

**University Hills Municipal Management District
Improvement Area #1C
Multifamily**

Project Overview

The University Hills Municipal Management District (the "District") was created by act of the 85th legislature in 2017 pursuant to Section 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution. The District operates pursuant to the Special District Local Laws Code, Chapter 3947 Subchapter A, Chapter 372, Texas Local Government Code, as amended; Chapter 375, Texas Local Government Code, as amended, the MMD Act; and Chapters 49 and 54, Texas Water Code, as amended.

The District was created principally to finance certain public improvements that specially benefit assessed property in the District. On May 21, 2025, the District Board adopted an order to approve a Service and Assessment Plan for the District (the "Service and Assessment Plan") and levied assessments on certain property within the District. 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 District issued the University Hills Municipal Management District Special Assessment Revenue Bonds, Series 2025 (Improvement Area #1 Project) in the aggregate amount of \$32,734,000 pursuant to the Act, adopted by the District Board on May 21, 2025, and an Indenture of Trust dated as of June 1, 2025 between the District and Computershare Trust Company, N.A., as trustee.

All 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 Utility Tax Services ("UTS") 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, the Assessments and the due dates of the Annual Installments of the Assessments may be obtained from MuniCap, Inc., the District Administrator, located at 600 E. John Carpenter Freeway, 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.

FAILURE TO PAY THE IMPROVEMENT AREA #1C ASSESSMENTS LEVIED AGAINST ASSESSED PROPERTY, INCLUDING THE ANNUAL INSTALLMENT THEREOF, COULD RESULT IN FORECLOSURE OF SUCH PROPERTY.

AFTER RECORDING RETURN TO:

NOTICE TO PURCHASER OF SPECIAL TAXING OR ASSESSMENT DISTRICT

UNIVERSITY HILLS MANAGEMENT DISTRICT

IMPROVEMENT AREA #1C

LAND USE CLASS _____

PRINCIPAL ASSESSMENT \$ _____ *

*EXCLUDES VARIABLE OPERATIONS AND
MAINTENANCE ASSESSMENT

As the purchaser of the real property described above, you are obligated to pay assessments to the University Hills Municipal Management District, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within Improvement Area #1C of the University Hills Municipal Management District (the "District") created under the provisions of V.T.C.A., Special District Local Laws Code, Chapter 3947; Subchapter A, Chapter 372, Texas Local Government Code, as amended; Chapter 375, Texas Local Government Code, as amended; and Chapters 49 and 54, Texas Water Code, as amended.

The real property, that you are about to purchase is located in Improvement Area #1C of the District and may be subject to District assessments. The District does not currently impose an ad valorem tax. The District may impose assessments and issue bonds and impose an assessment in payment of such bonds. The District has previously issued the following: (i) \$32,734,000 Special Assessment Revenue Bonds, Series 2025 (Improvement Area #1 Project); and (ii) \$20,250,000 Special Assessment Revenue Bonds, Series 2025 (Major Improvement Area Project).

You are also obligated to pay an assessment for the operation and maintenance of the Authorized Improvements (the "Operations and Maintenance Assessment") which is variable and is calculated annually based on the actual costs of the operation and maintenance of the Authorized Improvements. The Service and Assessment Plan for the District will be updated annually, as required by Chapter 372, with information regarding the Operations and Maintenance Assessment.

The current effective assessment rate for Improvement Area # 1C of the District is \$0. per \$100 of assessed valuation (including \$0. in assessments for the Authorized Improvements and \$0. in Operations and Maintenance Assessment for maintenance of the Authorized Improvements). The current assessment by the District ranges from \$7,351 to \$7,351 depending on Land Use Class, plus Operations and Maintenance Assessments which will vary annually.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS. THE ASSESSMENT 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 District. The exact amount of each annual installment will be approved each year by the Board 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 District or MuniCap, Inc., the District Administrator, 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.

The District is located within the City of Dallas, Texas (the "City") and Dallas County, Texas (the "County"). The City, the County, and the District overlap, but may not provide duplicate services or improvements. Property located in the City, the County, and the District is subject to taxation by the City, the County, and the District.

The purpose of this District is to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under Chapter 3947, Special District Local Laws Code and to accomplish the public purposes set out in Sections 52 and 52-A, Article III and Section 59, Article XVI, Texas Constitution and other powers granted under Chapter 3947, Special District Local Laws Code. The cost of District facilities is not included in the purchase price of your property.

The legal description of the property which you are acquiring is as follows:

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.

[SIGNATURE PAGE TO FOLLOW]

Date: _____

Signature of Seller

Signature of Seller

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property or at closing of purchase of the real property.

Date: _____

Signature of Purchaser

Signature of Purchaser

STATE OF TEXAS

§

§

COUNTY OF _____

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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

**University Hills Municipal Management District
Schedule of Projected Annual Installments
Improvement Area #1C**

Land Use Class
Equivalent Units
Outstanding Assessment

Multifamily
0.31
\$7,351

Year¹	Cumulative Outstanding Principal	Bond Principal²	Bond Interest²	Administrative Expenses⁴	Total Annual Installment
2025	\$7,351	\$0	\$0	\$0	\$0
2026	\$7,351	\$0	\$0	\$0	\$0
2027	\$7,351	\$0	\$108	\$0	\$108
2028	\$7,351	\$121	\$469	\$56	\$645
2029	\$7,230	\$127	\$461	\$57	\$645
2030	\$7,103	\$135	\$453	\$58	\$646
2031	\$6,968	\$143	\$444	\$59	\$646
2032	\$6,826	\$150	\$435	\$61	\$646
2033	\$6,675	\$158	\$426	\$62	\$645
2034	\$6,518	\$167	\$415	\$63	\$645
2035	\$6,351	\$177	\$405	\$64	\$646
2036	\$6,174	\$186	\$394	\$66	\$646
2037	\$5,988	\$197	\$382	\$67	\$646
2038	\$5,791	\$208	\$369	\$68	\$646
2039	\$5,582	\$220	\$356	\$70	\$646
2040	\$5,362	\$232	\$342	\$71	\$645
2041	\$5,129	\$247	\$327	\$72	\$646
2042	\$4,883	\$261	\$311	\$74	\$646
2043	\$4,622	\$275	\$295	\$75	\$645
2044	\$4,346	\$292	\$277	\$77	\$646
2045	\$4,055	\$309	\$258	\$78	\$646
2046	\$3,746	\$327	\$239	\$80	\$645
2047	\$3,419	\$346	\$218	\$81	\$646
2048	\$3,072	\$366	\$196	\$83	\$645
2049	\$2,706	\$388	\$173	\$85	\$645
2050	\$2,318	\$411	\$148	\$86	\$645
2051	\$1,907	\$436	\$122	\$88	\$646
2052	\$1,470	\$462	\$94	\$90	\$645
2053	\$1,009	\$490	\$64	\$92	\$646
2054	\$519	\$519	\$33	\$94	\$645
Total		\$7,351	\$8,212	\$1,976	\$17,539

1 -The Annual Installment billed during Year 2025 will be billed by the MMD on or around 10/01/25 and payment is due by 01/31/26.

2- The principal and interest amounts represent the final numbers of the bonds and will not increase during the life of the bonds. Interest amounts are calculated through the principal payment date each year and include additional interest of one-half of one percent for debt service reserves

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

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 UNIVERSITY HILLS MUNICIPAL MANAGEMENT DISTRICT 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.