

Exhibit A

VALENCIA
PUBLIC IMPROVEMENT DISTRICT NO. 2
TOWN OF LITTLE ELM, TEXAS

ANNUAL SERVICE PLAN UPDATE
(ASSESSMENT YEAR 9/1/23 - 8/31/24)

AS APPROVED BY TOWN COUNCIL ON:
AUGUST 15, 2023

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

VALENCIA

PUBLIC IMPROVEMENT DISTRICT No. 2

ANNUAL SERVICE PLAN UPDATE (ASSESSMENT YEAR 9/1/23 – 8/31/24)

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I. INTRODUCTION

The Valencia Public Improvement District No. 2 (the “PID”) was created pursuant to the PID Act and Resolution No. 0816202201 of the Town Council on August 16, 2022, to finance certain public improvement projects for the benefit of the property in the PID.

On November 1, 2022, the Town of Little Elm, Texas (the “Town”) approved issuance of the Town of Little Elm (Valencia on the Lake Public Improvement District No. 2 Project) Special Assessment Revenue Bonds, Series 2022 (the “Series 2022 Bonds”) in the aggregate amount of \$16,288,000 pursuant to the Act, an ordinance adopted by the Town Council of the Town on November 1, 2022 and an Indenture of Trust dated as of November 1, 2022 between the Town, and Wilmington Trust, National Association (the “Trustee”).

A service and assessment plan (the “Service and Assessment Plan”) was prepared at the direction of the Town identifying the public improvements (the “Authorized Improvements”) to be provided by the PID, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the PID for the costs of the Authorized Improvements.

The Town also adopted an assessment roll (the “Assessment Roll”) identifying the Assessments on each Parcel within the PID, based on the method of assessment identified in the Service and Assessment Plan. This Annual Service Plan Update also updates the Assessment Roll for 2023-24.

Effective September 1, 2021, the Texas legislature passed House Bill 1543 as an amendment to the PID Act, requiring, among other things, (I) all Service and Assessment Plans and Annual Service Plan Updates be approved through Town 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 E 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 is located not later than seven (7) days after the date the governing body of the Town 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 meanings set forth in the Service and Assessment Plan unless otherwise defined herein.

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II. UPDATE OF THE SERVICE PLAN

A. UPDATED SOURCES AND USES FOR PUBLIC IMPROVEMENTS

Sources and Uses

Pursuant to the Service and Assessment Plan, the initial total estimated costs of the Authorized Improvements, excluding bond issuance costs, were equal to \$14,331,457. According to Requisition #6 approved by the Town, the current budget estimates remain unchanged.

Table II-A-1 on the following page summarizes the updated sources and uses of funds required to (1) construct the Authorized Improvements, (2) establish the PID, and (3) issue the Series 2022 Bonds.

For additional Series 2022 development-related information, refer to the link below for a history of the quarterly improvement implementation reports:

<https://emma.msrb.org/IssueView/Details/P2419427>

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Table II-A-1
Sources and Uses of Funds

Sources of Funds	Initial Budget	Budget Revisions ¹	Updated Budget ¹	Spent to Date ¹	Remaining to be Funded
Assessment amount	\$16,288,000	\$0	\$16,288,000	\$15,189,142	\$1,098,858
Other funding sources	\$1,528,920	\$0	\$1,528,920	\$0	\$1,528,920
Total Sources	\$17,816,920	\$0	\$17,816,920	\$15,189,142	\$2,627,778
Uses of Funds					
<u>Authorized Improvements:</u>					
Roadway improvements	\$6,692,479	\$0	\$6,692,479	\$6,023,231	\$669,248
Water improvements	\$1,673,302	\$0	\$1,673,302	\$1,505,971	\$167,330
Sanitary sewer improvements					
Onsite sanitary sewer improvements	\$1,367,548	\$0	\$1,367,548	\$1,230,793	\$136,755
Offsite sanitary sewer improvements	\$891,510	\$0	\$891,510	\$302,143	\$589,367
Storm drainage improvements	\$1,420,022	\$0	\$1,420,022	\$1,278,020	\$142,002
Other soft and miscellaneous costs	\$2,286,596	\$0	\$2,286,596	\$1,363,520	\$923,076
<i>Subtotal Authorized Improvement costs</i>	<i>\$14,331,457</i>	<i>\$0</i>	<i>\$14,331,457</i>	<i>\$11,703,679</i>	<i>\$2,627,778</i>
<u>Bond Issuance Costs:</u>					
Cost of issuance	\$751,520	\$0	\$751,520	\$751,520	\$0
Capitalized interest	\$853,641	\$0	\$853,641	\$853,641	\$0
Reserve fund	\$1,331,663	\$0	\$1,331,663	\$1,331,663	\$0
Administrative Expense	\$60,000	\$0	\$60,000	\$60,000	\$0
Underwriter's discount	\$488,640	\$0	\$488,640	\$488,640	\$0
<i>Subtotal</i>	<i>\$3,485,464</i>	<i>\$0</i>	<i>\$3,485,464</i>	<i>\$3,485,464</i>	<i>\$0</i>
Total Uses	\$17,816,920	\$0	\$17,816,920	\$15,189,142	\$2,627,778

1 – According to requisition #6 approved by the Town on July 14, 2023.

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B. FIVE YEAR SERVICE PLAN

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

For additional PID development and improvement related information, refer to the link provided in Section II.A. of this report.

The actual budget for the Authorized Improvements is shown in Section II.A of this report and the Annual Installments expected to be collected for these costs are shown by Table II-B-1 below.

Table II-B-1
Projected Annual Installments (2023-2029)

Assessment Year ending 09/01	Annual Projected Cost	Annual Projected Indebtedness	Sources other than Bonds	Projected Annual Installments ¹
2023	\$17,816,920	\$16,288,000	\$1,528,920	\$0
2024	\$0	\$0	\$0	\$1,434,112
2025	\$0	\$0	\$0	\$1,444,337
2026	\$0	\$0	\$0	\$1,443,805
2027	\$0	\$0	\$0	\$1,444,518
2028	\$0	\$0	\$0	\$1,444,347
2029	\$0	\$0	\$0	\$1,443,977
Total	\$17,816,920	\$16,288,000	\$1,528,920	\$8,655,096

1 – Assessment years ending 2023 through 2024 reflect actual Annual Installments and are net of capitalized interest and include applicable investment fund income and applicable credits, if any. Assessment years 2025 through 2029 reflect projected Annual Installments and will be updated in future Annual Service Plan Updates.

C. STATUS OF DEVELOPMENT

According to the Developer's Quarterly Improvement Implementation Report dated June 30, 2023, 19 single family lots are completed within the PID, and five hundred and sixteen (516) single family homes are expected to be constructed in the PID.

See Table II-C-1 on the following page for the status of completed single family homes within the PID according to the Developer's Quarterly Improvement Implementation Report dated June 30, 2023.

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Table II-C-1
Completed Homes

Completed Units	As of June 30, 2023 ¹
Single Family	19
¹ – According to the Developer’s Quarterly Improvement Implementation Report dated as of June 30, 2023.	

See Appendix C for 2023 preliminary assessed values of all Parcels within the PID.

D. ANNUAL BUDGET

Annual Installments

The Assessment imposed on any Parcel may be paid in full at any time. If not paid in full, the Assessment securing the Series 2022 Bonds shall be payable in thirty (30) Annual Installments of principal and interest beginning with the tax year following the issuance of the Series 2022 Bonds, of which twenty-nine (29) Annual Installments remain outstanding.

Pursuant to the Service and Assessment Plan, each Assessment shall bear interest at the rate on the Series 2022 Bonds commencing with the issuance of the Series 2022 Bonds. The effective interest rate on the Bonds is 6.76 percent per annum for 2023-24. Pursuant to Section 372.018 of the PID Act, the interest rate for that Assessment may not exceed a rate that is one-half of one percent higher than the Series 2022 Bonds actual interest rate paid on the debt. Accordingly, the effective interest rate on the Series 2022 Bonds (6.76 percent) plus additional interest of one-half of one percent is used to calculate the interest on the Assessments. These payments, the “Annual Installments” of the Assessments, shall be billed by the Town, or any other party designated by the Town, in 2023 and will be delinquent on February 1, 2024.

Pursuant to the Service and Assessment Plan, the Annual Service Plan Update shall show the remaining balance of the Assessments, the Annual Installments due for 2023-24 and the Administrative Expenses to be collected from each Parcel. Administrative Expenses shall be allocated to each Parcel pro rata based upon the amount the Annual Installments on a Parcel bears to the total amount of Annual Installments in the PID as a whole that is payable at the time of such allocation. Each Annual Installments shall be reduced by any credits applied under an applicable Assessment Ordinance or Trust Indenture, such as capitalized interest and interest earnings on any account balances and by any other funds available to the PID.

Annual Budget for the Repayment of Indebtedness

Debt service on the Series 2022 Bonds will be paid from the collection of the Annual Installments. In addition, Administrative Expenses are to be collected with the Annual Installments to pay expenses related to the collection of the Annual Installments and other district administration expenses. The Additional Interest collected with the Annual Installments will be used to pay the

Additional Interest Reserve amounts as described in the Service and Assessment Plan and applicable Trust Indenture.

Annual Installments to be Collected for 2023-24

The budget for the PID will be paid from the collection of Annual Installments of the Assessments on the Assessed Property collected for 2023-24 as shown by Table II-D-1 below.

Table II-D-1
Budget for the Annual Installments
to be Collected for 2023-24

Descriptions	Series 2022 Bonds
Interest payment on March 1, 2024	\$550,736
Interest payment on September 1, 2024	\$550,736
Principal payment on September 1, 2024	\$200,000
<i>Subtotal debt service on bonds</i>	<i>\$1,301,472</i>
Administrative Expenses	\$61,200
Excess interest for Additional Interest Reserve	\$81,440
<i>Subtotal Expenses</i>	<i>\$1,444,112</i>
Available reserve fund income	(\$10,000)
Available capitalized interest account	\$0
Available Administrative Expense account	\$0
<i>Subtotal funds available</i>	<i>(\$10,000)</i>
Annual Installments	\$1,434,112

Debt Service Payments

Annual Installments to be collected for principal and interest include interest due on March 1, 2024 in the amount of \$550,736 and on September 1, 2024, in the amount of \$550,736, which equal interest on the outstanding Assessments balance of \$16,288,000 for six months each and an effective interest rate of 6.76 percent. Annual Installments to be collected include a principal amount of \$200,000 due on September 1, 2024. As a result, the total principal and interest due in 2023-24 is estimated to be equal to \$1,301,472.

Administrative Expenses

Administrative Expenses for the PID include the Town, Administrator, Trustee, Auditor, and contingency fees. As shown in Table II-D-2 on the following page, the total Administrative Expenses to be collected for 2023-24 are estimated to be \$61,200.

Table II-D-2
Administrative Budget Breakdown

Description	2023-24 Estimated Budget (9/1/23-8/31/24)
Town	\$23,000
PID Administrator	\$25,000
Trustee	\$4,500
Auditor	\$6,000
Contingency	\$2,700
Total	\$61,200

Available Reserve Fund Income

As of May 31, 2023, the balance in the reserve fund was \$1,355,552, which includes the bond reserve requirement of \$1,331,663. As a result, there is a partial credit of \$10,000 in excess funds available to pay a portion of the Series 2022 Bonds debt service for 2023-24.

Available Administrative Expense Account

As of May 31, 2023, the available funds in the Administrative Expense account are anticipated to be used for 2022-23 Administrative Expenses. As a result, there are no excess funds anticipated to be available in the Administrative Expense Fund to reduce the 2023-24 Annual Installments.

E. ANNUAL INSTALLMENTS PER UNIT

According to the Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Series 2022 Bonds, (ii) to fund the Additional Interest Reserve, and (iii) to cover Administrative Expenses of the PID.

According to the Service and Assessment Plan, 535 units representing 473.98 total Equivalent Units are estimated to be built within the PID. Accordingly, the Annual Assessment for principal and interest portion of Annual Installments to be collected from each Equivalent Unit will be \$2,896.56 (i.e. $(\$1,182,913 + \$200,000 - \$10,000) \div 473.98 = \$2,896.56$ and the Administrative Expenses to be collected from each Equivalent Unit will be \$129.12 (i.e. $(\$61,200 \div 473.98 = \$129.12)$). As a result, the total Annual Installments to be collected from each Equivalent Unit within will be \$3,025.68 (i.e. $\$2,896.56 + \$129.12 = \$3,025.68$). The Annual Installments to be collected from each Parcel within is calculated by multiplying the Annual Installments for each Equivalent Unit of \$3,025.68 by the total estimated Equivalent Units for each Parcel in the PID.

The Annual Installments due to be collected from each land use class in the PID for 2023-24 is shown in Table II-E-1 on the following page.

Table II-E-1
Annual Installments Per Unit

Land Use Class	Annual Installments Per Equivalent Unit¹	Equivalent Unit Factor	Annual Installments Per Land Use Class¹
Lot Type 3 (60' Lot)	\$3,025.68	1.00	\$3,025.68
Lot Type 4 (50' Lot)	\$3,025.68	0.82	\$2,481.06

¹ – Annual Installments per Equivalent Unit and Annual Installments per land class use represents the gross Annual Installments to be billed.

The list of Parcels within , the estimated number of units to be developed on the current residential Parcels, the total Assessment, the annual Assessment for principal and interest, the Administrative Expenses, and the Annual Installments to be collected for 2023-24 are shown in the Assessment Roll summary attached hereto as Appendix D.

F. BOND REDEMPTION RELATED UPDATES

Series 2022 Bonds

The Series 2022 Bonds were issued in November 2022. Pursuant to Section 4.3 of the Trust Indenture of the Bonds, The Town reserves the right and option to redeem Bonds maturing on September 1, 2052, before their respective scheduled maturity date, in whole or in part, on any date on or after **September 1, 2032**, at the Redemption Price.

The Administrator has conducted a preliminary evaluation of the current refunding market conditions, recent PID bond refunding transactions, and other relevant factors. Based on this preliminary evaluation, the Administrator believes a refunding of the Series 2022 Bonds does not appear viable at this time. The Administrator will continue to monitor the refunding market conditions, applicable PID bond refunding transactions, and other relevant factors to determine if refunding becomes viable in the future and will inform the Town accordingly.

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III. UPDATE OF THE ASSESSMENT PLAN

The Service and Assessment Plan adopted by the Town Council provided that the Authorized Improvement Costs shall be allocated to the Assessed Property equally on the basis of the number of residential dwelling units anticipated to be built on each Parcel once such property is fully developed, and that such method of allocation will result in the imposition of equal shares of the Authorized Improvement Costs to Parcels similarly benefited.

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IV. UPDATE OF THE ASSESSMENT ROLL

Pursuant to the original Service and Assessment Plan, 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 Installments for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.H of this Service and Assessment Plan.

The summary Assessment Roll is shown in Appendix D. Each Parcel in the PID is identified, along with the Assessment on each Parcel and the Annual Installments to be collected from each Parcel. Assessments are to be reallocated for the subdivision of any Parcels.

A. PARCEL UPDATES

According to the Service and Assessment Plan, upon the subdivision of any Parcel, the Administrator shall reallocate the Assessment for the Parcel prior to the subdivision among the new subdivided Parcels according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

A = the Assessment for each new subdivided Parcel

B = the Assessment for the Parcel prior to subdivision

C = the estimated Equivalent Units to be built on each newly subdivided Parcel

D = the sum of the estimated Equivalent Units to be built on all of the new subdivided Parcels

The calculation of the estimated number of units to be built on a Parcel shall be performed by the Administrator and confirmed by the Town Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

According to the Denton Central Appraisal District online records, Phase #2B-2 of the PID was subdivided in 2022 and the Assessments were allocated proportionally according to Lot Type. As shown in Table IV-A-1 on the following page, parent Parcels 38646, 958385, 986670, 986671 were subdivided into 90 residential Lots.

The various Phase #2B-2 Lots were officially recognized within the Denton County Appraisal District records for 2022. These Lots are reflected in the Assessment Roll as shown in Appendix D.

Table IV-A-1
Phase #2B-2 Parcel Subdivision

Prior to Subdivision				After Subdivision						
Parcel	Projected Number of Units	Equivalent Units	Total PID Assessments	Parcel	Lot Type	Equivalent Unit per Lot Type	Number of Units	Total Equivalent Units	Assessment per Unit	Total PID Assessments
38646										
958385	90	90.00	\$3,092,789	Various	1 (60' Lot)	1.00	90	90.00	\$34,364	\$3,092,789
986670										
986671										
Total	90	90.00	\$3,092,789				90	90.00		\$3,092,789

B. PREPAYMENT OF ASSESSMENTS

As of May 31, 2023 there have been no prepaid parcels.

The complete Assessment Roll is available for review at the Town Hall, located at 100 W Eldorado Pkwy, Little Elm, Texas 75068.

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APPENDIX A
PID MAP

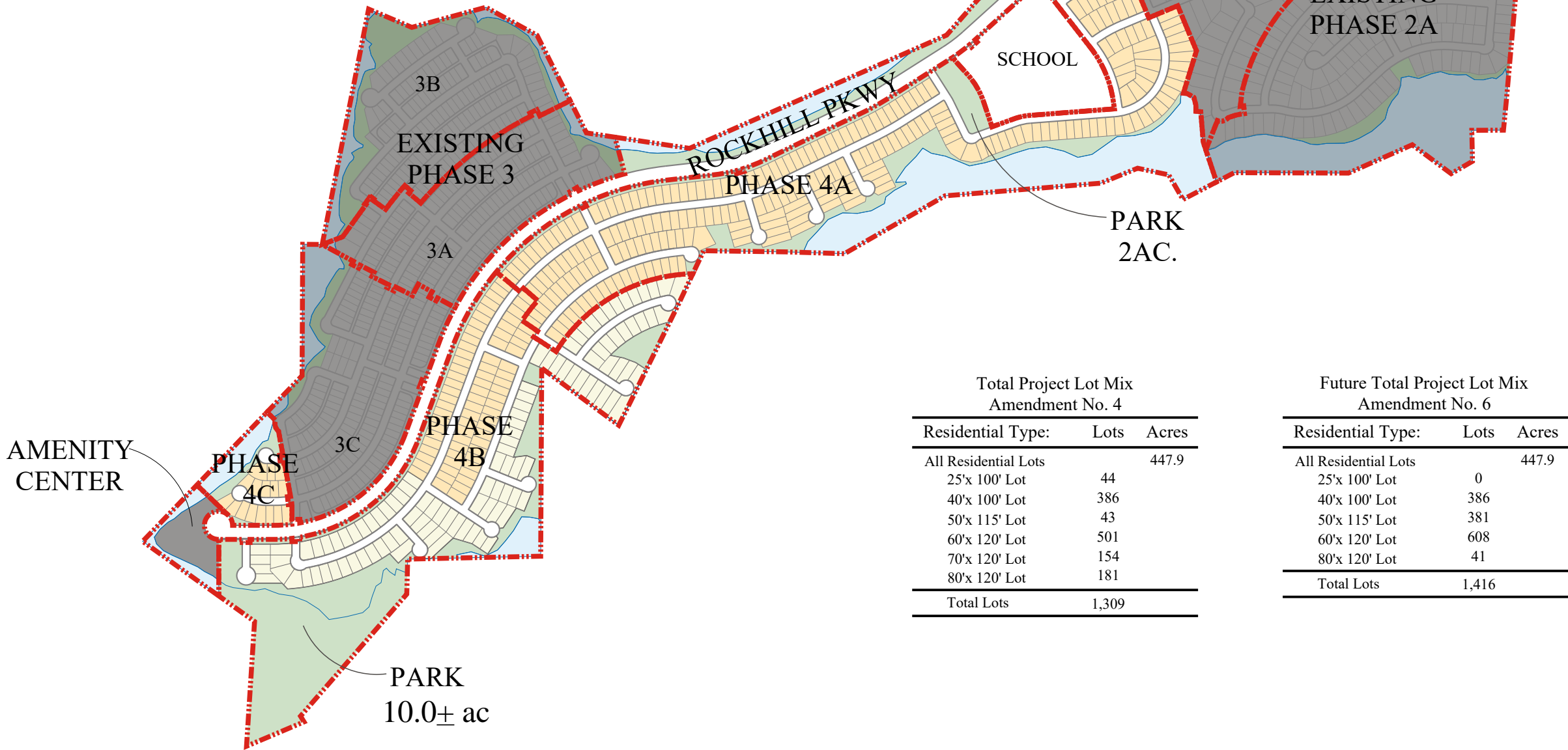
Existing Phases		
DATA TABLE		
Residential Type:	Lots	Acres
Phase 1		62.4
60'x 120' Lot	169	
80'x 135' Lot	41	
Total Lots	210	
Phase 2A		51.9
60'x 120' Lot	154	
Total Lots	154	
Phase 3		80.7
3A 40'x 100' Lot	126	24.2
3A 50'x 115' Lot	14	
3B 40'x 100' Lot	118	28.5
3B 50'x 115' Lot	21	
3C 40'x 100' Lot	142	28.0
3C 50'x 115' Lot	8	
Total Lots	429	

Phase 2B - Amendment No. 4		
Approved Phases		
DATA TABLE		
Residential Type:	Lots	Acres
Phase 2B		57.7
2B 60'x 120' Lot	175	
Total Lots	175	

Proposed Phase 2B - Amendment No. 6		
Approved Phases		
DATA TABLE		
Residential Type:	Lots	Acres
Phase 2B		57.7
2B-1 60'x 120' Lot	89	28.8
2B-2 60'x 120' Lot	90	28.9
Total Lots	179	

Phase 4 - Amendment No. 4		
Future Phases		
DATA TABLE		
Residential Type:	Lots	Acres
Phase 4		149.9
25'x 100' Lot	44	
60'x 120' Lot	3	
70'x 120' Lot	154	
80'x 110' Lot	140	
Total Lots	341	

Proposed Phase 4 - Amendment No. 6		
Future Phases		
DATA TABLE		
Residential Type:	Lots	Acres
Phase 4		149.9
4A 50'x 120' Lot	250	
4B 50'x 120' Lot	72	
4B 60'x 120' Lot	106	
4C 50'x 110' Lot	16	
Total Lots	444	



Total Project Lot Mix Amendment No. 4		
Residential Type:	Lots	Acres
All Residential Lots		447.9
25'x 100' Lot	44	
40'x 100' Lot	386	
50'x 115' Lot	43	
60'x 120' Lot	501	
70'x 120' Lot	154	
80'x 120' Lot	181	
Total Lots	1,309	

Future Total Project Lot Mix Amendment No. 6		
Residential Type:	Lots	Acres
All Residential Lots		447.9
25'x 100' Lot	0	
40'x 100' Lot	386	
50'x 115' Lot	381	
60'x 120' Lot	608	
80'x 120' Lot	41	
Total Lots	1,416	

APPENDIX B
PREPAID PARCELS

APPENDIX B
PREPAID PARCELS

As of May 31, 2023 there have been no prepaid parcels.

APPENDIX C
2023 ASSESSED VALUE

APPENDIX C
2023 ASSESSED VALUE

PID	2023 Assessed Value¹
Valencia PID No. 2	\$18,849,850
Total	\$18,849,850

1 - Assessed values reflect preliminary 2023 values in accordance with the Denton Central Appraisal District online records.

APPENDIX D
ASSESSMENT ROLL SUMMARY - 2023-24

Appendix D
Assessment Roll Summary
2023-24

Parcel	Estimated No. of units	Lot Size	Lot Type	Total Equivalent Units	Total Outstanding Assessment	Principal	Interest	Excess Interest for Reserves	Administrative Expense	Annual Installment
584981	24	60,50	Various	22.20	\$762,887.89	\$9,367.48	\$51,121.76	\$3,814.44	\$2,866.45	\$67,170.13
986672	193	50	Various	158.26	\$5,438,497.15	\$66,779.19	\$364,438.24	\$27,192.49	\$20,434.43	\$478,844.35
986673	57	50	Various	46.74	\$1,606,188.28	\$19,722.35	\$107,632.02	\$8,030.94	\$6,035.04	\$141,420.35
986674	154	60,50	Various	142.84	\$4,908,599.35	\$60,272.59	\$328,929.35	\$24,543.00	\$18,443.41	\$432,188.34
986675	17	50	Various	13.94	\$479,038.61	\$5,882.10	\$32,100.78	\$2,395.19	\$1,799.92	\$42,178.00
1010092	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010016	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010103	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010085	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010057	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010091	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010107	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010051	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010075	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010076	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010077	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010079	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010080	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010081	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010082	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010089	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010090	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010086	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010059	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010060	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010061	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010062	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010063	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010064	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010065	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010066	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010067	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010068	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010069	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010070	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010071	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010072	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010073	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010074	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010049	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010053	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010084	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010101	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010102	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010093	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010094	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010095	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010096	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010097	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010055	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010056	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010087	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010098	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010100	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010017	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010106	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010104	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010088	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010099	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010031	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010019	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010020	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010021	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010022	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010023	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010024	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010025	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010026	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010027	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010028	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010036	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010037	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010038	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010039	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010040	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010041	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010042	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010043	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010044	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010045	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010046	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010048	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010052	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010015	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010050	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010054	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010108	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010018	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010032	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010033	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010034	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010035	0	60	OPEN SPACE	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1010047	0	60	OPEN SPACE	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1010029	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010030	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010058	0	60	OPEN SPACE	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1010083	0	60	OPEN SPACE	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1010078	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
1010105	1	60	1	1.00	\$34,364.32	\$421.96	\$2,302.78	\$171.82	\$129.12	\$3,025.68
535				473.98	\$16,288,000.00	\$200,000.00	\$1,091,472.50	\$81,440.00	\$61,200.00	\$1,434,112.50

APPENDIX E
PID ASSESSMENT NOTICE

PID Assessment Notice

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO
THE TOWN OF LITTLE ELM, 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 Town of Little Elm, Texas (the "Town"), 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 Valencia Public Improvement District No. 2 (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the Town. The exact amount of each Annual Installments will be approved each year by the Town 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 Town or MuniCap, Inc., the District Administrator for the Town, 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 Installments 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