

**Arbors Public Improvement District
Improvement Area #1**

Lot Type 1 – 60 FT Lot

Project Overview

The Arbors Public Improvement District (the “District”) was created by the City Council of the City of Crandall, Texas (the “City Council”) on September 6, 2022, pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the “Act”), and Resolution No. 090622R 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 improvements (the “Authorized Improvements”) that specially benefit assessed property in the District, all of which is located in the extraterritorial jurisdiction of the City. On May 19, 2025, the City Council adopted Ordinance No. 05192025A that approved a Service and Assessment Plan for Improvement Area #1 of the District (the “Service and Assessment Plan”) and levied Special Assessments (the “Improvement Area #1 Assessments”) on certain property within Improvement Area #1 in accordance with the Improvement Area #1 Assessment Roll attached as Appendix G to the Service and Assessment Plan. The Improvement Area #1 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 and the Developer entered into a Reimbursement Agreement (the “Omnibus Reimbursement Agreement”) dated May 6, 2024, with a total principal amount payable to the Developer of \$14,866,000 (the “Reimbursement Amount”) to finance the cost of the Authorized Improvements being constructed for Improvement Area #1 of the District. A portion of the Omnibus Reimbursement Agreement is secured by the Improvement Area #1 Assessments.

All Improvement Area #1 Assessments that are not paid in full will be billed in annual installments and collected each year by the District, or its designee, as provided in the Service and Assessment Plan. **Annual Installments are billed by the Kaufman 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 Improvement Area #1 Assessments, including the annual installments thereof, are (a) a first priority 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, the Improvement Area #1 Assessments and the due dates of the Annual Installments of the Improvement Area #1 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 IMPROVEMENT AREA #1 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
THE CITY OF CRANDALL, 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 Crandall, 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 Arbors 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 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

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§

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

**Arbors Public Improvement District
Summary of Projected Annual Installments
Improvement Area #1**

**Lot Size
Equivalent Unit
Outstanding Assessment**

**Lot Type 1 (60 Ft)
1.00
\$36,747**

Year¹	Cumulative Outstanding Principal	R.A Principal²	R.A Interest²	Administrative Expenses³	Total Annual Installment⁴
2025	\$36,747	\$383	\$2,752	\$109	\$3,244
2026	\$36,364	\$408	\$2,724	\$101	\$3,232
2027	\$35,956	\$435	\$2,693	\$103	\$3,231
2028	\$35,521	\$467	\$2,661	\$105	\$3,233
2029	\$35,054	\$499	\$2,626	\$107	\$3,232
2030	\$34,554	\$531	\$2,588	\$109	\$3,229
2031	\$34,023	\$569	\$2,548	\$111	\$3,228
2032	\$33,454	\$611	\$2,506	\$114	\$3,230
2033	\$32,844	\$653	\$2,460	\$116	\$3,228
2034	\$32,191	\$700	\$2,411	\$118	\$3,229
2035	\$31,492	\$749	\$2,359	\$121	\$3,228
2036	\$30,743	\$801	\$2,303	\$123	\$3,226
2037	\$29,942	\$858	\$2,243	\$125	\$3,226
2038	\$29,084	\$920	\$2,178	\$128	\$3,226
2039	\$28,165	\$986	\$2,110	\$130	\$3,226
2040	\$27,178	\$1,058	\$2,036	\$133	\$3,227
2041	\$26,120	\$1,135	\$1,956	\$136	\$3,227
2042	\$24,986	\$1,216	\$1,871	\$138	\$3,226
2043	\$23,770	\$1,305	\$1,780	\$141	\$3,227
2044	\$22,464	\$1,399	\$1,683	\$144	\$3,226
2045	\$21,065	\$1,500	\$1,578	\$147	\$3,225
2046	\$19,565	\$1,612	\$1,465	\$150	\$3,227
2047	\$17,953	\$1,728	\$1,345	\$153	\$3,225
2048	\$16,225	\$1,854	\$1,215	\$156	\$3,225
2049	\$14,372	\$1,992	\$1,076	\$159	\$3,228
2050	\$12,379	\$2,138	\$927	\$162	\$3,228
2051	\$10,241	\$2,294	\$767	\$165	\$3,226
2052	\$7,947	\$2,464	\$595	\$169	\$3,228
2053	\$5,483	\$2,645	\$411	\$172	\$3,228
2054	\$2,838	\$2,838	\$213	\$176	\$3,226
Total		\$36,747	\$56,079	\$4,021	\$96,847

1 - Annual Installment billing will commence during Year 2025 and will be billed by the Kaufman County Tax Office on or around October of 2025 and payment is due by January 31, 2026.

2 - The principal and interest amounts represent the final numbers of the Omnibus Reimbursement Agreement and will not increase during the life of the agreement. Interest is calculated through the principal payment date of each year.

3 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates.

4 - Annual Installment does not include any TIRZ Annual Credit Amount.

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 ARBORS PUBLIC IMPROVEMENT DISTRICT ANNUAL SERVICE AND ASSESSMENT PLAN UPDATES. FOR ANY ADDITIONAL INQUIRIES ABOUT THE ARBORS PUBLIC IMPROVEMENT DISTRICT, PLEASE CONTACT THE DISTRICT ADMINISTRATOR AT 866-648-8482.

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.

Example of TIRZ Credit Application

The property in the PID is also located in the City of Crandall Tax Increment Reinvestment Zone No. 4. The City has committed to use approximately 40.00% of the annual incremental City 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. The following hypothetical example illustrates the application of the TIRZ Credit:

A) Estimates for illustration purposes:

Estimated prorated base year (2023) taxable value = \$1,000

Estimated current year (2025) taxable value = \$330,000

Estimated current (2025) incremental value = \$329,000 (i.e. \$330,000 - \$1,000)

Estimated current (2025) City tax rate per \$100 of taxable value = \$0.650000

Estimated PID current (2025) annual installment of Assessment = \$3,234

Estimated PID next (2026) annual installment of Assessments = \$3,244

B) Estimated City incremental tax:

\$2,139 [i.e., $(\$329,000 \div 100) \times \$0.650000 = \$2,139$]

C) Estimated TIRZ Credit:

\$855 (i.e., $\$2,139 \times 40.00\% = \855)

D) PID current annual installment due (2025):

\$3,234 with no prior year TIRZ Credit

E) Estimated PID next annual installment due (2026):

\$2,389 (i.e., $\$3,244 - \$855 = \$2,389$) after application of the \$855 TIRZ Credit

PLEASE NOTE THAT THE ABOVE CALCULATIONS ARE ONLY INTENDED TO ILLUSTRATE APPLICATION OF THE TIRZ CREDIT AND DO NOT REPRESENT ANY ACTUAL OR PROJECTED AMOUNTS OF TAXABLE VALUES, CITY TAX RATES AND PID ANNUAL INSTALLMENTS.