

**CELINA HILLS
PUBLIC IMPROVEMENT DISTRICT**

CITY OF CELINA, TEXAS

**ANNUAL SERVICE PLAN UPDATE
(ASSESSMENT YEAR 9/1/22 - 8/31/23)**

**AS APPROVED BY CITY COUNCIL ON:
AUGUST 9, 2022**

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

CELINA HILLS PUBLIC IMPROVEMENT DISTRICT

ANNUAL SERVICE PLAN UPDATE (ASSESSMENT YEAR 9/1/22 – 8/31/23)

TABLE OF CONTENTS

I. INTRODUCTION.....	1
II. UPDATE OF THE SERVICE PLAN	3
A. UPDATED SOURCES AND USES FOR PUBLIC IMPROVEMENTS	3
B. FIVE YEAR SERVICE PLAN	4
C. STATUS OF DEVELOPMENT	4
D. ANNUAL BUDGET	5
E. ANNUAL INSTALLMENTS PER UNIT.....	7
F. BOND REDEMPTION RELATED UPDATES.....	8
III. UPDATE OF THE ASSESSMENT PLAN.....	9
IV. UPDATE OF THE ASSESSMENT ROLL	10
A. PARCEL UPDATES.....	10
B. PREPAYMENT OF ASSESSMENTS.....	10

APPENDIX A – PID MAP

APPENDIX B – PREPAID PARCELS

APPENDIX C – ASSESSED VALUE OF THE PID

APPENDIX D – ASSESSMENT ROLL SUMMARY 2022-23

APPENDIX E – PID ASSESSMENT NOTICE

I. INTRODUCTION

The Celina Hills Public Improvement District (the “PID”) was created pursuant to the PID Act and Resolution No. 2019-37R of the City Council on July 9, 2019 to finance certain public improvement projects for the benefit of the property in the PID.

On April 12, 2022, the City approved issuance of the City of Celina, Texas Special Assessment Revenue Bonds, Series 2022 (Celina Hills Public Improvement District Project) (the “Bonds”) in the aggregate principal amount of \$7,495,000 were issued to finance, refinance, provide or otherwise assist in the acquisition, construction and maintenance of the public improvements provided for the benefit of the property in the PID. The Bonds are secured by Assessments.

A service and assessment plan dated April 12, 2022 (the “Service and Assessment Plan”) was prepared at the direction of the City identifying the public improvements (the “Authorized Improvements”) to be provided by the PID, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the PID for the costs of the Authorized Improvements. Pursuant to Chapter 372 of the Texas Local Government Code, as amended (the “PID Act”), the Service and Assessment Plan must be reviewed and updated annually for the purpose of determining the annual budget for the Authorized Improvements. This document is the annual update of the Service and Assessment Plan for 2022-23 (the “Annual Service Plan Update”).

The City also adopted an assessment roll for the PID attached as Appendix G to the Service and Assessment Plan (the “Assessment Roll”) identifying the Assessments on each Parcel of Assessed Property, based on the method of assessment identified in the Service and Assessment Plan. This Annual Service Plan Update also updates the Assessment Roll for 2022-23.

The Texas legislature passed House Bill 1543 as an amendment to the PID Act, requiring, among other things, (i) all Service and Assessment Plans and Annual Service Plan Updates be approved through City ordinance or order to be filed with the county clerk of each county in which all or part of the PID is located within seven days and (ii) include a copy of the notice form required by Section 5.014 of the Texas Property Code (the “PID Assessment Notice”) as disclosure of the obligation to pay PID Assessments. In light of these amendments to the PID Act, this Annual Service Plan Update includes a copy of the PID Assessment Notice as Appendix E and copy of this Annual Service Plan Update will be filed with the county clerk in each county in which all or a part of the PID is located not later than seven (7) days after the date the governing body of the City approves this Annual Service Plan Update.

Section 372.013 of the PID Act, as amended, stipulates that a person who proposes to sell or otherwise convey real property that is located in the PID, except in certain situation described in the PID Act, shall first give to the purchaser of the property a copy of the completed PID Assessment Notice. The PID Assessment Notice shall be given to a prospective purchase before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without

the seller provided the required notice, the purchaser, subject to certain exceptions described in the PID act, is entitled to terminate the contract.

The PID Assessment Notice shall be executed by the seller and must be filed in the real property records of the County in which the property is located at the closing of the purchase and sale of the property.

Capitalized terms shall have the meanings set forth in the Service and Assessment Plan unless otherwise defined herein.

(The remainder of this page is intentionally left blank.)

II. UPDATE OF THE SERVICE PLAN

A. UPDATED SOURCES AND USES FOR PUBLIC IMPROVEMENTS

Pursuant to the original Service and Assessment Plan adopted on April 12, 2022, the initial total estimated costs of the Authorized Improvements, not including Bond issuance costs, were equal to \$6,203,192. According to Requisition #1 approved by the City in June 2022, the actual costs of the Authorized Improvements spent to date are equal to \$5,347,172.

Table II-A below summarizes the updated sources and uses of funds required to (1) construct the Authorized Improvements, (2) establish the PID, and (3) issue the Bonds.

Table II-A
Sources and Uses of Funds

Sources of Funds	Initial Estimated Budget ¹	Budget Revisions ²	Updated Budget ²	Spent to Date ²	Remaining to be Funded
Par Amount	\$7,495,000	\$0	\$7,495,000	\$6,638,980	\$856,020
Other Funding Sources	\$0	\$0	\$0		\$0
Total Sources	\$7,495,000	\$0	\$7,495,000	\$6,638,980	\$856,020
Uses of Funds					
<i>Authorized Improvements:</i>					
Roadway Improvements	\$2,181,459	\$0	\$2,181,459	\$1,696,224	\$485,235
Water Improvements	\$961,483	\$0	\$961,483	\$845,894	\$115,588
Sanitary Sewer Improvements	\$1,348,788	\$0	\$1,348,788	\$1,281,349	\$67,439
Storm Drainage Improvements	\$870,593	\$0	\$870,593	\$783,534	\$87,059
Landscape & Hardscape	\$100,698	\$0	\$100,698	\$0	\$100,698
Soft and miscellaneous costs	\$740,171	\$0	\$740,171	\$740,171	\$0
<i>Subtotal</i>	<i>\$6,203,192</i>	<i>\$0</i>	<i>\$6,203,192</i>	<i>\$5,347,172</i>	<i>\$856,020</i>
<i>Estimated Bond Issuance Costs:</i>					
Debt Service Reserve Fund	\$493,500	\$0	\$493,500	\$493,500	\$0
Administrative Expenses	\$45,000	\$0	\$45,000	\$45,000	\$0
Capitalized Interest	\$110,246	\$0	\$110,246	\$110,246	\$0
Cost of Issuance	\$418,212	\$0	\$418,212	\$418,212	\$0
Underwriters Discount	\$224,850	\$0	\$224,850	\$224,850	\$0
<i>Subtotal</i>	<i>\$1,291,808</i>	<i>\$0</i>	<i>\$1,291,808</i>	<i>\$1,291,808</i>	<i>\$0</i>
Total Uses	\$7,495,000	\$0	\$7,495,000	\$6,638,980	\$856,020

1 - According to the Service and Assessment Plan approved by City Council on April 12, 2022.

2 - According to Requisition #1 approved by the City in June 2022

B. FIVE YEAR SERVICE PLAN

A service plan must cover a period of five years. All the Authorized Improvements are expected to be built within a period of five years. The anticipated budget for the Authorized Improvements over a period of five years and the indebtedness expected to be incurred for these costs is shown by Table II-B below.

Table II-B
Projected Annual Installments (2022-2028)

Assessment Year Ending 09/01	Projected Annual Installments
2022	\$0
2023	\$575,490
2024	\$575,168
2025	\$575,621
2026	\$575,799
2027	\$575,705
2028	\$575,337
Total	\$3,453,120

1 – Assessment years ending 2022 and 2023 reflect actual Annual Installments and are net of applicable reserve fund income and capitalized interest. Assessment years 2024 through 2028 reflect projected Annual Installments and are subject to change.

2 – Debt service on the Bonds were funded by capitalized interest during assessment year ending 2022. In addition, administrative expenses for assessment year ending 2022 were funded with Bond proceeds at Bond closing.

C. STATUS OF DEVELOPMENT

According to the Official Statement, the PID will include 277 residential units consisting of 144 single-family lots and 133 townhomes. According to Collin County records, plats have not been filed for Assessed Property in the PID as of June 30, 2022. As a result, there are no completed homes in the PID as of June 30, 2022.

See Table II-C below for the status of completed homes within the PID as of June 30, 2022.

Table II-C
Completed Homes

Status	As of September 30, 2021	Total as of June 30, 2022
Completed Homes ¹	0	0

1 – According to information provided by the City as of June 30, 2022.

See Appendix C for 2022 assessed values of all Parcels within the PID.

D. ANNUAL BUDGET

Annual Installments

The Assessment imposed on any Parcel may be paid in full at any time. If not paid in full, the Assessment shall be payable in thirty Annual Installments of principal and interest beginning with the tax year following the issuance of the Bonds, of which twenty-nine (29) Annual Installments remain outstanding.

Pursuant to the Service and Assessment Plan, each Assessment securing the Bonds shall bear interest at the rate on the Bonds. The effective interest rate on the Bonds is 4.86 percent. Pursuant to Section 372.018 of the PID Act, the interest rate for that Assessment may not exceed a rate that is one-half of one percent higher than the actual interest rate paid on the debt. Accordingly, the effective interest rate on the Bonds plus additional interest of one-half of one percent (to be used for funding the Prepayment Reserve and Delinquency Reserve) equals 5.36 percent and is used to calculate the interest on the Assessments securing the Bonds.

These payments, the “Annual Installments” of the Assessments, shall be billed by the City in 2022 and will be delinquent on February 1, 2023.

Pursuant to the Service and Assessment Plan, the Annual Service Plan Update shall show the remaining balance of the Assessments, the Annual Installment due for 2022-23 and the Administrative Expenses to be collected from each Parcel. Administrative Expenses shall be allocated to each Parcel pro rata based upon the amount the Annual Installment on a Parcel bears to the total amount of Annual Installments in the PID as a whole that are payable at the time of such allocation. Each Annual Installment shall be reduced by any credits applied under applicable documents including the Service and Assessment Plan and Trust Indenture, such as capitalized interest and interest earnings on any account balances and by any other funds available to the PID.

Annual Budget for the Repayment of Indebtedness

Debt service will be paid on the Bonds from the collection of the Annual Installments of the Assessments on the Assessed Property. In addition, Administrative Expenses are to be collected with the Annual Installments to pay expenses related to the collection of the Annual Installments. The additional interest collected with the Annual Installments will be used to pay the prepayment and delinquency reserve amounts as described in the Service and Assessment plan and applicable Trust Indenture.

Annual Installments to be Collected for 2022-23

The budget for the PID will be paid from the collection of Annual Installments of the Assessments on the Assessed Property collected for 2022-23 as shown by Table II-D-1 on the following page.

Table II-D-1
Budget for the Annual Installments
to be Collected for 2022-23

Descriptions	Bonds
Interest payment on March 1, 2023	\$182,058
Interest payment on September 1, 2023	\$182,058
Principal payment on September 1, 2023	\$128,000
<i>Subtotal debt service</i>	<i>\$492,115</i>
Administrative expenses	\$45,900
Excess interest for prepayment and delinquency reserves	\$37,475
<i>Subtotal Expenses</i>	<i>\$575,490</i>
Available reserve fund income	\$0
Available capitalized interest account	\$0
Available Administrative Expense account	\$0
<i>Subtotal funds available</i>	<i>\$0</i>
Annual Installments	\$575,490

Debt Service Payments

Annual Installments to be collected for principal and interest on the Bonds include interest due on March 1, 2023 in the amount of \$182,058 and September 1, 2023 in the amount of \$182,058, which equal interest on the outstanding Bonds of \$7,495,000 for six months each and an effective interest rate of 4.86 percent. Annual Installments to be collected on the Bonds include a principal amount of \$128,000 due on September 1, 2023. As a result, the total debt service due on the Bonds in 2022-23 is estimated to be equal to \$492,115.

Administrative Expenses

Administrative expenses include the City, Trustee, Administrator, dissemination agent expenses and contingency fees. As shown in Table II-D-2 on the following page, the total administrative expenses to be collected for 2022-23 are estimated to be \$45,900.

(The remainder of this page is intentionally left blank.)

Table II-D-2
Administrative Budget Breakdown

Description	2022-23 Estimated Budget (9/1/22-8/31/23)
City	\$5,000
PID Administrator	\$30,000
Trustee	\$2,500
Auditor	\$1,000
Dissemination Agent	\$2,500
Contingency	\$4,900
Total	\$45,900

Excess Interest for Prepayment and Delinquency Reserve

Annual Installments to be collected for excess interest for prepayment and delinquency reserves in the amount of \$37,475, which equals 0.5 percent interest on the outstanding Bond balance of \$7,495,000.

Available Reserve Fund Income

As of May 31, 2022, the balance in the Reserve Fund was \$493,500. The Bond Reserve Requirement is \$493,500. Pursuant to Section 6.7 (d) of the Trust Indenture, any excess balance should be transferred to the Principal & Interest Account and used to pay interest on the Bonds on the next interest payment date. As of May 31, 2022, there is not a significant balance available to pay a portion of the Bonds debt service.

Available Capitalized Interest Account

The balance deposited in the Capitalized Interest Account is anticipated to be fully expended after September 1, 2022. As a result, there is no credit to reduce the Annual Installment for 2022-23.

Available Administrative Expense Account

As of May 31, 2022, the available balance for administrative expenses was \$45,000. \$45,000 is anticipated to be used for the payment of current year administrative expenses through January 31, 2023. As a result, there are not funds available in the Administrative Expense Fund to reduce the 2022-23 Annual Installment.

E. ANNUAL INSTALLMENTS PER UNIT

According to the Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Bonds, (ii) to fund the Prepayment Reserve and Delinquency Reserve, and (iii) to cover Administrative Expenses of the PID.

According to the GRBK Edgewood, LLC (the “Developer”), 217.57 Equivalent Units are anticipated to be built within the PID. Accordingly, the principal and interest portion of Annual Installment to be collected from each unit will be \$2,434.11, calculated by taking the subtotal debt service on Bonds, including excess interest for prepayment and delinquency, less any available reserve fund income, and dividing by the total units [i.e. $(\$492,115 + \$37,475 - \$0) \div 217.57 = \$2,434.11$]. The Administrative Expenses to be collected from each unit will be \$210.97 [i.e. $\$45,900 \div 217.57 = \210.97]. As a result, the total Annual Installment to be collected from each unit within the PID will be \$2,645.08 (i.e. $\$2,434.11 + \$210.97 = \$2,645.08$). The Annual Installment to be collected from each Parcel within the PID is calculated by multiplying the Annual Installment for each unit of \$2,645.08 by the total estimated Equivalent Units for each Parcel in the PID.

The Annual Installment due to be collected from each Land Use Class in the PID for 2022-23 is shown in Table II-E below.

Table II-E
Annual Installment Per Unit

Land Use Class	Annual Installment Per Equivalent Unit	Equivalent Units	Annual Installment Per Unit
60 Ft Lot	\$2,645.08	1.00	\$2,645.08
50 Ft Lot	\$2,645.08	0.86	\$2,274.77
Townhome	\$2,645.08	0.63	\$1,666.40

The list of Parcels within the PID, the estimated number of units to be developed on the current residential Parcels, the corresponding total units, the total outstanding Assessment, the annual principal and interest, the Administrative Expenses, and the Annual Installment to be collected for 2022-23 are shown in the Assessment Roll Summary attached hereto as Appendix D.

F. BOND REDEMPTION RELATED UPDATES

The Bonds were issued in May 2022. Pursuant to Section 4.3 of the Trust Indenture, the City reserves the right and option to redeem the Bonds maturing on or after September 1, 2042, before their respective scheduled maturity date, in whole or in part, on any date on or after **September 1, 2032** at the Redemption Price.

The Administrator has conducted a preliminary evaluation of the current refunding market conditions, recent PID bond refunding transactions, and other relevant factors. Based on this preliminary evaluation, the Administrator believes a refunding of the Bonds do not appear viable at this time. The Administrator will continue to monitor the refunding market conditions, applicable PID bond refunding transactions, and other relevant factors to determine if refunding becomes viable in the future and will inform the City accordingly.

III. UPDATE OF THE ASSESSMENT PLAN

The Service and Assessment Plan adopted by the City Council describes that the Authorized Improvement costs shall be allocated to the Assessed Property equally based on the number of residential dwelling units anticipated to be built on each Parcel once such property is fully developed, and that such method of allocation will result in the imposition of equal shares of the Authorized Improvement Costs to Parcels similarly benefited.

Assessment Methodology

This method of assessing property, as updated in prior Annual Service Plan Updates, has not been changed and Assessed Property will continue to be assessed as provided for in the Service and Assessment Plan.

(The remainder of this page is intentionally left blank.)

IV. UPDATE OF THE ASSESSMENT ROLL

Pursuant to the original Service and Assessment Plan, the Assessment Roll shall be updated each year to reflect:

(i) the identification of each Parcel (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by this Service and Assessment Plan or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.F of the Service and Assessment Plan.

The 2022-23 Assessment Roll Summary is shown in Appendix D of this report. Each Parcel of in the PID is identified, along with the Assessment on each Parcel and the Annual Installment to be collected from each Parcel. Assessments are to be reallocated for the subdivision of any Parcels.

A. PARCEL UPDATES

According to the Service and Assessment Plan, upon the subdivision of any Parcel, the Assessment for the Parcel prior to the subdivision shall be reallocated among the new subdivided Parcels according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for each new subdivided Parcel
B = the Assessment for the Parcel prior to subdivision
C = the estimated total Equivalent Units to be built on each new subdivided Parcel
D = the sum of the estimated total Equivalent Units to be built on all of the new subdivided Parcels

The calculation of the estimated Equivalent Units to be built on a Parcel shall be performed by the Administrator and confirmed by the City Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of Equivalent Units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

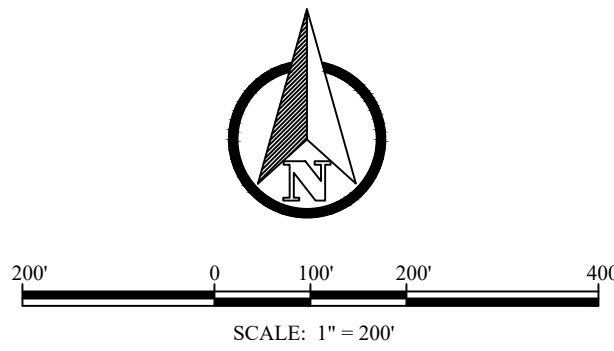
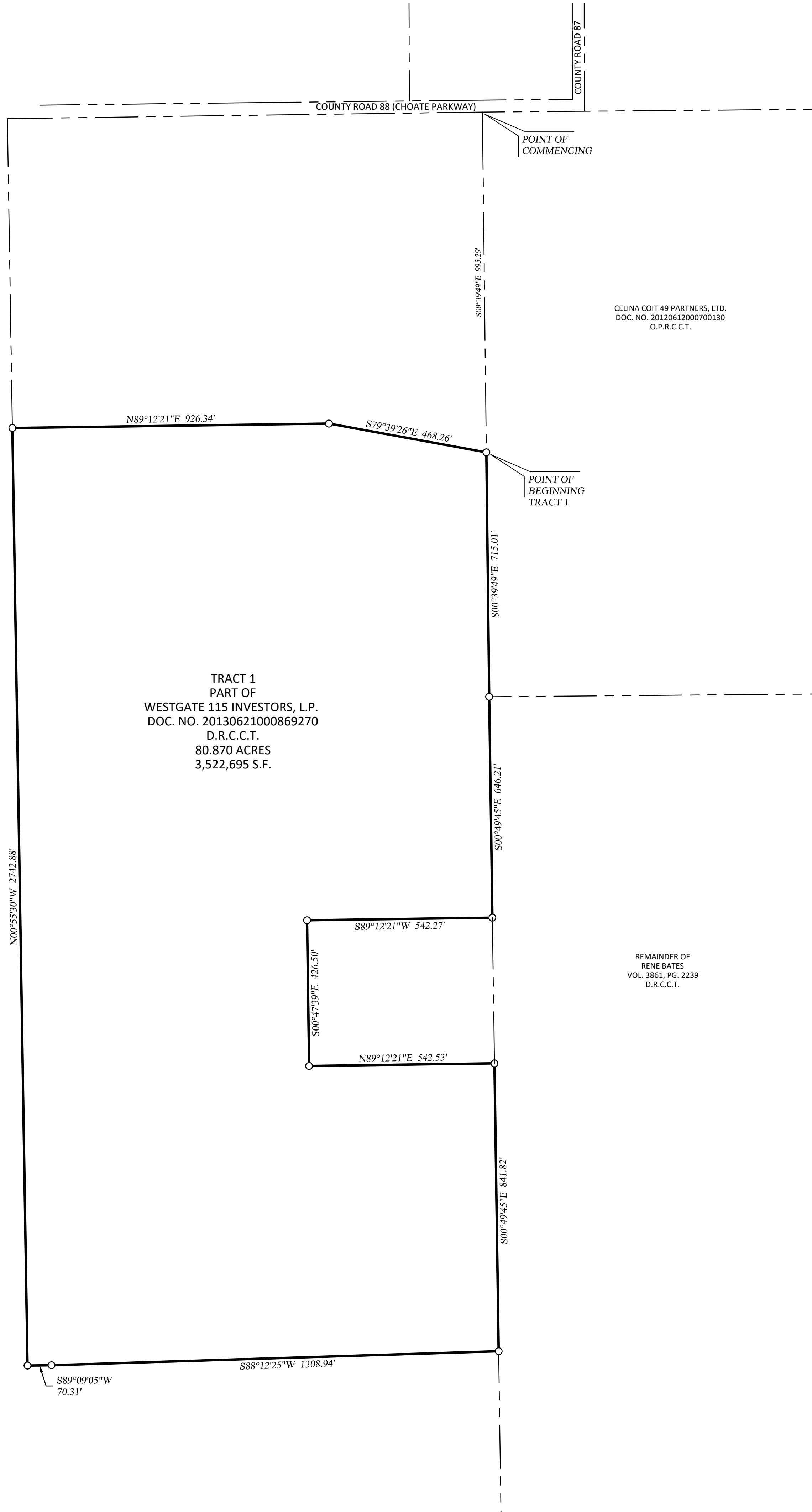
B. PREPAYMENT OF ASSESSMENTS

There have been no Assessment prepayments as of June 30, 2022.

The complete Assessment Roll is available for review at the City Hall, located at 142 N Ohio, Celina, Texas 75009.

APPENDIX A
PID MAP

SURVEY PREPARED BY: BARBORA CHAPMAN, SURVEYING, LLC, 4021
SUNSET AVENUE, SUITE 200, DALLAS, TEXAS 75244-4474



PROPERTY DESCRIPTION

BEING a tract of land situated in the M. Wilhite Surveys, Abstract Numbers 1008 and 1009, City of Celina, Collin County, Texas, being part of the tract described in the deed to WESTGATE 115 INVESTORS, L.P., recorded in Document Number 20130621000869270, Official Public Records, Collin County, Texas, the subject tract being more particularly described as follows (bearings are based on the State Plane Coordinate System, Texas North Central Zone (4202), North American Datum of 1988 (NAD '88), description is based on recorded documents, limited field survey work was performed. This description for use in zoning/PID application only, is preliminary, and shall not be used, viewed or relied upon as a final survey document):

COMMENCING at a 1/2 inch rebar found within an asphalt roadway at the northwest corner of the tract described in the deed to Celina Coit 49 Partners, LTD, recorded under Document Number 20120612000700130, Official Public Records, Collin County, Texas;

THENCE with the west line of said Celina Coit 49 Partners, LTD, Tract, SOUTH 00 degrees 39 minutes 49 seconds EAST, a distance of 995.29 feet to the northwest corner and **POINT OF BEGINNING** of the herein described tract;

THENCE with the west line of said Celina Coit 49 Partners tract, SOUTH 00 degrees 39 minutes 49 seconds EAST, a distance of 715.01 feet to the southwest corner of said Celina Coit 49 Partners tract, from which a PK nail found bears SOUTH 17 degrees EAST, 4.25 feet;

THENCE with the east line of said Westgate 115 Investors tract, SOUTH 00 degrees 49 minutes 45 seconds EAST, a distance of 646.21 feet;

THENCE through the interior of said Westgate 115 Investors tract, the following calls:

1. SOUTH 89 degrees 12 minutes 21 seconds WEST, a distance of 542.27 feet;
2. SOUTH 00 degrees 47 minutes 39 seconds EAST, a distance of 426.50 feet;
3. NORTH 89 degrees 12 minutes 21 seconds EAST, a distance of 542.53 feet to the east line of said Westgate 115 Investors tract;

THENCE with the perimeter and to the corners of said Westgate 115 Investors tract, the following calls:

1. SOUTH 00 degrees 49 minutes 45 seconds EAST, a distance of 841.82 feet;
2. SOUTH 88 degrees 12 minutes 25 seconds WEST, a distance of 1308.94 feet;
3. SOUTH 89 degrees 09 minutes 05 seconds WEST, a distance of 70.31 feet;
4. NORTH 00 degrees 55 minutes 30 seconds WEST, a distance of 2742.88 feet;

THENCE through the interior of said Westgate 115 Investors tract, NORTH 89 degrees 12 minutes 21 seconds EAST, a distance of 926.34 feet;

THENCE through the interior of said Westgate 115 Investors tract, SOUTH 79 degrees 39 minutes 26 seconds EAST, a distance of 468.26 feet, returning to the **POINT OF BEGINNING** and enclosing 80.870 acres (3,522,695 square feet) of land, more or less.

TITLE COMMITMENT NOTES

This exhibit was prepared without the benefit of a commitment for title insurance. Therefore, easements, agreements, or other documents, either recorded, or unrecorded may exist that affect the subject property that are not shown on this survey.



4821 Merlot Avenue, Suite 210
Grapevine, Texas 76051
Phone: 817-488-4960

JOB NUMBER:	TBD
DRAWN BY:	BCS
CHECKED BY:	JHB
REV:	

CELINA HILLS

CELINA, TEXAS

PID EXHIBIT

SHEET:

PID EXHIBIT

CELINA HILLS
CITY OF CELINA
COLLIN COUNTY, TEXAS

APPENDIX B
PREPAID PARCELS

As of June 30, 2022, there have been no prepayment of Assessments for any Parcel within the PID.

APPENDIX C
ASSESSED VALUE OF THE PID

Appendix C

Celina Hills Public Improvement District Value Per Phase

PID	Parcels	2022 Value^{2,3}
Celina Hills ¹	2	\$7,017,903
Total	2	\$7,017,903

1 - Parcels include one parent parcel and one city owned parcel.

2 - Parcel assessed values are in accordance with Collin Central Appraisal District online records as of July 2022.

3 - Values shown reflect the 2022 certified values.

APPENDIX D
ASSESSMENT ROLL SUMMARY 2022-23

APPENDIX D
2022-23 Assessment Roll Summary

Parcel ID	Estimated Units	Equivalent Units	Total Assessments	Principal	Interest	Prepayment & Delinquency Reserve	Administrative Expenses	2022-23 Annual Installment
2829266	277	217.57	\$7,495,000	\$128,000.00	\$364,115.00	\$37,475.00	\$45,900.00	\$575,490.00
2805390	0	0.00	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	277	217.57	\$7,495,000	\$128,000.00	\$364,115.00	\$37,475.00	\$45,900.00	\$575,490.00

APPENDIX E
PID ASSESSMENT NOTICE

Appendix E

Form of Homebuyer Disclosure

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF CELINA, TEXAS
CONCERNING THE FOLLOWING PROPERTY

[insert property address]

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Celina, Texas (the "City"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the Celina Hills Public Improvement District (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City. The exact amount of each annual installment will be approved each year by the City Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

Date: _____

Signature of Purchaser

Signature of Purchaser

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas