

Kaufman County
Laura Hughes
County Clerk

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STATE OF TEXAS
COUNTY OF KAUFMAN

I hereby certify that this instrument was filed on the date and time stamped hereon by me
and was duly recorded in the Official Public Records of Kaufman County, Texas.

Laura A. Hughes

Laura Hughes, County Clerk

Recorded By: Bobbie Bartlett, Deputy

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31/145

ORDINANCE NO. O-20-25

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, ACCEPTING AND APPROVING AN UPDATE OF THE SERVICE AND ASSESSMENT PLAN AND AN UPDATED ASSESSMENT ROLL 2025-2026 FOR THE CITY OF KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 2 ("PID 2") IN COMPLIANCE WITH CHAPTER 372 OF THE TEXAS LOCAL GOVERNMENT CODE; MAKING AND ADOPTING FINDINGS; PROVIDING FOR THE INCORPORATION OF FINDINGS; ACCEPTING AND APPROVING THE ANNUAL SERVICE PLAN UPDATE AND UPDATED ASSESSMENT ROLL FOR PID 2 FOR 2025-2026, ATTACHED HERETO AS EXHIBIT "A"; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE AND FILING. ("PRAIRIE CREEK")

WHEREAS, on December 20, 2021, after due notice, the City Council of the City of Kaufman, Texas (the "City Council") held the public hearing in the manner required by law on the advisability of the public improvements and services described in the petition as required by Sec. 372.009 of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "PID Act") and made the findings required by Sec. 372.009(b) of the PID Act and, by Resolution No. R-39-21 adopted by a majority of the members of the City Council, authorized the PID in accordance with its finding as to the advisability of the public improvements and services; and

WHEREAS, on July 25, 2022, after notice and a public hearing conducted in the manner required by law, the City Council adopted Ordinance No. O-18-22 approving the 2022-2023 Service and Assessment Plan and Assessment Roll for the Kaufman Public Improvement District No. 2 (the "Assessment Ordinance"); and

WHEREAS, on July 24, 2023, after notice and a public hearing conducted in the manner required by law, the City Council adopted Ordinance No. O-14-23 approving the 2023-2024 Service and Assessment Plan and Assessment Roll for the Kaufman Public Improvement District No. 2 (the "Assessment Ordinance"); and

WHEREAS, on July 22, 2024, after notice and a public hearing conducted in the manner required by law, the City Council adopted Ordinance No. O-16-24 approving the 2024-2025 Service and Assessment Plan and Assessment Roll for the Kaufman Public Improvement District No. 2 (the "Assessment Ordinance"); and

WHEREAS, Section 372.013 of the PID Act and the Service and Assessment Plan require that the Service and Assessment Plan and Assessment Roll be annually reviewed and updated; and

WHEREAS, the City Council is contemplating the issuance of bonds at a future date for authorized costs associated with PID 2 which bonds will be secured directly and

indirectly, respectively, by the assessments levied against the property comprising of PID 2 in accordance with state law; and

WHEREAS, the Annual Service Plan Update and updated Assessment Roll attached as Exhibit "A" hereto reflects prepayments, property divisions, and changes to the budget allocation for District public improvements that occur during the year, if any; and

WHEREAS, the City Council now desires to proceed with the adoption of this Ordinance which supplements the Assessment Ordinance and approves and adopts the Annual Service Plan Update and the Updated Assessment Roll attached thereto, in conformity with the requirements of the PID Act, for the fiscal year beginning October 1, 2025, and ending September 30, 2026.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS:

SECTION 1. INCORPORATION OF FINDINGS. The findings and determinations set forth in the preambles above are incorporated herein for all purposes and are hereby adopted.

SECTION 2. ANNUAL SERVICE PLAN UPDATE AND UPDATED ASSESSMENT ROLL. The Annual Service Plan Update and Updated Assessment Roll for PID 2 for 2025-2026 are attached hereto as **Exhibit "A"** are hereby accepted and approved and compliance with the PID Act in all matters is required.

SECTION 3. CUMULATIVE REPEALER. That this Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances or parts thereof in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such Ordinance on the date of adoption of this Ordinance shall continue to be governed by the provisions of that Ordinance and for that purpose the Ordinance shall remain in full force and effect.

SECTION 4. SEVERABILITY. If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

SECTION 5. EFFECTIVE DATE/FILING. This Ordinance shall take effect upon its passage and publication as required by law. The City Secretary is directed to publish the caption of this Ordinance as required law, and not later than the seventh day after the date of the adoption of this Ordinance, the City Secretary is hereby authorized and directed to file a copy of this Ordinance with the Annual Service Plan Update and Updated Assessment Roll for PID 2 for 2025-2026 (**Exhibit "A"**) with the Kaufman County Clerk and any other County.

PASSED, APPROVED, AND ADOPTED on this 28th day of July 2025.

JEFF JORDAN
MAYOR

ATTEST:

JESSIE HANKS
CITY SECRETARY

APPROVED AS TO FORM:

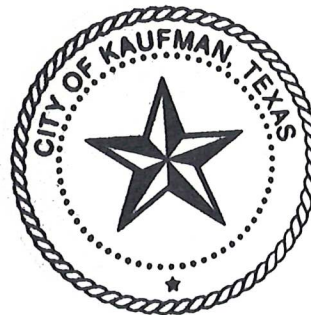
M. ANN MONTGOMERY
CITY ATTORNEY

EXHIBIT A
ANNUAL SERVICE PLAN UPDATE AND UPDATED ASSESSMENT ROLL
(PID 2 - 2025-2026)
(PRAIRIE CREEK)

**KAUFMAN
PUBLIC IMPROVEMENT DISTRICT NO. 2**

CITY OF KAUFMAN, TEXAS

**ANNUAL SERVICE PLAN UPDATE
(ASSESSMENT YEAR 9/15/25 – 9/14/26)**

**AS APPROVED BY CITY COUNCIL ON:
JULY 28, 2025**

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

KAUFMAN
PUBLIC IMPROVEMENT DISTRICT NO. 2

ANNUAL SERVICE PLAN UPDATE
(ASSESSMENT YEAR 9/15/25 – 9/14/26)

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I. INTRODUCTION

A. INTRODUCTION

The Kaufman Public Improvement District No. 2 (the “PID”) was created pursuant to the PID act and a resolution of the City Council (the “City Council”) of the City of Kaufman, Texas, (the “City”) on December 20, 2021, to finance certain public improvement projects for the benefit of the property in the PID.

A service and assessment plan (the “Service and Assessment Plan”) was prepared at the direction of the City identifying 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. Reimbursement obligations for the PID Reimbursement Agreement, in the aggregate principal amount of \$1,106,000 are secured by Assessments (the “Assessments”). Pursuant to the PID Act, the Service and Assessment Plan must be reviewed and updated annually. This document is the annual update of the Service and Assessment Plan for 2025-26 (the “Annual Service Plan Update”).

The City also adopted Assessment Rolls identifying the assessments on each Parcel within the PID, based on the method of assessment identified in the Service and Assessment Plan. This Annual Service Plan Update also updates the Assessment Rolls for 2025-26 as shown in Appendix D and Appendix E.

Effective September 1, 2021, 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 F, and a 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 situations 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, that 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 in this section not defined herein shall have the meanings assigned to such terms in the Service and Assessment Plan.

B. DEFINITIONS

Capitalized terms used herein shall have the meanings ascribed to them as follows:

“Actual Cost(s)” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement. Actual Cost may include: (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor and construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, and taxes, (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, and (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, permit fees, development fees), insurance premiums and miscellaneous expenses.

Actual Costs may include general contractor’s fees in an amount up to a percentage equal to the percentage of work completed and accepted by the City or construction management fees in an amount up to five percent of the eligible Actual Costs described in a Certification for Payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

“Administrative Expenses” means the administrative, organization, maintenance and operation costs associated with, or incidental to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, maintenance, and operation of the PID and the Authorized Improvements, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) issuing, paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable

to the Bonds, (viii) the Trustee's reasonable fees and expenses relating to any bonds, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on any Bonds or any costs of issuance associated with any Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

"Administrator" means the employee or designee of the City, identified in any indenture of trust relating to the Bonds or in any other agreement approved by the City Council, who shall have the responsibilities provided for herein.

"Annual Installment" means, with respect to each Parcel, each annual payment of: (i) the Assessments including both principal and interest, as shown on the Assessment Roll attached hereto as Appendix G, as applicable, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, and (ii) the Administrative Expenses.

"Annual Service Plan Update" has the meaning set forth in the second paragraph of Section IV of this Service and Assessment Plan.

"Assessed Property" means the property that benefits from the Authorized Improvements to be provided by the PID on which Assessments have been imposed as shown in each Assessment Roll, as each Assessment Roll is updated each year by the Annual Service Plan Update. Assessed Property includes Parcels within the PID other than Non-Benefited Property.

"Assessment" means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act. An Assessment for a Parcel consists of the Annual Installments to be collected in all years including the portion of those Annual Installments collected to pay Administrative Expenses and interest on all Assessments.

"Assessment Ordinance" means an Assessment Ordinance adopted by the City Council approving the Service and Assessment Plan (including amendments or supplements to the Service and Assessment Plan) and levying the Assessments.

"Assessment Revenues" mean the revenues actually received by or on behalf of the City from the collection of Assessments.

"Assessment Roll" means the Assessment Roll included in this Service and Assessment Plan as Appendix G or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update, as each may be updated, modified, or amended from time to time in accordance with the procedures set forth in this Service and Assessment Plan and in the PID Act.

“Authorized Improvements” mean those public improvements described in Appendix B of this Service and Assessment Plan and Section 372.003 of the PID Act, constructed and installed in accordance with this Service and Assessment Plan, and any future updates and/or amendments.

“Budgeted Cost(s)” means the amounts budgeted to construct the Authorized Improvements as used in the preparation of this Service and Assessment Plan.

“Certification for Payment” means the certificate to be provided by the Developer, or his designee, to substantiate the Actual Cost of one or more Authorized Improvements.

“City” means the City of Kaufman, Texas.

“City Council” means the duly elected governing body of the City.

“County” means Kaufman County, Texas.

“Delinquent Collection Costs” mean interest, penalties and expenses incurred or imposed with respect to any delinquent installment of an Assessment in accordance with the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorney’s fees.

“Developer” means SRP Development, LLC, a Texas limited liability corporation.

“Development Agreement” means a certain development agreement by and between the City and SRP Development, LLC, and related to the Property effective December 20, 2021, and as the same may be amended from time to time.

“Homeowner Association” means a homeowner’s association or property owners’ association established for the benefit of property owners within the boundaries of the PID.

“Homeowner Association Property” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, a homeowner’s association.

“Lot” means a tract of land described as a “lot” in a subdivision plat recorded in the official public records of the County.

“Lot Type” means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single-family residential, etc.), as determined by the Administrator and confirmed by the City Council as shown in Appendix F. In the case of single-family residential lots, the Lot Type shall be further defined by classifying the residential lots by the estimated average home value for each home at the time of assessment levy, considering factors such as density, lot size, proximity to amenities, view premiums, location, and any other factors that may impact the average home value on the lot, as determined by the Administrator and confirmed by the City Council.

“Maximum Assessment Per Lot” means an Assessment per Lot of \$17,555.56.

“Non-Benefited Property” means Parcels that accrue no special benefit from the Authorized Improvements, including Homeowner Association Property, Public Property and easements that create an exclusive use for a public utility provider to the extent they accrue no special benefit. Property identified as Non-Benefited Property that is not assessed at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI.C.

“Parcel” or **“Parcels”** means a parcel or parcels within the PID identified by either a tax map identification number assigned by the Kaufman Central Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the real property records of the County.

“PID” has the meaning set forth in Section I.A of this Service and Assessment Plan.

“PID Act” means Texas Local Government Code Chapter 372, Public Improvement District Assessment Act, Subchapter A, Public Improvement Districts, as amended.

“Prepayment Costs” mean interest and expenses to the date of prepayment, plus any additional expenses related to the prepayment, reasonably expected to be incurred by or imposed upon the City as a result of any prepayment of an Assessment.

“Public Property” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, the County, the City, a school district or any other public agency, whether in fee simple or through an exclusive use easement.

“Reimbursement Agreement” means that certain Kaufman Public Improvement District No. 2 Reimbursement Agreement dated as of July 25, 2022 by and between the City and the Developer in which the Developer agrees to fund certain Actual Costs of Authorized Improvements and the City agrees to reimburse the Developer for a portion of such Actual Costs funded by the Developer with interest as permitted by the PID Act.

“Service and Assessment Plan” or **“SAP”** means this Service and Assessment Plan prepared for the PID pursuant to the PID Act, as the same may be amended from time to time.

II. UPDATE OF THE SERVICE PLAN

A. UPDATED SOURCES AND USES FOR PUBLIC IMPROVEMENTS

Pursuant to the Service and Assessment Plan adopted on July 25, 2022, the initial total estimated costs of the Authorized Improvements were equal to \$3,210,118. According to the Developer, the current costs spent to date for the Authorized Improvements are \$3,210,118, and the updated budget remains unchanged from the initial total estimated costs.

According to the Developer, the Authorized Improvements have been completed and accepted by the City in the fourth quarter of 2022.

Table II-A-1 below summarizes the updated sources and uses of funds required to construct the Authorized Improvements of the PID.

Table II-A-1
Updated Sources and Uses

Sources of Funds	Initial Estimated Budget ¹	Actual Cost ¹	Variance
Par Amount	\$1,106,000	\$1,106,000	\$0
Other funding sources	\$2,104,118	\$2,104,118	\$0
Total Sources	\$3,210,118	\$3,210,118	\$0
Uses of Funds			
<i>Major Improvements</i>			
Road improvements	\$854,993	\$854,993	\$0
Water improvements	\$324,899	\$324,899	\$0
Sanitary sewer improvements	\$265,377	\$265,377	\$0
Storm drainage improvements	\$918,426	\$918,426	\$0
Landscaping and trail improvements	\$175,875	\$175,875	\$0
Other soft and miscellaneous costs	\$670,548	\$670,548	\$0
<i>Subtotal: Authorized Improvements</i>	<i>\$3,210,118</i>	<i>\$3,210,118</i>	<i>\$0</i>
Total Uses	\$3,210,118	\$3,210,118	\$0

¹ - Information provided by the Developer as of September 26, 2022.

B. FIVE YEAR SERVICE PLAN

According to the PID act, a service plan must cover a period of five years.

The budget for the Authorized Improvements is shown in Table II-A-1 above, and the Annual Installments expected to be collected for those costs during the next five years are shown in Table II-B-1 on the following page.

Table II-B-1
Annual Installments (2022-2031)

Assessment Year Ending 09/15	Projected Annual Installments ¹
2022-2025	\$171,185
2026	\$91,613
2027	\$90,630
2028	\$90,660
2029	\$90,604
2030	\$90,500
2031	\$90,348
Total	\$715,540

1 - Assessment year ending 2022-2026 reflects actual Annual Installments billed or to be billed. Assessment years ending 2027-2031 reflect projected Annual Installments and are subject to change.

C. STATUS OF DEVELOPMENT

According to the Kaufman County Appraisal District (“KCAD”), the final plat of the PID was recorded on October 18, 2021, for 63 residential Lots.

According to the City, there have been sixty-three (63) permits issued for the PID as of May 31, 2024. Table II-C-1 below summarizes the number of building permits issued and the completed homes for the PID.

Table II-C-1
Completed Homes

Status	As of May 31, 2024
Completed Homes ¹	63
Building Permits Issued ¹	63

1 - Information provided by the City as of May 31, 2024.

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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 earlier of: (i) with tax bills sent the first October following the issuance of a building permit for each Lot, such that Assessments are billed only for Lots for which a building permit has been issued, or (ii) with tax bills sent the first October occurring after the expiration of two years from the date of the levy of Assessments on the Assessed Property, such that all Assessments not otherwise being collected, shall begin collection immediately after the expiration of such two year period.

Pursuant to the Service and Assessment Plan, each Assessment shall bear interest at the rate on the Reimbursement Agreement. The effective interest rate is 4.82 percent for 2025-26. These payments, the “Annual Installments” of the Assessments, if any, shall be billed by the City in 2025 and will be delinquent on February 1, 2026.

Pursuant to the Service and Assessment Plan, each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be updated annually. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

According to the City, building permits for fifty-seven (57) Lots have been issued as of May 31, 2023. As a result, condition (i) has been satisfied for the respective fifty-seven (57) Lots, and the first Annual Installment will be due no later than January 31, 2024, for each lot, of which twenty-eight (28) Annual Installments remain outstanding.

Additionally, the City reported that building permits for all remaining Lots within the PID have been issued as of May 31, 2024. As a result, condition (i) has been satisfied for the respective six (6) Lots, and the first Annual Installment will be due no later than January 31, 2025 for each Lot, of which twenty-nine (29) Annual Installments remain outstanding.

Table II-D-1 below shows the amount of Assessments applicable to all Lots triggered as of May 31, 2024. As of May 31, 2024, the Assessment for all Lots had been triggered.

Table II-D-1
Assessments on Lots with Building Permits as of May 31, 2024¹

Trigger Period	Annual Installment Condition Trigger	Number of Lots ¹	Total Assessments ²
2023-24	Condition (i)	57	\$1,000,667
2024-25	Condition (i)	6	\$105,333
Total		63	\$1,106,000

1 – Number of Lots represents the issuance of building permits according to the City as of May 31, 2024.

2 – See the 2025-26 Assessment Rolls for the current total outstanding Assessment balances.

Pursuant to the Service and Assessment Plan, the Annual Service Plan Update will show the remaining balance of the Assessments, the Annual Installment due for 2025-26 and the administrative expenses to be collected from each Parcel. Annual administrative expenses shall be allocated to each Parcel pro rata based on the Annual Installment on a Parcel to the total 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.

Annual Budgets for the Repayment of Indebtedness

Debt service proportionately allocated to each Lot where a building permit was issued will be paid on the Reimbursement Agreement from the collection of the Annual Installments. In addition, Annual Collection Costs are to be collected with the Annual Installments to pay expenses related to the collection of the Annual Installments.

Annual Installments to be collected for 2025-26

The proportional budget for the PID will be paid from the collection of Annual Installments collected for 2025-26 as shown in Table II-D-2 below.

Table II-D-2
Budget for the Annual Installments
to be collected for 2025-26

Descriptions	Budget for all Lots Based on Trigger Period		Total
	2023-24	2024-25	
Interest payment on or after March 1, 2026	\$23,309	\$2,497	\$25,807
Interest payment on or after September 1, 2026	\$23,309	\$2,497	\$25,807
Principal payment on September 1, 2026	\$17,190	\$1,810	\$19,000
<i>Subtotal debt service on R.A.</i>	<i>\$63,809</i>	<i>\$6,804</i>	<i>\$70,613</i>
Administrative Expenses	\$19,000	\$2,000	\$21,000
<i>Subtotal Expenses</i>	<i>\$19,000</i>	<i>\$2,000</i>	<i>\$21,000</i>
Available Administrative Expense account	\$0	\$0	\$0
<i>Subtotal funds available</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Annual Installments	\$82,809	\$8,804	\$91,613

Debt Service Payments

Table II-D-3 on the following page shows the Annual Installments to be collected for principal and interest based on the outstanding Assessment balance for each trigger period and the effective interest rate of 4.82 percent.

Table II-D-3
Principal and Interest to be Collected for 2025-26

Lots in Trigger Period	Outstanding Assessment Balance	Principal	Effective Interest Rate	3/1 Interest	9/1 Interest	Annual Installments to be Collected for Principal and Interest
2023-24	\$967,190	\$17,190	4.82%	\$23,309	\$23,309	\$63,809
2024-25	\$103,619	\$1,810	4.82%	\$2,497	\$2,497	\$6,804
Total	\$1,070,810	\$19,000		\$25,807	\$25,807	\$70,613

1- The numbers in this and subsequent tables are in some cases shown rounded to the nearest dollar; however, the calculations are made to the cent.

Administrative Expenses

As shown in Table II-D-4 below, annual administrative expenses include the City, Administrator, and contingency fees.

Table II-D-4
Administrative Budget Breakdown

Lots in Trigger Period	2025-26 Estimated Budget
2023-24	\$19,000
2024-25	\$2,000
Total	\$21,000

Available Administrative Expense Account

As of May 31, 2025, the current balance is anticipated to be used for the payment of current year administrative expenses through January 31, 2026. As a result, funds are not anticipated to be available in the Administrative Account to reduce the 2025-26 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 Reimbursement Agreement and (ii) to cover Administrative Expenses of the PID.

According to the Developer, sixty-three (63) units were anticipated to be built within the PID. See Table II-D-1 of this report for the number of Lots triggered for Annual Installment collection beginning with the 2023-24 cycle.

The Annual Installment to be collected from each Lot triggered in 2023-24 within the PID where Annual Installment collection has been triggered is calculated by multiplying the Annual Installment for each unit shown in Table II-E-1 on the following page by the total number of Lots triggered in 2023-24 within the PID.

Table II-E-1
Annual Installment Per Unit
Lots in 2023-24 Trigger Period

Budget Item	Net Budget Amount ¹	Annual Installment per Unit ²
Principal	\$17,190.48	\$301.59
Interest	\$46,618.58	\$817.87
Administrative Expenses	\$19,000.00	\$333.33
Total	\$82,809.06	\$1,452.79

1- Refer to Table II-D-2 of this report for additional budget details.

2- Based on the current outstanding 57 units.

The Annual Installment to be collected from each Lot triggered in 2024-25 within the PID where Annual Installment collection has been triggered is calculated by multiplying the Annual Installment for each unit shown in Table II-E-2 below by the total number of Lots triggered in 2024-25 within the PID.

Table II-E-2
Annual Installment Per Unit
Lots in 2024-25 Trigger Period

Budget Item	Net Budget Amount ¹	Annual Installment per Unit ²
Principal	\$1,809.52	\$301.59
Interest	\$4,994.44	\$832.41
Administrative Expenses	\$2,000.00	\$333.33
Total	\$8,803.96	\$1,467.33

1- Refer to Table II-D-2 of this report for additional budget details.

2- Based on the current outstanding six units.

The list of Parcels within the PID, the lot type of the Parcels, the total outstanding Assessment, the annual principal and interest, the Administrative Expenses, and the Annual Installment to be collected for 2025-26 are shown in the Assessment Roll Summaries attached hereto as Appendix D and Appendix E.

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III. UPDATE OF THE ASSESSMENT PLAN

The Service and Assessment Plan adopted by the City Council provided that the Authorized Improvement Costs shall be allocated to the Assessed Property equally on the basis of 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.

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

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IV. UPDATE OF THE ASSESSMENT ROLL

Pursuant to the original Service and Assessment Plan, the Assessment Rolls 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.E of this Service and Assessment Plan.

The summary of updated Assessment Rolls is shown in Appendix D of this report. Each Parcel 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 Administrator shall reallocate the Assessment for the Parcel prior to the subdivision 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 units to be built on each newly subdivided Parcel.
- D = the sum of the estimated number of units to be built on all of the new subdivided Parcels.

The calculation of the estimated number of 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 units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

According to the Kaufman County Appraisal District, the final plat of the PID was recorded and recognized by KCAD on October 18, 2021.

As a result, individual Lots within the PID were billed Annual Installments, subject to their respective trigger date, beginning in tax year 2022.

B. PREPAYMENT OF ASSESSMENTS

There have been no prepayments of Assessments as of June 30, 2025.

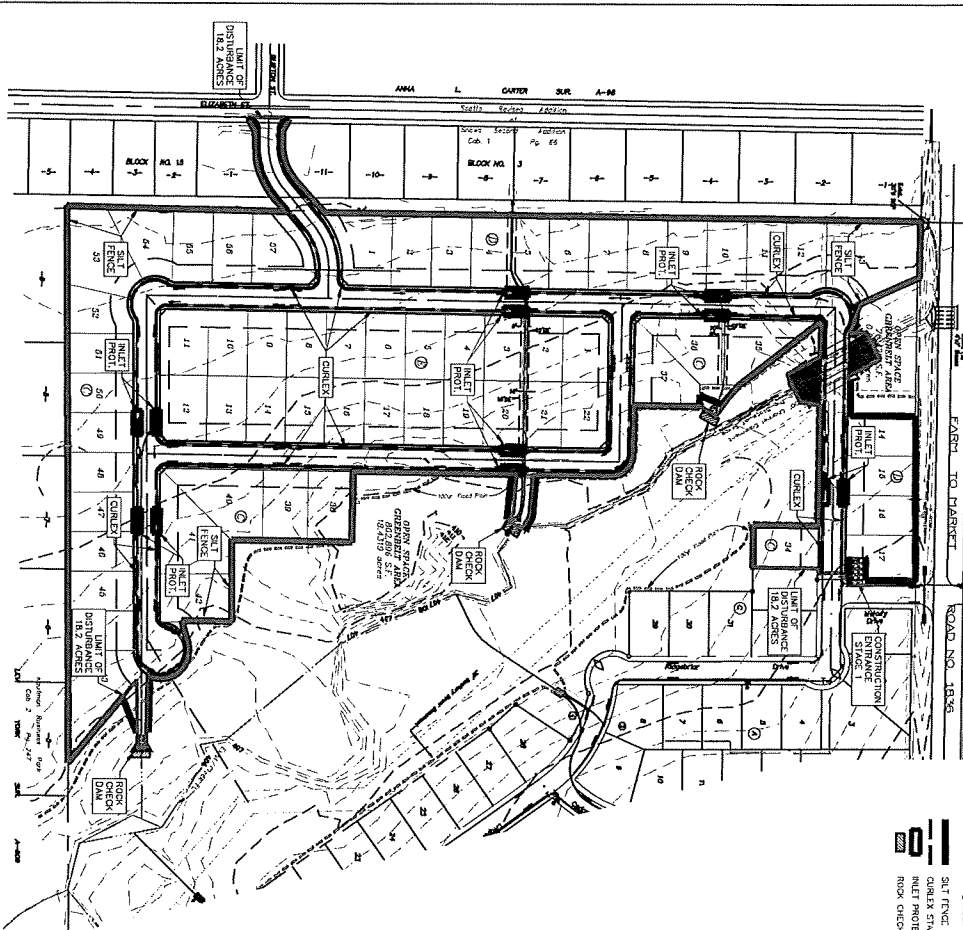
The complete Assessment Rolls are available for review at the City Hall, located at 209 S. Washington Street, Kaufman, Texas 75142.

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APPENDIX A
PID MAP

Project: Prairie Creek Estates, Phase 3
 Sheet: C-100
 Date: 10/1/2010
 Scale: 1" = 10'

Legend
 SLIT FENCE STAGE 1
 QUARRY STAGE 1
 INLET PROTECTION
 ROCK CHECK DAM

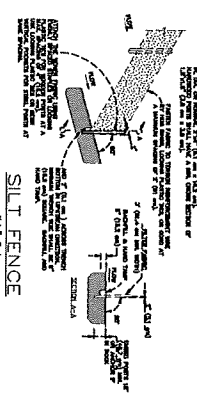


CAUTION !!!

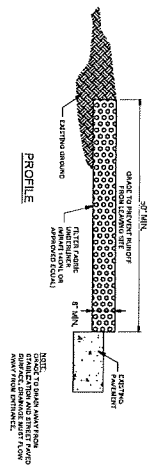
EXISTING UTILITIES AND UNDERGROUND FACILITIES INDICATED ON THIS PLAN HAVE BEEN LOCATED BY VISUAL INSPECTION AND SURFACE RECORDS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE LOCATION AND DEPTH OF ALL UTILITIES AND FACILITIES PRIOR TO CONSTRUCTION. THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING ALL UTILITIES AND FACILITIES FROM DAMAGE DURING CONSTRUCTION.

1. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.
2. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.
3. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.
4. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.
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13. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.
14. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.
15. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.

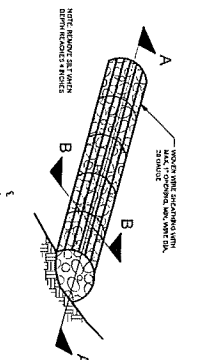
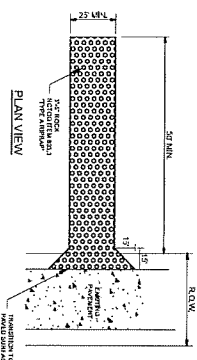
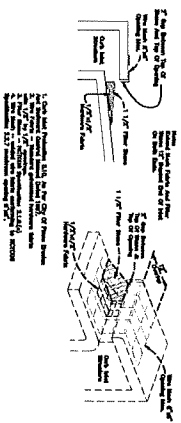
SILT FENCE



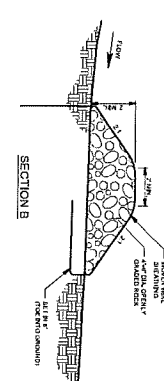
CONSTRUCTION ENTRANCE



SEGMENT BARRIER AT INLETS



ROCK CHECK DAM



CONSTRUCTION NOTES:

1. All work shall be done in accordance with the plans and specifications.
2. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.
3. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.
4. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.
5. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.
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11. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.
12. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.
13. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.
14. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.
15. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.

CHANNELS, DITCHES & SLOPES

The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.

NOTE:

The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project. The contractor shall be responsible for obtaining all necessary permits and approvals for the construction of the project.

PRELIMINARY

THESE PLANS ARE PRELIMINARY AND NOT FOR CONSTRUCTION. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FOR THE CONSTRUCTION OF THE PROJECT.

EROSION CONTROL PLAN

DESIGN	DATE	SCALE	NOTES	FILE	NO.
DESIGN	10/1/2010	1"=10'			20

APPENDIX B
PREPAID PARCELS

As of June 30, 2025, there have been no prepayments for any Parcel within the PID.

APPENDIX C
2025 ASSESSED VALUES

Parcels	2025 Assessed Value^{1,2}
All Parcels	\$17,823,319
Total	\$17,823,319

1 – Based on Information from Kaufman Central Appraisal District as of May 15, 2025.

2 – Parcels reporting an assessed value of N/A represent confidential parcels.

APPENDIX D
ASSESSMENT ROLL SUMMARY – LOTS TRIGGERED IN 2023-24

Appendix D
2025-26 Assessment Roll Summary
Lots Triggered in 2023-24

Parcel	Estimated No. of units	Lot Size	Lot Type	Total Outstanding Assessment	Principal	Interest	Administrative Expense	Annual Installment
217359	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217377	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217378	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217379	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217388	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217389	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217390	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217391	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217392	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217393	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217397	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217398	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217399	1	70	1	\$8,484.13	\$150.79	\$408.93	\$166.67	\$726.40
235033				\$8,484.13	\$150.79	\$408.93	\$166.67	\$726.40
217400	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217401	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217402	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217403	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217404	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217405	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217406	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217407	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217445	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217454	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217455	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217456	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217457	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217498	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217446	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217447	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217448	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217449	1	70	1	\$8,484.13	\$150.79	\$408.93	\$166.67	\$726.40
233097				\$8,484.13	\$150.79	\$408.93	\$166.67	\$726.40
217450	1	70	1	\$8,484.13	\$150.79	\$408.93	\$166.67	\$726.40
230903				\$8,484.13	\$150.79	\$408.93	\$166.67	\$726.40
217451	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217452	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217453	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217458	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217467	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217468	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217469	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217470	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217471	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217472	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217473	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217474	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217475	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217476	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217459	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217477	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217478	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217479	1	70	1	\$8,484.13	\$150.79	\$408.93	\$166.67	\$726.40
235673				\$8,484.13	\$150.79	\$408.93	\$166.67	\$726.40
217460	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217461	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217462	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217463	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217464	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217465	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
217466	1	70	1	\$16,968.25	\$301.59	\$817.87	\$333.33	\$1,452.79
Total	57			\$967,190.48	\$17,190.48	\$46,618.58	\$19,000.00	\$82,809.06

APPENDIX E
ASSESSMENT ROLL SUMMARY – LOTS TRIGGERED IN 2024-25

Appendix E
2025-26 Assessment Roll Summary
Lots Triggered in 2024-25

Parcel	Estimated No. of units	Lot Size	Lot Type	Total Outstanding Assessment	Principal	Interest	Administrative Expense	Annual Installment
217394	1	70	1	\$17,269.84	\$301.59	\$832.41	\$333.33	\$1,467.33
217395	1	70	1	\$8,634.92	\$150.79	\$416.20	\$166.67	\$733.66
235711				\$8,634.92	\$150.79	\$416.20	\$166.67	\$733.66
217396	1	70	1	\$17,269.84	\$301.59	\$832.41	\$333.33	\$1,467.33
217495	1	70	1	\$17,269.84	\$301.59	\$832.41	\$333.33	\$1,467.33
217496	1	70	1	\$17,269.84	\$301.59	\$832.41	\$333.33	\$1,467.33
217497	1	70	1	\$17,269.84	\$301.59	\$832.41	\$333.33	\$1,467.33
Total	6			\$103,619.05	\$1,809.52	\$4,994.44	\$2,000.00	\$8,803.96

APPENDIX F
PID ASSESSMENT NOTICE

PID Assessment Notice

AFTER RECORDING RETURN TO:

_____]¹

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

STREET ADDRESS

LOT TYPE _____ PRINCIPAL ASSESSMENT: \$ _____

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kaufman, 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 ***Kaufman Public Improvement District No. 2*** (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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County.

The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF KAUFMAN

§

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.

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

Notary Public, State of Texas]²

INST # 2025-0023398
Filed for record in Kaufman County
On: 7/29/25 at 9:46 AM

² To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County.