;
- Market trends relative to the subject property type;
- Physical characteristics of the site and applicable improvements;
- Flood zone status;
- Zoning requirements and compliance;
- Real estate tax data;
- Relevant applicable comparable data; and
- Investment rates

We have utilized a large language model to assist with the narrative report writing in the economic analysis section of this report. Newmark has our own internal and secure ChatGPT 4.0 instance (known as “NewmarkAI”) that is private and cannot be accessed by the public or by OpenAI, the developer.

Type and Extent of Analysis Applied

We analyzed the property and market data gathered through the use of appropriate, relevant, and accepted market-derived methods and procedures. Further, we employed the appropriate and relevant approaches to value, and correlated and reconciled the results into an estimate of market value, as demonstrated within the appraisal report. The applied scope of work is appropriate and sufficient to produce credible assignment results for the intended use of this report.

Economic Analysis

NATIONAL TRENDS AND UNCERTAINTIES

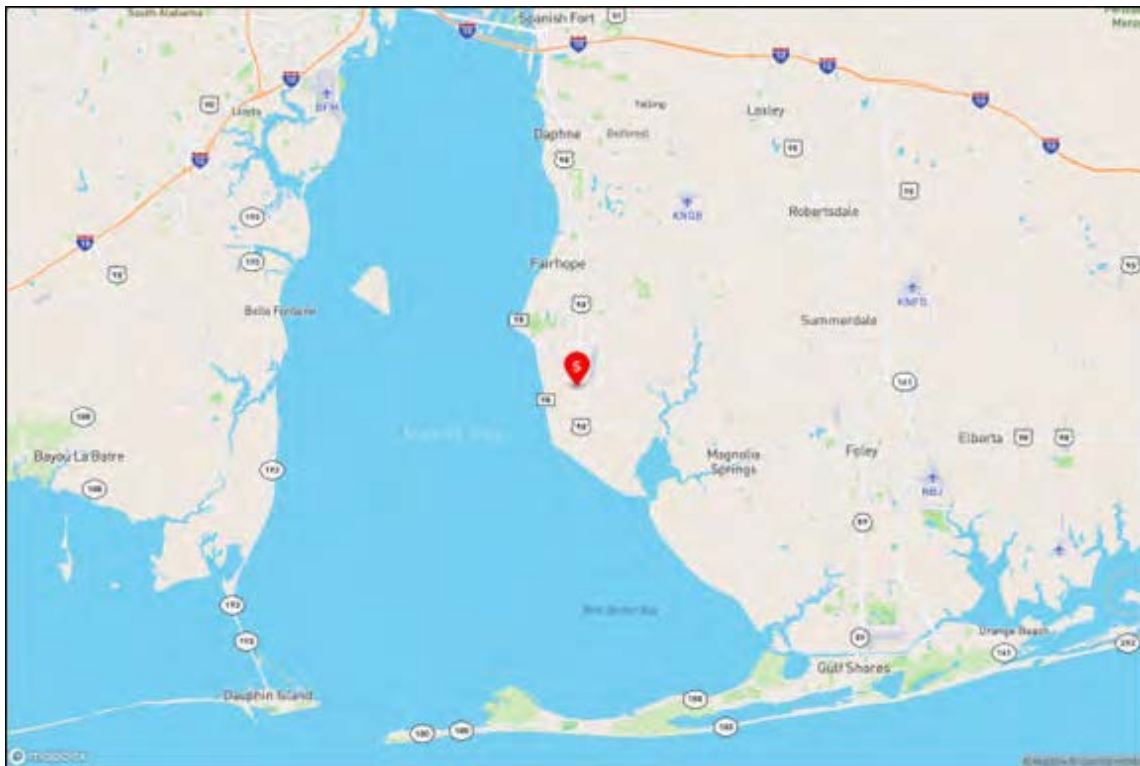
According to Real Capital Analytics (RCA), “The uncertainty surrounding the U.S. economy in 2025 seems to have finally hit commercial property sales in May.” Nevertheless, Newmark Capital Markets Research notes, “As of the end of June 30th, current trends suggest the first half of 2025 volume will be roughly 24% higher than the first half of 2024.” While interest rates remain elevated relative to recent years, lingering uncertainty around U.S. tariff policy continues to act as a drag on economic growth. Newmark suggests that these trade policies will have a negative impact on U.S. commercial real estate (CRE); however, since these policies are frequently evolving, the full implications for the CRE sector remain difficult to predict. Despite these headwinds, positive indicators are emerging. As PwC observes, “investors are recognizing signs that suggest the early stages of markets rebounding—despite lingering challenges.”

RCA reported that, among the property sectors, only the office sector saw a gain in transaction volume in May, noting that “a high level of distressed sales helped boost office deal activity, but distress was not the only story here. Prices have adjusted down enough from the pre-pandemic peak to allow some deals to clear.” In contrast, other sectors have not seen sufficient downward price adjustment. The spread between capitalization rates and benchmark bond yields remains near historic lows, suggesting further corrections may still be forthcoming. Investors are generally anticipating lower interest rates in the future, which could pave the way for refinancing and improved returns. Debt market conditions have moderately improved as mortgage rates and loan metrics such as debt coverage ratios have stabilized. Meanwhile, cumulative distress increased in the first quarter to levels last seen in 2013 and is now 23% higher than a year ago, with much of the recent distress concentrated in the hotel sector.

Performance across CRE sectors has been varied. Multifamily properties experienced a strong first half of the year, as vacancy rates stabilized and absorption reached its highest level since the early-pandemic surge of 2021. In the office sector, PwC quotes one investor, stating, “Tenant demand is strong in certain areas, especially for top buildings in good submarkets.” However, challenges persist as sublease space remains elevated and tenants continue to seek higher quality space. Industrial properties are benefitting from a slowdown in new construction and continued healthy rent growth, but this sector is most exposed to the uncertainties created by tariff policy, particularly in port and border markets. Retail has emerged as a high-performing sector, with NCREIF returns outpacing all other property types; retail fundamentals remain robust, marked by a national vacancy rate below 5% as reported by Costar, though rent growth has moderated, in part due to tenant bankruptcies and restructuring activity.

It will take time for the effects of higher interest rates to unwind and for tariff policy uncertainties to be fully understood. Interest rates, such as the 10-year Treasury yield, have remained within a relatively narrow range of 4.2% to 4.5%. Debt market conditions have seen at least marginal improvement. The majority of investors surveyed by PwC expect capitalization rates to remain stable over the next six months. The RCA Commercial Property Pricing Index reflected just a -1.0% annual decline, suggesting resilience. While a more optimistic sentiment and increased transaction volume signal improving conditions, unresolved economic uncertainty—especially regarding trade policy—continues to weigh on the market. We have considered and will address these issues throughout this appraisal and report, including in our determinations of overall capitalization rates, discount rates, market rent assumptions, market conditions adjustments, and growth of rents and expenses where applicable.

AREA ANALYSIS



Area Map

The subject is located within Fairhope and Baldwin County, Alabama. It is part of the Daphne-Fairhope-Foley's metro area (Daphne-Fairhope-Foley's MSA).

Moody's Analytics' Economy.com provides the following economic summary for the Daphne-Fairhope-Foley's MSA as of April, 2025.

Moody's Analytics Précis® Metro Indicators: Daphne Metro												
2019	2020	2021	2022	2023	2024	INDICATORS	2025	2026	2027	2028	2029	2030
8.8	8.6	9.6	10.0	10.4	10.4	Gross metro product (C17\$ bil)	10.6	11.0	11.4	11.8	12.2	12.6
3.2	-2.2	11.1	4.5	3.6	0.5	% change	1.5	3.3	3.9	3.7	3.4	3.4
80.5	77.2	80.8	85.0	88.2	90.6	Total employment (ths)	92.2	93.9	95.3	96.9	98.3	99.7
3.3	-4.1	4.8	5.1	3.8	2.7	% change	1.7	1.8	1.5	1.6	1.5	1.5
2.9	6.1	2.9	2.3	2.2	2.9	Unemployment rate (%)	3.5	4.7	4.8	4.5	4.1	3.7
7.3	9.1	13.5	5.4	8.8	6.6	Personal income growth (%)	5.9	5.7	5.6	4.5	4.4	4.4
62.9	65.6	69.1	69.7	72.9	74.4	Median household income (\$ ths)	76.2	78.8	81.7	84.0	86.3	88.8
227.1	233.2	239.4	246.6	254.1	261.6	Population (ths)	270.9	276.8	281.3	284.9	287.8	290.6
2.7	2.7	2.6	3.0	3.1	3.0	% change	3.6	2.2	1.6	1.3	1.0	1.0
6.0	6.3	7.1	7.4	7.5	7.6	Net migration (ths)	9.6	6.2	4.8	4.0	3.4	3.2
2,740	3,395	3,315	3,141	3,316	3,388	Single-family permits (#)	3,134	3,261	3,376	3,391	3,362	3,301
410	219	390	276	1,047	488	Multifamily permits (#)	263	307	296	280	273	259
6.1	6.2	15.9	18.0	9.8	3.8	FHFA house price index (% change)	1.1	0.4	0.6	1.5	1.9	2.1

Source: Moody's Analytics Précis® US Metro

Moody's summarizes the area's economic performance in recent months as follows:

Recent Performance

Daphne-Fairhope-Foley MSA's economy has stalled. Payrolls have advanced more slowly than in the state and nation in recent months. The important retail, leisure/hospitality, financial services and healthcare industries have stagnated. The slowdown is primarily a reflection of late-cycle dynamics, following the metro area's momentous growth through the beginning of 2024. The unemployment rate remains low and below average as the labor force has leveled off. Meanwhile, house prices are flat on the year but are up across the state and nation.

Market Comparison

The following table illustrates key economic indicators and a comparison of the Daphne-Fairhope-Foley's MSA to the regional grouping as a whole. As indicated, Daphne is projected to outperform the South Region Metros in three of eight performance categories shown over the next five years.

Comparison of Key Economic Indicators Daphne Metro to South Region										
Indicator	Daphne Metro			Annual Growth		South Region Metros			Annual Growth	
	2019	2024	2029	2019 - 2024	2024 - 2029	2019	2024	2029	2019 - 2024	2024 - 2029
Gross metro product (C17\$ bil)	8.8	10.4	12.2	3.4%	3.2%	6,417	7,342	8,253	2.7%	2.4%
Total employment (ths)	80.5	90.6	98.3	2.4%	1.6%	51,272	55,304	57,182	1.5%	0.7%
Unemployment rate (%)	2.9%	2.9%	4.1%			3.5%	3.7%	3.8%		
Personal income growth (%)	7.3%	6.6%	4.4%			5.2%	5.3%	4.9%		
Population (ths)	227.1	261.6	287.8	2.9%	1.9%	117,936	123,363	127,759	0.9%	0.7%
Single-family permits (#)	2,740	3,388	3,362	4.3%	-0.2%	468,374	532,167	575,675	2.6%	1.6%
Multifamily permits (#)	410	488	273	3.5%	-11.0%	210,955	198,776	193,616	-1.2%	-0.5%
FHFA house price index (% change)	6.1	3.8	1.9	-9.0%	-12.5%	5	3	2	-10.9%	-9.9%
Daphne Metro outperforming South Region Metros										
Daphne Metro underperforming South Region Metros										

Source: Moody's Analytics Précis® US Metro; Compiled by Newmark

Employment Sectors and Trends

Employment data by occupation and business/industry sectors provides an indication of the amount of diversification and stability in the local economy. Job sector composition also gives an indication of the predominant drivers of current and future demand for supporting commercial real estate sectors. The following tables display employment data by occupation sector and by business/industry sector for the area and region.

Current Employment by Occupation Sector

Occupation Sector	ZipCode 36532		Baldwin County		Daphne-Fairhope-Foley, AL MSA		Alabama	
White Collar	13,399	70.6%	76,821	62.2%	76,821	62.2%	1,378,491	59.0%
Administrative Support	1,672	8.8%	12,058	9.8%	12,058	9.8%	234,803	10.0%
Management/Business/Financial	3,618	19.1%	21,634	17.5%	21,634	17.5%	368,216	15.8%
Professional	6,008	31.6%	29,351	23.8%	29,351	23.8%	573,199	24.5%
Sales and Sales Related	2,101	11.1%	13,778	11.2%	13,778	11.2%	202,273	8.7%
Services	2,855	15.0%	19,920	16.1%	19,920	16.1%	356,170	15.2%
Blue Collar	2,732	14.4%	26,684	21.6%	26,684	21.6%	602,370	25.8%
Construction/Extraction	775	4.1%	6,765	5.5%	6,765	5.5%	117,702	5.0%
Farming/Fishing/Forestry	10	0.1%	290	0.2%	290	0.2%	8,414	0.4%
Installation/Maintenance/Repair	387	2.0%	4,130	3.3%	4,130	3.3%	87,668	3.8%
Production	771	4.1%	6,941	5.6%	6,941	5.6%	190,280	8.1%
Transportation/Material Moving	789	4.2%	8,558	6.9%	8,558	6.9%	198,306	8.5%
Total Employees (16+ Occupation Base)	18,986	100.0%	123,425	100.0%	123,425	100.0%	2,337,031	100.0%

Source: ESRI; Compiled by Newmark

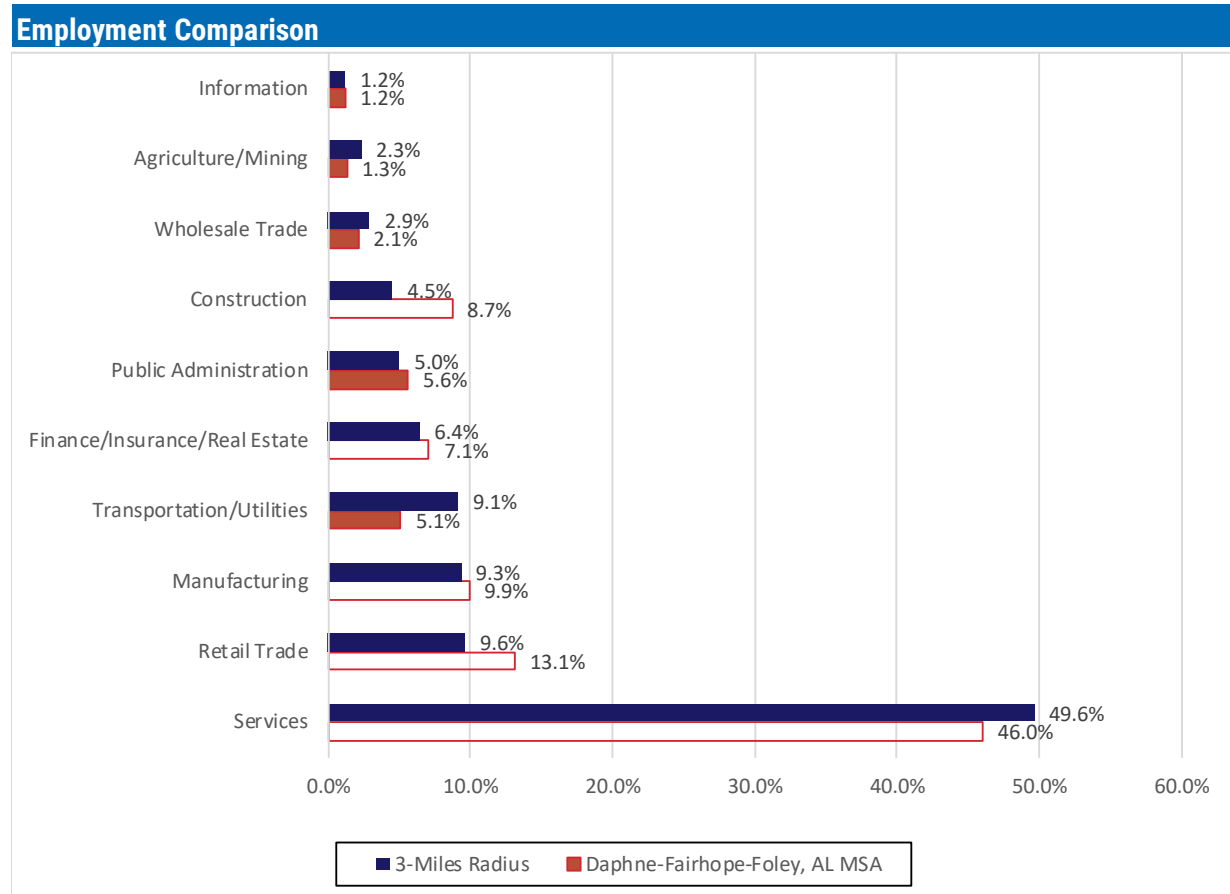
Current Employment by Industry Sector

Industry Sector	ZipCode 36532		Baldwin County		Daphne-Fairhope-Foley, AL MSA		Alabama	
Agriculture/Mining	141	0.7%	1,569	1.3%	1,569	1.3%	25,158	1.1%
Construction	1,134	6.0%	10,711	8.7%	10,711	8.7%	163,198	7.0%
Manufacturing	1,484	7.8%	12,272	9.9%	12,272	9.9%	324,390	13.9%
Wholesale Trade	542	2.9%	2,577	2.1%	2,577	2.1%	47,916	2.1%
Retail Trade	1,907	10.0%	16,169	13.1%	16,169	13.1%	251,226	10.7%
Transportation/Utilities	950	5.0%	6,264	5.1%	6,264	5.1%	141,629	6.1%
Information	286	1.5%	1,422	1.2%	1,422	1.2%	28,495	1.2%
Finance/Insurance/Real Estate	1,429	7.5%	8,783	7.1%	8,783	7.1%	125,956	5.4%
Services	10,116	53.3%	56,731	46.0%	56,731	46.0%	1,089,301	46.6%
Public Administration	997	5.3%	6,927	5.6%	6,927	5.6%	139,762	6.0%
Total Employees (16+ Occupation Base)	18,986	100.0%	123,425	100.0%	123,425	100.0%	2,337,031	100.0%

Source: ESRI; Compiled by Newmark

Comparing the industry sectors for the local market area (3-Miles Radius) to Daphne-Fairhope-Foley, AL MSA indicates the local market area is somewhat more heavily weighted toward the Transportation/Utilities, Services, Agriculture/Mining, and Wholesale Trade sectors. By contrast, the industry employment totals for Daphne-Fairhope-Foley, AL MSA indicate somewhat higher proportions within the Construction, Retail Trade, Finance/Insurance/Real Estate, Manufacturing, and Public Administration sectors.

The following graphic further illustrates this comparison.

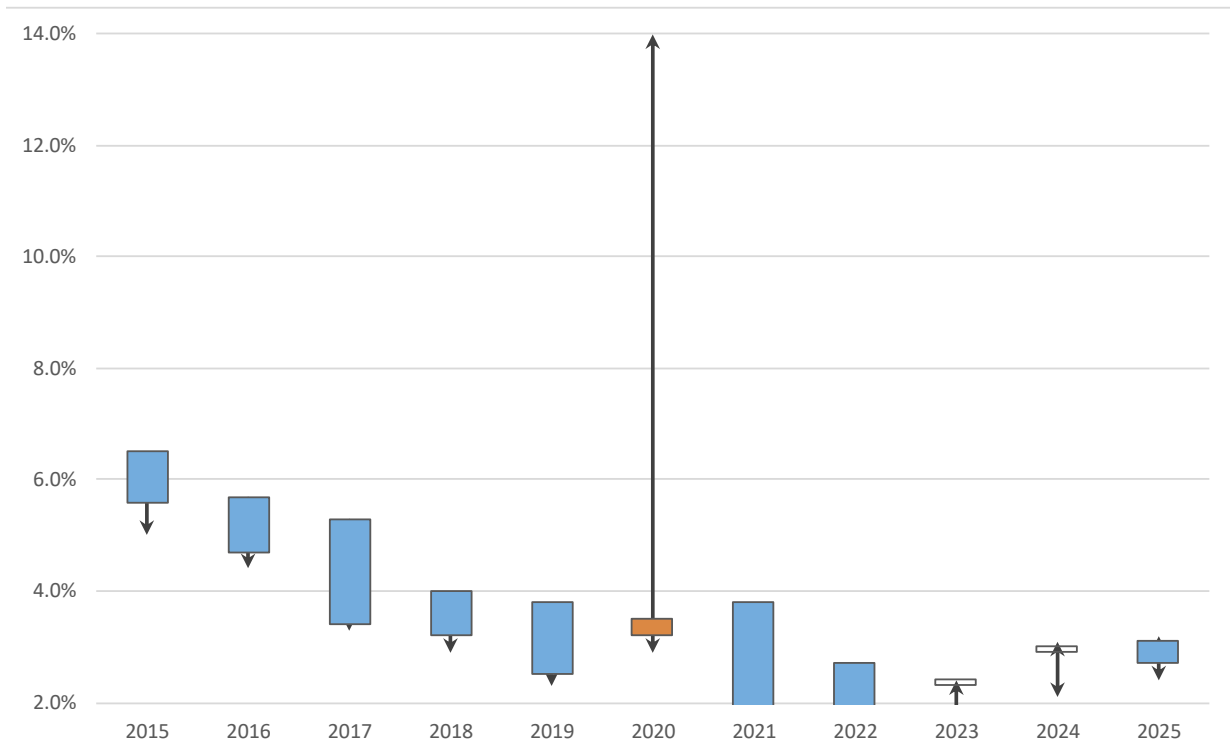


Source: ESRI; Compiled by Newmark

Unemployment

The following table displays the historical unemployment data for the area derived from the US Department of Commerce, Bureau of Labor Statistics. The most recent reported unemployment rate for the Daphne-Fairhope-Foley, AL Metropolitan Statistical Area is 2.7% (June 2025).

Unemployment Rate: Daphne Fairhope Foley, AL Metropolitan Statistical Area



Bars represent beginning to end range of unemployment rates in each year
Orange bars denote increasing unemployment from beginning to end of year
Blue bars are declining unemployment from beginning to end of year
Arrows are range of unemployment rates over the year

Compiled by Newmark

Major Employers

The following table lists a number of major employers with the Daphne-Fairhope-Foley's MSA as reported by Moody's. While not all-encompassing, this list provides further indication of the types of economic sectors that are drivers for the area.

Selected Major Employers: Daphne Metro					
Rank	Employer	Employees	Rank	Employer	Employees
1	Walmart Inc.	1,700	11	S.H. Enterprises	375
2	Infirmary Health	1,490	12	Ace Hardware Support Center	300
3	Collins Aerospace	1,100	13	Vulcan Inc.	285
4	Columbia Southern University	1,050	14	Quincy Compressors	215
5	South Baldwin Regional Medical Center	860	15	Bon Secour Fisheries	150
6	Publix	830	16	International Paper	135
7	Marriott Grand Hotel	530	17	Ecovery	130
8	Brett/Robinson Gulf Corp.	520	18	Quality Repair & Svc	130
9	Standard Furniture	520	19	Segers Aerospace	130
10	OWA	400	20	Ascend Materials	100

Source: Moody's Analytics Précis® US Metro

Analysis

Further economic analysis from Moody's is detailed as follows:

Consumers

Strong population and income growth will drive outsize gains in key consumer industries. Real disposable income, which matters most for consumer spending, has expanded at an above-average clip for about a decade locally, leaving Daphne better equipped to weather a nationwide economic slowdown. Further, retail, leisure/hospitality and other services are supported by an outsize retiree population, which has benefited from a robust runup in asset prices and retirement portfolios over the past few years. Hence, draws on savings from one of the fastest-growing elderly populations in the U.S. will keep consumer demand elevated longer term. Finally, working-age individuals are migrating to Daphne in droves, according to data from Equifax. This is particularly true for workers heading for the suburbs from Mobile and Birmingham. A strong inflow of workers will provide an additional boost to the labor supply and consumer spending.

Real Estate

Headwinds facing the ailing financial services industry will soon come to an end, and the metro area will outrun its state and national counterparts. Impressive net migration and investment trends have made real estate brokerage and leasing the juggernaut of financial services in Daphne, boasting double the regional footprint. Investment in both residential and commercial properties has been red hot for several years as previously low borrowing costs stimulated purchasing. However, over-hiring during this period and a slowdown in real estate transactions resulted in layoffs through late 2024. But things have turned around as real estate payrolls are trending up for the first time in two years, and the outlook is bright. A high quality of life and above-

average local schools will keep DAP the heart of growth in Alabama, spurring further real estate development. Lower mortgage rates in the coming years will complement strong fundamentals and spur additional building and investment.

Tourism

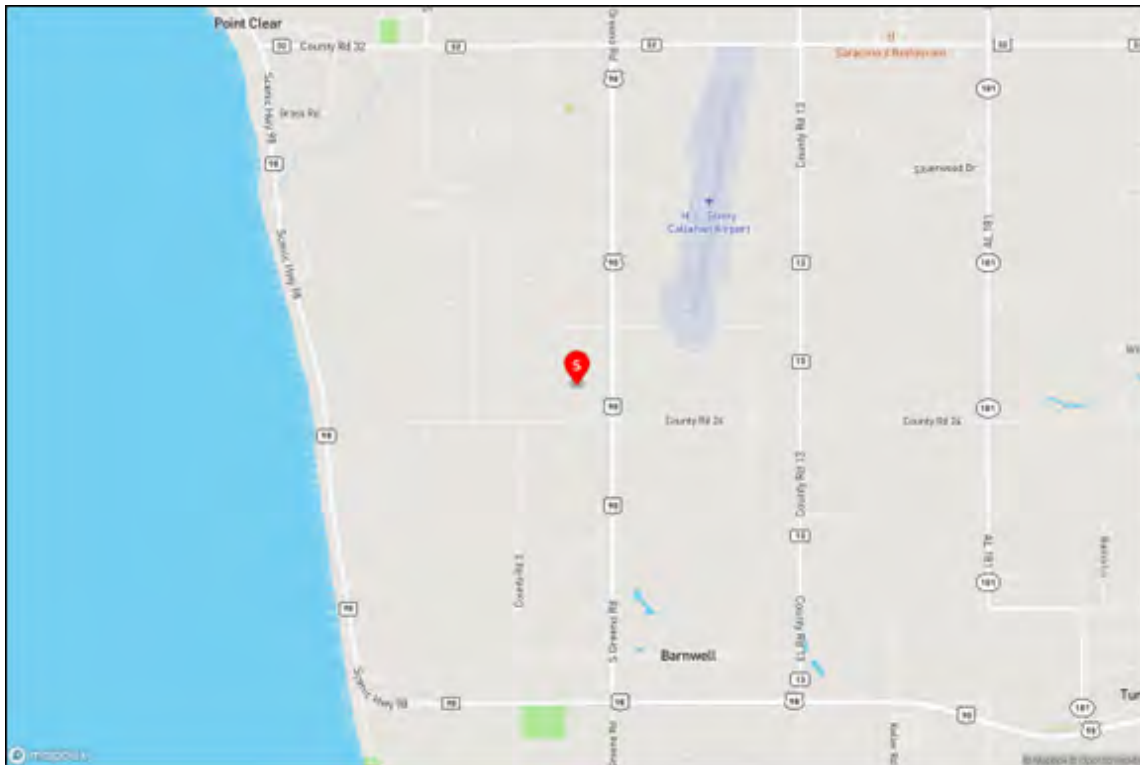
Growth in the outsize tourism industry will slow near term with the broader economy, but structural advantages will keep Daphne a national overachiever. Tourism is key for the metro area, as leisure/hospitality accounts for one-fifth of total payrolls, nearly double the average for the vacation-heavy South. Domestic travel plans reported by the Conference Board are trending slightly above average, as demand remains elevated and foreign markets are becoming less attractive to U.S. travelers due to higher costs from a weaker dollar. Meanwhile, airfares in the U.S. are down on the year, adding support to travel demand. However, slowing real income and wealth gains will keep a lid on tourism demand.

Conclusion

Positive Attributes	Negative Attributes
– Desirable climate and quality of life. – Proximity to Mobile, commuter workforce. – Strong net migration and well-above-average population growth. – Low business costs	– Low-wage industries dominate job mix. – Low educational attainment. – Insufficient infrastructure to support rising population.

Daphne-Fairhope-Foley MSA's economy will pick up near term and be a shining star compared with the state and nation. Favorable fundamentals will support consumer industries and real estate, while solid travel demand will bolster tourism. Longer term, solid population growth will fuel job and income growth, ensuring Daphne remains a regional and national overachiever.

NEIGHBORHOOD ANALYSIS



Neighborhood Map

Boundaries

The subject property is located on the west side of US Highway 98, to the east side of State Route 3, the south side of Monk Road in Baldwin County. The subject property is approximately 5 miles south of the downtown district of Fairhope, 17 miles southeast of the Mobile International Airport and 18.9 miles southeast of the downtown Mobile area.

North	State Route 32
South	State Route 24
East	US Highway 98
West	State Route 3

Land Use

Land uses in the surrounding area consists of low to medium density residential, special, conservational and some industrial uses to the north. To the east lie lower to medium density residential, industrial, and special uses. To the south lie more medium density residential as well as special and some retail uses. Lastly, to the west lie retail, special, industrial and low to medium density residential uses.

Notable Surrounding Area of Influence

- **The Shoppes at Pointe Clear** is a shopping center located approximately 2.7 miles from the subject property. The center is anchored by a Publix Super Market in addition to a few smaller retail stores. The Publix Super Market is the closest large-scale grocery store to the subject property.
- **Plantation Pointe** is an outlet mall located approximately 5 miles from the subject property. The mall is anchored by Piggly Wiggly Fairhope, PNC Bank, The UPS Store, and Fairhope Interiors in addition to a small number of smaller retail stores and fast-food joints.
- **South Baldwin Regional Medical Center** is a medical clinic offering Injury treatment, Illness, Laboratory Analysis, Diabetes Disease Treatment and prevention, Smoking Cessation, Weight Loss services. The hospital is located approximately 12.5 miles from the subject property.
- **H. L. Sonny Callahan Airport** is a public-use airport located three nautical miles (4 mi, 6 km) southeast of the central business district of Fairhope, a city in Baldwin County, Alabama, United States. It is owned by the Fairhope Airport Authority. The airport is located approximately 1 mile from the subject property. This airport is included in the FAA's National Plan of Integrated Airport Systems for 2011–2015 and 2009–2013, both of which categorized it as a general aviation facility. Traffic at the airport is primarily corporate and private. Scheduled service for this region is provided by Mobile Regional Airport and Pensacola Regional Airport. In March 2007, the city of Fairhope turned over control of the airport to the airport authority and loaned the authority \$8.8 million for improvements. The authority expected to use the money to build new hangars and a new terminal.
- **Mobile International Airport** Mobile International Airport is a public use airport located three nautical miles (6 km) south of the central business district of Mobile, a city in Mobile County, Alabama, United States. The airport is a principal component of the Mobile Aeroplex at Brookley, a 1,650-acre (668 ha) industrial complex. Presently the facility covers 1,616 acres (654 ha) of land. It is owned and operated by the Mobile Airport Authority. Prior to 1969, the airport was part of an active military installation known as Brookley Air Force Base.

Public Schools

The subject community is served by the following Baldwin County public schools:

- J Larry Newton (9 out of 10 on GreatSchools)
- Fairhope Middle School (10 out of 10 on GreatSchools)
- Fairhope High School (9 out of 10 on GreatSchools)

The subject community is served by generally above-average public schools.

Access

Primary Access

Primary access to the subject property is via aa proposed internal road, which is accessible via Monk Road or State Road 24

Major Thoroughfares

The following is a description of a few of the major thoroughfares serving the subject area:

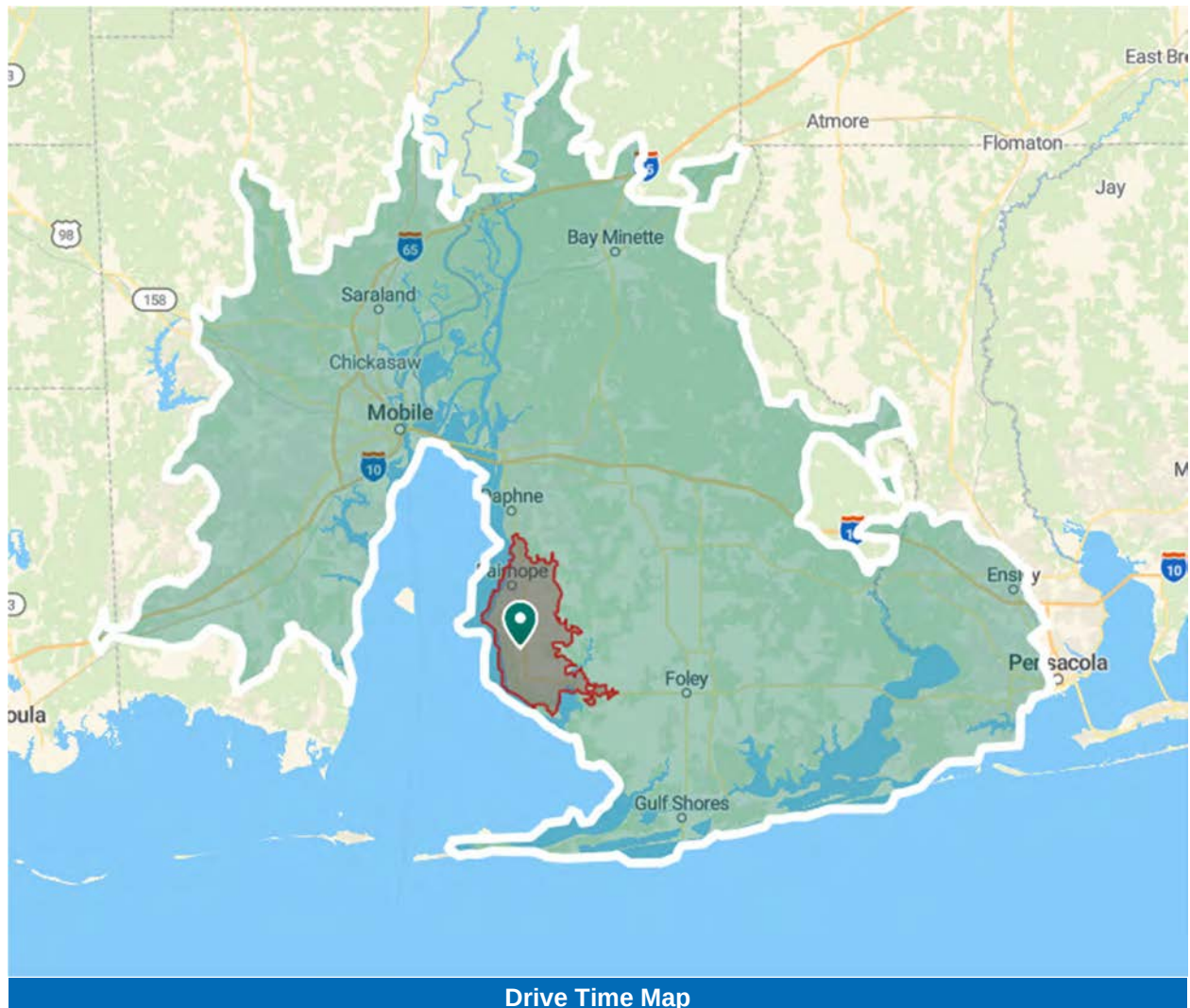
- **Foley Beach Express** is a local 4-lane highway that can be accessed approximately 13.5 mile from the subject property. The highway runs south to the Warf Amphitheatre and north to intersect with Interstate 10 around Rosinton.
- **US Highway 98** is a 2 to 4 lane highway that can be accessed approximately less than a mile from the subject property. The highway runs west then north into Spanish Fort and east through Foley into Pensacola.
- **State Route 59** is a 4-lane highway that can be accessed approximately 11 miles from the subject property. The highway runs north into Robertsedale and south into Gulf Shores.
- **US Highway 90** is a 2 to 4 lane highway that can be accessed approximately 13.2 miles from the subject property. The highway runs northwest into Spanish Fort and southeast into northern Ferry Pass.
- **Interstate 10** is a 4 to 8 lane interstate highway that can be accessed approximately 14.5 miles from the subject property. The highway runs northwest into Mobile and southeast into Ferry Pass.

Public Transportation Options

Baldwin County offers their residents and visitors the BRATS door-to-door public transportation service. The service runs 7:00 AM - 4:30 PM, Monday – Friday with the exception of holidays and special training days.

Travel Time from Key Locations

The commute from the subject property to the central Foley area is 23 minutes, 39 minutes to the Jack Edwards Airport, 44 minutes to the central Gulf Shores area, 72 minutes to downtown Pensacola, and 37 minutes to downtown Mobile. The following illustrates the 15 minute and 60-minute drive times from the subject.



Demographics

A demographic summary for the defined area is illustrated as follows:

Demographic Analysis							
	1-Mile Radius	3-Miles Radius	5-Miles Radius	ZipCode 36532	Baldwin County	Daphne-Fairhope-Foley, AL MSA	Alabama
Population							
2020 Total Population	646	5,076	18,952	37,167	231,767	231,767	5,024,279
2025 Total Population	637	5,142	20,249	40,176	254,554	254,554	5,135,592
2030 Total Population	687	5,600	22,384	44,632	283,326	283,326	5,227,133
Projected Annual Growth %	1.5%	1.7%	2.0%	2.1%	2.2%	2.2%	0.4%
Households							
2020 Total Households	235	1,935	7,643	15,021	93,116	93,116	2,011,947
2025 Total Households	244	2,036	8,369	16,595	105,202	105,202	2,094,518
2030 Total Households	267	2,250	9,382	18,729	119,216	119,216	2,160,456
Projected Annual Growth %	1.8%	2.0%	2.3%	2.4%	2.5%	2.5%	0.6%
Income							
2025 Median Household Income	\$81,402	\$82,901	\$81,013	\$83,084	\$76,981	\$76,981	\$65,622
2025 Average Household Income	\$109,037	\$120,213	\$117,048	\$118,369	\$103,314	\$103,314	\$89,355
2025 Per Capita Income	\$43,819	\$49,109	\$48,389	\$48,932	\$42,754	\$42,754	\$36,547
Housing							
2025 Owner Occupied Housing Units	67.5%	67.7%	67.6%	68.9%	56.3%	56.3%	59.7%
2025 Renter Occupied Housing Units	12.5%	11.2%	18.2%	18.8%	18.5%	18.5%	28.0%
2025 Median Home Value	\$540,584	\$488,108	\$460,445	\$443,110	\$339,581	\$339,581	\$237,938
2025 Median Contract Rent	\$817	\$1,345	\$1,321	\$1,566	\$1,179	\$1,179	\$815
Median Year Structure Built	2007	2002	2000	1999	1998	1998	1985
Miscellaneous Data Items							
2025 Bachelor's Degree	64.0%	40.0%	31.5%	31.7%	21.9%	21.9%	18.3%
2025 Grad/Professional Degree	3.1%	12.6%	15.8%	17.9%	12.7%	12.7%	11.3%
2025 College Graduate %	67.1%	52.6%	47.2%	49.6%	34.7%	34.7%	29.6%
2025 Average Household Size	2.61	2.53	2.41	2.38	2.39	2.39	2.38
2025 Median Age	51.9	49.9	46.7	46.5	44.1	44.1	40.2

Source: ESRI; Compiled by Newmark

Population growth in the surrounding area has been above average with income levels increasing. This has a positive effect on housing related real estate demand. This trend is projected to continue into the foreseeable future.

Conclusion

Trends in the local and immediate areas, adjacent uses and the property's specific location features indicate an overall positive external influence for the subject, which is concluded to have a good position in context of competing properties. The neighborhood's convenient access to retail, commercial, and employment centers in the Daphne-Fairhope-Foley MSA enhance its desirability for new housing. Given the history of the area and the growth trends, it is anticipated that demand warrants continued home construction and new lot development at this time.

Housing Market Analysis

RESIDENTIAL BUILDING PERMITS

Building permits offer foresight into future real estate supply levels. A high volume indicates the construction industry will be active, which forecasts more jobs and, again, an increase in GDP. The housing market is generally seen as one of the first economic sectors to rise or fall when economic conditions improve or degrade, and housing permits and starts can be early indicators of activity in the housing market. New residential housing construction generally leads to other types of economic production. The new-housing market is sensitive to interest rate changes and therefore sensitive to changes in interest rates initiated by the Federal Reserve. Locally, the new-housing market is affected by those same national interest rate fluctuations, but it also may be influenced by strictly local factors. Investors typically interpret steady growth in building permit numbers as an indication that Americans have confidence in the economy and their own personal financial positions. Likewise, they watch the month-to-month and year-over-year trend for any indication of weakness that might suggest a spending contraction on the part of consumers.

The following table shows housing units authorized by building permits in three local counties. The data are from U.S. Census and SOCDS.

Building Permits - Single-Family Residences			
Year	Baldwin County	Mobile County	Escambia, FL
2015	1,366	623	813
2016	1,662	721	985
2017	1,795	635	1,048
2018	1,903	671	1,025
2019	2,158	712	1,154
2020	2,439	880	1,922
2021	2,795	911	1,010
2022	3,124	739	1,813
2023	3,321	839	1,050
2024	3,394	1,340	1,463
2025*	2,588	962	1,398

Source: SOCDS (*Annualized with June 2025 Data)

Compiled by Newmark

The demographic profile is given secondary emphasis to project the number of building permits in the next five years. Employment and personal income growth data generally show a strong correlation with the number of building permits granted for construction of single-family residences. Therefore, the economic profile of employment and personal income become a

primary assumption to forecast the number of building permits in the next five years. According to the demographic data summarized on the previous pages, there are forecasted to be approximately 200 new households per year within a five-mile radius of the subject over the next five years.

SINGLE-FAMILY COMMUNITY ABSORPTION ANALYSIS

There are no truly comparable active golf course communities in the area offering finished unit pricing above \$1,000,000. The following table summarizes some active single-family detached communities in the subject's competitive area that are offering a higher price point, and provides indications of finished unit price ranges, averages, and sales absorption pace. A map depicting their location is located on the following page:

Summary of Competing Single Family Communities									
Comp.	Subdivision Name	Builders	Average Lot Width	Status	Recreational Amenities	Overall High School Rating*	VDL Inventory	Future Lots	Housing Inventory
Subject	Point Clear	Varies	Varies	Proposed	Golf / Clubhouse / Swim	8	0	309	0
1	NatureWalk at Watersound	Kolter Homes	60	Active	Clubhouse, Pool, Sports Courts	8	17	0	17
2	Old Battles Village/Tradition	D.R. Horton	80	Active	Cabana, Pool, Tot Lot, Sports Courts	9	7	0	15
3	Harvest Green West/TRU	D.R. Horton	56	Active	Lakes, Sports Courts, Tot Lot, Pool	9	60	0	17
4	Garrison Ridge	JBL Homes	90	Active	None	10	18	0	2
5	Nautilus Pointe	Brock Built	43	Active	Pool and Clubhouse	8	26	0	5
6	Twin Palms	Brock Built	40	Active	Pool and Clubhouse	8	2	0	1
		Min:	40				2	0	1
		Max:	90				60	0	17
		Avg:	62				22	0	10

Source: Zonda

*Public school rating from GreatSchools

Compiled by Newmark

Summary of Competing Single Family Communities									
Comp.	Subdivision Name	Builders	Average Finished Home Price Last 3 Months	Average Home Size (SF)	Average \$/SF	Peak Sales/Mo Pace	Home Sales Last 3 Months	Home Sales Last 6 Months	Home Sales Last 12 Months
Subject	Point Clear	Varies	\$2,483,350	3,999	\$600				
1	NatureWalk at Watersound	Kolter Homes	\$862,990	2,746	\$314	3.0	1.3	0.7	1.5
2	Old Battles Village/Tradition	D.R. Horton	\$605,500	2,581	\$235	4.0	3.0	2.5	1.8
3	Harvest Green West/TRU	D.R. Horton	\$549,900	2,512	\$219	3.0	2.3	1.8	-
4	Garrison Ridge	JBL Homes	\$715,917	3,070	\$233	1.0	0.3	0.5	0.3
5	Nautilus Pointe	Brock Built	\$1,059,960	2,223	\$477	3.0	1.3	1.0	0.6
6	Twin Palms	Brock Built	\$1,557,500	2,902	\$537	2.0	0.7	0.5	0.3
		Min:	\$549,900	2,223	\$219	1.0	0.3	0.5	0.3
		Max:	\$1,557,500	3,070	\$537	4.0	3.0	2.5	1.8
		Avg:	\$891,961	2,672	\$336	2.7	1.5	1.2	0.9

Source: Zonda

Compiled by Newmark

According to Zonda, average home sales at the competing communities over the past twelve months ranged from 0.3 sales to 1.8 sales per month with an average of 0.9 sales per month.

POINT CLEAR CLUB CONTRACT HISTORY

The Point Clear Club began marketing efforts in mid-October 2025. There have been 74 lots presold at the property average of approximately \$915,000 per lot. All of the released Phase 1 lots have been sold and all presales have secured a 25.0 percent non-refundable down payment averaging approximately \$200,000 per lot. The sales history is summarized in the following chart:

Point Clear Club - Lot Type Table - North								
Lot Type	No. of Lots	Average Lot (SF)	Average Lot (AC)	Lot #s	Lots U/C	Avg. Contract Price	Lots Available	Avg. Asking Price
Village Lot	6	13,358	0.31	94-99	1	\$950,000	5	\$962,000
Typical Lot	14	16,020	0.37	14, 58-64, 102-105, 107 & 119	11	\$719,537	3	\$785,000
Estate Lot*	28	28,607	0.66	32-43, 65-71, 100-101, 106, 120-125	20	\$1,018,000	9	\$1,008,333
Golf Cottage (Narrow)	25	7,981	0.18	51-55, 72-91	18	\$583,222	7	\$649,286
Typical (2-Front)	5	19,621	0.45	45, 49-50, 56-57, 117	5	\$678,733	0	N/A
Estate (2-Front)	14	25,400	0.58	17, 46-48, 108-116 & 118	5	\$924,800	9	\$900,000
Golf Estate**	14	39,495	0.91	18-31	14	\$1,344,179	0	N/A
Average	106	21,807	0.50		74	\$899,447	33	\$875,303
Point Clear Club - Lot Type Table - South								
Lot Type	No. of Lots	Average Lot Size (S)	Average Lot Size (A)	Lot #s	No. U/C	Avg. Contract Price	No. Listed	Asking Price
Golf Cottage (Wide)	7	14,997	0.34	1, 6-9, 11, 14	0	N/A	7	\$1,900,000
Golf Cottage (Narrow)	8	12,242	0.28	2-5, 10, 12, 15-16	0	N/A	8	\$1,900,000
Average	15	13,528	0.31		0	N/A	15	\$1,900,000
Total/Average	121	20,781	0.48		74	\$899,447	48	\$1,224,762

* Includes Lot 41 that will be transferred at no value ** Includes Lot 29 that will be transferred at no value

As shown the preceding chart, there is substantial pent-up demand in this market and Phase 1 is 61.0 percent sold out prior to any golf course or residential infrastructure being completed.

SUBJECT ABSORPTION CONCLUSION

Phase 1 of the proposed project will offer 122 single-family detached lots including multiple products, price points and lot types. The developer's projected retail lot pricing ranges from \$550,000 to \$1,600,000 per lot with an average of \$1,042,000 per lot. Lot types will range from 0.23-acre to over 1.0-acre and average 0.44-acre. Products include golf estate, interior estate lots, interior lots, village lots, golf cottage and cluster lots. Finished unit pricing is expected to start at \$1.5 million to \$5.0 million per unit and averaging \$2.8 million which will should attract a number of different buyers.

In August 2025, based on our conversation with Mary Courtney Cane, a lead local real estate broker with Courtney and Morris in Fairhope, there is significant interest in this project. Ms. Cane is handling sales and marketing for lots at the Point Clear Club. According to Ms. Cane, there are many local residents looking for a high-end private golf course in the market and over 150 local folks that have expressed interest in the project. In addition, in August 2025, Jason Tickle with the Daniel Company expected to convert 20 presale reservations and golf course designer Tom Fazio stated that there is significant demand for residential property surrounding all of his projects. The lead broker was overconfident that they will convert at least 50 sales on the 1st day the lots are released. There have been 76 presales to-date.

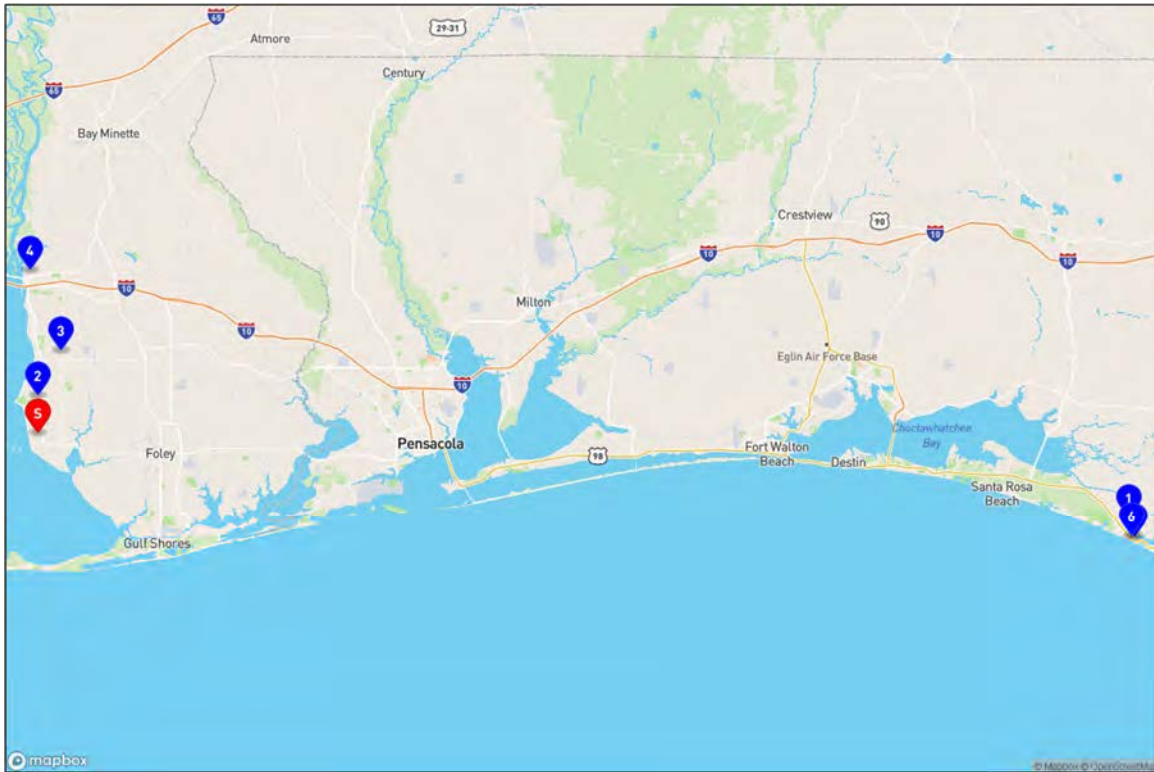
The developer has projected a 5-year sell-out for the 308 lots at Point Clear Club which is summarized in the following chart:

Developer Projected Absorption Summary							
Point Clear Club		Year	Year	Year	Year	Year	Year
Lot Type	Total Units	1	2	3	4	5	6
Phase 1							
All Lot Types	122.00	0.00	80.00	42.00	0.00	0.00	0.00
Phase 2							
All Lot Types	186.00	0.00	0.00	35.00	50.00	50.00	51.00
Totals	308.00	0.00	80.00	77.00	50.00	50.00	51.00
Average Absorption	61.6	Lots/An	5.1	Lots/Mo.			

There are 122 lots in Phase 1 and we have projected there will be 7 pricing segments.

There have been 75 presales to-date that are expected to close when the lots are delivered in August 2027. Based on the presales and current sales pace of active traditional and golf course communities within Baldwin County and vicinity, current market conditions, pent up demand for lots higher-end golf course communities and discussions with knowledgeable brokers in the market, we have projected 88 sales when the lots are completed and a semi-annual absorption of approximately 20 lots at the subject for each pricing segment. In addition, we have projected a similar absorption of 70.0 lots when the Phase 2 infrastructure is projected to be completed in May 2029. Our absorption assumptions are summarized as follows:

Projected Absorption Summary														
Point Clear Club		May-26	Nov-26	May-27	Nov-27	May-28	Nov-28	May-29	Aug-29	May-30	Aug-30	May-31	Aug-31	May-32
Lot Type	Total Units	1	2	3	4	5	6	7	8	9	10	11	12	13
Phase 1														
Golf Estate	14.00	0.00	0.00	0.00	14.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Estate Lots	28.00	0.00	0.00	0.00	22.00	5.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interior Lots - (Typical)	14.00	0.00	0.00	0.00	13.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Village Lots	6.00	0.00	0.00	0.00	2.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Golf Cottage - Narrow	25.00	0.00	0.00	0.00	20.00	2.00	2.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Interior 2 Frontage - (Typical)	6.00	0.00	0.00	0.00	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Estate 2 Frontage	14.00	0.00	0.00	0.00	6.00	3.00	3.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
Golf Cottage - North	15.00	0.00	0.00	0.00	5.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Phase 2														
Golf Estate Lots - Phase 2	45.00	0.00	0.00	0.00	0.00	0.00	0.00	17.00	5.00	5.00	5.00	5.00	5.00	3.00
Interior Lots - Phase 2	78.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	8.00	8.00	8.00	8.00	8.00	13.00
Village Lots - Phase 2	63.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	7.00	7.00	7.00	7.00	7.00	3.00
Totals	308.00	0.00	0.00	0.00	88.00	18.00	13.00	70.00	20.00	20.00	20.00	20.00	20.00	19.00
Average Absorption	61.6	Un/Ann.	5.1	Un/Mo.										

COMPARABLE SFD COMMUNITY LOCATION MAP

Land and Site Analysis



Preliminary Overall Site Plan (This rendering has since been revised)



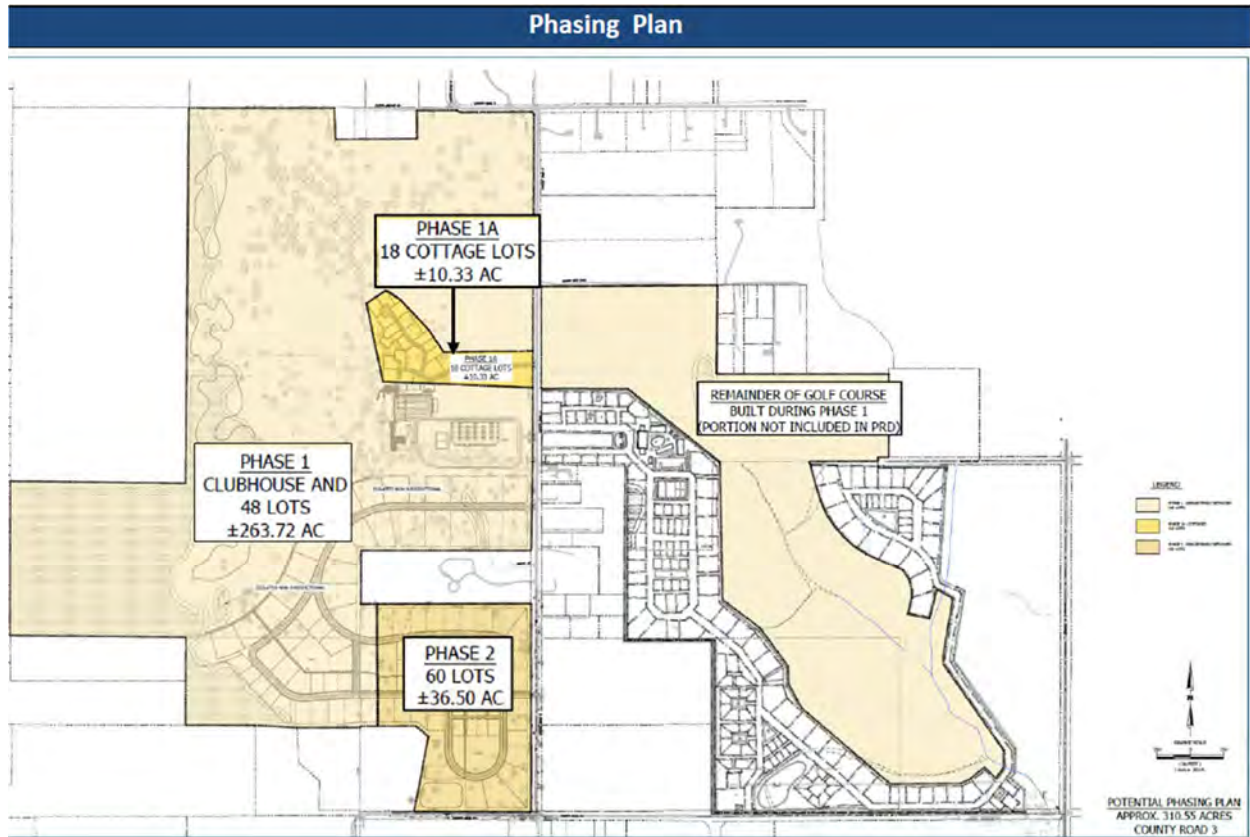


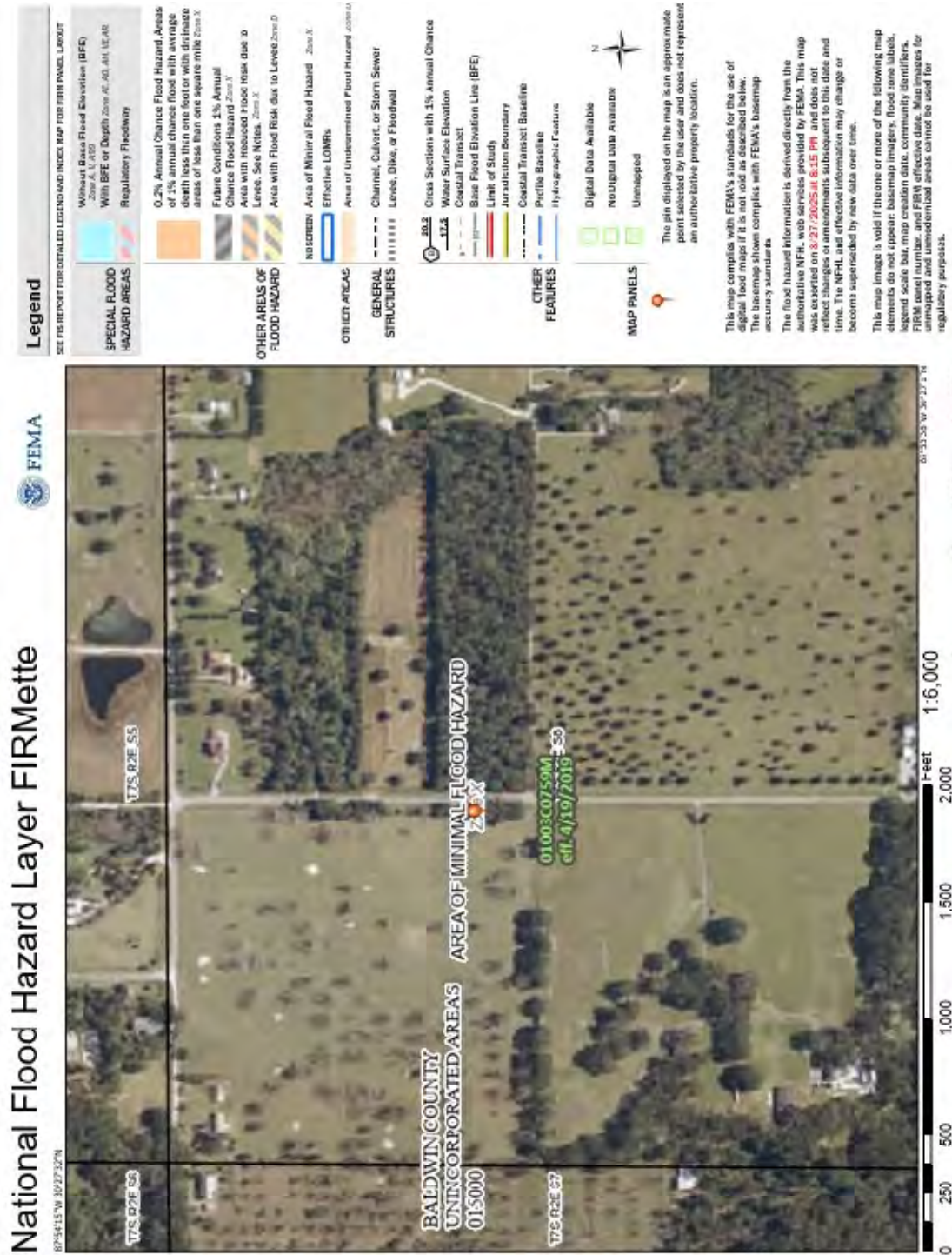
Site Plan



East & West Rendering







Land Parcels

Parcel Summary	Associated APN(s)	Classification	Classification	Land Area (SF)	Land Area (Acres)
17 Parcel Assemblage	05-56-03-07-0-000-001.000	Primary Site 1	Usable Land Area	23,814,252	546.7000
Total Gross Land Area				23,814,252	546.7000
Total Usable Land Area				23,814,252	546.7000
East Side				10,288,872	236.2000
West Side				13,525,380	310.5000
Total Surplus Land Area				0	0.0000
Total Excess Land Area				0	0.0000

Compiled by Newmark

Point Clear Club Parcel Summary

Tract	Parcel	Pin	Address	Entity	Owner	Size (SF)	Size (AC)
East Side Parcel Summary							
1	05-56-03-08-0-000-006.000	41078	0 CO RD 3	McLean	Cutting LLC	426,888	9.80
2	05-56-03-08-0-000-005.000	41064	0 CO RD 3	McLean	Cutting LLC	426,888	9.80
3	05-56-03-08-0-000-004.000	71708	0 CO RD 3	McLean	Cutting LLC	426,888	9.80
4	05-56-03-08-0-000-003.000	41086	0 CO RD 3	McLean	Cutting LLC	426,888	9.80
5	05-56-03-08-0-000-019.001	69502	0 CO Rd 3	McLean	Cutting LLC	426,888	9.80
6	05-56-03-08-0-000-001.009	231427	7741 WAGONER RD	Blue Sky	BLUE SKY HOLDINGS L L C	879,912	20.20
7	05-56-03-08-0-000-020.000	14205	0 GREENO RD & CO RD 24	Gulf States	SOUTHERN BALDWIN MANAGEMENT GROUP - CDA LLC	5,445,000	125.00
8	05-56-03-08-0-000-020.001	400156	0 GREENO RD & CO RD 24	Gulf States	SOUTHERN BALDWIN MANAGEMENT GROUP - CDA LLC	1,829,520	42.00
East Total						10,288,872	236.20
West Side Parcel Summary							
9	05-56-03-07-0-000-001.000	5815	0 CO RD 3	McLean	MCLEAN, JAMES K JR (TRUSTEE)	2,439,360	56.00
10	05-56-03-08-0-000-011.000	62994	0 CO RD 3	McLean	MCLEAN, JAMES K JR (TRUSTEE)	1,568,160	36.00
11	05-56-03-07-0-000-003.000	33951	0	McLean	MERCHANTS NATIONAL BANK OF MOBILE AS	1,045,440	24.00
12	05-56-03-08-0-000-013.00	59610	0 CO RD 3	McLean	FIRST ALABAMA BANK OF MOBILE N.A. TRU	784,080	18.00
13	05-56-03-08-0-000-012.000	28753	15675 CO RD 3	McLean	MCLEAN, JAMES K JR	1,698,840	39.00
14	05-56-03-07-0-000-003.001	26931	0 CO RD 3	McLean	REGIONS BANK AS TRUSTEE (J K MCLEAN)	3,310,560	76.00
15	05-56-03-08-0-000-013.000	58800	0 CO RD 3	McLean	REGIONS BANK AS TRUSTEE (J K MCLEAN)	65,340	1.50
16	05-56-03-08-0-000-015.000	63316	0 CO RD 3	Bluff Springs	BLUFF SPRINGS LAND COMPANY LLC, THE	1,742,400	40.00
17	05-56-03-07-0-000-004.000	39776	6875 BERNICE SOUDERS LN	Macarthur	JOHN S MACARTHUR	871,200	20.00
West Total						13,525,380	310.50
Overall Total						23,814,252	546.70

Compiled by Newmark

Land Description

Total Land Area	546.7000 Acres; 23,814,252 SF
Usable Land Area	546.7000 Acres; 23,814,252 SF
Excess Land Area	None
Surplus Land Area	None
Source of Land Area	Tax Assessor /GIS
Location	Baldwin County / Fairhope / Point Clear

Site Characteristics

Primary Street Frontage	County Road 3
Secondary Street Frontage	County Road 24
Additional Street Frontage	US Highway 98
Traffic Control at Entry	None
Traffic Flow	Low
Accessibility Rating	Average
Visibility Rating	Average
Shape	Irregular
Topography	Gently rolling
Site Vegetation	Wooded and pasture
Easement/Encroachments	None Noted
Environmental Issue	None Noted

Flood Zone Analysis

Flood Area Panel Number	01003C0759M
Date	4/19/2019
Zone	Zone X
Description	Area of minimal flood hazard, usually depicted on Flood Insurance Rate Maps as above the 500-year flood level.
Insurance Required?	No

Zoning Regulations

Zoning Jurisdiction	Baldwin County
Zoning Designation	RA and RSF-1
Description	Residential Single-Family District
Legally Conforming?	Yes
Zoning Change Likely?	Unlikely
Permitted Uses	Recreational and single-family residential
Allowable Building Units	308

Utilities

Utility Services	Cable tv, electricity, fiber optics, gas, sewer, telephone, water

Compiled by Newmark

EASEMENTS, ENCROACHMENTS AND RESTRICTIONS

We were not provided a current title report to review. Further, there do not appear to be any easements, encroachments, or restrictions other than those that are typical for the property type. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

ENVIRONMENTAL ISSUES

No environmental issues were observed or reported. Newmark is not qualified to detect the existence of potentially hazardous issues such as soil contaminants, the presence of abandoned underground tanks, or other below-ground sources of potential site contamination. The existence of such substances may affect the value of the property. For this assignment, we have specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.

SITE DEVELOPMENT COSTS

Phase 1 development hard costs are budgeted at \$18.4 million, or approximately \$150,000 per lot, plus \$7.0 million, or \$57,000 per lot in soft costs. We have projected these costs will be incurred over the next 18 months and the Phase 1 lots are projected to be delivered by August 2027. Phase 2 development hard costs are budgeted at \$25.0 million, or \$135,000 per lot, plus \$3.0 million, or \$16,000 per lot in soft costs. We have projected these costs will be incurred over the next 18 months and the Phase 2 lots are projected to be delivered by February 2029. In addition, we have considered a 10.0 percent hard cost development contingency fee in our analysis. There has been \$5,275,707 in costs incurred to-date.

Reportedly the developer has secured \$20.0 million in municipal bonds that will be utilized for infrastructure development which will be repaid by developed lot sales over the lot sell-out period. Approximately \$18.0 million will be utilized in Phase 1 and \$2.0 million will be contributed to Phase 2.

The Phase 1 lots will be developed concurrently with a proposed \$70 million 18-hole Tom Fazio designed golf course with clubhouse and ancillary amenities. The existing improvements on the property will be remodeled/ renovated/ expanded and improved to function as the main clubhouse for the new club. The golf course and clubhouse are proposed to be developed over the next 18 months. **The Prospective Retail and Bulk Values of the 122 Phase 1 developed lots assumes concurrent development of the \$30 million+ Tom Fazio designed Point Clear Club Golf Course and \$35.5 million Clubhouse and ancillary amenities. In order to achieve projected absorption levels and anticipated lot premiums, the golf course and clubhouse need to be delivered by August 2027. Should the golf course component not be constructed as proposed, we would need to revise our appraisal.**

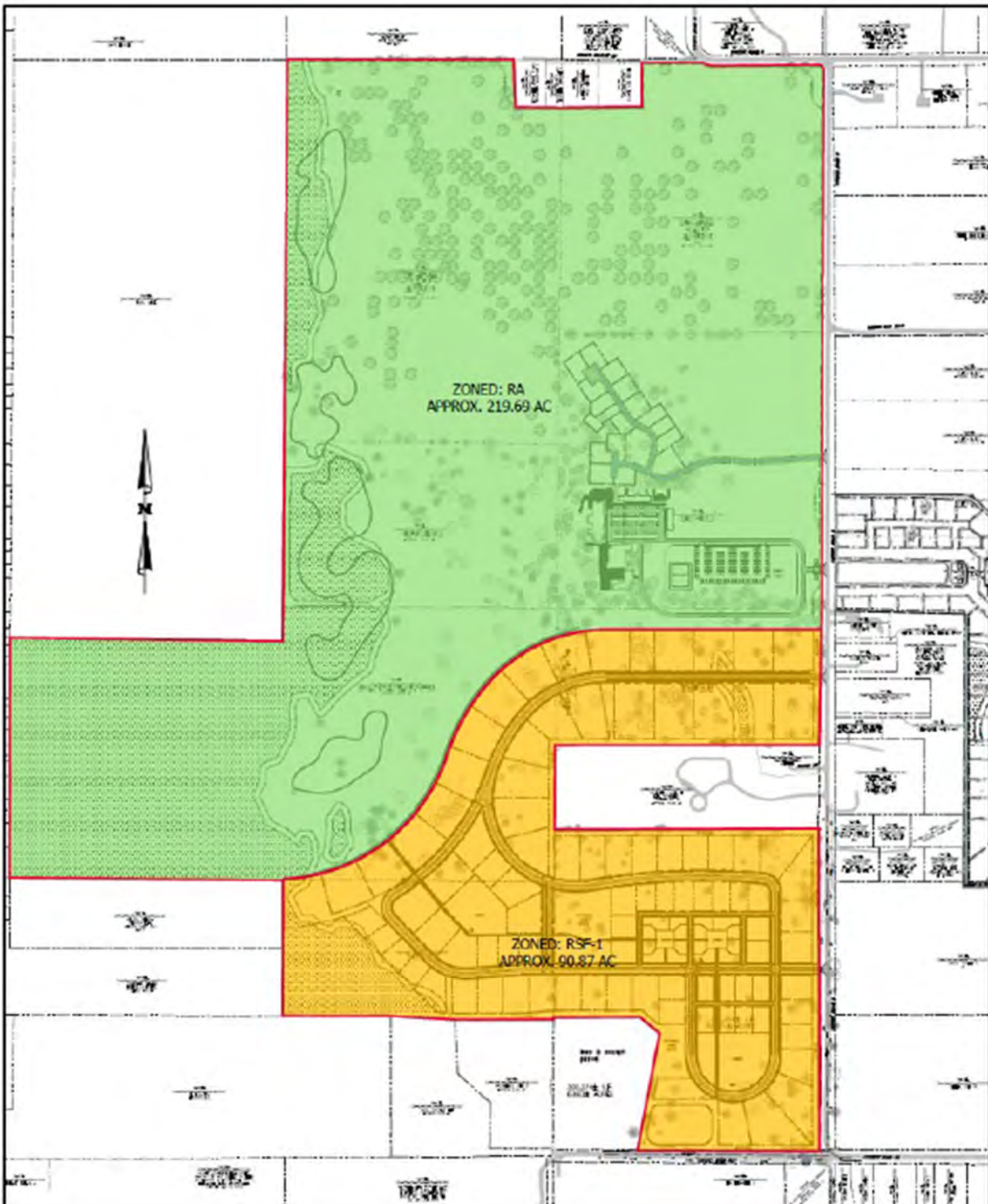
The development budget is summarized as follows:

Point Clear Club - Development Budget						
Description	Lots	Projected Completion Date	Total Costs	Costs to-Date	Costs to Complete	\$/Lot
Hard Costs Lot Infrastructure - P1	122	Apr-27	\$18,400,000	\$1,399,303	\$17,000,697	\$139,350
Hard Costs Lot Infrastructure - P2	186	TBD	\$25,000,000	\$0	\$25,000,000	\$134,409
Soft Costs - (Engineering, Legal) - P1	122	Dec-27	\$7,000,000	\$3,015,025	\$3,984,975	\$32,664
Soft Costs - (Engineering, Legal) - P2	186	TBD	\$3,000,000	\$0	\$3,000,000	\$16,129
Hard Cost Contingency (10%)			\$4,340,000	\$861,379	\$3,478,621	
Total	308		\$57,740,000	\$5,275,707	\$52,464,293	\$170,339

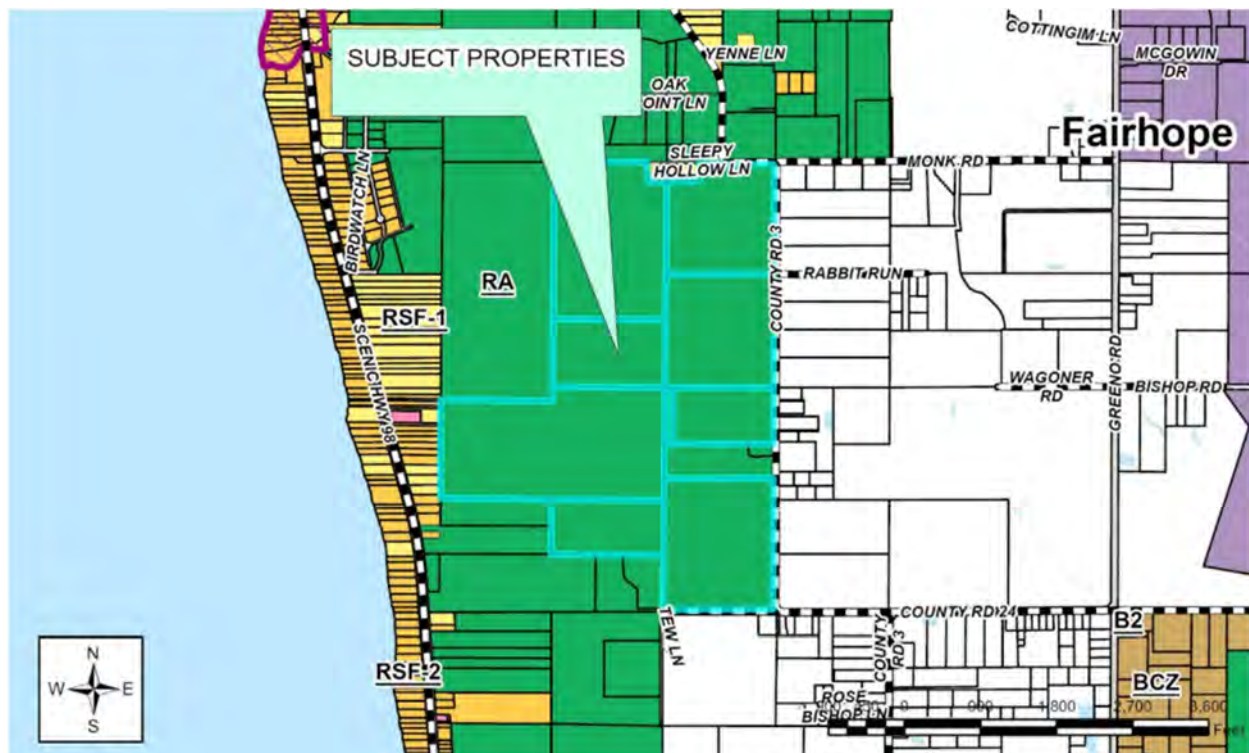
Tom Fazio Designed Golf Course		Oct-26	\$30,600,000	\$4,565,156	\$26,034,844	
Clubhouse/Pro Shop		Nov-27	\$27,500,000	\$0	\$27,500,000	
Recreational Amenities		Jan-28	\$8,000,000	\$0	\$8,000,000	
Club Operations/Overhead		Ongoing	\$5,000,000	\$0	\$5,000,000	
Total	308		\$71,100,000	\$4,565,156	\$66,534,844	\$216,022

This appraisal report relies on the infrastructure development costs provided by the borrower which are considered to be reasonable based on the projected infrastructure proposed and the development cost comparables in the market. Subdivision development costs are very site specific and are affected by a large number of site-specific factors. The costs provided by the borrower were considered reasonable based on infrastructure cost comparables in the market, and the appraiser's experience with similar subdivisions. Should the projected or actual site development costs change, it could fundamentally impact the opinion of market value, and the appraisal report would need to be revised.

Zoning and Legal Restrictions



West side - Zoning Map



Zoning Map

Zoning Summary

Category	Description
Zoning Jurisdiction	Baldwin County
Zoning Designation	RA and RSF-1
Description	Residential Single-Family District
Legally Conforming?	Yes
Zoning Change Likely?	Unlikely
Permitted Uses	Recreational and single-family residential
Maximum Density	0.56
Allowable Building Units	308

Compiled by Newmark

The site was rezoned and received entitlements in July 2025. Case No. Z25-17 /PRD 25-03. We are not experts in the interpretation of zoning ordinances. A qualified land use/zoning expert should be engaged if there are any zoning concerns or if a determination of compliance with zoning is required.

A prerequisite for the County's approval of a final plat subdividing residential lots is substantial completion of the horizontal improvements necessary to serve such residential lots. The Developer reports that the County has completed the preliminary plat approval process for 65 of the lots in the Assessment Area Development and is in the permitting process for preliminary plat approval of the remaining 57 lots. The Developer anticipates that it will substantially complete the horizontal improvements necessary to serve all 122 lots in the Assessment Area Development by the end of 2026 at which time it anticipates that the County will approve the final plats. Upon the County's approval of the final plats, it is anticipated that PCC Land will record the final plats in the first quarter of 2027 as follows: (1) 15 residential lots anticipated to be developed as Golf Cottage – North lots ("Filing 1A"), (2) 50 residential lots anticipated to be developed as the following type of lots; 13 Estate Lots with an average square footage of 28,607; 9 Typical Lots with an average square footage of 16,220; 4 two-fronted Estate Lots with an average square footage of 25,400; 5 Typical two-fronted Lots with an average square footage of 19,621; 14 Golf Estate Lots with an average square footage of 39,495 and 5 Golf Cottage- Narrow Lots with an average square footage of 39,495 ("Filing 1B"), and (3) 57 residential lots anticipated to be developed as the following type of lots: 6 Village Lots with an average square footage of 13,358; 5 Typical Lots with an average square footage of 16, 020; 20 Golf Cottage-Narrow Lots with an average square footage of 7,981; 15 Estate Lots with an average square footage of 26, 607; 10 Estate Typical two-fronted Lots with an average square footage of 25,400; and 1 Typical two-fronted Lot with an average square footage of 19,621 ("Filing 1C"), each as shown in the table in the subsection above captioned "Summary of Anticipated Residential Development – Assessment Area."

PARKING DATA TABLE	
STATE OF ALABAMA COUNTY OF BALDWIN	
CLUBHOUSE & AMENITY SQUARE FOOTAGE:	35,313 SF HEATED AND COOLED 3,287 SF COVERED OUTDOOR SEATING 38,600 SF TOTAL
PARKING RATIO:	1 SPACE PER 200 SF
REQUIRED SPACES:	193
GOLF HOLES:	18
PARKING RATIO:	4 SPACES PER GOLF HOLE
REQUIRED SPACES:	72
DRIVING RANGE TEES:	12
PARKING RATIO:	1 SPACE PER DRIVING RANGE TEE
REQUIRED SPACES:	12
TOTAL REQUIRED SPACES:	237
TOTAL PROVIDED SPACES:	237

SITE DATA TABLE	
STATE OF ALABAMA COUNTY OF BALDWIN	
TAX PARCEL ID:	05-56-03-07-0-000-001.000, 05-56-03-07-0-000-003.000 05-56-03-07-0-000-003.001, 05-56-03-07-0-000-004.000 05-56-03-08-0-000-011.000, 05-56-03-08-0-000-012.000 05-56-03-08-0-000-013.000, 05-56-03-08-0-000-013.001 05-56-03-08-0-000-015.000
EXISTING ZONING:	RA
PROPOSED ZONING:	PRD
TOTAL TRACT ACREAGE:	+/- 310.55 AC
TOTAL PRD ACREAGE:	+/- 310.55 AC
LOT DATA:	
PROPOSED LOTS:	126
PROPOSED NET DENSITY:	0.41 LOTS/AC
MAX. STRUCTURE HEIGHT:	35'
MAX. HABITABLE STORIES:	2.5
AVERAGE LOT SIZE:	21,064 SF
SMALLEST LOT SIZE:	4,342 SF
MAX. IMPERV. RATIO:	0.55
MIN. LOT WIDTH @ BSL:	68' EXCEPT GARDEN ENC. AND GOLF COTT.
MIN. LOT WIDTH @ ROW:	30'

Real Estate Taxes

The subject property is located in the City of Fairhope and Baldwin County and is therefore levied taxes by the city and county.

The Baldwin County Property Appraisal Department utilizes a computer assisted mass appraisal (CAMA) system to store data and calculate real estate and personal property taxes for assessment purposes. The local assessor's methodology for valuation is sales comparison approach as well as cost and income approach when data is available. The most typical valuation method for raw land is the Sales Comparison Approach.

The 2025 market value assessments and real estate taxes for the subject tracts are summarized as follows:

Taxes and Assessments							
Tax Year 2026							
Tax ID	Land	Improvements	Total	Assessment Ratio	Total	Millage	Ad Valorem Taxes
05-56-03-07-0-000-001.000	\$5,297,402	\$6,539,600	\$11,837,002	Varies	\$1,410,740	0.02	\$29,196
	\$5,297,402	\$6,539,600	\$11,837,002	N/A	\$1,410,740	0.02	\$29,196

Compiled by Newmark

Point Clear Club Tax Summary									
Tract	Parcel	Pin	Address	Owner	Land Value	Improvement Value	Taxable Value	Assessed Value	Taxes*
East Side Parcel Summary									
1	05-56-03-08-0-000-006.000	41078	0 CO RD 3	Cutting LLC	\$5,214	\$0	\$5,214	\$520	\$16.12
2	05-56-03-08-0-000-005.000	41064	0 CO RD 3	Cutting LLC	\$5,214	\$0	\$5,214	\$520	\$16.12
3	05-56-03-08-0-000-004.000	71708	0 CO RD 3	Cutting LLC	\$5,214	\$0	\$5,214	\$520	\$16.12
4	05-56-03-08-0-000-003.000	41086	0 CO RD 3	Cutting LLC	\$5,214	\$0	\$5,214	\$520	\$16.12
5	05-56-03-08-0-000-019.001	69502	0 CO RD 3	Cutting LLC	\$5,230	\$0	\$5,230	\$540	\$16.74
6	05-56-03-08-0-000-001.009	231427	7741 WAGONER RD	BLUE SKY HOLDINGS L L C	\$85,350	\$771,000	\$856,350	\$170,360	\$5,281.16
7	05-56-03-08-0-000-020.000	14205	0 GREENO RD & CO RD 24	SOUTHERN BALDWIN MANAGEMENT GROUP - CDA LLC	\$3,959,900	\$0	\$3,959,900	\$396,000	\$12,277.80
8	05-56-03-08-0-000-020.001	400156	0 GREENO RD & CO RD 24	SOUTHERN BALDWIN MANAGEMENT GROUP - CDA LLC	\$21,988	\$0	\$21,988	\$2,200	\$68.20
East Total					\$4,093,324	\$771,000	\$4,864,324	\$571,180	\$17,708
West Side Parcel Summary									
9	05-56-03-07-0-000-001.000	5815	0 CO RD 3	MCLEAN, JAMES K JR (TRUSTEE)	\$29,792	\$0	\$29,792	\$2,980	\$92.38
10	05-56-03-08-0-000-011.000	62994	0 CO RD 3	MCLEAN, JAMES K JR (TRUSTEE)	\$19,152	\$0	\$19,152	\$1,920	\$59.52
11	05-56-03-07-0-000-003.000	33951	0	MERCHANTS NATIONAL BANK OF MOBILE AS	\$604,600	\$157,200	\$761,800	\$76,180	\$2,361.58
12	05-56-03-08-0-000-013.00	59610	0 CO RD 3	FIRST ALABAMA BANK OF MOBILE N.A. TRU	\$11,340	\$0	\$11,340	\$1,140	\$37.14
13	05-56-03-08-0-000-012.000	28753	15675 CO RD 3	MCLEAN, JAMES K JR	\$42,063	\$5,544,700	\$5,586,763	\$304,960	\$7,515.57
14	05-56-03-07-0-000-003.001	26931	0 CO RD 3	REGIONS BANK AS TRUSTEE (J K MCLEAN)	\$47,880	\$0	\$47,880	\$4,780	\$155.78
15	05-56-03-08-0-000-013.000	58800	0 CO RD 3	REGIONS BANK AS TRUSTEE (J K MCLEAN)	\$945	\$0	\$945	\$100	\$3.25
16	05-56-03-08-0-000-015.000	63316	0 CO RD 3	BLUFF SPRINGS LAND COMPANY LLC, THE	\$22,506	\$0	\$22,506	\$2,260	\$74.76
17	05-56-03-07-0-000-004.000	39776	6875 BERNICE SOUDERS LN	JOHN S MACARTHUR	\$425,800	\$66,700	\$492,500	\$49,260	\$1,187.87
West Total					\$1,204,078	\$5,768,600	\$6,972,678	\$443,580	\$11,488
Overall Total					\$5,297,402	\$6,539,600	\$11,837,002	\$1,014,760	\$29,196

Compiled by Newmark

* 2026 Estimated Taxes

According to the Baldwin County Property Assessor, the subject tracts have a combined 2026 market value of \$11,837,002, and the 2026 taxes are projected to be \$29,196. We have projected that the Phase 1 subject tracts will be assessed as raw land for 2026 and will begin being assessed as developed lots beginning in 2027. We have projected a taxes of \$30,000 in 2026.

SUBJECT TAX CONCLUSION

In order to project real estate taxes for the developed lots going forward, we examined the 2025 market value assessments for similar developed lots in the submarket and based on the assessed value on our estimated retail lot values. The following chart summarizes tax comparables in the market:

Baldwin County Golf Course Lot Tax Comparables					
Address	Lot #	Lot Size (SF)	Lot Size (AC)	Taxable Value	Real Estate Taxes Per Lot
18153 Woodland Drive	45-07-25-0-000-028.000	218	1.12	\$633,600	\$3,938
18109 Woodland Drive	45-07-25-0-000-026.000	140	0.48	\$3,110,600	\$9,653
116 Pecan Avenue	46-03-37-0-011-130.000	80	0.48	\$1,013,360	\$4,663
255 GEORGE ST	46-03-37-0-011-002.505	99	0.30	\$537,600	\$4,946
		134	0.59	\$1,323,790	\$5,800

Compiled by Newmark

Baldwin County Typical Lot Tax Comparables					
Address	Parcel ID	Lot Size (SF)	Lot Size (AC)	Taxable Value	Real Estate Taxes Per Lot
0 CYPRESS LAKE DR	61-08-33-1-001-001.031	20,485	0.47	\$234,000	\$1,544
6979 KIVA WAY	68-09-29-0-000-003.175	7,725	0.18	\$393,800	\$1,471
0 OSPREY CIR	68-09-29-0-000-003.188	6,420	0.15	\$472,500	\$2,646
0 OSPREY CIR	68-09-29-0-000-003.192	6,810	0.16	\$378,000	\$2,117
		10,360	0.24	\$369,575	\$1,945

Compiled by Newmark

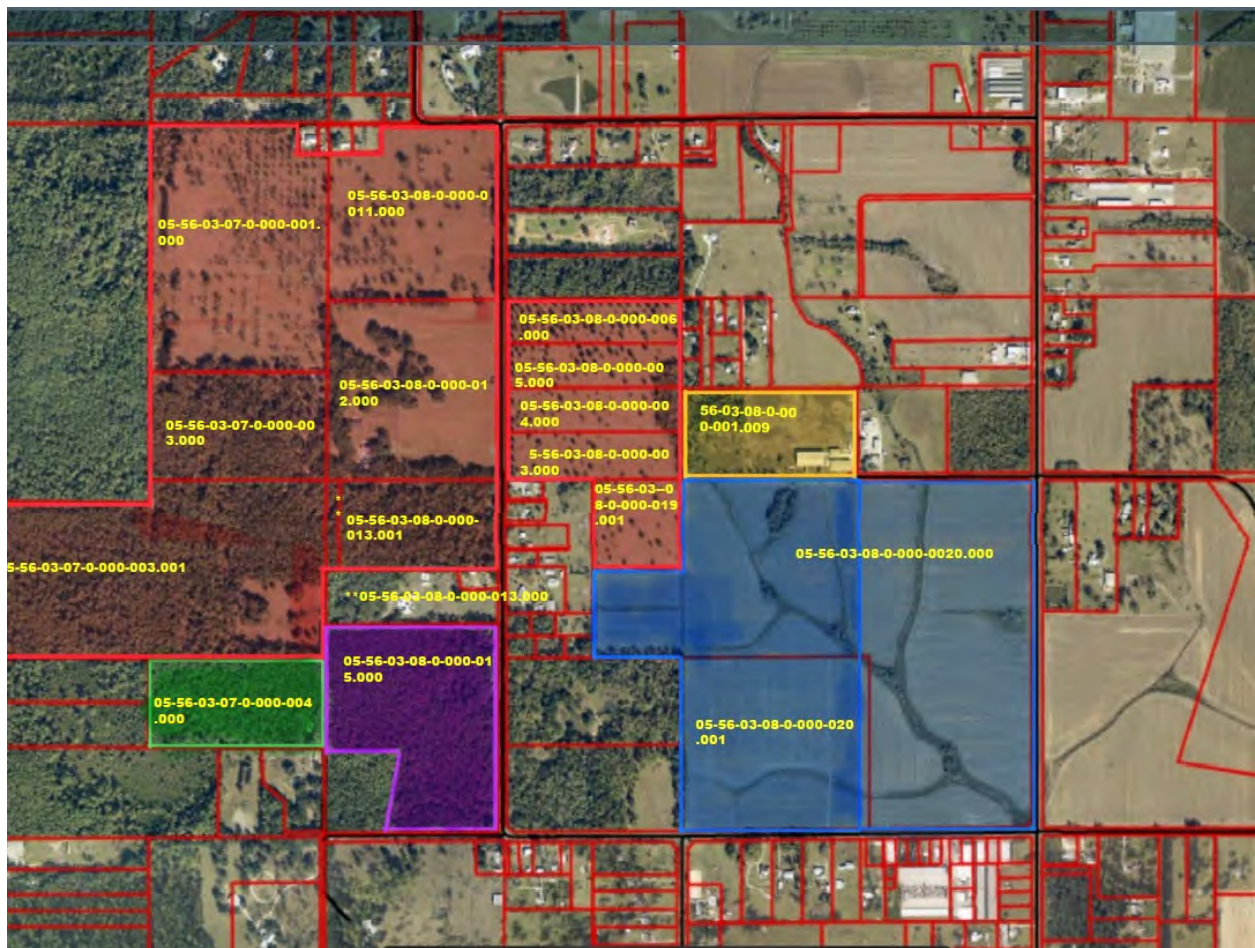
Baldwin County Estate Lot - Tax Comparables					
Address	Parcel ID	Lot Size (SF)	Lot Size (AC)	Taxable Value	Real Estate Taxes Per Lot
116 PECAN AVENUE	46-03-37-0-011-129	20,878	0.48	\$582,400	\$5,358
121 PIER AVENUE	46-03-37-0-011-039	18,700	0.43	\$560,000	\$5,152
257 CHURCH ST	46-03-37-0-009-032	17,424	0.40	\$367,500	\$3,381
213 FIG AVE	46-03-37-0-014-163	13,680	0.31	\$345,000	\$3,174
		17,671	0.41	\$463,725	\$4,266

Compiled by Newmark

Based on the tax comparables, we have considered a blended tax liability of \$4,275 per lot in our analysis beginning in 2027. The following chart summarizes the projected real estate tax liability for the developed subject lots in our analysis:

Projected Real Estate Taxes Per Developed Lot			Point Clear Club		
Lot Classification	# of Lots	Typical Lot Size	Projected Average Retail Lot Value	Projected Taxable Value	Projected Ad-Valorem Taxes Per Lot
Typical SFD Lots	308	0.44	\$854,932	\$854,932	\$4,275

Compiled by Newmark



Tax Map

Highest and Best Use

AS VACANT

Legally Permissible

The site is zoned RA and RSF-1 which allows for recreational and single-family residential. Based on available data and analysis, no other legal restrictions such as easements or deed covenants are present which would impair the utility of the site. Given that surrounding properties have similar zoning and the future land use plan is focused on similar uses as well, it is unlikely that there would be a change of zoning classification. Further information and analysis about the legal restrictions to the subject property is included in the Site Analysis and Zoning and Legal Restrictions sections of this report.

Physically Possible

The subject tracts contain 546.70 acres, has favorable topography, adequate access, and all necessary utilities to support the range of legally permissible uses. No significant physical limitations were noted. The size of the site is typical for the categories of uses allowed under zoning. In total, the site is physically capable of supporting the legally permissible uses.

Financially Feasible

Of the legally permissible and physically possible uses, only single-family residential uses appear most probable based on observation of surrounding properties as well as the location.

The following are relevant points related to the subject's market segment:

- The subject's housing submarket market is considered to be undersupplied with new housing and vacant developed lots.
- The subject's submarket has seen moderate increases in new home sale prices over the past several years.
- Steady single-family residential demand has caused inventory to shrink while prices continue to rise
- The subject faces very limited competition in the immediate area

Based on our analysis of the market, there is currently adequate pent-up demand for single-family residential development in the subject's area. Anticipated retail revenues, less development costs, holding costs, and profit resulted in a positive net present value.

The financially feasible analysis has yielded the conclusion that development of a single-family detached residential subdivision as proposed is feasible. The associated risk is typical and market conditions appear to be supportive. Therefore, the highest and best use of the subject as

though vacant is the development of a single-family attached residential development as proposed. As noted, market and economic conditions are supportive of the near-term development of this use on the site, and demand warrants development of lots in the near term to keep up with market demand in the submarket.

Given the underlying market conditions and activity, it appears that single-family detached residential development would have a sufficient degree of feasibility.

Maximally Productive

The test of maximum productivity is to determine the actual use of the property that results in the highest land value and/or the highest return to the land. It is important to consider the risk of potential uses as a use that may generate the highest returns in cash could also be the riskiest and thus not as likely for a developer to consider. In this case, the maximally productive use is single-family residential development to highest density allowable. The associated risk is typical and market conditions appear to be supportive.

Highest and Best Use Conclusion – As Vacant

The highest and best use of the subject as though vacant is the development of single-family residential development to highest density allowable use.

Highest and Best Use Conclusion – As Improved

Based on the previous analysis, the highest and best use of the site as though improved is for immediate vertical construction of single-family attached and detached units as proposed.

Most Probable Buyer

Our analysis of the subject and market yields the conclusion that the most likely buyer, would be a regional/local builder/developer with familiarity of the subject's regional housing market with immediate plans to construct single-family attached and detached homes.

Appraisal Methodology

COST APPROACH

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the property units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.

INCOME CAPITALIZATION APPROACH

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

When estimating the market value of a residential subdivision with finished lots, there are essentially two approaches; 1) The individual lot or home values, and 2) The discounted value of the subdivision. The first approach assumes the sale of a lot + home to an end-user. In most cases, this is the homeowner. This value reflects the retail value of the home on a finished lot. The end-user does not expect any discount when only one home or lot is purchased. The second approach is that of an investor or developer. This approach assumes the bulk sale of the entire property to a single user or company. This user would expect a significant discount over the component retail value of the subdivision. The Bulk Sale or discounted value of the existing inventory of lots reflects the As-Is Value of the property.

Application of Approaches to Value

Approach	Comments
Cost Approach	The Cost Approach is not applicable and is not utilized in this appraisal.
Sales Comparison Approach	The Sales Comparison Approach is applicable and is utilized in this appraisal.
Income Capitalization Approach	The Income Capitalization Approach is applicable and is utilized in this appraisal.

Compiled by Newmark

This appraisal employs the income capitalization approach (subdivision development approach) to provide the market value as-is, prospective bulk market value upon completion of infrastructure, and the hypothetical bulk market value as-if complete based on the builders 12, 24, and 36 month developed lot absorption. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered applicable and/or necessary for market participants. To determine value, individual unit prices are projected based on comparable sales and a pro-forma is developed to reflect revenue from lot sales and expenses reflecting infrastructure and overhead costs associated with sell-out. Net sales proceeds are then discounted back to a present worth of value.

The cost approach was not utilized as the subject is actively under development and the subject has multiple phases. development tract sales in the market and we were not provided with a cost to complete estimate or budget. Therefore, it was determined the cost approach would not yield credible assignment results in determining the as-is market value.

As the market has continued to strengthen over the past several years, the availability of large sets of developed lots has continued to decrease. Therefore, bulk lot sales of large groupings of lots in the market are very uncommon, as the majority of lot sales are of smaller group purchases, or “takedowns” as part of a much larger lot purchase agreement. Therefore, it was determined the sales comparison approach would not yield credible assignment results in determining the as-is market value.

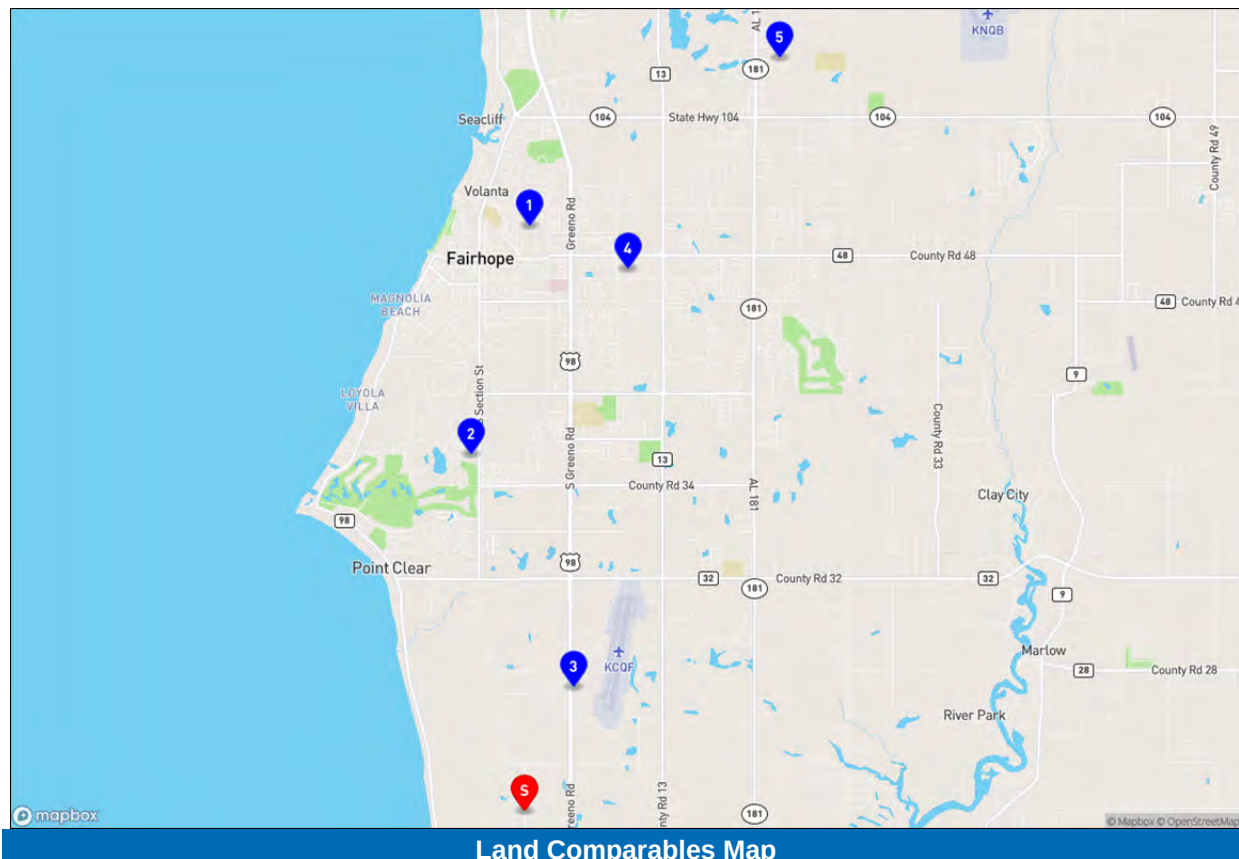
The subject property is a tract of vacant land. In the absence of ground leases, subdivision, or other income sources, the sales comparison approach is viewed as most applicable in the valuation of land parcels. Therefore, the sales comparison approach is the sole approach to value utilized in this appraisal. The exclusion of the other two approaches does not impact the reliability of the appraisal.

Sales Comparison Approach – West Side

Land value can be developed from a number of different methodologies. In this case, we have employed the sales comparison as sufficient comparable data exists from which to derive a reliable indication of value. Sales comparison includes the following steps.

- Research and verify information on properties in the market that are similar to the subject and that have recently sold, are listed for sale, or are under contract.
- Select the most relevant units of comparison in the market and develop a comparative analysis.
- Examine and quantify via adjustments differences between the comparable sales and the subject property using all appropriate elements of comparison.
- Reconcile the various value indications to a value indication.

Based on a review of market activity, the appropriate unit of comparison is Price per Gross Land Acre.



Comparable Land Sales Summary West Side 310.5 Acres						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Address	E/W sides of CR 3 and North side of CR 24	621 Hermitage Ct	18277 South Section Street	15810 South Greeno Road	8593 Morphy Avenue	101 Threshing Blvd
City, State	Fairhope, AL	Fairhope, AL	Fairhope, AL	Fairhope, AL	Fairhope, AL	Fairhope, AL
Use at Sale	Vacant	Vacant	Vacant	Vacant	Vacant	Vacant
Proposed Use	Residential	SF Residential	SF Residential	SF Residential	SF Residential	SF Residential
Gross Land SF	13,525,380 SF	191,228 SF	100,188 SF	287,496 SF	348,480 SF	8,407,951 SF
Useable Acres	310.50 Acres	4.39 Acres	2.30 Acres	6.60 Acres	8.00 Acres	193.02 Acres
Useable Land SF	13,525,380 SF	191,228 SF	100,188 SF	287,496 SF	348,480 SF	8,407,951 SF
Shape/Topography	Irregular/Gently rolling	Rectangular/Rolling	Rectangular/General Level	Rectangular/Level	Irregular/Level	Rectangular/Level/Rolling
Utilities Available	Cable tv, electricity, fiber optics, gas, sewer, telephone, water	Cable TV, Electricity, Gas, Sewer, Water	Cable TV, Electricity, Gas, Sewer, Water	Cable TV, Electricity, Gas, Sewer, Water	Cable TV, Electricity, Gas, Sewer, Telephone, Water	Cable TV, Gas, Sewer, Telephone, Water
Zoning	RA and RSF-1	R-1	R-2	NA	R-3	PUD
Transaction Type		Closed	Closed	Closed	Closed	Closed
Buyer		Blue Island LLC	Henry Wise	David Elton Roberts	Matthew & Scarlett Malone	68V Harvest Green East & West
Seller		Hermitage LLC	Estate of Holt, Francis Harrison Inge	Joel C. Thompson	Robert & Debra Green	Silverhill Enterprises LLC
Interest Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Date		Feb-21	Jan-24	Oct-23	Mar-21	May-22
Price		\$525,000	\$425,000	\$440,000	\$470,000	\$6,500,000
Adj. Sale Price		\$525,000	\$425,000	\$440,000	\$470,000	\$6,500,000
Price per Gross Land Acre		\$119,590	\$184,783	\$66,667	\$58,750	\$33,675
Price Per Gross Land SF		\$2.75	\$4.24	\$1.53	\$1.35	\$0.77
Price per Usable Land Acre		\$119,590	\$184,783	\$66,667	\$58,750	\$33,675
Price Per Usable Land SF		\$2.75	\$4.24	\$1.53	\$1.35	\$0.77

Compiled by Newmark

ANALYSIS OF LAND COMPARABLES

The appraisers searched the subject's market area for comparable sales, listings and pending sales for the analysis.

Comparable One

Sale Comparable One represents the February 2021 sale of 4.390 acres of land located at 621 Hermitage Ct, Fairhope, Alabama. This is the sale of approximately 4.390 acres of land located on the West side of Blue Island Avenue in Fairhope, AL. Hermitage LLC purchased the land in February 2021 for \$525,000, or approximately \$119,590 per acre. The land is zoned R-1 for residential use. The buyer plans to develop 8 single family lots and a single-entry drive to Blue Island Avenue.

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 3.0% is applicable.

A downward adjustment was applied for size. An upward adjustment was applied for site utility. An upward adjustment was applied for association with premium luxury product. Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per gross land acre indication of \$251,857.

Comparable Two

Sale Comparable Two represents the January 2024 sale of 2.300 acres of land located at 18277 South Section Street, Fairhope, Alabama. This is the sale of approximately 2.3 acres of land

located on the north side of Thyme Road in Fairhope, AL. Henry Wise purchased the land in January 2024 for \$495,000 or \$184,783 an acre. The land is zoned R-2 for Medium Density Residential.

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 3.0% is applicable.

A downward adjustment was applied for size. An upward adjustment was applied for site utility. An upward adjustment was applied for association with premium luxury product. Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per gross land acre indication of \$355,892.

Comparable Three

Sale Comparable Three represents the October 2023 sale of 6.600 acres of land located at 15810 South Greeno Road, Fairhope, Alabama. This is the sale of approximately 6.6 acres of land located on the east side of Greeno Road in Fairhope, AL. David Elton Roberts purchased the land for approximately \$440,000 or \$66,667 an acre. The land is zoned NA.

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 3.0% is applicable.

A downward adjustment was applied for size. An upward adjustment was applied for site utility. An upward adjustment was applied for association with premium luxury product. Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per gross land acre indication of \$129,601.

Comparable Four

Sale Comparable Four represents the March 2021 sale of 8.000 acres of land located at 8593 Morphy Avenue, Fairhope, Alabama. This is the sale of approximately 8 acres of land located on the north side of Morphy Avenue. Matthew & Scarlet Moore purchased the land in March 2021 for \$475,000 or approximately \$79,167. The land is zoned R-3 for high density residential district.

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 3.0% is applicable.

A downward adjustment was applied for size. An upward adjustment was applied for site utility. An upward adjustment was applied for association with premium luxury product. Combining

transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per gross land acre indication of \$123,728.

Comparable Five

Sale Comparable Five represents the May 2022 sale of 193.020 acres of land located at 101 Threshing Blvd, Fairhope, Alabama. This is the sale of approximately 193.02 acres of land located on the east and west side US Highway 181 in Fairhope, AL. 68V Harvest Green East & West purchased the land in May 2022 for \$6,500,000 or approximately \$33,675 per acre. The land is zoned PUD for Planned Unit Development. The buyer plans to develop for future residential.

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 3.0% is applicable.

An upward adjustment was applied for location. An upward adjustment was applied for association with premium luxury product. Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per gross land acre indication of \$72,300.

Subject Land Sales

In addition, we have placed secondary emphasis on the 4 land sales throughout the proposed development which are summarized in the following chart:

Point Clear Club Land Sale Summary								
Tract	Parcel	Address	Seller	Sale Price	Sale Date	Deed Book/Page	Size (AC)	\$/Ac
1*	05-56-03-08-0-000-001.009	7741 WAGONER RD	BLUE SKY HOLDINGS, LLC	\$2,500,000	9/11/25	2025-2210075	20.41	\$122,489
2	05-56-03-08-0-000-020.000	0 GREENO RD & CO RD 24	SOUTHERN BALDWIN MANAGEMENT GROUP - CDA LLC	\$9,956,968	9/11/25	2025-2210013	125.00	\$59,623
	05-56-03-08-0-000-020.001	0 GREENO RD & CO RD 24	SOUTHERN BALDWIN MANAGEMENT GROUP - CDA LLC		9/11/25	2025-2210011	42.00	
3**	05-56-03-08-0-000-015.000	0 CO RD 3	BLUFF SPRINGS LAND COMPANY LLC	\$3,200,000	9/11/25		40.00	\$80,000
4	05-56-03-07-0-000-004.000	6875 BERNICE SOUDERS LN	JOHN S MACARTHUR	\$2,000,000	9/12/25	2025-2210090	20.27	\$98,668
Overall Total				\$17,656,968			247.68	\$71,289

Compiled by Newmark

* Includes \$800,000 extension fee. ** Seller is retaining 7.0 acres

As shown in the preceding chart, the contracts at the subject property average approximately \$70,000 per acre.

Summary of Adjustments / Adjustment Grid

Based on our comparative analysis, the following table summarizes the adjustments warranted to each land sale.

Comparable Land Sales Adjustment Grid West Side 310.5 Acres						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Address	E/W sides of CR 3 and	621 Hermitage Ct	18277 South Section	15810 South Greeno Road	8593 Morphy Avenue	101 Threshing Blvd
City, State	Fairhope, AL	Fairhope, AL	Fairhope, AL	Fairhope, AL	Fairhope, AL	Fairhope, AL
Gross Land Area (Acres)	310.50 Acres	4.39 Acres	2.30 Acres	6.60 Acres	8.00 Acres	193.02 Acres
Gross Land SF	13,525,380 SF	191,228 SF	100,188 SF	287,496 SF	348,480 SF	8,407,951 SF
Usable Land Area (Acres)	310.50 Acres	4.39 Acres	2.30 Acres	6.60 Acres	8.00 Acres	193.02 Acres
Usable Land Area (SF)	13,525,380 SF	191,228 SF	100,188 SF	287,496 SF	348,480 SF	8,407,951 SF
Transaction Type	--	Closed	Closed	Closed	Closed	Closed
Transaction Date	--	Feb-21	Jan-24	Oct-23	Mar-21	May-22
Price per Gross Land Acre		\$119,590	\$184,783	\$66,667	\$58,750	\$33,675
Transaction Adjustments						
Property Rights		0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%
Market Conditions (Time)		17%	7%	8%	17%	13%
Subtotal (adjustments are multiplied)		17.0%	7.0%	8.0%	17.0%	13.0%
Transaction Adjusted Price per Gross Land Acre		\$139,920	\$197,718	\$72,000	\$68,738	\$38,053
Physical Adjustments						
Location		0%	0%	0%	0%	10%
Corner		0%	0%	0%	0%	0%
Frontage		0%	0%	0%	0%	0%
Size		-10%	-10%	-10%	-10%	0%
Site Utility		10%	10%	10%	10%	0%
Association with Premium Luxury Product		80%	80%	80%	80%	80%
Utilities		0%	0%	0%	0%	0%
Zoning		0%	0%	0%	0%	0%
Subtotal (adjustments are summed)		80%	80%	80%	80%	90%
Gross Adjustment		117%	107%	108%	117%	103%
Overall Adjustment		110.6%	92.6%	94.4%	110.6%	114.7%
Indicated Price per Gross Land Acre		\$251,857	\$355,892	\$129,601	\$123,728	\$72,300

Compiled by Newmark

LAND VALUE CONCLUSION

- Market participants have indicated land value trends have been on an upward trend.
- Prior to adjustments, the sales reflect a range of \$33,675 to \$184,783 per gross land acre.
- After adjustment, the range is narrowed to \$72,300 to \$355,892 per gross land acre, with an average of \$186,675 per gross land acre.
- Equal weight was placed on the comparables and our discussions with knowledgeable participants in the market.

Land Value Conclusion West Side 310.5 Acres

Gross Acres		310.50
Comparable Sales Indications	Range	Average
Unadjusted Price per Gross Land Acre	\$33,675 - \$184,783	\$92,693
Adjusted Price per Gross Land Acre	\$72,300 - \$355,892	\$186,675
Reconciled Value per Gross Land Acre		\$190,000
Total Indicated Value		\$58,995,000
	Rounded	\$59,000,000

Compiled by Newmark

Sales Comparison Approach – East Side

Land value can be developed from six different methodologies – three of which are based on income. In this case, we have employed sales comparison as sufficient comparable data exists from which to derive a reliable indication of value. Sales comparison includes the following steps.

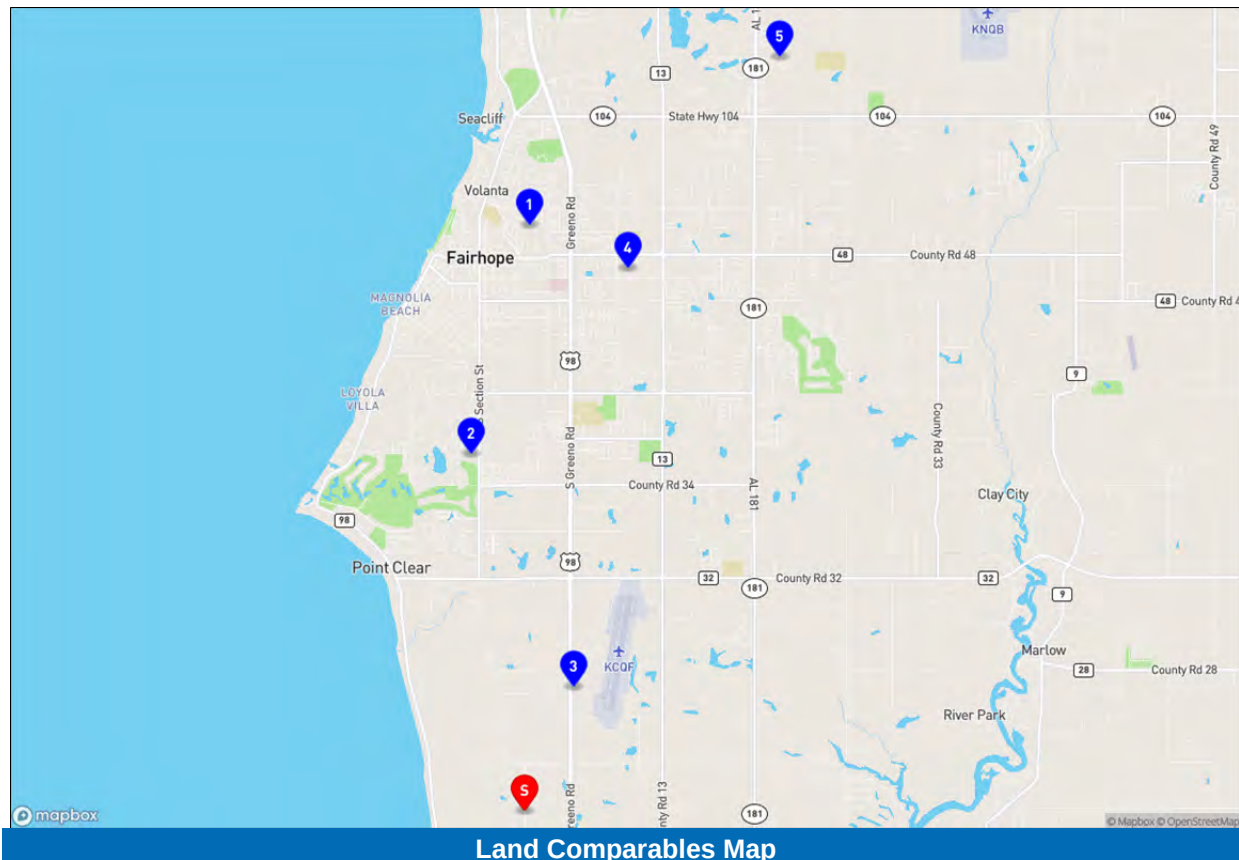
- Research and verify information on properties in the competitive market that are similar to the subject and that have recently sold, are listed for sale, or are under contract.
- Select the most relevant units of comparison in the market and develop a comparative analysis for each unit.
- Examine and quantify via adjustments differences between the comparable sales and the subject property using all appropriate elements of comparison.
- Reconcile the various value indications to a value bracket and then a single value indication.

The following summarizes the land parcels as they will be valued in this appraisal.

Land Parcels					
Parcel Summary	Associated APN(s)	Classification	Classification	Land Area (SF)	Land Area (Acres)
17 Parcel Assemblage	05-56-03-07-0-000-001.000	Primary Site 1	Usable Land Area	23,814,252	546.7000
Total Gross Land Area				23,814,252	546.7000
Total Usable Land Area				23,814,252	546.7000
East Side				10,288,872	236.2000
West Side				13,525,380	310.5000
Total Surplus Land Area				0	0.0000
Total Excess Land Area				0	0.0000

Compiled by Newmark

Based on a review of market activity, the appropriate unit of comparison for the subject excess land is Price per Gross Land Acre.



Comparable Land Sales Summary - East Side 236.2 Acres						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Address	E/W sides of CR 3 and North side of CR 24	621 Hermitage Ct	18277 South Section Street	15810 South Greeno Road	8593 Morphy Avenue	101 Threshing Blvd
City, State	Fairhope, AL	Fairhope, AL	Fairhope, AL	Fairhope, AL	Fairhope, AL	Fairhope, AL
Use at Sale	Vacant	Vacant	Vacant	Vacant	Vacant	Vacant
Proposed Use	Residential	SF Residential	SF Residential	SF Residential	SF Residential	SF Residential
Useable Land SF	10,288,872 SF	191,228 SF	100,188 SF	287,496 SF	348,480 SF	8,407,951 SF
Useable Acres	236.20 Acres	4.39 Acres	2.30 Acres	6.60 Acres	8.00 Acres	193.02 Acres
Useable Land SF	10,288,872 SF	191,228 SF	100,188 SF	287,496 SF	348,480 SF	8,407,951 SF
Shape/Topography	Irregular/Gently rolling	Rectangular/Rolling	Rectangular/General Level	Rectangular/Level	Irregular/Level	Rectangular/Level/Rolling
Utilities Available	Cable tv, electricity, fiber optics, gas, sewer, telephone, water	Cable TV, Electricity, Gas, Sewer, Water	Cable TV, Electricity, Gas, Sewer, Water	Cable TV, Electricity, Gas, Sewer, Water	Cable TV, Electricity, Gas, Sewer, Telephone, Water	Cable TV, Gas, Sewer, Telephone, Water
Zoning	RA and RSF-1	R-1	R-2	NA	R-3	PUD
Transaction Type		Closed	Closed	Closed	Closed	Closed
Buyer		Blue Island LLC	Henry Wise	David Elton Roberts	Matthew & Scarlett Malone	68V Harvest Green East & West
Seller		Hermitage LLC	Estate of Holt, Francis Harrison Inge	Joel C. Thompson	Robert & Debra Green	Silverhill Enterprises LLC
Interest Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Sale Date		Feb-21	Jan-24	Oct-23	Mar-21	May-22
Price		\$525,000	\$425,000	\$440,000	\$470,000	\$6,500,000
Adj. Sale Price		\$525,000	\$425,000	\$440,000	\$470,000	\$6,500,000
Price per Gross Land Acre		\$119,590	\$184,783	\$66,667	\$58,750	\$33,675
Price Per Gross Land SF		\$2.75	\$4.24	\$1.53	\$1.35	\$0.77
Price per Usable Land Acre		\$119,590	\$184,783	\$66,667	\$58,750	\$33,675
Price Per Usable Land SF		\$2.75	\$4.24	\$1.53	\$1.35	\$0.77

Compiled by Newmark

ANALYSIS OF LAND COMPARABLES

The following paragraphs analyze the most relevant comparable data against the subject property.

Comparable One

Sale Comparable One represents the February 2021 sale of 4.390 acres of land located at 621 Hermitage Ct, Fairhope, Alabama. This is the sale of approximately 4.390 acres of land located on the West side of Blue Island Avenue in Fairhope, AL. Hermitage LLC purchased the land in February 2021 for \$525,000, or approximately \$119,590 per acre. The land is zoned R-1 for residential use. The buyer plans to develop 8 single family lots and a single-entry drive to Blue Island Avenue.

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 3.0% is applicable.

A downward adjustment was applied for size. An upward adjustment was applied for site utility. An upward adjustment was applied for association with premium luxury product. Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per gross land acre indication of \$251,857.

Comparable Two

Sale Comparable Two represents the January 2024 sale of 2.300 acres of land located at 18277 South Section Street, Fairhope, Alabama. This is the sale of approximately 2.3 acres of land located on the north side of Thyme Road in Fairhope, AL. Henry Wise purchased the land in January 2024 for \$495,000 or \$184,783 an acre. The land is zoned R-2 for Medium Density Residential.

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 3.0% is applicable.

A downward adjustment was applied for size. An upward adjustment was applied for site utility. An upward adjustment was applied for association with premium luxury. Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per gross land acre indication of \$355,892.

Comparable Three

Sale Comparable Three represents the October 2023 sale of 6.600 acres of land located at 15810 South Greeno Road, Fairhope, Alabama. This is the sale of approximately 6.6 acres of land

located on the east side of Greeno Road in Fairhope, AL. David Elton Roberts purchased the land for approximately \$440,000 or \$66,667 an acre. The land is zoned NA.

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 3.0% is applicable.

A downward adjustment was applied for size. An upward adjustment was applied for site utility. An upward adjustment was applied for association with premium luxury product. Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per gross land acre indication of \$129,601.

Comparable Four

Sale Comparable Four represents the March 2021 sale of 8.000 acres of land located at 8593 Morphy Avenue, Fairhope, Alabama. This is the sale of approximately 8 acres of land located on the north side of Morphy Avenue. Matthew & Scarlet Moore purchased the land in March 2021 for \$475,000 or approximately \$79,167. The land is zoned R-3 for high density residential district.

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 3.0% is applicable.

A downward adjustment was applied for size. An upward adjustment was applied for site utility. An upward adjustment was applied for association with premium luxury product. Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per gross land acre indication of \$123,728.

Comparable Five

Sale Comparable Five represents the May 2022 sale of 193.020 acres of land located at 101 Threshing Blvd, Fairhope, Alabama. This is the sale of approximately 193.02 acres of land located on the east and west side US Highway 181 in Fairhope, AL. 68V Harvest Green East & West purchased the land in May 2022 for \$6,500,000 or approximately \$33,675 per acre. The land is zoned PUD for Planned Unit Development. The buyer plans to develop for future residential.

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 3.0% is applicable.

An upward adjustment was applied for location. An upward adjustment was applied for association with premium luxury product. Combining transaction and physical adjustments, an

overall net upward adjustment is indicated resulting in a price per gross land acre indication of \$72,300.

Based on our comparative analysis, the following table summarizes the adjustments warranted to each land sale.

Comparable Land Sales Adjustment Grid East Side 236.2 Acres						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Address	E/W sides of CR 3 and	621 Hermitage Ct	18277 South Section	15810 South Greeno Road	8593 Morphy Avenue	101 Threshing Blvd
City, State	Fairhope, AL	Fairhope, AL	Fairhope, AL	Fairhope, AL	Fairhope, AL	Fairhope, AL
Gross Land Area (Acres)	236.20 Acres	4.39 Acres	2.30 Acres	6.60 Acres	8.00 Acres	193.02 Acres
Gross Land SF	10,288,872 SF	191,228 SF	100,188 SF	287,496 SF	348,480 SF	8,407,951 SF
Usable Land Area (Acres)	236.20 Acres	4.39 Acres	2.30 Acres	6.60 Acres	8.00 Acres	193.02 Acres
Usable Land Area (SF)	10,288,872 SF	191,228 SF	100,188 SF	287,496 SF	348,480 SF	8,407,951 SF
Transaction Type	--	Closed	Closed	Closed	Closed	Closed
Transaction Date	--	Feb-21	Jan-24	Oct-23	Mar-21	May-22
Price per Gross Land Acre		\$119,590	\$184,783	\$66,667	\$58,750	\$33,675
Transaction Adjustments						
Property Rights		0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%
Market Conditions (Time)		17%	7%	8%	17%	13%
Subtotal (adjustments are multiplied)		17.0%	7.0%	8.0%	17.0%	13.0%
Transaction Adjusted Price per Gross Land Acre		\$139,920	\$197,718	\$72,000	\$68,738	\$38,053
Physical Adjustments						
Location/Access		0%	0%	0%	0%	10%
Corner		0%	0%	0%	0%	0%
Frontage		0%	0%	0%	0%	0%
Size		-10%	-10%	-10%	-10%	0%
Shape		10%	10%	10%	10%	0%
Association with Premium Luxury Product		80%	80%	80%	80%	80%
Utilities		0%	0%	0%	0%	0%
Zoning		0%	0%	0%	0%	0%
Subtotal (adjustments are summed)		80%	80%	80%	80%	90%
Gross Adjustment		117%	107%	108%	117%	103%
Overall Adjustment		110.6%	92.6%	94.4%	110.6%	114.7%
Indicated Price per Gross Land Acre		\$251,857	\$355,892	\$129,601	\$123,728	\$72,300

Compiled by Newmark

LAND VALUE CONCLUSION – EAST SIDE

- Market participants have indicated land value trends have been on an upward trend.
- Prior to adjustments, the sales reflect a range of \$33,675 to \$184,783 per gross land acre.
- After adjustment, the range is narrowed to \$72,300 to \$355,892 per gross land acre, with an average of \$186,675 per gross land acre.
- Equal weight was placed on the comparables and our discussions with knowledgeable participants in the market.

Land Value Conclusion East Side 236.2 Acres		
Gross Acres		236.20
Comparable Sales Indications	Range	Average
Unadjusted Price per Gross Land Acre	\$33,675 - \$184,783	\$92,693
Adjusted Price per Gross Land Acre	\$72,300 - \$355,892	\$186,675
Reconciled Value per Gross Land Acre		\$180,000
Total Indicated Value		\$42,516,000
	Rounded	\$42,520,000

Compiled by Newmark

Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

In discounted cash flow analysis, anticipated future net income streams and a future resale value are discounted to a present value at an appropriate yield rate. It should be noted here that with DCF analysis and subdivision development – typically there is no reversion.

In this analysis, we utilized only direct cap to represent typical behavior of investors/participants. It is our opinion that this approach would be considered applicable and/or necessary for market participants. To determine value, the cost to complete the subdivision infrastructure are determined, individual unit prices are projected based on comparable sales and a pro-forma is developed to reflect revenue from lot sales and expenses reflecting infrastructure and overhead costs associated with sell-out. Net sales proceeds are then discounted back to a present worth of value. In this analysis, only discounted cash flow analysis is used because investors in this property type typically rely on this method

INTRODUCTION

As previously discussed within the Valuation Methods section of this report, the Discounted Cash Flow / Subdivision Analysis method will be utilized in this report. The approach is utilized to make a series of deductions from the aggregate retail value of finished lots to account for profit and holding costs that incur when lot sales take place over an extended period. The subject property is a proposed subdivision which, by its nature, has a number of cash inflows and outflows in any time period. At the beginning of the holding period, the construction of the subdivision must be undertaken. After sales begin, various operating, marketing, and sale expenses are paid out of gross sale proceeds. A discounted sellout analysis was applied to the subject property because a typical buyer of this type of real estate would use a similar approach to determine the value of the property.

In order to estimate the prospective value of the subject subdivision as constructed to developed lots, a discounted sell-out analysis was performed based on the following steps:

- Examine other similar type single-family residential communities to estimate the retail pricing of the units;

- determine an appropriate sell-out/absorption period;
- project sales revenue throughout the absorption period;
- estimate the expenses associated with sell-out of the subject units;
- deduct the expenses from the revenues at the time they are expected to occur; and finally, discount the net cash flow at a rate that compensate the equity-holder for the risk and exposure of taking on a project of this type to convert anticipated net income to an indication of value.

ABSORPTION CONCLUSION

The first two steps in determining the value of the subject property by a discounted cash flow, are to determine the retail price of the units to be sold, and the rate/pace at which these sales will occur.

There have been 75 presales to-date that are expected to close when the lots are delivered in August 2027. Based on the presales and current sales pace of active traditional and golf course communities within Baldwin County and vicinity, current market conditions, pent up demand for lots higher-end golf course communities and discussions with knowledgeable brokers in the market, we have projected 88 sales when the lots are completed and a semi-annual absorption of approximately 20 lots at the subject for each pricing segment. In addition, we have projected a similar absorption of 70.0 lots when the Phase 2 infrastructure is projected to be completed in May 2029. Our absorption assumptions are summarized as follows:

Projected Absorption Summary														
Point Clear Club		May-26	Nov-26	May-27	Nov-27	May-28	Nov-28	May-29	Aug-29	May-30	Aug-30	May-31	Aug-31	May-32
Lot Type	Total Units	1	2	3	4	5	6	7	8	9	10	11	12	13
Phase 1														
Golf Estate	14.00	0.00	0.00	0.00	14.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Estate Lots	28.00	0.00	0.00	0.00	22.00	5.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interior Lots - (Typical)	14.00	0.00	0.00	0.00	13.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Village Lots	6.00	0.00	0.00	0.00	2.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Golf Cottage - Narrow	25.00	0.00	0.00	0.00	20.00	2.00	2.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Interior 2 Frontage - (Typical)	6.00	0.00	0.00	0.00	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Estate 2 Frontage	14.00	0.00	0.00	0.00	6.00	3.00	3.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
Golf Cottage - North	15.00	0.00	0.00	0.00	5.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Phase 2														
Golf Estate Lots - Phase 2	45.00	0.00	0.00	0.00	0.00	0.00	0.00	17.00	5.00	5.00	5.00	5.00	5.00	3.00
Interior Lots - Phase 2	78.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	8.00	8.00	8.00	8.00	8.00	13.00
Village Lots - Phase 2	63.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	7.00	7.00	7.00	7.00	7.00	3.00
Totals	308.00	0.00	0.00	0.00	88.00	18.00	13.00	70.00	20.00	20.00	20.00	20.00	20.00	19.00
Average Absorption	61.6	Un/Ann.	5.1	Un/Mo.										

GROSS LOT REVENUES

Gross revenues in the case of the subject include sales of lots during the absorption period. Gross revenues are therefore based in part on the indicated lot price and on the period of absorption. In order to project gross lot revenues in our analysis, we have first projected average finished unit pricing of new homes to be built within the community, and an average retail lot-to-home ratio within the market.

Finished SFD Unit Pricing Analysis

The following chart summarizes finished unit pricing at the active Baldwin County and vicinity communities over the past 12 months:

Summary of Competing Single-Family Communities					
Comp.	Subdivision Name	Builders	Average Finished Home Price Last 3 Months	Average Home Size (SF)	Average \$/SF
Subject	Point Clear	Varies	\$2,483,350	3,999	\$600
1	NatureWalk at Watersound	Kolter Homes	\$862,990	2,746	\$314
2	Old Battles Village/Tradition	D.R. Horton	\$605,500	2,581	\$235
3	Harvest Green West/TRU	D.R. Horton	\$549,900	2,512	\$219
4	Garrison Ridge	JBL Homes	\$715,917	3,070	\$233
5	Nautilus Pointe	Brock Built	\$1,059,960	2,223	\$477
6	Twin Palms	Brock Built	\$1,557,500	2,902	\$537
Min:			\$549,900	2,223	\$219
Max:			\$1,557,500	3,070	\$537
Avg:			\$891,961	2,672	\$336

Source: Zonda

Compiled by Newmark

As shown in the preceding chart, finished unit pricing at the comparables averaged \$891,961, or \$336 per square foot, for units averaging 2,672 SF. The subject units will be significantly superior to any active subdivisions in the market.

In order to project finished unit pricing at the subject, we have analyzed recent sales activity at Lakewood County Club, which is an established high-end club approximately 3.0 miles northwest of the subject property.

Lakewood Golf Finished Unit Sales						
No.	Address	Sale Date	Size (SF)	DOM	Sales Price	\$/SF
1	5500 Lakewood Drive	May-25	3,249	28	\$2,499,000	\$769.16
2	18118 Woodland Drive	Jun-21	4,012	0	\$2,300,000	\$573.28
3	6901 Beaver Creek Drive	Mar-25	4,236	0	\$2,400,000	\$566.57
4	18289 Woodland Drive	Jul-25	4,020	0	\$2,900,000	\$721.39
5	6191 Pine Grove Drive	Apr-23	5,714	N/A	\$4,250,000	\$743.79
			4,246		\$2,869,800	\$674.84

As shown in the preceding chart, finished unit pricing at Lakewood averaged \$2,869,800 per unit, or \$675 per square foot, for units averaging 4,246 SF.

Projected Finished SF Unit Pricing Conclusion

Based on our conversations with the builder and sales agents, current market conditions, the recent average finished unit pricing of similar new homes in the competing area, we have projected average finished unit pricing in the subject subdivision as follows.

Projected Finished Home Pricing Conclusion			Point Clear Club				
Lot Classification	Subject Lots	Base Home Price Range	Average Base Price	Average Options/Upgrades	Projected Average Finished Unit Price	Average Size (SF)	\$/SF
Golf Estate	14	\$3,500,000 to \$4,500,000	\$4,000,000	20.0%	\$4,800,000	6,000	\$800
Estate Lots	28	\$2,750,000 to \$3,250,000	\$2,950,000	20.0%	\$3,540,000	4,500	\$787
Interior Lots - (Typical)	14	\$1,800,000 to \$2,200,000	\$2,000,000	20.0%	\$2,400,000	3,600	\$667
Village Lots	6	\$2,500,000 to \$3,000,000	\$2,750,000	15.0%	\$3,162,500	3,300	\$958
Golf Cottage - Narrow	25	\$1,500,000 to \$2,000,000	\$1,750,000	20.0%	\$2,100,000	3,600	\$583
Interior 2 Frontage - (Typical)	6	\$1,800,000 to \$2,200,000	\$2,000,000	12.5%	\$2,250,000	3,600	\$625
Estate 2 Frontage	14	\$2,200,000 to \$2,800,000	\$2,500,000	20.0%	\$3,000,000	5,000	\$600
Golf Cottage - North	15	\$3,500,000 to \$4,500,000	\$4,000,000	20.0%	\$4,800,000	5,000	\$960
Golf Estate Lots - Phase 2	45	\$3,200,000 to \$4,200,000	\$3,700,000	20.0%	\$4,440,000	6,000	\$740
Interior Lots - Phase 2	78	\$1,500,000 to \$2,000,000	\$1,750,000	15.0%	\$2,012,500	3,600	\$559
Village Lots - Phase 2	63	\$1,250,000 to \$1,750,000	\$1,450,000	10.0%	\$1,595,000	3,200	\$498
Compiled by Newmark	308		\$2,573,751	Weighted Average	\$2,779,724	4,186	\$642

As shown in the preceding chart, we have projected finished unit pricing at approximately \$2.8 million for units averaging 4,200 SF, or \$640 per square foot which is in-line with recent finished sales activity at neighboring Lakewood County Club.

Retail Lot Pricing Analysis

In the Baldwin County housing market, the majority of new subdivisions are developed and built out exclusively by a single builder, or they are part of large rolling takedown agreements. We have expanded our search for retail lot sales to active high-end golf course communities along the Florida/Alabama panhandle.

The following chart summarizes interior estate lot pricing throughout the submarket:

Comparable Interior Lot Sales/Listings									
Subdivision	Address	Parcel ID	County	Lot Type	Size (AC)	Frontage	Status	Sale Date	Sale/Listing Price
Regatta Bay	438 Regatta Bay Blvd	00-2S-22-2090-0000-0080	Okaloosa	Interior	0.44	117	Closed	May-24	\$475,000
Regatta Bay	325 Regatta Bay Blvd	002S222090000000060	Okaloosa	Interior	1.16	120	Closed	Jul-25	\$525,000
Greenway at Watersound	680 Medley Street	253S18162110000570	Walton	Interior	0.22	85	Closed	Jul-25	\$2,293,200
Greenway at Watersound	640 Medley Street	25-3S-18-16211-000-0550	Walton	Interior	0.266	85	Closed	Jun-25	\$2,339,300
Pines at Watersound Origins	51 W Firethorn Circle	25-3S-18-16245-000-0640	Walton	Interior	0.208	65	Closed	Jul-25	\$1,843,600
Pines at Watersound Origins	245 W Firethorn Circle	25-3S-18-16245-000-0370	Walton	Interior	0.208	65	Closed	Feb-25	\$1,571,300
Pines at Watersound Origins	267 W Firethorn Circle	25-3S-18-16245-000-0390	Walton	Interior	0.208	65	Closed	Aug-25	\$1,389,900
Pines at Watersound Origins	271 W Firethorn Circle	25-3S-18-16245-000-0400	Walton	Interior	0.208	65	Closed	Aug-25	\$1,331,000
Pines at Watersound Origins	297 W Firethorn Circle	25-3S-18-16245-000-0410	Walton	Interior	0.23	80	Closed	Aug-25	\$1,208,100
J. Henry Place	116 Pecan Ave	46-03-37-0-011-129.000	Baldwin	Interior	0.48	80	Closed	Jul-25	\$585,000
Magnolia Beach Addition	0 Pier Ave	46-03-37-0-014-133.000	Baldwin	Interior	0.4	86	Closed	May-25	\$599,900
N/A	255 George Street	46-03-37-0-011-002.505	Baldwin	Interior	0.306	99	Closed	Feb-25	\$649,000
					0.21	65			\$475,000
				Max	1.16	120			\$2,339,300
				Average	0.36	84			\$1,234,192

Compiled by Newmark

As shown in the preceding chart, estate lot pricing has ranged from \$475,000 to \$2,339,300 and averaged \$1,234,192 per lot

The following chart summarizes golf course frontage lot pricing throughout the submarket:

Comparable Golf Course Lot Sales/Listings									
Subdivision	Address	Parcel ID	County	Lot Type	Size (AC)	Frontage	Status	Sale Date	Sale/Listing Price
Lakewood Club Estates	18153 Woodland Drive	45-07-25-0-000-028.000	Baldwin	Golf	1.119	217	Under Contract	-	\$1,495,535
Burnt Pine	3114 Merion Drive	23-2S-21-42450-000-3114	Walton	Golf	0.73	50	Active	-	\$1,699,000
Burnt Pine	3608 Preserve Lane	23-2S-21-42800-000-3608	Walton	Golf	0.65	120	Active	-	\$1,299,900
Regatta Bay	426 Commodore Point Rd	00-2S-22-0515-0000-1520	Okaloosa	Golf	0.61	145	Active	-	\$979,000
Regatta Bay	4672 Westwinds Way	00-2S-22-3450-0000-0140	Okaloosa	Golf	0.2	70	Active	-	\$536,853
Regatta Bay	4658 Westwinds Way	00-2S-22-3450-0000-0070	Okaloosa	Golf	0.29	80	Active	-	\$761,417
Regatta Bay	4546 Sailmaker Lane	00-2S-22-3450-0000-0010	Okaloosa	Golf	0.35	125	Closed	Feb-25	\$645,000
Burnt Pine	3109 Merion Drive	23-2S-21-42450-000-3109	Walton	Golf	0.559	130	Closed	Aug-24	\$960,000
Burnt Pine	3292 Burnt Pine Lane	23-2S-21-42460-001-3295	Walton	Golf	0.32	106	Closed	Nov-24	\$825,000
Burnt Pine	Burnt Pine Lane	23-2S-21-42460-001-3296	Walton	Golf	0.28	148	Closed	Sep-24	\$775,000
Baytowne North	Baytowne Ave North	23-2S-21-42810-000-3957	Walton	Golf	0.457	115	Closed	Jul-22	\$725,000
Whispering Oaks	Walton Way	19-2S-21-42400-008-0040	Walton	Golf	1.101	100	Closed	Sep-24	\$515,000
Kiva Dunes	6979 Kiva Way	05-68-09-29-0-000-003.175	Baldwin	Golf	0.18	50	Closed	Mar-25	\$365,000
Plantation Place at Kelly Plantation	253 Champion Court	002S222063000000320	Okaloosa	Golf	0.23	65	Closed	Apr-25	\$500,000
Greenway at Watersound	422 Cannonball Lane	25-3S-18-16211-000-0020	Walton	Golf	0.28	105	Closed	May-25	\$2,995,000
Greenway at Watersound	474 Cannonball Lane	25-3S-18-16211-000-0070	Walton	Golf	0.236	62	Closed	Jun-25	\$3,700,000
Lakewood Club Estates	18109 Woodland Drive	45-07-25-0-000-026.000	Baldwin	Golf	0.485	140	Closed	Mar-22	\$900,000
				Min	0.18	50			\$365,000
				Max	1.12	217			\$3,700,000
				Average	0.48	108			\$1,157,453

Compiled by Newmark

As shown in the preceding chart, estate lot pricing has ranged from \$365,000 to \$3,700,000 and averaged \$1,157,453 per lot

The chart below summarizes the projected lot pricing information provided by the property contact.

PHASE I				
LOT NAMES	# LOTS	COMPLETED		TOTAL
		PRICE (2027)		
Golf Estate A *	20	\$	1,600	\$ 32,000
Estate	47		1,200	56,400
Typical A	18		700	12,600
Village A	8		550	4,400
Golf Cottage	16		1,000	16,000
Cluster	16		550	8,800
Total	125	\$	1,042	\$ 130,200

As shown in the preceding chart, the developer has projected retail lot pricing at the subject from \$550,000 to \$1,600,000 per lot and averaged \$1,042,000 per lot

Based on information provided by the developer, there have been 74 lot contracts secured to-date. The contracts are summarized in the following chart:

There have been 74 lots presold at the property average approximately \$915,000 per lot. The remaining lots have an overall asking price of approximately \$1,225,000 per lot. A summary of the contracts secured is included in the property history section of this report. All of the released Phase 1 lots have been sold and all presales have secured a 25.0 percent non-refundable down payment averaging over \$200,000 per lot.

Point Clear - Phase 1 Contract Summary							
No.	LOT #	BUYER	LOT TYPE	DATE OF OFFER	ACCEPTANCE DATE	EARNEST MONEY RECEIVED	LOT PRICE
1	17	Russell Buster	Estate (2 Front)	11/10/2025	11/10/2025	\$326,250	\$1,305,000
2	18	Chris & Ellen Semple (Semple Joint Trust)	Golf Estate	10/30/2025	10/30/2025	\$360,000	\$1,440,000
3	19	Vicki Hall	Golf Estate	10/23/2025	10/23/2025	\$360,000	\$1,440,000
4	20	Curtis & Dawn Pilot (CFP Housing, LLC)	Golf Estate	11/5/2025	11/5/2025	\$301,500	\$1,206,000
5	21	RJJB Housing LLC (Rodney Pilot)	Golf Estate	11/5/2025	11/5/2025	\$301,500	\$1,206,000
6	22	Clearwater Land & Minerals, LLC (Chip Campbell)	Golf Estate	10/28/2025	10/29/2025	\$310,500	\$1,242,000
7	23	Chris Haley	Golf Estate	10/23/2025	10/23/2025	\$388,125	\$1,552,500
8	24	Suzie McGowan	Golf Estate	10/28/2025	10/28/2025	\$388,125	\$1,552,500
9	25	Holt & Sidney Crews	Golf Estate	10/24/2025	10/24/2025	\$388,125	\$1,552,500
10	26	Suzie McGowan	Golf Estate	10/28/2025	10/28/2025	\$393,750	\$1,575,000
11	27	CorMc LLC	Golf Estate	11/5/2025	11/7/2025	\$315,000	\$1,260,000
12	28	Paige Meyers	Golf Estate	10/24/2025	10/24/2025	\$405,000	\$1,620,000
13	29*	James K. & Suzanne McLean	Golf Estate	12/29/2025	1/20/2026	---	---
14	30	Christopher G. Campbell	Golf Estate	11/6/2026	11/7/2025	\$405,000	\$1,620,000
15	31	Lee West Morris Exempt Trust	Golf Estate	11/17/2025	11/17/2025	\$388,125	\$1,552,000
16	32	John Ebner	Estate Lot	4/27/2026	4/27/2026	\$348,750	\$1,395,000
17	33	Scott & Sadie Cooper	Estate Lot	11/5/2025	11/5/2025	---	\$1,350,000
18	34	Sharon Shields Browne	Estate Lot	10/30/2025	11/3/2025	\$337,500	\$1,350,000
19	35	Michael Jason Tickle Trust	Estate Lot	---	---	---	\$1,152,000
20	36	Charlie McLean	Estate Lot	---	---	---	\$1,152,000
21	37	MurBai I, LLC (Vernon Nagle)	Estate Lot	12/3/2025	12/8/2025	\$360,000	\$1,440,000
22	38	Mark Douglas ADD	Estate Lot	3/17/2026	3/23/2026	\$326,260	\$1,305,000
23	40	Mike & Candice Snow	Estate Lot	10/28/2025	10/28/2025	\$270,000	\$1,080,000
24	41*	Ward 1031 Exchange	Estate Lot	---	---	---	---
25	43	Mark & Addison McDaniel	Estate Lot	10/27/2025	10/27/2025	\$225,000	\$900,000
26	44	Michael & Mona Blake	Typical Lot	10/28/2025	11/4/2025	\$185,625	\$742,500
27	45	Scott & Brannan Geary	Typical (2 Front)	10/27/2025	10/28/2025	\$160,875	\$643,500
28	46	Allen Meisler	Estate Lot	11/4/2025	11/5/2025	\$213,750	\$855,000
29	47	Daniel Realty Company, LLC	Estate (2 Front)	10/30/2025	10/30/2025	\$171,000	\$684,000
30	48	Robert K. & Cheryl A. Hardwick	Estate (2 Front)	10/28/2025	11/3/2025	\$213,750	\$855,000
31	49	Shaun A. Mayeaux	Typical (2 Front)	10/27/2025	10/29/2025	\$160,875	\$643,500
32	50	Uptick Group, LLC (Wesley & Aema Carpenter	Typical (2 Front)	10/28/2025	10/28/2025	\$160,875	\$643,500
33	51	The Joel B. Bullard, Jr. Revocable Trust of 2010	Golf Cottage (Narrow)	10/26/2026	10/29/2025	\$118,125	\$472,500
34	52	JPM Family Investments (Price McGiffert)	Golf Cottage (Narrow)	10/23/2025	10/24/2025	\$118,125	\$472,500
35	53	John M. (Jr.) & Mary S. Turner	Golf Cottage (Narrow)	10/27/2025	10/31/2025	\$118,125	\$472,500
36	54	Wayne Smith	Golf Cottage (Narrow)	10/28/2025	10/30/2025	\$94,500	\$378,000
37	55	Tom Clark	Golf Cottage (Narrow)	10/23/2025	10/23/2025	\$118,125	\$472,500
38	56	Frank & Virginia Boyd	Typical (2 Front)	10/22/2025	10/24/2025	\$160,875	\$643,400
39	57	Charles & Sharon Stevens	Typical (2 Front)	10/24/2025	10/25/2025	\$200,000	\$643,500
40	58	PLG Properties, LLC	Typical Lot	11/17/2025	11/17/2025	\$168,750	\$675,000
41	59	Palmetto Ranch Properties, LLC (Tommy Weller)	Typical Lot	11/25/2025	12/1/2025	\$160,875	\$643,500
42	60	Charles & Kathryn Yow	Typical Lot	10/28/2025	10/29/2025	\$170,888	\$683,550
43	61	Carl Hunt	Typical Lot	11/6/2026	11/6/2026	\$174,375	\$697,500
44	62	Ozzie Newsome	Typical Lot	11/5/2025	11/5/2025	\$174,375	\$697,500
45	63	Craig and Hanna Miller	Typical Lot	10/26/2025	10/27/2025	\$168,750	\$675,000
46	64	Black Dog Bay Investments, LLC	Typical Lot	10/25/2025	10/27/2025	\$168,750	\$675,000
47	65	Hill House Properties, LLC/Alan Boan	Estate Lot	10/26/2025	10/29/2025	\$174,375	\$697,500
48	66	Daniel and Tamala Prickett	Estate Lot	11/5/2025	11/11/2025	\$179,702	\$718,830
49	67	H. Winchester Thurber, IV	Estate Lot	3/30/2026	3/30/2026	\$231,250	\$925,000
50	71	Collier & Elizabeth Campbell	Estate Lot	12/11/2025	12/11/2025	\$231,250	\$925,000
51	72	Kathryn Lapeyrouse	Golf Cottage (Narrow)	3/10/2026	3/20/2026	\$168,750	\$675,000
52	73	Stoney & Skipper Walters	Golf Cottage (Narrow)	3/18/2026	3/18/2026	\$158,750	\$635,000
53	75	DTL Jr. Properties, LLC	Golf Cottage (Narrow)	3/3/2026	3/3/2026	\$158,750	\$635,000
54	77	CTI Lands, LLC	Golf Cottage (Narrow)	2/23/2026	3/6/2026	\$137,000	\$685,000
55	78	Edward & Lisa Ludwig	Golf Cottage (Narrow)	4/20/2026	4/20/2026	\$148,750	\$650,000
56	79	Chase Adcox	Golf Cottage (Narrow)	4/6/2026	4/7/2026	\$148,750	\$595,000
57	80	Guy & Grace Oswalt	Golf Cottage (Narrow)	4/27/2026	4/28/2026	\$148,750	\$595,000
58	81	RATA Investments, LLC	Golf Cottage (Narrow)	3/24/2026	3/26/2026	\$148,750	\$595,000
59	84	Donald & Catherine Brown	Golf Cottage (Narrow)	3/6/2026	3/6/2026	\$162,500	\$650,000
60	85	Thompson Properties, LLC	Golf Cottage (Narrow)	3/23/2026	3/23/2026	\$165,000	\$660,000
61	86	George & Katherine Martindale	Golf Cottage (Narrow)	2/23/2026	2/23/2026	\$153,750	\$615,000
62	87	Coleman & Aurelia Byars	Golf Cottage (Narrow)	3/2/2026	3/2/2026	\$156,250	\$625,000
63	90	Richard & Angela Cooley	Golf Cottage (Narrow)	3/23/2026	3/23/2026	\$153,750	\$615,000
64	99	Miles Cook (VHO Land Holdings, LLC)	Village Lot	11/20/2025	11/25/2025	\$237,500	\$950,000
65	100	Chris & Elizabeth Lee (Lee Land Company South)	Estate Lot	10/27/2026	10/28/2025	\$231,250	\$925,000
66	101	William & Kelly Ellis	Estate Lot	1/26/2026	1/26/2026	\$218,750	\$875,000
67	103	Howard Holdings	Typical Lot	1/26/2026	1/27/2026	\$196,250	\$785,000
68	107	George & Karen Lupton	Typical Lot	12/20/2025	1/5/2026	\$222,500	\$890,000
69	108	James & Christy Massey	Estate (2 Front)	12/9/2025	12/15/2025	\$225,000	\$900,000
70	109	Christopher Brewer	Estate (2 Front)	2/7/2026	2/7/2026	\$220,000	\$880,000
71	119	Leigh Herrin	Typical Lot	3/23/2026	3/27/2026	\$187,500	\$750,000
72	120	Frank Lott	Estate Lot	4/7/2026	4/7/2026	\$237,500	\$950,000
73	123	Good Soil Ventures, LLC	Estate Lot	7/8/2026	2/10/2026	\$237,500	\$950,000
74	125	Michael & Donna Reiss	Estate Lot	2/6/2026	2/6/2026	\$237,500	\$950,000
						\$225,467	\$915,525

*Lot 41 will be exchanged for an adjacent land parcel that will be added to the development and utilized for the golf course and additional lots. The list price was originally \$1,350,000.

*Lot 29 was listed at \$1,620,000. As part of the joint venture agreement with the JV partner for contributing land into the venture, this lot will be released to the partner at no cost.

The following chart summarizes the developer's projected lot pricing for the remaining 48 Phase 1 lots:

Point Clear Club - Phase 1 - Asking Prices						Point Clear Club - Phase 1 - Asking Prices					
No.	LOT #	LOT TYPE	STATUS	DEVELOPER ASKING PRICE	NEWMARK LOT PRICE	No.	LOT #	LOT TYPE	STATUS	DEVELOPER ASKING PRICE	NEWMARK LOT PRICE
1	1	Golf Cottage (Wide)	Proposed	\$1,900,000	\$1,850,000	25	88	Golf Cottage (Narrow)	Proposed	\$650,000	\$630,000
2	2	Golf Cottage (Narrow)	Proposed	\$1,900,000	\$1,850,000	26	89	Golf Cottage (Narrow)	Proposed	\$650,000	\$630,000
3	3	Golf Cottage (Narrow)	Proposed	\$1,900,000	\$1,850,000	27	91	Golf Cottage (Narrow)	Proposed	\$685,000	\$685,000
4	4	Golf Cottage (Narrow)	Proposed	\$1,900,000	\$1,850,000	28	94	Village Lot	Proposed	\$950,000	\$949,000
5	5	Golf Cottage (Narrow)	Proposed	\$1,900,000	\$1,850,000	29	95	Village Lot	Proposed	\$950,000	\$949,000
6	6	Golf Cottage (Wide)	Proposed	\$1,900,000	\$1,850,000	30	96	Village Lot	Proposed	\$980,000	\$980,000
7	7	Golf Cottage (Wide)	Proposed	\$1,900,000	\$1,850,000	31	97	Village Lot	Proposed	\$980,000	\$949,000
8	8	Golf Cottage (Wide)	Proposed	\$1,900,000	\$1,850,000	32	98	Village Lot	Proposed	\$950,000	\$949,000
9	9	Golf Cottage (Wide)	Proposed	\$1,900,000	\$1,850,000	33	102	Typical Lot	Proposed	\$785,000	\$720,000
10	10	Golf Cottage (Narrow)	Proposed	\$1,900,000	\$1,850,000	34	104	Typical Lot	Proposed	\$785,000	\$720,000
11	11	Golf Cottage (Wide)	Proposed	\$1,900,000	\$1,850,000	35	105	Typical Lot	Proposed	\$785,000	\$720,000
12	12	Golf Cottage (Narrow)	Proposed	\$1,900,000	\$1,850,000	36	106	Estate Lot	Proposed	\$850,000	\$1,062,000
13	14	Golf Cottage (Wide)	Proposed	\$1,900,000	\$1,850,000	37	110	Estate (2 Front)	Proposed	\$850,000	\$900,000
14	15	Golf Cottage (Narrow)	Proposed	\$1,900,000	\$1,850,000	38	111	Estate (2 Front)	Proposed	\$850,000	\$900,000
15	16	Golf Cottage (Narrow)	Proposed	\$1,900,000	\$1,850,000	39	112	Estate (2 Front)	Proposed	\$850,000	\$900,000
16	39	Estate Lot	Proposed	\$1,305,000	\$1,062,000	40	113	Estate (2 Front)	Proposed	\$850,000	\$900,000
17	42	Estate Lot	Proposed	\$1,305,000	\$1,062,000	41	114	Estate (2 Front)	Proposed	\$850,000	\$900,000
18	68	Estate Lot	Proposed	\$925,000	\$925,000	42	115	Estate (2 Front)	Proposed	\$850,000	\$900,000
19	69	Estate Lot	Proposed	\$895,000	\$1,062,000	43	116	Estate (2 Front)	Proposed	\$880,000	\$900,000
20	70	Estate Lot	Proposed	\$895,000	\$1,062,000	44	117	Estate (2 Front)	Proposed	\$880,000	\$900,000
21	74	Golf Cottage (Narrow)	Proposed	\$640,000	\$630,000	45	118	Estate (2 Front)	Proposed	\$880,000	\$900,000
22	76	Golf Cottage (Narrow)	Proposed	\$640,000	\$640,000	46	121	Estate Lot	Proposed	\$975,000	\$1,062,000
23	82	Golf Cottage (Narrow)	Proposed	\$640,000	\$630,000	47	122	Estate Lot	Proposed	\$975,000	\$1,062,000
24	83	Golf Cottage (Narrow)	Proposed	\$640,000	\$630,000	48	124	Estate Lot	Proposed	\$950,000	\$1,062,000
						Overall Average				\$1,224,762	\$1,180,875

* The bold lots are pending contracts out for signature

As shown in the preceding chart, the developer is projecting an overall average of approximately \$1,224,762 per lot for the remaining 48 lots. We have projected an average retail lot price of \$1,180,875 in our analysis.

The Point Clear Club began marketing efforts in mid-October 2025. There have been 74 lots presold at the property average of approximately \$900,000 per lot. All of the released Phase 1 lots have been sold and all presales have secured a 25.0 percent non-refundable down payment averaging approximately \$200,000 per lot.

The sales history is summarized in the following chart:

Point Clear Club - Lot Type Table - North								
Lot Type	No. of Lots	Average Lot (SF)	Average Lot (AC)	Lot #s	Lots U/C	Avg. Contract Price	Lots Available	Avg. Asking Price
Village Lot	6	13,358	0.31	94-99	1	\$950,000	5	\$962,000
Typical Lot	14	16,020	0.37	14, 58-64, 102-105, 107 & 119	11	\$719,537	3	\$785,000
Estate Lot*	28	28,607	0.66	32-43, 65-71, 100-101, 106, 120-125	20	\$1,018,000	9	\$1,008,333
Golf Cottage (Narrow)	25	7,981	0.18	51-55, 72-91	18	\$583,222	7	\$649,286
Typical (2-Front)	5	19,621	0.45	45, 49-50, 56-57, 117	5	\$678,733	0	N/A
Estate (2-Front)	14	25,400	0.58	17, 46-48, 108-116 & 118	5	\$924,800	9	\$900,000
Golf Estate**	14	39,495	0.91	18-31	14	\$1,344,179	0	N/A
Average	106	21,807	0.50		74	\$899,447	33	\$875,303
Point Clear Club - Lot Type Table - South								
Lot Type	No. of Lots	Average Lot Size (SF)	Average Lot Size (AC)	Lot #s	No. U/C	Avg. Contract Price	No. Listed	Asking Price
Golf Cottage (Wide)	7	14,997	0.34	1, 6-9, 11, 14	0	N/A	7	\$1,900,000
Golf Cottage (Narrow)	8	12,242	0.28	2-5, 10, 12, 15-16	0	N/A	8	\$1,900,000
Average	15	13,528	0.31		0	N/A	15	\$1,900,000
Total/Average	121	20,781	0.48		74	\$915,525	48	\$1,224,762

* Includes Lot 41 that will be transferred at no value ** Includes Lot 29 that will be transferred at no value

As shown the preceding chart, there is substantial demand in this market and Phase 1 is 61.0 percent sold out prior to any golf course or residential infrastructure being completed.

Additionally, we have interviewed several builders and developers who have been very active in the subject submarket as well as other market participants to estimate retail lot prices in residential high-end developments at this time. Based on those interviews, the general consensus in this market is “bulk lot values” would be expected to range from 20.0 to 30.0 percent, and the “retail lot values” would be expected to range from 25.0 to 35.0 percent of the finished selling price of a lot-home package in this area.

Based on recent estate and golf lot sale pricing at high end developments along the panhandle, current market conditions, the subject's location, size of the subject lots, lot premiums, quality of infrastructure and proposed high-end golf/clubhouse and recreational amenity package, and other factors discussed, we have utilized a retail lot-to-finished house ratio of 30.0 percent in our analysis.

Retail Lot Pricing Conclusion

Projected Retail Lot Pricing Conclusion			Point Clear Club						
Lot Classification	# of Lots	Lot Type	Typical Lot Size	Concluded Average Finished Unit Price	Concluded Retail Lot-to-Home Ratio	Contracts	Contract Pricing	Developer Pricing (Remaining Lots)	Newmark Concluded Retail Lot Price (Rounded)
Golf Estate	14	SFD	0.91	\$4,800,000	30.0%	14	\$1,344,179	N/A	\$1,440,000
Estate Lots	28	SFD	0.66	\$3,540,000	30.0%	20	\$1,018,000	\$1,008,333	\$1,062,000
Interior Lots - (Typical)	14	SFD	0.37	\$2,400,000	30.0%	11	\$719,537	\$785,000	\$720,000
Village Lots	6	SFD	0.31	\$3,162,500	30.0%	1	\$950,000	\$962,000	\$949,000
Golf Cottage - Narrow	25	SFD	0.18	\$2,100,000	30.0%	18	\$583,222	\$649,286	\$630,000
Interior 2 Frontage - (Typical)	6	SFD	0.45	\$2,250,000	30.0%	5	\$678,733	N/A	\$675,000
Estate 2 Frontage	14	SFD	0.58	\$3,000,000	30.0%	5	\$924,800	\$900,000	\$900,000
Golf Cottage - North	15	SFD	0.31	\$4,800,000	30.0%	0	N/A	\$1,900,000	\$1,850,000
	122		0.48	\$3,269,631		74	\$915,525	\$1,224,762	\$1,031,311
Golf Estate Lots - Phase 2	45	SFD	0.88	\$4,440,000	30.0%		N/A	\$1,013,000	\$1,332,000
Interior Lots - Phase 2	78	SFD	0.29	\$2,012,500	30.0%		N/A	\$567,000	\$604,000
Village Lots - Phase 2	63	SFD	0.23	\$1,595,000	30.0%		N/A	\$450,000	\$479,000
	186		0.41	\$2,458,387				\$635,274	\$737,790
Compiled by Newmark	308		0.44	\$2,779,724				\$715,872	\$854,055

EXPENSES ASSOCIATED WITH SELLOUT

Development Costs

Phase 1 development hard costs are budgeted at \$18.4 million, or approximately \$150,000 per lot, plus \$7.0 million, or \$57,000 per lot in soft costs. We have projected these costs will be incurred over the next 18 months and the Phase 1 lots are projected to be delivered by August 2027. Phase 2 development hard costs are budgeted at \$25.0 million, or \$135,000 per lot, plus \$3.0 million, or \$16,000 per lot in soft costs. We have projected these costs will be incurred over the next 18 months and the Phase 2 lots are projected to be delivered by February 2029. In addition, we have considered a 10.0 percent hard cost development contingency fee in our analysis. There has been \$5,275,707 in costs incurred to-date.

Real Estate Taxes

The following chart summarizes the projected real estate tax liability for the developed subject lots in our analysis:

Projected Real Estate Taxes Per Developed Lot			Point Clear Club		
Lot Classification	# of Lots	Typical Lot Size	Projected Average Retail Lot Value	Projected Taxable Value	Projected Ad-Valorem Taxes Per Lot
Typical SFD Lots	308	0.44	\$854,932	\$854,932	\$4,275

Compiled by Newmark

Overhead & Administrative

Overhead and Administrative costs typically include accounting, and other softs costs related to administration on site. Based on our interviews with market participants, and examination of pro-formas, this expense is typically 1 to 7 percent of gross lot revenues. We have concluded to a 3.0 percent Overhead & Administrative expense in this appraisal.

Sales & Marketing

Advertising and promotion are needed to drive traffic to communities in active markets such as the subject. This expense is in addition to Sales Commissions paid on the homes. Most master-planned communities in the area have dedicated on-site sales teams, as is the case with the subject subdivision, and most marketing is a function of the brokerage program within the community. Based on our conversations with market participants, we have projected Sales & Marketing expense at 1.5 percent of revenues in this appraisal.

Commissions

Sale commissions are projected at 4.5% of gross sales based on our conversations with agents in the market. This would provide for a brokerage commission for the lots to buyer agents.

Project Contingency

The site infrastructure is complete. Based on our analysis of similar developments and pro-forma's in the market, as well as typical investment considerations, we have projected a project contingency of 0.5 percent in our analysis.

FINANCIAL ASSUMPTIONS

Discount Rate Analysis

After calculating the appropriate income stream and necessary expenses, the next step in the Discounted Cash Flow analysis is the selection of an appropriate discount rate.

In contrast to typical investment-grade real estate, land developments require higher rates of return because they have higher market risk exposure, less certain or quantifiable demand, high initial capital outlays, and they are a wasting asset (no property reversion is available at the end of the holding period) with minimal tax shelter advantage.

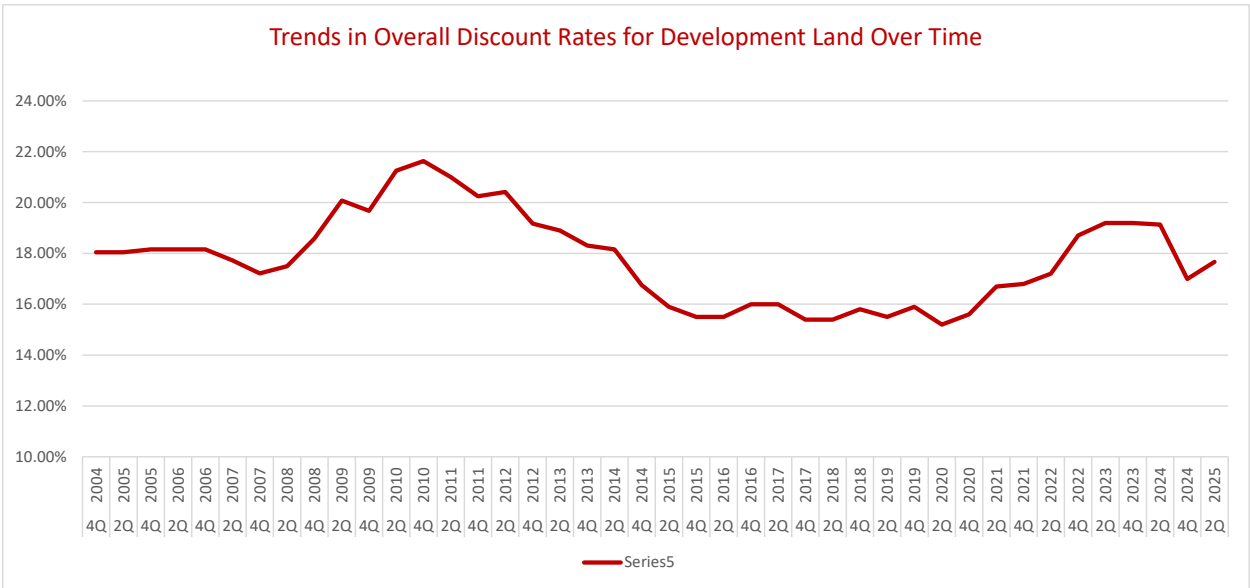
The greatest risk associated with subdivision development or investment is associated with business risk, or the ability of the development to sustain sales volume over time. Factors that affect the risk associated with the subject project include the following:

- Historical and projected growth with respect to population, households, number of jobs or other indicators for real estate market growth;
- Location of the subdivision with respect to the path of development and overall growth patterns within the market;
- Retail price point at the upper, lower or middle portion of the range when compared with the most directly competitive tracts that are currently trading or anticipated to be developed within the market;
- Number of lots to be sold off, with smaller number of lots implying less risk and larger number of lots implying greater risk;
- New subdivisions entering the subdivision's competitive market during the sell-off period;
- And, duration of the projected sell-out period.

The only known source of significant summary data is realtyrates.com by Robert Watts, a real estate consultant in Florida. A second source is the PwC Real Estate Investor Survey although this data is focused on retail, office, and other investment property developments rather than residential. This data is given below but it should be noted it is an equity discount rate. Testing locally yields a very wide range. Over 300 subdivisions have been fully analyzed by the appraisers over the past approximately five years. A few number of subdivisions have sold immediately upon completion and pro forma discount rates can be developed but the realized

discount rates are found at the end of absorption. The indicated discount rates from properties with “normal” absorption periods range from -50% (negative return) to over 250%. The discount rates developed do cluster in the 10% to 20% range, however, with realized rates recently falling at the lower end of that range (due to increasing construction costs). According to the 2nd Quarter 2025 *PwC Real Estate Investor Survey*, reported discount rates on an unleveraged basis, including developers' profit for the national development land market, averaged 17.67%. The average non-leveraged IRR was down 396 basis points from the peak rate of 21.63% as of mid-year 2010, and down nearly 146 basis points from 2nd Quarter 2024. The reported average IRR assumes that entitlements are in place.

Unit pricing and absorption rates, among other risk factors, play into the selection of the discount rate. Unfortunately, rate selection is difficult because there is little real guidance. We presented the data we have which consists of rate quotes from PwC along with our prior testing of subdivisions and then market participant quotes. In the case of the realtyrates.com data, these are indications of returns to equity only meaning that they must be converted to the overall discount rate required for this analysis. The PwC data is indicative of overall rates, but it is derived from both commercial and residential development. The realtyrates.com, PwC, and market participant rates are pro forma rates in that they are expectation based rather than being the realized rates of return which have been falling precipitously in the recent environment (as absorption periods extended). The following graph shows the average discount rate data for development land as derived from PwC.



While the PwC data suggests declining discount rates, RealtyRates does not track with this pattern. The PwC peak was in 2010.

The RealtyRates data is to be reflective of discount rates under the following directive: "Survey respondents are asked to expense financing costs including interim interest, mortgage brokerage or origination fees, take-out commitment fees or points, and appraisal fees. Return to principal is not included." The inclusion of these expenses has the effect of lowering the cash flow and thus lowering the discount rate.

Our discussions with developers are also important as we know what they were thinking and how they were arriving at their investment rates.

The following table summarizes rates in the Southeast region:

RealtyRates.com DEVELOPER SURVEY - 1st Quarter 2026*						
Southeast - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	14.88%	32.64%	22.05%	14.29%	31.34%	21.17%
-100 Units	14.88%	28.14%	21.08%	14.29%	27.02%	20.24%
100-500 Units	15.26%	30.96%	22.18%	14.65%	29.72%	21.29%
500+ Units	15.63%	32.36%	22.56%	15.00%	31.07%	21.65%
Mixed Use	16.00%	32.64%	22.38%	15.36%	31.34%	21.48%
Manufactured Housing	15.36%	35.69%	23.67%	14.74%	34.26%	22.73%
-100 Units	15.36%	31.03%	22.73%	14.74%	29.79%	21.82%
100-500 Units	15.74%	34.14%	23.94%	15.11%	32.77%	22.98%
500+ Units	16.12%	35.69%	24.35%	15.48%	34.26%	23.38%
Business Parks	15.30%	34.12%	22.94%	14.69%	32.75%	22.02%
-100 Acres	15.30%	29.67%	22.03%	14.69%	28.48%	21.15%
100-500 Acres	15.68%	32.63%	23.19%	15.06%	31.33%	22.26%
500+ Acres	16.07%	34.12%	23.59%	15.42%	32.75%	22.64%
Industrial Parks	15.39%	28.75%	20.55%	14.77%	27.60%	19.73%
-100 Acres	15.39%	25.00%	19.79%	14.77%	24.00%	19.00%
100-500 Acres	15.77%	27.50%	20.77%	15.14%	26.40%	19.94%
500+ Acres	16.16%	28.75%	21.11%	15.51%	27.60%	20.26%

*4th Quarter 2025 Data

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Actual Rates are historical rates achieved by survey respondents, while Pro-Forma Rates reflect forward-looking revenue and expenses. Developer's profit is included in the quoted rates for condominiums and co-ops.

It should also be noted that a large amount of the builders' profit expectations can come from options and upgrades added to base units, which are typically added at a much lower cost to the builder than standard construction items.

The concluded discount rates utilized in our analysis range from 14.0% to 18.5% which includes profit. These rates fall within the typical expected range from the market participant data. The discount rates were selected based on the number of units, timing of sellout, and perceived profit and risk. We reconciled the discount rates from our interviews with knowledgeable market participants and investor surveys. It should be noted these rates are reflective of land development and sellout, and do not include vertical construction of proposed homes. These rates fall within the typical expected range from the market participant data. The discount rates were selected based on the number of units, timing of sellout, and perceived profit and risk. We reconciled the discount rates from our interviews with knowledgeable market participants and investor surveys.

General Cash Flow Cost Assumptions

Inflation and growth rates utilized were projected by analyzing expectations typically used by active buyers and sellers in the marketplace. In order to determine appropriate cash flow assumptions, we consulted published investor surveys, and an analysis of the Consumer Price Index (CPI). The following table summarizes information in the 2nd Quarter 2025 PWC Real Estate Investor Survey for the National Development Land Market:

Lot Pricing & Development Expense Growth Rate				
Survey	Data	Low	High	Average
PWC Second Quarter 2025	Lot Pricing	2.00%	10.00%	5.83%
	Development Expense	2.00%	12.00%	7.00%
	Forecast Value Change	0.00%	5.00%	1.20%
	Marketing Period	3.0	18.0	11.0
	Absorption Period (Years)*	1.0	5.0	3.0

*Absorption period varies significantly depending on factors such as location, size and property type

Compiled by Newmark

Based on the timing of sellout, the subject’s location, and the overall size of the subject property, and placing generally equal reliance on conversations with developers in the market and the PWC 2nd Quarter 2025 survey, we have projected site development costs will increase at a rate of 4.0% annually (2.0% semi-annually) in our analysis.

According to Zonda for the Daphne-Fairhope-Foley MSA, the average listing price for a detached home increased 5.3% to \$364,567 over the past twelve months, and the average listing price for a new attached home increased 33.0% to \$381,900 over the same time. Total new home closings decreased 30.4% to 1,154 total closings over the past twelve months. Total new home sales increased 34.9% to 2,297 sales. The average sales pace for the MSA was 2.7 sales per month, which is above the state’s sales rate of 1.7 sales per month, and above the USA’s rate of 2.0 sales per month.

Based on the timing of sellout, the subject's location, and the overall size of the subject property, and due to the scarcity of available developed lots in the market as well as typical lot pricing escalations built into lot purchase agreements, we project retail lot pricing will increase 2.0% semi-annually (4.0% annually) beginning in August 2027 when the lots are expected to be delivered.

The timing and amount of growth is relatively subjective, but relies on market driven factors including the survey above, and our conversations with builders and investors.

CONCLUSION OF INCOME CAPITALIZATION APPROACH

The conclusions via the income capitalization approach (subdivision development approach) are as follows:

Income Approach (DCF) Value Conclusion		Point Clear Club					
Value Premise	Lots Appraised	Acres	Date of Value	Discount Rate Range	Value Conclusion	\$/AC	Indicated Bulk Value / Lot
Market Value As-Is	308	546.7	May 6, 2026	16.5% to 18.5%	\$101,500,000	\$185,659	\$329,545
Prospective Value Upon Completion of Phase 1 Infrastructure	122	310.5	August 1, 2027	14.0% to 16.0%	\$103,240,000	\$332,496	\$846,230
Prospective Value of Excess Land Upon Completion of Phase 1 Infrastructure	186	236.2	August 1, 2027	16.5% to 18.5%	\$54,330,000	\$230,017	\$292,097

Compiled by Newmark

The corresponding cash flows are located on the following pages.

Discounted Cash Flow Subdivisions on Analysis										Point Clear Club															
Market Value As-Is																									
Golf Estate	14	Phase 1 122 Lots																							
Estate Lots	29	Phase 2 186 Lots																							
Interior Lots - (Typical)	14	308																							
Village Lots	4																								
Golf Cottage - Narrow	25																								
Interior 2 Frontage - (Typical)	4																								
Estate 2 Frontage	14																								
Golf Cottage - North	15																								
Golf Estate Lots - Phase 2	43																								
Interior Lots - Phase 2	78																								
Village Lots - Phase 2	63																								
Total Number of Lots Appraised Herein														308											
Average Retail Lot Price - Golf Estate														\$1,440,000											
Average Retail Lot Price - Estate														\$1,062,000											
Average Retail Lot Price - Interior														\$720,000											
Average Retail Lot Price - Village														\$949,000											
Average Retail Lot Price - Golf Cottage - Narrow														\$630,000											
Average Retail Lot Price - Interior 2 Frontage (Typical)														\$675,000											
Average Retail Lot Price - Estate 2 Frontage														\$900,000											
Average Retail Lot Price - Golf Cottage														\$1,850,000											
Average Retail Lot Price - Golf Estate 2														\$1,332,000											
Average Retail Lot Price - Interior P2														\$604,000											
Average Retail Lot Price - Village P2														\$479,000											
Estimated Semi-Annual Value Increase:														2.00%											
Estimated Semi-Annual Cost Increase:														2.00%											
Date of Value														May-26											
Semi-Annually																									
INCOME																									
Golf Estate																									
LOT INVENTORY																									
NUMBER OF LOTS SOLD														14.00											
LOTS REMAINING														14.00											
AVERAGE LOT PRICING														\$1,440,000											
LOT INCOME														\$0											
Estate Lots																									
LOT INVENTORY																									
NUMBER OF LOTS SOLD														28.00											
LOTS REMAINING														28.00											
AVERAGE LOT PRICING														\$1,062,000											
LOT INCOME														\$0											
Interior Lots - (Typical)																									
LOT INVENTORY																									
NUMBER OF LOTS SOLD														14.00											
LOTS REMAINING														14.00											
AVERAGE LOT PRICING														\$720,000											
LOT INCOME														\$0											
Village Lots																									
LOT INVENTORY																									
NUMBER OF LOTS SOLD														6.00											
LOTS REMAINING														6.00											
AVERAGE LOT PRICING														\$949,000											
LOT INCOME														\$0											
Golf Cottage - Narrow																									
LOT INVENTORY																									
NUMBER OF LOTS SOLD														25.00											
LOTS REMAINING														25.00											
AVERAGE LOT PRICING														\$630,000											
LOT INCOME														\$0											
Interior 2 Frontage - (Typical)																									
LOT INVENTORY																									
NUMBER OF LOTS SOLD														6.00											
LOTS REMAINING														6.00											
AVERAGE LOT PRICING														\$675,000											
LOT INCOME														\$0											
Estate 2 Frontage																									
LOT INVENTORY																									
NUMBER OF LOTS SOLD														14.00											
LOTS REMAINING														14.00											
AVERAGE LOT PRICING														\$900,000											
LOT INCOME														\$0											
Golf Cottage - North																									
LOT INVENTORY																									
NUMBER OF LOTS SOLD														15.00											
LOTS REMAINING														15.00											
AVERAGE LOT PRICING														\$1,850,000											
LOT INCOME														\$0											
Golf Estate Lots - Phase 2																									
LOT INVENTORY																									
NUMBER OF LOTS SOLD														43.00											
LOTS REMAINING														43.00											
AVERAGE LOT PRICING														\$1,332,000											
LOT INCOME														\$0											
Interior Lots - Phase 2																									
LOT INVENTORY																									
NUMBER OF LOTS SOLD														78.00											
LOTS REMAINING														78.00											
AVERAGE LOT PRICING														\$604,000											
LOT INCOME														\$0											
Village Lots - Phase 2																									
LOT INVENTORY																									
NUMBER OF LOTS SOLD														63.00											
LOTS REMAINING														63.00											
AVERAGE LOT PRICING														\$479,000											
LOT INCOME														\$0											
TOTAL PERIOD INCOME														\$0											
ABSORPTION																									
EXPENSES																									
REAL ESTATE TAXES PER LOT (LAND):														\$15,000											
REAL ESTATE TAXES PER LOT (LOTS):														\$134,151											
SOFT COSTS - PHASE 1														\$138,325											
SOFT COSTS - PHASE 2														\$116,129											
DEVELOPMENT HARD COSTS - PHASE 1														\$566,699											
DEVELOPMENT HARD COSTS - PHASE 2														\$566,699											
OVERHEAD & ADMINISTRATIVE														3.00%											
SALES & MARKETING														1.50%											
COMMISSION & CLOSING COSTS														4.50%											
PROCESSED CONTINGENCY														0.50%											
TOTAL EXPENSES PER PERIOD														\$7,576,914											
NET PERIODIC INCOME														\$7,576,914											
PRESENT VALUE OF CASH FLOW @ 16.50%														\$105,959,554											
PRESENT VALUE OF CASH FLOW @ 18.50%														\$97,930,701											
CONCLUDED VALUE (As-Is):														\$101,500,000											
PER LOT:														\$329,545											

Discounted Cash Flow (Subdivisions Analysis)

Point Clear Club

Market Value As-Is - East Side - 236.2 Acres for 186 Lots

Golf Estate Lots - Phase 2	45
Interior Lots - Phase 2	78
Village Lots - Phase 2	63
Total Number of Lots Appraised Herein	186
Average Retail Lot Price - Golf Estate 2	\$1,332,000
Average Retail Lot Price - Interior P2	\$604,000
Average Retail Lot Price - Village P2	\$479,000
Estimated Semi-Annual Value Increase:	2.00%
Estimated Semi-Annual Cost Increase:	2.00%

Date of Value

May-26

Semi-Annually

May-26	Nov-26	May-27	Nov-27	May-28	Nov-28	May-29	Aug-29	May-30	Aug-30	May-31	Aug-31	May-32	Total	
1	2	3	4	5	6	7	8	9	10	11	12	13		
INCOME														
Golf Estate Lots - Phase 2														
LOT INVENTORY	45.00	45.00	45.00	45.00	45.00	45.00	28.00	23.00	18.00	13.00	8.00	3.00		
NUMBER OF LOTS SOLD	0.00	0.00	0.00	0.00	0.00	0.00	17.00	5.00	5.00	5.00	5.00	3.00		
LOTS REMAINING	45.00	45.00	45.00	45.00	45.00	45.00	28.00	23.00	18.00	13.00	8.00	0.00		
AVERAGE LOT PRICING	\$1,332,000	\$1,332,000	\$1,332,000	\$1,332,000	\$1,358,640	\$1,385,813	\$1,413,529	\$1,441,800	\$1,470,636	\$1,500,048	\$1,530,049	\$1,560,650	\$1,591,863	
LOT INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$24,029,994	\$7,208,998	\$7,353,178	\$7,500,242	\$7,650,247	\$7,803,251	\$4,775,590	
Interior Lots - Phase 2														
LOT INVENTORY	78.00	78.00	78.00	78.00	78.00	78.00	53.00	45.00	37.00	29.00	21.00	13.00		
NUMBER OF LOTS SOLD	0.00	0.00	0.00	0.00	0.00	0.00	25.00	8.00	8.00	8.00	8.00	13.00		
LOTS REMAINING	78.00	78.00	78.00	78.00	78.00	78.00	53.00	45.00	37.00	29.00	21.00	13.00	0.00	
AVERAGE LOT PRICING	\$604,000	\$604,000	\$604,000	\$604,000	\$616,080	\$628,402	\$640,970	\$653,789	\$666,865	\$680,202	\$693,806	\$707,682	\$721,836	
LOT INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$16,024,241	\$5,230,312	\$5,334,918	\$5,441,617	\$5,550,449	\$5,661,458	\$9,383,867	
Village Lots - Phase 2														
LOT INVENTORY	63.00	63.00	63.00	63.00	63.00	63.00	38.00	31.00	24.00	17.00	10.00	3.00		
NUMBER OF LOTS SOLD	0.00	0.00	0.00	0.00	0.00	0.00	25.00	7.00	7.00	7.00	7.00	3.00		
LOTS REMAINING	63.00	63.00	63.00	63.00	63.00	63.00	38.00	31.00	24.00	17.00	10.00	3.00	0.00	
AVERAGE LOT PRICING	\$479,000	\$479,000	\$479,000	\$479,000	\$488,580	\$498,352	\$508,319	\$518,485	\$528,855	\$539,432	\$550,220	\$561,225	\$572,449	
LOT INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$12,707,966	\$3,629,395	\$3,701,983	\$3,776,023	\$3,851,543	\$3,928,574	\$1,717,348	
TOTAL PERIOD INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$52,762,201	\$16,068,705	\$16,390,080	\$16,717,881	\$17,052,239	\$17,393,284	\$15,876,805	
ABSORPTION														
	0	0	0	0	0	0	67	20	20	20	20	20	19	
EXPENSES														
REAL ESTATE TAXES PER LOT (LAND):	\$0	\$0	\$15,450	\$15,450	\$15,915	\$15,915	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
REAL ESTATE TAXES PER LOT (LOTS):	\$4,270 /Lot	\$0	\$0	\$0	\$0	\$0	\$133,571	\$93,722	\$78,101	\$64,355	\$48,267	\$33,143	\$12,110	
SOFT COSTS - PHASE 2	\$16,129	\$0	\$0	\$1,061,208	\$1,082,432	\$1,104,081	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
DEVELOPMENT HARD COSTS - PHASE 2	\$134,409 /Lot	\$0	\$0	\$8,843,400	\$9,020,268	\$9,200,673	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
DEVELOPMENT HARD COST CONTINGENCY	10.00%	\$0	\$0	\$0	\$884,340	\$902,027	\$920,067	\$0	\$0	\$0	\$0	\$0	\$0	
OVERHEAD & ADMINISTRATIVE	3.00%	\$0	\$0	\$0	\$0	\$0	\$1,582,866	\$482,061	\$491,702	\$501,536	\$511,567	\$521,799	\$476,304	
SALES & MARKETING	1.50%	\$0	\$0	\$0	\$0	\$0	\$791,433	\$241,031	\$245,851	\$250,768	\$255,784	\$260,899	\$238,152	
COMMISSION & CLOSING COSTS	4.50%	\$0	\$0	\$0	\$0	\$0	\$2,374,299	\$723,092	\$737,554	\$752,305	\$767,351	\$782,698	\$714,456	
PROJECT CONTINGENCY	0.50%	\$0	\$0	\$0	\$0	\$0	\$263,811	\$80,344	\$81,950	\$83,589	\$85,261	\$86,966	\$79,384	
TOTAL EXPENSES PER PERIOD	\$0	\$0	\$15,450	\$10,804,398	\$11,020,642	\$11,240,736	\$5,145,980	\$1,620,249	\$1,635,159	\$1,652,554	\$1,668,229	\$1,685,505	\$1,520,406	
NET PERIODIC INCOME	\$0	\$0	\$-15,450	\$-10,804,398	\$-11,020,642	\$-11,240,736	\$47,616,220	\$14,448,457	\$14,754,921	\$15,065,327	\$15,384,009	\$15,707,779	\$14,356,399	
PRESENT VALUE OF CASH FLOW @ 16.50%	\$44,389,310													
PRESENT VALUE OF CASH FLOW @ 18.50%	\$40,131,191													
CONCLUDED VALUE (As-Is):	\$42,260,000													
PER LOT:	\$227,204													

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Discounted Cash Flow (Sub v sion Ana ysis)		Point Clear Club			
Prospective Value Upon Completion of Phase 1 Infrastructure					
Golf Estate	14				
Estate Lots	28				
Interior Lots - (Typical)	14				
Village Lots	6				
Golf Cottage - Narrow	25				
Interior 2 Frontage - (Typical)	6				
Estate 2 Frontage	14				
Golf Cottage - North	15				
Total Number of Lots Appraised Herein	122				
Average Retail Lot Price - Golf Estate	\$1,440,000				
Average Retail Lot Price - Estate	\$1,062,000				
Average Retail Lot Price - Interior	\$720,000				
Average Retail Lot Price - Village	\$949,000				
Average Retail Lot Price - Golf Cottage - Narrow	\$630,000				
Average Retail Lot Price - Interior 2 Frontage (Typical)	\$675,000				
Average Retail Lot Price - Estate 2 Frontage	\$900,000				
Average Retail Lot Price - Golf Cottage	\$1,850,000				
Estimated Semi-Annual Value Increase:	2.00%				
Estimated Semi-Annual Cost Increase:	2.00%				

	Date of Value	Aug-27				
		Semi-Annually				
INCOME						
Golf Estate						
LOT INVENTORY	14.00	0.00	0.00	0.00		
NUMBER OF LOTS SOLD	14.00	0.00	0.00	0.00		
LOTS REMAINING	0.00	0.00	0.00	0.00		
AVERAGE LOT PRICING	\$1,440,000	\$1,468,800	\$1,498,176	\$1,528,140		
LOT INCOME	\$20,160,000	\$0	\$0	\$0		\$20,160,000
Estate Lots						
LOT INVENTORY	28.00	6.00	1.00	0.00		
NUMBER OF LOTS SOLD	22.00	5.00	1.00	0.00		
LOTS REMAINING	6.00	1.00	0.00	0.00		
AVERAGE LOT PRICING	\$1,062,000	\$1,083,240	\$1,104,905	\$1,127,003		
LOT INCOME	\$23,364,000	\$5,416,200	\$1,104,905	\$0		\$29,885,105
Interior Lots - (Typical)						
LOT INVENTORY	14.00	1.00	0.00	0.00		
NUMBER OF LOTS SOLD	13.00	1.00	0.00	0.00		
LOTS REMAINING	1.00	0.00	0.00	0.00		
AVERAGE LOT PRICING	\$720,000	\$734,400	\$749,088	\$764,070		
LOT INCOME	\$9,360,000	\$734,400	\$0	\$0		\$10,094,400
Village Lots						
LOT INVENTORY	6.00	4.00	2.00	0.00		
NUMBER OF LOTS SOLD	2.00	2.00	2.00	0.00		
LOTS REMAINING	4.00	2.00	0.00	0.00		
AVERAGE LOT PRICING	\$949,000	\$967,980	\$987,340	\$1,007,086		
LOT INCOME	\$1,898,000	\$1,935,960	\$1,974,679	\$0		\$5,808,639
Golf Cottage - Narrow						
LOT INVENTORY	25.00	5.00	3.00	1.00		
NUMBER OF LOTS SOLD	20.00	2.00	2.00	1.00		
LOTS REMAINING	5.00	3.00	1.00	0.00		
AVERAGE LOT PRICING	\$630,000	\$642,600	\$655,452	\$668,561		
LOT INCOME	\$12,600,000	\$1,285,200	\$1,310,904	\$668,561		\$15,864,665
Interior 2 Frontage - (Typical)						
LOT INVENTORY	6.00	0.00	0.00	0.00		
NUMBER OF LOTS SOLD	6.00	0.00	0.00	0.00		
LOTS REMAINING	0.00	0.00	0.00	0.00		
AVERAGE LOT PRICING	\$675,000	\$688,500	\$702,270	\$716,315		
LOT INCOME	\$4,050,000	\$0	\$0	\$0		\$4,050,000
Estate 2 Frontage						
LOT INVENTORY	14.00	8.00	5.00	2.00		
NUMBER OF LOTS SOLD	6.00	3.00	3.00	2.00		
LOTS REMAINING	8.00	5.00	2.00	0.00		
AVERAGE LOT PRICING	\$900,000	\$918,000	\$936,360	\$955,087		
LOT INCOME	\$5,400,000	\$2,754,000	\$2,809,080	\$1,910,174		\$12,873,254
Golf Cottage - North						
LOT INVENTORY	15.00	10.00	5.00	0.00		
NUMBER OF LOTS SOLD	5.00	5.00	5.00	0.00		
LOTS REMAINING	10.00	5.00	0.00	0.00		
AVERAGE LOT PRICING	\$1,850,000	\$1,887,000	\$1,924,740	\$1,963,235		
LOT INCOME	\$9,250,000	\$9,435,000	\$9,623,700	\$0		\$28,308,700
TOTAL PERIOD INCOME	\$86,082,000	\$21,560,760	\$16,823,268	\$2,578,735		\$127,044,763

ABSORPTION					122
	88	18	13	3	

EXPENSES						Total
REAL ESTATE TAXES PER LOT (LOTS):	\$4,270 /Lot	\$88,342	\$28,315	\$11,082	\$1,750	\$129,488
OVERHEAD & ADMINISTRATIVE	3.00%	\$2,582,460	\$646,823	\$504,698	\$77,362	\$3,811,343
SALES & MARKETING	1.50%	\$1,291,230	\$323,411	\$252,349	\$38,681	\$1,905,671
COMMISSION & CLOSING COSTS	4.50%	\$3,873,690	\$970,234	\$757,047	\$116,043	\$5,717,014
PROJECT CONTINGENCY	0.50%	\$430,410	\$107,804	\$84,116	\$12,894	\$635,224
TOTAL EXPENSES PER PERIOD		\$8,266,132	\$2,076,587	\$1,609,293	\$246,730	\$12,198,741

NET PERIODIC INCOME		\$77,815,868	\$19,484,173	\$15,213,975	\$2,332,006	\$114,846,023

PRESENT VALUE OF CASH FLOW @ 14.00%	\$103,941,554
PRESENT VALUE OF CASH FLOW @ 16.00%	\$102,547,706
CONCLUDED VALUE (As-Complete):	\$103,240,000
PER LOT:	\$846,230

Compiled by Newmark

Discounted Cash Flow (Subdivision Analysis)

Point Clear Club

Prospective Value of Excess Land Upon Completion of Phase 1 Infrastructure

Golf Estate Lots - Phase 2	45
Interior Lots - Phase 2	78
Village Lots - Phase 2	63
Total Number of Lots Appraised Herein	186
Average Retail Lot Price - Golf Estate 2	\$1,332,000
Average Retail Lot Price - Interior P2	\$604,000
Average Retail Lot Price - Village P2	\$479,000
Estimated Semi-Annual Value Increase:	2.00%
Estimated Semi-Annual Cost Increase:	2.00%

Date of Value

Aug-27

Semi-Annually

	Aug-27 4	Feb-28 5	Aug-28 6	Feb-29 7	Aug-29 8	Feb-30 9	Aug-30 10	Feb-31 11	Aug-31 12	Feb-32 13	Total	
INCOME												
Golf Estate Lots - Phase 2												
LOT INVENTORY	45.00	45.00	45.00	45.00	28.00	23.00	18.00	13.00	8.00	3.00		
NUMBER OF LOTS SOLD	0.00	0.00	0.00	17.00	5.00	5.00	5.00	5.00	5.00	3.00		
LOTS REMAINING	45.00	45.00	45.00	28.00	23.00	18.00	13.00	8.00	3.00	0.00		
AVERAGE LOT PRICING	\$1,332,000	\$1,358,640	\$1,385,813	\$1,413,529	\$1,441,800	\$1,470,636	\$1,500,048	\$1,530,049	\$1,560,650	\$1,591,863		
LOT INCOME	\$0	\$0	\$0	\$24,029,994	\$7,208,998	\$7,353,178	\$7,500,242	\$7,650,247	\$7,803,251	\$4,775,590	\$66,321,500	
Interior Lots - Phase 2												
LOT INVENTORY	78.00	78.00	78.00	78.00	53.00	45.00	37.00	29.00	21.00	13.00		
NUMBER OF LOTS SOLD	0.00	0.00	0.00	25.00	8.00	8.00	8.00	8.00	8.00	13.00		
LOTS REMAINING	78.00	78.00	78.00	53.00	45.00	37.00	29.00	21.00	13.00	0.00		
AVERAGE LOT PRICING	\$604,000	\$616,080	\$628,402	\$640,970	\$653,789	\$666,865	\$680,202	\$693,806	\$707,682	\$721,836		
LOT INCOME	\$0	\$0	\$0	\$16,024,241	\$5,230,312	\$5,334,918	\$5,441,617	\$5,550,449	\$5,661,458	\$9,383,867	\$52,626,862	
Village Lots - Phase 2												
LOT INVENTORY	63.00	63.00	63.00	63.00	38.00	31.00	24.00	17.00	10.00	3.00		
NUMBER OF LOTS SOLD	0.00	0.00	0.00	25.00	7.00	7.00	7.00	7.00	7.00	3.00		
LOTS REMAINING	63.00	63.00	63.00	38.00	31.00	24.00	17.00	10.00	3.00	0.00		
AVERAGE LOT PRICING	\$479,000	\$488,580	\$498,352	\$508,319	\$518,485	\$528,855	\$539,432	\$550,220	\$561,225	\$572,449		
LOT INCOME	\$0	\$0	\$0	\$12,707,966	\$3,629,395	\$3,701,983	\$3,776,023	\$3,851,543	\$3,928,574	\$1,717,348	\$33,312,831	
TOTAL PERIOD INCOME	\$0	\$0	\$0	\$52,762,201	\$16,068,705	\$16,390,080	\$16,717,881	\$17,052,239	\$17,393,284	\$15,876,805	\$152,261,194	
ABSORPTION												186
EXPENSES												Total
REAL ESTATE TAXES PER LOT (LAND):		\$15,450	\$15,915	\$15,915	\$0	\$0	\$0	\$0	\$0	\$0	\$47,280	
REAL ESTATE TAXES PER LOT (LOTS):	\$4,270 /Lot	\$0	\$0	\$0	\$133,571	\$93,722	\$78,101	\$64,355	\$48,267	\$33,143	\$12,110	
SOFT COSTS - PHASE 2	\$16,129	\$1,061,208	\$1,082,432	\$1,104,081	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
DEVELOPMENT HARD COSTS - PHASE 2	\$134,409 /Lot	\$8,843,400	\$9,020,268	\$9,200,673	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
DEVELOPMENT HARD COST CONTINGENCY	10.00%	\$884,340	\$902,027	\$920,067	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
OVERHEAD & ADMINISTRATIVE	3.00%	\$0	\$0	\$0	\$1,582,866	\$482,061	\$491,702	\$501,536	\$511,567	\$521,799	\$476,304	
SALES & MARKETING	1.50%	\$0	\$0	\$0	\$791,433	\$241,031	\$245,851	\$250,768	\$255,784	\$260,899	\$238,152	
COMMISSION & CLOSING COSTS	4.50%	\$0	\$0	\$0	\$2,374,299	\$723,092	\$737,554	\$752,305	\$767,351	\$782,698	\$714,456	
PROJECT CONTINGENCY	0.50%	\$0	\$0	\$0	\$263,811	\$80,344	\$81,950	\$83,589	\$85,261	\$86,966	\$79,384	
TOTAL EXPENSES PER PERIOD		\$10,804,398	\$11,020,642	\$11,240,736	\$5,145,980	\$1,620,249	\$1,635,159	\$1,652,554	\$1,668,229	\$1,685,505	\$1,520,406	
NET PERIODIC INCOME		-\$10,804,398	-\$11,020,642	-\$11,240,736	\$47,616,220	\$14,448,457	\$14,754,921	\$15,065,327	\$15,384,009	\$15,707,779	\$14,356,398	
PRESENT VALUE OF CASH FLOW @ 16.50%	\$56,322,414											
PRESENT VALUE OF CASH FLOW @ 18.50%	\$52,344,926											
CONCLUDED VALUE (As-Is):	\$54,330,000											
PER LOT:	\$292,097											

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Reconciliation of Value

The values indicated by our analyses are as follows:

Market Value Indications			
Market Value Premise As of Date:	As Is May 6, 2026	Prospective Value Upon Completion of Phase 1 Infrastructure (122 Lots) August 1, 2027	Prospective Value of Excess Land (East) Upon Completion of Phase 1 Infrastructure August 1, 2027
Sales Comparison Approach - Overall:	\$101,520,000	N/A	N/A
Sales Comparison - East Side (236.2 Acres for 186 Lots)	\$42,520,000		
Sales Comparison - West Side (310.5 Acres for 122 Lots)	\$59,000,000		
Income Capitalization Approach:	\$101,500,000	\$103,240,000	\$54,330,000
Reconciled Value	\$101,500,000	\$103,240,000	\$54,330,000

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Cost Approach

As previously discussed, the Cost Approach was not utilized for valuation of the subject property as it is land.

Sales Comparison Approach

The Sales Comparison Approach is focused on comparing the subject to sale and other market transactions with the aim to develop an indication of value that is founded on the theory of substitution. Basically, the intention is to determine value through considering the prices of properties which would be a substitute property to the subject. In this case, a selection of reasonably similar sales were obtained and the adjustment process was well founded by reasoning and direct evidence. In the absence of ground leases, subdivision, or other income sources, the sales comparison approach is viewed as most applicable in the valuation of land parcels. Therefore, the sales comparison approach is the sole approach to value utilized in this appraisal.

Income Capitalization Approach

This appraisal employs the income capitalization approach (subdivision development approach) to provide the market value as-is and prospective bulk market value upon completion of infrastructure. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered applicable and/or necessary for market participants. To determine value, individual lot prices are projected based on comparable sales and a pro-forma is developed to reflect revenue from lot sales and expenses reflecting infrastructure and overhead costs associated with sell-out. Net sales proceeds are then discounted back to a present worth of value.

FINAL VALUE CONCLUSIONS

Value Conclusions				
Appraisal Premise		Interest Appraised	Date of Value	Value Conclusion
Overall Market Value "As Is"	546.70 Acres	Fee Simple	5/6/2026	\$101,500,000
Market Value "As Is" - East Side	236.2	Fee Simple	5/6/2026	\$42,260,000
Market Value "As Is" - West Side	310.5	Fee Simple	5/6/2026	\$59,070,000
Prospective Value Upon Completion of Phase 1 Infrastructure	122 Developed Lots	Fee Simple	8/1/2027	\$103,240,000
Prospective Value of Excess Land Upon Completion of Phase 1 Infrastructure		Fee Simple	8/1/2027	\$54,330,000

Compiled by Newmark

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. The prospective market value upon completion assumes the completion of the proposed improvements in a timely and workmanlike manner.
2. The Prospective Retail and Bulk Values of the 122 Phase 1 developed lots assumes concurrent development of the \$30 million+ Tom Fazio designed Point Clear Club Golf Course and \$35.5 million Clubhouse and ancillary amenities. In order to achieve projected absorption levels and anticipated lot premiums, the golf course and clubhouse need to be delivered by August 2027. Should the golf course and amenity package component not be constructed as proposed, we would need to revise our appraisal.

The use of these extraordinary assumptions might have affected assignment results.

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

The use of this hypothetical condition might have affected assignment results.

Compiled by Newmark

EXPOSURE TIME

Exposure time is the estimated length of time the subject property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Recent sales transaction data for similar properties, supply and demand characteristics for the local land market, and the opinions of local market participants were reviewed and analyzed. Based on this data and analysis, it is our opinion that the probable exposure time for the subject at the concluded market values stated previously is 12 months.

MARKETING TIME

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. As no significant changes in market conditions are foreseen in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 12 months.

Assumptions and Limiting Conditions

The Appraisal contained in this Report (herein “Report”) is subject to the following assumptions and limiting conditions:

1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein “Property”) is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.

4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any of such information and data. Any material error in any of the said information or data could have a substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.
5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.
6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.
8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes

in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.
11. Client and any other Intended User identified herein should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein, is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.
12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.
13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. No survey or analysis of the Property has been made in connection with this report to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. No expertise in ADA issues is claimed, and the report renders no opinion regarding the Property's compliance with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

-
14. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.

Addendum A

Glossary of Terms

ADDENDA

The following definitions are derived from The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022).

- ◆ **Absorption Period:** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- ◆ **Absorption Rate:** 1) Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time. 2) In subdivision analysis, the rate of sales of lots or units in a subdivision.
- ◆ **Ad Valorem Tax:** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (IAAO)
- ◆ **As Is Market Value:** The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the “as is” phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an “as is” value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards.
- ◆ **Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.
- ◆ **Cash Equivalency Analysis:** An analytical process in which the sale price of a transaction with atypical financing or financing with unusual conditions or incentives is converted into a price equivalent or consistent with what a cash buyer would pay with all other factors the same.
- ◆ **Cash-Equivalent Price:** The sale price of a property that is equivalent to what a cash buyer would pay.
- ◆ **Contract Rent:** The actual rental income specified in a lease.
- ◆ **Disposition Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Economic Life:** The period over which improvements to real estate contribute to property value.
- ◆ **Effective Gross Income (EGI):** The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income.
- ◆ **Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.
- ◆ **Excess Land:** Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. See also *surplus land*.
- ◆ **Excess Rent:** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.

- ◆ **Exposure Time:** 1) The time a property remains on the market. 2) An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP, 2020-2021 ed.)
- ◆ **Extraordinary Assumption:** An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property, or conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)
- ◆ **Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
- ◆ **Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- ◆ **Frictional Vacancy:** The amount of vacant space needed in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.
- ◆ **Full Service (Gross) Lease:** See *gross lease*.
- ◆ **General Vacancy:** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- ◆ **Going-Concern Premise:** One of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely).
- ◆ **Going-Concern Value:** An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business. See also *Market Value of the Going Concern* and *Market Value of the Total Assets of the Business (MVTAB)*.
- ◆ **Going-In Capitalization Rate (R_o):** The overall capitalization rate obtained by dividing a property's net operating income for the first year after purchase by the present value of the property.
- ◆ **Gross Building Area (GBA):** 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.
- ◆ **Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
- ◆ **Hypothetical Condition:** 1) A condition that is presumed to be true when it is known to be false. (Appraisal Institute: The Standards of Valuation Practice [SVP]) 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)
- ◆ **Intended Use:** 1) The valuer's intent as to how the report will be used. (SVP) 2) The use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment. (USPAP, 2020-2021 ed.)

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- ◆ **Intended Users:** 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment. (USPAP, 2020-2021 ed.)
- ◆ **Investment Value:** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (International Valuation Standards [IVS])
- ◆ **Land-to-Building Ratio:** The proportion of land area to gross building area; one of the factors determining comparability of properties. See also *floor area ratio*.
- ◆ **Lease:** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- ◆ **Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.
- ◆ **Leasehold Estate:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.
- ◆ **Lessee:** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- ◆ **Lessor:** One who conveys the rights of occupancy and use to others under a lease agreement.
- ◆ **Liquidation Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under extreme compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Market Rent:** The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby • Lessee and lessor are typically motivated; • Both parties are well informed or well advised, and acting in what they consider their best interests; • Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and • The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs).
- ◆ **Market Value:** A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.¹
- ◆ **Market Value of the Going Concern:** The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.
- ◆ **Market Value of the Total Assets of the Business (MVTAB):** The market value of all of the tangible and intangible assets of a business as if sold in aggregate as a going concern.
- ◆ **Modified Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified

¹ The actual definition of value used for this appraisal is contained within the body of the report.

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gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease. See also *net lease*.

- ◆ **Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also *gross lease*; *modified gross lease*.
- ◆ **Net Net Net Lease:** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *triple net lease*, or *fully net lease*.
- ◆ **Net Operating Income (NOI or I_o):** The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization).
- ◆ **Occupancy Rate:** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied. 2) The ratio of occupied space to total rentable space in a building.
- ◆ **Operating Expenses:** The periodic expenditures necessary to maintain the real estate and continue production of the effective gross income, assuming prudent and competition management.
- ◆ **Overage Rent:** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.
- ◆ **Percentage Rent:** Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.
- ◆ **Prospective Opinion of Value:** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.
- ◆ **Rentable Area:** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.
- ◆ **Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."
- ◆ **Shell Rent:** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.
- ◆ **Surplus Land:** Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. See also *excess land*.
- ◆ **Turnover Vacancy:** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to release the space is considered.

- ◆ **Usable Area:** 1) For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.
- ◆ **Usable Site Area:** The area of a site that can legally and physically accommodate buildings or significant site improvements. The usable site area equals the total site area less certain obstructions, such as flood hazard areas, required natural buffers, cemeteries, archeologically restricted areas, ecologically restricted areas, areas within certain restrictive easements, and other obstructions. The net site area or usable site area should be more precisely defined in each appraisal because the significance of improvements or the obstruction depends on the specific assignment.
- ◆ **Use Value:** The value of a property based on a specific use, which may or may not be the property's highest and best use. If the specified use is the property's highest and best use, use value will be equivalent to market value. If the specified use is not the property's highest and best use, use value will be equivalent to the property's market value based on the hypothetical condition that the only possible use is the specified use.
- ◆ **Value In Use:** 1. The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned. (FASB Accounting Standards Codification, Master Glossary) 2. Formerly used in valuation practice as a synonym for contributory value or use value. See also *use value*.

Addendum B

Engagement Letter

NEWMARK VALUATION & ADVISORY

January 27, 2026

W. Carter Byars
Principal, Chief Operating Officer
DANIEL CORP.
505 20th Street, N.
Suite 1000
Birmingham, AL 35203

Phone: 205 443-4548
Email: cbyars@danielcorp.com

Re: Appraisal of the property described as:
Point Clear Club Appraisal - 309-Lot Residential Component - E/W sides of CR3, Fairhope, Baldwin
County, AL 36532 ("**Property**")

Dear Mr. Byars:

Newmark Valuation & Advisory, LLC ("**Firm**") agrees to provide POINT CLEAR CLUB INVESTMENTS, LLC and POINT CLEAR CLUB LAND, LLC ("**Client**") an appraisal of the above-referenced Property in accordance with, and subject to, the terms and conditions set forth below and in the attached Schedules (collectively, "**Agreement**").

APPRAISAL FEE: \$10,000.00 (inclusive of expenses).

ADDITIONAL HOURLY FEES: None

RETAINER: None

REPORT DELIVERABLES: The appraisal, draft and/or final, shall be delivered in electronic format (typically, pdf). One original hard copy of the final appraisal will be provided to Client upon request.

COMMENCEMENT AND DELIVERY DATE: Delivery is as follows:

Final appraisal report: 2/21/2026

The appraisal process will commence upon receipt by the Firm of (i) this Agreement, signed by Client, (ii) the retainer, and (iii) information and materials identified in Schedule "B." The appraisal process will conclude

upon delivery of the final appraisal report, unless terminated sooner by the Firm or Client or as provided herein.

REPORT TYPE: Appraisal Report

VALUATION PREMISE: Market Value

INTEREST IN THE
PROPERTY APPRAISED: Fee Simple Estate

DATE(S) OF VALUE: Current as of: the Date of Inspection
Prospective as of: the Date(s) of Completion of Infrastructure
Retail Lot Values by Lot Type Only 0

INTENDED USER(S): Intended users of the appraisal include only Point Clear Club Investments, LLC and Point Clear Club Land, LLC and SmartBank ("**Intended User(s)**"), and no other party is permitted to use or rely on the appraisal. The identification of Intended User(s) of the appraisal is to determine the type and extent of research, analysis and reporting appropriate for the assignment. Designation of a party other than Client as an Intended User is not intended to confer upon such party any rights under this Agreement.

INTENDED USE: The intended use of the appraisal is solely for financing purposes ("**Intended Use**") and no other use.

RELIANCE LANGUAGE: None

GUIDELINES: The analyses, opinions and conclusions are to be developed based on, and the appraisal will be prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) as published by the Appraisal Foundation.

SCOPE OF WORK: The appraiser will use and properly apply all applicable and appropriate approaches to value sufficient to produce credible assignment results. The scope of the analysis will be appropriate for the appraisal problem.

APPRAISAL REPORT
SIGNATORY: Scott R Tonneson MAI

ASSUMPTIONS/
LIMITING CONDITIONS: The appraisal will be subject to Firm's standard Assumptions and Limiting Conditions, which will be incorporated into the appraisal report. In addition, the appraisal may be subject to, and the appraisal report may contain, Extraordinary Assumptions and Hypothetical Conditions.

ACCEPTANCE:	This shall constitute a binding agreement only if countersigned by the Client, or by an officer, director or other representative of Client who, by signing and accepting this Agreement, represents and warrants that he/she is authorized by Client to do so.
PAYMENT:	Client will be invoiced the appraisal fee (and any expenses) which will be earned in full upon initial delivery of the appraisal report (draft or final), with such appraisal fee (and expenses) payable within 30 days of invoicing. Payment of the fee is not contingent upon any predetermined value or on an action or event resulting from the analysis, opinions, conclusions or use of the appraisal.
CHANGES TO THE AGREEMENT:	Any significant changes to the assignment as outlined in this Agreement, such as the identity of the Client, Intended User, or Intended Use, will require the preparation and execution of a new agreement.
CANCELLATION OF ASSIGNMENT:	Client may cancel this Agreement at any time prior to the Firm's delivery of the appraisal upon written notification to the Firm. Client shall pay Firm for all work completed on the assignment prior to Firm's receipt of such written cancellation notice, unless otherwise agreed upon by Firm and Client in writing. The Firm may withdraw without penalty or liability from the assignment(s) contemplated by the Agreement before completion or reporting if the Firm determines, in the Firm's sole discretion, that incomplete information was provided to the Firm prior to the engagement, that Client or other parties have not or cannot provide documentation or information necessary to the Firm's analysis or reporting, that conditions of the Property render the original scope of work inappropriate, that a conflict of interest has arisen, or that Client has not complied with its payment obligations under this Agreement. The Firm shall notify Client of such withdrawal in writing.
NO THIRD-PARTY BENEFICIARIES:	Nothing in the Agreement shall create a contractual relationship or any legal duty between Firm or Client and any third party, nor any cause of action, right, or claim in favor of any third party and against Firm or Client. In addition, this Agreement is not intended to, and shall not be construed to, render any person or entity a third-party beneficiary of this Agreement. Client acknowledges and agrees that the appraisal report shall reflect the foregoing. In addition, the appraisal report shall state that no party other than an Intended User identified in the Agreement is entitled to rely upon the appraisal.

This Agreement may be rescinded by the Firm unless signed and returned to the undersigned within 10 days from the date hereof.

If this Agreement correctly sets forth the Client's understanding of the services to be rendered, and if the terms are satisfactory, please execute and return the Agreement together with any required retainer.

Respectfully,



Scott R Tonneson MAI
Executive Vice President
Alabama
License No. G00624
scott.tonneson@nmrk.com
404 343-7249
404 663-7067

Agreed:
SIGNATURE:

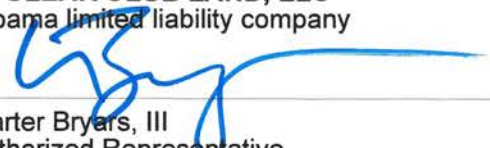
POINT CLEAR CLUB INVESTMENTS, LLC,
an Alabama limited liability company

PRINT NAME: **W. Carter Byars, III**

TITLE: **Authorized Representative**

DATE: **January 27, 2026**

POINT CLEAR CLUB LAND, LLC
an Alabama limited liability company



W. Carter Byars, III
Its Authorized Representative
Date: January 27, 2026

Schedule "A"

TERMS AND CONDITIONS

ATTACHED TO AND A PART OF THE AGREEMENT DATED JANUARY 27, 2026 TO
PROVIDE APPRAISAL SERVICES FOR DANIEL CORP.

1. These Terms and Conditions are attached to and incorporated into the above referenced Agreement as though fully set forth in full therein. Capitalized terms if not defined herein shall have the same meaning as defined in the Agreement.
2. With respect to any appraisal report, use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by the Firm, constitutes acceptance of these Terms and Conditions as well as acceptance of all other appraisal statements, limiting conditions and assumptions stated in the Agreement and appraisal report.
3. It is assumed that there are no matters affecting the Property that would require the expertise of other professionals, such as engineers or an environmental consultant, for Firm to provide the appraisal. If such additional expertise is required, it shall be provided by other parties retained by Client at Client's sole cost and expense.
4. Client acknowledges that the Firm is being retained as an independent contractor to provide the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Firm and Client, including but not limited to an agency relationship. The parties neither intend nor have any expectation that any such relationship will arise as a matter of law or as a result of this Agreement. This assignment shall be deemed concluded and the services hereunder completed upon delivery of the appraisal described herein to Client.
5. All statements of fact contained in the appraisal report as a basis of the appraiser's analyses, opinions, and conclusions will be true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to, and shall rely upon the accuracy of information and material furnished to the Firm by Client. Appraiser is also entitled to, and shall, rely on information provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by members of that profession without independent verification.
6. The Firm and the appraiser shall have no responsibility for legal matters, or questions or issues involving survey or title, soil or subsoil conditions, engineering, zoning, buildability, environmental contamination, structural matters, construction defects, material or methodology, or other similar technical matters with regarding the Property. Furthermore, the appraisal will not constitute a survey of the Property.
7. The appraisal and the data and information gathered in its preparation (other than the confidential data and information provided by Client) is and will remain, the property of the Firm. The Firm shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished by Client to the Firm. Notwithstanding the foregoing, the Firm and the appraiser are authorized by Client to disclose all or any portion of the appraisal and appraisal report and the related data and information, including confidential data and information provided by Client, to appropriate representatives of the Appraisal Institute if such disclosure is required to comply with the Standards, Bylaws and Regulations of the Appraisal Institute, as well as, such disclosure as required by law and regulations, including compliance with a subpoena and licensing authority regulatory inquiries. The Firm is also authorized to include both confidential and non-confidential data assembled in the course of preparing the appraisal and which may be incorporated into the appraisal report in a database controlled by the Firm for the aggregation of such data and information to produce analytics and other metrics or products.
8. Unless specifically noted in the appraisal report, the appraisal will not take into consideration the possibility or probability of the existence of asbestos, PCB transformers, other toxic, hazardous, or contaminated substances

- and/or underground storage tanks (hazardous material) at on or in the Property, or the cost of encapsulation, removal or remediation thereof.
9. Client shall indemnify, defend (by counsel to be selected by Firm), protect, and hold Firm and Firm's appraisers, agents, employees, affiliates, representatives, successors and assigns (each, a "Firm Party"), free and harmless from any and all claims, liabilities, losses, penalties, fines, forfeitures, amounts paid in settlement, judgments, and all reasonable attorneys' fees and related litigation costs, fees and expenses incurred by the any of such indemnitees, which result from (i) any failure by Client or Client's agents or representatives to provide Firm with complete and accurate information regarding the Property; (ii) any material breach by Client of the provisions of the Agreement; (iii) if delivery of the appraisal to a third party is permitted by the Firm, Client providing an incomplete copy of the appraisal to such third party; or (iv) arising from Client or Client's agents or representatives providing a copy of the appraisal to a party not authorized by the Firm to receive such copy.
 10. In preparing the appraisal, it is possible that the appraiser will discover conflicting information. In that event, appraiser will utilize information and data considered to be the most authoritative and for critical information will document the source. Information and data referred to may include, but is not limited to, legal descriptions; physical street addresses; assessor parcel numbers; property history; dimensions and areas of the site/land; dimensions and areas of the building improvements; physical unit counts; rent rolls; leases; lease abstracts; income and expense data; and any other related data. Any material discrepancy and/or error in any of the above data could have a substantial impact on the conclusions reported, and the Firm therefore reserves the right to amend conclusions reported if the Firm is made aware of any such discrepancy and/or error.
 11. The appraisal may not be used, included or referenced, in whole or in part, in any offering or other materials without the prior written consent of the Firm, which consent may be conditioned upon the receipt by the Firm of an indemnity agreement, in form and content, satisfactory to Firm and provided by an indemnitor satisfactory to Firm. Client agrees to pay the fees of the Firm's legal counsel for review of any materials which is the subject of the requested consent. Except as agreed by the Firm expressly in writing, the Firm disclaims liability to any party other than Client.
 12. The Firm shall not provide a copy of the appraisal to, or disclose the results of the appraisal to, any party other than Client, unless Client authorizes same, except as provided in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP) or as otherwise required by law or regulations.
 13. Client and any other identified Intended User should consider the appraisal as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors.
 14. Unless otherwise stated in this Agreement, Client agrees that the services pursuant to this Agreement shall not include participation in or preparation for, or attendance at, any legal, judicial, administrative, or arbitration proceeding relating to this assignment. In the event the Firm or any Firm Party is required, whether through the service of a subpoena or otherwise, to produce documents or participate in or prepare for any discovery, testimony or attendance, relating to the appraisal or this assignment, where the Firm or Firm Party is not a party to the action or proceedings involved, Client agrees to reimburse expenses incurred by the Firm or Firm Party, including attorney's fees, in responding to such subpoena or other legal process and compensate the Firm therefor based upon the appraiser's prevailing hourly or daily rate for providing services as an expert consultant or witness.
 15. **LIMITATION ON LIABILITY** NEITHER PARTY'S AGGREGATE LIABILITY RELATED TO THIS AGREEMENT (WHETHER UNDER CONTRACT, TORT OR OTHERWISE) WILL EXCEED THE AMOUNT OF FEES PAID FOR THE APPRAISAL ASSIGNMENT, AND NEITHER PARTY WILL BE LIABLE FOR ANY CONSEQUENTIAL,

SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES RELATED TO THIS AGREEMENT (WHETHER UNDER CONTRACT, TORT OR OTHERWISE).

16. **WAIVER OF CONSEQUENTIAL DAMAGES** IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, LOST PROFITS, LOSS OF REVENUE, LOSS OF USE OR INTERRUPTION OF BUSINESS) ARISING OUT OF OR RELATED TO THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
17. Except as expressly provided herein, Firm makes no representations or warranties to Client or to any other person or entity with respect to the appraisal and the services to be provided by Firm under this Agreement. To the maximum extent permitted under applicable law, in no event will the Firm or any Firm Party be liable to Client or any third party (regardless of whether such party's claimed use or reliance on the appraisal was authorized by the Firm or a Firm Party) for any claimed damages exceeding the damages in Paragraph 15. Legal claims or causes of action relating to the appraisal are not assignable, except: (i) as the result of a merger, consolidation, sale or purchase of a legal entity, (ii) with regard to the collection of a bona fide existing debt for services but then only to the extent of the total compensation for the appraisal plus reasonable interest, or (iii) in the case of an appraisal performed in connection with the origination of a mortgage loan, as part of the transfer or sale of the mortgage before an event of default on the mortgage or note or its legal equivalent.
18. Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. In view of that requirement, the appraisal may not be accepted by a federally regulated financial institution.
19. In the event Client fails to make payments of any fees or sums when due and payable under this Agreement; then from the date due and payable until paid, the amount due and payable shall bear interest at the maximum rate permitted under the laws of the state in which the Property is located. If the Firm is required to undertake collection efforts including institution of legal action against Client relating to the Agreement, the Firm shall be entitled to recover attorney's fees, litigation expenses, and costs from Client.
20. To the extent permitted under applicable law, any legal action or lawsuit or other proceeding by Client or any Intended User of the appraisal against Firm or a Firm Party whether based in contract, tort, warranty, indemnity or otherwise, relating to the appraisal shall be commenced within two (2) years from the date of delivery of the appraisal to the claimant in such action or proceeding, unless the applicable law provides for a shorter period, and any such claimant waives the right to a jury in any such legal action or lawsuit or other proceeding. Notwithstanding the state of domicile or residency of either party to this Agreement, this Agreement shall be governed and construed under the laws of the state in which the Property is located, and venue for any action or proceeding arising out of this Agreement shall be deemed proper only in the court of competent jurisdiction located in the state in which the Property is located.
21. Throughout the performance of services under this Agreement, the Firm shall maintain at its sole cost and expense the following insurance:
 - (a) Workers' Compensation, so as to provide statutory benefits as required by the laws of each state within the United States in which the Firm's services are being provided, and Employer's Liability insurance with limits of liability of \$1,000,000 each accident, \$1,000,000 disease each employee and \$1,000,000 disease policy limit covering all employees of the Firm engaged in the performance of such services.
 - (b) Fidelity insurance or bond with a limit of \$1,000,000 to insure the Firm against loss of its or Client's assets caused from the dishonest acts of the Firm's employees.

- (c) Professional Liability insurance with a limit of liability of \$1,000,000 each claim and \$1,000,000 aggregate, which limits may be provided by a combination of primary and excess policies.
- (d) Commercial General Liability insurance providing coverage against damages due to bodily injury (including death), property damage and personal and advertising injury arising in connection with the Firm's services provided under this Agreement, which insurance coverage shall: (i) be occurrence-based; (ii) provide limits of liability in an amount of \$2,000,000 each occurrence and \$5,000,000 aggregate (including excess and/or umbrella limits), (iii) include at least those coverages generally included in the most current ISO Commercial General Liability insurance policy form (or its equivalent); and (iv) include Client, and such other persons or entities as Client has identified in writing, as additional insureds solely with regard to claims arising out of this Agreement.
- (e) Commercial automobile liability for owned, hired and non-owned motor vehicles, with a \$1,000,000 combined single limit.

Schedule "B"

PROPERTY INFORMATION LIST

ATTACHED TO AND A PART OF THE AGREEMENT DATED JANUARY 27, 2026 TO PROVIDE APPRAISAL SERVICES FOR POINT CLEAR CLUB INVESTMENTS, LLC.

The following information is requested to be delivered to the Firm so we can provide the proposed services and prepare the Appraisal within the agreed upon time frame. Please forward the physical data such as the site plan, previous engineering reports and/or property reports describing the physical attributes of the Property and all financial information such as rent roll and income and expense statements first as these items are the most time sensitive and should be received immediately to meet the time requirements of this assignment. If, at this time, you are certain you will not be providing any specific items noted below, please cross out the item and mark "NA" next to the item so that we will be notified that the information is not available and will not be forthcoming.

1. **Please indicate whether Newmark is sales broker, leasing broker, mortgage broker or property manager for the subject property.**
2. Site plan, if available. (Preferably, an AS BUILT PLAN showing an outline of building/s drawn to scale. Please do not send reductions so original scale may be used for measurement purposes.
3. Building plans, if available.
4. Prior engineering report or physical descriptions from prior appraisals or asset management report, if available.
5. Leasing brochures and/or other marketing materials, if available.
6. If the Property has been offered for sale within the last two years, a copy of the offering memorandum or investment book.
7. Past feasibility or market studies and economic impact studies as well as any relevant information collected from third party sources.
8. Agreements of Sale/Options to Buy (current or during last three years), if any.
9. Income and expense statements for the past three years plus year-to-date income and expense statements.
10. Operating budget for current and next year, if available.
11. Current property insurance binder or last property insurance billing statement.
12. Management contracts.
13. Copy of most recent real estate tax bill. Please advise if there has been a notice or inquiry by either the County Assessment Board or the School Board regarding the property assessment. Is there any pending litigation or negotiations with these parties that could result in an assessment increase or decrease?
14. Title report, Legal Description, or copy of deed. Provide a written statement of five-year history of legal property owner. Please advise, if there any deed restrictions or encumbrances, easements or cross easements.
15. Personal property inventory, if available.
16. Occupancy rates for the last three years, if not revealed in the financial statements.
17. Ground leases, if any.

18. Approximate actual construction costs, if built during the past three years.
19. Environmental audits and studies disclosing any wetlands, hazardous wastes or other environmental conditions such as asbestos or radon.
20. List of any known major repairs and improvements needed.
21. Three-year history of capital improvements.
22. Name of contact person for the on-site physical inspection.

FOR APARTMENT PROPERTY

23. Unit mix showing rentable area and asking rent by unit type
24. Scaled apartment unit plans showing layouts and measurements so that rentable area can be confirmed, if available.
25. Rent roll showing tenant name, apartment number, dates of leases and the type of apartment, asking/market rents for each apartment, and contractual rent for each apartment unit. (It would be greatly appreciated if you can provide the rent roll in Excel.)
26. Terms of leases and/rent roll for leased commercial space or roof top rentals. Copies of commercial leases are desirable. If any commercial leases provide for pass through of operating expenses over a base year stop, please provide the dollar amount of the base year stop.

FOR INDUSTRIAL, OFFICE, RETAIL PROPERTY

27. Rent Roll (please sign and date) and copies of leases, including addenda and all amendments. Please indicate which leases may have early termination provisions, expansion and/or purchase options. Please identify any tenants who have initiated discussions to renew, terminate or renegotiate/modify their lease(s), or who have given notice to terminate. Proposed terms for such re-negotiations should be revealed.
28. Provide letters of intent to lease or other any outstanding lease proposals that have a reasonable likelihood of being finalized into executed leases.
29. Prior Argus files, if any.
30. List of outstanding leasing commissions brokers and terms of future payments.
31. Financial information such as Annual Statements or credit report/ratings on any major tenant in the building.
32. CAM and real estate tax reimbursement worksheets or listing of base year operating expenses, if applicable.
33. Three-year history of tenant retail sales, if available.

FOR LODGING PROPERTY

34. Terms of leases if any and/rent roll for leased commercial space or roof top rentals.
35. ADR and Occupancy rates for the last three years, if not revealed in the financial statements.
36. Business Plan and Marketing Strategy, if any for the upcoming fiscal year.
37. Terms of franchise agreement and management agreement, if any.

FOR RESIDENTIAL SUBDIVISION PROPERTY

38. Building plans for the proposed single family, townhouse, age-restricted, and condominium residences. Please do not send reductions so original scale may be used for measurement purposes.
39. Market Surveys and Feasibility Analyses, if any, for the proposed development program.
40. Marketing materials for the proposed single family, townhouse, age-restricted, and condominium residences.

Addendum C

Property Information

Daphne-Fairhope-Foley, AL

New home sales in the Daphne-Fairhope-Foley CBSA have been strong in the latter half of 2025, with both annualized new home sales and the new home sales rate up from the first six months of the year, as of September data. The median closing prices for new and existing homes were down YOY in August, helping affordability in Daphne's housing market. However, the median closing price for new homes has seen a more significant drop over the entirety of 2025 than the median closing price for existing homes, creating a larger gap between the two and making new homes an attractive option for potential buyers.

Strengths

According to Alabama News Center and the 2025 Business Facilities Annual Rankings Report, the Daphne-Fairhope-Foley area ranked number 6th among the fastest growing U.S. metros and is the fastest-growing metro in the state of Alabama for population.

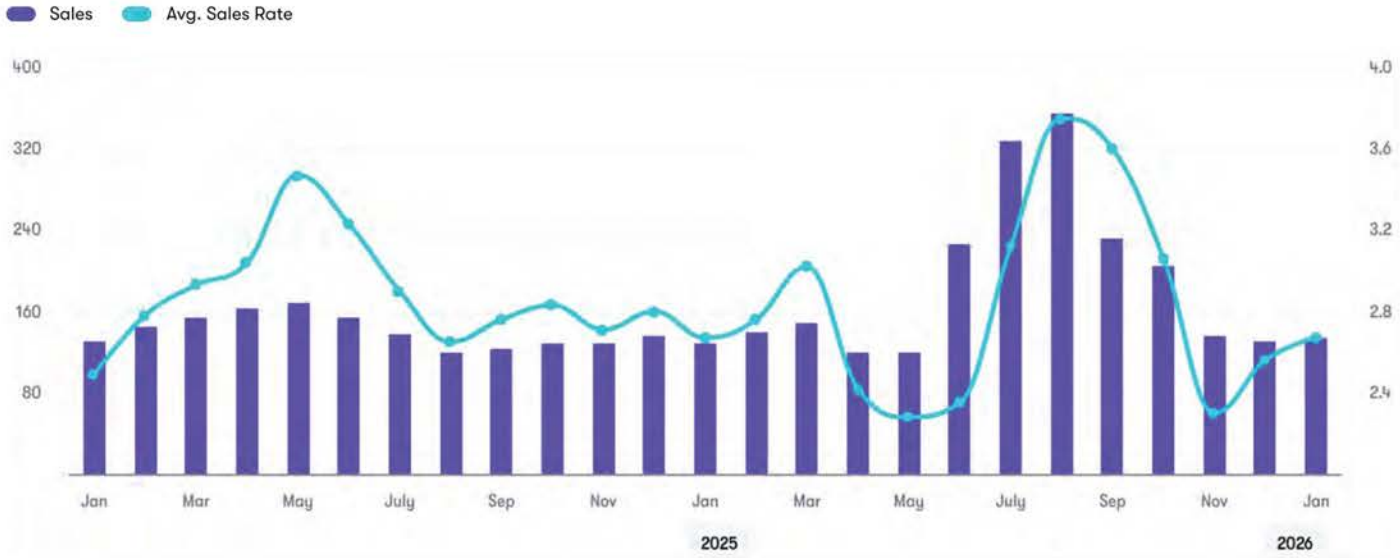
Weaknesses

2025 estimates show the CBSA is underbuilt by approximately 1.9%, with forecasts indicating a continuation of this trend through 2027, albeit at a declining rate; 2025 estimates also show that annualized single-family permits are down nearly 16% from 2024.

New Home Sales

Sales
2,297 ↑
Last 12 Months

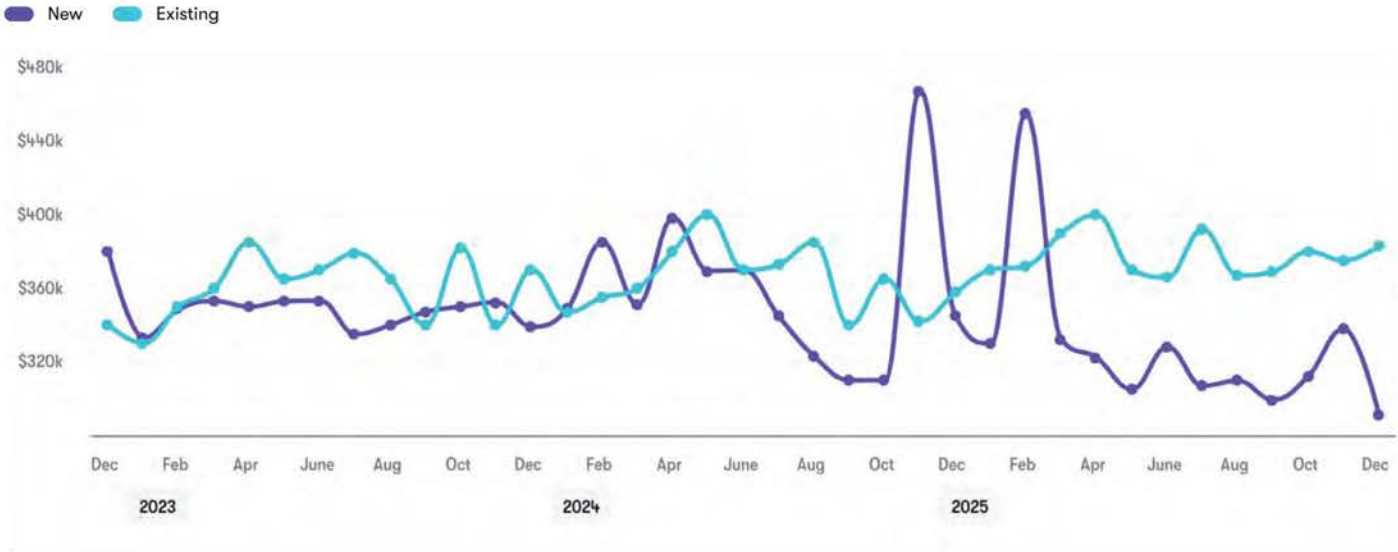
Avg. Sales Rate
2.7 ↓
Last 12 Months



Median Closing Price

New
\$290,990 -15.7%

Existing
\$383,000 7.1%



Supply

Quarterly Housing Starts decreased 24.7% from a year ago, while the number of available Vacant Developed Lots sits at 4,547 up 29.2% over the same quarter last year. In terms of Supply/Demand balance, the market area is 0.50% undersupplied.

Supply Highlights

L12M Single-Family Permits

3,228 1.1%

L12M Multi-Family Permits

260 0.2%

Det. Months of New Home Inventory

22.59 ↑

Attached Months of New Home Inventory

40.60 ↑

Total Units Remaining

3,970 -33.7%

Active Projects

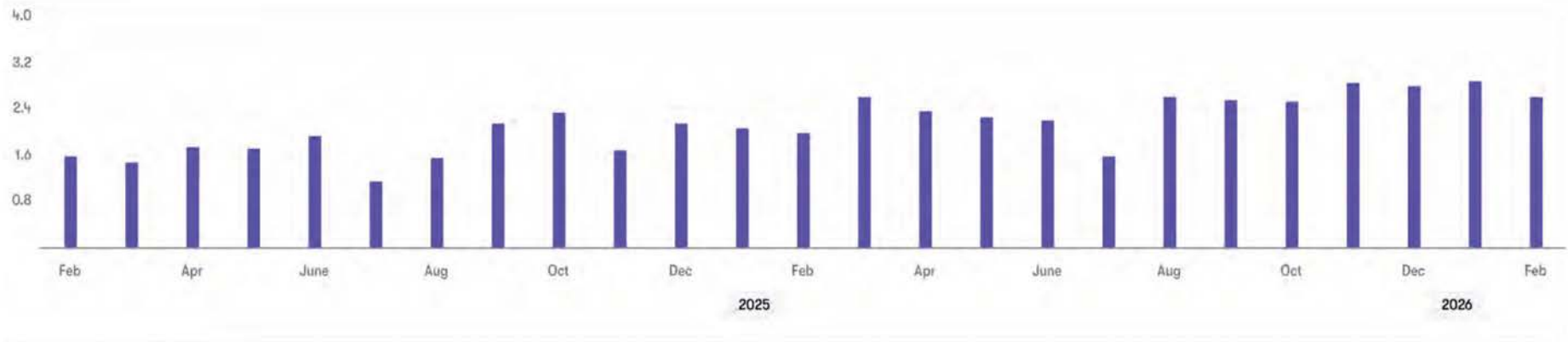
50 -36%

Avg. Quick Move-In per Project

Avg. QMI

2.9 ↑

Last 3 Months



Active Projects

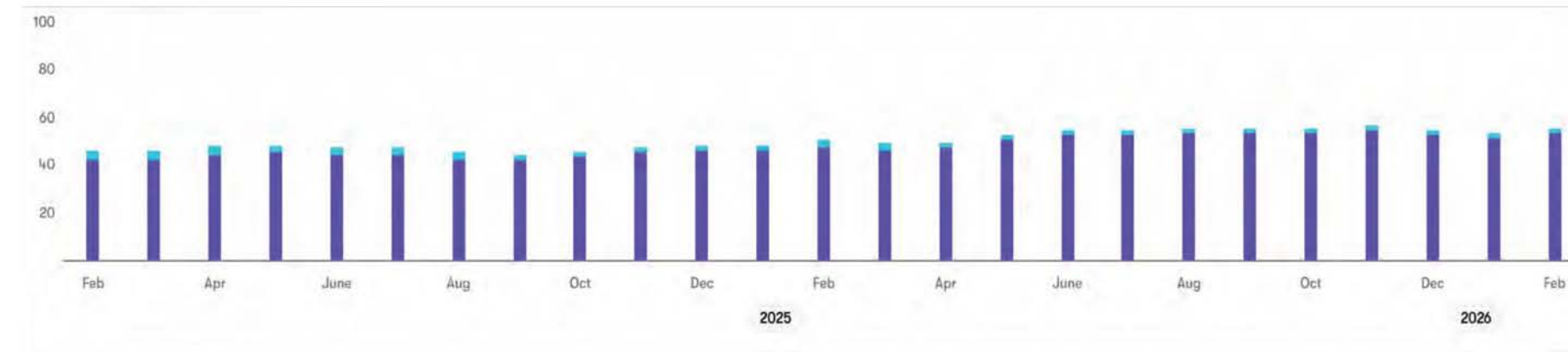
Detached

Attached

54 12.5%

2 -33.3%

Detached Attached



Avg. Sales Rate

Last 12 months

2.7

Daphne

1.7

Alabama

2.0

USA

Sales

New home sales in the Daphne-Fairhope-Foley, AL metropolitan area increased 34.9% year-over-year to an annualized rate of 2,297 units in January. Over the past 12 months, 57 of sales were attached units and 2,240 were detached. Existing home closings for the 12 month period ending in December posted a year-over-year gain of 10.9% to an annualized rate of 6,171 units. Of those, 1,065 were attached units and 3,983 detached.

New Home Sales

New Home Sales

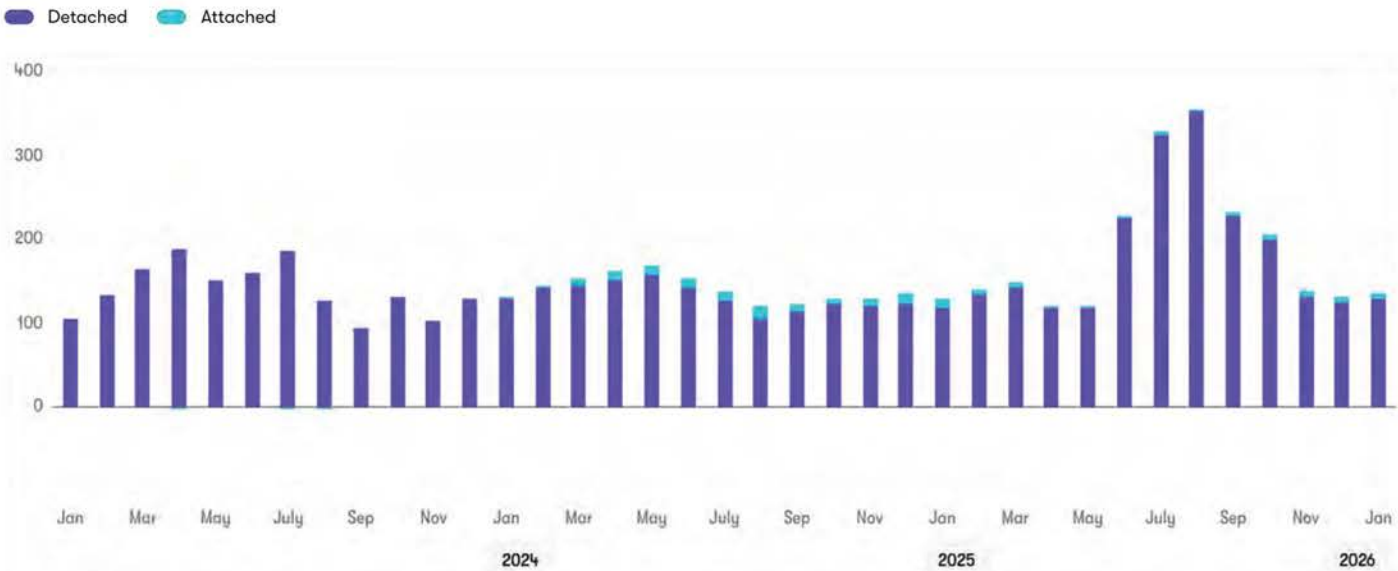
2,297 34.9%

Detached Sales

2,240 41.6%

Attached Sales

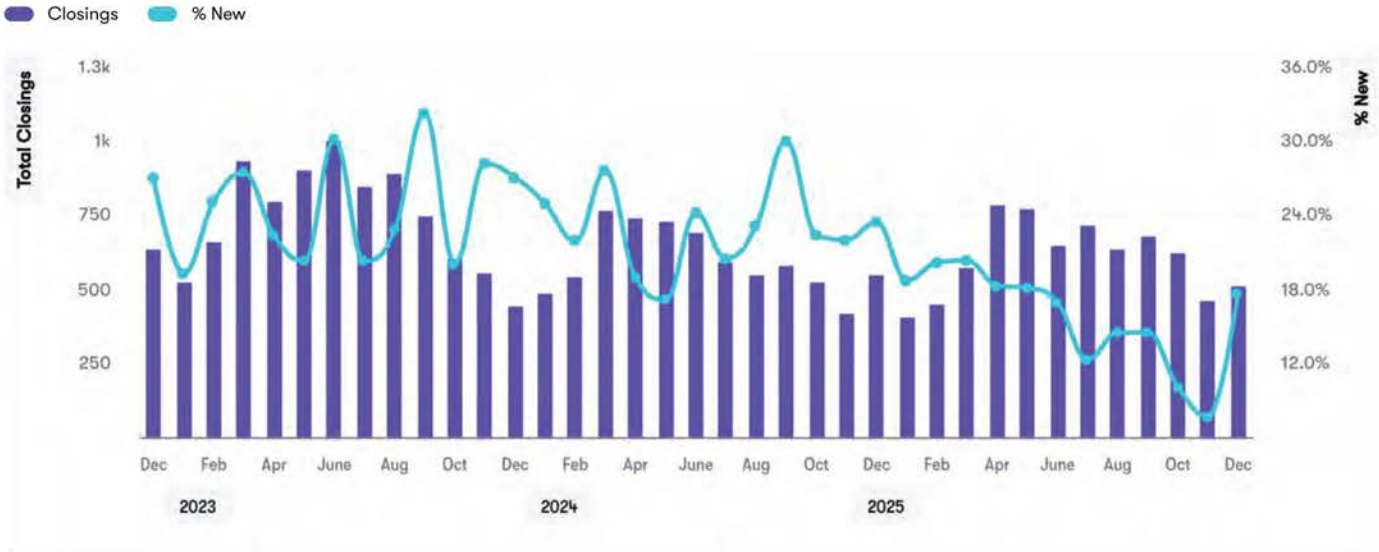
57 -52.9%



Closings

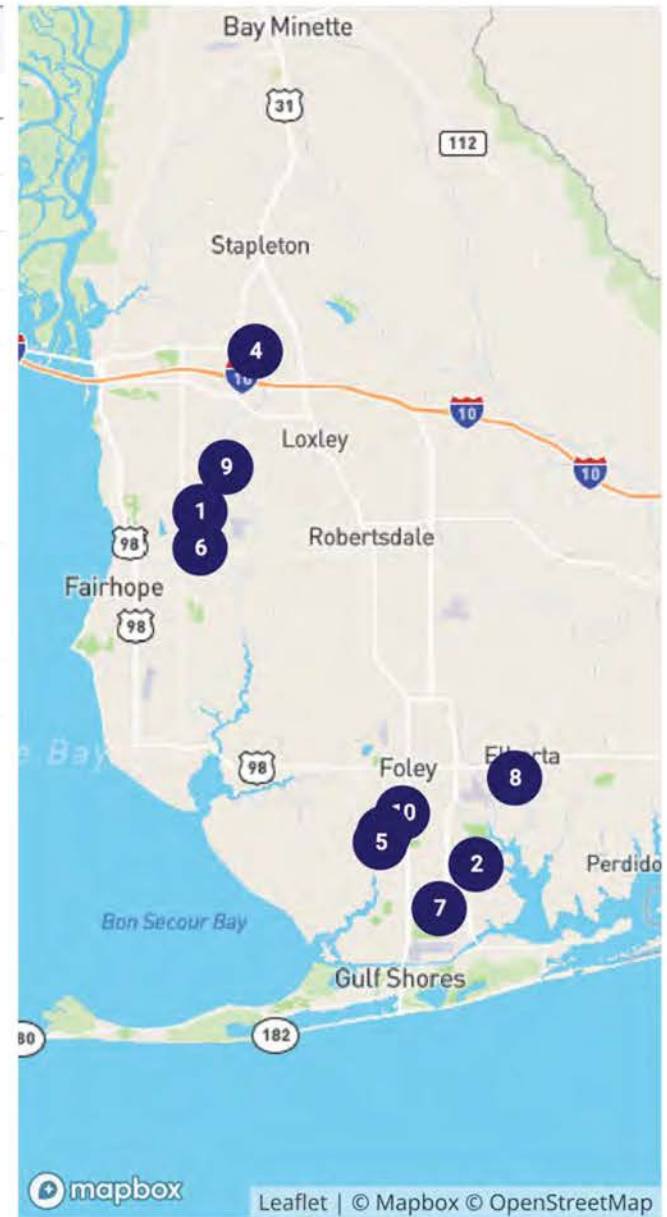
New Homes
1,154 -30.4%
Last 12 Months

Existing Homes
6,171 10.9%
Last 12 Months



Top Active Projects

MAP KEY	PROJECT NAME	BUILDER	CITY	TYPE	AVG. PRICE	AVG. SIZE	AVG. \$/SQ FT	SALES RATE ↓
Averages					\$374,298	2,011	\$190	6.1
1	 Jubilee Farms/Tradition	D.R. Horton, Inc.	Daphne	Single-Family	\$478,483	2,486	\$189	11.2
2	 Roberts Cove	D.R. Horton, Inc.	Foley	Single-Family	\$343,344	1,797	\$203	8.1
3	 Grasslands	Lennar	Foley	Single-Family	\$278,115	1,657	\$171	6.5
4	 Stonebridge/Tradition	D.R. Horton, Inc.	Daphne	Single-Family	\$368,650	2,100	\$186	6.0
5	 Rosewood/Freedom	D.R. Horton, Inc.	Foley	Single-Family	\$331,400	1,835	\$190	5.4
6	 Harvest Green East	D.R. Horton, Inc.	Fairhope	Single-Family	\$425,257	2,293	\$187	5.2
7	 Raley Farms/Tradition/Phase 3	D.R. Horton, Inc.	Gulf Shores	Single-Family	\$435,456	2,060	\$216	5.2
8	 Sandy Oaks	Meritage Homes	Elberta	Single-Family	\$405,434	2,280	\$183	4.7
9	 Savannah Estates	DSLH Homes	Daphne	Single-Family	\$349,704	1,768	\$194	4.6
10	 River Oaks/Phase 2	DSLH Homes	Foley	Single-Family	\$327,133	1,839	\$181	4.4



Top 15 Active Builders

#	BUILDER	# OF PROJECTS	AVG. PRICE	# OF YTD SALES ↓	MARKET SHARE	AVG. SALES RATE	L12M SALES
	Averages/Totals	56	\$400,291	2,245	101%	2.52	2,217
1	D.R. Horton, Inc.	28	\$377,279	1,520	67.7%	3.60	1,469
2	DSL D Homes	9	\$324,791	272	12.1%	2.76	275
3	Lennar	7	\$312,686	243	10.8%	4.06	260
4	Adams Homes	6	\$365,323	102	4.5%	1.55	97
5	Maronda Homes	2	\$405,510	53	2.4%	3.33	57
6	Meritage Homes	1	\$405,434	23	1.0%	4.67	25
7	Holiday Builders	0	\$328,480	12	0.5%	-	11
8	JBL Homes	1	\$725,000	10	0.5%	0.53	11
9	Tower Homes	1	\$495,350	7	0.3%	1.21	9
10	Benchmark Homes	1	\$263,056	3	0.1%	0.99	3

Price Highlights

Avg. New Detached List Price

\$364,567 5.3%

Avg. New Attached List Price

\$381,900 33.0%

Median Existing Detached Closed Price

\$374,857 14.5%

Median Existing Attached Closed Price

\$375,000 -29.1%

New Detached Home Premium

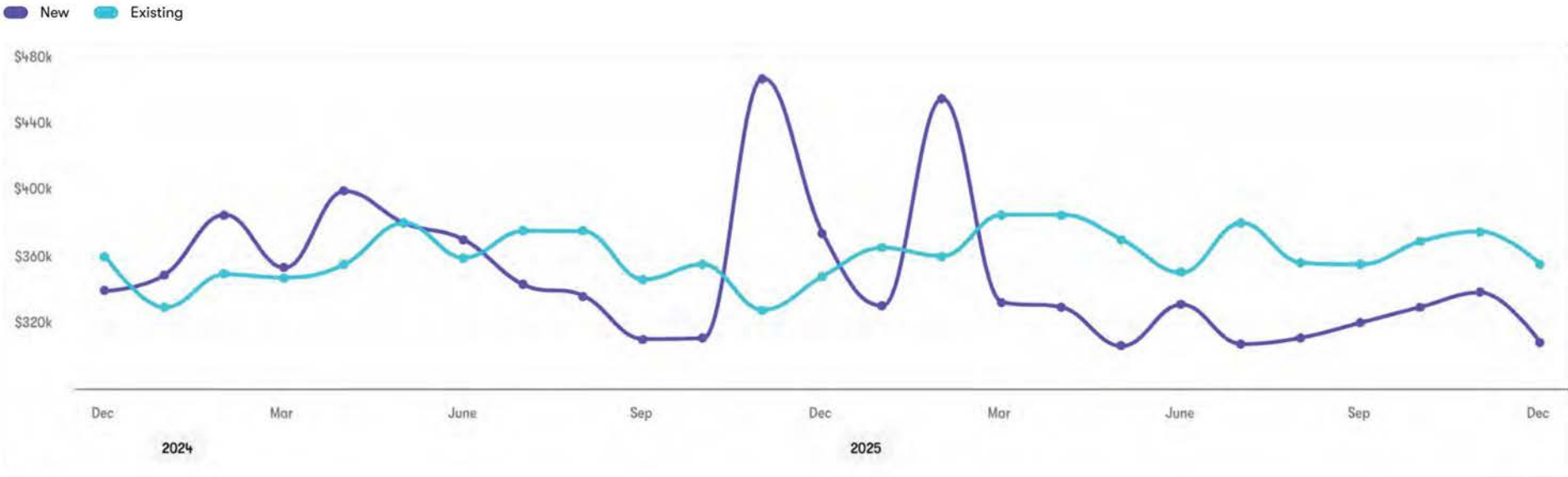
-35% ↓

New Attached Home Premium

-52% ↓

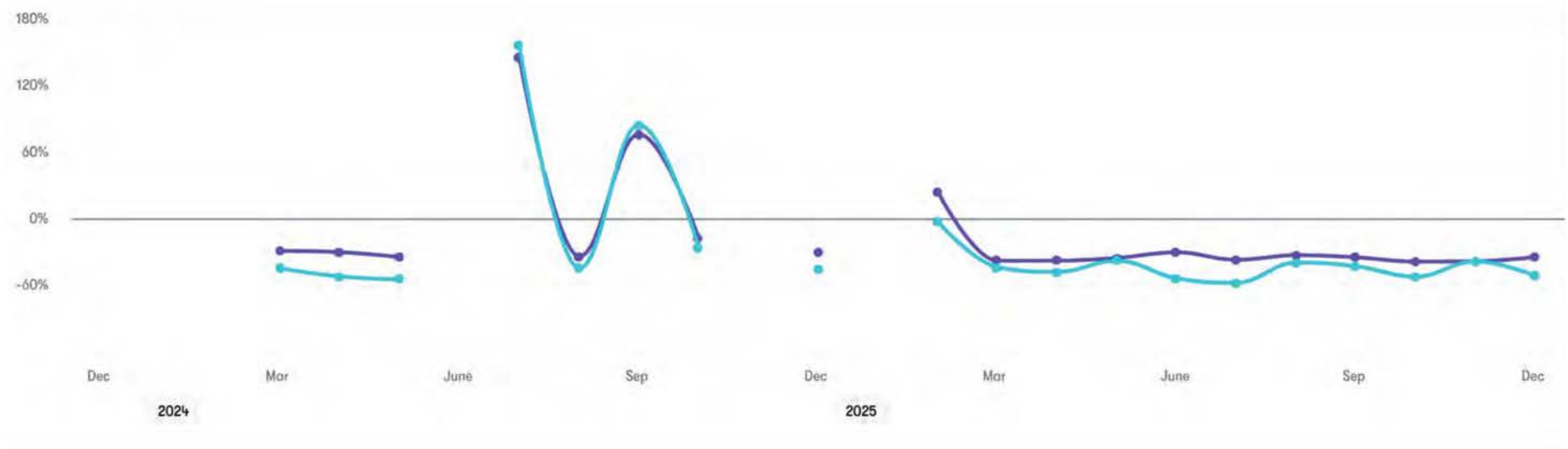
Prices

Detached Median Closing Price



New Home Premium

Detached Attached



Distress Highlights

Notices Of Default

0

Foreclosures

2 0.0%

Foreclosures Market Share

0.4% ↑

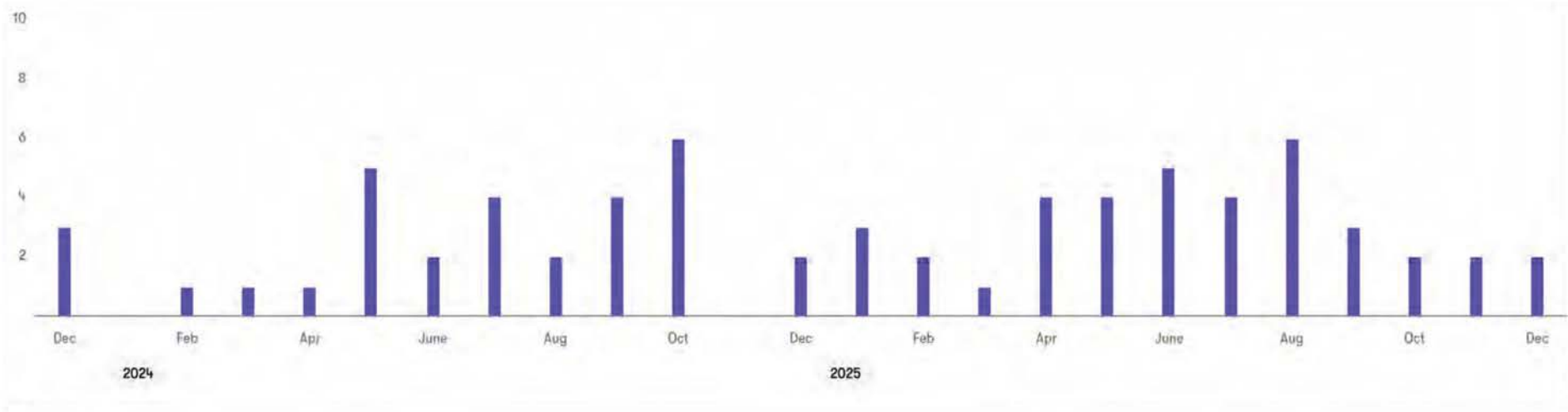
Distress

The region experienced 2 foreclosures in December, remained flat at 0.0% year-over-year. Meanwhile, Notices of Default registered at 0 for the month, remained flat at 0% over last year.

Foreclosures

38 35.7%

Last 12 Months



Economy

Total nonfarm employment in the Daphne-Fairhope-Foley, AL metropolitan statistical area decreased 0.8% from the same period last year to 90,200 payrolls in Aug. 2025. There were approximately 300 fewer jobs in Aug. 2025 compared to the previous month. The local unemployment rate decreased to 2.5% in November compared to 2.8% in the previous month. Aug. 2025's jobless rate is lower than it was this time last year when it stood at 2.9%. Zonda forecasts the region's unemployment rate will finish the year at 3.5%.

Economy Highlights

Current Month Jobs

90,200 -0.8%

YOY Job Growth

MOM Job Growth

-300 -0.3%

CBSA Unemployment Rate

2.5% ↓

AL Unemployment Rate

2.7% ↓

USA Unemployment Rate

4.3% ↑

Job Growth by Industry

#	INDUSTRY	INDUSTRY SHARE OF TOTAL	CURRENT YEAR JOBS	YOY JOBS CHANGE	3 YEAR GROWTH FORECAST	3 YEAR GROWTH % CHANGE
1	Trade, Transport & Utilities	23.4%	21,559	2.5%	-	-
2	Education & Health	14.9%	13,742	2.7%	-	-
3	Professional & Business Services	9.1%	8,429	1.9%	-	-
4	Government	12.7%	11,689	-0.1%	-	-
5	Hospitality	19.5%	17,986	0.4%	-	-
6	Manufacturing	4.5%	4,157	1.1%	-	-
7	Finance	5.4%	5,004	1.8%	-	-
8	Information	0.8%	708	1.6%	-	-
9	Other	3.0%	2,724	0.3%	-	-
10	Construction	6.6%	6,121	2.0%	-	-
11	Natural Resource Mining	0.1%	85	-2.3%	-	-

Community

The current population for the Daphne-Fairhope-Foley, AL metropolitan area is approximately 276,900 people. Population in the area is projected to increase by 2.2% in 2026. There are approximately 113,170 households in the region which is up 2.3% year-over-year. Forecasts show that current household formation is expected to increase by an annual growth rate of 12.8% for 2028. Incomes increased by 3.6% from the previous year to \$90,000.

Community Highlights

Population	Households
276,900 2.2%	113,170 2.3%
Median Household Income	Housing Costs as % of Income
\$90,000 3.6%	60.3% ↓

Market Health

Forecast

	2025E	YOY CHANGE	2026F	YOY CHANGE	2027F	YOY CHANGE	2028F	YOY CHANGE
Total Jobs	90,829	0.2%	92,204	1.5%	93,815	1.7%	-	-
Households	110,600	3.6%	113,170	2.3%	115,220	1.8%	-	-
Single-Family Permits	2,674	-21.2%	3,118	16.6%	3,053	-2.1%	-	-
Multifamily Permits	230	-53.0%	511	122.2%	435	-14.9%	-	-
Units Over/Under Built	-1,420	-70.3%	-740	-47.9%	-200	-73.0%	-	-
% Over/Under Built	1.0% Underbuilt	-	0.5% Underbuilt	-	0.1% Underbuilt	-	-	-
Median Household Income	\$86,840	5.3%	\$90,000	3.6%	\$93,330	3.7%	-	-
Median Existing Det. Price	\$391,500	5.0%	\$398,690	1.8%	\$406,390	1.9%	-	-
Over/Undervalued	28.7% Overvalued	-	30.9% Overvalued	-	29.5% Overvalued	-	-	-

Market Health

History

	2024	YOY CHANGE	CURRENT MONTH/QUARTER	YOY CHANGE
Deed Closings - New	1,657	-25.2%	91	152.8%
Median New Closing Price	\$353,605	2.2%	\$290,990	-13.9%
Affordability Ratio - New	30.9%	-8.3%	41.4%	14.4%
Foreclosures	28	12.0%	2	0.0%

10-Year Annual History

AVG.	MIN.	MAX.
1,656	91	2,279
\$276,316	\$213,580	\$353,605
50.4%	30.9%	63.2%
42	2	126

Addendum D

Comparable Data

ADDENDA

Land Sales

ADDENDA

Land Sale Comparable 1

Blue Avenue Tract

Location Data

Location	621 Hermitage Ct
City, State	Fairhope, AL
Market	Baldwin County
Submarket	Fairhope, AL
County	Baldwin
APN	46-04-17-1-000-066.501, et. al



Physical Data

Property Type	Land (SF Residential)
Use at Sale	Vacant Land
Proposed Use	SF Residential
Acres	4.39 Acres
Land SF	191,228 SF
Useable Acres	4.39 Acres
Useable Land SF	191,228 SF
Frontage	Hermitage Court
Visibility	Above Average
Topography	Rolling
Shape	Rectangular
Corner/Interior Location	Interior
Flood Zone	X
Utilities	Cable TV, Electricity, Gas, Sewer, Water
Offsite/Onsite Costs	N/A
Zoning	R-1
Allowable Bldg Area	N/A
Allowable Bldg Units	8
Verification	Confirmed-Other

Sale Data

Transaction Type	Closed
Date	February 1, 2021
Marketing Time	N/A
Grantor	Hermitage LLC
Grantee	Blue Island LLC
Document No.	1893515
Price	\$525,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$525,000

Analysis

Price per Acre	\$119,590
Price Per SF	\$2.75
Price per Unit	\$65,625

Comments

This is the sale of approximately 4.390 acres of land located on the West side of Blue Island Avenue in Fairhope, AL. Hermitage LLC purchased the land in February 2021 for \$525,000, or approximately \$119,590 per acre. The land is zoned R-1 for residential use. The buyer plans to develop 8 single family lots and a single-entry drive to Blue Island Avenue.

ADDENDA

Land Sale Comparable 2
2.3 Acres N of Thyme

Location Data	
Location	18277 South Section Street
City, State	Fairhope, AL
Market	Baldwin County
Submarket	Fairhope, AL
County	Baldwin
APN	46-09-30-0-000-077.001



Physical Data	
Property Type	Land (SF Residential)
Use at Sale	Vacant
Proposed Use	SF Residential
Acres	2.30 Acres
Land SF	100,188 SF
Useable Acres	2.30 Acres
Useable Land SF	100,188 SF
Frontage	South Section Street
Visibility	Average
Topography	General Level
Shape	Rectangular
Corner/Interior Location	Interior
Flood Zone	X
Utilities	Cable TV, Electricity, Gas, Sewer, Water
Offsite/Onsite Costs	N/A
Zoning	R-2
Allowable Bldg Area	N/A
Allowable Bldg Units	N/A
Verification	Confirmed-Other

Sale Data	
Transaction Type	Closed
Date	January 1, 2024
Marketing Time	N/A
Grantor	Estate of Holt, Francis Harrison Inge
Grantee	Henry Wise
Document No.	20104679
Price	\$425,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$425,000
Analysis	
Price per Acre	\$184,783
Price Per SF	\$4.24
Price per Unit	N/A

Comments
This is the sale of approximately 2.3 acres of land located on the north side of Thyme Road in Fairhope, AL. Henry Wise purchased the land in January 2024 for \$495,000 or \$184,783 an acre. The land is zoned R-2 for Medium Density Residential.

ADDENDA

Land Sale Comparable 3

6.6 Acres W of Greeno Road

Location Data

Location	15810 South Greeno Road
City, State	Fairhope, AL
Market	Baldwin County
Submarket	Fairhope, AL
County	Baldwin
APN	56-02-09-2-001-005.002



Physical Data

Property Type	Land (SF Residential)
Use at Sale	Residential
Proposed Use	SF Residential
Acres	6.60 Acres
Land SF	287,496 SF
Useable Acres	6.60 Acres
Useable Land SF	287,496 SF
Frontage	South Greeno Road
Visibility	Average
Topography	Level
Shape	Rectangular
Corner/Interior Location	Interior
Flood Zone	X
Utilities	Cable TV, Electricity, Gas, Sewer, Water
Offsite/Onsite Costs	N/A
Zoning	Residential
Allowable Bldg Area	N/A
Allowable Bldg Units	N/A
Verification	Confirmed-Other

Sale Data

Transaction Type	Closed
Date	October 1, 2023
Marketing Time	N/A
Grantor	Joel C. Thompson
Grantee	David Elton Roberts
Document No.	N/A
Price	\$440,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$440,000

Analysis

Price per Acre	\$66,667
Price Per SF	\$1.53
Price per Unit	N/A

Comments

This is the sale of approximately 6.6 acres of land located on the east side of Greeno Road in Fairhope, AL. David Elton Roberts purchased the land for approximately \$440,000 or \$66,667 an acre. The land is zoned NA.

ADDENDA

Land Sale Comparable 4

8 Acres N of Morphy Avenue

Location Data

Location	8593 Morphy Avenue
City, State	Fairhope, AL
Market	Baldwin
Submarket	Fairhope, AL
County	Baldwin
APN	46-05-16-0-000-028.712



Physical Data

Property Type	Land (SF Residential)
Use at Sale	Residential
Proposed Use	SF Residential
Acres	8.00 Acres
Land SF	348,480 SF
Useable Acres	8.00 Acres
Useable Land SF	348,480 SF
Frontage	Morphy Avenue
Visibility	Average
Topography	Level
Shape	Irregular
Corner/Interior Location	Interior
Flood Zone	X
Utilities	Cable TV, Electricity, Gas, Sewer, Telephone, Water
Offsite/Onsite Costs	N/A
Zoning	R-3
Allowable Bldg Area	N/A
Allowable Bldg Units	N/A
Verification	Confirmed-Other

Sale Data

Transaction Type	Closed
Date	March 1, 2021
Marketing Time	N/A
Grantor	Robert & Debra Green
Grantee	Matthew & Scarlett Malone
Document No.	N/A
Price	\$470,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$470,000

Analysis

Price per Acre	\$58,750
Price Per SF	\$1.35
Price per Unit	N/A

Comments

This is the sale of approximately 8 acres of land located on the north side of Morphy Avenue. Matthew & Scarlet Moore purchased the land in March 2021 for \$475,000 or approximately \$79,167. The land is zoned R-3 for high density residential district.

ADDENDA

Land Sale Comparable 5

193.020 Acres E&W Sides of ST Hwy 181

Location Data

Location	101 Threshing Blvd
City, State	Fairhope, AL
Market	Valuation Properties
Submarket	Valuation Land
County	Baldwin
APN	05-43-08-34-0-000-002.003, et.al



Physical Data

Property Type	Land (SF Residential)
Use at Sale	Vacant
Proposed Use	SF Residential
Acres	193.02 Acres
Land SF	8,407,951 SF
Useable Acres	193.02 Acres
Useable Land SF	8,407,951 SF
Frontage	Threshing Blvd
Visibility	Average
Topography	Level/Rolling
Shape	Rectangular
Corner/Interior Location	Interior
Flood Zone	X
Utilities	Cable TV, Gas, Sewer, Telephone, Water
Offsite/Onsite Costs	N/A
Zoning	PUD
Allowable Bldg Area	N/A
Allowable Bldg Units	N/A
Verification	Confirmed-Other

Sale Data

Transaction Type	Closed
Date	May 1, 2022
Marketing Time	N/A
Grantor	Silverhill Enterprises LLC
Grantee	68V Harvest Green East & West
Document No.	0
Price	\$6,500,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$6,500,000

Analysis

Price per Acre	\$33,675
Price Per SF	\$0.77
Price per Unit	N/A

Comments

This is the sale of approximately 193.02 acres of land located on the east and west side US Highway 181 in Fairhope, AL. 68V Harvest Green East & West purchased the land in May 2022 for \$6,500,000 or approximately \$33,675 per acre. The land is zoned PUD for Planned Unit Development. The buyer plans to develop for future residential.

Addendum E

Appraiser Qualifications and Licenses



Scott R. Tonneson

MAI

Executive Vice President

*Residential Development Specialty
Practice Leader*

t 404-343-7249
m 404-663-7067
scott.tonneson@nrmk.com

YEARS OF EXPERIENCE

30

AREAS OF SPECIALTY

Residential Development
All Types of Land and Lots
Subdivisions (A&D)
Mixed Use Developments
Master Planned Developments
Condominiums/Townhouse
Master Plans (Floor Plans)
Retirement Communities
Built-to-Rent

Scott R. Tonneson, MAI, joined Newmark Valuation & Advisory in 2018 and currently serves as an Executive Vice President and the Residential Development Specialty Practice Leader. Scott has more than 30 years of real estate appraisal and consulting experience with expertise in the valuation of all types of land and residential development property, including proposed acquisition and development (A&D), master floor plans, remaining inventory in subdivisions and planned unit developments (PUDs), mixed-use projects, built-to-rent (BTR), retirement/second-home communities and condominiums.

Scott has also provided appraisal and consulting services on a variety of commercial and investment properties, including office, retail, industrial, multifamily, daycare, self storage, auto dealerships, golf courses, marinas, and agricultural uses. Extra specialties include residential market analysis and feasibility studies.

Additionally, Scott has been qualified as an expert witness for Residential Development Property over 100 times in over 30 Superior Courts throughout Georgia and US Federal Bankruptcy Court. Confirmation upheld by GA Court of Appeals in August 2011.

Prior to joining Newmark, Scott worked in the Valuation & Advisory group at Cushman & Wakefield of Georgia for 16 years, most recently as Executive Director and head of the Residential Development Specialty Practice Group in the Southeast.

Licenses and Designations

- MAI designation, Appraisal Institute
- Certified General real estate appraiser, licensed in Commonwealth of Virginia, Alabama, Colorado, Florida, Georgia, Maryland, North Carolina, South Carolina, Arkansas, Delaware and Tennessee

Education

Scott earned a Bachelor of Business Administration degree from the University of West Georgia. More recently, he has completed the continuing education requirements of the Appraisal Institute.

NEWMARK

State of Alabama



This is to certify that

Scott R Tonneson

*having given satisfactory evidence of the necessary
qualifications required by the laws of the State of Alabama
is licensed to transact business in Alabama as a*

Certified General Real Property Appraiser

*With all rights, privileges and obligations
appurtenant thereto.*

Executive Director

LICENSE NUMBER: **G00624**

EXPIRATION DATE: **9/30/2027**

ALABAMA REAL ESTATE APPRAISERS BOARD

APPENDIX B

FORMS OF ORIGINAL INDENTURE AND INITIAL SUPPLEMENTAL INDENTURES

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Form of Original Indenture

TRUST INDENTURE

June 1, 2026

by

**THE POINT CLEAR CLUB IMPROVEMENT DISTRICT
As Issuer**

And

**REGIONS BANK
as Trustee**

This Indenture has been validated and confirmed by judgment of the Circuit Court of Baldwin County, Alabama on May 7, 2026 (Civil Action No. 05-CV-2026-900567.00 - JBB).

This Trust Indenture was prepared by Lee Birchall of Bradley Arant Boult Cummings LLP, 1819 5th Avenue North, Birmingham, Alabama 35203

TRUST INDENTURE

June 1, 2026

This Trust Indenture is made and entered as of the above date by the undersigned:

District: The Point Clear Club Improvement District, an Alabama public corporation and the successors and assigns thereof.

Trustee: Regions Bank, an Alabama banking corporation and the successors and assigns thereof, as trustee.

Recitals

The District and the Trustee have delivered this Trust Indenture to provide for the authorization, execution and delivery from time to time of the within-referenced Bonds as limited obligations of the District secured by the within Trust Estate on the terms of this Trust Indenture.

Agreement

Now therefore, in consideration of the respective agreements herein contained, it is hereby agreed among the District, the Trustee and the Owners of all Bonds that may at any time be issued hereunder (the Owners of said Bonds evidencing their consent hereto by their acceptance of said Bonds) each with each of the others, as follows:

ARTICLE 1

Definitions

For purposes hereof:

Act, when used with respect to any Owner, has the meaning stated in Section 11.06.

Act of Insolvency means the occurrence of any arrangement, bankruptcy, dissolution, insolvency, liquidation, or reorganization proceeding commenced or instituted under any federal or state bankruptcy, insolvency, reorganization or similar law providing for creditor's' rights (i) by voluntary action of the debtor or (ii) by involuntary action of the debtor if such proceedings are allowed by the debtor or are not dismissed, nullified, stayed or vacated, on appeal or otherwise, for a period of 90 days after the commencement or institution thereof.

Affiliate of any specified Person means, collectively, (i) any guarantor of any obligations of such Person and (ii) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person; provided, for purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

Annual Debt Service means, on any date of determination for each Bond Year, the aggregate amount of Debt Service becoming due and payable in such Bond Year on all Bonds; provided that, for purposes of determining Annual Debt Service:

- (i) Debt Service on any Bonds to be issued in such Bond Year shall be included; and
- (ii) Debt Service on any Bonds, or principal portion thereof, to be refunded in such Bond Year shall be excluded; and
- (iii) the Outstanding Principal Amount of Bonds required to be redeemed in such Bond Year pursuant to the terms thereof shall be deemed to be payable in such Bond Year rather than the Bond Year of the stated maturities thereof; and
- (iv) if the principal or interest (or portion thereof) on any Bonds is payable from funds capitalized therefor, the portion of the principal or interest on such Bonds payable from such funds shall not be included in the calculation of Annual Debt Service; and
- (v) the amounts (if any) on deposit in any of the Indenture Funds shall not be taken into account, or applied as a credit (except for amounts in the Extraordinary Redemption Fund, which shall be taken into account and applied as a credit to the Bond Fund pursuant to Section 5.04(c)(1)(iv)), so as to reduce the aggregate amount of Debt Service becoming due and payable on the Bonds in such Bond Year.

Applicable Law means (i) the applicable provisions of all constitutions, statutes, rules, regulations, orders, judgments and decrees of any Governmental Authority and (ii) all laws and rules of law which provide legal or equitable rights and remedies for creditors.

Appointing Government means Baldwin County, Alabama, or any successor thereto, whether by annexation, consolidation or merger, or otherwise.

Assessment Area means that portion of the real property in the District described on Exhibit A attached hereto and incorporated herein by reference, consisting of approximately 98.5 acres as more particularly described thereon.

Assessment Methodology Manager means the person or entity engaged by the District to calculate and manage the Assessments in accordance with the terms of this Indenture, the Special Assessment Agreement, and the Assessment Methodology Reports. The District has engaged Wrathell, Hunt, and Associates, LLC as the initial Assessment Methodology Manager.

Assessment Methodology Reports means, collectively the Master Assessment Methodology Report dated May 13, 2026 and the First Supplemental Special Assessment Methodology Report, dated May

13, 2026, by Wrathell, Hunt and Associates, LLC, as the initial Assessment Methodology Manager, as such reports may be supplemented and amended from time to time.

Assessment Proceedings means the proceedings of the Appointing Government adopted on April 7, 2026 with respect to the establishment and levy of the Assessments, and the ratification thereof, including without limitation Resolution No. 2026-076.

Assessment Proceeds means collectively the amounts due to be paid in each Bond Year as:

- (i) the Platted Lot Annual Assessment Payment Amount for each Platted Lot; and
- (ii) the Platted Lot Total Assessment Payment Amount(s); and
- (iii) the Pre-Platted Land Annual Assessment Payment Amount for the Pre-Platted Land; and
- (iv) the Pre-Platted Land Total Assessment Payment Amount for the Pre-Platted Land.

Assessments means collectively each Lien made upon the Pre-Platted Land and each of the Platted Lots within the Assessment Area within the District by the Appointing Government pursuant to the authority of the Improvement District Act (as provided in Section 11-99A-31) and the Assessment Proceedings in the respective amounts established by the Assessment Proceedings.

Auditor means a Person who is (i) a certified public accountant regularly engaged in the auditing of financial records and who is not employed full time by the District, the Developer, or any director, officer or member of any thereof or (ii) regularly employed by the Alabama Department of Examiners of Public Accounts.

Authorized Denomination or Denominations means, with respect to any Bonds, the amount specified therefor in the Supplemental Indenture with respect to such Bonds.

Authorized District Representative means the Chairman, and Vice-Chairman, of the Board of Directors of the District, and any other Person of the District authorized by the Board of Directors to act as “Authorized District Representative” for purposes of this Indenture without further action by the Board of Directors.

Authorized Investments means (i) U.S. Government Obligations, and (ii) a trust or fund that invests solely in U.S. Government Obligations, including those managed by the Trustee or any of its subsidiaries, and (iii) U.S. dollar denominated deposit accounts and certificates of deposit with banks or savings associations which are qualified public depositories under the laws of the State of Alabama.

Beneficial Owner means the owner of a beneficial interest in a Bond held pursuant to a Book-Entry System.

Bond or Bonds means, on any date of determination, a Bond or Bonds (within the meaning of the Improvement District Act) which (i) shall have been authorized, executed and delivered by the District, and authenticated by the Trustee, pursuant to the Governing Law and this Indenture including, collectively, the Series 2026-A Bonds and the Series 2026-B Bonds, (ii) on such date is entitled to the benefits and security of this Indenture as provided in Section 11.03.

Bond Counsel means Counsel having experience with respect to obligations issued as Tax-Exempt Bonds by the State and by or on behalf of political subdivision (within the meaning of 26 CFR Section 1.103-1) of the State

Bond Fund means the fund established pursuant to Section 5.04.

Bond Fund Account Requirement means, on any date of determination, for each Account of the Bond Fund, an amount equal to the Debt Service on the series of Bonds for which such Account was established becoming due and payable during the 12-month period which next succeeds such date of determination.

Bond Register means the register or registers for the registration and transfer of Bonds maintained by the Trustee pursuant to Article 4.

Bond Registrar means the Trustee as agent of the District for the purpose of registering Bonds and transfers of Bonds.

Book-Entry System means a book-entry only system of evidence of purchase and transfer of beneficial ownership interests in the Bonds.

Business Day means any day other than (i) a Saturday, a Sunday or (ii) a day on which the payment system of the Federal Reserve System is not operational, or (iii) a day on which banking institutions are authorized or required by law to remain closed in the city in which the Principal Office of the Trustee is located.

Bond Year means the period beginning on and including June 1 and ending on and including the next succeeding May 31.

Collection and Transfer Agreement means the Collection and Transfer Agreement of even date among Point Clear Club Land, LLC, the Assessment Methodology Manager, and Fairhope Title Services, LLC.

Counsel means (i) a Person licensed to practice law before the Supreme Court of Alabama and (ii) with respect to any Qualified Credit Facility, licensed to practice law before the highest court of the jurisdiction the law of which governs such Qualified Credit Facility.

Debt Service means, with respect to any Bond on any date of determination or for any period, the principal of, premium (if any), and interest payable on such Bond.

Defeasance Fund means an independent and irrevocable account or fund established by the District pursuant to Section 6.01 for the benefit of any Bond or any portion of the principal amount thereof.

Developer means collectively Point Clear Club Investments, LLC, an Alabama limited liability company, and the successors and assigns thereof and Point Clear Club Land, LLC, an Alabama limited liability company, and the successors and assigns thereof.

Developer's Lender means any financial institution making a commercial loan to the Developer and taking as security therefor a mortgage or interest in any real property within the Assessment Area.

Development Plan means the development of the District by the Developer as set forth in the Engineer's Report dated May 13, 2026.

Direct Participant or **Direct Participants** means securities brokers and dealers, banks, trust companies, clearing corporations and other financial institutions which have access to the Book-Entry System.

District means The Point Clear Club Improvement District, a public corporation organized under the laws of the State of Alabama, until a successor corporation shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "District" means such successor corporation.

District Administration Agreement shall mean the District Administration Agreement of even date between the District and the Assessment Methodology Manager.

Electronic Means includes the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

Engineer's Report means the Engineer's Report of Jade Consulting dated May 13, 2026 with respect to the District.

Event of Default means an event specified in Section 10.01.

Extraordinary Redemption Fund means the fund established pursuant to Section 5.06.

Federal Tax Code means the Internal Revenue Code of 1986, as amended.

Financing Documents means, collectively, the following as at any time amended, supplemented or restated: (i) the Series 2026 Bonds, (ii) this Indenture, (iii) the Special Assessment Agreement, (iv) the Initial Supplemental Indentures, (v) the District Administration Agreement, (vi) the Collection and Transfer Agreement, and (vii) any Qualified Credit Facility.

Foreclosure Expense Reserve Fund means the fund established pursuant to Section 5.07.

Governing Law means (i) the Constitution of Alabama of 2022 (formerly known as the Constitution of Alabama of 1901, as amended), (ii) the general laws of the State, and (iii) the Improvement District Act.

Governmental Authority means (i) the United States of America, (ii) the State and any political subdivision (within the meaning of 26 CFR Section 1.103-1) thereof other than the District, and (iii) any agency, authority, board, bureau, commission, court, department, division, instrumentality, tribunal thereof or other organization of competent jurisdiction established by the United States of America or the State.

Improvement District Act means Chapter 99A of Title 11 of the Code of Alabama 1975, as amended from time to time.

Improvements means collectively the Series 2026-A Capital Improvements and the Series 2026-B Capital Improvements.

Indenture means collectively this instrument as at any time amended, restated or supplemented, including as amended and supplemented by the Initial Supplemental Indentures.

Indenture Funds means, collectively, the Revenue Fund, the Bond Fund, the Reserve Fund, the Extraordinary Redemption Fund, the Foreclosure Expense Reserve Fund, and any other account or fund which is (i) established under this Indenture and (ii) specifically designated as an Indenture Fund.

Independent, when used with respect to any Person, means a Person who (i) is in fact independent, (ii) does not have any direct financial interest or any material indirect financial interest in the District, the Developer, or in any obligor upon the Bonds, or in any Affiliate of the District, the Developer, or of such other obligor, and (iii) is not connected with the District, the Developer, or such other obligor as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions.

Indirect Participant or Indirect Participants means securities brokers and dealers, banks, trust companies, clearing corporations and other financial institutions for which the Securities Depository holds Bonds as securities depository through a Direct Participant.

Initial Supplemental Indentures means collectively the (i) Series 2026-A Supplemental Trust Indenture of even date by the District and the Trustee and the (ii) Series 2026-B Supplemental Trust Indenture of even date by the District and the Trustee.

Lien means any mortgage, chattel mortgage, lien, pledge, charge, security interest or encumbrance of any kind.

Majority Owners means, on any date of determination, the Owner or Owners of the Bond or Bonds the aggregate Outstanding Principal Amount of which equals or exceeds 51% of the aggregate Outstanding Principal Amount of all Bonds on such date.

Opinion of Bond Counsel means a written opinion of Bond Counsel.

Opinion of Counsel means a written opinion of Counsel who may (except as otherwise expressly provided in this Indenture) be counsel for the District and which opinion shall not be unacceptable to the Trustee.

Outstanding Principal Amount means, with respect to any Bond on any date of determination, the principal amount of such Bond which on such date shall be subject to the accrual of interest pursuant to Section 3.03 and shall be payable by the District in accordance with the terms of such Bond and this Indenture.

Owner when used with respect to any Bond means the Person in whose name such Bond is registered in the Bond Register, including without limitation the Securities Depository or Securities Depository Nominee with respect to any Bond held pursuant to the Book-Entry System; provided, however, that the Securities Depository and the Securities Depository Nominee shall not be considered an Owner for purposes of any prior approval or consent hereunder.

Person means any natural person, corporation, general or limited partnership, limited liability company or partnership, joint venture, association, trust, unincorporated organization and Governmental Authority.

Platted Lot means and includes any land or lot within the boundaries of the Assessment Area within the District which is described or set forth in a map or plat which shall have been recorded in the Office of the Judge of Probate of Baldwin County, Alabama, and includes without limitation any Platted Lot of which the Developer or any Affiliate thereof is the “owner” (within the meaning of the Improvement District Act).

Platted Lot Annual Assessment Payment Amount means the amount payable in each Bond Year in respect of the Assessment on each of the respective Platted Lots as determined by the District pursuant to Section 2.04(c).

Platted Lot Foreclosure Proceeds means the net proceeds realized from the foreclosure and sale of a Platted Lot pursuant to Section 2.08.

Platted Lot Total Assessment Payment Amount means, for any Platted Lot on any date of determination, the sum of the following as determined by the District, based on information provided by the Assessment Methodology Manager:

- (i) the amount of the Platted Lot Annual Assessment Payment Amount then due on such Platted Lot; and
- (ii) the amount of the Assessment which shall be based on the ERUs attributable to such Platted Lot, where the remaining principal outstanding on the Bonds is allocated among all ERUs for both Platted Lots and lots anticipated to be platted on Pre-Platted Land; and
- (iii) the amount of interest plus premium (if any) to accrue on a principal amount of the Bonds equal to the amount of such Assessment (rounded down to the highest Authorized Denomination) at the highest per annum interest rate then in effect for the Bonds for the period beginning on the Stated Interest Payment Date next preceding the date of sale of the Platted Lot and ending on (but not including) the next succeeding Stated Interest Payment Date; and
- (iv) the amount of interest which may have accrued on the principal amount of the Assessment to (but not including) the date of foreclosure, if applicable; and
- (v) any True-Up Payment payable pursuant to Section 2.04(c)(4), if applicable; and
- (vi) such costs, fees and expenses with respect to such foreclosure as shall be permitted by Section 11-99A-21(7) of the Improvement District Act and as shall be sufficient to pay the costs of such foreclosure, if applicable.

Pre-Platted Land shall have the meaning assigned in the Special Assessment Agreement.

Pre-Platted Land Annual Assessment Payment Amount means the Assessment for Pre-Platted Land within the Assessment Area for each Bond Year in an amount equal to Annual Debt Service, less the amount of the Assessment attributable to Platted Lots in that Bond Year pursuant to Section 2.04(c)(2) herein.

Pre-Platted Land Assessment Lien shall have the meaning assigned in the Special Assessment Agreement.

Pre-Platted Land Total Assessment Payment Amount means, for any Pre-Platted Land on any date of determination, the sum of the following as determined by the District, based on information provided by the Assessment Methodology Manager from time to time:

- (i) the amount of the Pre-Platted Land Annual Assessment Payment Amount then due on such Pre-Platted Land; and
- (ii) the amount of the Assessment attributable to such Pre-Platted Land which shall be based on the per-acre amount calculated by allocating the outstanding principal amount of the Bonds, less the portion thereof attributable to Platted Lots, to all remaining Pre-Platted Land; and
- (iii) the amount of interest, plus premium (if any), to accrue on a principal amount of the Bonds equal to the amount of such Assessment (rounded down to the highest Authorized Denomination) at the highest per annum interest rate then in effect for the Bonds for the period beginning on the Stated Interest Payment Date next preceding the date of sale of the Pre-Platted Land and ending on (but not including) the next succeeding Stated Interest Payment Date; and
- (iv) the amount of interest which may have accrued on the principal amount of the Assessment to (but not including) the date of foreclosure pursuant to Section 2.04(c)(4), if applicable; and
- (v) any True-Up Payment payable pursuant to Section 2.04(c)(4), if applicable; and
- (vi) such costs, fees and expenses with respect to such foreclosure as shall be permitted by Section 11-99A-21(7) of the Improvement District Act and as shall be sufficient to pay the costs of such foreclosure.

Pre-Platted Land Foreclosure Proceeds means the net proceeds realized from the foreclosure and sale of the Pre-Platted Land pursuant to the Special Assessment Agreement.

Principal Office of the Trustee means the office designated by the Trustee for purposes of this Indenture by written notice to the District, the Developer and the Owners.

Proposed Plat means the proposed platting of the Assessment Area as set forth in the Development Plan.

Qualified Credit Facility means either of the following or any combination thereof:

- (i) a letter of credit, a line of credit, a municipal bond insurance policy, a surety bond, a guaranty agreement, or similar agreement, which shall (A) be issued to the Trustee as beneficiary; (B) be unconditional and irrevocable; (C) contain terms satisfactory to the District; and (D) be issued by an issuer or provider rated in one of the three highest rating categories (without regard to rating subcategories within a rating category) by a nationally recognized credit or securities rating agency; and
- (ii) Qualified Liquid Assets.

Qualified Liquid Assets means U.S. Currency and Authorized Investments which shall (i) not be encumbered by any Lien for the benefit of any Person and (ii) be accompanied by such agreements,

instruments, notices and security agreements as are necessary to create, confirm and perfect the security interest of the Trustee therein under Applicable Law.

Record Date means the 15th calendar day (whether or not a Business Day) of a month next preceding a Stated Interest Payment Date.

Redemption Price means, on any date of determination for any Bond (or principal amount thereof) to be called for redemption pursuant to any of Sections 6.02, 6.03, or 6.04, the redemption price established therefor in the Supplemental Indenture which provided for the issuance of such Bond.

Reserve Fund shall mean the fund established pursuant to Section 5.05.

Reserve Fund Account Requirement means, on any date of determination for each Account of the Reserve Fund:

- (i) for any Tax-Exempt Bond, the amount equal to the greatest amount at the time permitted by the Federal Tax Code to be on deposit in the Reserve Fund; and
- (ii) for any Taxable Bond, the amount specified therefor in the Supplemental Indenture which shall have created such Bond.

Responsible Officer in the Corporate Trust Department means, when used with respect to the Trustee, any vice president, assistant vice president or other officer of the Trustee having direct responsibility for the administration of this Indenture.

Revenue Fund means the fund established pursuant to Section 5.03.

Securities Depository means any Person appointed as "Securities Depository" pursuant to any Supplemental Indenture, and any substitute securities depository therefor, that maintains a Book-Entry System for any one or more series of Bonds.

Securities Depository Nominee means the Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the Bond Register the Bonds to be delivered to such Securities Depository during a period in which such Bonds are held pursuant to the Book-Entry System.

Series 2026-A Bonds means the District's Assessment Revenue Bonds, Series 2026-A issued in the original principal amount of \$_____ pursuant to the Original Indenture and the Series 2026-A Supplemental Trust Indenture.

Series 2026-B Bonds means the District's Taxable Assessment Revenue Bonds, Series 2026-B issued in the original principal amount of \$_____ pursuant to the Original Indenture and the Series 2026-B Supplemental Trust Indenture.

Series 2026-A Supplemental Indenture means the Series 2026-A Supplemental Trust Indenture dated as of June 1, 2026 between the District and the Trustee.

Series 2026-B Supplemental Indenture means the Series 2026-A Supplemental Trust Indenture dated as of June 1, 2026 between the District and the Trustee.

Special Assessment Agreement means the Special Assessment Agreement dated June 1, 2026 by the Developer, the District, and the Trustee, as at any time amended, restated or supplemented.

State means the State of Alabama.

Stated Interest Payment Date means the first day of each June and December, or if any such date is not a Business Day, then the next succeeding Business Day.

Stated Principal Payment Date means, first day of each June, or if such date is not a Business Day, then the next succeeding Business Day.

Supplemental Indenture means any indenture or other instrument delivered by the District and the Trustee in compliance with the applicable provisions of this Indenture for the amendment or supplement hereof.

Taxable means, on any date of determination with respect to any Bond or series of Bonds, that interest on the applicable Bonds is includible in the gross income of any Owner thereof for purposes of federal income taxation; provided, however, interest on any Bond shall not be deemed "Taxable" (i) if such Bond is issued in compliance with any provision or section of the Federal Tax Code which provides the District, or the Owner of such Bond, shall receive a federal subsidy, a credit against federal income tax, or other federal tax benefit in respect of interest on such Bond and (ii) if interest on such Bond is includible in any calculation of income for purposes of an alternative minimum tax or any other type of taxation other than the regular federal tax imposed on income.

Taxable Bond means any Bond which is not a Tax-Exempt Bond.

Tax-Exempt Bond means any Bond which is a "tax-exempt bond" or a "tax-advantaged bond" within the meaning of the Federal Tax Code.

Trustee means Regions Bank, until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" means such successor.

Trust Estate shall have the meaning stated in Section 2.01.

U.S. Currency means lawful currency of the United States of America.

U.S. Government Obligations means and includes pecuniary obligations which are (i) direct general obligations of the United States of America, (ii) obligations with respect to which the full and punctual payment of the principal thereof and interest thereon is unconditionally guaranteed by the United States of America, and (iii) money-market funds consisting solely of obligations described in (i) and (ii) of this definition.

ARTICLE 2

Trust Estate; Assessments on Platted Lots

Section 2.01 Creation of Trust Estate

To secure the payment of the Bonds and the performance of the covenants contained in this Indenture and in the Bonds, and to declare the terms and conditions on which the Bonds are secured, and in consideration of the premises and of the purchase of the Bonds by the Owners thereof, the District by these presents does grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm unto the Trustee, and grant to the Trustee security title to and a continuing security interest in, all and singular, the following described property and all proceeds and products thereof:

- (a) the following amounts:
 - (1) all Assessment Proceeds; and
 - (2) all Platted Lot Foreclosure Proceeds; and
 - (3) all Pre-Platted Land Foreclosure Proceeds; and
 - (4) all revenues derived or to be derived by the District in accordance with the Improvement District Act and the Special Assessment Agreement.
- (b) All books and records of the District with respect to the Assessments and the Assessment Proceeds; and
- (c) All right, title and interest of the District in and to the Special Assessment Agreement and all amounts delivered to, or realized by, the District or the Trustee pursuant to the terms thereof.
- (d) All Authorized Investments, each Qualified Credit Facility, and all U.S. Currency, from time to time on deposit in, or credited to, the Indenture Funds, subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture; and
- (e) Any and all property of every kind or description which may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the Lien of this Indenture as additional security by the District or anyone on its part or with its written consent, or which pursuant to any of the provisions of this Indenture may come into the possession or control of the Trustee or a receiver appointed pursuant to this Indenture; and the Trustee is authorized to receive any and all such property as and for additional security for the Bonds and to hold and apply all such property subject to the terms of this Indenture;

TO HAVE AND TO HOLD all said property, rights and privileges of every kind and description, real, personal or mixed, and hereafter (by Supplemental Indenture or otherwise) granted, bargained, sold, remised, released, conveyed, assigned, transferred, mortgaged, hypothecated, pledged, set over or confirmed as aforesaid, or intended, agreed or covenanted so to be, together with all the appurtenances thereto appertaining (said property, rights and privileges being in this Indenture called the “Trust Estate”) unto the Trustee and its successors and assigns forever;

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the Owners from time to time of the Bonds without any priority of any such Bond over any other such Bond.

Section 2.02 Title to Trust Estate; Priority of Lien of Trust Estate

(a) The District has title to and the beneficial interest in and is lawfully possessed of the properties, rights and interests in properties that comprise the Trust Estate free and clear of any Lien and has the rightful power and lawful authority to pledge and grant security interests in the Trust Estate. The pledge, assignment and transfer of, and security interest in, the Trust Estate pursuant to this Indenture will create a valid first-priority Lien on and security interest in favor of the Trustee in all right, title and interest of the District in or to the Trust Estate, subject to no prior Lien or to any agreement purporting to grant to any other Person a security interest in the Trust Estate.

(b) Except as provided in this Indenture, the District:

(1) will not pledge, sell, transfer or convey the Trust Estate or any part thereof, and

(2) will not create or incur or suffer or permit to be created or incurred or to exist any Lien on the Trust Estate or any part thereof; and

(3) will not incur any indebtedness (whether direct, indirect or contingent) payable from or secured by the Trust Estate.

(c) The District will warrant and defend the title to the Trust Estate and every part thereof to the Trustee, its successors and assigns, against the claims and demands of all Persons and shall record this Indenture in such manner, name, and places to fully perfect, preserve, and protect the interest of the Trustee in the Trust Estate created hereby.

(d) The Trustee shall hold the Trust Estate. The District shall record this Indenture in such manner, name, and places necessary or desirable to fully perfect, preserve, and protect the interest of the Trustee in the Trust Estate created hereby as a valid first-priority claim therein. The Trustee shall execute and deliver all writings, as an Authorized District Representative shall direct in writing, to effect the foregoing under applicable law.

(e) The District hereby irrevocably authorizes the Trustee at any time and from time to time to record and file, in any jurisdiction, this Indenture and notices (including any amendments thereto) that cover the Trust Estate; provided, however, that the Trustee shall have no responsibility or obligation to make any such filings and, instead, the Trustee may rely on the District to make such filings.

(f) The District shall execute, acknowledge and deliver such additional instruments as the Trustee may request in order to preserve, protect, continue, extend or maintain the pledge and Lien and security interest created hereby as a pledge of, Lien on and security interest in the Trust Estate; provided, however, that the Trustee shall have no responsibility or obligation to make any determination of the necessity of any such instruments and, instead, the Trustee may rely on the District to make such determinations.

Section 2.03 Limited Source of Payment of Bonds; Exemption of Directors, Officers, of District

(a) (1) The District will pay the Bonds solely from the Trust Estate as provided in this Indenture.

(2) The covenants and agreements contained in this Indenture and in the Bonds do not, and shall never, constitute or give rise to a personal or pecuniary liability or charge against the general credit of the District and in the event of a breach of any such covenant or agreement, no personal or pecuniary liability or charge payable directly or indirectly from the general assets or revenues of the District (other than the Trust Estate) shall arise therefrom.

(b) The Bonds do not, and shall never, constitute or create an indebtedness or pecuniary liability payable from, or a charge against, the revenues, assets, general credit, or taxing powers of the Appointing Government or any Governmental Authority within the meaning of any constitutional provision or statutory limitation whatsoever.

(c) The Owners and the Trustee agree that no recourse under or upon any covenant or agreement of this Indenture, or of any Bonds, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future incorporator, officer or member of the Board of Directors of the District, or of any successor corporation, either directly or through the District, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the Bonds issued under this Indenture are solely corporate obligations, and that no personal liability whatever shall attach to, or is or shall be incurred by, any incorporator, officer or member of the Board of Directors of the District or any successor corporation, or any of them, because of the issuance of the Bonds, or under or by reason of the covenants or agreements contained in this Indenture or in any Bonds or implied therefrom, and all such liability of any such incorporators, officers, employees or directors of the District as such is expressly and irrevocably waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bonds.

Section 2.04 Attachment of Lien on, and Terms of Payment of, Assessments on Platted Lots and Pre-Platted Land

(a) The District agrees that the Pre-Platted Land is subject to an Assessment in the amount determined therefor pursuant to the Assessment Proceedings and Section 2.04(c) herein, and subject to foreclosure and sale, as provided in the Improvement District Act, the Assessment Proceedings, the Special Assessment Agreement, and this Indenture.

(b) The District agrees that when and as any land included within the Pre-Platted Land becomes a Platted Lot, such land shall simultaneously therewith, without notice to, or action by, any person, (i) become subject to an Assessment in the amount determined therefor pursuant to the Assessment Proceedings and Section 2.04(c), and subject to foreclosure and sale, as provided in the Foreclosure Act and the Improvement District Act, the Assessment Proceedings, and this Indenture, and (ii) be released from the Pre-Platted Land Assessment Lien pursuant to the Special Assessment Agreement.

(c) The District does hereby, pursuant to the Assessment Proceedings and the Improvement District Act, establish the terms of payment of the Assessments by the Developer as follows:

(1) Notwithstanding anything herein to the contrary, the aggregate amount of Assessments due for each Bond Year shall not be less than the amount of Annual Debt Service due for such Bond Year.

(2) The Assessment for each of the Platted Lots within the Assessment Area for each Bond Year shall be an amount based on the equivalent residential units ("ERUs") attributable to

such Platted Lot as determined by the Assessment Methodology Manager pursuant to the Methodology Reports, where the Annual Debt Service for such Bond Year is allocated among all ERUs for both Platted Lots and lots anticipated to be platted on Pre-Platted Land. The ERUs as contemplated by the Assessment Methodology Reports and the Development Plan are as follows, which total ERUs shall be subject to adjustment as Platted Lots are released from the lien of the Assessment pursuant to Section 2.10 herein, or as the Development Plan changes resulting in more or less ERUs as described in Section 2.04(c)(5) below:

<u>Lot Type</u>	<u>No. of Lots</u>	<u>Total Assessment Per Lot</u>	<u>Maximum ERU Weight Per Unit</u>	<u>Total ERU</u>
Village	6	\$290,358.59	0.935	5.61
Estate	42	306,568.86	0.987	41.46
Golf Cottage	40	281,765.87	0.907	36.29
Typical	20	222,347.64	0.716	14.32
Golf Estate	14	449,597.77	1.448	20.27

(3) The Assessment for Pre-Platted Land within the Assessment Area for each Bond Year shall be an amount equal to the Pre-Platted Land Annual Assessment Payment Amount.

(4) In the event that a Proposed Plat (as defined in the Assessment Methodology Reports) results in a greater or lesser amount of ERUs able to be imposed on the remaining Pre-Platted Land within the Assessment Area as compared to what was originally contemplated under the Development Plan (as defined in the Methodology Reports) the District shall (or may, as applicable) take the following actions:

(i) if greater, then the District may, but shall not be required to, undertake a pro rata reduction of the Assessment for all assessed properties within the Assessment Area;

(ii) if lesser, then the District *shall* require the Developer to pay a “True-Up Payment” equal to the difference between: (i) the Assessment that would be imposed on the land subject to the Proposed Plat if such land was platted as contemplated by the original Development Plan, and (ii) the Assessment able to be imposed on the lands subject to the Proposed Plat, after the Proposed Plat (plus applicable interest, collection costs and penalties, if applicable). In the event that the Proposed Plat would result in the total aggregate Assessment attributable to the Pre-Platted Land to exceed \$371,840.42 per acre, the True-Up Payment in connection with such Proposed Plat shall be increased to the extent necessary to reduce such per acre amount to or less than \$371,840.42.

(5) The Platted Lot Annual Assessment Payment Amount for each of the Platted Lots shall be due and payable on or before April 15 in each Bond Year in U.S. Currency immediately available, provided, however, payment of such amount shall not be delinquent, and no Event of Default shall occur thereupon, if payment of the Platted Lot Annual Assessment Payment Amount for such Bond Year is received by the Trustee in such amounts and at such times as shall, together with the available amounts in the Bond Fund, be sufficient to pay in full the principal of and interest on the Bonds becoming due and payable on each Stated Interest Payment Date and the Stated Principal Payment Date in such Bond Year.

(6) The amount of a Platted Lot Annual Assessment Payment Amount which shall not be paid in full when due on June 1 in each Bond Year shall bear interest at the rate of 7.00% per annum from such date until paid in full.

(7) The Pre-Platted Land Annual Assessment Payment Amount shall be due and payable on or before April 15 in each Bond Year in U.S. Currency immediately available, provided, however, payment of such amount shall not be delinquent, and no Event of Default shall occur thereupon, if payment of the Pre-Platted Land Annual Assessment Payment Amount for such Bond Year is received by the Trustee in such amounts and at such times as shall, together with the available amounts in the Bond Fund, be sufficient to pay in full the principal of and interest on the Bonds becoming due and payable on each Stated Interest Payment Date and the Stated Principal Payment Date in such Bond Year.

(8) The amount of a Pre-Platted Land Annual Assessment Payment Amount which shall not be paid in full when due on June 1 in each Bond Year shall bear interest at the rate of 7.00% per annum from such date until paid in full.

(d) The District agrees to provide to the owner(s) of each of the Platted Lots and the Pre-Platted Land obligated for payment of the Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount, as applicable, with respect to a Platted Lot or Pre-Platted Land, the above terms of payment thereof in such time, form, and manner as shall provide for the due and punctual payment of such Platted Lot Annual Assessment Payment Amount and Pre-Platted Land Annual Assessment Payment Amount.

(e) Pursuant to Section 11-99A-17 of the Improvement District Act, the Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount shall be paid directly to the Trustee in accordance with written instructions given therefor by the District.

Section 2.05 Covenants of District to Maintain the Assessments on the Platted Lots and Pre-Platted Land

The District covenants and agrees:

(1) the District will provide for the collection and payment of the amounts due and payable in respect of the Assessments in each Bond Year at the maximum amount provided in Section 2.04(c) for the Assessment Area; and

(2) the District will not amend, or consent to the amendment of, the Assessment Proceedings including without limitation any amendment which would, or would have the effect of, (i) reducing the amount or rate, or extending the due date, or changing the form and manner of payment, of any Assessment or (ii) changing the Assessment Methodology defined and set forth in the Assessment Proceedings in such manner as to reduce the amounts to be paid as Assessments by application of the Assessment Methodology below the amounts required by Section 2.04 herein; and

(3) the District will not amend, suspend, or terminate any of the terms of payment of the Assessments if any such action would adversely affect the due and punctual payment of the Debt Service on the Bonds.

Section 2.06 Illegality or Invalidity of Assessments; Levy of Additional Assessments

(a) If any court of competent jurisdiction shall determine that all or any portion of the Assessments are illegal, invalid, or otherwise unenforceable, for any reason, and such determination shall not be appealed (or, if appealed, shall be affirmed on appeal), the District shall take all steps legally available to it in order to cause the Assessments to be legal, valid, and enforceable or, if that is impossible, then the District shall petition the Appointing Government to levy new special assessments within the Assessment Area, upon validation thereof pursuant to Article 7 of Chapter 81 of Title 11 of the Code of Alabama 1975 (or any successor provision of law) by lot size and amount as set forth in Section 2.04(c), and such new special assessments shall be part of the Trust Estate and subject to the Lien created by, and all of the provisions of, this Indenture, to the same extent as the Assessments.

(b) The District covenants and agrees that it will not petition the Appointing Government to levy any additional assessments on property within the Assessment Area.

Section 2.07 Direct Payment of Assessments to Trustee

(a) The District will collect, or cause to be collected pursuant to the District Administration Agreement of even date between the District and the Assessment Methodology Manager, the Administrator thereunder, and enforce the payment of Assessments, in the manner prescribed by this Indenture and the Improvement District Act, and all resolutions, ordinances or laws thereunto appertaining at the times and in the amounts as provided therefor.

(b) The District shall, pursuant to the Improvement District Act, cause the payment of all Assessments to be made directly to the Trustee, as provided in Section 2.04(c), for application thereof as provided in this Indenture.

(c) The District shall promptly transfer, or cause to be transferred to the Trustee pursuant to the Collection and Transfer Agreement, the amount of any Assessment received by the District.

Section 2.08 Enforcement of Payment of Assessments by Trustee; Foreclosure Proceedings

(a) (1) (i) In the event the Developer or an Affiliate thereof, as the owner(s) of a Platted Lot or Pre-Platted Land fails to pay the Assessment (or any portion thereof) thereon when and as due and payable, such Platted Lot or Pre-Platted Land is subject to foreclosure and sale as provided in the Improvement District Act and the Special Assessment Agreement, and the Trustee shall, subject to the retained rights of the District under this Section, thereupon proceed to foreclose and sell such Platted Lot or Pre-Platted Land, for an amount not less than the Platted Lot Total Assessment Payment Amount or the Pre-Platted Land Total Assessment Payment Amount, as applicable, in accordance with Section 11-99A-21(1) through Section 11-99A-21(6), inclusive, of the Improvement District Act.

(ii) Pursuant to Section 11.07(b)(3) of this Indenture, the provisions of subsection 2.08(a)(1)(i) shall not be modified or waived so as to permit the sale of a Platted Lot or Pre-Platted Land at foreclosure for an amount less than the Platted Lot Total Assessment Payment Amount or the Pre-Platted Land Total Assessment Payment Amount, respectively, with respect thereto without the prior consent by Act of the Owners of all of the Bonds.

(2) The Trustee shall, prior to taking any action with respect to foreclosure proceedings pursuant to Section 2.08(a)(1), advise the District and the Developer's Lender in writing of the Platted Lot(s) or the Pre-Platted Land with respect to which foreclosure proceedings shall be commenced.

(3) The District hereby constitutes and appoints the Trustee, and any other Person whom the Trustee may designate, as the attorney-in-fact of the District to exercise and perform (at the District's expense), at any time and from time to time, all acts, duties, obligations and requirements of the District under Section 11-99A-21(1) through Section 11-99A-21(6), inclusive, of the Improvement District Act with respect to the foreclosure and sale of any Platted Lot or Pre-Platted Land pursuant to Section 2.08(a)(1).

(4) Anything in this Indenture to the contrary notwithstanding, the District hereby reserves and retains:

(i) the right (but not the obligation), which is similarly extended to the Developer's Lender, to pay to the Trustee the Assessment then due, whereupon the Trustee shall not commence such foreclosure proceedings; and

(ii) the sole and exclusive right to exercise all rights of the District provided in Sections 11-99A-21(8) and Section 11-99A-21(11) of the Improvement District Act with respect to the foreclosure and sale of any Platted Lot or Pre-Platted Land pursuant to Section 2.08(a)(1).

(5) The District hereby authorizes and directs the Trustee to: (i) pay the fees and expenses for any foreclosure of a Platted Lot or Pre-Platted Land pursuant to this Section from the Foreclosure Expense Reserve Fund, and (ii) to the extent funds in the Foreclosure Expense Reserve Fund are insufficient for such purpose, to obtain the balance of such funds from the proceeds of such foreclosure.

(b) The Trustee shall apply all Platted Lot Foreclosure Proceeds and Pre-Platted Land Foreclosure Proceeds as provided in Section 5.02.

Section 2.09 Rights of Redemption of Owners of Platted Lots and Pre-Platted Land

Anything in this Indenture to the contrary notwithstanding, the Developer or an Affiliate thereof, as the owner(s) of a Platted Lot or Pre-Platted Land, shall have the right of redemption, upon any foreclosure and sale thereof, set forth in Article 14A of Chapter 5 of Title 6 of the Code of Alabama 1975.

Section 2.10 Release of Lien of Assessments; Mandatory Prepayment on Transfer

(a) The Lien of an Assessment upon a Platted Lot shall be discharged and released:

(1) upon payment in full of the Platted Lot Total Assessment Payment Amount; and

(2) upon foreclosure and sale of such Platted Lot (regardless of whether the bid accepted at foreclosure is sufficient to pay the entire Assessment) as provided in Section 11-99A-21 of the Improvement District Act.

(b) The Lien of an Assessment upon Pre-Platted Land shall be discharged and released:

(1) upon payment in full of the Pre-Platted Land Total Assessment Payment Amount; and

(2) upon foreclosure and sale of such Pre-Platted Land (regardless of whether the bid accepted at foreclosure is sufficient to pay the entire Assessment) as provided in Section 11-99A-21 of the Improvement District Act.

(c) Prior to the sale or transfer of any Platted Lot or Pre-Platted Land to any Person other than an Affiliate of the Developer, the Platted Lot Total Assessment Payment Amount or Pre-Platted Land Total Assessment Payment Amount attributable to such Platted Lot or Pre-Platted Land, as applicable, must first be paid in full to the Trustee for the account of the District. The Developer is obligated under the Special Assessment Agreement to transfer, or cause to be transferred, such Platted Lot Total Assessment Payment Amount or Pre-Platted Land Total Assessment Payment Amount from a portion of the proceeds of such sale directly to the Trustee pursuant to the Collection and Transfer Agreement for application as provided in Sections 5.02(b) and 5.06(c)(1) of this Indenture.

Section 2.11 Trustee May Act for District

The District agrees the Trustee may, in its name or in the name and on behalf of the District, enforce all rights and remedies of the District and the Trustee, for the benefit of the Owners, without regard to whether an Event of Default shall then exist.

Section 2.12 Authorization and Direction by District to Trustee to Enforce the Special Assessment Agreement

(a) The annual assessment for the Pre-Platted Land shall be the Pre-Platted Land Annual Assessment Payment Amount as determined by and payable pursuant to Section 2.04(c) herein and as acknowledged and agreed to by the Developer pursuant to the Special Assessment Agreement.

(b) The District authorizes and directs the Trustee to make demand for, collect, receive, and apply as provided in this Indenture, all amounts payable under the Special Assessment Agreement in such amounts and at such times as shall be necessary to enable the Trustee to pay in full in accordance with this Indenture the Debt Service on the Bonds when and as the same becomes due and payable.

ARTICLE 3

Authorization of Series 2026 Bonds

Section 3.01 Authorization of Series 2026 Bonds.

The District authorizes the issuance of the Series 2026 Bonds pursuant to this Indenture and on the terms set forth in the respective Initial Supplemental Indentures.

Section 3.02 No Authorization of Additional Parity Bonds.

No additional parity bonds may be issued under or secured by this Indenture.

Section 3.03 Accrual of Interest on Bonds

(a) The Outstanding Principal Amount of each Bond shall accrue interest at the per annum rate of interest thereof calculated on the basis of a 360-day year of 12 consecutive 30-day months for the period beginning on (and including) the date of delivery of and payment for such Bond and continuing thereafter until (but not including) the date on which the principal of such Bond is paid in full and retired; provided that, anything in this Indenture or in the Bonds to the contrary notwithstanding, interest on the principal amount (or portion thereof called for redemption) of any Bond will cease to accrue from and after the date on which:

(1) a trust fund shall have been established for such Bond pursuant to Section 5.01(d); or

(2) such Bond shall have been replaced pursuant to Section 7.04; or

(3) such Bond shall have been delivered to the Trustee for cancellation pursuant to Article 13; or

(4) the principal (or a stated portion thereof) of such Bond shall have become due and payable by optional redemption if, and to the extent, that on such date the Trustee holds, in a Defeasance Fund, Qualified Liquid Assets in an aggregate amount sufficient to pay in full the principal (or portion thereof called for redemption) of, and interest on, such Bond becoming due and payable on such date.

(b) The District may, anything in this Indenture to the contrary notwithstanding, provide for all, or any part, of any series of Bonds for interest thereon to be compounded on each valuation date established therefor and become payable at maturity or upon prior redemption of such Bonds, or portions thereof.

ARTICLE 4

Execution, Authentication, and Registration of Bonds

Section 4.01 Execution by District

(a) The District authorizes and directs the Chairman and Secretary of the District to execute, seal and attest the Bonds presented for issuance and delivery pursuant to this Indenture on each of the following dates:

(1) the initial date of delivery of, and payment for, a Bond pursuant to Article 3; and

(2) the date of partial redemption of a Bond pursuant to Article 6; and

(3) the date of transfer, exchange or replacement of a Bond pursuant to Article 7.

(b) The District will treat as valid for all purposes of this Indenture all Bonds executed by the individual who on the date of such execution thereof validly holds and exercises the office of Chairman of the District without regard to whether at any time prior to, or after, the date of delivery of such Bond such individual shall have ceased to hold and exercise such office.

Section 4.02 Authentication by Trustee

(a) The Trustee will, by duly authorized officer thereof, authenticate, register and deliver all executed Bonds delivered to the Trustee by the District for such purpose in accordance with (i) the written instructions of the District with respect thereto and (ii) the procedures and rules of the Securities Depository to the extent applicable thereto.

(b) The authentication of a Bond by a duly authorized officer of the Trustee shall be effective for all purposes of this Indenture.

Section 4.03 Registration by Bond Register

(a) The District shall cause to be kept at the Principal Office of the Trustee a register (the “Bond Register”) in which, subject to such reasonable regulations as it may prescribe, the District shall provide for the registration of Bonds.

(b) The Bond Registrar will register the ownership of each of the Bonds on the Bond Register in the name of the Person who shall have acquired such Bond.

ARTICLE 5

Payment of Bonds; Deposit of Revenues of District; Indenture Funds

Section 5.01 Provisions for Payment of Bonds

(a) The Trustee shall pay the Debt Service on the Bonds in U.S. Currency immediately available, as follows:

(1) the Trustee will pay to the Owners in whose names the Bonds are registered in the Bond Register: (i) at the close of business on the Record Date, the interest on the Bonds due on each Stated Interest Payment Date, and (ii) the principal of the Bonds due (by maturity or mandatory redemption) on each Stated Principal Payment Date only upon presentation and surrender thereof at the Principal Office of the Trustee, and (iii) the Debt Service on the Bonds due on each date established for optional redemption or extraordinary mandatory redemption of any Bond only upon presentation and surrender thereof at the Principal Office of the Trustee; and

(2) the Trustee will, upon the written request of the Owner of any Bond in a principal amount of not less than \$5,000,000, make payment of Debt Service on such Bond when due by wire transfer to an account of such Owner maintained at a bank in the continental United States or by any other method providing for payment in same-day funds that is acceptable to the Trustee, if such written request contains adequate instructions for the method of payment and final payment of principal is made upon such surrender of the Bond or Bonds.

(b) If any payment on the Bonds is due on a day which is not a Business Day, such payment shall be made, in the same amount, on the first succeeding day which is a Business Day, with the same effect as if made on the date on which such payment was due.

(c) All payments to the Owners of principal of, premium (if any) and interest on the Bonds on behalf of the District or the Trustee shall be valid and effectual to discharge, satisfy and terminate the liability of the District and the Trustee to the extent of the amounts so paid.

(d) If an Owner fails to present or surrender the Bond or Bonds thereof on any date established for payment of principal thereof, the Trustee shall transfer amounts held in the Bond Fund, or in a Defeasance Fund, as applicable, sufficient for the payment of principal of, premium (if any) and interest on such Bond or Bonds to a separate trust fund created by the Trustee for such purpose and hold such amounts in trust for the sole benefit of the Persons entitled thereto, which amounts shall not be invested and shall not constitute part of the Trust Estate. Any amounts held in trust by the Trustee pursuant to this Section which are unclaimed for three (3) years after the date on which payment thereof was due to have been made shall, subject to Applicable Law, be paid to the District upon written request of an Authorized District Representative and the Owner of any such Bond or Bonds to be paid from such amounts shall thereafter, as an unsecured general creditor, have recourse only to the District for payment thereof, and all liability of the Trustee with respect to such trust money shall cease; provided, however, the Trustee may, prior to payment of such amounts to the District and at the written direction and expense of the District, publish notice once, by financial newspaper of national circulation or by Electronic Means as the Trustee determines is appropriate, that such amounts remain unclaimed and that, after a date specified in such notice (which shall be not less than 30 days after publication of such notice), such amounts will be paid to the District.

Section 5.02 Deposits of Revenues of District in Certain Indenture Funds

The District authorizes and directs the Trustee to

- (a) deposit the Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount, when and as received, in the Revenue Fund;
- (b) deposit any Platted Lot Total Assessment Payment Amount and Pre-Platted Land Total Assessment Payment Amount, when and as received, in the Extraordinary Redemption Fund;
- (c) deposit and transfer all Platted Lot Foreclosure Proceeds, when and as received, as follows:
 - (i) deposit in the Extraordinary Redemption Fund an amount equal to the lesser of the Platted Lot Foreclosure Proceeds and the Platted Lot Total Assessment Payment Amount; and
 - (ii) transfer the amount, if any, by which the Platted Lot Foreclosure Proceeds exceeds the Platted Lot Total Assessment Payment Amount to the Developer or to whomsoever may be entitled thereto by Applicable Law as specified to the Trustee by an Opinion of Counsel delivered in writing to the Trustee;
- (d) deposit and transfer all Pre-Platted Land Foreclosure Proceeds, when and as received, as follows:
 - (i) deposit in the Extraordinary Redemption Fund an amount equal to the lesser of the Pre-Platted Land Foreclosure Proceeds and the Pre-Platted Land Total Assessment Payment Amount; and

(ii) transfer the amount, if any, by which the Pre-Platted Land Foreclosure Proceeds exceeds the Pre-Platted Land Total Assessment Payment Amount to the Developer or to whomsoever may be entitled thereto by Applicable Law.

Section 5.03 Revenue Fund

(a) The District creates a special fund designated the “Revenue Fund” to be held and applied by the Trustee pursuant to this Indenture.

(b) The District authorizes and directs the Trustee to deposit in the Revenue Fund, when and as received:

(1) all amounts required to be deposited in the Revenue Fund pursuant to this Indenture; and

(2) all amounts delivered to the Trustee by any Person with written directions to deposit such amounts in the Revenue Fund.

(c) The amounts in the Revenue Fund shall not be invested.

(d) The District authorizes and directs the Trustee to apply all amounts in the Revenue Fund in the following order and amounts when and as received:

First: Transfer to the Trustee amounts due thereto for fees, charges, advances, and expenses under this Indenture, upon appropriate invoice therefor, provided, that the amount invoiced for regular fees, charges, advances and expenses, exclusive of extraordinary expenses upon default or otherwise incurred in the exercise of remedies under this Indenture, shall not exceed \$30,000 in each Bond Year.

Second: Transfer to each of the Accounts in the Bond Fund the amount (if any) by which the Bond Fund Account Requirement for such Account exceeds the amount then on deposit in such Account.

Third: Transfer to each Account of the Reserve Fund the amount (if any) by which the Reserve Fund Account Requirement for such Account exceeds the amount then on deposit in such Account.

Fourth: Transfer \$5,000 to each Account of the Foreclosure Expense Reserve Funds.

Fifth: Transfer to each Account of the Extraordinary Redemption Fund, pro-rata and without preference, the amount (if any) remaining in the Revenue Fund after the above and foregoing transfers therefrom required by this subsection 5.03(d) shall have been made in full.

(e) If, on any Stated Interest Payment Date, the amounts in the Revenue Fund are insufficient to pay the Trustee the fees and expenses thereof, then the unpaid amount thereof shall become due and payable on the next succeeding Stated Interest Payment Date without interest.

Section 5.04 Bond Fund

(a) The District creates a special fund designated the “Bond Fund” to be held and applied by the Trustee pursuant to this Indenture.

(b) The District authorizes and directs the Trustee to establish in the Bond Fund a separate Account for each series of Bonds simultaneously with the issuance of such Bonds. The amounts in each Account of the Bond Fund shall be allocated to, and applied only to pay the Debt Service on, the series of Bonds for which such Account was established.

(c) The District authorizes and directs the Trustee to credit to, or deposit in, each Account of the Bond Fund, when and as received:

(1) pro-rata in proportion to the amounts available, without preference or priority of any Account or series of Bonds over another, all amounts required to be transferred to or deposited in the Bond Fund from (i) the Revenue Fund, (ii) the Reserve Fund, (iii) the Foreclosure Expense Reserve Fund, (iv) the Extraordinary Redemption Fund, only on April 1 in each Bond Year, in an amount sufficient to pay the principal maturing or subject to scheduled mandatory redemption on the next succeeding June 1; and (v) any fund or account created in a Supplemental Indenture, or (vi) as provided in this Indenture; and

(2) the proceeds of any Qualified Credit Facility, subject to Section 5.09 in the Account for the series of Bonds for which such Qualified Credit Facility was issued; and

(3) all amounts delivered to the Trustee by any Person with written directions to deposit such amounts in the Account or Accounts of the Bond Fund specified in such written directions.

(d) The amounts in the Bond Fund shall be invested pursuant to Section 5.08.

(e) The aggregate amount of Qualified Liquid Assets and Authorized Investments at any time on deposit in, or credited to, the Bond Fund shall not exceed the Bond Fund Account Requirement. The Trustee shall, on each date of deposit of any amount in an Account of the Bond Fund, determine the value of the Qualified Liquid Assets and Authorized Investments in such Account and transfer the amount therein, if any, by which the value on such date of the Qualified Liquid Assets and Authorized Investments in such Account exceeds the Bond Fund Account Requirement therefor first to the Account of the Reserve Fund for such series of Bonds to the extent the Reserve Fund Account Requirement for such Account exceeds the value of the amounts then on deposit in such Account and second to, to the extent of any remaining excess amount, Extraordinary Redemption Fund.

(f) The District authorizes and directs the Trustee to apply the amounts in each Account of the Bond Fund, subject to all following subsections of this Section:

(1) on each Stated Interest Payment Date to the payment in full of all accrued and unpaid interest (including without limitation any overdue installments of interest) then due on the series of Bonds for which such Account was created; and

(2) on each Stated Principal Payment Date, to the payment in full of the principal (including without limitation any overdue installments of principal) then due by maturity or mandatory redemption (as provided in Section 6.04(a)(3)) on the series of Bonds for which such Account was created.

(g) The District authorizes and directs the Trustee to determine, not less than 30 days prior to any Stated Interest Payment Date, if the amount in each Account of the Bond Fund is expected to be sufficient to pay in full all Debt Service on the series of Bonds payable from each such Account becoming due and payable on such Stated Interest Payment Date pursuant to subsection 5.04(f), and, upon any determination by the Trustee that the amounts in any Account shall be insufficient for such purpose, to:

- (1) first, deposit, on a pro-rata basis, in each such Account such amounts on deposit in, if any (i) only on April 1 in each Bond Year, the Extraordinary Redemption Fund, resulting from the deposit therein of Platted Lot Total Assessment Payment Amount(s) and the Pre-Platted Land Total Assessment Payment Amount; provided however, the amount transferred to the applicable account in the Bond Fund shall be limited to the principal portion attributable to the prepayment of the Assessments on the Platted Lot and/or Pre-Platted Land calculated by the Assessment Methodology Manager at the time of prepayment and such amounts shall be applied to pay only principal on the series of Bonds and; (ii) Revenue Fund, (iii) Reserve Fund, and (iv) Foreclosure Expense Reserve Fund as shall cause the amount on deposit in each such Account to be sufficient to make the payments therefrom pursuant to Section 5.04(f) in full when due; and
- (2) second, if the deposits made into any Account pursuant to Section 5.04(g)(1) do not cause the amount in such Account to be sufficient to make the payments therefrom pursuant to Section 5.04(f) in full when due, to apply the amounts in such Account on such Stated Interest Payment Date in the following order and priority:
 - (i) first, to the payment of accrued and unpaid interest then due; provided, if such amounts are insufficient therefor, to the proportionate payment of such interest according to amounts thereof due, without preference or priority; and
 - (ii) second, to the payment of principal (plus premium, if any) then due; provided, if such amounts are insufficient therefor, to the proportionate payment of such principal according to amounts thereof due, without preference or priority.

(h) The District authorizes and directs the Trustee to transfer the amounts in the Accounts of the Bond Fund to the corresponding Accounts of the Extraordinary Redemption Fund on each Business Day on which the respective series of Bonds for which such Accounts have been established are subject to extraordinary mandatory redemption pursuant to subsection 6.04(a)(3).

(i) The District authorizes and directs the Trustee to apply, anything in this Indenture to the contrary notwithstanding, (i) all amounts transferred to, or deposited in, each Account of the Bond Fund to the payment of the Bonds for which such Account was established within 13 months of the date of such deposit or transfer and (ii) all income and profits received from the investment of amounts in such Account to the payment of the Bonds for which such Account was established within 12 months of the date of receipt thereof.

Section 5.05 Reserve Fund

(a) The District creates a special fund designated the “Reserve Fund” to be held and applied by the Trustee as provided in this Indenture.

(b) The District authorizes and directs the Trustee to establish in the Reserve Fund a separate Account for each series of Bonds simultaneously with the issuance of such Bonds.

(c) The amounts in each Account of the Reserve Fund for a series of Bonds shall be applied as provided in the Supplemental Indenture for such series of Bonds.

(d) The District authorizes and directs the Trustee to deposit in the Reserve Fund, when and as received, subject to all following subsections of this Section:

(1) the amount for such Account specified in the Supplemental Indenture for the series of Bonds for which such Account was created; and

(2) pro- rata in proportion to the amounts available therefor, without preference or priority of any Account or series of Bonds over another, all amounts required to be deposited in the Accounts of the Reserve Fund pursuant to this Indenture, including without limitation from the (i) Revenue Fund, (ii) Bond Fund, and (iii) Section 5.08; and

(3) the amount required to be deposited in a specified Account by any Supplemental Indenture; and

(4) all amounts delivered to the Trustee from any Person with written instructions to deposit such amounts in a specified Account of the Reserve Fund.

(e) The District may, at the option thereof, provide the funds (or any portion thereof) required in an Account of the Reserve Fund by a Qualified Credit Facility if the aggregate available amount in such Account (including the amount of each Qualified Credit Facility forming a part of, and all Qualified Liquid Assets on deposit in, such Account) is not less than the Reserve Fund Account Requirement for such Account.

(f) The amounts in the Reserve Fund shall be invested pursuant to Section 5.08.

(g) The aggregate amount of Qualified Liquid Assets and Authorized Investments at any time on deposit in, or credited to, each Account of the Reserve Fund shall not exceed the Reserve Fund Account Requirement therefor. The Trustee shall make a valuation of the Qualified Liquid Assets in each Account of the Reserve Fund, as provided in Section 5.10, on each Stated Principal Payment Date. If the amount of Qualified Liquid Assets in an Account of the Reserve Fund exceeds the Reserve Fund Account Requirement therefor, the Trustee shall transfer the amount therein, if any, by which the Value on such date of such funds and investments in such Account exceeds the Reserve Fund Account Requirement for such Account first to the Account of the Bond Fund for such series of Bonds to the extent the Bond Fund Account Requirement for such account exceeds the value of the amounts then on deposit in such Account and second, to the extent of any remaining excess, to the Extraordinary Redemption Fund.

(h) The District authorizes and directs the Trustee to transfer the amounts in each Account of the Reserve Fund:

(1) to the corresponding Account of the Bond Fund for the series of Bonds for which such Account of the Reserve Fund was created on each Stated Interest Payment Date if, and to the extent, amounts in the Account of the Bond Fund for such series of Bonds are insufficient for the payment of interest then due; and

(2) to the corresponding Account of the Bond Fund for the series of Bonds for which such Account of the Reserve Fund was created on each Stated Principal Payment Date if, and to the extent, amounts in the Account of the Bond Fund for such series of Bonds are insufficient for the payment of principal then due; and

(3) to the Extraordinary Redemption Fund on each Business Day on which the Bonds are subject to extraordinary mandatory redemption pursuant to subsection 6.04(a)(3); and

(4) to the Bond Fund on the Stated Principal Payment Date on which the final payment of principal of all Bonds becomes due.

Section 5.06 Extraordinary Redemption Fund

(a) The District creates a special fund designated the “Extraordinary Redemption Fund” to be held and applied by the Trustee pursuant to this Indenture.

(b) The District authorizes and directs the Trustee to establish in the Extraordinary Redemption Fund a separate Account for each series of Bonds simultaneously with the issuance of such Bonds.

(c) The District authorizes and directs the Trustee to deposit in the Extraordinary Redemption Fund, when and as received, subject to all following subsections of this Section:

(1) pro- rata in proportion to the amounts available therefor, without preference or priority of any Account or series of Bonds over another, all amounts required to be deposited in the Accounts of the Extraordinary Redemption Fund pursuant to this Indenture, including without limitation from all amounts required to be transferred to or deposited in the Extraordinary Redemption Fund from (i) Section 5.02(a) and (b), (ii) the Revenue Fund, including Section 5.03(d) FIFTH, (iii) the Bond Fund, (iv) the Reserve Fund, (v) amounts remaining in the Series 2026-A and Series 2026-B Capital Improvements Accounts of the Bond Proceeds Fund pursuant to the Series 2026-A Supplemental Indenture and the Series 2026-B Supplemental Indenture, respectively, (vi) from amounts remaining in all of the Series 2026-A and Series 2026-B Accounts in the Indenture Funds in an amount sufficient to redeem all of the Outstanding Series 2026-A Bonds and all of the Outstanding Series 2026-B Bonds, respectively, in full, and (vii) as provided in any of the Financing Documents; and

(2) all amounts delivered to the Trustee from any Person with written instructions to deposit such amounts in a specified Account of the Extraordinary Redemption Fund.

(d) The amounts in the Extraordinary Redemption Fund shall be invested pursuant to Section 5.08.

(e) The amounts in each Account of the Extraordinary Redemption Fund shall be allocated and applied to pay the Redemption Price on each date fixed for special mandatory redemption pursuant to Section 6.04(a)(1) and each date fixed for extraordinary redemption pursuant to Section 6.04(a)(2) and Section 6.04(a)(3); provided, however, pursuant to the Initial Supplemental Indentures, all Series 2026-B Bonds shall be mandatorily redeemed prior to the mandatory redemption of any Series 2026-A Bonds:

(1) for any series of Tax-Exempt Bonds, the series of Bonds for which such Account was established; and

(2) for any series of Taxable Bonds, such series of Taxable Bonds and such other series of Bonds as may be provided in the Supplemental Indenture which shall have created such Taxable Bonds.

(f) Pursuant to Sections 5.04(c)(1)(iv) and 5.04(g)(1)(i), the Trustee is authorized to transfer from the Extraordinary Redemption Fund to the applicable accounts in the Bond Fund for each series of Bonds, only on April 1, the amount, if any, on deposit in the Extraordinary Redemption Fund resulting from the deposit therein of Platted Lot Total Assessment Payment Amount(s) and the Pre-Platted Land Total Assessment Payment Amount necessary to cause the Bond Fund to have sufficient funds to pay the principal maturing or subject to mandatory redemption on the next succeeding June 1.

Section 5.07 Foreclosure Expense Reserve Fund

(a) The District creates a special fund designated the “Foreclosure Expense Reserve Fund” to be held and applied by the Trustee pursuant to this Indenture.

(b) The District authorizes and directs the Trustee to deposit in the Foreclosure Expense Reserve Fund:

(1) all amounts required to be transferred to or deposited in the Foreclosure Expense Reserve Fund as provided in this Indenture (including without limitation any Supplemental Indenture); and

(2) all amounts delivered to the Trustee by any Person with written directions to deposit such amounts in the Foreclosure Expense Reserve Fund.

(c) The amounts in the Foreclosure Expense Reserve Fund shall not be invested.

(d) The District authorizes and directs the Trustee to:

(1) apply the amounts in the Foreclosure Expense Reserve Fund to pay the fees and expenses for any foreclosure of any real property in the Assessment Area pursuant to this Indenture or the Special Assessment Agreement; and

(2) transfer the amounts in the Foreclosure Expense Reserve Fund:

(i) to the Bond Fund on each Stated Interest Payment Date if, and to the extent, amounts in the Bond Fund are insufficient for the payment of interest then due; and

(ii) to the Bond Fund on each Stated Principal Payment Date if, and to the extent, amounts in the Bond Fund are insufficient for the payment of principal then due; and

(iii) to the Extraordinary Redemption Fund on each Business Day on which the Bonds are subject to extraordinary mandatory redemption pursuant to subsection 6.04(a)(3).

(e) The District is not required to maintain any amount in the Foreclosure Expense Reserve Fund for the purposes of payment of Debt Service on the Bonds. No proceeds of the Bonds shall be deposited into the Foreclosure Expense Reserve Fund.

Section 5.08 Investment of and Security for the Indenture Funds

(a) The amounts in the Indenture Funds are public funds impressed with a trust for the purposes thereof. The Trustee shall keep the amounts in each of the Indenture Funds continuously secured for the benefit of the District by such investments or collateral, or in such manner, as permitted or required by Applicable Law for the security of public trust funds; provided, the Trustee shall not be required to secure any amount in any Indenture Fund (i) to the extent such amount is insured by the Federal Deposit Insurance Corporation (or any instrumentality of the United States of America that may succeed to the functions thereof) or (ii) invested in Authorized Investments.

(b) The District authorizes and directs the Trustee to invest the amounts in the Indenture Funds in accordance with this Indenture and at the written direction of the District, in Authorized Investments to the extent consistent with the purposes of each such fund; provided

(1) amounts in the Accounts of the Bond Fund which are established for Tax-Exempt Bonds shall be invested only in U.S. Government Obligations at a yield less than the yield on such Bonds; and

(2) amounts in the Reserve Fund shall be invested only in U.S. Government Obligations; and

(3) amounts in the Accounts of the Extraordinary Redemption Fund which are established for Tax-Exempt Bonds shall be invested only in U.S. Government Obligations at a yield less than the yield on such Bonds

(c) All Authorized Investments shall be under the control of the Trustee and shall be credited solely to the Indenture Fund from which funds were used to acquire such investments; provided:

(1) all income and profits from Authorized Investments credited to an Account of an Indenture Fund shall be deposited in, or credited to, such Account and all losses resulting therefrom shall be charged to such Account; and

(2) as provided in Section 5.05, the Trustee shall, as long as the amount in an Account of the Reserve Fund is equal to the applicable Reserve Fund Account Requirement, transfer all income and profits derived from the investment of such Account to the corresponding Account of Bond Fund for the series of Bonds for such Account of the Reserve Fund was established for credit thereto and application as provided for amounts in this Indenture.

(d) The Trustee may conclusively rely upon the written instructions of an Authorized District Representative as to the legality and feasibility of all directed investments. The Trustee may make any and all investments through its investment department at customary charges therefor. The Trustee shall not be liable for the investment of amounts in the Indenture Funds in the absence of written instructions from the District. The District agrees that broker confirmations are not required to be issued by the Trustee for each month in which a monthly statement is issued by the Trustee. The Trustee shall not be liable or responsible for any loss resulting from any such investment or for failure to make an investment (except failure to make an investment in accordance with the written direction of an Authorized District Representative) or for failure to achieve the maximum possible earnings on investments, except to the extent such loss is attributable to the Trustee's gross negligence, willful misconduct or violation of Applicable Law.

Section 5.09 Proceeds of a Qualified Credit Facility

The District and the Trustee agree that, anything in the Financing Documents to the contrary notwithstanding, the proceeds of any Qualified Credit Facility issued for the benefit of any Bond or series of Bonds pursuant to Section 5.05(c) shall be held in such manner and account, invested, and applied (including without limitation for reimbursement of the issuer or provider thereof) solely as provided in the agreements under which such Qualified Credit Facility shall have been issued or provided notwithstanding, and without regard to, any provision of this Indenture which may be in conflict or inconsistent therewith.

Section 5.10 Valuation of Indenture Funds

In computing the value of the Authorized Investments of any Indenture Fund, investments and earnings thereon shall be deemed a part thereof. Such investments, other than in the Reserve Fund, shall be valued at current market value thereof. In computing the value of the amount on deposit in the Reserve Fund, obligations purchased as an investment of moneys in this Indenture shall be valued at par if purchased at par or at amortized value if purchased at other than par. Amortized value, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of interest payments remaining on such obligation on the date of purchase and deducting the amount thus calculated for each Stated Interest Payment Date after such purchase from the purchase price in the case of an obligation purchased at a premium and adding the amount thus calculated for each Stated Interest Payment Date after such purchase to the purchase price in the case of an obligation purchased at a discount.

ARTICLE 6

Defeasance and Redemption of Bonds

Section 6.01 Defeasance of Bonds; Defeasance Fund

(a) The District may provide for the payment, at in advance of maturity or at stated maturity, of all or any of the Bonds by establishing a separate, irrevocable, trust fund (a “Defeasance Fund”) for such purpose with the Trustee pursuant to a written trust agreement by the District and the Trustee for the exclusive and sole benefit of the Owners of the Bonds to be paid therefrom, and depositing in such Defeasance Fund U.S. Currency or U.S. Government Obligations which (assuming the due and punctual payment thereof) will provide funds sufficient to pay in full when due the Debt Service with respect to such Bonds to and including the date of redemption, in whole, or maturity thereof; provided:

(1) Such U.S. Government Obligations must not be subject to redemption prior to their respective maturities at the option of the issuer thereof;

(2) If any of such Bonds are to be redeemed prior to their respective maturities, the District shall confer on the Trustee in such trust agreement irrevocable authority to effect such redemption in accordance with this Indenture;

(3) The Trustee shall have received (i) an Opinion of Bond Counsel to the effect that the establishment of, and the investment of amounts on deposit in, a Defeasance Fund for such Bonds

will not cause interest on any Tax-Exempt Bond to be or become Taxable and (ii) a Certificate of an Independent Auditor to the effect that the aggregate principal amount of the Qualified Liquid Assets on deposit in the Defeasance Fund, and the income therefrom, without reinvestment, shall be sufficient to pay in full when due the Debt Service on such Bonds; provided, anything in this Indenture to the contrary notwithstanding, the Certificate of an Independent Auditor shall not be required with respect to a Defeasance Fund if (A) only U.S. Currency in an amount not less than the total Debt Service to be paid therefrom is deposited in such Fund and (B) all amounts in such Fund are to expended for the purposes thereof within 90 days from the date such Fund was established.

(b) The Trustee shall invest any amounts in a Defeasance Fund (including without limitation investment proceeds) in U.S. Government Obligations only in accordance with the trust agreement which shall have established such Defeasance Fund.

(c) The Trustee shall apply all amounts in a Defeasance Fund solely for the payment when due of the Debt Service with respect to the Bonds for which such fund was established.

(d) Anything in this Indenture to the contrary notwithstanding, the Owner of each Bond for the benefit of which a Defeasance Fund shall have been created and funded shall have agreed that upon the establishment of such Defeasance Fund such Owner shall have no further recourse against the District or the Trust Estate for the payment of any amount of the Debt Service on the Bond or Bonds thereof.

Section 6.02 Special Provisions for Optional Redemption of Bonds

(a) The District shall effect the optional redemption of the Bonds at the Redemption Price thereof on each applicable Business Day established therefor pursuant to the terms thereof and the provisions of this Section and each of the Initial Supplemental Indentures.

(b) The District may provide for the optional redemption, in whole or in part, of one or more series of such Bonds without the redemption, in whole or in part, of any other series of Bonds.

(c) The District may redeem less than all of the Bonds of any series upon written notice thereof to the Trustee, by such date in advance of the proposed redemption date as shall enable the Trustee in its sole discretion to comply with this Indenture with respect thereto, which notice shall designate the order, and the aggregate principal amount, by stated maturity and in Authorized Denominations, of the Bonds of such series to be redeemed. The Trustee or the Securities Depository, as applicable, will determine the principal amount of a Bond or Bonds to be redeemed within a maturity.

(d) (1) The District may, anything in this Indenture to the contrary notwithstanding, provide for the conditional optional redemption of any Bond (or portion or portions thereof) contingent upon specified conditions, such as deposit or receipt of funds necessary for such redemption or the occurrence of specified events, provided, if the conditions for such optional redemption are not satisfied prior to the proposed date established for redemption, such Bonds shall not be subject to redemption on such date and the District shall not be required to redeem such Bonds (or portions thereof) subject to such conditional redemption.

(2) The District shall return any Bonds surrendered upon such call for conditional optional redemption to the Owners thereof.

(3) The failure of the District to redeem any Bond called for conditional optional redemption as provided in this Section shall not constitute an Event of Default.

(e) The Trustee shall give notice of optional redemption of any Bonds in form and manner as set forth Section 6.05 not less than 30 days prior to the proposed date established for such redemption.

(f) The District will establish, pursuant to separate agreement with the Trustee, a Defeasance Fund for all Bonds called, in whole or in part, for optional redemption.

(g) The District agrees to pay the Redemption Price of each Bond (or principal amount thereof) called for optional redemption on the Business Day established for such redemption solely from the Defeasance Fund established therefor in the manner and as provided in this Indenture for the payment of the Bonds.

Section 6.03 Special Provisions for Mandatory Redemption of Bonds

(a) The District shall effect the mandatory redemption of any Bonds at the Redemption Price thereof on each applicable Stated Principal Payment Date pursuant to the terms thereof and the provisions of this Section, and each of the Initial Supplemental Indentures. In the event that any provisions of this section and the corresponding provision of each of the Initial Supplemental Indentures conflicts, the provisions of the applicable Initial Supplemental Indenture shall control.

(b) The Trustee shall give notice of such mandatory redemption in form and manner as set forth in Section 6.05 not less than 30 days prior to the proposed date established for such redemption.

(c) Unless otherwise provided in the Initial Supplemental Indentures, the Trustee or the Securities Depository, as appropriate, will determine, on the basis of the smallest Authorized Denomination:

(1) by random selection the particular Bonds of each series to be redeemed by mandatory redemption; and

(2) the principal amount of a Bond to be redeemed within a maturity.

(d) The District agrees to pay the Redemption Price thereof on each Bond (or principal amount thereof) on the Stated Principal Payment Date on which such Bond shall have been called for mandatory redemption solely from the Bond Fund in the manner and as provided in this Indenture for the payment of the Bonds.

Section 6.04 Provisions for Special Mandatory Redemption of Bonds and Extraordinary Mandatory Redemption of Bonds

(a) The Series 2026 Bonds are subject to special mandatory redemption and extraordinary mandatory redemption by the Trustee at the applicable Redemption Price therefor on each of the following redemption dates:

(1) Special Mandatory Redemption. The Bonds are subject to special mandatory redemption prior to maturity in whole or in part in multiples of an Authorized Denomination, in order of mandatory redemption dates and within each mandatory redemption date, on each Stated Interest Payment Date if, and to the extent, funds in the Extraordinary Redemption Fund are available therefor on the date on which the Trustee must give the required notice of such redemption pursuant to subsection 6.04(b); and

(2) Extraordinary Mandatory Redemption From Remaining Bond Proceeds. The Bonds are subject to extraordinary mandatory redemption in whole or in part in multiples of an Authorized Denomination in inverse order of mandatory redemption dates and, within each mandatory redemption date, in inverse order of stated maturity on each Stated Interest Payment Date from amounts remaining in the Bond Proceeds Fund in each of the Initial Supplemental Indentures if and to the extent funds in the Extraordinary Redemption Fund are available therefor on the date on which the Trustee must give the required notice of such redemption (pursuant to subsection 6.04(b)); and

(3) Extraordinary Mandatory Redemption From Amounts in the Reserve Fund and Other Indenture Funds. The Bonds are subject to extraordinary mandatory redemption in whole, and not in part, on any Business Day if the Trustee determines the aggregate amount on deposit in Reserve Fund and in the other Indenture Funds on the date on which the Trustee must give the required notice of such redemption (pursuant to subsection 6.04(b)) is available therefor and is sufficient to pay in full the Redemption Price thereof.

(b) The Trustee shall give notice of special mandatory and extraordinary mandatory redemption of any Bonds in form and manner as set forth Section 6.05 not less than 30 days prior to the proposed date established for such redemption.

(c) Unless otherwise provided in the Initial Supplemental Indenture, the Trustee or the Securities Depository, as appropriate, will determine, on the basis of the smallest Authorized Denomination:

(1) The aggregate principal amount of the Bonds of each series to be redeemed by special mandatory redemption and extraordinary mandatory redemption are to be redeemed on a proportionate basis, without preference or priority, according to the aggregate principal amount of the Bonds of each series and the aggregate amount on deposit in the Extraordinary Redemption Fund (rounded down to the highest Authorized Denomination) on the date on which the Trustee must give the required notice of redemption pursuant to subsection 6.04(b); and

(2) by random selection the particular Bonds of each series to be redeemed by extraordinary mandatory redemption; and

(3) the principal amount of a Bond to be redeemed within a maturity.

(d) The District authorizes and directs the Trustee to pay the Redemption Price of all Bonds called for special mandatory redemption and extraordinary mandatory redemption, in whole or in part, on each date set forth in subsection 6.04(a) solely from the Extraordinary Redemption Fund in the manner and as provided in this Indenture and in each of the Initial Supplemental Indentures for the payment of the Bonds.

Section 6.05 Notice of Redemption

(a) The District authorizes and directs the Trustee to give notice of redemption, in the name and at the expense of the District, to the Owner of each Bond to be redeemed (in whole or in part), subject to waiver by any Owner of notice of redemption of the Bonds thereof, by United States registered or certified mail or, if the

Securities Depository is the Owner, at the times and in the manner as provided in the rules and procedures of the Securities Depository, at the address of such Owner in the Bond Register, by the date in advance of the proposed date of redemption as specified in the Section of this Indenture which provides for such redemption.

(b) All notices of redemption shall state: (i) the principal amount of the Bonds to be redeemed in whole or in part; (ii) the Business Day, or Stated Interest Payment Date, established for such redemption; (iii) the applicable Redemption Price; (iv) whether such redemption is mandatory, optional or extraordinary; (v) that the Redemption Price of each of the Bonds (or principal portion thereof) to be redeemed will become due and payable on the stated redemption date and that interest thereon shall cease to accrue from and after said date; (vi) to the extent required for Bonds in certificated form, the place or places where the Bonds to be redeemed are to be surrendered for payment of such Redemption Price; (vii) if applicable, the terms upon which optional redemption is contingent upon specified conditions; and (viii) such additional terms or provisions which the Trustee may determine to be necessary or desirable or required by Applicable Law or the internal procedures of the Trustee.

ARTICLE 7

Transfer, Exchange and Replacement of Bonds

Section 7.01 Transfer of Bonds

The Owner of any Bond may, except as provided in Section 7.03, transfer such Bond upon the Bond Register by surrender of such Bond to the Trustee with endorsement for transfer thereon, or with a written instrument of transfer, executed by such Owner or the attorney thereof authorized in writing therefor and by payment in advance in immediately available funds of all expenses and governmental charges to be incurred by the District and the Trustee in connection with such transfer, whereupon pursuant to this Indenture the District will execute, and the Trustee will authenticate, register and deliver to such transferee as directed in writing by such Owner a new Bond of the same series, dated the date of transfer, and of like tenor, Stated Principal Payment Date, interest rate, and in a principal amount in Authorized Denominations equal to the Outstanding Principal Amount, of the Bond so surrendered.

Section 7.02 Exchange of Bonds

The Owner of any Bond in a face amount of more than the smallest Authorized Denomination may, except as provided in Section 7.03, surrender the same in exchange for more than one Bond, each in a principal amount which is an integral multiple of an Authorized Denomination and each having the same stated maturity, interest rate, and principal amount as the Bond so surrendered, whereupon pursuant to this Indenture the District will execute, and the Trustee will authenticate, register and deliver to such transferee as directed in writing by such Owner a new Bond of the same series, dated the date of transfer, and of like tenor, Stated Principal Payment Date, interest rate, and in a principal amount in Authorized Denominations equal to the Outstanding Principal Amount, of the Bond so surrendered.

Section 7.03 Limitation on Time of Transfer or Exchange

Anything in this Indenture or in the Bonds to the contrary notwithstanding, the Trustee is not required to transfer or exchange any Bond during the period beginning on a Record Date and ending on the then next

succeeding Stated Interest Payment Date, or during the period of forty-five days next preceding any date established for optional redemption, mandatory redemption, or extraordinary mandatory redemption of such Bond.

Section 7.04 Replacement of Bonds Upon Owner Request or for Conformance to Supplemental Indenture

(a) An Owner may by written instrument request the District and the Trustee to issue a new Bond in replacement of any Bond which such Owner proves to the satisfaction of the District and the Trustee to have been lost, destroyed, or mutilated (so the same is not held by the Owner as the property thereof) and shall not have been acquired by a bona-fide purchaser, by delivery to the Principal Office of the Trustee of such indemnity and security as the District and the Trustee shall require to save harmless the District and the Trustee from any claim whatsoever by reason of compliance with this Section, and the payment of any governmental charges and expenses of the District in connection therewith, then, in the absence of actual notice to the District or a Responsible Officer in the Corporate Trust Department of the Trustee that such Bond has been acquired by a bona fide purchaser, pursuant to this Indenture the District shall execute and the Trustee shall thereupon authenticate, register and deliver, in exchange for or in replacement of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same series dated the date of replacement and of like tenor, Stated Principal Payment Date, interest rate, and in a principal amount in Authorized Denominations equal to the Outstanding Principal Amount, of the Bond so replaced.

(b) The District may upon the delivery of any Supplemental Indenture, execute and deliver, and the Trustee shall thereupon authenticate, register and deliver, new Bonds modified as to conform, in the determination of the District, to such Supplemental Indenture, in exchange for or in replacement of the Bonds; provided each such new Bond shall be dated the date of replacement and of the same series, like tenor, stated maturity date, interest rate, and in a principal amount in Authorized Denominations equal to the Outstanding Principal Amount, of the Bond so replaced thereby.

ARTICLE 8

Covenants of the District

Section 8.01 Payment of Expenses by District

The District agrees to pay all costs and expenses incurred in connection with the protection, preservation, continuation, extension or maintenance of the Lien of this Indenture.

Section 8.02 Exercise of Remedies Under Improvement District Act

The District covenants and agrees that it will do all things under or as permitted by, and will exercise all rights and remedies available under, the Improvement District Act to provide for the payment of the Bonds.

Section 8.03 Reserved.

Section 8.04 Financial Records

The District shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the Trust Estate and the Indenture Funds.

Section 8.05 Compliance with Continuing Disclosure Agreements

The District covenants and agrees to observe and perform all agreements of the District set forth in any written undertaking delivered by the District in accordance with 17 CFR Section 240.15c2-12 in due time, form and manner as required thereby, provided, the Owners will have only the rights and remedies set forth in any such written undertaking for the enforcement of the agreements of the District thereunder and the failure of the District to observe or perform any agreement of the District in any such undertaking will not constitute an Event of Default under this Indenture.

Section 8.06 Waiver of Appraisalment and Other Laws

(a) To the extent permitted by Applicable Law, the District will not at any time insist upon, plead, claim or take the benefit or advantage of, any appraisalment, valuation, stay, extension or redemption law now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture; and the District, for itself and all who may claim under it, so far as it or they now or hereafter may lawfully do so, waives the benefit of all such laws. The District, for itself and all who may claim under it, waives, to the extent that it may lawfully do so, all right to have the property in the Trust Estate marshaled upon any enforcement of this Indenture

(b) If any law in this Section referred to and now in force, of which the District or its successor or successors might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to constitute any part of the contract in this Indenture contained or to preclude the application of this Section.

Section 8.07 Corporate Existence

(a) The District will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence subject to subsection 8.07(b).

(b) The District shall not consolidate with or merge into any other corporation or transfer its property constituting the Trust Estate substantially as an entirety to any Person unless: (i) such consolidation, merger, conveyance or transfer shall be on such terms as shall fully preserve the Lien and security of this Indenture and the rights and powers of the Trustee and the Owners of the Bonds; (ii) the corporation formed by such consolidation or into which the District is merged or the Person which acquires by conveyance or transfer the District's said property substantially as an entirety (the "Successor") shall be a municipal corporation or public corporation organized under the laws of the State; (iii) the Successor will execute and deliver to the Trustee (A) a written instrument in form recordable and acceptable to the Trustee containing an assumption by such Successor of the due and punctual payment of the Debt Service on the Bonds and the performance and observance of every covenant and condition of the Financing Documents to be performed or observed by the District and (B) an Opinion of Counsel to the effect the Bonds, and the obligations of the District under the Financing Documents, are the legal, valid and binding obligations of the Successor and are enforceable against the Successor in accordance with the terms thereof (subject to appropriate qualifications); (iv) immediately after giving effect to such transaction, no Event of Default or any event which, upon notice or

lapse of time (or both), would constitute such an Event of Default shall have occurred and be continuing; and (v) the District shall have delivered to the Trustee an Opinion of Bond Counsel which shall state that such consolidation, merger, conveyance or transfer complies with this Section and will not cause interest on any Tax-Exempt Bond to be or become Taxable.

(c) Upon any consolidation or merger or any conveyance or transfer of the District's property substantially as an entirety in accordance with this Section, the Successor shall succeed to, and be substituted for, and may exercise every right and power of, the District under this Indenture with the same effect as if such Successor had been named as the District in this Indenture, and shall be legally bound by the obligations of the District under the Bonds and the Financing Documents.

(d) The District may, anything in the Financing Documents to the contrary notwithstanding, transfer all, or any part, of the property of the District, including without limitation any capital improvements acquired or constructed by the District with the proceeds of the Bonds to a Governmental Authority, with or without valuable consideration, and without recourse to such Governmental Authority for the payment of any amount, or the performance of any agreement or covenant, with respect to the Bonds or this Indenture.

Section 8.08 Further Assurances

The District will at any time or times do, execute, acknowledge, deliver and record or cause to be done, executed, acknowledged, delivered, and recorded all such further acts, deeds, conveyances, assignments, pledges, transfers and assurances in law as the Trustee may reasonably request for the better assuring, assigning, transferring, pledging and confirming unto the Trustee, all and singular, the property and rights in this Indenture assigned, transferred and pledged or intended so to be. The District will cause this Indenture, any and all Supplemental Indentures and all financing statements and other security instruments relative thereto, at all times to be recorded and filed and kept recorded and filed in such public offices as may be required by Applicable Law in order fully to preserve, continue and protect the security of the Bonds and the rights and remedies of the Trustee and to perfect the security interest created by this Indenture.

ARTICLE 9

Supplemental Indentures and Amendments to the Special Assessment Agreement

Section 9.01 Supplemental Indentures without Consent of Owners

The District and the Trustee may, upon compliance with Section 9.07 and without the consent of, or any notice to, any of the Owners, execute and deliver one or more Supplemental Indentures for any of the following purposes:

(a) to provide for the issuance of any Bond or series of Bonds pursuant to this Indenture as provided in Article 3; or

(b) to correct or amplify the description of any property at any time subject to the Lien of this Indenture, or to subject to the Lien of this Indenture additional revenues, properties or collateral, or to better to assure,

convey and confirm unto the Trustee any property subject or required to be subjected to the Lien of this Indenture; or

(c) to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue of the Bonds; or

(d) to evidence the succession of another Person to the District or the Trustee or the Appointing Government and the assumption by any such successor of the agreements thereof under the Financing Documents; or

(e) to add to the covenants of the District for the benefit of the Owners of Bonds and to make the occurrence, or the occurrence and continuance, of a default in any of such additional covenants an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture; provided, however, that with respect to any such covenant, such Supplemental Indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available to the Trustee upon such default; or

(f) to surrender any right or power in this Indenture conferred upon the District; or

(g) to correct or supplement any provision herein which may be ambiguous, or inconsistent with any other provision herein, to add any provision to clarify a matter or question arising under this Indenture, or to make any other provisions which shall not be in conflict or inconsistent with the provisions of this Indenture, provided any such action shall not materially and adversely affect upon the interests of the Owners of the Bonds; or

(h) to permit fully registered Bonds to be exchanged for coupon Bonds (which may be registrable as to principal only), provided that the Trustee receives an Opinion of Bond Counsel with respect to the Bonds to the effect that such exchange is permitted by Applicable Law; or

(i) to make further provisions with respect to the administration and operation of a Book-Entry System; or

(j) to secure or maintain ratings from a nationally recognized credit or securities rating agency, provided that (i) the changes necessary to obtain or secure such ratings shall not have a material adverse effect upon the interests of the Owners of the Bonds and (ii) the Trustee receives an opinion of Independent Counsel to the effect that such changes are permitted by Applicable Law and will not cause the interest on any Tax-Exempt Bond to be or become Taxable; or

(k) to modify, amend or supplement this Indenture in such manner as to permit the qualification of this Indenture under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States, and, if they so determine, to add to this Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

(l) to modify, amend, or supplement this Indenture in such manner as to assure the continued exclusion of the interest on any Tax-Exempt Bonds from the gross income of the Owners thereof for federal income tax purposes,

- (m) to modify, amend, or supplement this Indenture in such a manner as necessary in connection with the appointment of a successor Securities Depository hereunder,
- (n) to comply with any provisions of the Securities Act, the Exchange Act, or any rules or regulations promulgated thereunder; or
- (o) to reflect a change in Applicable Law provided that the Trustee determines that such amendment or Supplemental Indenture does not materially adversely affect the Owners; or
- (p) to make any other change herein that does not prejudice the Trustee or materially adversely affect the Owners; or
- (q) to modify or delete any provisions of this Indenture provided such modification or deletion shall be, and shall be expressed to be, effective only after all Outstanding Bonds the Owners of which shall not have consented to such change shall have ceased to accrue interest.

Section 9.02 Supplemental Indentures with Consent of Owners

(a) The District and the Trustee may, upon compliance with Section 9.07 and with the prior written consent of the Owners of not less than two-thirds (67%) in aggregate principal amount of the Bonds obtained as provided in subsection 9.02(b), execute and deliver one or more Supplemental Indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Owners of the Bonds under this Indenture; provided, the District and the Trustee shall not execute and deliver any Supplemental Indenture which shall or shall affect, any of the following except upon the prior written consent by Act of the Owner of each Bond which may be affected thereby:

- (1) change or consent to the extension of the stated maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption or prepayment thereof, or change the coin or currency in which any Bond, or the interest thereon is payable, or change the mandatory redemption schedule applicable to any Bonds, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption or prepayment, on or after the redemption or prepayment date); or
- (2) reduce the percentage in principal amount of the Bonds the consent of whose Owners is required for any such Supplemental Indenture or the consent of whose Owners is required for any waiver provided for in this Indenture of compliance with certain provisions of this Indenture or certain defaults under this Indenture and their consequences; or
- (3) modify or alter any of the provisions of this Section except to increase any percentage provided or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Owner of each Bond affected thereby; or
- (4) permit the creation of any Lien ranking prior to or on a parity with the Lien of this Indenture with respect to the Trust Estate or any part thereof or terminate the Lien of this Indenture on any property at any time subject hereto or deprive the Owner of any Bond of the security afforded by the Lien of this Indenture; or

(5) establish preference or priority as between the Bonds; or

(6) permit the sale at foreclosure of any Platted Lot for an amount less than the Platted Lot Total Assessment Payment Amount or any Pre-Platted Land for an amount less than the Pre-Platted Land Total Assessment Payment Amount.

(b) If the District shall request the Trustee to enter into any such Supplemental Indenture, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed to the Owners at their addresses as they appear on the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Owners. If the Owners of not less than two-thirds (67%) in aggregate principal amount of the Bonds at the time of the execution of any such Supplemental Indenture shall, by Act thereof, have consented to and approved the execution thereof, no Owner shall have any right to object to any of the terms and provisions contained in this Indenture, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the District from executing the same or from taking any action pursuant to the provisions thereof.

Section 9.03 Effect of Supplemental Indenture

Upon the execution of any Supplemental Indenture this Indenture shall be modified in accordance therewith, and such Supplemental Indenture shall form a part of this Indenture for all purposes; and every Owner of Bonds theretofore or thereafter authenticated and delivered under this Indenture shall be bound thereby.

Section 9.04 Rights of the Trustee

The Trustee may, but shall not be obligated to, enter into any Supplemental Indenture which affects the rights, duties or immunities of the Trustee under this Indenture.

Section 9.05 Amendments to Special Assessment Agreement

(a) Except as provided in subsection 9.05(b), the District and the Trustee shall not directly, or indirectly by inaction, agree or consent to any amendment, restatement or supplement to the Special Assessment Agreement except upon the prior written consent thereto by Act of the Owners of all of the Bonds

(b) The District and the Trustee may, without the consent of, or any notice to, any of the Owners, agree or consent to any amendment, restatement or supplement to the Special Assessment Agreement to correct or supplement any provision therein which may be ambiguous or inconsistent with any other provision therein or this Indenture, to add any provision to clarify a matter or question arising thereunder, to add to the covenants of the Developer therein, or to make any other provisions which shall not be in conflict or inconsistent with the provisions of this Indenture; provided any such amendment, restatement or supplement shall not materially and adversely affect upon the interests of the Owners of all of the Bonds.

Section 9.06 Amendments to Qualified Credit Facility

(a) Except as provided in subsection 9.06(b), the District and the Trustee shall not directly, or indirectly by inaction, agree or consent to any amendment, restatement or supplement to any Qualified Credit Facility

except upon the prior written consent thereto by Act of the Owners of all of the Bonds with respect to which such Qualified Credit Facility is in effect.

(b) The District and the Trustee may, without the consent of, or any notice to, any of the Owners, agree or consent to any amendment, restatement or supplement to any Qualified Credit Facility to extend or renew the term thereof, to correct or supplement any provision therein which may be ambiguous or inconsistent with any other provision therein or this Indenture, to add any provision to clarify a matter or question arising thereunder, to add to the covenants of the Developer therein, or to make any other provisions which shall not be in conflict or inconsistent with the provisions of this Indenture; provided any such amendment, restatement or supplement shall not materially and adversely affect upon the interests of the Owners of the Bonds.

Section 9.07 Required Opinion of Bond Counsel or Opinion of Counsel

(a) The District shall, prior to the delivery of any Supplemental Indenture, obtain, and deliver to the Trustee, an Opinion of Bond Counsel addressed to the District and the Trustee, upon which the District and the Trustee shall be fully protected in their reliance thereupon, to the effect that upon the execution and delivery of such Supplemental Indenture:

(1) this Indenture, as so amended or supplemented by such Supplemental Indenture, is the valid and binding obligation of, and is enforceable in accordance with its terms (subject to appropriate qualifications) against, the District; and

(2) will not cause interest on any Tax-Exempt Bond to be or become Taxable.

(b) The District shall, prior to the delivery of any agreement or instrument pursuant to Section 9.05, obtain, and deliver to the Trustee, an Opinion of Counsel to the Developer addressed to the District and the Trustee, upon which the District and the Trustee shall be fully protected in their reliance thereupon, to the effect that upon the execution and delivery of such agreement or instrument, the Special Assessment Agreement, as so amended or supplemented, is the valid and binding obligation of, and is enforceable in accordance with its terms (subject to appropriate qualifications) against, the Developer.

(c) The District shall, prior to the delivery of any agreement or instrument pursuant to Section 9.06, obtain, and deliver to the Trustee, an Opinion of Counsel to the issuer or provider of the applicable Qualified Credit Facility, addressed to the District and the Trustee, upon which the District and the Trustee shall be fully protected in their reliance thereupon, to the effect that upon the execution and delivery of such agreement or instrument, the Qualified Credit Facility, as so amended or supplemented, is the valid and binding obligation of, and is enforceable in accordance with its terms (subject to appropriate qualifications) against, the issuer or provider of such Qualified Credit Facility.

(d) The Trustee may, in its sole discretion, obtain written advice or an opinion from Independent Counsel pursuant to Section 12.03 with respect to the consent or delivery by the Trustee of any Supplemental Indenture, or other agreement or instrument, pursuant to this Article.

ARTICLE 10

Events of Default and Remedies

Section 10.01 Events of Default

The occurrence of any one or more of the following events constitutes an “Event of Default” under this Indenture (whatever the reason for such event and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to action of any Governmental Authority):

- (a) the failure by the District to pay in full when due any amount of the Debt Service becoming due and payable on any Bond on:
 - (i) any Stated Interest Payment Date; or
 - (ii) any Stated Principal Payment Date, by maturity or mandatory redemption; or
 - (iii) any date established for redemption pursuant to Section 6.04 for extraordinary and special mandatory redemption; or
- (b) the occurrence of an Act of Insolvency with respect to the District; or
- (c) default in the performance, or breach, of any covenant or warranty of the District in this Indenture (other than a covenant or warranty a default in the performance or breach of which is elsewhere in this Section specifically dealt with), and continuance of such default or breach for a period of 30 days after notice of such default or breach, stating that such notice is a "notice of default", has been given to the District by the Trustee, or to the District and the Trustee by the Owners of at least 25% in principal amount of the Bonds, provided, a default or breach that cannot be cured by the payment of money shall not constitute an Event of Default if the District initiates efforts to correct such default or breach within 30 days from the receipt of such notice and diligently pursues such action until the default or breach is corrected; or
- (d) any warranty, representation or other statement by or on behalf of the District in this Indenture, or made by the District in any certificate or document provided to the Trustee, shall be false, untrue or misleading in any material respect at the time made and the same shall not be made good or remedied within 30 days after written notice thereof to the District by the Trustee; or
- (e) any material provision of this Indenture shall at any time for any reason cease to be the legal, valid and binding obligation of the District or shall cease to be in full force and effect, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the District, or the District shall renounce the same or deny that it has any further liability under this Indenture; or
- (f) the interest of the Trustee in the Trust Estate shall be subject to any prior Lien thereon or the Lien created by this Indenture is invalid or unenforceable as to any part of the Trust Estate; or

- (g) the occurrence under the Special Assessment Agreement of any event of default (as defined therein).

Notwithstanding the foregoing, an event of default that affects only one series of Bonds shall not constitute an event of default with respect to any other series of Bonds.

Section 10.02 Remedies on Default

Whenever any Event of Default shall have happened and be continuing:

- (a) The Trustee shall have and may exercise all rights and remedies available under the Improvement District Act and Applicable Law for the enforcement of the Financing Documents, and the protection of the interests of the Owners.
- (b) The Trustee may, subject to the terms of this Indenture, proceed to protect and enforce its rights and the rights of the Owners by any suit, action or proceeding at law or in equity, including but not limited to an action for mandamus, or for specific performance of any agreement or covenant in this Indenture, or for enforcing payment and collection of any revenues due under the Financing Documents, or for making a demand for payment from the District, or for taking action pursuant to any other document to which the Trustee is a party by signature, assignment, operation of law, or otherwise, or in execution or aid of any power granted in this Indenture or for the enforcement of any other proper, legal or equitable remedy, as the Trustee, being advised by Counsel, shall deem most effectual to protect and enforce its rights and the rights of the Owners under this Indenture.
- (c) The Trustee may institute and maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of this Indenture and to protect its interests and the interests of the Owners in the Trust Estate and in the issues, profits, revenues and other income arising therefrom, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security under this Indenture or be prejudicial to the interests of the Owners or the Trustee.

Section 10.03 Attorney-in-Fact after Default

The District constitutes and appoints the Trustee, and any other Person whom the Trustee may designate, as the attorney-in-fact of the District, to exercise (at the District's expense), at any time after the occurrence and continuance of an Event of Default under this Indenture, all remedies of the District otherwise available at law or equity and to do all acts and things necessary, in the Trustee's sole discretion, to effect collection of any amounts owing to the District and to carry out the purposes of this Indenture and to realize upon any of the Trust Estate, all of which powers are coupled with an interest and are irrevocable until the termination of this Indenture. All acts of such attorney-in-fact or designee taken pursuant to this Indenture are ratified and approved by the District for all purposes of this Indenture and said attorney-in-fact or designee shall not be liable for any acts or omissions nor for any error of judgment or mistake of fact or law.

Section 10.04 Rights and Remedies of Trustee upon Act of Insolvency of the District

(a) In case of the pendency of any Act of Insolvency, the Trustee (irrespective of whether there has been an Event of Default under this Indenture) shall be entitled and empowered to intervene in such proceedings on behalf of the Owners, to file and prove a claim or claims for the whole amount owing and unpaid and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee, its agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its gross negligence or willful misconduct) and of the Owners allowed in any such judicial proceedings, to collect and receive any moneys or other property payable or deliverable on any such claims, and to take such other action in this Indenture as the Trustee may deem necessary or appropriate to protect the interests of the Owners, and any receiver, assignee or trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is authorized by each of the Owners to make payments to the Trustee.

(b) When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 10.05 Application of Money Collected

Any moneys collected by the Trustee pursuant to this Article (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys) together with any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money to pay principal, redemption premium, if any, or interest, upon presentation of the affected Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

(a) **First:** To the payment to the Trustee of all undeducted amounts due the Trustee under this Indenture;

(b) **Second:** To the payment to the Owners entitled thereto of all installments of interest then due and payable on the affected series of Bonds in the order in which such installments became due and payable, and, if the amount available shall not be sufficient to pay in full any particular installments, then to the payment, ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds;

(c) **Third:** To the payment to the Owners entitled thereto of the unpaid principal of any of the affected series of Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on the principal amount of such Bonds at the respective rates specified therein from the respective dates upon which such Bonds became due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, to the Owners entitled thereto without any discrimination or preference;

(d) **Fourth:** To the payment to the provider of any Qualified Credit Facility, if any, of any amounts due and owing thereto for reimbursement of any payment of principal of, and interest on the Bonds made thereby; and

(e) **Fifth:** To the payment of the remainder, if any, to the District or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be a Stated Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 10.06 Waivers of Past Defaults under this Indenture

(a) The Majority Owners may waive any Event of Default under this Indenture and its consequence except a default:

- (1) in the payment of the Debt Service on any Bond; or
- (2) in respect of any covenant or provision of this Indenture which under Article 9 cannot be modified or amended without the consent of the Owner of each Bond affected.

(b) Upon any such waiver, such default shall cease to exist, and an Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 10.07 Restoration of Positions

If the Trustee or any Owner shall have instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or to such Owner, then and in every such case the District, the Trustee and the Owners shall, subject to any determination in such proceeding, be restored to their former positions under this Indenture, and thereafter all rights and remedies of the Trustee and the Owners shall continue as though no such proceeding had been instituted

Section 10.08 General Availability of Remedies

(a) No right or remedy in this Indenture conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other right or remedy, and every such right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given under this Indenture or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy under this Indenture, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

(b) No delay or omission of the Trustee or of any Owner of any Bond to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence in this Indenture. Every right and remedy given by this Article or by law to the Trustee or to the Owners may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Owners.

ARTICLE 11

Construction and Operation of Indenture; Entitlement of Bonds to Indenture; Rights of Owners

Section 11.01 Indenture Constitutes Contractual Agreement; Interests under Indenture

The District, the Trustee, and each of the Owners, by the acquisition of a Bond or a beneficial interest therein, covenant and agree:

- (1) this Indenture constitutes a legal contract made by the District, the Trustee and the Owners, by acquisition of a Bond or an interest therein, and shall be construed in accordance with and governed by the Governing Law without regard to principles of conflicts of laws; and
- (2) the provisions of this Indenture are severable; if any one or more of the provisions of this Indenture shall be held illegal or unenforceable, such illegality or unenforceability shall not affect the other provisions of this Indenture and this Indenture shall be construed and enforced without regard to such illegal or unenforceable provisions; and
- (3) all legal and equitable interests and rights under this Indenture are vested exclusively and solely in the following Persons and each respective successor or assignee thereof:
 - (i) the District;
 - (ii) the Trustee, and any successor trustee under this Indenture;
 - (iii) the Owner of each Bond, to the extent provided in this Indenture.

Section 11.02 General Construction of Indenture

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (1) The terms “agree”, “shall”, and “will” when used in this Indenture with respect to the observance or performance of any agreement, duty or requirement to take, or forbear from taking, any action by the District, the Trustee the Securities Depository, or an Owner, means that such agreement, duty or requirement is imperative and enforceable by available remedies at law or in equity against the Person charged therewith.
- (2) All references in this Indenture to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and subdivisions of this Indenture as originally executed.
- (3) The terms “in this Indenture,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

- (4) The Article and Section headings in this Indenture are for convenience only and shall not affect the construction of this Indenture.

Section 11.03 Entitlement of Bonds to Benefits of Indenture and Trust Estate

The District, the Trustee, and each of the Owners, by the acquisition of a Bond or a beneficial interest therein, covenant and agree that:

- (1) each Bond which shall have been authenticated by the Trustee and delivered by the District pursuant to this Indenture shall be conclusively and legally entitled to the equal and proportionate benefit of the agreements and covenants, and the Lien upon the Trust Estate, of this Indenture from and after the date of delivery of and payment for such Bond until (but not including) the first to occur of the date on which:

(i) the Outstanding Principal Amount of such Bond shall have ceased to be subject to the accrual of interest pursuant to Section 3.03; or

(ii) the Debt Service on such Bond (or any portion thereof) shall have become payable solely from a Defeasance Fund as provided in Section 6.01; and

- (2) the Owner of each Bond which shall have ceased to accrue interest or shall have become payable solely from a Defeasance Fund, as provided in Section 11.03(1), shall thereupon have only the rights and interests (if any) specifically established by this Indenture therefor and shall have no further recourse to the Trust Estate and no further entitlement to any benefit, protection or rights provided by this Indenture to the Owners.

Section 11.04 Determination of Ownership of Bonds

- (a) The ownership of the Bonds shall be proven by the Bond Register.

(b) The District, the Trustee and any agent of the District or the Trustee shall treat the Person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of, premium (if any) and interest on such Bond and for all other purposes whatsoever whether or not such Bond is overdue, and, to the extent permitted by Applicable Law, neither the District, the Trustee nor any such agent shall be affected by notice to the contrary.

Section 11.05 Determination of Bonds

For the purpose of determining whether the Owners of the requisite principal amount of Bonds have given any request, demand, authorization, direction, notice, consent, waiver or other action under this Indenture:

(i) Bonds owned by the Developer, the District or any other obligor with respect to the Bonds or any Affiliate of the Developer, the District or of such other obligor shall be disregarded except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which a Responsible Officer in the Corporate Trust Department actually knows to be so owned shall be disregarded, and (ii) Bonds so owned which have been pledged in good faith may be regarded for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Developer, the District or any other obligor with respect to the Bonds or any Affiliate of the District, the Developer, or of such other obligor.

Section 11.06 Acts of Owners; Binding Effect of Acts

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given, made or taken by Owners may be embodied in and evidenced by one or more substantially concurrent instruments of substantially similar tenor signed by such Owners in person or by an attorney or legal representative duly appointed in writing; and, except as in this Indenture otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is expressly required, to the District. Such instrument or instruments (and the action embodied in this Indenture and evidenced thereby) are in this Indenture sometimes referred to as the “Act” of the Owners signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such legal representative, or of the holding by any Person of Bonds, shall be sufficient for any purpose of this Indenture and conclusive in favor of the District and (subject to Section 12.01) in favor of the Trustee, if made in the manner provided in this Section. For all purposes of this Indenture, when the Bonds are held in Book-Entry System, the Act of the Beneficial Owner(s) shall constitute the Act of the Owner(s) in lieu of an Act by the Securities Depository.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officers authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Whenever such execution is by an officer of a corporation or a member of a partnership, or limited liability company or partnership, on behalf of any thereof, such certificate or affidavit shall also constitute sufficient proof of the authority thereof.

(c) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the District in reliance thereon, whether or not notation of such action is made upon such Bond.

Section 11.07 Respective Rights of Trustee and Owners Regarding Actions and Remedies

(a) All rights of action (including the right to file proofs of claims) under this Indenture or under any of the Bonds may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as trustee of an express trust without the necessity of joining as plaintiffs or defendants any Owners, and any recovery shall (after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) be for the proportionate benefit of the Owners of the Bonds in respect of which such judgment shall have been recorded.

(b) The Majority Owners shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture, provided that:

(1) Such direction shall not be in conflict with any rule of law or this Indenture;

(2) The Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction; and

(3) The provisions of Section 2.08(a)(1), which require the Trustee to sell a Platted Lot or Pre-Platted Land at foreclosure for an amount not less than the Platted Lot Total Assessment Payment Amount or Pre-Platted Land Total Assessment Payment Amount, shall not be modified or waived so as to permit the sale of such Platted Lot or Pre-Platted Land at foreclosure for an amount less than the Platted Lot Total Assessment Payment Amount or the Pre-Platted Land Total Assessment Payment Amount with respect thereto without the prior written consent by Act of the Owners of all of the Bonds.

(c) No Owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture or for the appointment of a receiver or trustee, or for any other remedy under this Indenture unless (1) such Owner shall have previously given written notice to the Trustee of a continuing Event of Default; (2) the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee under this Indenture; (3) such Owners have offered to the Trustee indemnity in the manner provided in Section 12.03 of this Indenture; (4) the Trustee for 30 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such proceeding; and (5) no direction inconsistent with such written request shall have been given to the Trustee during such 30-day period by the Majority Owners, it being understood and intended that no one or more Owners shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Owners, or to obtain or to seek to obtain priority or preference over any other Owners, or to enforce any right under this Indenture, except in the manner in this Indenture provided and for the equal and proportionate benefit of the Owners of all Bonds.

(d) Notwithstanding any other provision of this Indenture, the right of the Owners of the Bonds, which is absolute and unconditional, to receive payment of the principal of, premium (if any) and interest on the Bonds on or after the Stated Maturity Date (or, in the case of redemption, on or after the Redemption Date) thereof, and to institute suit for the enforcement of such payment, or the obligation of the District, which is also absolute and unconditional, to pay the principal of, premium (if any) and interest on the Bonds to the Owners thereof at the time and place in this Indenture expressed, shall not be impaired or affected without the consent of such Owner; provided, however, that no Owner shall be entitled to take any action or institute any such suit to enforce the payment of the Bond or Bonds thereof, whether for principal or interest, if and to the extent that the taking of such action or the institution or prosecution of any such suit or the entry of judgment in this Indenture would under Applicable Law result in a surrender, impairment, waiver or loss of the Lien of this Indenture upon the Trust Estate, or any part thereof, as security for the Bonds held by any other Owner.

Section 11.08 Operation of Indenture for Bonds Held in Book-Entry System

(a) General. The District and the Trustee will administer and construe the provisions of this Indenture to effect full compliance with the procedures and rules of the Securities Depository with respect to all Bonds held pursuant to a Book-Entry System, including without limitation:

- (1) payment and redemption (in whole or in part) of Bonds;
- (2) transfers of beneficial interests in Bonds;
- (3) delivery of notices pursuant to this Indenture; and
- (4) grant of consent or waiver with respect to any action or inaction.

(b) Special Agreements. As a condition of, and as a consideration for, the issuance of the Bonds, each Owner and Beneficial Owner agrees, by acquisition of a Bond or a beneficial interest therein, the District and the Trustee have not undertaken, directly or indirectly, to provide, and therefore shall have no liability, obligation, or responsibility to any Person (including without limitation Beneficial Owners, Direct Participants, and Indirect Participants) for (i) the accuracy of any records maintained by the Securities Depository or any Direct Participant or Indirect Participant, or (ii) the payment by the Securities Depository or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the Debt Service for any of the Bonds, or (iii) the delivery, or timeliness of delivery by the Securities Depository or any Direct Participant or Indirect Participant of any notice due to any Beneficial Owner which is required or permitted under this Indenture to be given to such Beneficial Owner, or (iv) any act (including without limitation any consent to, or waiver of, any action or inaction) of whatever nature or type by the Securities Depository or Securities Depository Nominee, as Owner.

Section 11.09 Notices to District and Trustee

(a) All notices, demands, consents, certificates or other communications hereunder shall be in writing, shall be sufficiently given and shall be deemed given when delivered personally to the party or to an officer of the party to whom the same is directed, or mailed by registered or certified mail, postage prepaid, or sent by private delivery service, addressed as follows:

(i) if to the District:

C/O Daniel Realty Company, LLC
Suite 1000
505 20th Street North
Birmingham, Alabama 35203

(ii) if to the Trustee:

Regions Bank
1900 5th Avenue North
26th Floor
Birmingham, Alabama 35203
Attn: Corporate Trust Department

(iii) if to the Developer's Lender:

SmartBank
101 Office Park Drive
Birmingham, Alabama 35223
(659) 599-0384
Attn: Robert Moore and Lee Smith

(b) Any such notice or other document shall be deemed to be received as of the date delivered, if delivered personally, or as of three (3) days after the date deposited in the mail, if mailed, or the next business day, if sent by private delivery service.

(c) The District and the Trustee may, from time to time, change the address thereof by written notice to the other party, whereupon such notice shall constitute an effective amendment of this Section and the

address set forth in such notice shall become the current address for such party for all purposes of this Indenture.

Section 11.10 Notices to Owners; Waiver

(a) Where this Indenture provides for publication of notice to Owners of any event, such notice shall be sufficiently given (unless otherwise in this Indenture expressly provided) if in writing and mailed, first-class postage prepaid, or sent by telecopy or Electronic Means, to each Owner of such Bonds, at the address of such Owner as it appears in the Bond Register, not later than the latest date, and not earlier than the earliest date, prescribed for the first publication of such notice.

(b) In any case where notice to Owners is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Owner shall affect the sufficiency of such notice with respect to other Owners. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.11 Counterparts; Date of Indenture

(a) This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(b) The date of this Indenture is intended as and for a date for the convenient identification of this Indenture and is not intended to indicate that this Indenture was executed and delivered on said date.

ARTICLE 12

The Trustee

Section 12.01 Duties and Responsibilities of Trustee

(a) Except during the continuance of an Event of Default of which a Responsible Officer in the Corporate Trust Department of the Trustee has actual knowledge:

(1) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and any Supplemental Indenture and no implied covenants or obligations shall be read in this Indenture against the Trustee; and

(2) In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed in this Indenture, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision of this Indenture are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) In case an Event of Default, of which a Responsible Officer in the Corporate Trust Department of the Trustee has actual knowledge, has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a reasonable person would exercise or use under the circumstances in the conduct of his own affairs.

(c) The Trustee shall not be answerable for the exercise of any discretion or power under this Indenture or for anything whatsoever in connection with the trusts created hereby, provided that no provision of this Indenture shall be construed to relieve the Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act or its own willful misconduct.

(d) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers or employee or agent of the Trustee unless it shall be proven that the Trustee was grossly negligent in ascertaining the pertinent facts.

(e) The Trustee shall not be liable with respect to any action taken or omitted to be taken or omitted by it in good faith in accordance with the direction of the Majority Owners relating the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(f) Whether or not in this Indenture expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section and Section 12.03.

Section 12.02 Notice of Defaults

The Trustee will, except for any event of default under Sections 10.01(a) and/or (g) hereof--for which notice shall be given to the District, the Developer, and the Developer's Lender within five (5) days of the Trustee's failure to receive the payments required by Sections 2.04(c)(5) and (7) hereof, within thirty (30) days after a Responsible Officer in the Corporate Trust Office of the Trustee has actual knowledge of the occurrence of any Event of Default, transmit to all Owners notice thereof unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment in full of Debt Service on any Bond, the Trustee shall be protected in withholding such notice if and so long as the Trustee in good faith determines that the withholding of such notice is not adverse to the interests of the Owners; and provided, further, that in the case of any default of the character specified in Section 10.01 no such notice to Owners shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 12.03 Rights of Trustee

In addition to the other rights of the Trustee under this Indenture:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, warrant, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Any request, direction, election, order or demand of the District shall be sufficiently evidenced by an instrument signed in the name of the District by an Authorized District

Representative (unless otherwise in this Indenture specifically prescribed), and any Resolution of the District may be evidenced to the Trustee by a copy thereof certified by the Secretary or Assistant Secretary of the District.

(c) The Trustee may consult with Independent Counsel regarding its authority, duties, and obligations under this Indenture, and the written advice or opinion of such Independent Counsel shall be full and complete authorization and protection in respect of, and the Trustee shall not be responsible for any loss or damage resulting from, any action taken, suffered or omitted by it under this Indenture in good faith and in reliance on such advice or opinion.

(d) Whenever, in the administration of the trusts of this Indenture, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Indenture, such matter (unless other evidence in respect thereof be in this Indenture specifically prescribed) may, in the absence of gross negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of an Authorized District Representative, and such certificate of an Authorized District Representative shall, in the absence of gross negligence or bad faith on the part of the Trustee, be full warranty to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the faith thereof.

(e) The Trustee shall be under no obligation to exercise any of the rights, powers or remedies vested in it by this Indenture at the request or direction of the Owners pursuant to this Indenture, unless such Owners shall have furnished to the Trustee satisfactory security or indemnity for the reimbursement of all expenses to which it may be put and to protect it against all liability which might be incurred by it in compliance with such request or direction, provided, that the Trustee cannot require such security or indemnity as a condition to the due and punctual payment of all or any part of the principal of, premium (if any) and interest on the Bonds by the Trustee as provided in this Indenture and in this Indenture, or to the effectuation of redemptions of any of the Bonds as provided in this Indenture.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, warrant, debenture, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation to such facts or matters as it may determine.

(g) The Trustee may execute any of the trusts or powers under this Indenture or perform any duties under this Indenture either directly or by or through agents, attorneys, receivers or employees, and the Trustee shall not be responsible or answerable for any misconduct or negligence on the part of any agent or attorney or employee appointed or selected with reasonable care by it under this Indenture.

(h) In the event the Trustee receives inconsistent or conflicting requests or indemnity from two or more groups of Owners of Bonds, each representing less than a majority in aggregate principal amount of the Bonds, the Trustee, in its sole discretion, may determine what action, if any, shall be taken.

(i) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's

officers, directors, agents, attorneys and employees and such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds.

(j) The Trustee shall have no obligation to file financing statements or continuation statements under the Uniform Commercial Code with respect to the security interests securing the Bonds.

(k) The Trustee may open accounts for the funds created pursuant to this Indenture as and when the same are needed.

(l) The Trustee shall not be accountable for the use or application by the District of any of the proceeds of the Bonds or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture.

(m) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligation under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(n) The Trustee shall have the right to accept and act upon directions or instructions given by an Authorized District Representative pursuant to this Indenture or any other document reasonably relating to Bonds issued under this Indenture and delivered using Electronic Means. If the District elects to give the Trustee directions or instructions using Electronic Means and the Trustee in its discretion elects to act upon such directions or instructions, the Trustee's understanding of such directions or instructions shall be deemed controlling. The District understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Trustee shall conclusively presume that directions or instructions that purport to have been sent by an Authorized District Representative listed on the incumbency certificate provided to the Trustee have been sent by such Authorized District Representative. The District shall be responsible for ensuring that only Authorized District Representatives transmit such directions or instructions to the Trustee and that all Authorized District Representatives treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. The District agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions or instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Trustee and that there may be more secure methods of transmitting directions or instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable

degree of protection in light of its particular needs and circumstances and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(o) Any action taken, or omitted to be taken, by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent, is the registered owner of any Bond shall be conclusive and binding upon all future owners of the same Bond and of any Bond or Bonds issued in exchange therefor or upon transfer of or in place thereof.

(p) The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers under this Indenture or otherwise in respect of the premises of this Indenture or to file any returns or reports to any court in the execution of its trusts.

(q) The Trustee may construe any provision of this Indenture insofar as such may appear to it to be ambiguous or inconsistent with any other provision of this Indenture, and any construction of any such provision by the Trustee shall be binding upon the owners of the Bonds and the District.

(r) No provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under this Indenture or in the exercise of any of its rights or powers, if there shall be reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 12.04 Trustee not Responsible for Certain Matters of Bonds or Security or Disclosures

(a) The recitals contained in this Indenture and in the Bonds, except the Trustee's certificate of authentication and registration on the Bonds, shall be taken as the statements of the District, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee is not responsible for the filing or recording of this Indenture or for the payment of taxes, charges, assessments and Liens upon the Trust Estate, or for insuring the Trust Estate or the maintenance thereof, or for the validity or sufficiency of the security for the Bonds issued under this Indenture or intended to be secured hereby, or for the value or title of any of the Trust Estate, or otherwise as to the maintenance of the security of this Indenture; except that in the event the Trustee enters into possession of a part or all of the Trust Estate pursuant to any provision of this Indenture, it shall use reasonable care in preserving such property.

(b) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

Section 12.05 Trustee May Hold Bonds

The Trustee, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the District or a guarantor or insurer of the Bonds with the same rights it would have if it were not Trustee.

Section 12.06 Money Held in Trust

Money held by the Trustee in trust under this Indenture need not be segregated from other funds except to the extent required by this Indenture or by law. The Trustee shall be under no liability for interest on any money received by it under this Indenture except as otherwise provided in this Indenture.

Section 12.07 Compensation of Trustee; Lien

(a) The fees and expenses of the Trustee shall (subject to the provisions of Article 3) be paid to the Trustee from amounts on deposit in the Revenue Fund pursuant to Section 5.03 on an annual basis as reasonable compensation for all services rendered by it under this Indenture (which compensation shall not be subject to any provision of law in regard to the compensation of a trustee of an express trust) and except as otherwise expressly provided in this Indenture, upon request, reimbursement for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and Independent Counsel), except any such expense, disbursement or advance as may be determined by a court of competent jurisdiction to be attributable to the Trustee's gross negligence or willful misconduct.

(b) The Trustee shall have a first Lien on the Trust Estate (except funds held in trust for the benefit of the Owners of particular Bonds, which funds shall never be subject to a Lien in favor of the Trustee) with right of payment prior to payment on account of principal of, premium (if any) and interest on any Bond, for reasonable compensation for all services rendered by it under this Indenture and for all reasonable expenses, advances, disbursements and counsel fees incurred or made in and about the execution of the trusts created and the exercise and performance of the powers and duties of the Trustee under this Indenture and the cost and expense incurred in defending against any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the gross negligence or willful default of the Trustee).

Section 12.08 Advances by Trustee

If the District shall fail to perform any of its covenants in this Indenture, the Trustee may, but shall not be required, at any time and from time to time, after written notice to the Developer, make advances to effect performance of any such covenant on behalf of the District, but no money advanced by the Trustee shall be used to pay principal of, premium (if any) or interest on any of the Bonds. Any money so advanced by the Trustee, together with interest at the lesser of (i) the prime rate then in effect as established by the Trustee plus four percent (4%) or (ii) the highest amount allowed by law shall be paid (subject to the provisions of Article 3) upon demand and such advances shall be secured under this Indenture prior to the Bonds.

Section 12.09 Corporate Trustee Required; Eligibility of Trustee; Appointment of Co-Trustee

(a) Except as provided in subsection (b), there shall at all times be a Trustee under this Indenture which shall be a commercial bank or trust company organized and doing business under the laws of the United States or of any State, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$1,000,000,000, subject to supervision or examination by Federal or State authority.

(b) It is the purpose of this Indenture that there shall be no violation of the law of any jurisdiction denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture, and in particular in case of the enforcement thereof on any Event of Default, or in the case the Trustee deems that by reason of any present

or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies in this Indenture granted to the Trustee or hold title to the properties, in trust, as in this Indenture granted, or take any action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee pursuant to this Section.

(c) In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and Lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them. The Trustee shall be jointly liable for the actions taken by such separate or co-trustee, if such actions were taken at the direction of the Trustee.

(d) Should any instrument in writing from the District be required by the separate or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the District. In case any separate or co-trustee or a successor to either shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or co-trustee, so far as permitted by Applicable Law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate or co-trustee.

SECTION 12.10 Resignation and Removal; Appointment of Successor

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under this Indenture.

(b) (1) The Trustee may resign at any time by giving thirty (30) days written notice thereof to the District.

(2) The succession (whether by merger, consolidation, or transfer) of any other Person to all or substantially all of the corporate trust business of the Trustee shall automatically constitute the resignation of the Trustee under this Indenture for all purposes of this Indenture.

(3) If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by the Majority Owners by an instrument or instruments setting forth such demand or request delivered to the Trustee and to the District not less than thirty (30) days prior to the effective date of such removal.

(d) If at any time the Trustee shall be or become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then (i) the District by Resolution may remove the Trustee, or (ii) any Owner who has been a bona fide Owner of a Bond for at least six months may, on behalf of himself and all others similarly situated,

petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the District shall promptly appoint a successor Trustee. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by the Majority Owners by an instrument or instruments setting forth such direction delivered to the retiring Trustee and the District, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the District. If no successor Trustee shall have been so appointed by the District or the Owners and accepted appointment in the manner in this Indenture after provided, any Owner who shall have been a bona fide Owner of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The District shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event to the Owners at their addresses as shown in the Bond Register. Each notice shall include the name and address of the principal corporate trust office of the successor Trustee.

Section 12.11 Qualification of and Acceptance of Appointment by Successor

(a) Any successor Trustee shall be a bank or trust company authorized to administer trusts of the type in this Indenture created and having, at the time of its acceptance of such appointment, combined capital, surplus and undivided profits of at least \$50,000,000.

(b) Every successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to the District and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estate and title of the retiring Trustee to the Trust Estate and all the rights, powers, trusts, and duties of the retiring Trustee; provided, however, on reasonable written request of the District or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the estate and title of the retiring Trustee to the Trust Estate and all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee under this Indenture, subject nevertheless to its Lien, if any, provided for in Section 12.07 of this Indenture. Upon request of any such successor Trustee, the District shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estate, title, rights, powers and trusts.

(c) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article, to the extent operative.

Section 12.12 Merger, Conversion, Consolidation or Succession to Business

Any corporation or association into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee under this Indenture,

provided such corporation or association shall be otherwise qualified and eligible under this Article, to the extent operative, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds

Section 12.13 Trustee Not Responsible For Computations and Payments of Rebate

The Trustee shall not be responsible for (i) determining that any investment of moneys in the Bond Fund complies with the limitations imposed by the Federal Tax Code, or (ii) calculating the amount of, or making payment of, any rebate due to the United States of America.

Section 12.14 Accounting Records and Reports

The Trustee shall keep proper books of record and account in which complete and correct entries shall be made of all transactions relating to the receipt, investment, disbursement, allocation and application of the proceeds of the Bonds and the Trust Estate which are held by the Trustee pursuant hereto. Such records shall specify the account or fund to which each investment (or portion thereof) held by the Trustee is to be allocated and shall set forth, in the case of each investment security, (a) its purchase price, (b) identifying information, including principal amount, and interest rate, (c) the amount received at maturity or its sale price, as the case may be, and (d) the amounts and dates of any payments made with respect thereto. Such records shall be open to inspection by the District at any reasonable time during regular business hours on reasonable notice.

ARTICLE 13

Cancellation of Bonds and Discharge of Indenture

Section 13.01 Surrender of Bonds by District

The District may at any time surrender to the Trustee for cancellation any Bonds which the District may have acquired in any manner.

Section 13.02 Cancellation of Surrendered Bonds

The Trustee will promptly cancel and destroy all Bonds delivered or surrendered for payment, redemption, transfer, exchange, or pursuant to Section 13.01.

Section 13.03 Satisfaction and Discharge of Indenture

This Indenture, and the Lien hereof upon the Trust Estate, shall cease, determine and become null and void on the date on which all of the following shall have occurred, whereupon the Trustee shall execute and deliver such instruments of satisfaction and discharge as may be requested by the District in writing or required by Applicable Law:

- (1) all of the Bonds shall have ceased to accrue interest pursuant to Section 3.03 or shall be payable solely from a Defeasance Fund; and
- (2) the District shall have paid, or made provisions for payment of, all reasonable and proper fees, charges, expenses and disbursements of the Trustee for services performed and disbursements made under this Indenture; and
- (3) the District shall have directed the Trustee in writing to discharge and satisfy this Indenture by written instrument of an Authorized District Representative.

Section 13.04 Payment of Indenture Funds and Trust Estate

Upon the payment in full of the Bonds as provided in this Article, the Trustee shall, pursuant to the written instructions of the District, disburse any amounts then in the Indenture Funds, and otherwise held by the Trustee as part of the Trust Estate, to the District or to such other Person as may be entitled thereto by Applicable Law.

IN WITNESS WHEREOF, the District and the Trustee have each caused this Indenture to be duly executed under seal and the same attested by officers thereof duly authorized thereunto.

THE POINT CLEAR CLUB IMPROVEMENT DISTRICT

By _____
Its Chairman

[S E A L]

Attest:

Its Secretary

**REGIONS BANK
as Trustee**

By _____
Its _____

[S E A L]

Attest:

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, certify that Carter Bryars, whose name as Chair of The Point Clear Club Improvement District, a public corporation, is signed to the foregoing Trust Indenture dated June 1, 2026 and who is known to me, acknowledged before me on this day that, being informed of the contents of said Trust Indenture, he, as such officer and with full authority, executed the same voluntarily for and as the act of said public corporation.

Given under my hand and seal this the ____ day of June, 2026.

Notary Public

NOTARIAL SEAL

My commission expires: _____

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, certify that_____ whose name as Vice-President of Regions Bank, an Alabama banking corporation, as trustee under the foregoing Trust Indenture dated June 1, 2026 by The Point Clear Club Improvement District, is signed to the foregoing Trust Indenture, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Trust Indenture, he, as such officer and with full authority, executed the same voluntarily for and as the act of said Alabama banking corporation acting in its capacity as trustee as aforesaid.

Given under my hand and seal this the ____ day of June, 2026.

Notary Public

NOTARIAL SEAL

My commission expires: _____

EXHIBIT A

LOT "B"

STATE OF ALABAMA
COUNTY OF BALDWIN

COMMENCING AT A CAPPED REBAR (LOWERY) AT THE THE NORTHWEST CORNER OF SECTION 8, TOWNSHIP 7 SOUTH, RANGE 2 EAST, BALDWIN COUNTY, ALABAMA; THENCE RUN NORTH 89°-56'-14" EAST ALONG THE NORTH LINE OF SAID SECTION 8 A DISTANCE OF 402.24 FEET TO A CAPPED REBAR (ILLEGIBLE); THENCE RUN SOUTH 00°-15'-31" EAST A DISTANCE OF 20.39 FEET TO A 1/2" REBAR; THENCE RUN NORTH 89°-56'-14" EAST A DISTANCE OF 223.02 FEET TO A CAPPED REBAR (WATTIER) ON THE WEST RIGHT-OF-WAY LINE OF BALDWIN COUNTY ROAD #3; THENCE RUN SOUTH 00°-03'-46" EAST ALONG SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 19.61 FEET TO A CAPPED REBAR (WATTIER) ON THE SOUTH RIGHT-OF-WAY LINE OF SAID COUNTY ROAD #3; THENCE RUN NORTH 89°-56'-14" EAST ALONG SAID SOUTH RIGHT-OF-WAY LINE A DISTANCE OF 598.19 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 45°-44'-12" EAST ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 71.18 FEET TO A CAPPED REBAR (WATTIER) ON THE WEST RIGHT-OF-WAY LINE OF SAID COUNTY ROAD #3; THENCE RUN SOUTH 00°-18'-53" WEST ALONG SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 1,244.75 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 00°-06'-20" WEST ALONG SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 1,018.89 FEET TO A CAPPED REBAR (WATTIER) AT THE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED PARCEL: THENCE RUN SOUTH 00°-06'-20" WEST ALONG SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 75.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 89°-53'-40" WEST A DISTANCE OF 40.01 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTHWESTWARDLY ALONG THE ARC OF A CURVE TO THE LEFT (HAVING A DELTA OF 26°-09'-01", A RADIUS OF 58.00 FEET, A CHORD BEARING OF SOUTH 51°-29'-04" WEST, AND A CHORD LENGTH OF 26.24 FEET) AN ARC LENGTH OF 26.47 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTHWARDLY ALONG THE ARC OF A CURVE TO THE LEFT (HAVING A DELTA OF 83°-24'-34", A RADIUS OF 15.00 FEET, A CHORD BEARING OF SOUTH 03°-17'-43" EAST, AND A CHORD LENGTH OF 19.96 FEET) AN ARC LENGTH OF 21.84 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 89°-53'-40" WEST A DISTANCE OF 67.67 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 00°-06'-20" EAST A DISTANCE OF 32.96 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTHWESTWARDLY ALONG THE ARC OF A CURVE TO THE LEFT (HAVING A DELTA OF 90°-00'-00", A RADIUS OF 35.00 FEET, A CHORD BEARING OF NORTH 44°-53'-40" WEST, AND A CHORD LENGTH OF 49.50 FEET) AN ARC LENGTH OF 54.98 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 89°-53'-40" WEST A DISTANCE OF 430.30 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTHWESTWARDLY ALONG THE ARC OF A CURVE TO THE RIGHT (HAVING A DELTA OF 21°-02'-00", A RADIUS OF 145.00 FEET, A CHORD BEARING OF NORTH 77°-53'-53" WEST, AND A CHORD LENGTH OF 72.75 FEET) AN ARC LENGTH OF 73.28 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 65°-54'-06" WEST A DISTANCE OF 20.50 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTHWESTWARDLY ALONG THE ARC OF A CURVE TO THE LEFT (HAVING A DELTA OF 21°-02'-00", A RADIUS OF 145.00 FEET, A CHORD BEARING OF NORTH 76°-25'-06" WEST, AND A CHORD LENGTH OF 52.93 FEET) AN ARC LENGTH OF 53.23 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 00°-07'-43" EAST A DISTANCE OF 212.23 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTHWARDLY ALONG THE ARC OF A CURVE TO THE LEFT (HAVING A DELTA OF 22°-29'-21", A RADIUS OF 100.00 FEET, A CHORD BEARING OF NORTH 11°-06'-57" WEST, AND A CHORD LENGTH OF 39.00 FEET) AN ARC LENGTH OF 39.25 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 22°-21'-38" WEST A DISTANCE OF 9.88 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTHWARDLY ALONG THE ARC OF A CURVE TO THE RIGHT (HAVING A DELTA OF 14°-42'-06", A RADIUS OF 130.00 FEET, A CHORD BEARING OF NORTH 15°-00'-35" WEST, AND A CHORD LENGTH OF 33.27 FEET) AN ARC LENGTH OF 33.36 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 07°-39'-31" WEST A DISTANCE OF 54.39 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 82°-20'-29" WEST A DISTANCE OF 54.33 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 77°-34'-15" WEST A DISTANCE OF 65.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 84°-23'-15" WEST A DISTANCE OF 69.63 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 86°-14'-11" WEST A DISTANCE OF 152.94 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 44°-18'-19" WEST A DISTANCE OF 251.91 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 00°-18'-43" EAST A DISTANCE OF 197.45 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 78°-45'-49" EAST A DISTANCE OF 30.53 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 10°-13'-50" EAST A DISTANCE OF 86.11 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 56°-14'-11" EAST A DISTANCE OF 40.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 33°-45'-49" WEST A DISTANCE OF 125.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 56°-14'-11" EAST A DISTANCE OF 132.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 33°-45'-49" EAST A DISTANCE OF 140.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 56°-14'-11" EAST A DISTANCE OF 20.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 33°-45'-49" WEST A DISTANCE OF 30.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 56°-14'-11" EAST A DISTANCE OF 30.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 33°-45'-49" EAST A DISTANCE OF 30.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 56°-14'-11" EAST A DISTANCE OF 23.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 33°-45'-49" EAST A DISTANCE OF 70.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 30°-52'-29" EAST A DISTANCE OF 160.20 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 54°-26'-05" EAST A DISTANCE OF 94.80 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 51°-56'-49" EAST A DISTANCE OF 32.21 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 39°-14'-33" EAST A DISTANCE OF 260.60 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 10°-44'-29" EAST A DISTANCE OF 83.08 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 07°-39'-31" EAST A DISTANCE OF 45.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 82°-20'-29" WEST A DISTANCE OF 125.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 07°-39'-31" EAST A DISTANCE OF 58.47 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTHWARDLY ALONG THE ARC OF A CURVE TO THE LEFT (HAVING A DELTA OF 14°-42'-06", A RADIUS OF 100.00 FEET, A CHORD BEARING OF SOUTH 15°-00'-35" EAST, AND A CHORD LENGTH OF 25.59 FEET) AN ARC LENGTH OF 25.66 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 22°-21'-38" EAST A DISTANCE OF 9.88 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTHWARDLY ALONG THE ARC OF A CURVE TO THE RIGHT (HAVING A DELTA OF 22°-29'-21", A RADIUS OF 130.00 FEET, A CHORD BEARING OF SOUTH 11°-06'-57" EAST, AND A CHORD LENGTH OF 50.70 FEET) AN ARC LENGTH OF 51.03 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 00°-07'-43" WEST A DISTANCE OF 167.03 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTHEASTWARDLY ALONG THE ARC OF A CURVE TO THE LEFT (HAVING A DELTA OF 71°-48'-42", A RADIUS OF 25.00 FEET, A CHORD BEARING OF SOUTH 35°-46'-38" EAST, AND A CHORD LENGTH OF 29.32 FEET) AN ARC LENGTH OF 31.33 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTHEASTWARDLY ALONG THE ARC OF A CURVE TO THE RIGHT (HAVING A DELTA OF 05°-46'-53", A RADIUS OF 175.00 FEET, A CHORD BEARING OF SOUTH 68°-47'-33" EAST, AND A CHORD LENGTH OF 17.65 FEET) AN ARC LENGTH OF 17.66 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 65°-54'-06" EAST A DISTANCE OF 20.50 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTHEASTWARDLY ALONG THE ARC OF A CURVE TO THE LEFT (HAVING A DELTA OF 23°-59'-34", A RADIUS OF 145.00 FEET, A CHORD BEARING OF SOUTH 77°-53'-53" EAST, AND A CHORD LENGTH OF 60.28 FEET) AN ARC LENGTH OF 60.72 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 89°-53'-40" EAST A DISTANCE OF 360.60 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 80°-00'-00" EAST A DISTANCE OF 76.04 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 89°-53'-40" EAST A DISTANCE OF 156.83 FEET TO THE POINT OF BEGINNING. THE DESCRIBED PARCEL CONTAINS 7.05 ACRES, MORE OR LESS

LOT "C"

STATE OF ALABAMA
COUNTY OF BALDWIN

COMMENCING AT A CAPPED REBAR (LOWERY) AT THE THE NORTHWEST CORNER OF SECTION 8, TOWNSHIP 7 SOUTH, RANGE 2 EAST, BALDWIN COUNTY, ALABAMA; THENCE RUN NORTH 89°-56'-14" EAST ALONG THE NORTH LINE OF SAID SECTION 8 A DISTANCE OF 402.24 FEET TO A CAPPED REBAR (ILLEGIBLE); THENCE RUN SOUTH 00°-15'-31" EAST A DISTANCE OF 20.39 FEET TO A 1/2" REBAR; THENCE RUN NORTH 89°-56'-14" EAST A DISTANCE OF 223.02 FEET TO A CAPPED REBAR (WATTIER) ON THE WEST RIGHT-OF-WAY LINE OF BALDWIN COUNTY ROAD #3; THENCE RUN SOUTH 00°-03'-46" EAST ALONG SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 19.61 FEET TO A CAPPED REBAR (WATTIER) ON THE SOUTH RIGHT-OF-WAY LINE OF SAID COUNTY ROAD #3; THENCE RUN NORTH 89°-56'-14" EAST ALONG SAID SOUTH RIGHT-OF-WAY LINE A DISTANCE OF 598.19 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 45°-44'-12" EAST ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 71.18 FEET TO A CAPPED REBAR (WATTIER) ON THE WEST RIGHT-OF-WAY LINE OF SAID COUNTY ROAD #3; THENCE RUN SOUTH 00°-18'-53" WEST ALONG SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 1,244.75 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 00°-06'-20" WEST ALONG SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 1,093.89 FEET TO A CAPPED REBAR (WATTIER) AT THE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED PARCEL: THENCE CONTINUE SOUTH 00°-06'-20" WEST ALONG SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 905.60 FEET; THENCE RUN SOUTH 89°-59'-21" WEST A DISTANCE OF 1,281.85 FEET TO A 3" OPEN TOP PIPE; THENCE RUN SOUTH 00°-19'-26" WEST A DISTANCE OF 411.78 FEET TO A CAPPED REBAR (MOORE); THENCE RUN NORTH 89°-47'-28" EAST A DISTANCE OF 119.72 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 00°-12'-32" EAST A DISTANCE OF 212.67 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN EASTWARDLY ALONG THE ARC OF A CURVE TO THE LEFT (HAVING A DELTA OF 11°-21'-29", A RADIUS OF 365.00 FEET, A CHORD BEARING OF NORTH 75°-40'-45" EAST, AND A CHORD LENGTH OF 72.24 FEET) AN ARC LENGTH OF 72.36 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 20°-00'-00" EAST A DISTANCE OF 60.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN WESTWARDLY ALONG THE ARC OF A CURVE TO THE RIGHT (HAVING A DELTA OF 00°-43'-42", A RADIUS OF 425.00 FEET, A CHORD BEARING OF SOUTH 70°-21'-51" WEST, AND A CHORD LENGTH OF 5.40 FEET) AN ARC LENGTH OF 5.40 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 00°-12'-32" EAST A DISTANCE OF 402.86 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 80°-12'-32" WEST A DISTANCE OF 62.19 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN WESTWARDLY ALONG THE ARC OF A CURVE TO THE LEFT (HAVING A DELTA OF 16°-02'-17", A RADIUS OF 660.00 FEET, A CHORD BEARING OF NORTH 88°-13'-40" WEST, AND A CHORD LENGTH OF 184.14 FEET) AN ARC LENGTH OF 184.74 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 37°-31'-58" EAST A DISTANCE OF 71.56 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 00°-12'-23" EAST A DISTANCE OF 186.75 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 20°-18'-47" WEST A DISTANCE OF 32.03 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 00°-18'-05" WEST A DISTANCE OF 10.23 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 89°-58'-36" WEST A DISTANCE OF 475.66 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 89°-59'-01" WEST A DISTANCE OF 320.79 FEET TO AN AXLE; THENCE RUN NORTH 89°-54'-46" WEST A DISTANCE OF 522.01 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 00°-27'-44" EAST A DISTANCE OF 670.06 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 78°-47'-51" EAST A DISTANCE OF 197.36 FEET; THENCE RUN NORTH 69°-07'-43" EAST A DISTANCE OF 171.29 FEET; THENCE RUN SOUTH 29°-18'-39" EAST A DISTANCE OF 206.34 FEET; THENCE RUN NORTHEASTWARDLY ALONG A CURVE TO THE RIGHT (HAVING A DELTA OF 36°-08'-35", A RADIUS OF 65.00 FEET, A CHORD BEARING OF NORTH 53°-23'-33" EAST, AND A CHORD LENGTH OF 40.33 FEET) AN ARC LENGTH OF 41.00 FEET; THENCE RUN NORTH 29°-18'-39" WEST A DISTANCE OF 201.22 FEET; THENCE RUN NORTH 54°-40'-29" EAST A DISTANCE OF 185.46 FEET; THENCE RUN NORTH 42°-38'-45" EAST A DISTANCE OF 185.46 FEET; THENCE RUN NORTH 30°-37'-01" EAST A DISTANCE OF 185.46 FEET; THENCE RUN NORTH 18°-41'-11" EAST A DISTANCE OF 173.31 FEET; THENCE RUN NORTH 27°-52'-13" EAST A DISTANCE OF 225.66 FEET; THENCE RUN NORTH 43°-47'-09" EAST A DISTANCE OF 225.66 FEET; THENCE RUN NORTH 59°-42'-05" EAST A DISTANCE OF 225.66 FEET; THENCE RUN NORTH 75°-37'-01" EAST A DISTANCE OF 225.66 FEET; THENCE RUN NORTH 88°-29'-39" EAST A DISTANCE OF 195.59 FEET; THENCE RUN SOUTH 00°-00'-39" EAST A DISTANCE OF 205.00 FEET; THENCE RUN NORTH 89°-59'-21" EAST A DISTANCE OF 102.54 FEET; THENCE RUN NORTH 00°-00'-39" WEST A DISTANCE OF 215.00 FEET; THENCE RUN NORTH 89°-59'-21" EAST A DISTANCE OF 707.94 FEET; THENCE RUN NORTHWARDLY ALONG A CURVE TO THE RIGHT (HAVING A DELTA OF 19°-50'-52", A RADIUS OF 145.00 FEET, A CHORD BEARING OF NORTH 01°-53'-06" EAST, AND A CHORD LENGTH OF 49.98 FEET) AN ARC LENGTH OF 50.23 FEET; THENCE RUN NORTHWARDLY ALONG A CURVE TO THE LEFT (HAVING A DELTA OF 95°-52'-59", A RADIUS OF 25.00 FEET, A CHORD BEARING OF NORTH 36°-07'-58" WEST, AND A CHORD LENGTH OF 37.12 FEET) AN ARC LENGTH OF 41.84 FEET; THENCE RUN NORTH 00°-06'-20" EAST A DISTANCE OF 219.62 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 89°-53'-40" EAST A DISTANCE OF 67.67 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTHWARDLY ALONG THE ARC OF A CURVE TO THE RIGHT (HAVING A DELTA OF 83°-24'-34", A RADIUS OF 15.00 FEET, A CHORD BEARING OF NORTH 03°-17'-43" WEST, AND A CHORD LENGTH OF 19.96 FEET) AN ARC LENGTH OF 21.84 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTHEASTWARDLY ALONG THE ARC OF A CURVE TO THE RIGHT (HAVING A DELTA OF 26°-09'-01", A RADIUS OF 58.00 FEET, A CHORD BEARING OF NORTH 51°-29'-04" EAST, AND A CHORD LENGTH OF 26.24 FEET) AN ARC LENGTH OF 26.47 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 89°-53'-40" EAST A DISTANCE OF 40.01 FEET TO THE POINT OF BEGINNING. THE DESCRIBED PARCEL CONTAINS 54.94 ACRES, MORE OR LESS.

LOT "D"

STATE OF ALABAMA
COUNTY OF BALDWIN

COMMENCING AT A CAPPED REBAR (LOWERY) AT THE THE NORTHWEST CORNER OF SECTION 8, TOWNSHIP 7 SOUTH, RANGE 2 EAST, BALDWIN COUNTY, ALABAMA; THENCE RUN NORTH 89°-56'-14" EAST ALONG THE NORTH LINE OF SAID SECTION 8 A DISTANCE OF 402.24 FEET TO A CAPPED REBAR (ILLEGIBLE); THENCE RUN SOUTH 00°-15'-31" EAST A DISTANCE OF 20.39 FEET TO A 1/2" REBAR; THENCE RUN NORTH 89°-56'-14" EAST A DISTANCE OF 223.02 FEET TO A CAPPED REBAR (WATTIER) ON THE WEST RIGHT-OF-WAY LINE OF BALDWIN COUNTY ROAD #3; THENCE RUN SOUTH 00°-03'-46" EAST ALONG SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 19.61 FEET TO A CAPPED REBAR (WATTIER) ON THE SOUTH RIGHT-OF-WAY LINE OF SAID COUNTY ROAD #3; THENCE RUN NORTH 89°-56'-14" EAST ALONG SAID SOUTH RIGHT-OF-WAY LINE A DISTANCE OF 598.19 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 45°-44'-12" EAST ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 71.18 FEET TO A CAPPED REBAR (WATTIER) ON THE WEST RIGHT-OF-WAY LINE OF SAID COUNTY ROAD #3; THENCE RUN SOUTH 00°-18'-53" WEST ALONG SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 1,244.75 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 00°-06'-20" WEST ALONG SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 1,999.49 FEET TO A 1/2" REBAR; THENCE RUN SOUTH 89°-59'-21" WEST A DISTANCE OF 1,281.85 FEET TO A 3" OPEN TOP PIPE; THENCE RUN SOUTH 00°-19'-26" WEST A DISTANCE OF 411.78 FEET TO A CAPPED REBAR (MOORE); THENCE RUN NORTH 89°-47'-28" EAST A DISTANCE OF 119.72 FEET TO A CAPPED REBAR (WATTIER) AT THE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED PARCEL: THENCE RUN NORTH 89°-47'-28" EAST A DISTANCE OF 1,162.97 FEET TO A CAPPED REBAR (WATTIER) ON THE WEST RIGHT-OF-WAY LINE OF SAID COUNTY ROAD #3; THENCE RUN SOUTH 00°-05'-48" EAST ALONG SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 1,561.02 FEET TO A CAPPED REBAR (HMR) ON THE NORTH RIGHT-OF-WAY LINE OF COUNTY ROAD 24 (60' R/W); THENCE RUN NORTH 89°-50'-17" WEST ALONG SAID NORTH RIGHT-OF-WAY LINE A DISTANCE OF 883.50 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 10°-58'-55" EAST A DISTANCE OF 572.80 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 49°-59'-49" WEST A DISTANCE OF 125.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 89°-47'-37" WEST A DISTANCE OF 420.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 20°-18'-47" EAST A DISTANCE OF 32.03 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 00°-12'-23" WEST A DISTANCE OF 186.75 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 37°-31'-58" WEST A DISTANCE OF 71.56 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN EASTWARDLY ALONG THE ARC OF A CURVE TO THE LEFT (HAVING A DELTA OF 16°-02'-17", A RADIUS OF 660.00 FEET, A CHORD BEARING OF SOUTH 88°-13'-40" EAST, AND A CHORD LENGTH OF 184.14 FEET) AN ARC LENGTH OF 184.74 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTH 80°-12'-32" EAST A DISTANCE OF 62.19 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 00°-12'-32" WEST A DISTANCE OF 402.86 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTHEASTWARDLY ALONG THE ARC OF A CURVE TO THE LEFT (HAVING A DELTA OF 00°-43'-42", A RADIUS OF 425.00 FEET, A CHORD BEARING OF NORTH 70°-21'-51" EAST, AND A CHORD LENGTH OF 5.40 FEET) AN ARC LENGTH OF 5.40 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 20°-00'-00" WEST A DISTANCE OF 60.00 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN SOUTHWESTWARDLY ALONG THE ARC OF A CURVE TO THE RIGHT (HAVING A DELTA OF 11°-21'-29", A RADIUS OF 365.00 FEET, A CHORD BEARING OF SOUTH 75°-40'-45" WEST, AND A CHORD LENGTH OF 72.24 FEET) AN ARC LENGTH OF 72.36 FEET TO A CAPPED REBAR (WATTIER); THENCE RUN NORTH 00°-12'-32" WEST A DISTANCE OF 212.67 FEET TO THE POINT OF BEGINNING. THE DESCRIBED PARCEL CONTAINS 36.52 ACRES, MORE OR LESS.

Form of Series 2026-A Supplemental Indenture

SERIES 2026-A SUPPLEMENTAL TRUST INDENTURE

June 1, 2026

THE POINT CLEAR CLUB IMPROVEMENT DISTRICT

and

**REGIONS BANK
as Trustee**

Regarding

\$_____

Assessment Revenue Bonds

Series 2026-A

Dated June __, 2026

This Supplemental Indenture has been validated and confirmed by judgment of the Circuit Court of Baldwin County, Alabama on May 7, 2026 (Civil Action No. 05-CV-2026-900567.00 - JBB).

This Supplemental Indenture was prepared by Lee Birchall of Bradley Arant Boult Cummings LLP, 1819 5th Avenue North, Birmingham, Alabama 35203

SERIES 2026-A SUPPLEMENTAL TRUST INDENTURE

June 1, 2026

This Series 2026-A Supplemental Trust Indenture is made and entered as of the above date by the undersigned:

District: The Point Clear Club Improvement District, an Alabama public corporation, and the successors and assigns thereof.

Trustee: Regions Bank, an Alabama banking corporation, and the successors and assigns thereof, as trustee under the within-referenced Indenture.

Recitals

The District has authorized and delivered this Series 2026-A Supplemental Trust Indenture to the Trustee pursuant to the within Improvement District Act and in supplement of the within Indenture by the District and the Trustee to provide for the issuance of the within Assessment Revenue Bonds, Series 2026-A, under the Indenture for the within Governmental Purposes.

Agreement

Now therefore, in consideration of the respective agreements and covenants of the District, the Trustee, and the registered owners of the within Series 2026-A Bonds in the Indenture, the District, the Trustee and the registered owners of the Series 2026-A Bonds, by acquisition thereof, hereby covenant and agree, each with the others, as follows:

ARTICLE 1

Definitions

Section 1.01 Incorporation from Indenture of Defined Terms

The District and the Trustee, for purposes hereof, incorporate and use herein certain capitalized terms as such terms are defined in the within Original Indenture.

Section 1.02 Definition of Certain Terms

For purposes hereof:

Authorized Denominations means (1) with respect to the Series 2026-A Bonds, the amount of \$5,000 and any integral multiple thereof for each maturity and (2) with respect to the Series 2026-B Bonds, the amount of \$100,000 and any integral multiple of \$1.00 in excess thereof, provided that: (a) no individual Series 2026-B Bond may be in an amount which exceeds the principal amount coming due on any maturity date; and (b) in the event a Series 2026-B Bond is partially redeemed and the unredeemed portion is less than \$100,000, such unredeemed portion of such Series 2026-B Bond may be issued in the largest possible denomination of less than \$100,000, in an integral multiple of \$1.00.

Authorized Purpose Costs means (i) all issuance costs (within the meaning of Treas. Reg. Section 1.150-1(b)) with respect to the Series 2026-A Bonds and (ii) all costs of acquisition, construction and installation of the Series 2026-A Capital Improvements including, without limitation, fees for architectural, engineering, environmental studies and surveys, geotechnical, surveying, and title examination and correction services; labor, materials, and transportation costs; expenses for the enforcement of remedies against contractors, suppliers, sureties, and vendors; payment to the District for any of the foregoing costs, fees and expenses incurred and paid by the District from the general revenues of the District; and payment of the principal of and interest on any indebtedness incurred by the District for payment of any of the foregoing costs, fees, and expenses.

Bond Proceeds Fund means the fund created by the District pursuant to Section 3.05 hereof.

Continuing Disclosure Agreement means the Continuing Disclosure Agreement dated June 1, 2026 by the District in compliance with 17 CFR Section 240.15c2-12 with respect to the Series 2026-A Bonds.

Date of Initial Delivery means June ____, 2026.

Improvement District Act means Chapter 99A of Title 11 of the Code of Alabama 1975, as amended from time to time.

Indenture means collectively the Original Indenture as supplemented hereby and as at any time amended, restated, and supplemented pursuant to the provisions thereof by the District and the Trustee.

Net Series 2026-A Bond Proceeds means the amount of \$_____, being the principal amount of \$_____ original issue _____ of \$_____ and less underwriting discount of \$_____.

Original Indenture means the Trust Indenture dated June 1, 2026, by the District and the Trustee.

Series 2026-A Bonds means the Assessment Revenue Bonds, Series 2026-A, of the District.

Series 2026-A Capital Improvements means the capital improvements described in the Engineering Report to be acquired and constructed within the Assessment Area as defined in the Original Indenture, to consist generally of water, wastewater, and electrical infrastructure improvements and such other improvements permitted by the Improvement District Act, all as more particularly described in the District's Tax Certificate and Agreement.

Series 2026-A Governmental Purposes means the acquisition and construction of the Series 2026-A Capital Improvements, which shall be available for public use and shall be owned, operated and maintained by public utility service providers.

Series 2026-A Supplemental Indenture means this instrument.

Series 2026-A Tax Agreement means the Tax Certificate and Agreement dated the Date of Initial Delivery by the District with respect to the Series 2026-A Bonds.

ARTICLE 2

Representations

The District certifies, represents and states:

(a) **Incorporation and Corporate Powers.**

Pursuant to Section 11-99A-4(g) of the Improvement District Act, the Judge of Probate of Baldwin County, Alabama, has accepted the Articles of Incorporation of the District whereupon the District has all corporate powers provided by the Improvement District Act.

(b) **Compliance with Indenture**

- (1) No Event of Default exists under the Indenture.
- (2) All required deposits into the Series 2026-A Accounts of the Indenture Funds have been made.
- (3) The Series 2026-A Bonds are issued for the Series 2026-A Governmental Purposes.

ARTICLE 3

Authorization and Terms of Series 2026-A Bonds

Section 3.01 Authorization

(a) **Authorization**

The District authorizes to be issued under and secured by the Original Indenture and this Series 2026-A Supplemental Indenture a series of Bonds in the aggregate principal amount of \$XXX and designated "Assessment Revenue Bonds, Series 2026-A" for the Governmental Purposes.

(b) **Authorized Denominations and Form of Series 2026-A Bonds**

The Series 2026-A Bonds shall be issued and delivered in certificated form as set forth on Exhibit A (with such changes thereto as required by Applicable Law on the Date of Initial Delivery) as a single bond for each stated maturity thereof in integral multiples of an Authorized Denomination and numbered consecutively in the order of issuance.

(c) Initial Issuance Pursuant to Book-Entry System

(1) The Series 2026-A Bonds will be initially held pursuant to a Book-Entry System administered by the Securities Depository.

(2) On the Date of Initial Delivery, the certificated Bond for each stated maturity thereof will be registered in the name of the Securities Depository Nominee and delivered to, and held in the custody of, the Securities Depository or the Trustee in accordance with the applicable rules of the Securities Depository.

(d) Principal Payments and Interest Rates

The Series 2026-A Bonds will be issued on the following terms:

(1) the principal amount of the Series 2026-A Bonds will be \$_____; and

(2) the principal amount of each Series 2026-A Bond will accrue interest at a per annum rate of _____% per annum; and

(3) the principal of the Series 2026-A Bonds will become due and payable:

(i) annually on June 1 in each year over a period which will not exceed 30 years from the date of issuance; and

(ii) in such amounts as shall provide for the payment in full of the aggregate principal amount of the Series 2026-A Bonds over the term thereof; and

(4) the interest on the Bonds shall become due and payable semiannually on June 1 and December 1 in each year;

(5) the principal of and interest on the Series 2026-A Bonds will be payable at the principal office of the Trustee for the performance of the Indenture

(6) The principal of the Series 2026-A Bonds will become due and payable on the Stated Principal Payment Date in each of the following years and principal amounts, subject to prior extraordinary, mandatory and special mandatory redemption, and will accrue interest at the following per annum rates of interest:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>

Section 3.02 – Redemption of Series 2026-A Bonds

(a) Optional Redemption

The Series 2026-A Bonds are **not** subject to optional redemption prior to maturity.

(b) Mandatory Sinking Fund Redemption

(1) The Series 2026-A Bonds having a stated maturity on the Stated Principal Payment Date in 20__ (the "20YY Term Bonds") are subject to scheduled mandatory redemption, without consent of or direction by the District, by lot, on such Stated Principal Payment Date in each of the years and in the aggregate principal amounts set forth below (subject to a credit for the principal amount of the 20YY Term Bonds then cancelled or redeemed and not previously claimed as a credit), at a redemption price for each 20YY Term Bond to be redeemed equal to the principal amount thereof, plus accrued interest thereon to the redemption date, without premium or penalty:

<u>Year</u>	<u>Principal Amount to Be Mandatorily Redeemed</u>

(2) The amount of \$_____ of the principal of the 20YY Term Bonds will be paid, subject to prior special or extraordinary redemption, at maturity on the Stated Principal Payment Date in 20YY.

(3) The District authorizes and directs the Trustee to effect the mandatory redemption of the 20YY Term Bonds in the stated principal amounts and years set forth in subsection 3.02(f)(1) without regard to any prior special mandatory redemption or extraordinary mandatory redemption of the 20YY Term Bonds.

(c) Special Mandatory Redemption The Series 2026-A Bonds are subject to special mandatory redemption prior to maturity in whole or in part on each Stated Interest Payment Date in multiples of an Authorized Denomination, commencing December 1, 2027, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, in an amount equal to the (1) Assessment Proceeds consisting of the Platted Lot Annual Assessment Payment Amount(s) and/or the Pre-Platted Land Annual Assessment Payment Amount(s), if any, deposited in the Series 2026-A Account of the Extraordinary Redemption Fund with respect to such Stated Interest Payment Date pursuant to step Fifth in Section 5.03(d) in the Original Indenture that are not needed to pay amounts required to be paid in steps First through Fourth in Section 5.03(d) of the Original Indenture on such Stated Interest Payment Date and (2) Assessment Proceeds consisting of the Platted Lot Total Assessment Payment Amount(s) and/or the Pre-Platted Land Total Assessment Payment Amount(s), if any, transferred to the Trustee and deposited in the Series 2026-A Account of the Extraordinary Redemption Fund. Such Assessment Proceeds shall be applied to the special mandatory redemption of the Series 2026-A Bonds in order of stated maturity. All Series 2026-B Bonds shall be mandatorily redeemed prior to the mandatory redemption of any Series 2026-A Bonds.

(d) Extraordinary Mandatory Redemption of Series 2026-A Bonds From Remaining Proceeds in the Series 2026-A Capital Improvements Account of the Bond Proceeds Fund. The Series 2026-A Bonds are subject to extraordinary mandatory redemption in part at any time (1) on or before June 1, 2029, if the Trustee receives the certificate from the District described in Section 3.05(f) below prior to June 1, 2029 and (2) any time after June 1, 2029 pursuant to Section 3.05(g) below at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, from amounts transferred to the Series 2026-A Account of the Extraordinary Redemption Fund from the Series 2026-A Capital Improvements Account of the Bond Proceeds Fund in accordance with Section 5.06(e) of the Original Indenture. Such moneys shall be applied to the extraordinary mandatory redemption of Series 2026-A Bonds in inverse order of maturity. All Series 2026-B Bonds shall be mandatorily redeemed prior to the mandatory redemption of any Series 2026-A Bonds.

(e) Extraordinary Mandatory Redemption of Series 2026-A Bonds from Moneys on Deposit in the Series 2026-A Account of the Reserve Fund and Series 2026-A Accounts in Other Indenture Funds. On the first Stated Interest Payment Date on which all of the Outstanding Series 2026-A Bonds can be paid in full with the sum of (a) moneys on deposit in the Series 2026-A Account of the Reserve Fund and (b) Assessment Proceeds available in the Series 2026-A Accounts in any other Indenture Funds on such Stated Interest Payment Date for the payment of the principal of and interest on the Series 2026-A Bonds (whether by maturity, special mandatory redemption, optional redemption, defeasance or purchase), the Series 2026-A Bonds shall be subject to extraordinary mandatory redemption, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, from amounts on deposit in and amounts transferred to the Series 2026-A Account of the Extraordinary Redemption Fund from (1) the Series 2026-A Account of the Reserve Fund pursuant to Section 5.05(h)(3) of the Original Indenture, (2) the Series 2026-A Account in the Bond Fund pursuant to Section 5.04(h), and (3) from the Series 2026-A Account in any other Indenture Funds pursuant to the provisions of the Original Indenture, less the amount of scheduled principal of and interest due and payable on the Series 2026-A Bonds on such Stated Interest Payment Date.

Section 3.03 Delivery

The Trustee is authorized and directed to authenticate and deliver the Series 2026-A Bonds upon receipt by the Trustee of all of the following:

- (a) the executed Series 2026-A Bonds;
- (b) executed counterparts of the Financing Documents;
- (c) the written direction of the District therefor.

Section 3.04 Application of Net Series 2026-A Bond Proceeds

The District authorizes and directs the Trustee to deposit the Net Series 2026-A Bond Proceeds, when and as received on the Date of Initial Delivery, as follows:

- (a) the amount of \$_____ shall be deposited in the Series 2026-A Account of the Reserve Fund;
and
- (b) the amount of \$_____ shall be deposited in the Series 2026-A Capitalized Interest Account
of the Bond Proceeds Fund; and
- (c) the amount of \$_____ shall be deposited in the Series 2026-A Costs of Issuance Account of
the Bond Proceeds Fund; and
- (d) the amount of \$_____ shall be deposited in the Series 2026-A Capital Improvements
Account of the Bond Proceeds Fund.

Section 3.05 Bond Proceeds Fund

- (a) The District creates a special fund designated the “Bond Proceeds Fund” to be held and applied by the Trustee as provided in this Section.

(b) The Bond Proceeds Fund shall consist of three accounts, hereby created, designated the "Series 2026-A Capitalized Interest Account," the "Series 2026-A Capital Improvements Account," and the "Series 2026-A Costs of Issuance Account."

(c) The amounts on deposit in the Bond Proceeds Fund shall constitute an Indenture Fund.

(d) The Trustee shall deposit in each of the accounts of the Bond Proceeds Fund the respective amounts specified therefor in Section 3.04.

(e) The District authorizes and directs the Trustee to apply the amounts in:

(1) the Series 2026-A Capitalized Interest Account to pay interest on the Series 2026-A Bonds on each Stated Interest Payment Date during the period beginning on the Date of Initial Delivery and ending on June 1, 2027 and thereafter to transfer any amounts in such account to the Series 2026-A Capital Improvements Account; and

(2) the Series 2026-A Capital Improvements Account for the payment of Authorized Purpose Costs upon receipt by the Trustee of a requisition therefor in substantially the form of Exhibit B hereto, appropriately completed and executed by an Authorized District Representative, which authorization and direction the Trustee accepts.

(3) the Series 2026-A Costs of Issuance Account for the payment of the costs of issuance related to the Series 2026-A Bonds, which amounts shall be disbursed by the Trustee pursuant to the Closing Memorandum. At such time as the Trustee is furnished with a certificate of the District, signed by an Authorized District Representative, stating that all costs of issuance with respect to the Series 2026-A Bonds have been paid, and in any case not later than six months from the date of issuance of the Series 2026-A Bonds, the Trustee shall transfer any moneys remaining in the Series 2026-A Costs of Issuance Account of the Bond Proceeds Fund to the Series 2026-A Capital Improvements Account.

(f) The District authorizes and directs the Trustee to transfer any funds on deposit in the Series 2026-A Capital Improvements Account of the Bond Proceeds Fund to the Series 2026-A Account of the Mandatory Redemption Fund for deposit and application as provided in Section 5.06(e) of the Original Indenture upon receipt by the Trustee prior to June 1, 2029 of a certificate from the District that all Authorized Purpose Costs shall have been paid in full.

(g) The District authorizes and directs the Trustee to transfer any funds remaining on deposit in the Series 2026-A Capital Improvements Account of the Bond Proceeds Fund on June 1, 2029 to the Series 2026-A Account of the Extraordinary Redemption Fund for deposit and application as provided in Section 5.06(e) of the Original Indenture.

(h) The District agrees the Trustee shall not be liable for any misapplication of amounts in the Series 2026-A Account of the Bond Proceeds Fund if disbursed pursuant to this Section and without actual knowledge that such disbursement constitutes a misapplication of funds.

Section 3.06 Amendment of Series 2026-A Capital Improvements

The District may apply any portion of the Net Series 2026-A Bond Proceeds for the acquisition, construction or installation of any property not included within, or described as part of, the Series 2026-A Capital Improvements if prior thereto:

- (a) the governing body of the District adopts a resolution in which the District describes the property to be so acquired, constructed or installed and authorizes the use of Net Series 2026-A Bond Proceeds for such purpose, and
- (b) the District delivers to the Trustee an Opinion of Bond Counsel to the effect the use of Net Series 2026-A Bond Proceeds to acquire, construct, or install such property (i) is authorized by the Improvement District Act and (ii) will not cause the interest on the Series 2026-A Bonds to be or become Taxable.

ARTICLE 4

Series 2026-A Account of Reserve Fund

Section 4.01 Series 2026-A Account of Reserve Fund

The District authorizes and directs the Trustee to establish an Account in the Reserve Fund designated the "Series 2026-A Account", to be held and applied as provided in the Original Indenture therefor, for the exclusive benefit of the Series 2026-A Bonds.

Section 4.02 Reserve Fund Account Requirement for the Series 2026-A Account

The District provides the Reserve Fund Account Requirement for the Series 2026-A Account shall be for the period beginning on _____ and continuing thereafter, the amount of \$_____, which amount is less than, or equal to the least of, (i) the maximum amount of principal of and interest on such Bonds payable in any Fiscal Year (\$_____), or (ii) 125% of the average annual (Fiscal Year basis) principal and interest requirements on such Bonds, determined in accordance with the Federal Tax Code (\$_____), or (iii) 10% of the stated aggregate principal amount of such Bonds, determined in accordance with the Federal Tax Code (\$_____).

ARTICLE 5

Covenants of District

Section 5.01 Compliance with Series 2026-A Continuing Disclosure Agreement

The District covenants and agrees to observe and perform the agreements of the District set forth in the Series 2026-A Continuing Disclosure Agreement in due time, form and manner as required thereby; provided, the Owners will have only the rights and remedies set forth in the Series 2026-A Continuing Disclosure Agreement for the enforcement of the agreements of the District thereunder and the failure of the District to observe or perform any such agreement of the District will not constitute an Event of Default under the Indenture.

Section 5.02 Compliance with Series 2026-A Tax Agreement and the Code

The District covenants and agrees, for the benefit of the Series 2026-A Bonds, that the District will:

- (1) duly and punctually observe, perform and comply with all agreements and covenants thereof under the Series 2026-A Tax Agreement; and
- (2) not take any action, or omit to take any action, with respect to the Series 2026-A Bonds that would cause the interest on the Series 2026-A Bonds to be or become Taxable.

ARTICLE 6

Provisions of General Application

Section 6.01 Governing Law

The Indenture, as supplemented and amended hereby, shall be construed in accordance with and governed by the laws of the State of Alabama, without regard to conflict of law principles.

Section 6.02 Enforceability

If any provision herein shall be held invalid, illegal or unenforceable by any court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

ARTICLE 7

Confirmation of Indenture

The District, the Trustee, and, by acceptance of the Series 2026-A Bonds, the Owners thereof, agree:

- (a) this Series 2026-A Supplemental Trust Indenture is delivered in supplement to the Original Indenture, as part thereof, and shall be construed in accordance with, and governed by, the terms of the Original Indenture; and
- (b) the Original Indenture, as hereby supplemented and amended, is hereby ratified, confirmed, and approved in all respects.

IN WITNESS WHEREOF, the District has caused this Series 2026-A Supplemental Indenture to be executed in its name and behalf, under its corporate seal hereunto affixed, and the same to be attested, by officers thereof duly authorized thereunto, and the Trustee has caused this Supplemental Indenture to be executed in its name and on its behalf, under its corporate seal hereunto affixed, and the same to be attested, by officers thereof duly authorized thereunto.

THE POINT CLEAR CLUB IMPROVEMENT DISTRICT

By _____
Its Chairman

S E A L

Attest: _____
Its Secretary

REGIONS BANK
as Trustee

By _____
Its _____

[S E A L]

Attest: _____
Its: _____

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, certify that Carter Bryars, whose name as Chair of The Point Clear Club Improvement District, a public corporation, is signed to the foregoing Trust Indenture and who is known to me, acknowledged before me on this day that, being informed of the contents of said Trust Indenture, he, as such officer and with full authority, executed the same voluntarily for and as the act of said public corporation.

Given under my hand and seal this the ____ day of _____, 2026.

Notary Public

NOTARIAL SEAL

My commission expires: _____

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, certify that_____, whose name as Vice-President of Regions Bank, an Alabama banking corporation, as trustee under the foregoing Trust Indenture dated June 1, 2026 by The Point Clear Club Improvement District, is signed to the foregoing Trust Indenture, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Trust Indenture, he, as such officer and with full authority, executed the same voluntarily for and as the act of said Alabama banking corporation acting in its capacity as trustee as aforesaid.

Given under my hand and seal this the ____ day of June, 2026.

Notary Public

NOTARIAL SEAL

My commission expires: _____

EXHIBIT A

The form of the Series 2026-A Bonds begins on the following page:

This Bond has not been registered under the Securities Act of 1933, as amended, or under any state securities law, in reliance upon applicable exemptions, and this Bond, or any interest herein, may only be transferred in compliance with federal and state securities laws and in compliance with the within referenced Indenture.

UNITED STATES OF AMERICA
STATE OF ALABAMA
THE POINT CLEAR CLUB IMPROVEMENT DISTRICT
ASSESSMENT REVENUE BOND
SERIES 2026-A

Registered Owner:

CEDE & CO.

Bond No.

R-

Dated Date:	Principal Amount:	Interest Rate per annum:	Stated Interest Payment Dates:	Maturity Date:	CUSIP:
_____, 2026	\$ _____	_____%	June 1 and December 1	June 1, 20__	____

Authorization of Indebtedness and Payment

For Value Received, The Point Clear Club Improvement District, a public corporation under the laws of the State of Alabama (the “District”), has issued this Bond pursuant to that certain Trust Indenture dated June 1, 2026 (as at any time amended or supplemented, the “Indenture”) by the District and Regions Bank, as trustee (the “Trustee”) in evidence of indebtedness thereof to the Registered Owner, or registered assigns, in the Principal Amount and hereby promises to pay to the Registered Owner, through the Trustee, as Paying Agent, and Bond Registrar for the Series 2026-A Bonds, and solely from the Trust Estate as provided in the Indenture, (i) the Principal Amount on the Maturity Date, subject to prior redemption (in whole or in part) thereof as provided in the Indenture, and (ii) interest accrued on the outstanding amount of such Principal Amount at the Interest Rate, computed from the Dated Date, on the Stated Interest Payment Dates and on each date fixed for redemption (in whole or in part) of this Bond, as provided in the Indenture.

Definition of Terms

Capitalized terms used in this Bond without definition shall have the respective meanings assigned thereto in the Indenture.

The Indenture

The Indenture is held by the Trustee at the Principal Office thereof referenced in the Indenture and constitutes a contractual agreement binding upon the District, the Trustee and the registered owners of the Series 2026-A Bonds under the laws of the State of Alabama for (i) the source of payment of, and security for, the Series 2026-A Bonds; (ii) the registration, transfer, exchange and replacement of the Series 2026-A Bonds; (iii) the redemption, in advance of maturity, of the Series 2026-A Bonds; (iv) the payment of the Series 2026-A Bonds and the defeasance of the Indenture; (v) the amendment and supplement of the Indenture (without consent, or with the consent of the registered owners of a specified percentage, or all, of the principal amount of the Series 2026-A Bonds); (vi) the rights and duties of the District and the Trustee; and (vii) the enforcement of the Indenture by the registered owners of a specified percentage, or all, of the principal amount of the Series 2026-A Bonds.

Agreement of Registered Owners of Series 2026-A Bonds

The Indenture provides the registered owner of each of the Series 2026-A Bonds, by acquisition thereof, shall have thereby consented to, and agreed to be bound by, the provisions of the Indenture.

Certification

The District recites, certifies and declares that all conditions, actions and things required by the Constitution of Alabama of 1901, as amended, and laws of Alabama, to exist, be performed and happen precedent to or in the issuance of this Bond do exist, have been performed and have happened in due time, form and manner as required by law.

Parity Bonds

The Series 2026-A Bonds are payable on a parity of lien with the District's Assessment Revenue Bonds, Series 2026-B, dated the date of delivery, issued simultaneously herewith.

IN WITNESS WHEREOF, The Point Clear Club Improvement District has caused this Bond to be executed in its name and on its behalf, under seal, and the same attested, by officers thereof duly authorized thereunto, on the Dated Date set forth above.

THE POINT CLEAR CLUB IMPROVEMENT DISTRICT

Chairman of Board of Directors

S E A L

Attest:

By: _____
Secretary

Date of Authentication and Registration: _____, 2026

Certificate of Authentication and Registration

This is one of the Series 2026-A Bonds referenced in the within-mentioned Trust Indenture and has been registered by The Point Clear Club Improvement District on the registration books maintained with the Trustee in the name of the above-named registered owner on the Authentication and Registration Date specified above.

REGIONS BANK

as Trustee

Authorized Officer

CERTIFICATE OF VALIDATION

Validated and confirmed by judgment of the Circuit Court of Baldwin County, Alabama, entered on the 7th day of May, 2026.

Clerk of the Circuit Court of Baldwin County, Alabama

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto _____ this Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this Bond on the books of the within-named Board at the office of the within-named Trustee, with full power of substitution in the premises.

DATED this ____ day of _____, ____.

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within bond in every particular, without alteration, enlargement or change whatsoever.

Signature Guaranteed*:

(Bank or Trust Company)

(Authorized Officer)

Medallion Number: _____

* Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

Notice By Securities Depository

Unless the within Bond is presented by an authorized representative of the Securities Depository (as defined in the Indenture referenced in the within Bond), to the Board or its agent for registration of transfer, exchange, or payment, and any Series 2026-A Bond issued is registered in the name of the Securities Depository or the Securities Depository Nominee (as defined in the Indenture referenced in the within Bond), as the case may be, or in such other name as is requested by an authorized representative of the Securities Depository (and any payment is made to the Securities Depository or the Securities Depository Nominee or to such other entity as is requested by an authorized representative of the Securities Depository), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, the Securities Depository or Securities Depository Nominee, as the case may be, has an interest herein.

EXHIBIT B

Requisition and Payment Request

THE POINT CLEAR CLUB IMPROVEMENT DISTRICT

Requisition and Payment Request

To: Regions Bank, as Trustee

Re: Series 2026-A Capital Improvements Account of the Bond Proceeds Fund under Trust Indenture dated
 June 1, 2026 by The Point Clear Club Improvement District and Regions Bank, as trustee

Date: _____, 202__

Req. No. _____

1. Capitalized terms used herein without definition shall have the respective meanings assigned thereto in the above Indenture.
2. This Requisition is delivered to you for the payment from the Series 2026-A Capital Improvements Account of the Bond Proceeds Fund of the amount(s) to the Person(s) for the Authorized Purpose Costs all as set forth as follows:

Payee _____

Amount _____

Address _____

Wire Instructions to Payee _____

3. The undersigned represents that this Requisition is delivered pursuant to the above Indenture by an Authorized District Representative.
4. The undersigned agrees to pay the costs of the Trustee incurred pursuant hereto and certifies that (i) the purpose for which such payment is to be made is one for which Bond Proceeds Fund moneys are authorized under the Indenture to be expended, and (ii) no Event of Default exists under the Indenture, and (iii) such payment will not cause or result in an Event of Default under the Indenture.

**THE POINT CLEAR CLUB
IMPROVEMENT DISTRICT**

By _____

Its Chairman _____

Form of Series 2026-B Supplemental Indenture

SERIES 2026-B SUPPLEMENTAL TRUST INDENTURE

June 1, 2026

THE POINT CLEAR CLUB IMPROVEMENT DISTRICT

and

**REGIONS BANK
as Trustee**

Regarding

\$_____

Taxable Assessment Revenue Bonds

Series 2026-B

Dated June __, 2026

This Supplemental Indenture has been validated and confirmed by judgment of the Circuit Court of Baldwin County, Alabama on May 7, 2026 (Civil Action No. 05-CV-2026-900567.00 - JBB).

This Supplemental Indenture was prepared by Lee Birchall of Bradley Arant Boult Cummings LLP, 1819 5th Avenue North, Birmingham, Alabama 35203

SERIES 2026-B SUPPLEMENTAL TRUST INDENTURE

June 1, 2026

This Series 2026-B Supplemental Trust Indenture is made and entered as of the above date by the undersigned:

District: The Point Clear Club Improvement District, an Alabama public corporation, and the successors and assigns thereof.

Trustee: Regions Bank, an Alabama banking corporation, and the successors and assigns thereof, as trustee under the within-referenced Indenture.

Recitals

The District has authorized and delivered this Series 2026-B Supplemental Trust Indenture to the Trustee pursuant to the within Improvement District Act and in supplement of the within Indenture by the District and the Trustee to provide for the issuance of the within Assessment Revenue Bonds, Series 2026-B, under the Indenture for the within Governmental Purposes.

Agreement

Now therefore, in consideration of the respective agreements and covenants of the District, the Trustee, and the registered owners of the within Series 2026-B Bonds in the Indenture, the District, the Trustee and the registered owners of the Series 2026-B Bonds, by acquisition thereof, hereby covenant and agree, each with the others, as follows:

ARTICLE 1

Definitions

Section 1.01 Incorporation from Indenture of Defined Terms

The District and the Trustee, for purposes hereof, incorporate and use herein certain capitalized terms as such terms are defined in the within Original Indenture.

Section 1.02 Definition of Certain Terms

For purposes hereof:

Authorized Denominations means (1) with respect to the Series 2026-A Bonds, the amount of \$5,000 and any integral multiple thereof for each maturity, and (2) with respect to the Series 2026-B Bonds, the amount of \$100,000 and any integral multiple of \$1.00 in excess thereof, provided that: (a) no individual Series 2026-B Bond may be in an amount which exceeds the principal amount coming due on any maturity date; and (b) in the event a Series 2026-B Bond is partially redeemed and the unredeemed portion is less than \$100,000, such unredeemed portion of such Series 2026-B Bond may be issued in the largest possible denomination of less than \$100,000, in an integral multiple of \$1.00.

Authorized Purpose Costs means (i) all issuance costs (within the meaning of Treas. Reg. Section 1.150-1(b)) with respect to the Series 2026-B Bonds and (ii) all costs of acquisition, construction and installation of the Series 2026-B Capital Improvements including, without limitation, fees for architectural, engineering, environmental studies and surveys, geotechnical, surveying, and title examination and correction services; labor, materials, and transportation costs; expenses for the enforcement of remedies against contractors, suppliers, sureties, and vendors; payment to the District for any of the foregoing costs, fees and expenses incurred and paid by the District from the general revenues of the District; and payment of the principal of and interest on any indebtedness incurred by the District for payment of any of the foregoing costs, fees, and expenses.

Bond Proceeds Fund means the fund created by the District pursuant to Section 3.05 hereof.

Continuing Disclosure Agreement means the Continuing Disclosure Agreement dated June 1, 2026 by the District in compliance with 17 CFR Section 240.15c2-12 with respect to the Series 2026-B Bonds.

Date of Initial Delivery means June ____, 2026.

Improvement District Act means Chapter 99A of Title 11 of the Code of Alabama 1975, as amended from time to time.

Indenture means collectively the Original Indenture as supplemented hereby and as at any time amended, restated, and supplemented pursuant to the provisions thereof by the District and the Trustee.

Net Series 2026-B Bond Proceeds means the amount of \$_____, being the principal amount of \$_____ original issue _____ of \$_____ and less underwriting discount of \$_____.

Original Indenture means the Trust Indenture dated June 1, 2026, by the District and the Trustee.

Series 2026-B Bonds means the Taxable Assessment Revenue Bonds, Series 2026-B, of the District.

Series 2026-B Capital Improvements means the capital improvements described in the Engineering Report to be acquired and constructed within the Assessment Area as defined in the Original Indenture, to consist generally of water, wastewater, and electrical infrastructure improvements and such other improvements permitted by the Improvement District Act, all as more particularly described in the District's Tax Certificate and Agreement.

Series 2026-B Governmental Purposes means the acquisition and construction of the Series 2026-B Capital Improvements, which shall be available for public use and shall be owned, operated and maintained by public utility service providers.

Series 2026-B Supplemental Indenture means this instrument.

ARTICLE 2

Representations

The District certifies, represents and states:

(a) Incorporation and Corporate Powers.

Pursuant to Section 11-99A-4(g) of the Improvement District Act, the Judge of Probate of Baldwin County, Alabama, has accepted the Articles of Incorporation of the District whereupon the District has all corporate powers provided by the Improvement District Act .

(b) Compliance with Indenture

- (1) No Event of Default exists under the Indenture.
- (2) All required deposits into the Series 2026-B Accounts of the Indenture Funds have been made.
- (3) The Series 2026-B Bonds are issued for the Series 2026-B Governmental Purposes.

ARTICLE 3

Authorization and Terms of Series 2026-B Bonds

Section 3.01 Authorization

(a) Authorization; Transfer Restrictions

The District authorizes to be issued under and secured by the Original Indenture and this Series 2026-B Supplemental Indenture a series of Bonds in the aggregate principal amount of \$XXX and designated “Taxable Assessment Revenue Bonds, Series 2026-B” for the Governmental Purposes.

The Series 2026-B Bonds and beneficial interests therein may only be purchased by and transferred to Qualified Institutional Buyers purchasing or otherwise acquiring an interest in the Series 2026-B Bonds for their own account in Authorized Denominations.

(b) Authorized Denominations and Form of Series 2026-B Bonds

The Series 2026-B Bonds shall be issued and delivered in certificated form as set forth on Exhibit A (with such changes thereto as required by Applicable Law on the Date of Initial Delivery) as a single bond for each stated

maturity thereof in integral multiples of an Authorized Denomination and numbered consecutively in the order of issuance.

(c) Initial Issuance Pursuant to Book-Entry System

(1) The Series 2026-B Bonds will be initially held pursuant to a Book-Entry System administered by the Securities Depository.

(2) On the Date of Initial Delivery, the certificated Bond for each stated maturity thereof will be registered in the name of the Securities Depository Nominee and delivered to, and held in the custody of, the Securities Depository or the Trustee in accordance with the applicable rules of the Securities Depository.

(d) Principal Payments and Interest Rates

The Series 2026-B Bonds will be issued on the following terms:

- (1) the principal amount of the Series 2026-B Bonds will not exceed \$_____; and
- (2) the principal amount of each Series 2026-B Bond will accrue interest at a per annum rate which will be _____ % per annum; and
- (3) the principal of the Series 2026-B Bonds will become due and payable:
 - (i) annually on June 1 in each year over a period which will not exceed 30 years from the date of issuance; and
 - (ii) in such amounts as shall provide for the payment in full of the aggregate principal amount of the Series 2026-B Bonds over the term thereof; and
- (4) the interest on the Bonds shall become due and payable semiannually on June 1 and December 1 in each year;
- (5) the principal of and interest on the Series 2026-B Bonds will be payable at the principal office of the Trustee for the performance of the Indenture

(6) The principal of the Series 2026-B Bonds will become due and payable on the Stated Principal Payment Date in each of the following years and principal amounts, subject to prior extraordinary, mandatory and special mandatory redemption, and will accrue interest at the following per annum rates of interest:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>

Section 3.02 – Redemption of Series 2026-B Bonds

(a) Optional Redemption

The Series 2026-B Bonds are **not** subject to optional redemption prior to maturity.

(b) Mandatory Sinking Fund Redemption

(1) The Series 2026-B Bonds having a stated maturity on the Stated Principal Payment Date in 20__ (the "20YY Term Bonds") are subject to scheduled mandatory redemption, without consent of or direction by the District, by lot, on such Stated Principal Payment Date in each of the years and in the aggregate principal amounts set forth below (subject to a credit for the principal amount of the 20YY Term Bonds then cancelled or redeemed and not previously claimed as a credit), at a redemption price for each 20YY Term Bond to be redeemed equal to the principal amount thereof, plus accrued interest thereon to the redemption date, without premium or penalty:

<u>Year</u>	<u>Principal Amount to Be Mandatorily Redeemed</u>

(2) The amount of \$_____ of the principal of the 20YY Term Bonds will be paid, subject to prior special or extraordinary redemption, at maturity on the Stated Principal Payment Date in 20YY.

(3) The District authorizes and directs the Trustee to effect the mandatory redemption of the 20YY Term Bonds in the stated principal amounts and years set forth in subsection 3.01(f)(1) without regard to any prior special mandatory redemption or extraordinary mandatory redemption of the 20YY Term Bonds.

(c) Special Mandatory Redemption The Series 2026-B Bonds are subject to special mandatory redemption prior to maturity in whole or in part on each Stated Interest Payment Date in multiples of an Authorized Denomination, commencing December 1, 2027 at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, in an amount equal to (1) Assessment Proceeds consisting of the Platted Lot Annual Assessment Payment Amount(s) and/or the Pre-Platted Land Annual Assessment Payment Amount(s), if any, deposited in the Series 2026-B Account of the Extraordinary Redemption Fund with respect to such Stated Interest Payment Date pursuant to step Fifth in Section 5.03(d) in the Original Indenture that are not needed to pay amounts required to be paid in steps First through Fourth in Section 5.03(d) of the Original Indenture on such Stated Interest Payment Date and (2) Assessment Proceeds consisting of the Platted Lot Total Assessment Payment Amount(s) and/or the Pre-Platted Land Total Assessment Payment Amount(s), if any, transferred to the Trustee and deposited in the Series 2026-B Account of the Extraordinary Redemption Fund. Such Assessment Proceeds shall be applied to the special mandatory redemption of the Series 2026-B Bonds in order of stated maturity. All Series 2026-B Bonds shall be mandatorily redeemed prior to the mandatory redemption of any Series 2026-A Bonds.

(d) Extraordinary Mandatory Redemption of Series 2026-B Bonds From Remaining Proceeds in the Series 2026-B Capital Improvements Account of the Bond Proceeds Fund. The Series 2026-B Bonds are subject to extraordinary mandatory redemption in part at any time (1) on or before June 1, 2029, if the Trustee receives the certificate from the District described in Section 3.05(f) below prior to June 1, 2029 and (2) anytime after June 1, 2029 pursuant to section 3.05(g) below at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, from amounts transferred to the Series 2026-B Account of the Extraordinary Redemption Fund from the Series 2026-B Capital Improvements Account of the Bond Proceeds Fund in accordance with Section 5.06(e) of the Original Indenture. Such moneys shall be applied to the extraordinary mandatory redemption of Series 2026-B Bonds in inverse order of maturity. All Series 2026-B Bonds shall be mandatorily redeemed prior to the mandatory redemption of any Series 2026-A Bonds.

(e) Extraordinary Mandatory Redemption of Series 2026-B Bonds from Moneys on Deposit in the Series 2026-B Account of the Reserve Fund and Series 2026-B Accounts in Other Indenture Funds. On the first Stated Interest Payment Date on which all of the Outstanding Series 2026-B Bonds can be paid in full with the sum of (a) moneys on deposit in the Series 2026-B Account of the Reserve Fund and (b) Assessment Proceeds available in the Series 2026-B Accounts in any other Indenture Funds on such Stated Interest Payment Date for the payment of the principal of and interest on the Series 2026-B Bonds (whether by maturity, special mandatory redemption, optional redemption, defeasance or purchase), the Series 2026-B Bonds shall be subject to extraordinary mandatory redemption, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, from amounts on deposit in and amounts transferred to the Series 2026-B Account of the Extraordinary Redemption Fund from (1) the Series 2026-B Account of the Reserve Fund pursuant to Section 5.05(h)(3) of the Original Indenture, (2) the Series 2026-B Account in the Bond Fund pursuant to Section 5.04(f)(2), and (3) the Series 2026-B Account in any other Indenture Funds pursuant to the provisions of the Original Indenture, less the amount of scheduled principal of and interest due and payable on the Series 2026-B Bonds on such Stated Interest Payment Date.

Section 3.03 Delivery

The Trustee is authorized and directed to authenticate and deliver the Series 2026-B Bonds upon receipt by the Trustee of all of the following:

- (a) the executed Series 2026-B Bonds;
- (b) executed counterparts of the Financing Documents;
- (c) the written direction of the District therefor.

Section 3.04 Application of Net Series 2026-B Bond Proceeds

The District authorizes and directs the Trustee to deposit the Net Series 2026-B Bond Proceeds, when and as received on the Date of Initial Delivery, as follows:

- (a) the amount of \$_____ shall be deposited in the Series 2026-B Account of the Reserve Fund;
and
- (b) the amount of \$_____ shall be deposited in the Series 2026-B Capitalized Interest Account
of the Bond Proceeds Fund; and
- (c) the amount of \$_____ shall be deposited in the Series 2026-B Costs of Issuance Account of
the Bond Proceeds Fund; and
- (d) the amount of \$_____ shall be deposited in the Series 2026-B Capital Improvements
Account of the Bond Proceeds Fund.

Section 3.05 Bond Proceeds Fund

(a) The District creates a special fund designated the “Bond Proceeds Fund” to be held and applied by the Trustee as provided in this Section.

(b) The Bond Proceeds Fund shall consist of three accounts, hereby created, designated the “Series 2026-B Capitalized Interest Account,” the “Series 2026-B Capital Improvements Account” and the “Series 2026-B Costs of Issuance Account.”

(c) The amounts on deposit in the Bond Proceeds Fund shall constitute an Indenture Fund.

(d) The Trustee shall deposit in each of the accounts of the Bond Proceeds Fund the respective amounts specified therefor in Section 3.03.

(e) The District authorizes and directs the Trustee to apply the amounts in:

(1) the Series 2026-B Capitalized Interest Account to pay interest on the Series 2026-B Bonds on each Stated Interest Payment Date during the period beginning on the Date of Initial Delivery and ending on June 1, 2027 and thereafter to transfer any amounts in such account to the Series 2026-B Capital Improvements Account; and

(2) the Series 2026-B Capital Improvements Account for the payment of Authorized Purpose Costs upon receipt by the Trustee of a requisition therefor in substantially the form of Exhibit B hereto, appropriately completed and executed by an Authorized District Representative, which authorization and direction the Trustee accepts.

(3) the Series 2026-B Costs of Issuance Account for the payment of the costs of issuance related to the Series 2026-B Bonds, which amounts shall be disbursed by the Trustee pursuant to the Closing Memorandum. At such time as the Trustee is furnished with a certificate of the District, signed by an Authorized District Representative, stating that all costs of issuance with respect to the Series 2026-B Bonds have been paid, and in any case not later than six months from the date of issuance of the Series 2026-B Bonds, the Trustee shall transfer any moneys remaining in the Series 2026-B Costs of Issuance Account of the Bond Proceeds Fund to the Series 2026-B Capital Improvements Account.

(f) The District authorizes and directs the Trustee to transfer any funds on deposit in the Series 2026-B Capital Improvements Account of the Bond Proceeds Fund to the Series 2026-B Account of the Mandatory Redemption Fund for deposit and application as provided in Section 5.06(e) of the Original Indenture upon receipt by the Trustee prior to June 1, 2029 of a certificate from the District that all Authorized Purpose Costs shall have been paid in full.

(g) The District authorizes and directs the Trustee to transfer any funds remaining on deposit in the Series 2026-B Capital Improvements Account of the Bond Proceeds Fund on June 1, 2029 to the Series 2026-B Account of the Extraordinary Redemption Fund for deposit and application as provided in Section 5.06(e) of the Original Indenture.

(h) The District agrees the Trustee shall not be liable for any misapplication of amounts in the Series 2026-B Account of the Bond Proceeds Fund if disbursed pursuant to this Section and without actual knowledge that such disbursement constitutes a misapplication of funds.

Section 3.06 Amendment of Series 2026-B Capital Improvements

The District may apply any portion of the Net Series 2026-B Bond Proceeds for the acquisition, construction or installation of any property not included within, or described as part of, the Series 2026-B Capital Improvements if prior thereto:

- (1) the governing body of the District adopts a resolution in which the District describes the property to be so acquired, constructed or installed and authorizes the use of Net Series 2026-B Bond Proceeds for such purpose, and
- (2) the District delivers to the Trustee an Opinion of Bond Counsel to the effect the use of Net Series 2026-B Bond Proceeds to acquire, construct, or install such property (i) is authorized by the Improvement District Act and (ii) will not cause the interest on the Series 2026-B Bonds to be or become Taxable.

ARTICLE 4

Series 2026-B Account of Reserve Fund

Section 4.01 Series 2026-B Account of Reserve Fund

The District authorizes and directs the Trustee to establish an Account in the Reserve Fund designated the "Series 2026-B Account", to be held and applied as provided in the Original Indenture therefor, for the exclusive benefit of the Series 2026-B Bonds.

Section 4.02 Reserve Fund Account Requirement for the Series 2026-B Account

The District provides the Reserve Fund Account Requirement for the Series 2026-B Account shall be the amount of \$_____.

ARTICLE 5

Covenants of District

Section 5.01 Compliance with Series 2026-B Continuing Disclosure Agreement

The District covenants and agrees to observe and perform the agreements of the District set forth in the Series 2026-B Continuing Disclosure Agreement in due time, form and manner as required thereby; provided, the Owners will have only the rights and remedies set forth in the Series 2026-B Continuing Disclosure Agreement

for the enforcement of the agreements of the District thereunder and the failure of the District to observe or perform any such agreement of the District will not constitute an Event of Default under the Indenture.

Section 5.02 Reserved

ARTICLE 6

Provisions of General Application

Section 6.01 Governing Law

The Indenture, as supplemented and amended hereby, shall be construed in accordance with and governed by the laws of the State of Alabama, without regard to conflict of law principles.

Section 6.02 Enforceability

If any provision herein shall be held invalid, illegal or unenforceable by any court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

ARTICLE 7

Confirmation of Indenture

The District, the Trustee, and, by acceptance of the Series 2026-B Bonds, the Owners thereof, agree:

- (a) this Series 2026-B Supplemental Trust Indenture is delivered in supplement to the Original Indenture, as part thereof, and shall be construed in accordance with, and governed by, the terms of the Original Indenture; and
- (b) the Original Indenture, as hereby supplemented and amended, is hereby ratified, confirmed, and approved in all respects.

IN WITNESS WHEREOF, the District has caused this Series 2026-B Supplemental Indenture to be executed in its name and behalf, under its corporate seal hereunto affixed, and the same to be attested, by officers thereof duly authorized thereunto, and the Trustee has caused this Supplemental Indenture to be executed in its name and on its behalf, under its corporate seal hereunto affixed, and the same to be attested, by officers thereof duly authorized thereunto.

THE POINT CLEAR CLUB IMPROVEMENT DISTRICT

By _____
Its Chairman

S E A L

Attest: _____
Its Secretary

REGIONS BANK
as Trustee

By _____
Its _____

[S E A L]

Attest: _____
Its: _____

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, certify that Carter Bryars, whose name as Chair of The Point Clear Club Improvement District, a public corporation, is signed to the foregoing Trust Indenture and who is known to me, acknowledged before me on this day that, being informed of the contents of said Trust Indenture, he, as such officer and with full authority, executed the same voluntarily for and as the act of said public corporation.

Given under my hand and seal this the ____ day of _____, 2026.

Notary Public

NOTARIAL SEAL

My commission expires: _____

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, certify that_____,
whose name as _____ of Regions Bank, an Alabama banking corporation, as trustee under the foregoing
Trust Indenture dated _____, 2026 by The Point Clear Club Improvement District, is signed to the foregoing
Trust Indenture, and who is known to me, acknowledged before me on this day that, being informed of the contents
of said Trust Indenture, he, as such officer and with full authority, executed the same voluntarily for and as the
act of said Alabama banking corporation acting in its capacity as trustee as aforesaid.

Given under my hand and seal this the ____ day of _____, 2026.

Notary Public

NOTARIAL SEAL

My commission expires: _____

EXHIBIT A

The form of the Series 2026-B Bonds begins on the following page:

THIS BOND IS A RESTRICTED SECURITY WITHIN THE MEANING OF SECURITIES AND EXCHANGE COMMISSION ("SEC") RULE 144(a)(3) UNDER THE SECURITIES ACT OF 1933 ("1933 ACT") AND ANY SALE OR TRANSFER OF THIS WARRANT MUST BE MADE IN COMPLIANCE WITH THE CONDITIONS OF SEC RULE 144 OR RULE 144A UNDER THE 1933 ACT OR IN COMPLIANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT.

UNITED STATES OF AMERICA
STATE OF ALABAMA
THE POINT CLEAR CLUB IMPROVEMENT DISTRICT
TAXABLE ASSESSMENT REVENUE BOND
SERIES 2026-B

Registered Owner:

CEDE & CO.

Bond No.

R-

Dated Date:	Principal Amount:	Interest Rate per annum:	Stated Interest Payment Dates:	Maturity Date:	CUSIP:
_____, 2026	\$ _____	_____%	June 1 and December 1	June 1, 20__	____

Authorization of Indebtedness and Payment

For Value Received, The Point Clear Club Improvement District, a public corporation under the laws of the State of Alabama (the "District"), has issued this Bond pursuant to that certain Trust Indenture dated June __, 2026 (as at any time amended or supplemented, the "Indenture") by the District and Regions Bank, as trustee (the "Trustee") in evidence of indebtedness thereof to the Registered Owner, or registered assigns, in the Principal Amount and hereby promises to pay to the Registered Owner, through the Trustee, as Paying Agent, and Bond Registrar for the Series 2026-B Bonds, and solely from the Trust Estate as provided in the Indenture, (i) the Principal Amount on the Maturity Date, subject to prior redemption (in whole or in part) thereof as provided in the Indenture, and (ii) interest accrued on the outstanding amount of such Principal Amount at the Interest Rate, computed from the Dated Date, on the Stated Interest Payment Dates and on each date fixed for redemption (in whole or in part) of this Bond, as provided in the Indenture.

Definition of Terms

Capitalized terms used in this Bond without definition shall have the respective meanings assigned thereto in the Indenture.

The Indenture

The Indenture is held by the Trustee at the Principal Office thereof referenced in the Indenture and constitutes a contractual agreement binding upon the District, the Trustee and the registered owners of the Series 2026-B Bonds under the laws of the State of Alabama for (i) the source of payment of, and security for, the Series 2026-B Bonds; (ii) the registration, transfer, exchange and replacement of the Series 2026-B Bonds; (iii) the redemption, in advance of maturity, of the Series 2026-B Bonds; (iv) the payment of the Series 2026-B Bonds and the defeasance of the Indenture; (v) the amendment and supplement of the Indenture (without consent, or with the consent of the registered owners of a specified percentage, or all, of the principal amount of the Series 2026-B Bonds); (vi) the rights and duties of the District and the Trustee; and (vii) the enforcement of the Indenture by the registered owners of a specified percentage, or all, of the principal amount of the Series 2026-B Bonds.

Agreement of Registered Owners of Series 2026-B Bonds

The Indenture provides the registered owner of each of the Series 2026-B Bonds, by acquisition thereof, shall have thereby consented to, and agreed to be bound by, the provisions of the Indenture.

Certification

The District recites, certifies and declares that all conditions, actions and things required by the Constitution of Alabama of 1901, as amended, and laws of Alabama, to exist, be performed and happen precedent to or in the issuance of this Bond do exist, have been performed and have happened in due time, form and manner as required by law.

Parity Bonds

The Series 2026-B Bonds are payable on a parity of lien with the District's Tax Exempt Assessment Revenue Bonds, Series 2026-A, dated the date of delivery, issued simultaneously herewith.

IN WITNESS WHEREOF, The Point Clear Club Improvement District has caused this Bond to be executed in its name and on its behalf, under seal, and the same attested, by officers thereof duly authorized thereunto, on the Dated Date set forth above.

THE POINT CLEAR CLUB IMPROVEMENT DISTRICT

Chairman of Board of Directors

S E A L

Attest:

By: _____
Secretary

Date of Authentication and Registration: _____, 2026

Certificate of Authentication and Registration

This is one of the Series 2026-B Bonds referenced in the within-mentioned Trust Indenture and has been registered by The Point Clear Club Improvement District on the registration books maintained with the Trustee in the name of the above-named registered owner on the Authentication and Registration Date specified above.

REGIONS BANK

as Trustee

Authorized Officer

CERTIFICATE OF VALIDATION

Validated and confirmed by judgment of the Circuit Court of Baldwin County, Alabama, entered on the 7th day of May, 2026.

Clerk of the Circuit Court of Baldwin County, Alabama

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto _____ this Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this Bond on the books of the within-named Board at the office of the within-named Trustee, with full power of substitution in the premises.

DATED this ____ day of _____, ____.

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within bond in every particular, without alteration, enlargement or change whatsoever.

Signature Guaranteed*:

(Bank or Trust Company)

(Authorized Officer)

Medallion Number: _____

* Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

Notice By Securities Depository

Unless the within Bond is presented by an authorized representative of the Securities Depository (as defined in the Indenture referenced in the within Bond), to the Board or its agent for registration of transfer, exchange, or payment, and any Series 2026-B Bond issued is registered in the name of the Securities Depository or the Securities Depository Nominee (as defined in the Indenture referenced in the within Bond), as the case may be, or in such other name as is requested by an authorized representative of the Securities Depository (and any payment is made to the Securities Depository or the Securities Depository Nominee or to such other entity as is requested by an authorized representative of the Securities Depository), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, the Securities Depository or Securities Depository Nominee, as the case may be, has an interest herein.

EXHIBIT B

Requisition and Payment Request

THE POINT CLEAR CLUB IMPROVEMENT DISTRICT

Requisition and Payment Request

To: Regions Bank, as Trustee

Re: Series 2026-B Capital Improvements Account of the Bond Proceeds Fund under Trust Indenture dated June __, 2026 by The Point Clear Club Improvement District and Regions Bank, as trustee

Date: _____, 202__

Req. No. _____

1. Capitalized terms used herein without definition shall have the respective meanings assigned thereto in the above Indenture.
2. This Requisition is delivered to you for the payment from the Series 2026-B Capital Improvements Account of the Bond Proceeds Fund of the amount(s) to the Person(s) for the Authorized Purpose Costs all as set forth as follows:

Payee _____

Amount _____

Address _____

Wire Instructions to Payee _____

3. The undersigned represents that this Requisition is delivered pursuant to the above Indenture by an Authorized District Representative.
4. The undersigned agrees to pay the costs of the Trustee incurred pursuant hereto and certifies that (i) the purpose for which such payment is to be made is one for which Bond Proceeds Fund moneys are authorized under the Indenture to be expended, and (ii) no Event of Default exists under the Indenture, and (iii) such payment will not cause or result in an Event of Default under the Indenture.

**THE POINT CLEAR CLUB
IMPROVEMENT DISTRICT**

By _____

Its Chairman _____

APPENDIX C

FORM OF SPECIAL ASSESSMENT AGREEMENT

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This Agreement, and any interest herein or obligation hereunder, is not negotiable and may not be assigned or delegated by any party hereto except to a successor Trustee under the within-referenced Indenture or as specifically provided herein.

SPECIAL ASSESSMENT AGREEMENT

June 1, 2026

among

POINT CLEAR CLUB INVESTMENTS, LLC,

And

POINT CLEAR CLUB LAND, LLC,

And

THE POINT CLEAR CLUB IMPROVEMENT DISTRICT,

And

REGIONS BANK

This Special Assessment Agreement has been validated and confirmed by judgment of the Circuit Court of Baldwin County, Alabama on May 7, 2026 (Civil Action No. 05-CV-2026-900567.00 - JBB).

This Special Assessment Agreement was prepared by Lee Birchall of Bradley Arant Boult Cummings LLP, 1819 5th Avenue North, Birmingham, Alabama 35203

SPECIAL ASSESSMENT AGREEMENT

June 1, 2026

This Special Assessment Agreement is made on the above date by the undersigned:

<u>Developer:</u>	Collectively the Property Owner and the Manager
<u>Manager:</u>	Point Clear Club Investments, LLC, an Alabama limited liability company, and its successors and assigns
<u>Property Owner:</u>	Point Clear Club Land, LLC, an Alabama limited liability company, and its successors and assigns
<u>District:</u>	The Point Clear Club Improvement District, an Alabama public corporation, and its successors and assigns
<u>Trustee:</u>	Regions Bank, an Alabama banking corporation, as trustee under the within-referenced Indenture, and its successors and assigns

Defined Terms

Capitalized terms used in the Recitals shall have the respective meanings referenced in Article 1 of this Agreement.

Recitals

The Developer has delivered this Agreement to the District and the Trustee to provide (i) for the due and punctual payment by the Developer of the (1) Platted Lot Annual Assessment Payment Amount, (2) Pre-Platted Land Annual Assessment Payment Amount, (3) Pre-Platted Land Total Assessment Payment Amount, and (4) Platted Lot Total Assessment Payment Amount (with respect to Platted Lots and Pre-Platted Land owned by the Developer or a Related Developer Person) pursuant to the Improvement District Act and the Assessment Proceedings; and (ii) that, pursuant to the Indenture, the District may assign and pledge to the Trustee all right, title and interest of the District in and to this Agreement (including without limitation all amounts payable by the Developer hereunder and all rights of administration and enforcement hereof) as security for the Bonds.

The registered owners of the Bonds shall be third-party beneficiaries of the agreements and covenants herein contained on the terms hereof.

Pursuant to, and as provided in, the Indenture, the District shall apply the principal proceeds of the Bonds to finance Improvements within the jurisdiction of the District within the Assessment Area.

The Developer shall make and undertake the agreements and covenants thereof in this Agreement in consideration of the increased value of the Pre-Platted Land and Platted Lots owned by the Developer or a Related Developer Person by reason of the special benefits derived from the Improvements.

Agreement

NOW THEREFORE, for and in consideration of the premises, the application by the District of the proceeds of the Bonds as provided in the Indenture, and the mutual agreements, covenants and undertakings herein, the Developer, the District and the Trustee hereby agree, covenant and bind themselves as follows:

ARTICLE 1

Definitions

Section 1.01 Incorporation of Defined Terms.

Capitalized terms used herein without definition shall have the respective meanings assigned in the within-referenced Indenture.

Section 1.02 Certain Definitions.

For purposes hereof:

Applicable Law means (i) the applicable provisions of all constitutions, statutes, rules, regulations, orders, judgments and decrees of any Governmental Authority and (ii) all laws and rules of law which provide legal or equitable rights and remedies for creditors.

Appointing Government means Baldwin County, Alabama, and any municipal corporation successor thereto.

Assessment Area shall have the meaning assigned in the Indenture.

Assessment Proceedings shall have the meaning assigned in the Indenture.

Assessments shall have the meaning assigned in the Indenture.

Bond shall have the meaning assigned in the Indenture.

Business Day shall have the meaning assigned in the Indenture.

Bond Year means the period beginning on and including June 1 and ending on and including the next succeeding May 31.

Counsel means a Person licensed to practice law before the Supreme Court of Alabama.

Default Cure Payment Date means a Business Day not more than ten (10) Business Days subsequent to the date presumed by the Trustee to be the date of receipt by the Developer of the notice delivered to the Developer by the Trustee pursuant to Section 4.08(a) hereof, in accordance with Article 12 hereof.

Effective Date means June ___, 2026.

Encumbrance means any mortgage, lien, pledge, charge, security interest or encumbrance of any kind.

Event of Default under this Agreement means the failure by the Developer to pay all, or any portion, of the following amounts when and as due and payable:

- (i) With respect to Pre-Platted Land owned by the Developer or a Related Developer Person, the Pre-Platted Land Annual Assessment Payment Amount when due and payable; and
- (ii) With respect to Pre-Platted Land sold by the Developer to a Person that is not a Related Developer Person, the Pre-Platted Land Total Assessment Payment Amount due and payable prior to or simultaneously with the sale of Pre-Platted Land to a Person that not a Related Developer Person; and
- (iii) with respect to Platted Lots owned by the Developer or a Related Developer Person, the Platted Lot Annual Assessment Payment Amount; and
- (iv) With respect to Platted Lots sold by the Developer to a Person that is not a Related Developer Person, the Platted Lot Total Assessment Payment Amount due and payable prior to or simultaneously with the sale of any Platted Lot to a Person that not a Related Developer Person.

Extraordinary Redemption Fund means the Extraordinary Redemption Fund established under the Indenture.

Financing Documents has the meaning assigned thereto in the Indenture.

Final Plat means the map or plat the recordation of which shall cause all of the Pre-Platted Land to be included in a subdivision plat which establishes Platted Lots and thereby cause the release of the Pre-Platted Land Assessment Lien upon the Pre-Platted Land pursuant to Section 4.12.

Foreclosure Act means Article 1A of Chapter 10 of Title 35 of the Code of Alabama 1975.

Governmental Authority means (i) the United States of America, (ii) the State of Alabama and any political subdivision (within the meaning of 26 CFR Section 1.103-1) thereof other than the District, and (iii) any agency, authority, board, bureau, commission, court, department, division, instrumentality, tribunal thereof or other organization of competent jurisdiction established by the United States of America or the State of Alabama.

Improvement District Act means Chapter 99A of Title 11 of the Code of Alabama 1975.

Improvements shall collectively (i) have the meaning assigned thereto in the Improvement District Act and (ii) include the Series 2026-A Capital Improvements and the Series 2026-B Capital Improvements.

Indenture means the Original Indenture as supplemented by the Series 2026 Supplemental Indentures.

Opinion of Counsel means a written opinion of Counsel who may (except as otherwise expressly provided in the Indenture) be counsel for the District and which opinion shall not be unacceptable to the Trustee.

Original Indenture means the Trust Indenture dated June 1, 2026 by the District and the Trustee.

Owner shall have the meaning assigned thereto in the Indenture.

Person means any natural person, corporation, general or limited partnership, limited liability company or partnership, joint venture, association, trust, unincorporated organization and Governmental Authority.

Platted Lot means any lot within the Assessment Area within the boundaries of the District which is described or set forth in a map or plat which is of record in the Office of the Judge of Probate of Baldwin County, Alabama.

Pre-Platted Land means, on any date of determination, all real property within the Assessment Area within the boundaries of the District which on such date: (i) is not described or included in a subdivision plat which establishes Platted Lots and is of record in the Office of the Judge of Probate of Baldwin County, Alabama and (ii) has not been released from the Pre-Platted Land Assessment Lien pursuant to Section 4.12.

Pre-Platted Land Assessment Lien means the lien made on the Pre-Platted Land by the assessment thereof by the Appointing Government pursuant to the authority of the Improvement District Act (as provided in Section 11-99A-31) and the Assessment Proceedings in the amount of the Pre-Platted Land Annual Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount (as determined pursuant to the Indenture and this Agreement).

Related Developer Person means collectively (i) an Affiliate (as defined in the Indenture) of the Developer and (ii) any Person who is related to the Developer because: (a) the relationship between such Person and the Developer would result in a disallowance of losses under the Code (including without limitation Sections 267 and 707(b) thereof); or (b) two or more Persons in which the same Persons own, directly or indirectly, more than 50% of the capital interest or the profits interest.

Series 2026 Supplemental Indentures means collectively the Series 2026-A Supplemental Trust Indenture, dated June 1, 2026, by the District and the Trustee, and the Series 2026-B Supplemental Trust Indenture, dated June 1, 2026, by the District and the Trustee.

Termination Date means the date on which the Indenture is discharged pursuant to Article 13 thereof.

U.S. Currency means lawful currency of the United States of America.

Validation Judgment means the Findings of Fact, Conclusions of Law, and Final Judgment entered on May 7, 2026 by the Circuit Court of Baldwin County, Alabama (Civil Action No. 05-CV-2026-900567.00 - JBB).

ARTICLE 2

Representations

Section 2.01 The District.

The District delivers this Agreement on the Effective Date pursuant to the authorization thereof by proceedings duly had and taken by the governing body thereof under the authority of the Improvement District Act, the Validation Judgment and the applicable laws of the State of Alabama, having found and determined precedent thereto: (i) no approval of, or filing with, any Governmental Authority is required for the validity, or performance by the District, of this Agreement; (ii) no litigation is pending, or threatened in writing, in which a result adverse to the District would have a material and adverse effect upon the validity, or performance by the District, of this Agreement; and (iii) the delivery and performance of this Agreement by the District will not cause or result in a default or violation under any contractual agreement, or order or ruling of any Governmental Authority, binding upon, or in effect with respect to, the District.

Section 2.02 The Developer.

The Developer delivers this Agreement on the Effective Date under the authority of the Validation Judgment and pursuant to due authorization thereof in compliance with the applicable laws of the State of Alabama, having found and determined precedent thereto: (i) the Developer has made all filings and notices, and obtained all approvals or consents of, any Governmental Authority required for the business operations of the Developer in the State of Alabama and the validity, and performance by the Developer, of this Agreement; (ii) no litigation is pending, or threatened in writing, in which a result adverse to the Developer would have a material and adverse effect upon the validity, or performance by the Developer of, this Agreement; (iii) the delivery and performance of this Agreement by the Developer will not cause or result in a default or violation under any contractual agreement or order or ruling of any Governmental Authority binding upon, or in effect with respect to, the Developer; and (iv) the acquisition, construction and financing of the Improvements by the District, as provided in the Indenture, will result in direct financial benefits to the Developer.

Section 2.03 The Trustee.

The Trustee delivers this Agreement on the Effective Date pursuant to due authorization and execution hereof in the exercise of the lawful trust powers of the Trustee under the laws of the State of Alabama.

ARTICLE 3

Purpose and Duration of Agreement

Section 3.01 Purpose of Agreement

The District, the Developer and the Trustee agree the purpose of this Agreement is to provide for the agreement by the Developer with the terms of the Indenture, the payment of amounts due and payable in respect of the

Platted Lot Annual Assessment Payment Amount, the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Total Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount by the Developer to the Trustee for application pursuant to the terms of the Indenture.

Section 3.02 Duration of Agreement

The District, the Developer, and the Trustee agree that this Agreement, and all agreements, obligations and undertakings herein, will become effective on the Effective Date and will continue in full force and effect thereafter until and including the Termination Date, whereupon this Agreement and all agreements, obligations and undertakings herein will, without recourse, forthwith terminate and be discharged.

ARTICLE 4

Payment of Pre-Platted Land Assessment Lien

Section 4.01 Assessment of Pre-Platted Land; Conversion of Pre-Platted Land to Platted Lots

The District, the Developer, the Trustee, and the Owners, as third-party beneficiaries hereof, agree:

(a) the Pre-Platted Land Assessment Lien constitutes an Assessment on the Pre-Platted Land, in the amount of the Pre-Platted Land Annual Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount as determined pursuant to this Agreement and the Indenture, subject to foreclosure and sale as provided in the Foreclosure Act, the Improvement District Act, the Assessment Proceedings, the Indenture, and this Agreement; and

(b) when and as any land included within the Pre-Platted Land and subject to the Pre-Platted Land Assessment Lien becomes a Platted Lot, without notice to, or action by, any Person, (i) such land shall simultaneously therewith become subject to an Assessment in the amount determined therefor, and subject to foreclosure and sale, as provided in the Foreclosure Act, the Improvement District Act, the Assessment Proceedings, the Indenture, and this Agreement, and (ii) the land included in the subdivision plat which establishes Platted Lots shall be released from the Pre-Platted Land Assessment Lien as provided in Section 4.12.

Section 4.02 Developer to Provide Certain Annual Reports

The Developer agrees to provide to the District and the Trustee on each February 1, beginning February 1, 2027, or such other date as determined by the District, the Trustee, and the Assessment Methodology Manager (as defined in the Indenture):

(a) as of such date, a legal description of, and the number of acres of land (counting a fraction of an acre as one acre) within the Pre-Platted Land; and

(b) a copy of each map or plat that was recorded in the Office of the Judge of Probate of Baldwin County, Alabama, during the period beginning on January 1 of the then immediately preceding calendar year and ending on December 31 of the then immediately preceding calendar year with respect to all lots within the

jurisdiction of the District within the Assessment Area that shall have become Platted Lots during such period, beginning with the calendar year commencing January 1, 2027; and

(c) the number of Platted Lots owned by the Developer or a Related Developer Person (including without limitation the number of Platted Lots within each lot size class set forth in the Assessment Methodology Reports); and

(d) a schedule of the number of Platted Lots sold to a Person who is not a Related Developer Person during the period beginning on January 1 of the then immediately preceding calendar year and ending on December 31 of the then immediately preceding calendar year, the sale date of each Platted Lot, the amount of the Platted Lot Total Assessment Payment Amount paid with respect to each Platted Lot, and evidence that the Platted Lot Total Assessment Payment Amount for each Platted Lot sold was transferred to the Trustee prior to or simultaneously with the release of the Lien of the Assessment on such Platted Lot, beginning with the calendar year commencing January 1, 2027; and

(e) If the Developer sold any of the Pre-Platted Land to a Person who is not a Related Developer Person during the period beginning on January 1 of the then immediately preceding year and ending on December 31 of the then immediately preceding year, the sale date of each parcel of the Pre-Platted Land, the amount of the Pre-Platted Land Total Assessment Payment Amount paid with respect to each parcel of Pre-Platted Land sold, and evidence that the Pre-Platted Land Total Assessment Payment Amount for each parcel of Pre-Platted Land sold was paid to and received by the Trustee prior to or simultaneously with the release of the Lien of the Assessment on such parcel of Pre-Platted Land.

Section 4.03 Trustee to Invoice Developer on April 1. (a) The Trustee shall provide the Developer with a written invoice on April 1 of each Bond Year, beginning April 1, 2027, detailing the (i) Annual Debt Service due on the Series 2026 Bonds on the next succeeding June 1, (ii) the fees owed to the Trustee pursuant to Section 5.03(d) FIRST of the Indenture, (iii) the amount of any deficiency in the Bond Fund necessary to make the payment due on the next succeeding June 1; provided, however, that the Trustee shall credit to the Bond Fund by transferring from the Extraordinary Redemption Fund the amount, if any, on deposit in the Extraordinary Redemption Fund necessary to cause the Bond Fund to have sufficient funds to pay the principal maturing or subject to mandatory redemption on the next succeeding June 1 payment, pursuant to Section 5.04(c)(1)(iv), and (iv) the amount of any deficiency in any Account of the Reserve Fund.

(b) The Trustee's invoice to the Developer shall be based in part upon the Report of the Assessment Methodology Manager set forth in the District Administration Agreement, which shall be due from the Assessment Methodology Manager to the Trustee not later than March 15 of each year.

Section 4.04 Developer to Pay (or Cause to be Paid the) Assessments to the Trustee on Sales of Platted Lots and Pre-Platted Land; Application of Payments

(a) (1) The Developer covenants and agrees to pay, or cause to be paid, directly to the Trustee, including pursuant to the Collection and Transfer Agreement, for the account of the District, in U.S. Currency immediately available, the Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount in full on or before April 15 in each Bond Year, beginning April 15, 2027; provided, however, payment of such amounts shall not be delinquent, and no Event of Default shall occur thereupon, if payment of the Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount for such Bond Year is received by the Trustee no later than June 1 (or the next preceding Business Day, if applicable) in such year:

(2) The Developer covenants and agrees that it will (1) provide notice to the District, the Developer's Lender, the Assessment Methodology Manager, and the Trustee of the sale of a Platted Lot or Platted Lots to a Person that is not a Related Developer Person two Business Days prior to the day the Developer closes on the sale of a Platted Lot or Platted Lots and the amount of the Platted Lot Total Assessment Payment Amount for each Platted Lot sold; and (2) pay, or cause to be paid, directly to the Trustee, including pursuant to the Collection and Transfer Agreement, for the account of the District, in U.S. Currency immediately available, the Platted Lot Total Assessment Payment Amount prior to or not later than simultaneously with the sale of each Platted Lot to a Person who is not a Related Developer Person.

(3) The Developer covenants and agrees that it will (1) provide notice to the District, the Developer's Lender, the Assessment Methodology Manager, and the Trustee of the sale of each parcel of Pre-Platted Land to a Person who is not a Related Developer Person two Business Days prior to the day the Developer closes on the sale of a parcel of Pre-Platted Land and the amount of the Pre-Platted Land Total Assessment Payment Amount for each parcel of Pre-Platted Land sold; and (2) pay, or cause to be paid, directly to the Trustee, for the account of the District, in U.S. Currency immediately available, the Pre-Platted Land Total Assessment Payment Amount prior to or not later than simultaneously with the sale of each parcel of the Pre-Platted Land to a Person who is not a Related Developer Person.

(b) The amount of the Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount, if not paid in full when due on June 1 in each Bond Year, shall each bear interest at the rate of 7.00% per annum from such date until paid in full.

(c) The Trustee agrees to deposit all amounts received from the Developer pursuant to this Section, when and as received, in the Revenue Fund for application as provided in the Indenture.

Section 4.05 Reserved.

Section 4.06 Reserved.

Section 4.07 Reserved.

Section 4.08 Remedies Upon an Event of Default; Foreclosure Proceedings for Platted Lots and Pre-Platted Land

The District, the Developer, and the Trustee agree that, upon the occurrence of an Event of Default under this Special Assessment Agreement, the Trustee shall proceed forthwith as follows on behalf of the District:

(a) Notice of Event of Default and Amounts Due; Pendency of Foreclosure Proceedings

The Trustee shall deliver written notice, as provided in Article 12 hereof, to the District, the Developer's Lender (as defined in the Indenture), and the Developer (or a Related Developer Person), within ten (10) days of the date of occurrence of such default, stating:

- (1) that an Event of Default has occurred under this Agreement and under Section 10.1(g) of the Indenture by reason of the failure of the Developer to pay all of the Platted Lot Annual Assessment Payment Amount, the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Total Assessment Payment Amount, and/or the Pre-Platted Land Total Assessment Payment Amount by June 1; and

- (2) the amounts then due and payable, as applicable, as the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Annual Assessment Payment Amount, the Pre-Platted Land Total Assessment Payment Amount, and/or the Platted Lot Total Assessment Payment Amount; and
- (3) that if payment of the Platted Lot Annual Assessment Payment Amount, the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Total Assessment Payment Amount, and/or the Pre-Platted Land Total Assessment Payment Amount, as applicable, is not made in full by or on behalf of the Developer or a Related Developer Person to the Trustee, including by the Developer's Lender, pursuant the directions for payment provided by the Trustee, in U.S. Currency immediately available on or before the Default Cure Payment Date stated in such notice, then the Platted Lot Annual Assessment Payment Amount, the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Total Assessment Payment Amount, and/or the Pre-Platted Land Total Assessment Payment Amount, as applicable, shall become immediately due and payable, without further notice to, or action by, any Person, and the Trustee may commence foreclosure proceedings against all or any portion of the Platted Lot(s) and/or all or any portion of the Pre-Platted Land owned by the Developer or a Related Developer Person pursuant to the Improvement District Act and the Foreclosure Act; and
- (4) that if payment is made to the Trustee, by or on behalf of the Developer or a Related Developer Person, including by the Developer's Lender, by the Default Cure Payment Date and in the form and manner as provided in such notice, of the Platted Lot Annual Assessment Payment Amount, the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Total Assessment Payment Amount, and/or the Pre-Platted Land Total Assessment Payment Amount, the Trustee shall forbear from foreclosure of the applicable Platted Lot(s) and/or Pre-Platted Land as a result of such Event of Default; and
- (5) such other information as the Trustee shall determine to be desirable or necessary or required by Applicable Law as advised by Counsel.

(b) Rights to Make Payments after an Event of Default.

(1) The District, the Developer and the Trustee agree that, upon the occurrence of an Event of Default, the Trustee is authorized to, and shall, accept from the Developer or a Related Developer Person, or the Developer's Lender, on or before the Default Payment Cure Date: payment in the amount, form and manner specified by the Trustee therefor of the Platted Lot Annual Assessment Payment Amount, the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Total Assessment Payment Amount and/or the Pre-Platted Land Total Assessment Payment Amount, as applicable, then due.

(2) The Trustee agrees to apply all amounts received pursuant to this Section 4.08(b) as provided in Section 4.08(c).

(c) Effect of Timely Payment of Assessments After an Event of Default; Forbearance from Foreclosure

- (1) The Trustee shall, upon receipt by or on behalf of the Developer or a Related Developer Person, including the Developer's Lender, of the Platted Lot Annual Assessment Payment Amount, Pre-Platted Land Annual Assessment Payment Amount, Platted Lot Total Assessment Payment Amount and/or Pre-Platted Land Total Assessment Payment Amount, as applicable, by the

Default Cure Payment Date, and in the amount, form, and manner, as specified by the Trustee therefor:

- (i) transfer the amount of Platted Lot Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount to the Revenue Fund for application as provided in the Indenture; and
- (ii) transfer the amount of Platted Lot Total Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount to the Extraordinary Redemption Fund for application as provided in the Indenture; and
- (iii) deliver written notice, as provided in Article 12, to the Developer, the Developer's Lender, and the District that the Trustee will forbear from foreclosure proceedings with respect to the Platted Lot Annual Assessment Payment Amount, Pre-Platted Land Annual Assessment Payment Amount, Platted Lot Total Assessment Payment Amount and/or Pre-Platted Land Total Assessment Payment Amount as a result of such Event of Default unless and until the occurrence of a subsequent event causes such land to become subject to foreclosure proceedings.

(d) Remedies Upon Event of Default: Foreclosure Proceedings

(1) In the event the Trustee does not receive payment by or on behalf of the Developer or a Related Developer Person, or the Developer's Lender, of the Platted Lot Annual Assessment Payment Amount, Pre-Platted Land Annual Assessment Payment Amount, Platted Lot Total Assessment Payment Amount and/or Pre-Platted Land Total Assessment Payment Amount by the Default Cure Payment Date, and in the amount, form, and manner, as specified by the Trustee therefor, the entire Platted Lot Total Assessment Payment Amount, Pre-Platted Land Annual Assessment Payment Amount, Platted Lot Total Assessment Payment Amount and/or Pre-Platted Land Total Assessment Payment Amount, as applicable, shall become immediately due and payable without notice to the District, the Developer's Lender, the Developer or a Related Developer Person, and without further action by the District, the Trustee or any other Person, whereupon the Trustee shall forthwith: (a) proceed to foreclose the Assessment Lien on the Platted Lot(s) by sale of the Platted Lot(s) at foreclosure, for the full value of the Platted Lot(s), pursuant to the Improvement District Act and the Foreclosure Act; and/or (b) proceed to foreclose the Pre-Platted Land Assessment Lien on the Pre-Platted Land by sale of the Pre-Platted Land at foreclosure, for the full value of the Pre-Platted Land, pursuant to the Improvement District Act and the Foreclosure Act; and

(2) The District hereby authorizes and directs the Trustee to: (i) pay the fees and expenses for any foreclosure of any Pre-Platted Land or Platted Lot(s) pursuant to this Section 4.08 from the Foreclosure Expense Reserve Fund, and (ii) to the extent funds in the Foreclosure Expense Reserve Fund are insufficient for such purpose, to obtain the balance of such funds from the proceeds of such foreclosure.

Section 4.09 Effect of Forbearance from Foreclosure

The Developer, the District and the Trustee agree, anything in the Financing Documents to the contrary notwithstanding, that if, from and after the occurrence of an Event of Default, the Trustee is thereupon required, pursuant to any provision of Section 4.08(b) or 4.08(c), to forbear from the foreclosure of the Pre-Platted

Assessment Lien with respect to the Pre-Platted Land and/or the foreclosure of the Assessment Lien on a Platted Lot or Platted Lots, the rights, interests, and obligations of the District and the Developer under this Agreement shall be and remain in full force and effect as if such Event of Default shall not have occurred.

Section 4.10 Retained Rights of the District

Anything in this Agreement to the contrary notwithstanding, the District hereby reserves and retains:

(1) the right (but not the obligation) to pay (from any source including the Developer's Lender) to the Trustee the Pre-Platted Land Annual Assessment Payment Amount and/or the Platted Lot Annual Assessment Payment Amount then due, whereupon the Trustee shall not commence foreclosure proceedings under Section 4.08 with respect to the applicable Pre-Platted Land and/or Platted Lot(s); and

(2) the sole and exclusive right to exercise all rights of the District provided in Sections 11-99A-21(8) and Section 11-99A-21(11) of the Improvement District Act with respect to the foreclosure and sale of the Pre-Platted Land or Platted Lots.

Section 4.11 Rights of Redemption of Developer

The Developer, the District and the Trustee specifically agree, anything in the Financing Documents to the contrary notwithstanding, that the Developer, as the obligor for payment, with respect to Pre-Platted Land and Platted Lots owned by the Developer or a Related Developer Person, of the Platted Lot Annual Assessment Payment Amount, the Pre-Platted Land Annual Assessment Payment Amount, the Platted Lot Total Assessment Payment Amount and the Pre-Platted Land Total Assessment Payment Amount, when and as due and payable under Section 4.04, has and may exercise the right of redemption, as forth in Article 14A of Chapter 5 of Title 6 of the Code of Alabama 1975, upon the foreclosure and sale of all or any portion of the Pre-Platted Land or on Platted Lot(s) owned by the Developer or a Related Developer Person.

Section 4.12 Release of Pre-Platted Land Assessment Lien on any Pre-Platted Land

The District, the Developer, the Trustee, and the Owners, as third-party beneficiaries hereof, agree that the Pre-Platted Land Assessment Lien upon any land which is included within the Pre-Platted Land and which is not included in the Final Plat shall be discharged and released, without notice to, or action by, any Person, upon the first to occur of (i) the inclusion of all of such land in one or more recorded subdivision plats establishing Platted Lots subject to Assessments pursuant to the Indenture or (ii) the foreclosure and sale of such land (regardless of whether the bid accepted at foreclosure is sufficient to pay in full an amount equal to the Pre-Platted Land Total Assessment Payment Amount.

ARTICLE 5

Agreements of the Developer

Section 5.01 Indenture.

The Developer agrees, covenants, represents and warrants that (i) the Developer has received and reviewed the Indenture and (ii) the Developer agrees to the terms thereof.

Section 5.02 Payment of Bonds.

The Developer agrees the principal of and interest on the Bonds shall become due and payable in each year as set forth therein and as provided in the Indenture.

Section 5.03 Assignment and Pledge of Agreement by District to Trustee.

The Developer agrees and consents to the assignment and pledge by the District to the Trustee pursuant to the Indenture of all right, title and interest of the District in and to this Agreement, including without limitation all amounts payable by the Developer hereunder and all rights of administration and enforcement hereof.

ARTICLE 6

Agreements of the District, the Trustee, and the Owners

Section 6.01 Application of Proceeds of Bonds.

The District agrees to comply with the provisions of the Indenture with respect to the application and investment of the proceeds of the Bonds.

Section 6.02 Special Mandatory Redemption and Extraordinary Mandatory Redemption of Bonds.

The District agrees to redeem the Bonds in accordance with the provisions of Section 6.04 of the Indenture and Section 3.01(g) through (i) of the respective Series 2026 Supplemental Indentures upon the occurrence of any event requiring the special mandatory redemption or extraordinary mandatory redemption of Bonds.

Section 6.03 Prior Consent of Developer to Refunding of Bonds.

The District agrees to obtain the prior written consent of the Developer (expressed by resolution of the governing body thereof) to the refinance or refunding of any or all of the Bonds.

Section 6.04 Agreement of Trustee.

The Trustee agrees to apply all amounts received from the Developer to the payment of the Bonds, and certain costs and expenses incurred under the Indenture, in due time, form and manner as provided in the Indenture.

Section 6.05 Limited Financial Obligations of Developer

The District, the Trustee and the Owners, as third-party beneficiaries hereof, agree the liability of, and recourse against, the Developer for the payment of any amounts pursuant, or with respect, to this Agreement are limited to and shall not exceed the amounts determined from time to time as provided in Section 4.04.

Section 6.06 No Recourse to Directors, Officers, Shareholders, of Developer

The District, the Trustee, and the Owners, as third-party beneficiaries hereof, agree that, pursuant to the Improvement District Act,

- (1) this Agreement constitutes a corporate obligation of the Developer as provided herein; and

(2) the Owners and the Trustee have no recourse against, and thereupon irrevocably waive and release each past, present or future incorporator, officer, general partner, limited partner, or member of the governing body, of the Developer or a Related Developer Person, from any and all direct, indirect or contingent personal liability or obligation for the performance of any agreement or covenant in, or the payment of any amount due pursuant to, this Agreement by the Developer or a Related Developer Person or with respect to the payment of the Platted Land Annual Assessment Payment Amount and the Pre-Platted Land Annual Assessment Payment Amount on Platted Lots and Pre-Platted Land owned by the Developer or a Related Developer Person and any payment on the day of closing on the sale of Platted Lot(s) and/or Pre-Patted Land of the Pre-Platted Land Total Assessment Payment Amount or the Platted Lot Total Assessment Payment Amount on Pre-Platted Land and/or Platted Lots sold by the Developer to a Person that is not a Related Developer Person.

ARTICLE 7

Remedies

Section 7.01 Remedies of Trustee

If an Event of Default exists, the Trustee may, on behalf of the District and the Owners, proceed to protect its rights and the rights of the Owners of the Bonds, by the exercise of all legal and equitable remedies available under Applicable Law, whether for foreclosure and sale of all or any part of the Pre-Platted Land or Platted Lots as provided in this Agreement and the Improvement District Act, for the enforcement of the obligations of the Developer in this Agreement, the specific performance of any covenant or agreement of the Developer herein contained, or in aid of the exercise of any power or remedy granted to the Trustee under the Indenture; provided, all rights, remedies and powers provided by this Article may be exercised only to the extent the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that the same will not render this Agreement invalid or unenforceable.

Section 7.02 Remedies of Developer.

The District and the Trustee agree the Developer may, anything in the Financing Documents to the contrary notwithstanding, proceed to enforce the agreements of the District and the Trustee set forth in this Agreement by all legal and equitable remedies available under Applicable Law; provided, the Developer agrees that any failure of the District or the Trustee to comply with the provisions of this Agreement shall not constitute an event of default hereunder and shall not relieve or discharge the Developer from any obligation hereunder.

ARTICLE 8

Third-Party Beneficiary Contract for Benefit of Owners

Section 8.01 Owners as Third-Party Beneficiaries.

The Developer, the District and the Trustee agree that this Agreement is a third-party beneficiary contract and the Owners are third-party beneficiaries of the covenants and agreements on the part of the District, the

Developer and the Trustee contained herein as fully and completely as if the Owners were parties signatory hereto.

Section 8.02 Limitation on Suits by Owners.

No Owner shall have any right to institute any proceeding, judicial or otherwise, under or with respect to this Agreement, unless (a) such Owner has previously given written notice to the Trustee of a continuing Event of Default; (b) the Owners of not less than 25% in aggregate principal amount of the Outstanding Bonds shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee; (c) such Owner or Owners have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities (including reasonable attorney's fees, costs and expenses) to be incurred in compliance with such request in accordance with the Indenture; (d) the Trustee for 30 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such proceedings; and (e) no direction inconsistent with such written consent has been given to the Trustee during such 30-day period by the Owners of a majority in principal amount of the Outstanding Bonds, it being understood and intended that no one or more Owners shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Agreement to affect, disturb or prejudice the rights of any other Owners, or to obtain or to seek to obtain priority or preference over any other Owners or to enforce any right under this Agreement, except in the manner herein provided and for the equal and ratable benefit of all of the Owners of Outstanding Bonds.

ARTICLE 9

No Assignment and Transfer of this Agreement

The Developer, the District and the Trustee covenant and agree, anything in the Financing Documents to the contrary notwithstanding:

- (1) this Agreement is not negotiable and may not be transferred or assigned except:
 - (i) to the Trustee or a successor as trustee under the Indenture; and
 - (ii) to a successor public corporation to the District controlled by the Appointing Government for purposes of the Improvement District Act; and
- (2) nothing in this Article prevents or restricts the transfer by the Developer of any or all of the Platted Lots or Pre-Platted Land owned by the Developer or a Related Developer Person as provided in this Agreement.

ARTICLE 10

Amendments

The Developer, the District and the Trustee covenant and agree, anything in the Financing Documents to the contrary notwithstanding:

(1) this Agreement may be amended or supplemented only as provided in the Indenture and by an instrument in writing duly authorized, executed and delivered by the Developer, the District and the Trustee; and

(2) any attempted amendment of this Agreement or supplement hereto without full compliance with this Section shall be null and void and of no effect.

ARTICLE 11

The Trustee

The Developer, the District and the Trustee covenant and agree the rights, immunities, limitations of liability, privileges, and protections provided in the Indenture for the benefit of the Trustee in the observance and performance of the agreements, duties and obligations of the Trustee under the Indenture are hereby incorporated into this Agreement, and made a part hereof the same as if set out herein in full, by this reference thereto, for the benefit of the Trustee in the observance and performance of the agreements, duties and obligations of the Trustee in this Agreement.

ARTICLE 12

Notices

The Developer, the District, and the Trustee covenant and agree:

(1) All notices, demands, consents, certificates or other communications hereunder shall be in writing, shall be sufficiently given and shall be deemed given when delivered personally to the Person or to an officer of the Person to whom the same is directed, or mailed by registered or certified mail, postage prepaid, or sent by private delivery service as set forth on [IRS.gov/PDS](https://www.irs.gov/PDS), addressed as follows:

(i) if to the District: C/O Daniel Realty Company, LLC Suite 1000 505 20th Street North Birmingham, Alabama 35203	(ii) if to the Developer: C/O Daniel Realty Company, LLC Suite 1000 505 20th Street North Birmingham, Alabama 35203
(iii) if to the Trustee: Regions Bank 1900 5 th Avenue North Birmingham, Alabama 35203 Attn: Corporate Trust Department 26th Floor	(iv) if to the Developer's Lender: SmartBank 101 Office Park Drive Birmingham, Alabama 35223 (659) 599-0384

(2) Any such notice or other document shall be deemed to be received as of the date delivered, if delivered personally, or as of three (3) calendar days after the date deposited in the mail, if mailed, or the next Business Day, if sent by private delivery service.

ARTICLE 13

Provisions of General Application

The Developer, the District and the Trustee (each a “party”) covenant and agree as follows:

(a) Governing Law:	This Agreement is governed by, and will construed in accordance with, the laws of the State of Alabama without regard to principles of conflict of laws.
(b) Binding Effect:	This Agreement is enforceable by, and binding upon, the respective successors and assigns of each party.
(c) Counterparts:	This Agreement may be executed in several counterparts each of which shall constitute the same agreement.
(d) Enforceability:	If any provision herein shall be unenforceable, the remaining provisions hereof will not be affected thereby and will remain in full force and effect.
(e) Notices; Delivery:	Any notice given hereunder must be delivered as provided in Article 12
(f) No Jury Trial:	Each party (i) irrevocably waives, to the extent permitted by law, any right to trial by jury in any action or proceeding under, or related to, this Agreement and (ii) agrees that no Person has represented (by expression or implication) that a party hereto would not seek to enforce such waiver in the event of litigation.
(g) No Joint Venture:	This Agreement does not operate, and cannot be construed, to create a joint venture or partnership by or among the parties.
(h) No Other Beneficiaries:	This Agreement is solely for the benefit of the parties and the successors and assigns thereof, and any stated third-party beneficiary, and no other Person has or may enforce any benefit, interest or rights under or by virtue of this Agreement.
(i) Final and Full Contract:	This Agreement constitutes the final and full contractual agreement of the parties and replaces and supersedes all prior or

other agreements (written or oral) relating to the subject matter hereof.

IN WITNESS WHEREOF, the District, the Developer, and the Trustee have each caused this Agreement to be executed in its name, under seal, and the same attested to the extent required therefor, all by officers thereof duly authorized thereunto, and have caused this Agreement on the within Effective Date.

THE POINT CLEAR CLUB IMPROVEMENT DISTRICT

SEAL

By _____
Chairman

ATTEST:

Secretary

REGIONS BANK
as Trustee

SEAL

By _____

Its _____

ATTEST:

By: _____

Its: _____

POINT CLEAR CLUB LAND, LLC, an Alabama limited liability limited liability company

By: Daniel McLean Joint Venture, LLC
Its: Manager

By: Daniel Realty Holdings II, LLC
Its: Manager

By: _____
Name: Carter Bryars
Its: Authorized Representative

POINT CLEAR CLUB INVESTMENTS, LLC, an Alabama limited liability limited liability company

By: Daniel McLean Joint Venture, LLC
Its: Manager

By: Daniel Realty Holdings II, LLC
Its: Manager

By: _____
Name: Carter Bryars
Its: Authorized Representative

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Carter Bryars, whose name as Chair of The Point Clear Club Improvement District, an Alabama public corporation, is signed to the foregoing Special Assessment Agreement dated June 1, 2026 and who is known to me, acknowledged before me on this day that, being informed of the contents of said Special Assessment Agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said public corporation.

Given under my hand and seal this the ____ day of June, 2026.

Notary Public

NOTARIAL SEAL

My commission expires: _____

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Carter Bryars, whose name as the Authorized Representative of Daniel Realty Holdings, II, LLC, the Manager of Daniel McLean Joint Venture, LLC, the Manager of the Point Clear Club Land, LLC and the Manager of Point Clear Club Investments, LLC, each an Alabama limited liability company, is signed to the foregoing Special Assessment Agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of said Special Assessment Agreement dated June 1, 2026, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal this the ____ day of June, 2026.

Notary Public

NOTARIAL SEAL

My commission expires: _____

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Carter Bryars, whose name as the Authorized Representative of Daniel Realty Holdings, II, LLC, the Manager of Daniel McLean Joint Venture, LLC, the Manager of the Point Clear Club Land, LLC and the Manager of Point Clear Club Investments, LLC, each an Alabama limited liability company, is signed to the foregoing Special Assessment Agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of said Special Assessment Agreement dated June 1, 2026, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal this the ____ day of June, 2026.

Notary Public

NOTARIAL SEAL

My commission expires: _____

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that _____, whose name as Vice President of Regions Bank, an Alabama banking corporation, as trustee under the foregoing Special Assessment Agreement dated June 1, 2026, by The Point Clear Club Improvement District, is signed to the foregoing Special Assessment Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Special Assessment Agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said Alabama banking corporation acting in its capacity as trustee as aforesaid.

Given under my hand and seal this the ____ day of June, 2026.

Notary Public

NOTARIAL SEAL

My commission expires: _____

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APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

Dated June __, 2026

Among

THE POINT CLEAR CLUB IMPROVEMENT DISTRICT

POINT CLEAR CLUB INVESTMENTS, LLC

POINT CLEAR CLUB LAND, LLC

and

**REGIONS BANK
BIRMINGHAM, ALABAMA**

**\$ _____
THE POINT CLEAR CLUB IMPROVEMENT
DISTRICT
(IN BALDWIN COUNTY, ALABAMA)
ASSESSMENT REVENUE BONDS
SERIES 2026-A**

**\$ _____
THE POINT CLEAR CLUB IMPROVEMENT
DISTRICT
(IN BALDWIN COUNTY, ALABAMA)
TAXABLE ASSESSMENT REVENUE BONDS
SERIES 2026-B**

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated June __, 2026 (the “**Continuing Disclosure Agreement**”), is executed and delivered by The Point Clear Club Improvement District (the “**District**”), Regions Bank, Birmingham, Alabama, as dissemination agent (the “**Dissemination Agent**”) and as trustee (the “**Trustee**”) for the Series 2026 Bonds (defined below), Point Clear Club Investments, LLC, an Alabama limited liability company (the “**PCC Investments**”), and Point Clear Club Land, LLC, an Alabama limited liability company (“**PCC Land**” and, collectively with PCC Investments, the “**Developer**”).

RECITALS

1. This Continuing Disclosure Agreement is executed and delivered in connection with the issuance by the District of (i) \$ _____ Assessment Revenue Bonds, Series 2026-A (the “**Tax-Exempt Series 2026-A Bonds**”) pursuant to a Trust Indenture dated as of June 1, 2026 (the “**Original Indenture**”), as supplemented by the Series 2026-A Supplemental Trust Indenture dated as of June 1, 2026 (the “**Series 2026-A Initial Supplemental Indenture**”), between the District and the Trustee and (ii) \$ _____ Taxable Assessment Revenue Bonds, Series 2026-B (the “**Taxable Series 2026-B Bonds**” and, collectively with the Tax-Exempt Series 2026-A Bonds, the “**Series 2026 Bonds**”) pursuant to the Original Indenture, as supplemented by the Series 2026-B Supplemental Trust Indenture dated as of June 1, 2026 (the “**Series 2026-B Initial Supplemental Indenture**” and collectively with the Series 2026-A Initial Supplemental Indenture, the “**Initial Supplemental Indentures**”), between the District and the Trustee. The Original Indenture, as supplemented by the Initial Supplemental Indentures, is referred to herein as the “**Indenture**.”

2. The District, the Dissemination Agent and the Developer are entering into this Continuing Disclosure Agreement for (1) the benefit of the Beneficial Owners of the Series 2026 Bonds, (2) in order to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “**Rule**”) and (3) with respect to the Taxable Series 2026-B Bonds, to meet the resale requirements set forth in Rule 144A(d)(4) under the Securities Act of 1933.

In consideration of the mutual covenants and agreements herein, the District, the Dissemination Agent and the Developer covenant and agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Indenture or the Limited Offering Memorandum dated June __, 2026 with respect to the Series 2026 Bonds (the “**Limited Offering Memorandum**”), which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Affiliate**” of any specified Person means, collectively, (i) any guarantor of any obligations of such Person and (ii) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person; provided, for purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Annual Report**” means any Annual Report filed by the District pursuant to, and as described in, **Section 2** of this Continuing Disclosure Agreement.

“Assessment Area” means that portion of the real property in the District described on Exhibit A attached to the Indenture, consisting of approximately 98 acres.

“Assessment Area Development” means the 122 single-family detached homes anticipated to be developed in the Assessment Area.

“Beneficial Owner” means the owner of a beneficial interest in a Series 2026 Bond held pursuant to a Book-Entry System (as such term is defined in the Indenture).

“Business Day” means any day other than (i) a Saturday, a Sunday or (ii) a day on which the payment system of the Federal Reserve System is not operational, or (iii) a day on which banking institutions are authorized or required by law to remain closed in Birmingham, Alabama.

“Dissemination Agent” means Regions Bank, Birmingham, Alabama, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District.

“EMMA” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“Fiscal Year” means the 12-month period beginning on January 1 and ending on December 31 or any other 12-month period selected by the District as the Fiscal Year of the District for financial reporting purposes.

“Material Events” means any of the events listed in **Section 3(a)** of this Continuing Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“Person” means any natural person, corporation, general or limited partnership, limited liability company or partnership, joint venture, association, trust, unincorporated organization and Governmental Authority.

“Platted Lots” means any lot within the boundaries of the District which is described or set forth in a map or plat which is of record in the Office of the Judge of Probate of Baldwin County, Alabama.

“Pre-Platted Land” means, on any date of determination, all real property within the Assessment Area within the boundaries of the District which on such date: (i) is not described or included in a subdivision plat which establishes Platted Lots and is of record in the Office of the Judge of Probate of Baldwin County, Alabama and (ii) has not been released from the Pre-Platted Land Assessment Lien pursuant to the Special Assessment Agreement.

“Quarterly Report” means Section 1 of the Semi-Annual Report. In addition to completing Sections 1-4 of the Semi-Annual Report on each Semi-Annual Report Date, PCC Investments shall complete the Quarterly Report by April 15 (for the May 1 Quarterly Report Date) and October 15 (for the November 1 Quarterly Report Date) each year. The information in the Quarterly Report shall be current as of at least March 31 (for the May 1 Quarterly Report Date) or September 30 (for the November 1 Quarterly Report Date).

“Quarterly Report Date” means the date which is not later than each May 1 and November 1, commencing November 1, 2027.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Semi-Annual Report” means a document or set of documents, in the form of **Exhibit B** attached hereto. PCC Investments shall complete Sections 1-4 of the Semi-Annual Report by January 15 (for the February 1 Semi-Annual Report Date) and July 15 (for the August 1 Semi-Annual Report Date) each year. So long as any Series 2026 Bonds are outstanding, the District shall complete Sections 5-7 of the Semi-Annual Report by the applicable Semi-Annual Report Date for the applicable Semi-Annual Reporting Period.

“Semi-Annual Report Date” means the date which is not later than each February 1 and August 1, commencing February 1, 2027.

“Semi-Annual Reporting Period” means the period from January 1 through June 30 of each year with respect to the August 1 Semi-Annual Report Date, and July 1 through December 31 of the prior year with respect to the February 1 Semi-Annual Report Date.

“Underwriter” means Stifel, Nicolaus & Company, Incorporated, the original purchaser of the Series 2026 Bonds, who is required to comply with the Rule in connection with offering of the Series 2026 Bonds.

Section 2. Provision of Annual Reports, Semi-Annual Reports and Quarterly Reports.

- (a) The District shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the District’s Fiscal Year (*i.e.*, June 28 each year), commencing with the Fiscal Year ending December 31, 2026 (*i.e.*, the initial Annual Report shall be due on or before June 28, 2027) each year, file with the MSRB, through EMMA, the following financial information and operating data (the **“Annual Report”**):
 - (1) If available, the audited financial statements of the District for the prior Fiscal Year, prepared in accordance with accounting principles generally accepted in the United States of America. If audited financial statements are to be prepared but are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available. The District does not currently prepare audited financial statements nor does it anticipate doing so in the future.
 - (2) If audited financial statements are not prepared for the District, a written report prepared by an independent certified public accountant, or firm thereof, accompanying a set of financial statements consisting of a balance sheet and the related statement of revenues, expenditures and changes in fund balances, of the District for the prior Fiscal Year presented on the modified accrual basis of accounting, if available. The financial statements may be supplemented by a written report of agreed upon procedures prepared by an independent certified public accountant, or firm thereof, agreed to by the District and the Trustee (including reconciliation of the financial records of the District and bank account

statements regarding cash transactions and balances) in accordance with the attestation standards of the American Institute of Certified Public Accountants as in effect from time to time.

- (3) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the District is an “obligated person” (as defined by the Rule), which have been filed with the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The District shall clearly identify each such other document so included by reference.
 - (4) In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that, if financial statements are available, the financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3** of this Continuing Disclosure Agreement.
- (b) Not later than two Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB (*i.e.*, no later than June 28 each year), the District shall either (i) provide the Annual Report to the Dissemination Agent, with written instructions to file the Annual Report as specified in subsection (a), or (ii) provide written notice to the Dissemination Agent that the District has filed the Annual Report with the MSRB or will do so prior to the deadline specified in subsection (a).
 - (c) If the Dissemination Agent has not received either an Annual Report with filing instructions or a written notice from the District that it has filed an Annual Report with the MSRB by the 10th Business Day prior to the date required in subsection (a) for filing the Annual Report (*i.e.*, June 28 each year), the Dissemination Agent shall send a notice to the District, with a copy to the District’s counsel, the next Business Day, such notice to include a statement that the Dissemination Agent will file a notice substantially in the form attached hereto as **Exhibit A** with the MSRB if the District does not provide to the Dissemination Agent the Annual Report no later than noon on the date required in subsection (a) for filing the Annual Report (*i.e.*, June 28 each year).
 - (d) The Dissemination Agent shall, unless the District has filed the Annual Report with the MSRB, promptly following receipt of the Annual Report and instructions required in subsection (b) above, file the Annual Report with the MSRB and cause a notice of such filing to be delivered to the District.
 - (e) PCC Investments shall provide the information required under Sections 1-4 of the Semi-Annual Report for the immediately preceding Semi-Annual Reporting Period (*i.e.*, January 1 through June 30 for the August 1 Semi-Annual Report Date and July 1 through December 31 for the February 1 Semi-Annual Report Date) to the District no later than July 15 and January 15, commencing on January 15, 2027.

- (f) PCC Investments shall provide the information required for each Quarterly Report to the District no later than April 15 and October 15, commencing on October 15, 2026.
- (g) By the **11th** Business Day prior to the applicable Semi-Annual Report Date or the Quarterly Report Date, the District shall provide the completed Semi-Annual Report or Quarterly Report to the Dissemination Agent with written instructions to file such report with the MSRB. If PCC Investments fails to provide the District with the information required under **Section 2(e)** by the 3rd Business Day prior to the applicable Semi-Annual Report Date, the District shall provide the Semi-Annual Report to the Dissemination Agent, without the information required under **Section 2(e)** above, no later than the 2nd business day prior to the applicable Semi-Annual Report Date with written instructions to file such report with the MSRB. The District shall cause the Trustee to provide it the information required by Sections 5-7 of the Semi-Annual Report.
- (h) If the Dissemination Agent shall not have received the applicable Semi-Annual Report or the Quarterly Report by the **10th** Business Day prior to the Semi-Annual Report Date or the Quarterly Report Date, the Dissemination Agent shall send a notice to PCC Investments and the District by the next Business Day, such notice to request that PCC Investments provide the District with the information required under **Section 2(e)** or **Section 2(f)**, as applicable, and for the District to provide a completed Semi-Annual Report or Quarterly Report, as applicable, no later than the **5th** Business Day prior to the applicable Semi-Annual Report Date or Quarterly Report Date.
- (i) Upon the Dissemination Agent's receipt of a Semi-Annual Report or Quarterly Report from the District, the Dissemination Agent shall file the Semi-Annual Report or Quarterly Report with the MSRB, such filing to be completed by the Dissemination Agent within **5** Business Days after receipt, provided that if the Semi-Annual Report or Quarterly Report is received by the Dissemination Agent at least one business day prior to the applicable Semi-Annual Report Date or Quarterly Report Date, the Dissemination Agent shall use its best efforts to file the Semi-Annual Report or Quarterly Report by the Semi-Annual Report Date or Quarterly Report Date.

Notwithstanding anything in this **Section 2(i)** or elsewhere in this Continuing Disclosure Agreement to the contrary, if PCC Investments fails to provide the District with the information required under **Section 2(e)** above within the times required for inclusion in any Semi-Annual Report, the Dissemination Agent shall, subject to receipt from the District of the Semi-Annual Report, file such Semi-Annual Report, without the information required under **Section 2(e)** above, no later than the Semi-Annual Report Date. Any Semi-Annual Report that includes the information required by Sections 5-7 of the Semi-Annual Report, but does not include the information required under **Section 2(e)** above, shall be a default of PCC Investments of its undertaking pursuant to this Continuing Disclosure Agreement, but shall be sufficient to satisfy the District's obligation to file such Semi-Annual Report under the Rule.

If PCC Investments fails to provide the information required under **Section 2(f)** for a Quarterly Report to the District as required herein, such failure shall be a default of PCC Investments of its undertaking pursuant to this Continuing Disclosure Agreement, but shall not be considered a failure of the District to comply with its obligations under the Rule and no Quarterly Report shall be required for such period unless and until PCC Investments provides the applicable information for such report.

- (j) The Dissemination Agent shall provide a copy to the District, PCC Investments and, if the Dissemination Agent is not the Trustee, the Trustee, of each Semi-Annual Report and Quarterly Report filed with the MSRB.
- (k) In addition to the foregoing requirements of this Section, the District agrees to provide copies of the most recent Annual Report, Semi-Annual Report and/or Quarterly Report to any requesting Beneficial Owners or prospective Beneficial Owners, but only after the same have been delivered to the MSRB.

Section 3. Reporting of Material Events.

- (a) No later than **10 Business Days** after the occurrence of any of the following events, the District shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Series 2026 Bonds (“**Material Events**”):
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the securities;
 - (7) modifications to rights of security holders, if material;
 - (8) bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution or sale of property securing repayment of the securities, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the District;
 - (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
 - (15) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of defaults, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
 - (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

For purposes of the events identified in paragraphs (1) through (16) above, the term “security” means the Series 2026 Bonds, “security holders” means the Beneficial Owners, and “obligated person” means the District. For purposes of the events identified in

paragraphs (15) and (16) above, the term “financial obligation” means (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

- (b) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence of any event that it believes may constitute a Material Event, contact the Chairman of the Board of Directors of the District or his or her designee, or such other person as the District shall designate in writing to the Dissemination Agent from time to time, inform such person of the event, and request that the District promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d). If in response to a request under this subsection (b), the District determines that the event does not constitute a Material Event, the District shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent whether or not to report the occurrence pursuant to subsection (d).
- (c) Whenever the District obtains knowledge of the occurrence of a Material Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the District shall promptly notify and instruct the Dissemination Agent in writing to report the occurrence pursuant to subsection (d).
- (d) If the Dissemination Agent receives written instructions from the District to report the occurrence of a Material Event, the Dissemination Agent shall promptly file a notice of such occurrence to the MSRB, with a copy to the District. Notwithstanding the foregoing, notice of a Material Event described in subsections (a)(8) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the registered owners of affected Series 2026 Bonds pursuant to the Indenture.
- (e) ***Additional Reporting Requirements Upon Request.*** So long as any Taxable Series 2026-B Bonds are outstanding under the Indenture, the Developer shall, upon the request of a Beneficial Owner of the Taxable Series 2026-B Bonds, or upon the request of a prospective purchaser designated by a Beneficial Owner of the Taxable Series 2026-B Bonds (which requests may be relayed by the Trustee and if so relayed such requests will be treated as if made by the Beneficial Owner of the Taxable Series 2026-B Bonds or the prospective purchaser), provide the following information to the Trustee for distribution to a Beneficial Owner of the Taxable Series 2026-B Bonds or prospective purchaser of the Taxable Series 2026-B Bonds, as applicable, which information shall be reasonably current in relation to the date of a resale of the Taxable Series 2026-B Bonds as provided in Rule 144A(d)(4) under the Securities Act of 1933:
 - i. a very brief statement of the nature of the business of the Developer and the products and services it offers;
 - ii. the Developer’s most recent balance sheet;
 - iii. the Developer’s most recent profit and loss and retained earnings statements; and
 - iv. similar financial statements to (iii) above for the two preceding fiscal years of the Developer (the financial statements should be audited to the extent reasonably available).

Information provided pursuant to this Section 3(e) shall not, unless otherwise specifically instructed by the Developer in writing, be filed on EMMA or otherwise provided to any entity other than the Trustee, a Beneficial Owner of the Taxable Series 2026-B Bonds or a prospective purchaser of the Taxable Series 2026-B Bonds. Such information provided to a Beneficial Owner of the Taxable Series 2026-B Bonds or a prospective purchaser of the Taxable Series 2026-B Bonds shall be accompanied by a notice in substantially the following form: “This information is being provided at the request of a Beneficial Owner of the Taxable Series 2026-B Bonds (or the request of a prospective purchaser of the Taxable Series 2026-B Bonds designated by the Beneficial Owner of the Taxable Series 2026-B Bonds) to meet the resale requirements set forth in Rule 144A(d)(4) under the Securities Act of 1933 and shall be used solely by the Beneficial Owner of the Taxable Series 2026-B Bonds or a prospective purchaser of the Taxable Series 2026-B Bonds, as applicable, for the sole purpose of considering whether to sell or purchase the Taxable Series 2026-B Bonds.”

Section 4. Termination of Reporting Obligation. Except for those obligations which specifically survive, the District’s and Developer’s obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2026 Bonds. If the obligations of the District or Developer under this Continuing Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the District or Developer, as applicable, and the District and Developer, as applicable, shall have no further responsibility hereunder. If such termination or substitution occurs prior to the legal defeasance, prior redemption or payment in full of all of the Series 2026 Bonds, the District shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3** of this Continuing Disclosure Agreement.

All obligations related to the completion of the Quarterly Report and Sections 1-4 of the Semi-Annual Report shall terminate at such time as at least 92 lots in the Assessment Area are transferred to third-parties that are not an Affiliate of the Developer. At such time, PCC Investments shall provide the Notice of 75% Lot Sales attached hereto as Exhibit C to the Dissemination Agent and the Dissemination Agent shall file the Notice of 75% Lot Sales with the MSRB.

Section 5. Dissemination Agents. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the District. Except as otherwise provided herein, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report, the Semi-Annual Reports or the Quarterly Reports) prepared or provided by the District or the Developer pursuant to this Continuing Disclosure Agreement. The initial Dissemination Agent is Regions Bank.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the District, the Dissemination Agent and the Developer may amend this Continuing Disclosure Agreement and any provision of this Continuing Disclosure Agreement may be waived, subject to the consent of the Beneficial Owners of a majority of the principal amount of the Series 2026 Bonds then outstanding, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the District, the Dissemination Agent and PCC Investments with its written opinion that the agreement of the District and the Developer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and, so long any Taxable Series 2026-B Bonds are outstanding,

Rule 144A(d)(4) under the Securities Act of 1933, and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Agreement.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, (a) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (b) the District shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District.

Section 7. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report, Semi-Annual Report or Quarterly Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the District shall not have any obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. Any failure by the parties to perform in accordance with this Continuing Disclosure Agreement shall not constitute an event of default under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of an event of default shall not apply to any such failure. If the District or the Developer fails to comply with this Continuing Disclosure Agreement, the Underwriter or any Beneficial Owner of the Series 2026 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause such party to comply with its obligations hereunder.

Section 9. Duties and Liabilities of Dissemination Agent.

- (a) The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Developer or the District has provided such information to the Dissemination Agent as required by this Continuing Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Developer or the District and shall not be deemed to be acting in any fiduciary capacity for the Developer, the District, the Beneficial Owners, or any other party. The Dissemination Agent shall have no responsibility for the Developer's or the District's failure to report to the Dissemination Agent a Material Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Developer or the District has complied with this Continuing Disclosure Agreement. The Dissemination Agent may conclusively rely upon certifications of the Developer and the District at all times.
- (b) The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and

shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable jointly and severally by the Developer and the District.

- (c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Continuing Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.
- (d) The Developer, and, to the maximum extent permitted by law, the District jointly and severally agree to indemnify, defend and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability as it relates to the District, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Developer and the District under this Section shall survive resignation or removal of the Dissemination Agent and the redemption, defeasance, or payment of the Series 2026 Bonds. The Developer and the District jointly and severally agree to pay the reasonable fees, charges and expenses of the Dissemination Agent in connection with its administration of this Continuing Disclosure Agreement.

Section 10. Notices. Any notices or communications to or among any of the parties to this Continuing Disclosure Agreement may be given by electronic mail, registered or certified mail, return receipt requested, or by confirmed facsimile, or delivered in person or by overnight courier, and will be deemed given on the second day following the date on which the notice or communication is so mailed, as follows:

To the District: The Point Clear Club Improvement District
c/o Daniel Realty Company LLC
Suite 1000
505 20th Street North
Birmingham, Alabama 35203
Attention: Carter Bryars
Telephone: 205-443-4548
Email: cbryars@danielcorp.com

With a copy to: Bradley Arant Boult Cummings LLP
One Federal Place
1819 5th Avenue North
Birmingham, Alabama 35203
Attention: Lee Birchall
Telephone: (205) 521-8119
Email: lbirchall@bradley.com

To the Dissemination Agent: Regions Bank
1900 5th Avenue North
26th Floor
Birmingham, Alabama 35203
Attention: Corporate Trust Department
Telephone: 205-264-6587
Email: carmen.kilgore@regions.com

To Developer: Point Clear Club Investments, LLC
c/o Daniel Realty Company LLC
Suite 1000
505 20th Street North
Birmingham, Alabama 35203
Attention: Carter Bryars
Telephone: 205-443-4548
Email: cbryars@danielcorp.com

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 11. Beneficiaries. Subject to the limitation on remedies contained in **Section 8** of this Continuing Disclosure Agreement, this Continuing Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, PCC Investments, the Underwriter, and Beneficial Owners from time to time of the Series 2026 Bonds, and shall create no rights in any other person or entity.

Section 12. Severability. If any provision in this Continuing Disclosure Agreement, the Indenture or the Series 2026 Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 13. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14. Electronic Transactions. The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 15. General Limitation on District Obligations. No provision hereof shall be construed to impose any personal or pecuniary liability upon any director, officer, agent, or employee of the District.

Section 16. Governing Law. This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Alabama.

Section 17. Electronic Signatures. The parties agree that the electronic signature of a party to this Continuing Disclosure Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Continuing Disclosure Agreement. For purposes hereof: (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means or a

digital signature of an authorized representative of any party provided by AdobeSign or DocuSign (or such other digital signature provider as specified by such party) in English; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the District, the Dissemination Agent and the Developer have caused this Continuing Disclosure Agreement to be executed as of the day and year first above written.

**THE POINT CLEAR CLUB IMPROVEMENT
DISTRICT**

By: _____

Name: Carter Bryars

Title: Chairman

REGIONS BANK, as Dissemination Agent

By: _____

Name: _____

Title: _____

**POINT CLEAR CLUB
INVESTMENTS, LLC**

By: _____
Name: _____
Title: _____

POINT CLEAR CLUB LAND, LLC

By: _____
Name: _____
Title: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE [ANNUAL][SEMI-ANNUAL][QUARTERLY] REPORT

Name of Issuer: The Point Clear Club Improvement District (the “**District**”)

Name of Bond Issues: \$ _____ Assessment Revenue Bonds, Series 2026-A

\$ _____ Taxable Assessment Revenue Bonds, Series 2026-B

CUSIP Numbers:

Date of Issuance: June __, 2026

NOTICE IS HEREBY GIVEN that the District has not filed [an Annual Report][the District/PCC Investments has/have not filed a Semi-Annual Report][PCC Investments has not filed a Quarterly Report] with respect to the above-named Series 2026[*-A*][*-B*] Bonds as required by the Continuing Disclosure Agreement dated June __, 2026, among the District, Regions Bank, as Dissemination Agent, Point Clear Club Investments, LLC, an Alabama limited liability company (the “**PCC Investments**”), and Point Clear Club Land, LLC, an Alabama limited liability company (“**PCC Land**” and, collectively with PCC Investments, the “**Developer**”). [The District has informed the Dissemination Agent that the District anticipates that the [Annual][Semi-Annual][Quarterly] Report will be filed by _____.]

Dated: _____, _____

REGIONS BANK, as Dissemination Agent
on behalf of The Point Clear Club Improvement District

cc: The Point Clear Club Improvement District
Point Clear Club Investments, LLC
Point Clear Club Land, LLC

EXHIBIT B

FORM OF [SEMI-ANNUAL][QUARTERLY] REPORT

Name of Issuer: The Point Clear Club Improvement District (the “**District**”)

Name of Bond Issues: \$ _____ Assessment Revenue Bonds, Series 2026-A

\$ _____ Taxable Assessment Revenue Bonds, Series 2026-B

CUSIP Numbers:

Date of Issuance: June __, 2026

This report is prepared and delivered pursuant to the Continuing Disclosure Agreement dated June __, 2026 among the District, Regions Bank, as dissemination agent, Point Clear Club Investments, LLC, an Alabama limited liability company (the “**PCC Investments**”), and Point Clear Club Land, LLC, an Alabama limited liability company (“**PCC Land**” and, collectively with PCC Investments, the “**Developer**”).

[Date of Quarterly Report: _____, 20__]

[Date of Semi-Annual Report: _____, 20__ Semi-Annual Reporting Period From January 1 to June 30, 20__ or from July 1 to December 31, 20__]

PCC Investments shall complete **Sections 1-4** below, by January 15 and July 15 each year, for inclusion in the Semi-Annual Reports due on February 1 and August 1. So long as any Series 2026 Bonds are outstanding, the Dissemination Agent shall, based on information provided by the Trustee, complete **Sections 5-7** below for inclusion in the Semi-Annual Reports due on February 1 and August 1.

PCC Investments shall complete **Section 1** below, by April 15 and October 15 each year, for inclusion in the Quarterly Reports due on May 1 and November 1.

1. ***Lot and Land Sales.***

<u>Lot and Land Sale Status</u>						
Lot Type	Total Lots (Platted and Planned)⁽¹⁾	Platted Lots Owned by Developer (or Affiliate)	Platted Lots Transferred to Unrelated Third-Party	Pre-Platted Land Owned by Developer (or Affiliate)⁽²⁾	Pre-Platted Land Transferred to Unrelated Third-Party⁽³⁾	Total
Golf Estate	14					
Estate	28					
Interior – (Typical)	14					
Village	6					
Golf Cottage – Narrow	25					
Interior 2 Frontage – (Typical)	6					
Estate 2 Frontage	14					
Golf Cottage – North	15					
Total:	122					
Acres:						

⁽¹⁾ PCC Investments to update this column based on the then-current plan for the Assessment Area Development.

⁽²⁾ This column shall include the number of lots (by unit type) anticipated to be platted on Pre-Platted Land owned by the Developer or an Affiliate of the Developer (provided that the last row shall include the approximate acreage of such Pre-Platted Land).

⁽³⁾ This column shall include the number of lots (by unit type) that were anticipated to be platted on such Pre-Platted Land at the time of sale by the Developer to a Person that is not an Affiliate of the Developer (provided that the last row shall include the approximate acreage sold).

2. ***Land Activity.***

(i) _____ acres of Pre-Platted Land was platted into _____ Platted Lots during the Semi-Annual Reporting Period;

(ii) the number of acres of Pre-Platted Land that has been transferred by the Developer to a Person that is not an Affiliate of the Developer during the Semi-Annual Reporting Period is _____;

(iii) the number of Platted Lots that has been transferred by the Developer to a Person that is not an Affiliate of the Developer during the Semi-Annual Reporting Period is _____; and

(iv) Has the Developer transferred any Pre-Platted Land or Platted Lots to an Affiliate during the Semi-Annual Reporting Period? If yes, please identify the legal name of the Affiliate and the amount of Pre-Platted Land (in acres) or Platted Lots (in number of lots) transferred to such Affiliate.

3. ***Golf Course and Assessment Area Development Status.*** Provide a brief description of (i) the status of development of the Golf Course, Clubhouse and Golf Shop, including a timeline for anticipated (and actual, as applicable) completion and opening, and (ii) since the date of the last Semi-Annual Report (or, in the case of the first Semi-Annual Report, since the date of the Continuing Disclosure Agreement), the infrastructure improvements constructed in connection with the Assessment Area Development including the type of infrastructure improvements (streets, water infrastructure, sewer infrastructure, parks, trails, etc.), the cost, and the status of the construction of such infrastructure improvements.

4. ***Foreclosed Platted Lots/Pre-Platted Land.***

(i) _____ Platted Lots and _____ acres of Pre-Platted Land are currently subject to foreclosure proceedings;

(ii) _____ Platted Lots and _____ acres of Pre-Platted Land have been foreclosed upon since the date of the last Semi-Annual Report; and

(iii) _____ Platted Lots and _____ acres of Pre-Platted Land have been foreclosed upon since the date of issuance of the Series 2026 Bonds.

5. ***Bonds Redeemed.***

(i) The principal amount of Series 2026-A Bonds redeemed since [the date of the Continuing Disclosure Agreement][the date of the last Semi-Annual Report] is \$ _____; and

(ii) The aggregate principal amount of Series 2026-A Bonds redeemed since the date of issuance of the Series 2026-A Bonds is \$ _____.

(iii) The principal amount of Series 2026-B Bonds redeemed since [the date of the Continuing Disclosure Agreement][the date of the last Semi-Annual Report] is \$ _____; and

(iv) The aggregate principal amount of Series 2026-B Bonds redeemed since the date of issuance of the Series 2026-B Bonds is \$ _____.

6. ***Foreclosure Proceeds.*** The amount, if any, deposited with the Trustee from foreclosure proceedings on any of the property within the Assessment Area since (i) the date of the last Semi-Annual Report is: \$ _____ and (ii) the date of issuance of the Series 2026 Bonds is: \$ _____.

7. ***Prepayment Proceeds.*** The amount, if any, deposited with the Trustee from:

(i) the payment of the Pre-Platted Land Total Assessment Payment Amount since (a) the date of the last Semi-Annual Report is: \$ _____ and (b) the date of issuance of the Series 2026 Bonds is: \$ _____; and

(ii) the payment of the Platted Lot Total Assessment Payment Amount since (a) the date of the last Semi-Annual Report is: \$ _____ and (b) the date of issuance of the Series 2026 Bonds is: \$ _____.

**THE POINT CLEAR CLUB IMPROVEMENT
DISTRICT**

By: _____
Name: _____
Title: _____

EXHIBIT C

NOTICE OF 75% LOT SALES

Name of Issuer: The Point Clear Club Improvement District (the “**District**”)

Name of Bond Issues: \$_____ Assessment Revenue Bonds, Series 2026-A

\$_____ Taxable Assessment Revenue Bonds, Series 2026-B

CUSIP Numbers:

Date of Issuance: June __, 2026

NOTICE IS HEREBY GIVEN that at least 92 lots (75% of the 122 total planned) in the Assessment Area have been transferred to third-parties that are not an Affiliate of the Developer. PCC Investments is no longer obligated to complete Quarterly Reports or Sections 1-4 of the Semi-Annual Reports pursuant to Section 4 of the Continuing Disclosure Agreement. The District remains obligated to complete Sections 5-7 of the Semi-Annual Reports.

Dated: _____, _____

**POINT CLEAR CLUB
INVESTMENTS, LLC**

By: _____
Name: _____
Title: _____

cc: The Point Clear Club Improvement District
Regions Bank, as Dissemination Agent

APPENDIX E

FORM OF OPINIONS OF BOND COUNSEL

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Form of Bond Counsel Opinion – Tax-Exempt Series 2026- Bonds

June __, 2026

The Point Clear Club Improvement District
Fairhope, Alabama

Regions Bank, as trustee
Birmingham, Alabama

Stifel, Nicolaus & Company, Incorporated
Montgomery, Alabama

Re: Assessment Revenue Bonds, Series 2026-A, dated June __, 2026

Ladies and Gentlemen:

We have acted as bond counsel to The Point Clear Club Improvement District (the “Issuer”), a public corporation under Chapter 99A of Title 11 of the Code of Alabama 1975 (the “Improvement District Act”), for the purpose of delivery of the within opinions in connection with the issuance of the above-referenced bonds (the “Bonds”) by the Issuer on the date hereof pursuant to the Improvement District Act and that certain Trust Indenture dated June 1, 2026, as supplemented by the Series 2026-A Supplemental Trust Indenture, dated June 1, 2026 (collectively the “Indenture”), by the Issuer and Regions Bank, as trustee (the “Trustee”).

For purposes hereof, we have incorporated and used herein certain capitalized terms as such terms are defined in the Indenture.

The within opinions are based upon (a) our examination of (i) the Bonds, (ii) the Indenture, (iii) the Special Assessment Agreement (collectively the “Financing Documents”), (iv) the Assessment Proceedings of Baldwin County, Alabama, (v) the Tax Certificate and Agreement of even date by the Issuer and the Developer with respect to the Bonds (the “Tax Certificate and Agreement”), (vi) the Findings of Fact, Conclusions of Law, and Final Judgment dated and filed on May 7, 2026 by the Circuit Court of Baldwin County, Alabama with respect to the validation proceedings referenced therein (the “Validation Judgment”), (vii) the Certificate of Incorporation of the Issuer, (viii) certified proceedings of the Issuer, (ix) certificates of the Trustee and certain public officials, and (x) such other certificates, documents, proceedings, and proofs as we have deemed necessary; (b) our review of the applicable laws of the State of Alabama and of the United States of America as in effect on the date hereof and as we have deemed necessary; (c) our reliance, without independent investigation or inquiry, upon (i) the representations of fact made in the Financing Documents, the Tax Certificate and Agreement, and certificates by the Issuer, the District, the Trustee, and public officials delivered to us, and (ii) the Validation Judgment; and (d) our assumption that (i) the Issuer and the Developer will comply with the Tax Certificate and Agreement, (ii) the Financing Documents are enforceable by and against the Trustee, and (iii) the Special Assessment Agreement is enforceable by and against the Developer.

We are of the opinion, on the date hereof and subject to the within qualifications, that:

1. (a) The Issuer is validly existing under the Improvement District Act and pursuant to the authority thereof has duly authorized, executed, and delivered the Bonds and the other Financing Documents.

 (b) The Financing Documents are legal, valid, and binding obligations of the Issuer and are enforceable against the Issuer in accordance with the respective terms thereof.

 (c) The Bonds are legal, valid, and binding obligations of the Issuer payable solely from, and secured by a valid pledge and assignment of the Trust Estate under the Indenture on an equal and

proportionate basis and parity of lien with the District's Taxable Assessment Revenue Bonds, Series 2026-B, dated June __, 2026.

2. Interest on the Warrants will be excludable from gross income of the recipients thereof for federal income tax purposes pursuant to the provisions of Section 103(a) of the Code, regulations and rulings of the Commissioner of Internal Revenue issued or pertinent thereunder, and court decisions heretofore rendered, and is not an item of tax preference included in alternative minimum taxable income for the purpose of computing the minimum tax imposed by Section 55 of the Code. However, as a result of amendments to the Internal Revenue Code enacted pursuant to the Inflation Reduction Act of 2022, interest on the Warrants may be taken into account for purposes of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code on "applicable corporations," as defined in Section 59(k) of the Internal Revenue Code. We express no opinion with respect to the federal tax consequences to the recipients of the interest on the Warrants under any provision of the Code not referred to above. The opinion set forth above is subject to the condition that the Issuer and the Developer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer and the Developer have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

3. Interest on the Bonds is exempt from State of Alabama income taxation.

The rights of the registered owners of the Bonds, and the enforceability of the Bonds and the Financing Documents, are subject to and may be limited by (a) the exercise of judicial discretion (in a proceeding at law or in equity), (b) the valid exercise of the constitutional powers of the United States of America and the sovereign and police powers of the State of Alabama, and (c) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

We have not been engaged, and therefore have not undertaken, to review or determine, and consequently express no opinion as to (a) the validity of the Bonds and the Financing Documents under the laws of any state other than the State of Alabama; or (b) the tax treatment of an owner of any of the Bonds, as a result of the receipt of the interest on the Bonds, under (i) any provision or section of the Code other than the aforesaid Section 103 thereof, or (ii) the laws of any state other than the State of Alabama; or (c) the title of the Issuer or the Developer to any property; or (d) the adequacy of the security for, or the sources of payment of, the Bonds; or (e) the accuracy, adequacy, or completeness of any offering document, official statement, or other information pertaining to the offering for sale of the Bonds.

We give no assurances that federal or state legislation will not be introduced and enacted which could adversely affect (a) the exclusion of interest on the Bonds from gross income for federal income taxation or (b) the exclusion of interest on the Bonds from state income taxation or (c) the federal or state tax treatment of certain owners of the Bonds as a result of the receipt of such interest.

The within opinions are (a) limited to matters stated herein and no opinion may be inferred beyond the matters expressly stated; (b) given as of the date hereof and with the express understanding that we have no obligation to advise you or any of your successors or assigns of any changes in law or fact subsequent to the date hereof, even though such changes may affect the opinions expressed herein; (c) given to you solely in connection with the subject transactions and may not be relied upon by you or by any other person for any other purpose; and (d) an expression of our professional judgment as to the legal issues explicitly addressed herein, by which we do not become an insurer or guarantor of that expression of professional judgment or of the outcome of any legal dispute that may arise with respect to any of the matters herein contained.

Faithfully yours,

Form of Bond Counsel Opinion – Taxable Series 2026-B Bonds

June __, 2026

The Point Clear Club Improvement District
Fairhope, Alabama

Regions Bank, as trustee
Birmingham, Alabama

Stifel, Nicolaus & Company, Incorporated
Montgomery, Alabama

Re: Taxable Assessment Revenue Bonds, Series 2026-B, dated June __, 2026

Ladies and Gentlemen:

We have acted as bond counsel to The Point Clear Club Improvement District (the “Issuer”), a public corporation under Chapter 99A of Title 11 of the Code of Alabama 1975 (the “Improvement District Act”), for the purpose of delivery of the within opinions in connection with the issuance of the above-referenced bonds (the “Bonds”) by the Issuer on the date hereof pursuant to the Improvement District Act and that certain Trust Indenture dated June 1, 2026, as supplemented by the Series 2026-B Supplemental Trust Indenture, dated June 1, 2026 (collectively the “Indenture”), by the Issuer and Regions Bank, as trustee (the “Trustee”).

For purposes hereof, we have incorporated and used herein certain capitalized terms as such terms are defined in the Indenture.

The within opinions are based upon (a) our examination of (i) the Bonds, (ii) the Indenture, (iii) the Special Assessment Agreement (collectively the “Financing Documents”), (iv) the Assessment Proceedings of Baldwin County, Alabama, (v) the Findings of Fact, Conclusions of Law, and Final Judgment dated and filed on May 7, 2026 by the Circuit Court of Baldwin County, Alabama with respect to the validation proceedings referenced therein (the “Validation Judgment”), (vi) the Certificate of Incorporation of the Issuer, (vii) certified proceedings of the Issuer, (viii) certificates of the Trustee and certain public officials, and (ix) such other certificates, documents, proceedings, and proofs as we have deemed necessary; (b) our review of the applicable laws of the State of Alabama and of the United States of America as in effect on the date hereof and as we have deemed necessary; (c) our reliance, without independent investigation or inquiry, upon (i) the representations of fact made in the Financing Documents and certificates by the Issuer, the District, the Trustee, and public officials delivered to us, and (ii) the Validation Judgment; and (d) our assumption that (i) the Financing Documents are enforceable by and against the Trustee, and (ii) the Special Assessment Agreement is enforceable by and against the Developer.

We are of the opinion, on the date hereof and subject to the within qualifications, that:

1. (a) The Issuer is validly existing under the Improvement District Act and pursuant to the authority thereof has duly authorized, executed, and delivered the Bonds and the other Financing Documents.

(b) The Financing Documents are legal, valid, and binding obligations of the Issuer and are enforceable against the Issuer in accordance with the respective terms thereof.

(c) The Bonds are legal, valid, and binding obligations of the Issuer payable solely from, and secured by a valid pledge and assignment of the Trust Estate under the Indenture on an equal and proportionate basis and parity of lien with the District’s Assessment Revenue Bonds, Series 2026-A, dated June __, 2026.

2. Interest on the Bonds is exempt from State of Alabama income taxation.

The rights of the registered owners of the Bonds, and the enforceability of the Bonds and the Financing Documents, are subject to and may be limited by (a) the exercise of judicial discretion (in a proceeding at law or in equity), (b) the valid exercise of the constitutional powers of the United States of America and the sovereign and police powers of the State of Alabama, and (c) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

We have not been engaged, and therefore have not undertaken, to review or determine, and consequently express no opinion as to (a) the validity of the Bonds and the Financing Documents under the laws of any state other than the State of Alabama; or (b) the tax treatment of an owner of any of the Bonds, as a result of the receipt of the interest on the Bonds, under the laws of any state other than the State of Alabama; or (c) the title of the Issuer or the Developer to any property; or (d) the adequacy of the security for, or the sources of payment of, the Bonds; or (e) the accuracy, adequacy, or completeness of any offering document, official statement, or other information pertaining to the offering for sale of the Bonds.

We give no assurances that state legislation will not be introduced and enacted which could adversely affect the exclusion of interest on the Bonds from state income taxation or the state tax treatment of certain owners of the Bonds as a result of the receipt of such interest.

The within opinions are (a) limited to matters stated herein and no opinion may be inferred beyond the matters expressly stated; (b) given as of the date hereof and with the express understanding that we have no obligation to advise you or any of your successors or assigns of any changes in law or fact subsequent to the date hereof, even though such changes may affect the opinions expressed herein; (c) given to you solely in connection with the subject transactions and may not be relied upon by you or by any other person for any other purpose; and (d) an expression of our professional judgment as to the legal issues explicitly addressed herein, by which we do not become an insurer or guarantor of that expression of professional judgment or of the outcome of any legal dispute that may arise with respect to any of the matters herein contained.

Faithfully yours,

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2026 Bond certificate will be issued for each maturity of the Series 2026 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or with the Trustee as its "FAST" Agent.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026 Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect

from time to time. Beneficial Owners of Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2026 Bond documents. For example, Beneficial Owners of Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2026 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2026 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE SERIES 2026 BONDS, REFERENCES IN THIS LIMITED OFFERING MEMORANDUM TO THE REGISTERED OWNERS OF THE SERIES 2026 BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

The District and the Trustee may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2026 Bonds registered in its name for the purpose of payment of the principal of or interest or premium, if any, on the Series 2026 Bonds, giving any notice permitted or required to be given to registered owners under the Indenture, including any notice of redemption, registering the transfer of Series 2026 Bonds, obtaining any consent or other action to be taken by registered owners and for all other purposes whatsoever, and will not be affected by any notice to the contrary. The District and the Trustee will not have any responsibility or obligation

to any DTC Participant, any person claiming a beneficial ownership interest in the Series 2026 Bonds under or through DTC or any DTC Direct Participant, Indirect Participant or other person not shown on the records of the Trustee as being a registered owner with respect to: the accuracy of any records maintained by DTC, any DTC Direct Participant or Indirect Participant regarding ownership interests in the Series 2026 Bonds; the payment by DTC, any DTC Direct Participant or Indirect Participant of any amount in respect of the principal of or interest or premium, if any, on the Series 2026 Bonds; the delivery to any DTC Direct Participant, Indirect Participant or any Beneficial Owner of any notice which is permitted or required to be given to registered owners under the Authorizing Document, including any notice of redemption; the selection by DTC, any DTC Direct Participant or any Indirect Participant of any person to receive payment in the event of a partial redemption of the Series 2026 Bonds; or any consent given or other action taken by DTC as a registered owner.

As long as the DTC book-entry system is used for the Series 2026 Bonds, the Trustee will give any notice of redemption or any other notices required to be given to registered owners of Series 2026 Bonds only to DTC or its nominee. Any failure of DTC to advise any DTC Direct Participant, of any DTC Direct Participant to notify any Indirect Participant, of any DTC Direct Participant or Indirect Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Series 2026 Bonds called for redemption or of any other action premised on such notice.

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APPENDIX G

CERTAIN INFORMATION REGARDING BALDWIN COUNTY ALABAMA

General Information - Baldwin County

Baldwin County, Alabama (“**Baldwin County**”), is located along the shores of the Gulf of Mexico and Mobile Bay, bordered on the West by Mobile County, Alabama, on the Northwest by Washington County, Alabama, and Clarke County, Alabama, on the North by Monroe County, Alabama, on the Northeast by Escambia County, Alabama, and on the East by Escambia County, Florida.

According to the 2020 U.S. Census, the population of Baldwin County was officially recorded at 231,767 residents. While the county has fourteen incorporated municipalities, ranging in size & density, a majority of Baldwin’s population resides in the rural, unincorporated areas.

The county government is headquartered at the county seat in the City of Bay Minette. It is governed by a four-member county commission with all four members elected by a vote of the entire county, one of which, its chairman, serves as the presiding officer. Further, the county commission employs a county administrator who serves as its chief administrative officer in order to effect the policies adopted by the county commission.

The county’s fourteen municipalities are operated under the mayor / council form of government with most municipalities electing council members pursuant to at-large elections, few municipalities electing council members by single-member districts, all municipalities electing Mayors from at-large elections and some municipalities employing city administrators.

The county’s public school system includes all public schools in the unincorporated & incorporated areas. It is governed by a seven-member county board of education, elected from single-member districts, one of which, its president, serves as the chief executive officer. Further, the county board of education employs a superintendent who serves as its chief administrative officer in order to effect the policies adopted by the county board of education.

Baldwin County remains a popular destination for visitors, from all over the nation and world, year-round because of first-class golf courses, beautiful beaches, unlimited recreational opportunities, a healthy economy, and a first-class public school system which, collectively, has contributed to the county’s explosive population growth since the 1990’s.

Today, out of Alabama’s sixty-seven counties, Baldwin County has been and is currently one of the fastest growing counties in Alabama. The 2025 US Census Bureau Estimate indicates that the current County population is approximately 267,000, representing an approximately 15% increase in the last five years.

Development Area; Fairhope and Point Clear

While Baldwin County is the authorizing subdivision of the District and the Assessment Area is located within Baldwin County and outside of the boundaries of any municipality, the Development is adjacent to the corporate limits of the City of Fairhope (“**Fairhope**”), which has higher personal and family income as well as residential property values than the rest of Baldwin County. The unincorporated Point Clear community, for which the Development is named, is located immediately south of Fairhope along Mobile Bay and is primarily composed of high-value residential real estate along Mobile Bay and near the Marriott Grand Hotel Resort and Spa. This area is already a well-known vacation and resort destination, and the Developer believes that the Development will attract interest from permanent residents as well as existing and future second-home owners and buyers from outside the local area.

BALDWIN COUNTY
DEMOGRAPHIC INFORMATION

Assessed Values; Property Taxation

The total net assessed value of all taxable property in the County for the prior five tax years has been as follows:

Tax Year	Real, Personal and Public Utility Property	Motor Vehicles	Total Assessed
2021	\$5,444,567,660	\$521,820,300	\$ 5,966,387,960
2022	6,554,109,700	599,619,834	7,153,729,534
2023	8,007,503,540	708,512,072	8,716,015,612
2024	8,827,298,660	752,440,332	9,579,738,992
2025	9,434,899,700	814,373,702	10,249,273,402

Source: Revenue Commissioner of Baldwin County; Judge of Probate of Baldwin County.

Assessed Value by Property Classification

The following chart reflects, for the tax year that ended September 30, 2025 (that is, the year for which the taxes became due and payable on October 1, 2025, and delinquent on January 1, 2026), the appropriate division of net assessed valuation of property in the County by classification:

	<u>Property Classification</u>	<u>Assessed Valuation</u>
Class I	Utilities	\$ 153,116,740
Class II	All Property Not Otherwise Classified	6,893,050,960
Class III	All Agricultural, Forest and Single Family Owner Occupied Residential Property and Historic Building and Sites	3,798,552,200
Class IV	Private Passenger Automobiles and Trucks for Personal Use	814,373,702
	Less Exemptions	1,414,229,920
	Plus Penalties	<u>4,409,720</u>
	Total Net Assessed Valuation	<u><u>\$10,249,273,402</u></u>

Source: Revenue Commissioner of Baldwin County; Judge of Probate of Baldwin County.

Largest Ad Valorem Taxpayers

For the tax year ending September 30, 2025, the following were the top ten (10) ad valorem taxpayers in the County:

Taxpayer	Total Assessed Value	County Ad Valorem Taxes Paid
Baldwin County Electric Membership	\$61,806,700	\$587,163
Novelis Corporation	43,727,740	415,413
Alabama Power Company	34,810,920	325,910
Coroc/Riviera LLC.	15,316,780	145,509
Jab II LLC.	14,453,400	137,307
D R Horton, Inc. – Birmingham	14,451,740	137,281
Florida Gas Transmission Company, LLC	13,365,620	126,973
Phoenix Gulf Shores II, LLC.	13,085,780	124,314
Mediacom Communications Corporation	11,850,540	112,580
Wal-Mart Real Estate Business Trust	11,803,940	112,137

Source: Baldwin County Revenue Commissioner.

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Major Employers

The following table sets forth the largest employers located in Baldwin County:

Employer	Product / Service	Approximate Number of Employees
Baldwin County Board of Education	County Public Schools	3,900
WalMart	Discount Retail Store	1,700
Infirmity Health	Medical Care	1,490
Baldwin Health	Healthcare	1,124
Collins Aerospace	Thrust Reversers, Cawlings, and Nacelle Components	1,026
Marriott Grand Hotel and Resort	Hotel Golf Resort & Spa	900
Publix	Grocery Store Chain	830
Columbia Southern University	Higher Education	776
Baldwin County Commission	County Government	670
Brett/Robinson Gulf Corp.	Vacation Rental Management	520
OWA	Entertainment & Retail	488
Fairhope City Board of Education	City Public Schools	477
Ace Hardware Support Center	Hardware Distribution Support Center	380
Meyer Vacation Rentals	Vacation Rental Management	375
Novelis	Rolled Aluminum	375
City of Gulf Shores	City Government	366
WalMart	Discount Retail Store	305
Thomas Hospital	Hospital	300
Riviera Utilities	Utility	283
Vulcan, Inc.	Aluminum & Steel Products	236
Segers Aerospace	Aerospace and Defense MRO	225
Baldwin EMC	Electric Utility Company	217
Quincy Compressor	Air Compressors	210
ALDI	Grocery Distribution Center and Regional Headquarters	200

Source: Baldwin Alliance, March 2026.

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Population

The following table sets forth certain historical population statistics relating to the State of Alabama, Baldwin County and the Daphne-Fairhope-Foley, Alabama MSA for the years shown:

Census Year	State of Alabama	Baldwin County	Daphne-Fairhope-Foley, Alabama MSA**
1970	3,444,165	59,382	n/a
1980	3,893,888	78,556	n/a
1990	4,040,587	98,280	98,280
2000	4,447,100	140,415	140,415
2010	4,779,736	182,265	182,265
2020	5,024,279	231,767	231,767
2024*	5,157,699	261,608	261,608

* Population estimates. As of July 1, 2024.

** The Daphne-Fairhope-Foley, Alabama MSA includes Baldwin County.

Source: U.S. Census Bureau, Population Division

Municipal Populations

Municipality	2000	2010	2020	2024*
Bay Minette	7,820	8,044	8,107	8,505
Daphne	16,581	21,570	27,462	30,751
Elberta	552	1,498 ⁽¹⁾	1,974	2,147
Fairhope	12,480	15,326	22,477	26,044
Foley	7,590	14,618	20,335	28,043
Gulf Shores	5,044	9,741	15,014	17,431
Loxley	1,348	1,632	3,710	5,176
Orange Beach	3,784	5,441	8,095	8,599
Magnolia Springs	--	723	811	853
Perdido Beach	--	581	440	584
Robertsdale	3,782	5,276	6,708	7,613
Silverhill	616	706	795	2,030
Spanish Fort	5,423	6,798	10,049	11,118
Summerdale	655	862	1,468	1,612

* Preliminary estimates. As of July 2024.

⁽¹⁾ The increase was primarily attributed to Elberta's annexation of the previously unincorporated community of Mifflin shortly after the 2000 Census was taken.

Source: United States Census Bureau.

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Unemployment Rate

The following table sets forth the rates of unemployment for the United States, the State of Alabama and Baldwin County for the years shown:

Year	United States	State of Alabama	Baldwin County
2021	5.3%	3.4%	2.7%.
2022	3.6	2.5	2.2
2023	3.6	2.5	2.2
2024	4.0	3.0	2.7
2025	4.3	2.9	2.5
2026*	4.7	3.3	2.9

The following table sets forth information respecting the civilian labor force for Baldwin County:

Year	Total Labor Force	Employed Labor Force	Unemployed Labor Force	Unemployment Rate
2021	107,731	104,804	2,927	2.7%
2022	111,028	108,618	2,410	2.2
2023	113,708	111,245	2,463	2.2
2024	117,566	114,409	3,157	2.7
2025	120,262	117,213	3,049	2.5
2026*	119,226	115,770	3,456	2.9

* Preliminary Estimates. As of February 2026.

Source: Estimates prepared by the Alabama Department of Workforce in cooperation with the Bureau of Labor Statistics, based on 2025 benchmark. Data for **October 2025** were not collected due to the federal government shutdown. 4/6/2026.

Counties and Metropolitan Statistical Areas are comparable to the not seasonally adjusted labor force data.

Income Levels

The following table sets forth the per capita personal income for the United States, the State of Alabama and Baldwin County for the years shown:

Year	United States	State of Alabama	Baldwin County
2020	\$59,151	\$45,872	\$50,935
2021	64,692	50,638	56,504
2022	66,298	51,697	57,721
2023	70,002	54,612	61,354
2024	73,204	57,311	63,905

* Selected state data tables were discontinued September 27, 2024 and county tables were discontinued on November 14, 2024 due to budget constraints. Discontinued tables are archived.

Source: U.S. Department of Commerce, Bureau of Economic Analysis. Last updated: February 5, 2026.

Median Family Income

Median family income has been as follows in the United States, the State of Alabama, and Baldwin County:

Year	United States	State of Alabama	Baldwin* County
2021	\$ 79,900	\$66,700	\$74,300
2022	90,000	73,600	85,500
2023	96,200	79,600	93,000
2024	97,800	82,500	89,100
2025	104,200	86,400	93,000

* Baldwin County is part of the Daphne-Fairhope-Foley, AL MSA, so all information presented here applies to all of the Daphne-Fairhope-Foley, AL MSA.

Source: HUD Office of Economic Affairs, Economic and Market Analysis Division.

Poverty and Poverty Rate

The following table sets forth the number of poor and the poverty rate for the United States, the State of Alabama and Baldwin County:

	United States	State of Alabama	Baldwin County
Number of Poor	40,354,267	760,634	27,546
Poverty Rate	12.2%	15.2%	10.6%

Source: U.S. Census Bureau, 2024 American Community Survey 1-Year Estimates.

General Housing Characteristics

The following table sets forth the median value of owner-occupied housing units for the State of Alabama and Baldwin County:

	State of Alabama	Baldwin County
Average Value	\$233,300	\$338,100

Source: 2024 American Community Survey, 1-Year Estimates Data Profiles.

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The following tables set forth certain information concerning housing in the State of Alabama and Baldwin County:

	State of Alabama	Baldwin County
Occupied Housing Units		
Renter	598,257	22,583
Owner	<u>1,461,271</u>	<u>83,376</u>
Total	2,059,528	105,959
Unoccupied Housing Units	<u>322,243</u>	<u>34,088</u>
Total Housing Units	2,381,771	140,047
	State of Alabama	Baldwin County
Family Households	1,328,397	72,891
Non-Family Households	<u>731,131</u>	<u>33,068</u>
Total Households	2,059,528	105,959
Mobile Home or Trailer	275,265	12,460

Source: 2024 American Community Survey, 1-Year Estimates Data Profiles.

APPENDIX H

FORM OF INVESTOR LETTER

The Point Clear Club Improvement District
c/o Daniel Realty Company
505 20th St. North
Suite 1000
Birmingham, Alabama 35203

Stifel, Nicolaus & Company, Incorporated
2660 Eastchase Parkway
Suite 400
Montgomery, Alabama 36117

Re: The Point Clear Club Improvement District Taxable Assessment Revenue Bonds, Series 2026-B

Ladies and Gentlemen:

The undersigned (the **“Investor”**) hereby acknowledges that it is purchasing \$_____ aggregate principal amount of The Point Clear Club Improvement District Taxable Assessment Revenue Bonds, Series 2026-B (the **“Series 2026-B Bonds”**) issued in authorized denominations \$100,000 and any multiple of \$1.00 in excess thereof for each maturity pursuant to a Trust Indenture dated as of June 1, 2026 (the **“Original Indenture”**), as supplemented by the Series 2026-B Supplemental Trust Indenture dated as of June 1, 2026 (the **“Series 2026-B Initial Supplemental Indenture”**) and, collectively with Original Indenture, the **“Indenture”**) and a resolution passed by the District on March 31, 2026 (the **“Bond Resolution”**) and collectively with the Indenture the **“Authorizing Documents”**). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Authorizing Documents.

This letter is being provided pursuant to a Bond Purchase Agreement, dated June __, 2026 (the **“Bond Purchase Agreement”**), between the District and Stifel, Nicolaus & Company, Incorporated (the **“Underwriter”**).

The Investor acknowledges that the proceeds of the Series 2026-B Bonds will be used for the purposes, and Series 2026-B Bond principal and interest thereon shall be payable solely from the sources, described in the Preliminary Limited Offering Memorandum dated June 2, 2026 (the **“Offering Document”**).

In connection with the sale of the Series 2026-B Bonds to the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor has the authority and is duly authorized to purchase the Series 2026-B Bonds and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with its purchase of the Series 2026-B Bonds.
2. The Investor is a Qualified Institutional Buyer as defined in the Offering Document.
3. The Investor acknowledges that the Series 2026-B Bonds are being acquired by the Investor for:
 - (a) investment and not with a current view to, or for resale in connection with, any distribution of the Series 2026-B Bonds, and the Investor intends to hold the Series 2026-B Bonds solely for its own account for investment purposes for an indefinite period of time, and

does not intend at this time to dispose of all or any part of the Series 2026-B Bonds. However, the Investor may sell the Series 2026-B Bonds at any time the Investor deems appropriate, subject to the transfer restrictions set forth in the Series 2026-B Bonds and in the Authorizing Documents. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since a sale of the Series 2026-B Bonds, or any portion thereof, prior to maturity may not be possible. The Investor understands that the Series 2026-B Bonds will be issued only in authorized minimum denominations, and confirms that it will not allocate Series 2026-B Bonds to accounts in violation of such limitations; and

(b) to the extent the Investor is purchasing the Series 2026-B Bonds not on its own behalf but in its capacity as investment adviser to beneficial owners of separately managed accounts, such accounts will solely be for investors which meet the qualifications for investors as set forth in the Authorizing Documents and as described in paragraph 2 of this letter. The Investor understands that the Underwriter will not facilitate the establishment of such accounts and that the Series 2026-B Bonds will be issued only in authorized minimum denominations, and confirms that it will not facilitate the deposit of Series 2026-B Bonds into accounts in violation of such limitations.

4. The Investor understands that the Series 2026-B Bonds are not, and are not intended to be, registered under the Securities Act of 1933, as amended (the “**Securities Act**”) and that such registration is not legally required as of the date hereof, and further understands that the Series 2026-B Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating agency, and (d) will be delivered in a form that may not be readily marketable.
5. The Investor has been supplied with, and reviewed, a copy of the Offering Document for the Series 2026-B Bonds. Neither the District nor the Underwriter has made any representations to the Investor other than as set forth in the Offering Document, as amended to the date of this letter.
6. The Investor acknowledges that the obligations of the District under the Authorizing Documents are limited and carry material risks associated with the timely and full payment of principal and interest on the Series 2026-B Bonds given the nature of the securities and the security pledges including the risks as described in the Offering Document.
7. The Investor acknowledges and agrees that the Underwriter and the District take no responsibility for, and make no representation to the Investor, or any subsequent purchaser, with regard to, a sale, transfer or other disposition of the Series 2026-B Bonds in violation of the provisions of the Authorizing Documents, or any securities law or income tax law consequences thereof. The Investor also acknowledges that, with respect to the District’s obligations and liabilities, the Investor is solely responsible for compliance with the sales restrictions on the Series 2026-B Bonds in connection with any subsequent transfer of the Series 2026-B Bonds made by the Investor.
8. The Investor agrees that it is bound by and will abide by the provisions of the Authorizing Documents relating to transfer, the restrictions noted on the face of the Series 2026-B Bonds and this Investor Letter. The Investor also covenants to comply with all applicable federal and state securities laws, rules and regulations in connection with any resale or transfer of the Series 2026-B Bonds by the Investor.

9. The Investor acknowledges that the sale of the Series 2026-B Bonds to the Investor is made in reliance upon the certifications, representations, and warranties herein made to the addressees hereto.
10. The interpretation of the provisions hereof shall be governed and construed in accordance with Alabama law without regard to principles of conflicts of laws.
11. All representations of the Investor contained in this letter shall survive the execution and delivery of the Series 2026-B Bonds to the Investor as representations of fact existing as of the date of execution and delivery of this Investor Letter.

Date: June __, 2026

Very truly yours,

Investor: _____

By: _____

Name: _____

Title: _____

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