Somerset Public Improvement District No. 1
Lot Type 5 – Travel Center

Project Overview

The Somerset Public Improvement District No. 1 (the “District”) was created by the City Council of the City of Sinton (the “City Council”) on May 18, 2021, pursuant to the Public Improvement District Act, Texas Local Government Code, Chapter 372, as amended (the “Act”), and Resolution No. 20210518 upon petition of the owners of the taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment within the District and the property owners who own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for assessment by the District.

The District was created principally to finance certain public improvement projects (the “Authorized Improvements”) that specially benefit assessed property in the District. On January 18, 2022, the City Council approved Ordinance No. 2022-02 (the “Assessment Ordinance”) accepting and approving a Service and Assessment Plan for the District (the "Service and Assessment Plan”) and levying special assessments (the "PID Assessments") on certain property within the District in accordance with the Assessment Roll attached as Appendix G to the Service and Assessment Plan. The Assessments may be prepaid in whole or in part at any time or may be paid in annual installments as provided by the Act and the Service and Assessment Plan.

The City issued the City of Sinton, Texas Special Assessment Revenue Bonds, Series 2022 (Somerset Public Improvement District No. 1) (the “Series 2022 Bonds”) in the aggregate amount of $11,735,000 pursuant to the Act, in Ordinance 2022-03 (the “Bond Ordinance”) adopted by the City Council on January 18, 2022 and an Indenture of Trust dated as of January 1, 2022 entered into by and between the City, and UMB Bank, N.A., as trustee.

On January 1, 2022, the City and Developer entered into a certain Somerset Public Improvement District No. 1 Reimbursement Agreement (the “PID Reimbursement Agreement”) with a total principal amount payable to the Developer of $17,071,452. The PID Reimbursement Agreement will finance the Actual Costs of only a portion of the Authorized Improvements. The Series 2022 Bonds and PID Reimbursement are payable from the PID Assessments levied against each parcel of Assessed Property within the District pursuant to the Assessment Ordinances and Service and Assessment Plan.

All Assessments that are not paid in full will be billed in annual installments and collected each year by the City, or its designee, as provided in the Service and Assessment Plan. **Annual Installments are billed by the San Patricio County Tax Office and are due and payable as provided on the annual installment assessment bill.** Annual installments are expected to be billed and collected on the same schedule as property taxes. The Assessments, including the annual installments thereof, are (a) a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for state, county, school district or other political subdivision ad valorem property taxes, whether now or hereafter payable, and (b) a personal liability of and charge against the owners of the property to the extent of their ownership regardless of whether the owners are named.

More information concerning the District, PID Assessments and the due dates of the Annual Installments of the PID Assessments may be obtained from MuniCap, Inc., the District Administrator, located at 600 E. John Carpenter Freeway, Suite 150, Irving, TX 75062 and available by telephone at (469) 490-2800 or toll-free at (866) 648-8482 (toll free) and email at txpid@municap.com.

FAILURE TO PAY THE PID ASSESSMENTS LEVIED AGAINST ASSESSED PROPERTY, INCLUDING THE ANNUAL INSTALLMENT THEREOF, COULD RESULT IN FORECLOSURE OF SUCH PROPERTY.

PID Assessment Notice

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF SINTON, 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 Sinton, 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 Somerset Public Improvement District No. 1 (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

The exact amount of the assessment may be obtained from the City. 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 or MuniCap, Inc., the District Administrator for the City, located at 600 E. John Carpenter Fwy, Suite 150, Irving, Texas 75062 and available by telephone at (469) 490-2800 or (866) 648-8482 (toll free) and email at txpid@municap.com.

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.

Date: __________________

_________________________________	_______________________________
Signature of Seller	Signature of Seller

STATE OF TEXAS §
§
COUNTY OF ___________ §

The foregoing instrument was acknowledged before me by ______________________ and _________________, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, 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

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

Somerset Public Improvement District No. 1
Schedule of Projected Annual Installments

Lot Type	Lot Type 5 (Travel Center)
Equivalent Units	0.73
Outstanding Assessment (Per 1,000 GSF)	$26,147

Year[1]	Cumulative Outstanding Principal	Bond Principal[2]	Bond Interest[2]	R.A. Principal[3]	R.A. Interest[3]	Administartive Expenses[4]	Total Annual Installment[5]
2025	$26,147	$208	$587	$331	$685	$52	$1,863
2026	$25,607	$218	$591	$345	$670	$52	$1,876
2027	$25,045	$227	$580	$359	$655	$53	$1,875
2028	$24,458	$237	$569	$374	$639	$54	$1,873
2029	$23,847	$249	$556	$393	$623	$55	$1,875
2030	$23,206	$261	$543	$411	$605	$57	$1,877
2031	$22,534	$273	$529	$426	$587	$58	$1,873
2032	$21,835	$287	$515	$449	$568	$59	$1,878
2033	$21,099	$302	$499	$468	$549	$60	$1,877
2034	$20,329	$318	$482	$487	$528	$61	$1,876
2035	$19,524	$334	$464	$511	$506	$62	$1,877
2036	$18,679	$352	$445	$530	$484	$64	$1,874
2037	$17,798	$370	$425	$553	$461	$65	$1,874
2038	$16,875	$390	$405	$577	$436	$66	$1,874
2039	$15,908	$410	$383	$605	$411	$68	$1,877
2040	$14,892	$432	$360	$634	$384	$69	$1,878
2041	$13,826	$455	$335	$657	$356	$70	$1,874
2042	$12,714	$480	$310	$690	$327	$72	$1,878
2043	$11,544	$505	$282	$719	$297	$73	$1,876
2044	$10,320	$532	$253	$752	$265	$75	$1,877
2045	$9,036	$562	$222	$785	$232	$76	$1,877
2046	$7,689	$593	$190	$818	$197	$78	$1,876
2047	$6,278	$625	$156	$856	$161	$79	$1,877
2048	$4,797	$659	$120	$894	$123	$81	$1,877
2049	$3,244	$696	$82	$932	$84	$82	$1,876
2050	$1,616	$734	$42	$882	$43	$84	$1,785
Total		**$10,708**	**$9,926**	**$15,438**	**$10,875**	**$1,725**	**$48,673**

1 - Annual Installments billed by the San Patricio County Tax Office during Year 2025 will be billed on or around 10/01/25 and payment is due by January 31, 2026.
2 - The principal and interest amounts represent the final numbers of the Series 2022 Bonds and will not increase during the life of the bonds. Interest amounts are calculated through the principal payment date of each year.
3 - Represents the principal and interest on the PID Reimbursement Agreement. Interest is calculated assuming an interest rate of 4.41%.
4 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Update.
5 - The total Annual Installment amounts do not include any TIRZ credit, if any.

THIS SCHEDULE IS AN ESTIMATE OF ANNUAL INSTALLMENT PAYMENTS AND IS SUBJECT TO CHANGE. THE EXACT AMOUNT OF EACH ANNUAL INSTALLMENT WILL BE REFLECTED IN THE SOMERSET PUBLIC IMPROVEMENT DISTRICT NO. 1 SERVICE AND ASSESSMENT PLAN, AS THE SAME IS UPDATED EACH YEAR.

Property Owners may choose to prepay their Assessment at any time. Effective January 1, 2024, for any single-family residential parcel prepaying an Assessment, a $500 fee will be included in the total payoff amount to cover processing and other lien release related filing expenses. If interested in prepaying an Assessment, please contact, MuniCap by telephone at (469) 490-2800 or email at txpid@municap.com.

Somerset Public Improvement District No. 1 (PID)
& Reinvestment Zone No. 1 (TIRZ)

The property in the PID is also located in the City of Sinton Tax Increment Reinvestment Zone No. 1. Various taxing jurisdictions have committed to use a portion of their annual incremental ad valorem property taxes collected from a property in the current tax year as a credit (the "TIRZ Credit") to reduce the PID annual installment of assessments due in the following year.

If a property owner is to receive a TIRZ Credit, the Annual Installment shown on their tax statement will be the projected Annual Installment shown in the attached schedule **LESS** any TIRZ Credit.

Please see below for a summary of the percentage of annual ad valorem tax that each participating taxing jurisdiction has committed:

Real Property Tax 2024 Tax Rates[1] *(per $100 of taxable value)*		Committed Participation Percentage[2]	
City of Sinton (M&O)	*$0.705961*	***50%***	*$0.3529805*
San Patricio County (M&O)	*$0.277105*	***50%***	*$0.1385525*
San Patricio County Drainage District (M&O)	*$0.050000*	***50%***	*$0.0250000*
	$1.033066		***$0.5165330***

1 – The tax rates included in the table above reflect 2024 tax rates as reported on https://www.sanpatriciocountytx.gov/page/open/1585/0/2024%20Tax%20Rates.pdf, which are subject to change.
2 – Committed participation percentages shown in the table above are as reported in the TIRZ No. 1 Project and Financing Plan.

For additional information regarding the exact amount of TIRZ Credit for a specific parcel, refer to the property search feature on the Municap website: https://municap.clearbasinsystems.com/disclaimer. The applicable amount of TIRZ Credit will be reviewed and approved each year by the City Council in the Annual Service Plan Update for the District.

More information about the TIRZ Credit may be obtained from MuniCap, Inc., available by telephone at (469) 490-2800 or (866) 648-8482 (toll free) and email at txpid@municap.com.

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