PID 1 - Magnolia Creek

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ORDINANCE NO. 2025-37

AN ORDINANCE APPROVING THE 2025-26 ANNUAL SERVICE AND ASSESSMENT PLAN UPDATE FOR THE LEAGUE CITY PUBLIC IMPROVEMENT DISTRICT NO. 1 (MAGNOLIA CREEK)

WHEREAS, the City of League City (the "City") is authorized pursuant to Tx. Local Govt Code, Ch. 372, as amended (Chapter 372) to create public improvement districts for the purposes described therein; and

WHEREAS, the City received a petition (the "Petition") requesting the creation of the League City Public Improvement District No. 1 (the "PID"); and

WHEREAS, on November 18, 1997, the City held a public hearing then passed and adopted Resolution No. 97-66 establishing the PID in accordance with Chapter 372; and

WHEREAS, on December 14, 1999, the City Council approved a Service and Assessment Plan, as amended and/or restated from time to time, (the "SAP") for the PID;

WHEREAS, the City Council passed and adopted Ordinance No. 2013-37 on August 27, 2013 approving an amendment to the Service and Assessment Plan for the PID;

WHEREAS, the City Council passed and adopted Ordinance No. 2018-39 on November 13, 2018 approving an amendment to the Service and Assessment Plan for the PID for Section 13 Parcels;

WHEREAS, the City Council passed and adopted Ordinance No. 2019-11 on February 12, 2019 approving an update to the Service and Assessment Plan for the PID for Section 5B and Commercial Parcels;

WHEREAS, the City Council wishes to approve the 2025-26 Annual Update of the SAP (the "Annual Service Plan Update") for the PID.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS, as follows:

Section 1. The facts recited in the preamble hereto are found to be true and correct.

Section 2. The 2025-2026 Annual Service Plan Update, attached to this Ordinance as Exhibit A, is hereby approved and adopted on behalf of the PID.

Section 3. All ordinances, and agreements and parts of ordinances and agreements in conflict herewith are hereby repealed to the extent of the conflict only.

Section 4. It is hereby found and determined that the meeting at which this ordinance was passed was open to the public and that advance public notice of the time, place and purpose of said meeting was given as required by law. The Ordinance shall become effective immediately upon passage. The City Secretary shall cause this Ordinance to 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.

PASSED first reading the 9th day of September, 2025.

PASSED second reading the _____ day of _____, 2025.

PASSED AND ADOPTED the 9th day of September, 2025.

NICK LONG
Mayor

ATTEST:

DIANA STAPP
City Secretary

APPROVED AS TO FORM:

MICHELLE VILLARREAL
City Attorney

SUSPENDED THE RULE AND ADOPTED ON FIRST AND FINAL READING

LEAGUE CITY
PUBLIC IMPROVEMENT DISTRICT NO. 1
(MAGNOLIA CREEK)

ANNUAL SERVICE PLAN UPDATE – 2025-26

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A. INTRODUCTION AND DEFINED TERMS

I. INTRODUCTION

The League City Public Improvement District No. 1 – Magnolia Creek Master Planned Community (the "PID") was created pursuant to Chapter 372 of the Texas Local Government Code, as amended, (the "PID Act") and Resolution No. 97-66 of the City Council (the "City Council") of the City of League City (the "City") on November 18, 1997 to finance certain Public Improvements for the benefit of the property in the PID.

A service and assessment plan, as amended and restated from time to time (the "SAP") was prepared at the direction of the City identifying the Public Improvements to be financed through the PID, the costs of the Public Improvements, and the manner of assessing the property in the PID for the costs of the Public Improvements. Pursuant to the Service and Assessment Plan, the Developers would provide the funds for the construction of the Public Improvements and would be entitled to repayment pursuant to the applicable Development Agreements. Pursuant to 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 2025-26 (the "Annual Service Plan Update").

The City also adopted an assessment roll (the "Assessment Roll") identifying the assessments on each Parcel of Assessed Property within the PID, based on the method of assessment identified in the SAP. This Annual Service Plan Update also updates the Assessment Roll for annual installment of assessments (the "Annual Installments") to be collected for 2025-26.

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 D 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 us 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 meaning specified in the SAP unless otherwise defined herein.

II. DEFINED TERMS

"**Actual Cost(s)**" means, with respect to a Public Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Public Improvement, as specified in a Certification for Payment that has been reviewed and approved by the City. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Public Improvement, including general contractor 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 Public Improvement, (d) the costs for external professional costs associated with such Public Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, and property 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, (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, County permit fees, development fees), insurance premiums, miscellaneous expenses, and all advances and payments for Administrative Expenses.

Actual Costs 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" mean the administrative, organization, maintenance and operation costs associated with, or incident 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, and operation of the PID, (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 debt obligation, (v) paying and redeeming debt obligations, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the debt obligations, (viii) the

Trustee's reasonable fees and expenses relating to the debt obligations, (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 the debt obligations. 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 agreement approved by the City Council, who shall have the responsibilities provided for herein.

"Annual Collection Costs" mean the following actual or budgeted costs, as applicable, related to the annual collection costs of outstanding Assessments paid in installments, including the costs or anticipated costs of: (i) computing, levying, collecting and transmitting the Assessments (whether by the City, the Administrator or otherwise), (ii) remitting the Assessments to the City, (iii) the City, the Administrator, a trustee or funding agent and any other entities related to the PID and authorized by the City (including legal counsel) in the discharge of their duties, (iv) complying with arbitrage rebate requirements, if any, (v) complying with securities disclosure requirements, if any, and (vi) the City in any way related to the collection of the Assessments in installments, including, without limitation, the administration of the PID, maintaining the record of installments, payments and reallocations and/or cancellations of Assessments, and the repayment of the PID Debt Obligations, if any, including, without limitation, any associated legal expenses, the reasonable costs of other consultants and advisors and contingencies and reserves for such costs as deemed appropriate by the City Council. Assessments collected to pay Annual Collection Costs and not expended for actual Annual Collection Costs shall be carried forward and applied to reduce Annual Collection Costs in subsequent years to avoid the over-collection of Annual Collection Costs.

"Annual Installment" means, with respect to each Parcel, each annual payment of: (i) the Assessments including interest, as shown on the Assessment Rolls attached as Appendix A-1, Appendix A-2 and Appendix A-3 of the SAP, as applicable, or in an Annual Service Plan Update, and calculated as provided in Section VI of the SAP, and (iii) the Administrative Expenses.

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

"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 applicable 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 and includes the Assessments including those collected to pay Administrative Expenses and interest on all Assessments.

"Assessment Ordinance" means an ordinance adopted by the City Council approving the Service and Assessment Plan (including amendments or supplements to the SAP) and/or levying the Assessments for one or more sections and/or phases within the PID.

"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 the SAP or the Assessment Ordinance, as amended and/or updates from time to time in an Annual Service Plan Update.

"Authorized Improvements" or "Public Improvements" mean those public improvements described in the Service and Assessment Plan and Section 372.003 of the PID Act, constructed and installed in accordance with the SAP, and any future updates and/or amendments.

"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 League City, Texas.

"City Council" means the duly elected governing body of the City.

"**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.

"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 Galveston County, Texas.

"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. In the case of single family residential lots, the Lot Type shall be further defined by classifying the residential lots by the estimated final average home value for each lot as of the date of the recorded subdivision plat, 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.

"Non-Benefited Property" means Parcels that accrue no special benefit from the Authorized Improvements, which may include 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 from the Authorized Improvements. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, is not assessed. 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. E of the SAP.

"Parcel" or **"Parcels"** means a parcel or parcels within the PID identified by either a tax map identification number assigned by the Galveston 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 Galveston County.

"Phase 1 Assessment Ordinance" means Ordinance No. 2001-10 adopted by the City Council on April 10, 2001 approving the SAP (including amendments or supplements to the SAP) and/or levying the Assessments on the property within the PID commonly referred to as Phase 1.

"Phase 2 Assessment Ordinance" means Ordinance No. 2002-46 adopted by the City Council on October 8, 2002 approving the Service and Assessment Plan (including amendments or supplements to the SAP and/or levying the Assessments on the property within the PID commonly referred to as Phase 2.

"Phase 3 Assessment Ordinance" means Ordinance No. 2005-05 adopted by the City Council on April 26, 2005 approving the SAP (including amendments or supplements to the SAP) and/or levying the Assessments on the property within the PID commonly referred to as Phase 3.

"Phase 4 Assessment Ordinance" means Ordinance No. 2007-32, as amended from time to time, adopted by the City Council on July 10, 2007 approving the SAP (including amendments or supplements to the SAP) and/or levying the Assessments on the property within the PID commonly referred to as Phase 4.

"Phase 5B Assessment Ordinance" means Ordinance No. 2019-11 adopted by the City Council on February 12, 2019 approving the SAP (including amendments or supplements to the SAP) and/or levying the Assessments on the property within the PID commonly referred to as Phase 5B.

"PID" has the meaning set forth in the SAP.

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

"PID Debt Obligation" means a bond, certificate, note or other type of obligation issued by the City, in one or more series, to finance all or a portion of the Authorized Improvements Costs, which may include funds for any required reserves and amounts necessary to pay the PID Debt Obligation issuance costs, and to be secured by a pledge of the Assessments pursuant to the authority granted in the Act.

"**Prepayment Costs**" mean interest and Administrative 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, Galveston County, the City, a school district or any other public agency, whether in fee simple or through an exclusive use easement.

"Section 13 Assessment Ordinance" means Ordinance No. 2018-39 adopted by the City Council on November 13, 2018 approving the SAP (including amendments or supplements to the SAP) and/or levying the Assessments on the property within the PID commonly referred to as Section 13.

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B. UPDATE OF THE SERVICE PLAN

I. ANNUAL BUDGET FOR THE AUTHORIZED IMPROVEMENTS

The original total estimated costs of the Authorized Improvements for the section of the PID shown in the SAP, as updated from time to time, will be updated in accordance with Actual Costs substantiated in applicable accountant's reports (the "AUPs"), as applicable.

A service plan must cover a period of five years. The Authorized Improvement projects within the PID have been completed. The projected Annual Installments for the PID over a period of five years are shown in Table B-1 below.

Table B-1
Projected Five Year Annual Installments

Year	Section 13	Section 5B Residential	Section 5B Commercial-General	Section 5B Commercial-Lighthouse
2025-26	$285,627	$115,120	$28,584	$5,050
2026-27	$285,627	$115,120	$28,584	$5,050
2027-28	$285,627	$115,120	$28,584	$5,050
2028-29	$285,627	$115,120	$28,584	$5,050
2029-30	$285,627	$115,120	$28,584	$5,050
2030-31	$285,627	$115,120	$28,584	$5,050
Total	**$1,713,764**	**$690,720**	**$171,503**	**$30,301**

II. 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 annual installments beginning with the Annual Installment collection commencement and assessment term provisions in the SAP or the applicable ordinance.

Pursuant to the SAP, the Annual Service Plan Update shall show the remaining balance of the Assessments and the Annual Installment due for 2025-26 to be collected from each Parcel for the payment of principal, interest, and Administrative Expenses, as applicable.

Annual Installments to be Collected for 2025-26

The budget for the PID will be paid from the collection of Annual Installments to be collected for 2025-26 as shown by Table B-2 on the following page.

Table B-2
Budget for the Annual Installments
to be Collected for 2025-26

Descriptions	Section 13	Section 5B Residential	Section 5B Commercial -General	Section 5B Commercial -Lighthouse	Total
Assessments (principal) due	$213,785	$57,972	$19,530	$3,164	$294,450
Interest due	$57,033	$52,910	$17,824	$2,888	$130,655
Administrative Expenses	$14,810	$4,238	$500	$500	$20,048
Annual Installments	**$285,627**	**$115,120**	**$37,854**	**$6,552**	**$445,154**
Developer Foregone Credit	-	-	($9,270)	($1,502)	($10,772)
Net Annual Installments Due	**$285,627**	**$115,120**	**$28,584**	**$5,050**	**$434,381**

Section 13 Parcels

As shown in Table B-2 above, the total Annual Installment to be collected for 2025-26 from Parcels within Section 13 of the PID are equal to $285,627 for the payment of Assessments, interest on outstanding Assessments at the rate 3.00 percent, and Administrative Expenses.

The list of Parcels within Section 13 of the PID, the outstanding Assessments on each Parcel, and the Annual Installment to be collected for 2025-26 are shown in the Section 13 Assessment Roll summary attached hereto as Appendix B.

Section 5B Residential, Commercial-General, and Commercial-Lighthouse Property

As shown in Table B-2 above, the total Annual Installments to be collected for 2025-26 from Parcels within Section 5B Residential, Commercial General, and Commercial Lighthouse are equal to $115,120, $28,584, and $5,050, respectively, for the payment of Assessments, interest on outstanding Assessments at the rate of 6.70 percent, and Administrative Expenses.

The list of Parcels within Section 5B Residential, Commercial General, and Commercial Lighthouse, the outstanding Assessments on each Parcel, and the Annual Installment to be collected for 2025-26 are shown in the Assessment Roll summary attached hereto as Appendix C-1, Appendix C-2, and Appendix C-3.

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C. UPDATE OF THE ASSESSMENT PLAN

The SAP adopted by the City Council provided that the Authorized Improvement Costs shall be allocated to the Assessed Property by spreading the entire Assessment across the Parcels based on the square feet of each unit anticipated to be developed within the PID, and that such method of allocation will result in the imposition of equal shares of the Actual Costs of the Authorized Improvements 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 SAP.

I. REDUCTION OF ASSESSMENTS

If after all Authorized Improvements to be funded with the Assessments have been completed and Actual Costs for such Authorized Improvements are less than the estimated costs of the Authorized Improvements used to calculate the Assessments, then the Assessment for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.

II. MANDATORY PREPAYMENT OF ASSESSMENTS

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.

2. The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and the SAP, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

III. PAYMENT OF ASSESSMENTS

1. Payment in Full

(a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include interest through the date of the prepayment and applicable Prepayment Costs.

(b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.

(c) Upon payment in full of the Assessment and all Prepayment Costs, the City shall deposit the payment in the designated PID account; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.

(d) At the option of the owner, the Assessment on any Parcel plus interest through the date of prepayment and applicable Prepayment Costs may be paid in part. Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the partial payment is made.

2. Payment in Annual Installments

The PID Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the PID Act authorizes the Assessment to be paid in installments and additionally allows the City to collect interest, administrative expenses and other authorized charges in installments. An Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown on the Assessment Rolls, as updated as provided for herein, which include interest and Administrative Expenses. Payment of the Annual Installments shall commence with tax bills mailed after the conditions stipulated for such collections are satisfied.

Each Assessment within Section 13 and Section 5B shall be paid with interest rates of 3.00 percent and 6.70 percent, respectively. The Annual Installments shall be reduced to equal the actual costs of repaying the remaining obligations of the PID and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

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D. UPDATE OF THE ASSESSMENT ROLL

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 C of this Annual Service Plan Update.

The summary Assessment Roll for Section 13, Section 5B Residential Property, Section 5B Commercial-General Property, and Section 5B Commercial-Lighthouse Property are shown herein as Appendix B, Appendix C, Appendix D-1, Appendix D-2, and Appendix D-3, respectively. Each Parcel in the respective phases and section of the PID is identified, along with the outstanding Assessment on each Parcel, and the Annual Installment to be collected from each Parcel.

I. 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 square feet to be built on each newly subdivided Parcel

D = the sum of the estimated square feet to be built on all of the new subdivided Parcels

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

According to the Developer and the Galveston Central Appraisal District records, the Commercial-General Parcel (Parcel 512377) was subdivided, and Assessments allocated proportionally according to Net Land Area as shown in the 2024-25 Annual Service Plan Update.

II. Prepayment of Assessments

The list of Parcels with Assessments that have been prepaid in full as of June 1, 2025 are shown in Table D-1 below.

Table D-2
List of Prepaid Parcels within Phase 4, Section 13 and Section 5B

Parcel ID (Phase 4)	Parcel ID (Section 13)	Parcel ID (Section 5B)
505246	722180	727328
512410		
512417		
512469		

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APPENDIX A
PID MAP

BGE | KERRY R. GILBERT & ASSOCIATES

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REVISION #8

a master plan update for

MAGNOLIA CREEK

± 909.1 ACRES OF LAND

prepared for

MHWS DEVELOPMENT, LLC

BGE KERRY R. GILBERT & ASSOCIATES

– Land Planning Consultants –

23501 Cinco Ranch Blvd., Suite A-250

Katy, Texas 77494

Tel: 281-579-0340

SCALE

0 200 400 800

FEBRUARY, 2017

KGA #02002

Magnolia Creek Acreage Analysis Comparison

Land Use	April 1998 Master Plan	% of Gross Acreage	February 2017 Master Plan	% of Gross Acreage	% Difference
ENCUMBRANCES	+/-61.9 Ac.	6.8%	+/-98.5 Ac.	10.8%	+4.0%
League City Parkway	+/-15.6 Ac.		+/-15.6 Ac.		
Bay Area Boulevard	+/-10.2 Ac.		+/-10.6 Ac.		
H.L.&P. Co. Easmt.	+/-24.7 Ac.		+/-28.9 Ac.		
Water Tower	+/-1.4 Ac.		+/-1.4 Ac.		
Lake/Detention	+/-0.0 Ac.		+/-32.0 Ac.		
Access Strip	+/-9.8 Ac.		+/-9.8 Ac.		
NON-RESIDENTIAL	+/- 460.2 Ac.	50.6%	+/- 403.3 Ac.	44.4%	-6.4%
School Site	+/- 11.3 Ac.		+/- 45.0 Ac.		
Golf Course	+/- 415.7 Ac.		+/- 310.8 Ac.		
Commercial	+/- 17.0 Ac.		+/- 13.3 Ac.		
Park/Open Space/Trail	+/- 34.2 Ac.		+/- 29.8 Ac.		
Recreational Center	+/- 2.0 Ac.		+/- 4.6 Ac.		
RESIDENTIAL	+/- 387.0 Ac.	42.4%	+/- 407.3 Ac.	44.8%	+4.4%
TOTAL LOTS	1,302 LOTS		1,297 LOTS		
GRAND-TOTAL	+/- 909.1 Ac.	100%	+/- 909.1 Ac.	100%	

THIS DRAWING IS A PICTORIAL REPRESENTATION FOR PRESENTATION PURPOSES ONLY AND IS SUBJECT TO CHANGE. FURTHER, SAID DRAWING IS A SCANNED IMAGE ONLY AND IS NOT FOR COMPUTATION OR CONSTRUCTION PURPOSES. THIS DRAWING MAY OR MAY NOT INCORPORATE INFORMATION AND/OR DATA PROVIDED TO BGE | KERRY R. GILBERT & ASSOCIATES BY OTHER CONSULTANTS RELATIVE TO ENGINEERING AND DRAINAGE, FLOODPLAINS AND ENVIRONMENTAL ISSUES AND SHOULD NOT BE RELIED UPON FOR ANY PURPOSE. NO WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE ACTUAL DESIGN, LOCATION AND CHARACTER OF THE FACILITIES SHOWN ON THIS MAP ARE INTENDED. ADDITIONALLY, NO WARRANTY IS MADE TO THE ACCURACY OF THE INFORMATION CONTAINED HEREIN.

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APPENDIX B
SECTION 13 ASSESSMENT ROLL SUMMARY – 2025-26

Appendix B
League City PID No. 1 (Magnolia Creek) - Section 13
Assessment Roll Summary - 2025-26

Account Number (Short)	Account Number (Long)	Square Feet	Outstanding Assessments	Annual Assessment	Administrative Expenses	Annual Installment - 2025-26
722110	4906-0001-0001-000	10,253	$ 24,514.46	$ 3,492.17	$ 190.97	$ 3,683.14
722111	4906-0001-0002-000	9,107	$ 21,774.44	$ 3,101.84	$ 169.63	$ 3,271.47
722112	4906-0001-0003-000	9,543	$ 22,816.85	$ 3,250.35	$ 177.75	$ 3,428.10
722113	4906-0001-0004-000	9,841	$ 23,529.41	$ 3,351.84	$ 183.30	$ 3,535.14
722114	4906-0001-0005-000	10,698	$ 25,578.41	$ 3,643.74	$ 199.26	$ 3,843.00
722115	4906-0001-0006-000	11,857	$ 28,349.56	$ 4,038.49	$ 220.85	$ 4,259.34
722116	4906-0001-0007-000	11,580	$ 27,687.23	$ 3,944.15	$ 215.69	$ 4,159.84
722117	4906-0001-0008-000	10,656	$ 25,478.03	$ 3,629.43	$ 198.48	$ 3,827.91
722118	4906-0001-0009-000	9,768	$ 23,354.84	$ 3,326.98	$ 181.94	$ 3,508.92
722119	4906-0001-0010-000	9,557	$ 22,850.38	$ 3,255.11	$ 178.01	$ 3,433.12
722120	4906-0001-0011-000	9,079	$ 21,707.45	$ 3,092.31	$ 169.11	$ 3,261.42
722121	4906-0001-0012-000	8,750	$ 20,920.84	$ 2,980.25	$ 162.98	$ 3,143.23
722122	4906-0001-0013-000	8,611	$ 20,588.49	$ 2,932.91	$ 160.39	$ 3,093.30
722123	4906-0001-0014-000	14,123	$ 33,767.46	$ 4,810.29	$ 263.06	$ 5,073.35
722125	4906-0001-0015-000	11,887	$ 28,421.29	$ 4,048.71	$ 221.41	$ 4,270.12
722126	4906-0001-0016-000	9,209	$ 22,018.26	$ 3,136.59	$ 171.53	$ 3,308.12
722127	4906-0001-0017-000	9,145	$ 21,865.25	$ 3,114.79	$ 170.33	$ 3,285.12
722128	4906-0001-0018-000	9,016	$ 21,556.84	$ 3,070.85	$ 167.93	$ 3,238.78
722129	4906-0001-0019-000	8,797	$ 21,033.21	$ 2,996.26	$ 163.85	$ 3,160.11
722130	4906-0001-0020-000	8,750	$ 20,920.84	$ 2,980.25	$ 162.98	$ 3,143.23
722131	4906-0001-0021-000	8,750	$ 20,920.84	$ 2,980.25	$ 162.98	$ 3,143.23
722132	4906-0001-0022-000	8,638	$ 20,653.08	$ 2,942.10	$ 160.89	$ 3,102.99
722133	4906-0001-0023-000	8,638	$ 20,653.08	$ 2,942.10	$ 160.89	$ 3,102.99
722134	4906-0001-0024-000	8,938	$ 21,370.36	$ 3,044.28	$ 166.48	$ 3,210.76
722135	4906-0001-0025-000	9,165	$ 21,913.09	$ 3,121.60	$ 170.71	$ 3,292.31
722136	4906-0001-0026-000	10,109	$ 24,170.12	$ 3,443.13	$ 188.29	$ 3,631.42
722137	4906-0001-0027-000	11,392	$ 27,237.72	$ 3,880.12	$ 212.19	$ 4,092.31
722138	4906-0001-0028-000	10,856	$ 25,956.22	$ 3,697.55	$ 202.20	$ 3,899.75
722139	4906-0001-0029-000	10,370	$ 24,794.20	$ 3,532.02	$ 193.15	$ 3,725.17
722140	4906-0001-0030-000	11,842	$ 28,313.64	$ 4,033.39	$ 220.57	$ 4,253.96
722141	4906-0002-0001-000	10,117	$ 24,189.28	$ 3,445.85	$ 188.44	$ 3,634.29
722142	4906-0002-0002-000	9,287	$ 22,204.80	$ 3,163.15	$ 172.98	$ 3,336.13
722143	4906-0002-0003-000	9,494	$ 22,699.69	$ 3,233.66	$ 176.84	$ 3,410.50
722144	4906-0002-0004-000	9,297	$ 22,228.69	$ 3,166.56	$ 173.17	$ 3,339.73
722145	4906-0002-0005-000	8,750	$ 20,920.84	$ 2,980.25	$ 162.98	$ 3,143.23
722146	4906-0002-0006-000	8,750	$ 20,920.84	$ 2,980.25	$ 162.98	$ 3,143.23
722147	4906-0002-0007-000	8,955	$ 21,411.01	$ 3,050.07	$ 166.80	$ 3,216.87
722148	4906-0002-0008-000	9,302	$ 22,240.66	$ 3,168.26	$ 173.26	$ 3,341.52
722149	4906-0002-0009-000	9,155	$ 21,889.20	$ 3,118.19	$ 170.52	$ 3,288.71
722150	4906-0002-0010-000	9,203	$ 22,003.97	$ 3,134.54	$ 171.42	$ 3,305.96
722151	4906-0002-0011-000	9,416	$ 22,513.23	$ 3,207.09	$ 175.38	$ 3,382.47
722152	4906-0002-0012-000	10,061	$ 24,055.37	$ 3,426.78	$ 187.40	$ 3,614.18
722153	4906-0003-0001-000	10,919	$ 26,106.83	$ 3,719.01	$ 203.38	$ 3,922.39
722154	4906-0003-0002-000	9,536	$ 22,800.15	$ 3,247.96	$ 177.62	$ 3,425.58
722155	4906-0003-0003-000	9,332	$ 22,312.37	$ 3,178.48	$ 173.82	$ 3,352.30
722156	4906-0003-0004-000	9,156	$ 21,891.60	$ 3,118.53	$ 170.54	$ 3,289.07
722157	4906-0003-0005-000	8,554	$ 20,452.24	$ 2,913.49	$ 159.33	$ 3,072.82
722158	4906-0003-0006-000	8,760	$ 20,944.74	$ 2,983.66	$ 163.16	$ 3,146.82
722159	4906-0003-0007-000	9,201	$ 21,999.17	$ 3,133.86	$ 171.38	$ 3,305.24
722160	4906-0003-0008-000	10,805	$ 25,834.28	$ 3,680.18	$ 201.25	$ 3,881.43
722161	4906-0003-0009-000	13,769	$ 32,921.05	$ 4,689.72	$ 256.46	$ 4,946.18
722162	4906-0003-0010-000	11,862	$ 28,361.47	$ 4,040.20	$ 220.94	$ 4,261.14
722163	4906-0003-0011-000	12,906	$ 30,857.67	$ 4,395.78	$ 240.39	$ 4,636.17
722164	4906-0003-0012-000	9,158	$ 21,896.38	$ 3,119.21	$ 170.58	$ 3,289.79
722165	4906-0003-0013-000	9,386	$ 22,441.50	$ 3,196.87	$ 174.82	$ 3,371.69
722166	4906-0003-0014-000	9,038	$ 21,609.46	$ 3,078.34	$ 168.34	$ 3,246.68
722167	4906-0003-0015-000	8,991	$ 21,497.09	$ 3,062.33	$ 167.47	$ 3,229.80
722168	4906-0003-0016-000	10,300	$ 24,626.83	$ 3,508.18	$ 191.85	$ 3,700.03
722169	4906-0003-0017-000	10,579	$ 25,293.89	$ 3,603.21	$ 197.04	$ 3,800.25
722170	4906-0003-0018-000	8,781	$ 20,994.95	$ 2,990.81	$ 163.56	$ 3,154.37
722171	4906-0003-0019-000	8,735	$ 20,884.99	$ 2,975.14	$ 162.70	$ 3,137.84
722172	4906-0003-0020-000	9,112	$ 21,786.35	$ 3,103.55	$ 169.72	$ 3,273.27
722173	4906-0003-0021-000	9,407	$ 22,491.73	$ 3,204.02	$ 175.21	$ 3,379.23

Appendix B
League City PID No. 1 (Magnolia Creek) - Section 13
Assessment Roll Summary - 2025-26

Account Number (Short)	Account Number (Long)	Square Feet	Outstanding Assessments	Annual Assessment	Administrative Expenses	Annual Installment - 2025-26
722174	4906-0003-0022-000	9,649	$ 23,070.31	$ 3,286.45	$ 179.72	$ 3,466.17
722175	4906-0003-0023-000	9,189	$ 21,970.50	$ 3,129.77	$ 171.15	$ 3,300.92
722176	4906-0003-0024-000	12,071	$ 28,861.22	$ 4,111.38	$ 224.83	$ 4,336.21
722177	4906-0003-0025-000	10,940	$ 26,157.06	$ 3,726.16	$ 203.77	$ 3,929.93
722178	4906-0003-0026-000	9,366	$ 22,393.67	$ 3,190.06	$ 174.45	$ 3,364.51
722179	4906-0003-0027-000	9,947	$ 23,782.80	$ 3,387.95	$ 185.27	$ 3,573.22
722180	4906-0003-0028-000	10,206	Prepaid	Prepaid	Prepaid	Prepaid
722181	4906-0003-0029-000	10,842	$ 25,922.69	$ 3,692.79	$ 201.94	$ 3,894.73
722182	4906-0003-0030-000	15,713	$ 37,569.05	$ 5,351.85	$ 292.67	$ 5,644.52
722183	4906-0003-0031-000	12,390	$ 29,623.94	$ 4,220.03	$ 230.78	$ 4,450.81
722184	4906-0003-0032-000	12,339	$ 29,502.00	$ 4,202.66	$ 229.83	$ 4,432.49
722185	4906-0003-0033-000	9,656	$ 23,087.08	$ 3,288.83	$ 179.85	$ 3,468.68
722186	4906-0003-0034-000	9,954	$ 23,799.58	$ 3,390.33	$ 185.40	$ 3,575.73
722187	4906-0003-0035-000	10,704	$ 25,592.79	$ 3,645.78	$ 199.37	$ 3,845.15
722188	4906-0003-0036-000	10,811	$ 25,848.58	$ 3,682.23	$ 201.37	$ 3,883.60
722189	4906-0003-0037-000	11,001	$ 26,302.89	$ 3,746.94	$ 204.90	$ 3,951.84
722190	4906-0003-0038-000	11,548	$ 27,610.73	$ 3,933.25	$ 215.09	$ 4,148.34
Total		**805,325**	**$1,901,093.12**	**$270,817.49**	**$14,809.92**	**$285,627.41**

APPENDIX C-1

SECTION 5B RESIDENTIAL PROPERTY ASSESSMENT ROLL SUMMARY – 2025-26

Appendix C-1
League City PID No. 1 - (Magnolia Creek) Section 5B
Assessment Roll Summary - Residential Parcels - 2025-26

Property ID	Geographic ID	Lot SF	Total Assessment	Annual Installment
727298	487920000000001	N/A	$0.00	$0.00
727316	487920020006000	16,549	$28,975.92	$4,224.01
727317	487920020007000	18407	$32,229.12	$4,698.25
727305	487920010005000	16,275	$28,496.17	$4,154.07
727299	487920000001000	N/A	$0.00	$0.00
727300	487920000002000	N/A	$0.00	$0.00
727301	487920010001000	15878	$27,801.05	$4,052.74
727302	487920010002000	13,598	$23,808.96	$3,470.79
727303	487920010003000	13095	$22,928.25	$3,342.40
727304	487920010004000	13,000	$22,761.91	$3,318.15
727314	487920020004000	16326	$28,585.46	$4,167.09
727315	487920020005000	15,065	$26,377.56	$3,845.23
727297	487920020020000	13500	$23,637.37	$3,445.77
727306	487920010006000	16,083	$28,159.99	$4,105.07
727307	487920010007000	16083	$28,159.99	$4,105.07
727308	487920010008000	16,083	$28,159.99	$4,105.07
727309	487920010009000	14329	$25,088.88	$3,657.37
727310	487920010010000	13,197	$23,106.84	$3,368.44
727311	487920020001000	14972	$26,214.72	$3,821.49
727318	487920020008000	24,136	$42,260.12	$6,160.54
727319	487920020009000	18488	$32,370.94	$4,718.92
727320	487920020010000	16,085	$28,163.49	$4,105.58
727321	487920020011000	16072	$28,140.73	$4,102.26
727322	487920020012000	13,861	$24,269.45	$3,537.92
727323	487920020013000	12825	$22,455.50	$3,273.49
727324	487920020014000	13,325	$23,330.96	$3,401.11
727325	487920020015000	14099	$24,686.17	$3,598.67
727326	487920020016000	15,175	$26,570.16	$3,873.31
727327	487920020017000	17153	$30,033.47	$4,378.18
727328	487920020018000	27,841	Prepaid	Prepaid
727329	487920020019000	12753	$22,329.44	$3,255.11
727312	487920020002000	16,062	$28,123.22	$4,099.71
727313	487920020003000	18548	$32,476.00	$4,734.24
Total		**478,863**	**$789,701.85**	**$115,120.02**

APPENDIX C-2
COMMERCIAL-GENERAL PROPERTY ASSESSMENT ROLL SUMMARY 2025-26

Appendix C-2
League City PID No. 1 - (Magnolia Creek) Commercial - General
Assessment Roll Summary - Commercial Parcels - 2025-26

Property ID	Geographic ID	Parcel Acreage	Total Assessment	Annual Installment
754456	4896-1001-0005-000	5.0553	$117,928.95	$12,670.63
754455	4896-1001-0004-000	1.0817	$25,233.66	$2,711.18
754454	4896-1001-0003-000	2.8331	$66,089.94	$7,100.89
754453	4896-1001-0002-000	1.1862	$27,671.42	$2,973.10
754452	4896-1001-0001-000	1.248	$29,113.07	$3,127.99
Total		**11.40**	**$266,037.05**	**$28,583.79**

APPENDIX C-3
COMMERCIAL-LIGHTHOUSE PROPERTY ASSESSMENT ROLL SUMMARY – 2025-26

Appendix C-3
League City PID No. 1 - (Magnolia Creek)
Assessment Roll Summary - Commercial - Lighthouse Parcels - 2025-26

Property ID	Geographic ID	Parcel Acreage	Total Assessment	Annual Installment
501768	470400010001000	1.86	$43,103.56	$5,050.16
Total		**1.86**	**$43,103.56**	**$5,050.16**

APPENDIX D
PID ASSESSMENT NOTICE

Appendix D

PID Assessment Notice

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY OF LEAGUE CITY, 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 League City, 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 League City 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

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