

**ORDER NO. 97795**

**AN ORDER APPROVING AND ADOPTING THE LOS PRADOS PUBLIC IMPROVEMENT DISTRICT (“DISTRICT”) 2024-2025 SERVICE AND ASSESSMENT PLAN AND 2024-2025 ASSESSMENT ROLL; ESTABLISHING CLASSIFICATIONS FOR THE APPORTIONMENT OF COSTS AND THE METHODS OF ASSESSMENT OF SPECIAL BENEFITS FOR IMPROVEMENTS, MAINTENANCE, AND SPECIAL SERVICES TO PROPERTY WITHIN THE DISTRICT; CLOSING THE HEARING AND LEVYING DEBT SERVICE ASSESSMENTS FOR THE COST OF IMPROVEMENTS TO BE PROVIDED IN THE DISTRICT AND MAINTENANCE ASSESSMENTS FOR THE COST OF MAINTENANCE AND OPERATION OF THE DISTRICT AGAINST THE PROPERTY IN THE DISTRICT AND AGAINST THE OWNERS THEREOF; PROVIDING FOR THE COLLECTION OF THE ASSESSMENTS; MAKING CERTAIN FINDINGS RELATED TO THE NATURE OF THE PROPERTY WITHIN THE PUBLIC IMPROVEMENT DISTRICT; AND PROVIDING AN EFFECTIVE DATE (THE “ORDER”).**

**WHEREAS**, Chapter 372 of the Texas Local Government Code (the “Act”) allows for the creation of public improvement districts; and

**WHEREAS**, on November 12, 2024 the Commissioners Court (the “Court”) of Hidalgo County, Texas (“County”), authorized and created the District as a public improvement district, appointed a manager to manage the District (the “District Manager”), and apportioned the cost of the District’s assessment rates to fund certain authorized infrastructure improvements, and maintenance services for the benefit of property in the District, by passage of Resolution No. 97398; and

**WHEREAS**, on November 12, 2024, the Court passed and approved a Resolution directing preparation of a service plan and assessment roll for the District, filing the same with the County tax assessor-collector, setting a date for public hearing as required under TEX. LOC. GOV’T CODE § 372.016, and directed County staff to provide notice of such public hearing as required by the Act; and

**WHEREAS**, the County Clerk or other officer, mailed a notice of the hearing to the owners of property liable for Assessments, which contained the information required by Section 372.016(b) of the Act, upon the filing of the proposed assessment roll for the District with the County tax assessor-collector; and

**WHEREAS**, before the 10th day before the date of the hearing, the County Clerk or other officer published the notice of the public hearing in a newspaper of general circulation in the County which notice stated: (1) the date, time, and place of the hearing; (2) the general nature of the improvement(s); (3) the cost of the improvements; (4) the boundaries of the assessment district; and (5) that written or oral objections would be considered at the hearing as required by Section 372.016 of the Act; and

**WHEREAS**, as further required by the Act, the County held the public hearing on December 17, 2024, and subsequently closed the public hearing after receiving property owners' written and oral objections and comments on the proposed Assessments for the District; and

**WHEREAS**, the District Manager prepared and presented to the Court for its review and approval the 2024-2025 Service and Assessment Plan and 2024-2025 Assessment Roll for the District to establish and levy assessments within the District to facilitate the funding of infrastructure improvements to benefit the District, (the “Debt Service Assessment”) and the costs of maintenance and operation within the District (the “Maintenance Assessment”) (the Debt Service Assessment and Maintenance Assessment are collectively referred to herein as the “Assessments”); and

**WHEREAS**, the District Manager presented County staff with the proposed 2024-2025 Service and Assessment Plan and the proposed 2024-2025 Assessment Roll, attached hereto as **Exhibit A** and **Exhibit B** respectively; and

**WHEREAS**, the County desired that the public hearing provide a reasonable opportunity for owners of property located within the District to speak for or against, and provide written and oral objections regarding the Assessments against real property and real property improvements for funding the District to provide services, maintenance, and improvements within the District; and

**WHEREAS**, the County, after review and consideration, desires to authorize and adopt the 2024-2025 Assessment Roll that was filed with the County Tax Assessor-Collector and that has been subject to public inspection in the County's official records before the public hearing, required by Section 372.016(b) of the Act, through passage of a formal order; and

**WHEREAS**, the County finds that the 2024-2025 Service and Assessment Plan attached as **Exhibit A** is feasible and sound and will serve the needs and desires of the property owners and that the Assessments as set forth in **Exhibit B** on property within the District are reasonable and adequate.

**NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF HIDALGO COUNTY, TEXAS, THAT:**

**SECTION 1.** The Court hereby adopts the 2024-2025 Service and Assessment Plan for the District; establishes classifications for the apportionment of costs and the methods of assessing special benefits for the services, maintenance, and improvements to the property in the District; levies the Assessments for the cost of services, maintenance, and improvements to be provided in the District; fixes charges and liens against the property in the District, and payable by the owners thereof; and provides for the collection of such Assessments, all in the manner provided in the Act.

**SECTION 2.** That the recitals and findings listed above are true and correct; that the action of the Court closing the public hearing in these proceedings is hereby ratified and confirmed; and that all improvements to be financed by the District as outlined in the 2024-2025 Service and Assessment Plan are public improvements which are authorized under the Act. The Court hereby finds that the special benefit to each respective parcel that is assessed hereunder is at least equal in value to the Assessments made on the respective parcel.

**SECTION 3.** That the proposed methods of assessment, as set forth in **Exhibit A**, that specifies included and excluded classes of assessable property, and is based on a set per Parcel amount, as that term is defined therein is a proper and correct method of assessment as authorized by the Act. After execution of an agreement, the Assessments will be collected by the County (through the District Manager) or through a third-party selected by the District Manager and County. The Debt Service Assessment will be used to pay debt service on the cost plus interest incurred by the District to finance the District infrastructure. The Maintenance Assessment will be used to pay the cost and expenses of maintenance and operational services within the District, for which they are collected, pursuant to the 2024-2025 Service & Assessment Plan.

**SECTION 4.** That the Court hereby authorizes and adopts the 2024-2025 Service and Assessment Plan attached hereto as **Exhibit A**, and authorizes and adopts the 2024-2025 Assessment Roll attached hereto as **Exhibit B**, apportioning the total cost and debt service for improvements, maintenance, and special services to be assessed against the property in the District as set forth in **Exhibit A and Exhibit B**. The 2024-2025 Assessment Roll states the Assessments against each parcel of land in the District and is subject to public inspection in the County's official records and with the County Tax Assessor-Collector. The Assessments against each parcel as set forth in **Exhibit B** are hereby levied against such parcels, in the full amount of each parcel's respective Assessments. The levied Assessments shall constitute a lien on each said parcel in the manner provided in the Act.

**SECTION 5.** That the District Manager, or a third-party as determined by the Court and the Manager is directed to collect, account for, and disburse the collected Debt Service Assessment to the County. The Court is hereby authorized to receipt said Debt Service Assessment from the District as contemplated by the 2024-2025 Service and Assessment Plan and the Development Agreement to assure the timely payment of annual debt service for the costs and interest incurred in funding the District Infrastructure in an amount not to exceed the said annual debt service of said obligations. Further, the Manager is directed to collect, account for, and utilize the collected Maintenance Assessment as contemplated by the 2024-2025 Service and Assessment Plan, for the payment of the costs incurred in the provision of such services and performance of such maintenance required within the District.

**SECTION 6.** The Court finds that notice of the Court's intention to consider the proposed Assessments at a public hearing held on December 17, 2024 at 2:00 p.m., in the County Commissioners Court Chambers, Courthouse Annex #3, 100 E. Cano, 1st Floor, Edinburg, TX 78539 was published in the official newspaper of the County before the 10th day before the date of the hearing, being the Notice attached hereto as **Exhibit C**. The notice stated: (1) the date, time, and place of the hearing; (2) the general nature of the services and improvements; (3) the cost of the services and improvements; (4) the boundaries of the District; and (5) that written or oral objections would be considered at the hearing.

**SECTION 7.** The Court finds that the County Clerk or other officer mailed notices of the public hearing to the owners of property liable for assessment, as the ownership appears on the County tax roll. The notice contained the information required by the Act. The notice required by Section 372.016(c) of the Act was mailed before the 10th day before the date of the hearing to the

last known address of the property owner as indicated as on the most recent County tax roll, according to the Act. The failure of the property owner to receive the mailed notice shall not invalidate the proceeding of the County or the action taken herein.

**SECTION 8.** The Court finds that the Assessments as set forth in **Exhibit B** should be made and levied against the respective parcels of property and accounts within the District, shall be charged against the owners thereof, and that such Assessments are substantially in proportion to the benefits to the respective parcels of property accounts assessed by means of the services and improvements in the District for which such Assessments are levied. The Court further finds that in each case, the property assessed is specially benefited by means of the improvements and services in the District, and further finds that the apportionment of costs of the improvements and services are in accordance with the laws of the County and the State of Texas. The Court's proceedings regarding the formation of the District and the imposition of Assessments for said services and improvements are, in all respects, valid and regular in the manner provided in the Act.

**SECTION 9.** That the Assessments set forth in **Exhibit B** are hereby levied and assessed against the parcels of property within the District, and against the real and record owners thereof (whether such owners be correctly named or not), as set forth in the 2024-2025 Assessment Roll attached hereto as **Exhibit B** and as provided in the Act. The 2024-2025 Assessment Roll shall be on file with the County Tax Assessor-Collector and subject to public inspection.

**SECTION 10.** That the Assessments above mentioned and assessed against the said parcels of property, be charged against the owners thereof, and interest thereon per annum at the maximum rate allowed by law. Such interest rate shall not exceed the maximum amount allowed by law, together with reasonable fees and cost of collection. Unpaid Assessments are declared to be and are made a first, and prior lien against the property assessed, superior to all other liens and claims except liens and claims for state, school district, and County ad valorem taxes, and said charges shall be a personal liability of and charge against the owners of the property regardless of whether the owners are named, in the manner provided in the Act. The lien is effective from the date of this Order until the Assessments are paid and may be enforced by the County in the same manner that the County may enforce an ad valorem tax lien against real property in the manner provided in the Act.

**SECTION 11.** That the Assessments levied herein shall be due and payable in full on or before the respective dates for each assessment, as set forth in **Exhibit A** hereto. Should default be made in the payment of any Assessments against said property and payable by the owners of such property, collection thereof, including costs and fees, shall be enforced by the County in the same manner that the County may enforce an ad valorem tax lien against real property. The owner of the assessed property may pay at any time the Assessments, with interest that has accrued on the Assessments on any lot or parcel, in the manner provided for in the Act.

**SECTION 12.** That all Assessments levied are a personal liability and charge against the real and record owners of the parcels and premises described, notwithstanding such owners may not be named, or may be incorrectly named.

**SECTION 13.** That the Assessments herein levied are made and levied under and by the terms, powers, and provisions of the Public Improvement District Assessment Act, Chapter 372 of the Texas Local Government Code, as amended.

**SECTION 14.** That this Order takes effect immediately from and after its passage and it is accordingly so ordered.

**PASSED AND APPROVED ON THIS \_\_\_ DAY OF \_\_\_\_\_, 2024.**

**COUNTY OF HIDALGO, TEXAS**

\_\_\_\_\_  
Honorable Richard F. Cortez  
Hidalgo County Judge

**ATTEST:**

\_\_\_\_\_  
Arturo Guajardo, Jr

**EXHIBIT A**

**LOS PRADOS PUBLIC IMPROVEMENT DISTRICT  
2024-2025 SERVICE AND ASSESSMENT PLAN**

**Los Prados  
Public Improvement District  
2024-2025 Service and Assessment  
Plan**

Hidalgo County, Texas

**Section I.**  
**Introduction and Definitions**

**A. Introduction**

On November 12, 2024 (the “Creation Date”), the Hidalgo County Commissioners Court approved County Resolution No. 97398, establishing the Los Prados Public Improvement District, a Texas public improvement district (“District”), under Chapter 372, Texas Local Government Code (“Chapter 372” or “District Act”). The District was created to fund the “Authorized Improvements” (as herein defined), and associated ongoing “Maintenance and Operation Costs” (as herein defined) for the benefit of approximately 94.97 acres of real property located within the District (the “District Area”). In accordance with Chapter 372, the proposed land uses for the District Area, together with their intended highest and best use, as amended, are set forth in the Project Plan Map, attached hereto as **Exhibit A**.

This Los Prados Public Improvement District 2024-2025 Service and Assessment Plan (“Service and Assessment Plan”) and 2024-2025 Assessment Roll (“Assessment Roll”) has been prepared in accordance with Chapter 372, specifically, Sections 372.013, 372.014, 372.015, and 372.016, to provide the District with a funding mechanism for the development of affordable housing within the District Area, with Maintenance and Operation Costs being paid through the District as well.

Pursuant to Section 372.013 of the District Act, a service plan must:

1. Cover a period of at least five (5) years;
2. Define the annual indebtedness and the projected costs for improvements; and
3. Include a copy of the notice form required by TEX. PROP. CODE § 5.014.

In accordance with Chapter 372, the Service and Assessment Plan shall be reviewed and updated annually for the purpose of determining the annual budget for improvements. The service plan referenced above is contained in Section IV of this Service and Assessment Plan.

Section 372.014 of the District Act requires that “an assessment plan ... be included in the annual service plan.” The Assessment Plan required by the District Act is described in Section V of this Service and Assessment Plan.

Section 372.015 of the District Act requires that “the governing body of the municipality or county ... apportion the cost of an improvement to be assessed against property in an improvement district.” The method of assessing District Costs (as herein defined) on property in the District Area is included in Section V of this Service and Assessment Plan.

Section 372.016 of the District Act requires that “after the total cost of an improvement is determined, the governing body of the municipality or county shall prepare a proposed assessment roll. The assessment roll must state the assessment levied against each parcel of land in the district, as determined by the method of assessment chosen by the municipality or county. . . .” The Assessment Roll for the District is attached hereto as **Exhibit C** and addressed in Section VII of this Service and Assessment Plan. The Assessments shown on the Assessment Roll are based on the method of assessment described in Section V and Section VI of this Service and Assessment Plan.

**B. Definitions**

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

“**Administrator**” means the entity appointed by the County to have responsibility for the Service and Assessment Plan pursuant to Section 372.013 and other applicable sections of the District Act. The Administrator appointed by the County for the Los Prados Public Improvement District is Texas Special District Management, LLC, which shall have the responsibilities provided for herein, in the Resolution creating the District, and/or in another agreement approved by the County.

“**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) issuing, refunding or refinancing bonds, (ii) computing, levying, collecting and transmitting the Assessments (whether by the County, the Administrator or otherwise), (iii) remitting the Assessments to the County, (iv) the County and the Administrator (including legal counsel) in the discharge of their duties, 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 Hidalgo County Commissioners Court. Annual Collection Costs collected 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 the Assessment, as shown on the Assessment Roll attached hereto as **Exhibit C** or an Annual Service Plan Update and calculated as provided in Section VI of this Service and Assessment Plan.

“**Annual Service Plan Update**” has the meaning set forth in Section IV of this Service and Assessment Plan.

“**Assessable Structure**” means, for any year, Parcels within the District which have a completed single-family dwelling located thereon.

“**Assessments**” means all of the assessments assessed against Parcels as set forth in the Assessment Roll.

“**Assessment Order**” means the Assessment Order approved by the County Commissioners Court to approve the imposition of the Assessments.

“**Assessment Revenues**” mean the revenues actually received by the District from Assessments.

“**Assessment Roll**” means the document attached hereto this Service and Assessment Plan as **Exhibit C**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the District Act.

“**Authorized Improvements**” means those public improvements described in Table III-A of this Service and Assessment Plan and Section 372.003 of the District Act.

“**Bonds**” mean any bonds or other obligations (i.e., Certificates of Obligation) secured by Assessment Revenues issued by the County in one or more series.

“**Bond Order**” means the indenture, order or similar document setting forth the terms and other provisions relating to Bonds, as modified, amended, and/or supplemented from time to time.

“**County**” means the County of Hidalgo, Texas.

**“County Commissioners Court”** means the Hidalgo County Commissioners Court.

**“Debt Service Assessment”** means the Principal, Interest and Annual Collection Costs levied against a Parcel located in the District Area imposed pursuant to the Assessment Order and the provisions herein, as shown on the Assessment Roll, subject to reallocation upon the subdivision of such Parcel created by such subdivision or reduction according to the provision herein and the District Act, intended to fund the debt service requirements of the District.

**“Delinquent Collection Costs”** means any interest, penalties and expenses incurred or imposed with respect to a delinquently made installment of an Assessment in accordance with Section 372.018(b) of the District Act, along with the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorney's fees.

**“Developer”** means Los Prados Development, LLC, its successors or assigns.

**“Development Agreement”** means the agreement between the Los Prados Public Improvement District, the County, Developer, and Reinvestment Zone Number One, Hidalgo County, as may be amended or supplemented.

**“District”** means the Los Prados Public Improvement District.

**“District Act”** means Texas Local Government Code Chapter 372, Improvement Districts in Municipalities and Counties, Subchapter A, Public Improvement Districts, as amended.

**“District Costs”** means the actual or budgeted costs, as applicable, of all or any portion of the Authorized Improvements that provide a special benefit to the Assessed Property and are allocated to the District, as described in Table III-A of this Service and Assessment Plan, including, Principal, Interest and Annual Collection Costs.

**“District Manager”** means Texas Special District Management, LLC.

**“Interest”** means the interest payments on the reimbursements to Developer and Assessments.

**“Los Prados Development Project”** means that certain development project as hereinafter defined.

**“Maintenance Assessment(s)”** means the Maintenance Assessment (the “MA”) levied against Parcels to reimburse Developer, or assigns, or fund the maintenance costs of the Authorized Improvements.

**“Maintenance and Operational Expenses”** means the operation, maintenance, and other expenses incurred by the District and related to the maintenance and operation of District improvements pursuant to the District Act.

**“Owner Association Property”** means property within the boundaries of the District that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, a property owners' association established by, or approved by, the Developer.

**“Parcel”** means a parcel identified by either a tax map identification number assigned by the Hidalgo Appraisal District for real property tax purpose or by lot and block number in a final subdivision plat recorded in the real property records of Hidalgo County in which there is a single-family dwelling

constructed thereon and conveyed to an end-buyer.

“**Prepayment Costs**” mean interest and expenses to the date of prepayment (or in the case of capital appreciation bonds, the accreted value on the date of prepayment), plus any additional amounts due pursuant to the ordinance related to Bonds and allowed by law, if any, reasonably expected to be incurred by or imposed upon the County because of any prepayment of an Assessment.

“**Principal**” means the total principal amount of Assessments levied to pay for Authorized Improvements, plus interest and cost of issuance and payment of costs incurred in the establishment of the District (i.e., legal fees, engineering fees, consultant costs, etc.).

“**Project and Finance Plan**” means the Project and Finance Plan for Reinvestment Zone Number One, Hidalgo County, as may be amended, and supplemented by the County Commissioners Court.

“**Project Plan Map**” means the map of the development that is to occur within the boundaries of the District and Reinvestment Zone Number One, Hidalgo County, as amended from time to time based on actual buildout and use, which depicts the areas of development and the type of each category of property use within the District.

“**Public Property**” means property within the District Area that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, Hidalgo County, the City of Mercedes, the District, a school district, a public utility provider, or any other political subdivision or public agency, whether in fee simple or through an exclusive use easement.

“**Semi-Annual Installment**” means, with respect to each Parcel, each semi-annual payment of the Assessment, as shown on the Assessment Roll attached hereto as **Exhibit C** or an Annual Service Plan Update and calculated as provided in Section VI of this Service and Assessment Plan.

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

“**Tax Increment Reinvestment Zone**” or “**TIRZ**” means Reinvestment Zone Number One, Hidalgo County, which has boundaries coterminous with the District Area.

“**TIRZ Agreement Revenue**” means any revenue from the TIRZ or from the Developer that is collected and distributed to pay for a portion of the District Costs pursuant to the Development Agreement related to such matters between the County, District, TIRZ, and or Developer, as amended.

“**Trustee**” means the fiscal agent or trustee, if any.

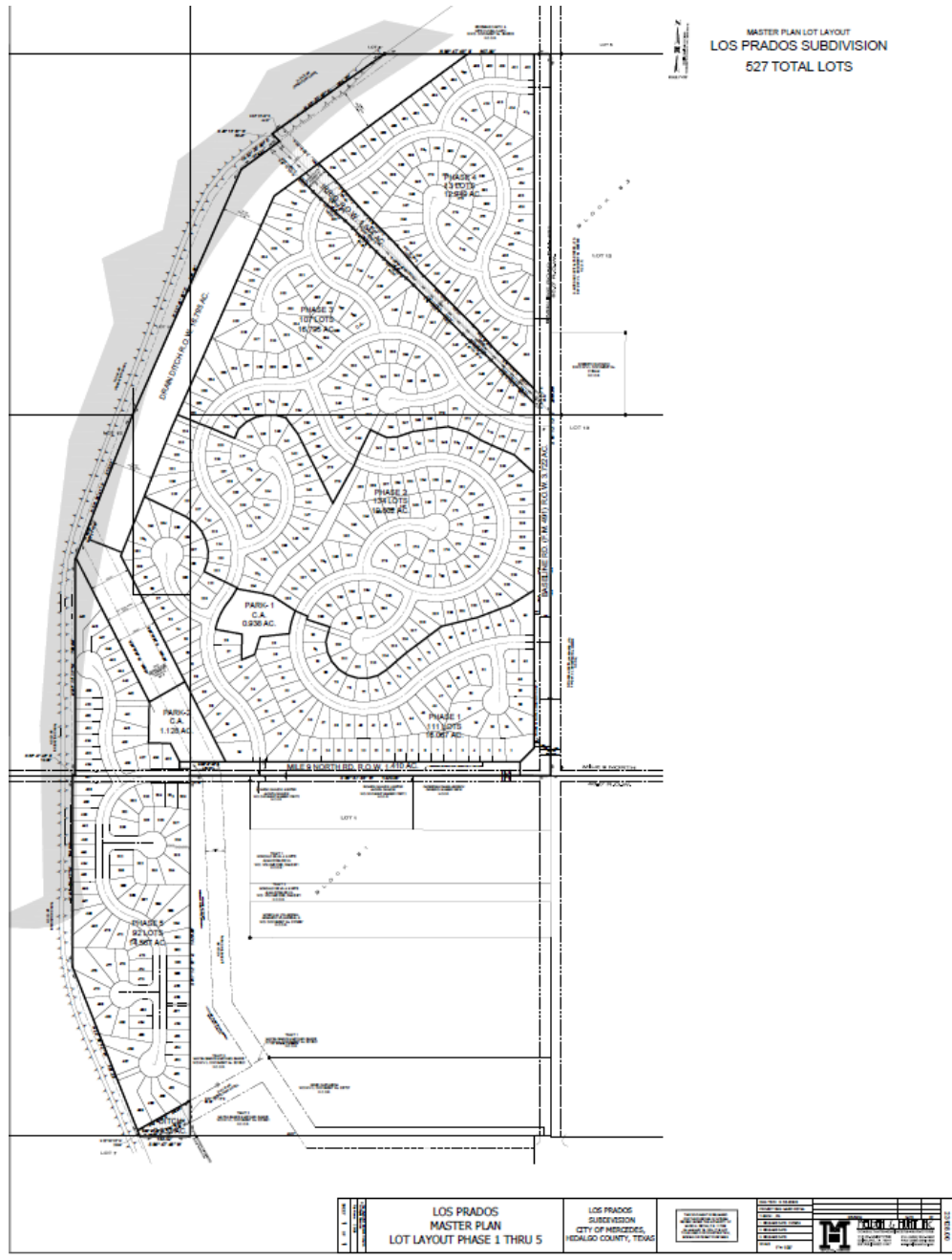
## **Section II.** **Property Included in the District Area**

### **A. Property Included in the District Area**

The Los Prados Development Project is located wholly within Hidalgo County, Texas and contains approximately 94.979 acres of land, all located in the District Area, more accurately described by maps and surveys attached hereto as **Exhibit B**, and consists of eight (8) tracts having the tax account information

identified in **Exhibit C**, according to the official records of the Hidalgo County Central Appraisal District.

### DISTRICT AREA MAP



Upon final buildout completion, the District Area is expected to contain 527 Assessable Structures on platted and improved property. The buildout projection is based on the Project Plan Map, which is attached hereto for all purposes as **Exhibit A**, as well as the Project and Finance Plan for the TIRZ, as amended and supplemented. A copy of the Project Plan and Financing Plan for the TIRZ, as amended and supplemented,

is available for inspection and copying at the office of the County Clerk located at 100 N. Closner, Edinburg, Texas 78539. The total cost for all Authorized Improvements that would improve and benefit property within the District Area is approximately \$38,052,000.00. Developer will fund the initial cost of public infrastructure in the District Area and the financing of the cost of all Authorized Improvements of the District Area will be accomplished pursuant to the terms of the Development Agreement.

**Section III.**  
**Description of Authorized Improvements**

**A. Authorized Improvement Overview**

Section 372.003 of the District Act defines the Authorized Improvements that may be undertaken by a municipality or county through the establishment of a public improvement district, as follows:

Sec. 372.003. AUTHORIZED IMPROVEMENTS.

- (a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.
- (b) A public improvement project may include:
  - (1) landscaping;
  - (2) erection of fountains, distinctive lighting, and signs;
  - (3) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of-way;
  - (4) construction or improvement of pedestrian malls;
  - (5) acquisition and installation of pieces of art;
  - (6) acquisition, construction, or improvement of libraries;
  - (7) acquisition, construction, or improvement of off-street parking facilities;
  - (8) acquisition, construction, improvement, or rerouting of mass transportation facilities;
  - (9) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;
  - (10) the establishment or improvement of parks;
  - (11) projects similar to those listed in Subdivisions (1)-(10);
  - (12) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
  - (13) special supplemental services for improvement and promotion of

the district, including services relating to advertising, promotion, health and sanitation., water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement;

(14) payment of expenses incurred in the establishment, administration., and operation of the district; and

(15) the development, rehabilitation, or expansion of affordable housing.

(b-1) Payment of expenses under Subsection (b)(14) may also include expenses related to the operation and maintenance of mass transportation facilities.

(c) A public improvement project may be limited to the provision of the services described by Subsection (b)(13).

After analyzing the public improvements authorized by the District Act, the County has determined that the Authorized Improvements should be undertaken by the District and will benefit properties within the District as set forth herein. A list of Authorized Improvements and their estimated costs are outlined in Table III-A.

**Table III-A**  
**District Area -Authorized Improvements and Estimated Costs**

Los Prados													
Finance Summary Budget													
Description Year	Offsite	Park	Phase I		Phase II		Phase III		Phase IV		Phase V		Total Cost of Development
	2024	2025	2024	2025	2025	2026	2027	2028	2028	2029	2030	2031	
Lots	527	527	111		134		107		83		92		527
Area [Acres]	22.257	2.066	16.067		19.802		16.795		12.949		14.567		104.503
Feasibility Studies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land Development Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits & fees	\$ 87,759.94	\$ -	\$ 447,549.31	\$ 298,366.21	\$ 614,560.10	\$ 263,382.90	\$ 485,949.80	\$ 208,264.20	\$ 398,390.28	\$ 170,738.69	\$ 547,090.97	\$ 60,787.89	\$ 3,582,840.27
Eng & Surveying	\$ 178,606.10	\$ 17,000.00	\$ 202,280.55	\$ 50,570.14	\$ 195,106.05	\$ 83,616.88	\$ 152,386.45	\$ 65,308.48	\$ 125,534.54	\$ 83,689.69	\$ 160,460.89	\$ 40,115.22	\$ 1,354,674.98
Site Work	\$ 143,198.00	\$ -	\$ 29,493.00	\$ -	\$ -	\$ 29,052.60	\$ 27,781.74	\$ -	\$ -	\$ 23,581.20	\$ 28,321.92	\$ 3,146.88	\$ 284,575.34
Utilities	\$ 765,249.86	\$ -	\$ 535,971.26	\$ 995,375.20	\$ -	\$ 1,691,224.54	\$ 887,806.33	\$ 221,951.58	\$ -	\$ 1,293,504.09	\$ 964,915.04	\$ 107,212.78	\$ 7,463,210.70
Coop Utilities	\$ -	\$ -	\$ 22,200.00	\$ -	\$ 26,800.00	\$ -	\$ 21,400.00	\$ -	\$ 16,400.00	\$ -	\$ 18,400.00	\$ -	\$ 105,200.00
Landscape	\$ -	\$ 140,806.44	\$ -	\$ 94,259.40	\$ -	\$ 75,205.03	\$ -	\$ 154,072.17	\$ -	\$ 127,743.41	\$ -	\$ 13,469.41	\$ 605,555.86
Paving	\$ -	\$ -	\$ -	\$ 879,287.07	\$ -	\$ 956,562.08	\$ 87,642.87	\$ 788,785.85	\$ -	\$ 680,548.79	\$ 680,691.21	\$ 75,632.36	\$ 4,149,150.22
Structures & Common Areas	\$ -	\$ 480,120.00	\$ -	\$ 161,679.60	\$ -	\$ 126,308.70	\$ -	\$ 176,756.58	\$ -	\$ 307,142.55	\$ 40,403.88	\$ 161,615.52	\$ 1,454,026.83
Amenities & Common Areas	\$ -	\$ -	\$ -	\$ 27,750.00	\$ -	\$ 33,500.00	\$ -	\$ 26,750.00	\$ -	\$ 20,500.00	\$ -	\$ 23,000.00	\$ 131,500.00
Contingency	\$ 117,481.39	\$ 63,792.64	\$ -	\$ 369,483.17	\$ -	\$ 403,501.89	\$ -	\$ 325,670.60	\$ -	\$ 321,087.32	\$ -	\$ 288,386.40	\$ 1,889,403.42
Administration (\$10k/year to County)	\$ 300,000.00												\$ 300,000.00
Formation	\$ 500,000.00												\$ 500,000.00
Interest	\$ 16,020,928.08												\$ 16,020,928.08
Construction Management	\$ 12,922.95	\$ 7,017.19	\$ 12,374.94	\$ 28,767.71	\$ 8,364.66	\$ 36,623.55	\$ 16,629.67	\$ 19,675.59	\$ 5,403.25	\$ 30,285.36	\$ 24,402.84	\$ 7,733.66	\$ 210,201.38
Downpayment Assistance			\$ 748,901.88	\$ 748,901.88	\$ 904,079.74	\$ 904,079.74	\$ 721,914.42	\$ 721,914.42	\$ 559,989.69	\$ 559,989.69	\$ 620,711.47	\$ 620,711.47	\$ 7,111,194.40
<b>Total</b>	<b>\$ 18,126,146.32</b>	<b>\$ 708,736.27</b>	<b>\$ 1,998,770.93</b>	<b>\$ 3,654,440.37</b>	<b>\$ 1,748,910.55</b>	<b>\$ 4,603,057.90</b>	<b>\$ 2,401,511.29</b>	<b>\$ 2,709,149.48</b>	<b>\$ 1,105,717.75</b>	<b>\$ 3,618,810.80</b>	<b>\$ 3,085,398.22</b>	<b>\$ 1,401,811.59</b>	<b>\$ 45,162,461.48</b>

The improvements created by the District will provide a special benefit to the property within the District. The improvements not provided directly by the District will be funded by the Developer and be reimbursed subject to the terms of the Development Agreement.

The costs shown in Table III-A are estimates and will be updated and revised in Annual Service Plan Updates. Savings from a line item depicted in Table III-A may be applied to a cost increase in another line item as approved by the District through its Manager or Administrator.

**B. Maintenance Assessments (“MA”)**

The District will incur expenses from the annual maintenance, upkeep, and operation of certain Authorized Improvements, as well as the administrative costs of annual operations and management. Section 372.013 of the District Act requires the Service Plan to cover a period of at least five (5) years. The plan must be reviewed and updated annually for the purpose of determining the annual budget for improvements. Section 372.026 of the District Act requires that income must be fixed and collected in amounts sufficient to pay for the operation, maintenance, and other expenses incurred by the District and related to the Authorized Improvements (the “Maintenance and Operational Expenses”).

At full buildout of the development, the District will be responsible for maintenance and operation of parks, recreational facilities, trails, streets, signage, and drainage within the District Area.

Within the five (5) year period, from 2025 through 2029, the anticipated Maintenance and Operational Expenses related to the District Improvements and the amount of the Maintenance Assessment for each year are set forth in Table III-B below:

**Table III-B**  
**LOS PRADOS PUBLIC IMPROVEMENT DISTRICT – 5 YEAR BUDGET**

Los Prados 5 Year Maintenance Budget 2025-2029 (\$45 Maintenance assesment)						
	2025	2026	2027	2028	2029	
<b>Revenue</b>						
Maintenance Assesments	\$ 1,620.00	\$ 30,780.00	\$ 69,660.00	\$ 108,540.00	\$ 147,420.00	
Tech Assesments	\$ 1,080.00	\$ 20,520.00	\$ 46,440.00	\$ 72,360.00	\$ 98,280.00	
<b>Total Revenue</b>	<b>\$ 2,700.00</b>	<b>\$ 51,300.00</b>	<b>\$ 116,100.00</b>	<b>\$ 180,900.00</b>	<b>\$ 245,700.00</b>	
<b>Expenses</b>						
Management Fees	\$ 540.00	\$ 10,567.80	\$ 24,634.10	\$ 39,534.86	\$ 55,307.50	
Bulk Technology fee	\$ 1,080.00	\$ 20,520.00	\$ 46,440.00	\$ 72,360.00	\$ 98,280.00	
Common Area Landscape	\$ 78,400.00	\$ 80,752.00	\$ 83,174.56	\$ 85,669.80	\$ 88,239.89	
Facility Maintenance & Repairs	\$ 500.00	\$ 3,000.00	\$ 6,000.00	\$ 8,000.00	\$ 8,000.00	
Insurance	\$ 1,100.00	\$ 1,800.00	\$ 1,854.00	\$ 1,909.62	\$ 1,966.91	
Professional Fees	\$ 450.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
Utilities	\$ 10,000.00	\$ 10,000.00	\$ 10,300.00	\$ 10,609.00	\$ 10,927.27	
Infrastructure Repair/Maintenance	\$ -	\$ 4,000.00	\$ 7,000.00	\$ 7,210.00	\$ 7,426.30	
<b>Total Expenses</b>	<b>\$ 92,070.00</b>	<b>\$ 132,139.80</b>	<b>\$ 180,902.66</b>	<b>\$ 226,793.28</b>	<b>\$ 271,647.87</b>	
<b>NOI</b>	<b>\$ (89,370.00)</b>	<b>\$ (80,839.80)</b>	<b>\$ (64,802.66)</b>	<b>\$ (45,893.28)</b>	<b>\$ (25,947.87)</b>	

The projected budget for Maintenance and Operational Expenses, and the corresponding Maintenance Assessment projections, will be revised each year in the Amended Service & Assessment Plan for the District. The income received by the District from assessment and collection of the Maintenance Assessment will be used only for operation and maintenance costs of the District, or to reimburse Developer for operation and maintenance cost. If a surplus in funds is available from the Maintenance Assessments in a given year, if any, they shall be retained for future maintenance and operational expenses for replacements, repaving, etc.

As Parcels are platted, and improvements are built on the subdivided lots, each Parcel will have an annual \$540.00 Maintenance Assessment levied against it.

**Section IV**  
**Service Plan**

The District Act requires a service plan cover a period of at least five (5) years. The service plan is required to define the annual projected costs and indebtedness for the improvement projects undertaken within the District. The plan shall be reviewed and updated annually for the purpose of determining the annual budget for improvements. The annual update to this Service and Assessment Plan is herein referred to as the “Annual Service Plan Update.”

**Table IV-A**  
**Estimated Sources and Uses of Funds**

Los Prados													
Finance Summary Budget													
Description Year	Offsite	Park	Phase I		Phase II		Phase III		Phase IV		Phase V		Total Cost of Development
	2024	2025	2024	2025	2025	2026	2027	2028	2028	2029	2030	2031	
Lots	527	527	111		134		107		83		92		527
Area [Acres]	22.257	2.066	16.067		19.802		16.795		12.949		14.567		104.503
Feasibility Studies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land Development Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits & fees	\$ 87,759.94	\$ -	\$ 447,549.31	\$ 298,366.21	\$ 614,560.10	\$ 263,382.90	\$ 485,949.80	\$ 208,264.20	\$ 398,390.28	\$ 170,738.69	\$ 547,090.97	\$ 60,787.89	\$ 3,582,840.27
Eng & Surveying	\$ 178,606.10	\$ 17,000.00	\$ 202,280.55	\$ 50,570.14	\$ 195,106.05	\$ 83,616.88	\$ 152,386.45	\$ 65,308.48	\$ 125,534.54	\$ 83,689.69	\$ 160,460.89	\$ 40,115.22	\$ 1,354,674.98
Site Work	\$ 143,198.00	\$ -	\$ 29,493.00	\$ -	\$ -	\$ 29,052.60	\$ 27,781.74	\$ -	\$ -	\$ 23,581.20	\$ 28,321.92	\$ 3,146.88	\$ 284,575.34
Utilities	\$ 765,249.86	\$ -	\$ 535,971.26	\$ 995,375.20	\$ -	\$ 1,691,224.54	\$ 887,806.33	\$ 221,951.58	\$ -	\$ 1,293,504.09	\$ 964,915.04	\$ 107,212.78	\$ 7,463,210.70
Coop Utilities	\$ -	\$ -	\$ 22,200.00	\$ -	\$ 26,800.00	\$ -	\$ 21,400.00	\$ -	\$ 16,400.00	\$ -	\$ 18,400.00	\$ -	\$ 105,200.00
Landscape	\$ -	\$ 140,806.44	\$ -	\$ 94,259.40	\$ -	\$ 75,205.03	\$ -	\$ 154,072.17	\$ -	\$ 127,743.41	\$ -	\$ 13,469.41	\$ 605,555.86
Paving	\$ -	\$ -	\$ -	\$ 879,287.07	\$ -	\$ 956,562.08	\$ 87,642.87	\$ 788,785.85	\$ -	\$ 680,548.79	\$ 680,691.21	\$ 75,632.36	\$ 4,149,150.22
Structures & Common Areas	\$ -	\$ 480,120.00	\$ -	\$ 161,679.60	\$ -	\$ 126,308.70	\$ -	\$ 176,756.58	\$ -	\$ 307,142.55	\$ 40,403.88	\$ 161,615.52	\$ 1,454,026.83
Amenities & Common Areas	\$ -	\$ -	\$ -	\$ 27,750.00	\$ -	\$ 33,500.00	\$ -	\$ 26,750.00	\$ -	\$ 20,500.00	\$ -	\$ 23,000.00	\$ 131,500.00
Contingency	\$ 117,481.39	\$ 63,792.64	\$ -	\$ 369,483.17	\$ -	\$ 403,501.89	\$ -	\$ 325,670.60	\$ -	\$ 321,087.32	\$ -	\$ 288,386.40	\$ 1,889,403.42
Administration (\$10k/year to County)	\$ 300,000.00												\$ 300,000.00
Formation	\$ 500,000.00												\$ 500,000.00
Interest	\$ 16,020,928.08												\$ 16,020,928.08
Construction Management	\$ 12,922.95	\$ 7,017.19	\$ 12,374.94	\$ 28,767.71	\$ 8,364.66	\$ 36,623.55	\$ 16,629.67	\$ 19,675.59	\$ 5,403.25	\$ 30,285.36	\$ 24,402.84	\$ 7,733.66	\$ 210,201.38
Downpayment Assistance			\$ 748,901.88	\$ 748,901.88	\$ 904,079.74	\$ 904,079.74	\$ 721,914.42	\$ 721,914.42	\$ 559,989.69	\$ 559,989.69	\$ 620,711.47	\$ 620,711.47	\$ 7,111,194.40
<b>Total</b>	<b>\$ 18,126,146.32</b>	<b>\$ 708,736.27</b>	<b>\$ 1,998,770.93</b>	<b>\$ 3,654,440.37</b>	<b>\$ 1,748,910.55</b>	<b>\$ 4,603,057.90</b>	<b>\$ 2,401,511.29</b>	<b>\$ 2,709,149.48</b>	<b>\$ 1,105,717.75</b>	<b>\$ 3,618,810.80</b>	<b>\$ 3,085,398.22</b>	<b>\$ 1,401,811.59</b>	<b>\$ 45,162,461.48</b>

This ‘Estimated Sources and Uses of Funds’ contained in Table IV-A is subject to revision upon the actual sources and uses of funds for any line item may be different than shown above. The sources and uses of funds shown in Table IV-A shall be updated each year in the updated annual service plan to reflect any budget revisions and actual costs. Table IV-A shows the annual projected costs and annual projected indebtedness which is subject to revision.

**[REMAINDER LEFT INTENTIONALLY BLANK]**

## **Section V** **Assessment Plan**

### **A. Introduction**

The District Act requires the County Commissioners Court to apportion the District Costs on the basis of special benefits conferred upon the property because of the Authorized Improvements (which Assessable Property is identified for the purpose of Assessments by (i) a tax map identification number assigned by the Hidalgo Appraisal District for real property tax purposes; or (ii) lot and block number in a final subdivision plat recorded in the real property records of Hidalgo County, Texas, in which there is a single-family dwelling constructed thereon and conveyed to an end-buyer (each such parcel or tract of Assessable Property, a Parcel). The District Act provides that the District Costs may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited. The District Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the governing body and the area to be assessed and the methods of assessing the special benefits for various classes or improvements.

This section of this Service and Assessment Plan currently describes the special benefit received by each Parcel of the Property as a result of the Authorized Improvements, provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments, and establishes the methodology by which the County Commissioners Court allocates the special benefit of the Authorized Improvements to Parcels in the manner that results in equal share of the District Cost being apportioned to Parcels similarly benefited. The determination by the County Commissioners Court of the assessment methodology set forth below is the result of the discretionary exercise by the County Commissioners Court of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers of the Assessed Property.

### **B. Special Benefit**

The Assessed Property will receive a direct and special benefit from the Authorized Improvements and this benefit will be equal to or greater than the amount of the Assessments. The Authorized Improvements are provided specifically for the benefit of the Assessed Property. The Authorized Improvements (more particularly described in Table III-A of this Service and Assessment Plan) are authorized by the District Act.

The owners of the Assessed Property have acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and have consented to the imposition of the Assessments to pay for the District Costs associated therewith. The owners are acting in their interest in consenting to this imposition because the special benefit conferred upon the Assessed Property by the Authorized Improvements exceeds the amount of the Assessments.

The original owners of the Assessed Property have ratified, confirmed, and accepted, agreed to and approved the determinations and finding as to benefits by the County Commissioners Court in this Service and Assessment Plan and the Assessment Order. That confirmation is binding on the original owners, and their successors and assigns. The Funding of the District Costs through the District is determined to be the most beneficial means of doing so. As a result, the Assessments result in a special benefit to the Assessed Property, and this special benefit exceeds the amount of the Assessment. This conclusion is based on and supported by the evidence, and information provided to the County Commissioners Court.

**C. Allocation of Costs to the District**

The Authorized Improvements will provide a special benefit only to property inside the District and therefore the costs are being apportioned solely to the District, subject to Section VI- D.

**D. Assessment Methodology**

The District Costs may be assessed by the County Commissioners Court against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Authorized Improvements equals or exceeds the Assessments. The District Costs may be assessed using any methodology that results in the imposition of equal shares of the District Costs on Assessed Property similarly benefited.

For purpose of this Service and Assessment Plan the County Commissioners Court has determined that the Parcels shall be assessed all of the costs of the Improvements and Services, which costs shall be allocated among the Parcels within the District by spreading the aggregate amount of the Assessments across all Parcels within the District according to separate assessments, one being for maintenance (the Maintenance Assessments), and the other being to fund the debt service requirements (the Debt Service Assessment), collectively the “Assessments”.

The Debt Service Assessment shall be allocated to the Assessed Property within the District Area based on a Parcel method of allocation that will result in the imposition of equal shares of the District Costs on Parcels similarly benefited. The Parcel method is applied by spreading the entire assessment across all Parcels within the District Area in equal shares for each Parcel. When final residential building sites are platted, and single-family home is built thereon, each Parcel shall be responsible for the Assessments in even and equal shares, totaling \$1,840.00 annually per parcel.

The District Project Plan Map as shown in **Exhibit A** shows the anticipated final layout for the Los Prados Development along with the Assessed Parcels.

**E. Assessments**

The Debt Service Assessment and the Maintenance Assessment are on an equal per Parcel basis. The Annual Installments are as follows:

1. Debt Service Assessment = \$1,300.00 per Parcel annually
2. Maintenance Assessment = \$540.00 per Parcel annually

The result of this approach is that each Parcel has the same Annual Installment totaling \$1,840.00 annually as each Parcel is entitled to the same benefits conferred by the District.

The Assessments will be levied on each Parcel in the District Area according to the Assessment Roll attached hereto as **Exhibit C**. The Annual Installments of the Assessments will be collected in the amounts shown on the Assessment Roll subject to the Development Agreement and any revisions made during an Annual Service Plan Update.

***[REMAINDER INTENTIONALLY LEFT BLANK]***

**Section VI**  
**Terms of the Assessment Plan**

**A. Amount of Assessments and Installments**

The Assessments and Annual Installments for each Parcel within the District Area are shown on the Assessment Roll, attached as **Exhibit C**, and no Assessment shall be charged except as authorized by this Service and Assessment Plan, as may be updated no less than annually, or the District Act. The Annual Installments shall be collected in fixed per Parcel amounts on an annual basis as identified herein.

**B. Mandatory Prepayment of Assessments**

If a Parcel or portion thereof is transferred to a party that is exempt from the payment of the Assessments under applicable law, or if an owner causes a Parcel or portion thereof to become exempt from Assessments, the owner of such Parcel or portion thereof shall pay to the Administrator the full amount of the Assessments, plus all Prepayment Costs, for such Parcel or portion thereof prior to any such transfer or act.

The payments required above shall be treated the same as any Assessments that is due and owing under the Act, the Assessment Order, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the Act.

**C. Payment of Assessments**

**1. Payment In Full**

- a) The Debt Service Assessment for any Parcel may be paid in full at any time in accordance with applicable laws. Payment shall include all 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 a Debt Service Assessment and all Prepayment Costs for a Parcel, the County shall deposit the payment in the fund allocated for such payment and the Debt Service Assessment shall be reduced to zero for that Parcel, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.

**2. Payment in Annual Installments**

The District Act provides that Assessments for a Parcel may be paid in full at any time. If not paid in full, the Act authorizes the County to collect interest and collection costs on the outstanding Assessments. A Debt Service Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown in the Assessment Roll, which include interest on the outstanding Assessments and Annual Collection Costs. Payment of the Annual Installments shall commence with tax year 2025, unless this Service and Assessment Plan and the Assessment Roll, or any updates thereto have terminated.

Each Debt Service Assessment and Maintenance Assessment shall bear interest of no more than the lesser of (i) six (6%) percent, or (ii) the maximum rate allowed by applicable laws. The Annual Installments for the Debt Service Assessment as listed on the Assessment Roll have been reduced and subsidized by the Developer to allow for reasonable fixed installments.

The Annual Installments shall be reduced to equal the actual costs of repaying the District Costs (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.

**D. Collection of Annual Installments**

No less frequently than annually, the Administrator shall prepare, and the County Commissioners Court shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Annual Installments shall be collected by the County (or District Administrator or other entity as directed by the County) in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the County. The County Commissioners Court may provide for other means of collecting the Annual Installments to the extent permitted under the District Act. The Debt Service Assessment and Maintenance Assessment shall have lien priority as specified in the District Act.

Any sale of property for nonpayment of the delinquent Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such property as they become due and payable.

**Section VII  
The Assessment Roll**

**Maintenance Assessment**

Each parcel within the District Area will be assessed equally such that the Annual Installment for each Parcel's share of the Maintenance Assessment equals a \$540.00 Annual Installment.

**Debt Service Assessment**

Each Parcel within the District Area has been evaluated by the County Commissioners Court (based on the District Project Plan Map, developable area, the TIRZ Project and Finance Plan, the Authorized Improvements, highest and best use of land, and other development factors deemed relevant by the County Commissioners Court) to determine, the number of lots that are anticipated to be developed within the Parcels. The total number of Parcels to be assessed is estimated to be 527 lots at full buildout.

Each parcel within the District Area will be assessed equally such that the Annual Installment for each Parcel's share of the Debt Service Assessment equals \$1,300.00 annually.

The Administrator shall prepare, and the County Commissioners Court shall review and approve, annual updates to the Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the County and permitted by the Act: (i) the identification of each Parcel; (ii) the Assessment for each Parcel, including any adjustments

authorized by this Service and Assessment Plan or in the Act; (iii) the Annual Installment for the Parcel for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by this Service and Assessment Plan.

## **Section VIII Miscellaneous Provisions**

### **A. Administrative Review**

The County has appointed the District Administrator to serve as the Administrator. The County shall notify Developer in writing at least thirty (30) days in advance before making any changes to its appointment of the District Administrator.

To the extent consistent with the District Act, an owner of an Assessed Property claiming that a calculation error has been made in the Assessment Roll, including the calculation of the Annual Installment, shall send a written notice describing the error to the County no later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. The District Administrator shall promptly review the notice, and if necessary, meet with the Assessed Parcel owner, consider written and oral evidence regarding the alleged error, and decide whether, in fact, such a calculation error occurred.

If the District Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Property owner, such change or modification shall be presented to the County Commissioners Court for approval, to the extent permitted by the District Act. A cash refund may not be made for any amount previously paid by the Assessed Property owner (except for the final year during which the Annual Installment shall be collected), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the District Administrator regarding a calculation error relating to the Assessment Roll may be appealed to the County Commissioners Court for final determination. Any amendments made to the Assessment Roll pursuant to calculation errors shall be made pursuant to the District Act.

### **B. Termination of Assessments**

Each Assessment shall terminate on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After the termination of an Assessment, and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the County shall provide the owner of the affected Parcel a recordable "Notice of the District Assessment Termination."

### **C. Amendments**

Amendments to the Service and Assessment Plan can be made as permitted by the District Act and under Texas law.

### **D. Administration and Interpretation of Provisions**

The County Commissioners Court shall administer (or cause the administration of) the District, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the District Act and shall make all interpretations and determinations related to the application of this Service and Assessment Plan, such determination shall be conclusive.

**E. Notice Form Required by Section 5.014 of the Texas Property Code**

Section 5.014 of the Texas Property Code Reads as Follows:

“(a) A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code, shall first give to the purchaser of the property the written notice prescribed by Subsection (a-1) or (a-2), as applicable.

(a-1) Except for the notice prescribed by Subsection (a-2), the notice required by Subsection (a) shall be executed by the seller and must, except as provided by Subsection (b), read as follows:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO HIDALGO COUNTY, TEXAS

CONCERNING THE FOLLOWING PROPERTY:

(insert property address)

As the purchaser of the real property described above, you are obligated to pay assessments to Hidalgo County, Texas, 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 Los Prados 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 Hidalgo County, Texas. The exact amount of each annual installment will be approved each year by Hidalgo County, Texas in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from Hidalgo County, Texas.

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.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Purchaser

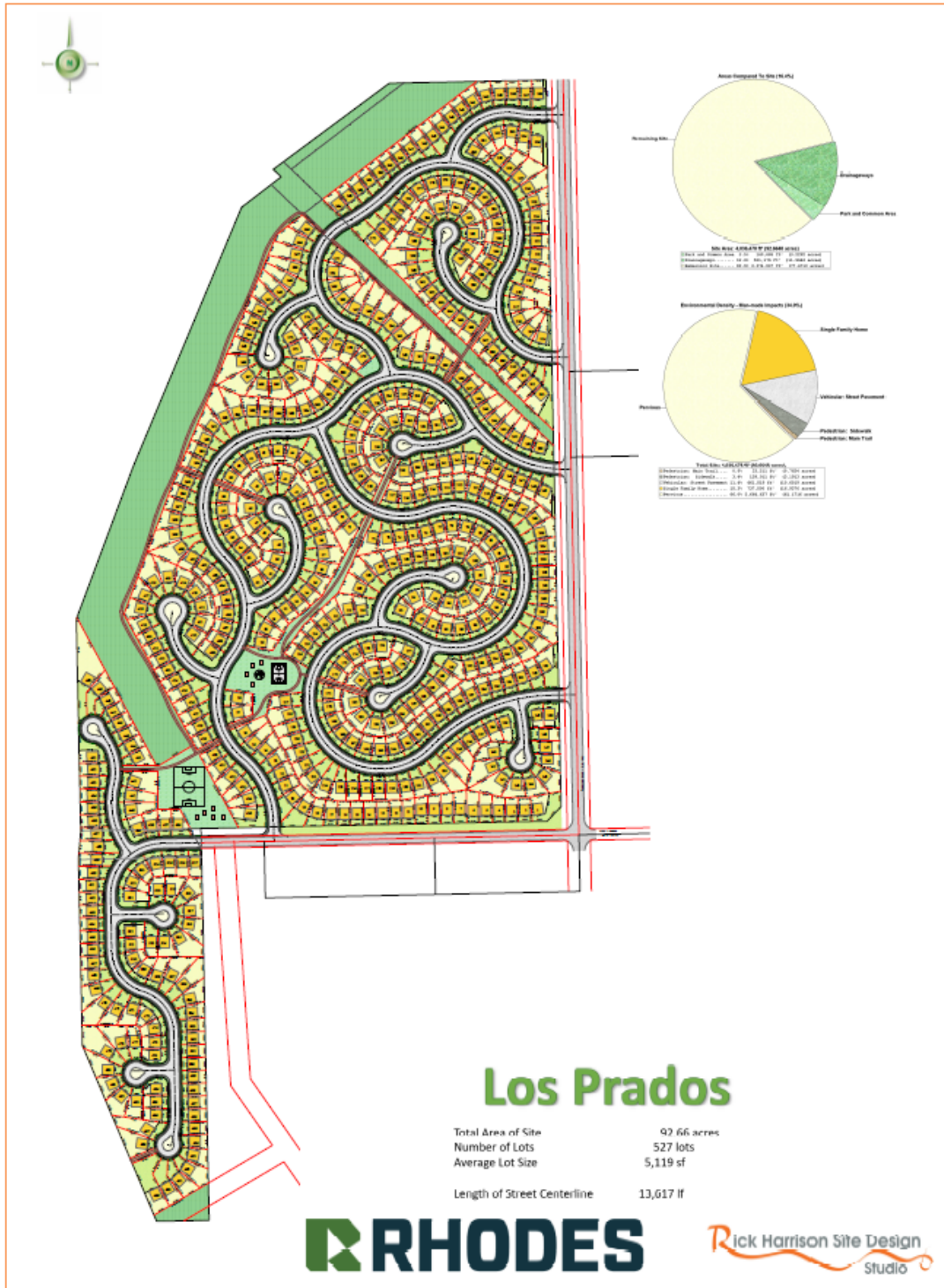
**F. Severability**

If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan, or the application of same to an Assessed Parcel or 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 Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the County Commissioners Court in adopting this Service and Assessment Plan that no part thereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

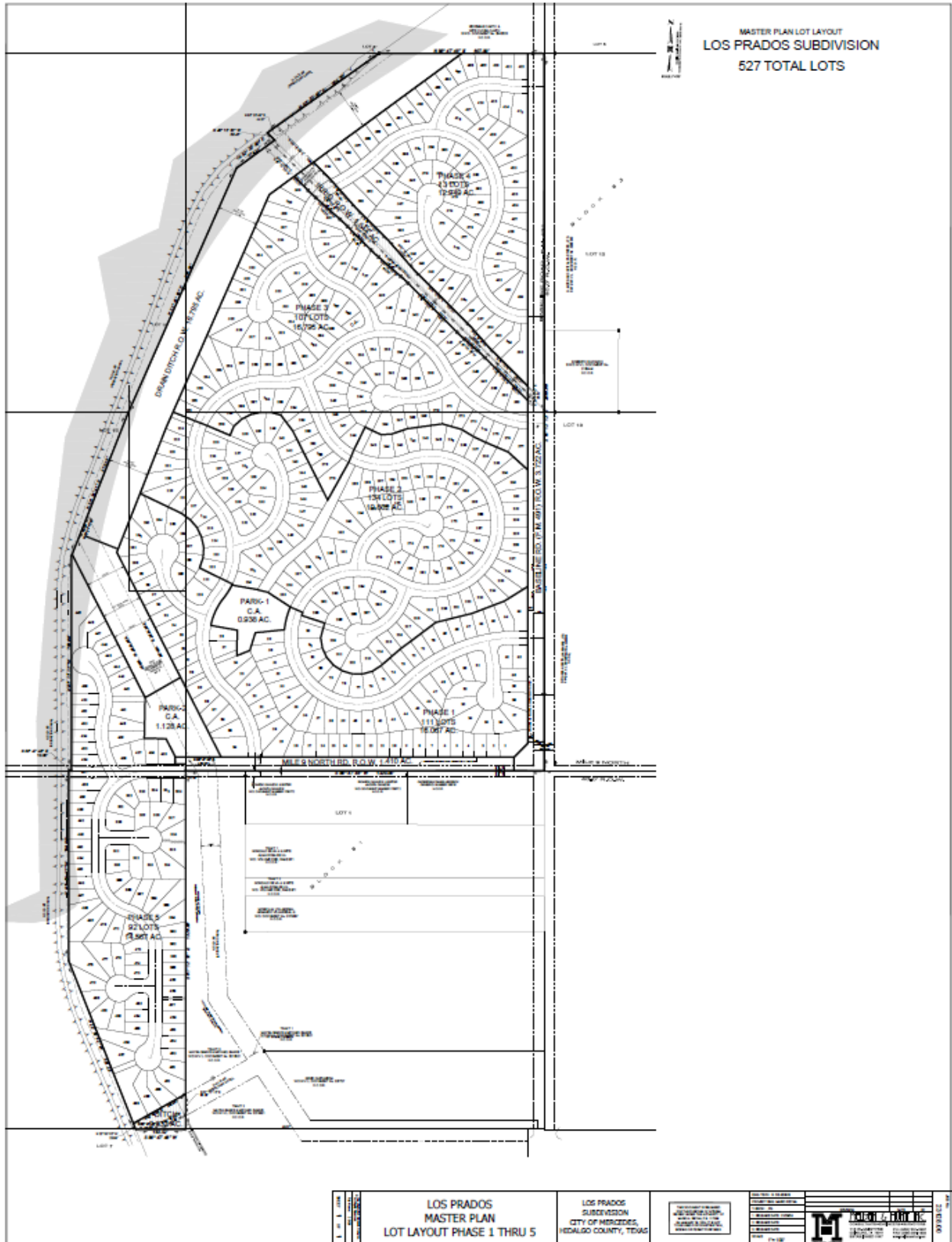
If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the County.

*[remainder of page intentionally left blank]*

## Exhibit A – Project Plan Map



**Exhibit B – Map of PID Boundaries – PID Area**



## Exhibit C - Assessment Roll

2024-25 Los Prados PID Assessment Roll								
Property ID	Property Type	Geo ID	Acreage	Owner Name	Assessed Value	Exempt	Debt Service Assessment	Maintenance Assessment
132187	Real	C1400-00-082-0009-00	17.37	Valley Affordable Housing, LLC	\$ 27,792.00	Y	\$ -	\$ -
132188	Real	C1400-00-082-0009-01	17.52	Valley Affordable Housing, LLC	\$ 28,032.00	Y	\$ -	\$ -
132189	Real	C1400-00-082-0010-00	1.14	Valley Affordable Housing, LLC	\$ 1,824.00	Y	\$ -	\$ -
132206	Real	C1400-00-082-0015-00	3.18	Valley Affordable Housing, LLC	\$ 30,210.00	Y	\$ -	\$ -
132210	Real	C1400-00-082-0016-00	39.00	Valley Affordable Housing, LLC	\$ 370,500.00	Y	\$ -	\$ -
132208	Real	C1400-00-082-0015-02	1.00	Valley Affordable Housing, LLC	\$ 3,600.00	Y	\$ -	\$ -
132209	Real	C1400-00-082-0015-04	7.27	Valley Affordable Housing, LLC	\$ 11,632.00	Y	\$ -	\$ -
132115	Real	C1400-00-081-0002-03	11.00	Valley Affordable Housing, LLC	\$ 176,000.00	Y	\$ -	\$ -
<b>TOTAL</b>			<b>97.48</b>	<b>TOTALS</b>	<b>\$ 649,590.00</b>		<b>\$ -</b>	<b>\$ -</b>

**EXHIBIT B**

LOS PRADOS PUBLIC IMPROVEMENT DISTRICT  
2024-2025 ASSESSMENT ROLL

**2024-25 Los Prados PID Assessment Roll**

Property ID	Property Type	Geo ID	Acreage	Owner Name	Assessed Value	Exempt	Debt Service Assessment	Maintenance Assessment
132187	Real	C1400-00-082-0009-00	17.37	Valley Affordable Housing, LLC	\$ 27,792.00	Y	\$ -	\$ -
132188	Real	C1400-00-082-0009-01	17.52	Valley Affordable Housing, LLC	\$ 28,032.00	Y	\$ -	\$ -
132189	Real	C1400-00-082-0010-00	1.14	Valley Affordable Housing, LLC	\$ 1,824.00	Y	\$ -	\$ -
132206	Real	C1400-00-082-0015-00	3.18	Valley Affordable Housing, LLC	\$ 30,210.00	Y	\$ -	\$ -
132210	Real	C1400-00-082-0016-00	39.00	Valley Affordable Housing, LLC	\$ 370,500.00	Y	\$ -	\$ -
132208	Real	C1400-00-082-0015-02	1.00	Valley Affordable Housing, LLC	\$ 3,600.00	Y	\$ -	\$ -
132209	Real	C1400-00-082-0015-04	7.27	Valley Affordable Housing, LLC	\$ 11,632.00	Y	\$ -	\$ -
132115	Real	C1400-00-081-0002-03	11.00	Valley Affordable Housing, LLC	\$ 176,000.00	Y	\$ -	\$ -
<b>TOTAL</b>			<b>97.48</b>	<b>TOTALS</b>	<b>\$ 649,590.00</b>		<b>\$ -</b>	<b>\$ -</b>

**EXHIBIT C**

**PUBLISHED NOTICE OF PUBLIC HEARING**

Publisher's Return

The State of Texas  
County of Hidalgo

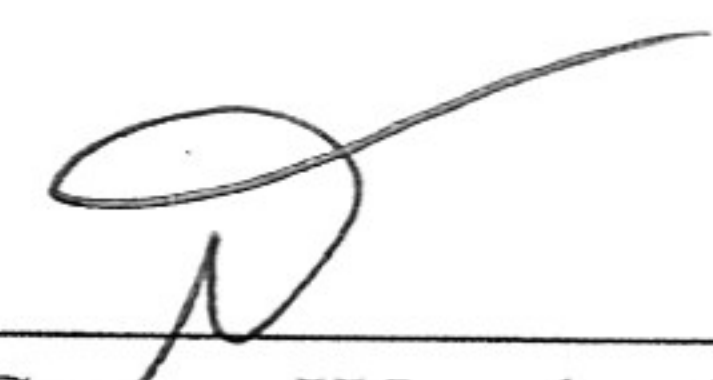
Before me, the undersigned authority, on this day personally appeared Gregg Wendorf, Publisher, to me well known who by me duly sworn, upon his oath deposes and states that he is a True Officer of the Advance Publishing LLC, publisher of the Advance News Journal; the same is a newspaper of general circulation in our city that has been continuously and regularly published in the County of Hidalgo, State of Texas, prior to the date of this affidavit; that the newspaper clipping attached hereto and made a part hereof represents and is a complete and true and correct copy of a

**LEGAL NOTICE -- Notice of Public Hearing**


**Regarding Proposed Assessments**

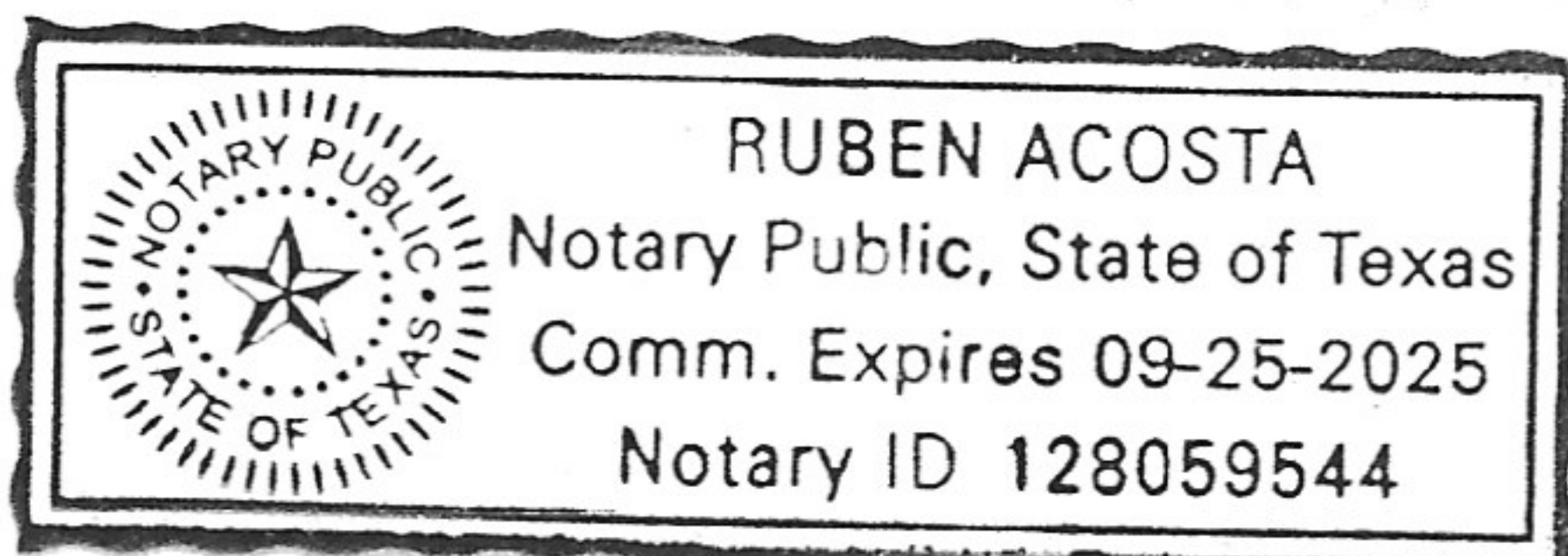
**December 17, 2024 at 2:00 p.m.**

and the same was published and appeared in all copies of said newspaper on the following dates of publications and issues, to wit **November 27, 2024.**

  
\_\_\_\_\_  
Gregg Wendorf

Sworn to and subscribed before me this **27th** day of November **2024.**

  
\_\_\_\_\_  
Ruben Acosta  
Notary Public  
In and For Hidalgo County, Texas



LEGAL NOTICE

NOTICE OF PUBLIC HEARING REGARDING PROPOSED ASSESSMENTS

December 17, 2024, at 2:00 P.M.

Hidalgo County Commissioners Court

Court House Annex #3, 100 E. Cano, 1 st Floor, Edinburg, Texas 78539

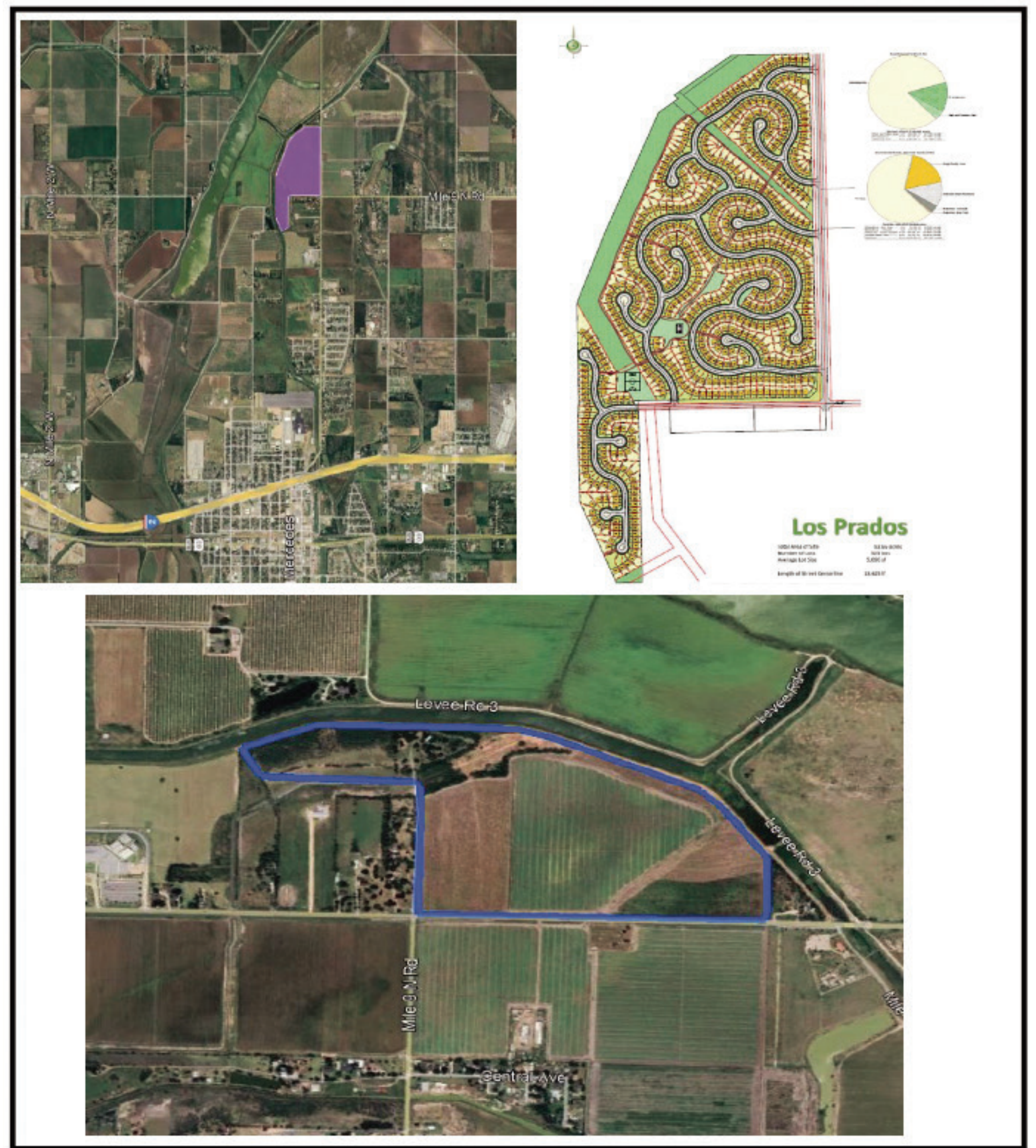
NOTICE is hereby given that on December 17, 2024, at 2:00 p.m., the Commissioners Court of Hidalgo County, Texas ("Court"), will conduct a public hearing (the "Hearing") in accordance with TEX. LOC. GOV' T CODE § 372.016, at the Court House Annex #3, 100 E. Cano, 1st Floor, Edinburg, Hidalgo County, Texas, with respect to the Los Prados Public Improvement District ("District") Proposed 2024-2025 Service and Assessment Plan ("SAP"), Adoption of the District's Proposed 2024-2025 Assessment Roll ("Assessment Roll"), and Levy of Proposed Assessments as Special Assessments on Real Property within the District, under Chapter 372, Texas Local Government Code ("Chapter 372"). The SAP and Assessment Roll are available for public inspection at the Office of the Hidalgo County Tax Assessor-Collector, located at 2804 S. Business Hwy 281, Edinburg, Texas 78539, and the Hidalgo County Clerk's Office, located at 100 N. Clossner, Edinburg, Texas 78539. In accordance with Chapter 372, the following information is provided concerning matters to be considered at the Hearing:

General Nature of Authorized Improvements: The general nature of the District improvements are those authorized by Chapter 372 (collectively, the "Authorized Improvements"), including, without limitation, any or all of the following to the extent permitted thereunder: (i) design, engineering, construction and other allowed costs related to street and roadway improvements, including sidewalks, drainage, utility construction and relocation, signalization, landscaping, lighting, signage, entry monuments, off-street parking and right-of-way; (ii) design, engineering, and construction and other allowed costs related to improvement of parks and open space, together with any ancillary structures, features, or amenities such as trails, playgrounds, walkways, artwork, lighting, and similar items located therein; (iii) design, engineering, construction and other allowed costs related to sidewalks and landscaping, and hardscaping, fountains, lighting and signage; (iv) design, engineering, construction and other allowed costs related water, wastewater and drainage (including detention); (v) acquisition, by purchase or otherwise, of real property in connection with any Authorized Improvement; (vi) design, engineering, construction and other allowed costs related to projects similar to those listed in subsections (i) - (v) above authorized by Chapter 372, including off-site projects that provide a benefit to the property proposed to be included in the District; (vii) special supplemental services for improvement and promotion of the District that are allowed or permitted by Chapter 372, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement; (viii) payment of costs associated with establishment, administration, and operation of the District and those related to operating and maintaining the Authorized Improvements; and (x) payment of costs associated with developing and financing the Authorized Improvements, and costs of establishing administering and operating the District.

Estimated Cost of Authorized Improvements: The total estimated capital costs (i) to design, engineer, acquire, and construct the Authorized Improvements within the District; (ii) of eligible legal and other qualifying fees; and (iii) incurred in the establishment, administration and operation of the District is Twenty-Three Million and No/00 U.S. Dollars (\$23,000,000.00), plus interest thereon. Additionally, there is a proposed maintenance assessment for the ongoing maintenance and operation of such Authorized Improvements.

Boundaries of District: The District is located within the jurisdictional limits of Hidalgo County, Texas, as well as within the extraterritorial jurisdiction of the City of Mercedes, Texas, and is further described by the legal description and map depicting the District boundaries published below:

A tract of land containing 94.979 acres situated in Hidalgo County, Texas, being out of Lot 2, Block 81, and out of Lots 9, 10, 15 and all of Lot 16, Block 82, Capisallo District Subdivision, as shown in Volume "P", Page 227, Hidalgo County Deed Records, which said 94.979 acres were conveyed to Dora L. Garcia, by virtue of a Special Warranty Deed recorded under Document Number 1972205, Hidalgo County Official Records, and to Judith P. Lucio, by virtue of a Special Warranty Deed recorded under Document Number 2868424, Hidalgo County Official Records, and to Richard D. Ribisl, by virtue of a Special Warranty Deed recorded under Document Number 1813784, and Special Warranty Distribution Deed recorded under Document Number 2025259, Hidalgo County Official records, with such 94.979 acre tract of land being as depicted below:



Consideration of Written or Oral Objections: Written and oral objections will be considered at the Hearing and ruled on at or on the adjournment of the Hearing. If you intend to make an objection, please contact the Clerk of the Commissioners Court of Hidalgo County, Texas, by mail to Attn: Hidalgo County Clerk's Office, P.O. Box 58, Edinburg, Texas 78540, or by telephone at (956) 318-2100. Interested persons are invited to attend and will be afforded a reasonable opportunity to be heard, whether in favor or against, the subject matter of the Hearing.