

**SPIRITAS RANCH
PUBLIC IMPROVEMENT DISTRICT
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 —

SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT

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

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	UPDATE OF THE SERVICE PLAN	3
A.	UPDATED SOURCES AND USES FOR PUBLIC IMPROVEMENTS	3
B.	FIVE YEAR SERVICE PLAN.....	7
C.	STATUS OF DEVELOPMENT	7
D.	ANNUAL BUDGET – INITIAL IMPROVEMENT AREA #1	8
E.	ANNUAL INSTALLMENTS PER UNIT - INITIAL IMPROVEMENT AREA #1.....	10
F.	ANNUAL BUDGET –ADDITIONAL IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS.....	11
G.	ANNUAL INSTALLMENTS PER UNIT – ADDITIONAL IMPROVEMENT AREA #1.....	14
H.	ANNUAL BUDGET – MAJOR IMPROVEMENT AREA	15
I.	ANNUAL INSTALLMENTS PER UNIT - MAJOR IMPROVEMENT AREA.....	18
J.	BOND REDEMPTION RELATED UPDATES.....	19
III.	UPDATE OF THE ASSESSMENT PLAN.....	20
IV.	UPDATE OF THE ASSESSMENT ROLL	21
A.	PARCEL UPDATES	21
B.	PREPAYMENT OF ASSESSMENTS.....	21
APPENDIX A - SPIRITAS PID MAP		
APPENDIX B - PREPAID PARCELS		
APPENDIX C - ASSESSED VALUE BY PHASE		
APPENDIX D – INITIAL IMPROVEMENT AREA #1 ASSESSMENT ROLL – INITIAL IMPROVEMENT AREA #1 PROJECTS – 2023-24		
APPENDIX E - IMPROVEMENT AREA #1 ASSESSMENT ROLL – ADDITIONAL IMPROVEMENT AREA #1 IMPROVEMENTS - 2023-24		
APPENDIX F - MAJOR IMPROVEMENT AREA ASSESSMENT ROLL – INITIAL MAJOR IMPROVEMENTS – 2023-24		
APPENDIX G - PID ASSESSMENT NOTICE		

I. INTRODUCTION

The Spiritas Ranch Public Improvement District (the “PID”) was created pursuant to the PID Act and Resolution No. 0202202101 approved by the Town Council of Little Elm, Texas (the “Town Council”) on February 2, 2021, to finance certain public improvement projects for the benefit of the property in the PID.

On May 11, 2021, the Town of Little Elm, Texas (the “Town”) approved issuance of the Town of Little Elm, Texas Special Assessment Revenue Bonds, Series 2021 (Spiritas Ranch Public Improvement District Improvement Area #1 Projects and Major Improvement Area Projects) (the “Series 2021 Bonds”) in the aggregate principal amount of \$43,200,000, to finance, refinance, provide or otherwise assist in the acquisition, construction and maintenance of the public improvements provided for the benefit of the property in the PID.

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 Service and Assessment Plan was updated and approved by Town Council on July 18, 2023, to levy additional Improvement Area #1 Assessments in the amount of \$7,745,000 to incorporate the obligations of the Additional Improvement Area #1 Reimbursement Agreement (the “Updated Service and Assessment Plan”). Pursuant to the PID Act, the Updated Service and Assessment Plan must be reviewed and updated annually. This document is the annual update of the Updated Service and Assessment Plan for 2023-24 (the “Annual Service Plan Update”).

The Town also adopted the Initial Improvement Area #1 Assessment Roll, Additional Improvement Area #1 Improvements Assessment Roll and the Initial Major Improvement Area Assessment Roll attached as Appendix D, Appendix E, and Appendix F respectively, to the Updated Service and Assessment Plan, identifying the assessments on each Parcel within the PID, based on the method of assessment identified in the Updated Service and Assessment Plan. This Annual Service Plan Update also updates the Assessment Rolls for 2023-24.

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 G 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 Updated Service and Assessment Plan unless otherwise defined herein.

(remainder of this page is intentionally left blank)

II. UPDATE OF THE SERVICE PLAN

A. UPDATED SOURCES AND USES FOR PUBLIC IMPROVEMENTS

Initial Improvement Area #1 Improvements Sources and Uses

Pursuant to the original Service and Assessment Plan adopted on May 11, 2021, the initial total estimated costs of the Initial Improvement Area #1 Improvements, including the proportional share of the Initial Major Improvement Area costs were equal to \$28,521,686. According to the Developer, there has been no change to the total initial estimated costs as provided in draw request #25, which was approved by the Town on June 23, 2022.

Table II-A-1 on the following page summarizes the budget line-item changes and updated sources and uses of funds required to (1) construct the Initial Improvement Area #1 Improvements, including the proportional share of the Initial Major Improvement costs, (2) establish the PID, and (3) issue the Series 2021 Bonds.

(remainder of this page is intentionally left blank)

Table II-A-1
Sources and Uses – Initial Improvement Area #1

Sources of Funds	Initial Estimated Budget ²	Budget Revisions ¹	Updated Budget ¹	Amount Spent to Date ¹	Remaining Balance ¹
Par amount	\$32,920,000	\$0	\$32,920,000	\$29,010,900	\$3,909,100
<i>Other funding sources</i>					
Developer contributions	\$2,906,073	\$0	\$2,906,073	\$2,635,407	\$270,666
<i>Subtotal: Other funding sources</i>	<i>\$2,906,073</i>	<i>\$0</i>	<i>\$2,906,073</i>	<i>\$2,635,407</i>	<i>\$270,666</i>
Total Sources	\$35,826,073	\$0	\$35,826,073	\$31,646,307	\$4,179,766
Uses of Funds					
<i>Improvement Area #1 Improvements</i>					
Roadway Improvements	\$7,943,160	\$168,758	\$8,111,919	\$7,304,698	\$807,220
Water Improvements	\$2,217,252	\$31,480	\$2,248,732	\$2,024,832	\$223,899
Sewer Improvements	\$3,857,543	\$74,935	\$3,932,478	\$3,541,146	\$391,322
Storm Drainage Improvements	\$4,610,31	\$77,000	\$4,687,431	\$4,218,963	\$468,468
Parks, Landscaping, and Hardscaping	\$0	\$0	\$0	\$0	\$0
Other Soft and Miscellaneous Costs	\$3,402,113	(\$352,173)	\$3,049,939	\$3,049,939	\$0
<i>Subtotal: Improvement Area #1 Improvements</i>	<i>\$22,030,499</i>	<i>\$0</i>	<i>\$22,030,499</i>	<i>\$20,139,579</i>	<i>\$1,890,921</i>
<i>Major Improvements</i>					
Roadway Improvements	\$1,680,930	\$151,340	\$1,832,270	\$1,650,008	\$182,262
Water Improvements	\$232,651	\$1,623	\$234,273	\$210,758	\$23,515
Sewer Improvements	\$896,021	\$130,716	\$1,026,737	\$924,516	\$102,221
Storm Drainage Improvements	\$137,941	\$60,515	\$198,456	\$178,614	\$19,842
Parks, Landscaping, and Hardscaping	\$1,319,206	\$0	\$1,319,206	\$0	\$1,319,206
Other Soft and Miscellaneous Costs	\$2,224,438	(\$344,193)	\$1,880,245	\$1,238,445	\$641,799
<i>Subtotal: Major Improvements</i>	<i>\$6,491,187</i>	<i>(\$0)</i>	<i>\$6,491,187</i>	<i>\$4,202,341</i>	<i>\$2,288,845</i>
<i>Bond Issuance Costs</i>					
Cost of Issuance	\$1,552,615	\$0	\$1,552,615	\$1,552,615	\$0
Capitalized Interest	\$3,243,992	\$0	\$3,243,992	\$3,243,992	\$0
Reserve Fund	\$2,268,179	\$0	\$2,268,179	\$2,268,179	\$0
Administrative Expense	\$75,000	\$0	\$75,000	\$75,000	\$0
Placement Agent's Fee	\$164,600	\$0	\$164,600	\$164,600	\$0
<i>Subtotal: Bond Issuance Costs</i>	<i>\$7,304,387</i>	<i>\$0</i>	<i>\$7,304,387</i>	<i>\$7,304,387</i>	<i>\$0</i>
Total Uses	\$35,826,073	\$0	\$35,826,073	\$31,646,307	\$4,179,766

1 – According to Draw Request #25 approved by the Town in July 2023.

Improvement Area #1 Improvement Cost Variances

As stated in Table II-A-1 above, there are no significant variances to the Initial Improvement Area #1 Improvement aggregate budget.

Additional Improvement Area #1 Improvements Sources and Uses

According to the Updated Service and Assessment Plan, the estimated cost of the Additional Improvement Area #1 Improvements was equal to \$8,977,633, as stated in Table II-A-2 below.

Table II-A-2
Sources and Uses – Additional Improvement Area #1 Improvements

Sources of Funds	Projected Budget	Budget Revised	Updated Budget	Amount Spent to Date	Remaining Budget
Par amount	\$7,745,000	\$0	\$7,745,000	\$0	\$7,745,000
Other funding sources	\$1,232,633	\$0	\$1,232,633	\$0	\$1,232,633
Total Sources	\$8,977,633	\$0	\$8,977,633	\$0	\$8,977,633
Uses of Funds					
<u>Additional Major Improvements</u>					
Roadway Improvements (including perimeter road row)	\$659,283	\$0	\$659,283	\$0	\$659,283
Water Improvements	\$210,441	\$0	\$210,441	\$0	\$210,441
Sanitary Sewer Improvements	\$158,704	\$0	\$158,704	\$0	\$158,704
Storm Drainage Improvements	\$185,668	\$0	\$185,668	\$0	\$185,668
Other Soft and Miscellaneous Costs	\$141,729	\$0	\$141,729	\$0	\$141,729
Right-of-way	\$806,808	\$0	\$806,808	\$0	\$806,808
<i>Subtotal</i>	<i>\$2,162,633</i>	<i>\$0</i>	<i>\$2,162,633</i>	<i>\$0</i>	<i>\$2,162,633</i>
<u>Additional IA #1 Improvements</u>					
Right-of-way	\$6,780,000	\$0	\$6,780,000	\$0	\$6,780,000
<i>Subtotal</i>	<i>\$6,780,000</i>	<i>\$0</i>	<i>\$6,780,000</i>	<i>\$0</i>	<i>\$6,780,000</i>
<u>Other Costs:</u>					
Administrative Expenses	\$35,000	\$0	\$35,000	\$0	\$35,000
<i>Subtotal</i>	<i>\$35,000</i>	<i>\$0</i>	<i>\$35,000</i>	<i>\$0</i>	<i>\$35,000</i>
Total Uses	\$8,977,633	\$0	\$8,977,633	\$0	\$8,977,633

Additional Improvement Area #1 Improvement Cost Variances

As stated in Table II-A-2 above there are no significant variances to the Additional Improvement Area #1 Improvements aggregate budget.

Initial Major Improvements Sources and Uses

Pursuant to the original Service and Assessment Plan adopted on May 11, 2021, the initial total estimated costs of the Phases #2-4 Initial Major Improvements were equal to \$7,687,918. According to the Developer, there has been no change to the total initial estimated costs as provided in draw request #1, which was approved by the Town on June 23, 2022.

Table II-A-3 below summarizes the updated sources and uses of funds required to (1) construct the Phases #2-4 Initial Major Improvements, (2) establish the PID, and (3) issue the Series 2021 Bonds.

Table II-A-3
Updated Sources and Uses – Phases #2-4 Initial Major Improvements

Sources of Funds	Initial Estimated Budget	Budget Revisions	Updated Budget ¹	Amount Spent to Date ¹	Remaining Balance
Par amount	\$10,280,000	\$0	\$10,280,000	\$8,101,769	\$2,178,231
<i>Other funding sources</i>					
Developer contributions	\$0	\$0	\$0	\$0	\$0
<i>Subtotal: Other funding sources</i>	\$0	\$0	\$0	\$0	\$0
Total Sources	\$10,280,000	\$0	\$10,280,000	\$8,101,769	\$2,178,231
Uses of Funds					
<i>Major Improvements</i>					
Roadway Improvements	\$2,064,973	\$0	\$2,064,973	\$1,754,878	\$310,094
Water Improvements	\$317,784	\$1,460	\$319,244	\$287,466	\$31,778
Sewer Improvements	\$1,089,962	\$116,200	\$1,206,162	\$1,086,142	\$120,020
Storm Drainage Improvements	\$282,703	\$125,024	\$407,727	\$367,129	\$40,598
Parks, Landscaping, and Hardscaping	\$1,403,224	\$0	\$1,403,224	\$0	\$1,403,224
Other Soft and Miscellaneous Costs	\$2,529,272	(\$242,684)	\$2,286,588	\$2,014,072	\$272,516
<i>Subtotal: Major Improvements</i>	<i>\$7,687,918</i>	<i>\$0</i>	<i>\$7,687,918</i>	<i>\$5,509,687</i>	<i>\$2,178,231</i>
<i>Bond Issuance Costs</i>					
Cost of Issuance	\$784,385	\$0	\$784,385	\$784,385	\$0
Capitalized Interest	\$1,013,008	\$0	\$1,013,008	\$1,013,008	\$0
Reserve Fund	\$708,289	\$0	\$708,289	\$708,289	\$0
Administrative Expense	\$35,000	\$0	\$35,000	\$35,000	\$0
Placement Agent's Fee	\$51,400	\$0	\$51,400	\$51,400	\$0
<i>Subtotal: Bond Issuance Costs</i>	<i>\$2,592,082</i>	<i>\$0</i>	<i>\$2,592,082</i>	<i>\$2,592,082</i>	<i>\$0</i>
Total Uses	\$10,280,000	\$0	\$10,280,000	\$8,101,769	\$2,178,231

1 – According to Draw Request #25 approved by the Town in July 2023.

Phases #2-4 Initial Major Improvement Area Cost Variances

As stated in Table II-A-3 above, there are no significant variances to the Phases #2-4 Initial Major Improvement aggregate budget.

B. FIVE YEAR SERVICE PLAN

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

All of the Authorized Improvements are expected to be built within a period of five years. The anticipated budget for the Authorized Improvements over a period of five years, and the Annual Installments expected to be collected for these costs is shown by Table II-B-1 below.

Table II-B-1
Annual Indebtedness and Projected Annual Installments (2021-2029)

Assessment Year ending 09/01 ¹	Annual Projected Cost	Annual Projected Indebtedness	Sources other than PID Bonds	Initial Major Improvement Annual Installments	Initial IA #1 Annual Installments	Projected Additional IA #1 Improvements Annual Installments
2021-23	\$55,083,706	\$50,945,000	\$4,138,706	\$461,634	\$1,473,416	\$0
2024	\$0	\$0	\$0	\$787,844	\$2,462,969	\$566,019
2025	\$0	\$0	\$0	\$797,292	\$2,504,009	\$576,635
2026	\$0	\$0	\$0	\$792,754	\$2,508,289	\$577,099
2027	\$0	\$0	\$0	\$792,937	\$2,505,544	\$578,411
2028	\$0	\$0	\$0	\$792,547	\$2,501,068	\$579,513
2029	\$0	\$0	\$0	\$796,585	\$2,499,864	\$579,406
Total	\$55,083,706	\$50,945,000	\$4,138,706	\$5,221,592	\$16,455,159	\$3,457,084

1 - Annual Installments for Assessment Years ending 2021-24 represent actual amounts billed and include applicable credits. Assessment Years ending 2025-2029 represent projected amounts and will be updated in future Annual Service Plan Updates.

C. STATUS OF DEVELOPMENT

Initial Improvement Area #1

According to the Developer's Quarterly Improvement Implementation Report dated June 30, 2023, the expected completion date for the Initial Improvement Area #1 Improvements is the fourth quarter of 2023.

According to the Town on July 17, 2023, an additional two building permits have been issued for DR Horton and one building permit has been issued for Beazer Homes. As of July 17, 2023, no homes have been completed within the Initial Improvement Area #1.

Initial Major Improvement Area

According to the Town on July 17, 2023, an additional two building permits have been issued for DR Horton and one building permit has been issued for Beazer Homes. As of July 17, 2023, no homes have been completed within the Initial Major Improvement Area #1.

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

D. ANNUAL BUDGET – INITIAL IMPROVEMENT AREA #1

Initial Improvement Area #1 - Annual Installments – 2023-24

The Assessment imposed on any Parcel may be paid in full at any time. If not paid in full, the Assessment shall be payable in thirty (30) Annual Installments of principal and interest beginning with the tax year following the issuance of the Series 2021 Bonds, of which twenty-eight (28) Annual Installments remain outstanding.

Pursuant to the Updated Service and Assessment Plan, each Assessment shall bear interest at the rate on the Series 2021 Bonds commencing with the issuance of the Series 2021 Bonds. The effective interest rate on the Series 2021 Bonds for 2023-24 is 5.38 percent. 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 actual interest rate paid on the debt. Accordingly, the effective interest rate on the Series 2021 Bonds (5.38 percent) plus an additional interest of one-half of one percent are used to calculate the interest on the Assessments. These payments, the “Annual Installments” of the Assessments, shall be billed by the Town in 2023 and will be delinquent on February 1, 2024.

Pursuant to the Updated Service and Assessment Plan, the Annual Service Plan Update shall show the remaining balance of the Assessments, the Annual Installment 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 Installment on a Parcel bears to the total amount of Annual Installments in the PID as a whole that are payable at the time of such allocation. Each Annual Installment shall be reduced by any credits applied under applicable documents including the Updated Service and Assessment Plan and 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 will be paid on the Initial Improvement Area #1 portion of the Series 2021 Bonds 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. The additional interest collected with the Annual Installments will be used to pay the prepayment and delinquency reserve amounts as described in the Service and Assessment Plan and applicable Trust Indenture.

Initial Improvement Area #1 Annual Installments to be Collected for 2023-24

The budget for Initial Improvement Area #1 of the PID will be paid from the collection of Annual Installments collected for 2023-24 as shown in Table II-D-1 below.

Table II-D-1
**Budget for the Initial Improvement Area #1 Annual Installments
to be Collected for 2023-24**

	Initial Improvement Area #1 portion of the Series 2021 Bonds
Interest payment on March 1, 2024	\$871,422
Interest payment on September 1, 2024	\$871,422
Principal payment on September 1, 2024	\$520,000
<i>Subtotal - Debt Service Payments</i>	<i>\$2,262,844</i>
Administrative Expenses	\$53,000
Excess Interest for Prepayment & Delinquency Reserves	\$162,125
<i>Subtotal Expenses</i>	<i>\$2,477,969</i>
Available Reserve Fund Income	(\$10,000)
Available Capitalized Interest Funds	\$0
Available Administrative Expense Funds	(\$5,000)
<i>Subtotal funds available</i>	<i>(\$15,000)</i>
Annual Installments	\$2,462,969

Debt Service Payments

Annual Installments to be collected for principal and interest include interest due on March 1, 2024 in the amount of \$871,422 and on September 1, 2024 in the amount of \$871,422, which equal interest on the outstanding Improvement Area #1 Assessments balance of \$32,425,000 for six months each and an effective interest rate of 5.38 percent. Annual Installments to be collected include a principal payment of \$520,000 due on September 1, 2024 for Initial Improvement Area #1's portion of the Series 2021 Bonds. As a result, total principal and interest due for the Improvement Area #1 Assessments portion of the Series 2021 Bonds for 2023-24 is estimated to be \$2,262,844.

Administrative Expenses

Administrative expenses include the Town, PID Administrator, auditor, Trustee, and contingency fees. As shown in Table II-D-2 on the following page, the total Improvement Area #1 administrative expenses to be collected for 2023-24 are estimated to be \$53,000.

Table II-D-2
Administrative Budget Breakdown

Description	2023-24 Estimated Budget (9/1/23-8/31/24)
Town	\$8,000
PID Administrator	\$35,000
Audit	\$2,000
Trustee	\$3,000
Contingency	\$5,000
Total	\$53,000

Excess Interest for Prepayment and Delinquency Reserve

Annual Installments to be collected for excess interest for prepayment and delinquency reserves in the amount of \$162,125, which equals 0.5 percent interest on the outstanding Improvement Area #1's portion of the Series 2021 Bonds balance of \$32,425,000.

Available Reserve Fund Income

As of June 30, 2023, the balance in the Reserve Fund was \$3,076,050 which exceeds the Bond Reserve Requirement of \$2,976,469. As a result, there are \$10,000 in funds anticipated to be available to pay the Series 2021 Bonds debt service for Assessment Year ending September 1, 2024.

Available Capitalized Interest Account

The final payment out of the Capitalized Interest Fund will be used to pay interest on the Series 2021 Bonds on the interest payment dates for Assessment Year ending September 1, 2023. As a result, there will be no credit available to reduce the Annual Installment for Assessment Year ending September 1, 2024.

Available Administrative Expense Account

As of June 30, 2023, there is \$5,000 anticipated to be available in the Administrative Expense Fund to reduce the Initial Improvement Area #1 Annual Installment for 2023-24.

E. ANNUAL INSTALLMENTS PER UNIT - INITIAL IMPROVEMENT AREA #1

According to the Updated Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay principal and interest on the Initial Improvement Area #1 portion of the Series 2021 Bonds, to fund the Prepayment Reserve and Delinquency Reserve described in the Updated Service and Assessment Plan, and to cover Administrative Expenses of Improvement Area #1.

According to the Updated Service and Assessment Plan, 1,057 units, representing 824.33 total Equivalent Units, are anticipated to be built within the Initial Improvement Area #1 of the PID. Accordingly, the net principal, interest, and prepayment and delinquency reserve portion of Annual Installment to be collected from each Equivalent Unit will be \$2,929.60 (i.e. $(\$2,262,844 - \$10,000 + \$162,125) \div 824.33 = \$2,929.60$) and the net Administrative Expenses to be collected from each Equivalent Unit will be \$58.23 (i.e. $(\$53,000 - \$5,000) \div 824.33 = \$58.23$). As a result, the total Annual Installment to be collected from each Equivalent Unit within the Initial Improvement Area #1 will be \$2,987.83. The Annual Installment to be collected from each Parcel within the Initial Improvement Area #1 is calculated by multiplying the Annual Installment for each Equivalent Unit of \$2,987.83 by the total estimated Equivalent Units for each Parcel in the Initial Improvement Area #1.

The Annual Installment due to be collected from each Land Use Class in Initial Improvement Area #1 for 2023-24 is shown in Table II-E-1 below.

Table II-E-1
Annual Installment Per Unit – Initial Improvement Area #1

Land Use Class	Annual Installment Per Equivalent Unit	Equivalent Unit Factor	Annual Installment Per Unit
60 FT	\$2,987.83	1.00	\$2,987.83
50 FT	\$2,987.83	0.83	\$2,489.86
40 FT	\$2,987.83	0.67	\$1,991.89

The list of Parcels within Initial Improvement Area #1 of the PID, the number of units to be developed on the current residential Parcels, the corresponding total Equivalent Units, the total outstanding Assessment, the annual principal and interest, the Administrative Expenses, and the Annual Installment to be collected for 2023-24 are shown in the Assessment Roll Summary attached hereto as Appendix D.

F. ANNUAL BUDGET –ADDITIONAL IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Additional Improvement Area #1 Annual Installments – 2023-24

The collection of the first Annual Installment of an Assessment related to the Additional Improvement Area #1 Projects Reimbursement Agreement secured by Improvement Area #1 Assessed Property for the Additional Improvement Area #1 Projects shall commence upon the earlier of: (i) September 1, 2023, (ii) with tax bills sent the first October after issuance of a series of Bonds, if any, for Additional Improvement Area #1 Projects, such that upon the issuance of Bonds all Assessments in Improvement Area #1 shall begin collection, or (iii) with tax bills sent the first October occurring after the expiration of two years from the date of the levy of Assessments on the Improvement Area #1 Assessed Property for the Additional Improvement Area #1 Projects such that all Assessments in Improvement Area #1 begin collection immediately after the expiration of such two year period.

The Town Council approved the issuance of Additional Improvement Area #1 Assessments in the aggregate amount of \$7,745,000 on July 18, 2023. As a result, condition (i) has been satisfied and the first Annual Installment will be due by January 31, 2024. The Assessment imposed on any Parcel may be paid in full at any time. If not paid in full, the Assessment shall be payable in thirty (30) Annual Installments of principal and interest beginning with the tax year following the issuance of the Reimbursement Agreement, of which thirty (30) Annual Installments remain outstanding.

Pursuant to the Updated Service and Assessment Plan, each Assessment shall bear interest based on the interest rate applicable to the Additional Improvement Area #1 Reimbursement Agreement, which is 5.88 percent per annum for 2023-24. These payments, the “Annual Installments” of the Assessments, shall be billed by the Town in 2023 and will be delinquent on February 1, 2024.

Pursuant to the Updated Service and Assessment Plan, the Annual Service Plan Update shall show the remaining balance of the Assessments, the Annual Installment 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 Installment on a Parcel bears to the total amount of Annual Installments in the PID as a whole that are payable at the time of such allocation. Each Annual Installment shall be reduced by any credits applied under applicable documents including the Updated Service and Assessment Plan and 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 will be paid on the Additional Improvement Area #1 Reimbursement Agreement 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.

Additional Improvement Area #1 Annual Installments to be Collected for 2023-24

The budget for Additional Improvement Area #1 of the PID will be paid from the collection of Annual Installments collected for 2023-24 as shown in Table II-D-1 on the following page.

Table II-D-1
Budget for the Additional Improvement Area #1 Reimbursement Agreement
Annual Installments to be Collected for 2023-24

	Additional Improvement Area #1 Reimbursement Agreement
Interest payment on March 1, 2024	\$227,509
Interest payment on September 1, 2024	\$227,509
Principal payment on September 1, 2024	\$61,000
<i>Subtotal - Debt Service Payments</i>	<i>\$516,019</i>
Administrative Expenses	\$50,000
<i>Subtotal Expenses</i>	<i>\$566,019</i>
Available Other Credits	\$0
Available Administrative Expense Funds	\$0
<i>Subtotal funds available</i>	<i>\$0</i>
Annual Installments	\$566,019

Debt Service Payments

Annual Installments to be collected for principal and interest include interest due on March 1, 2024 in the amount of \$227,509 and on September 1, 2024 in the amount of \$227,509, which equal interest on the outstanding Additional Improvement Area #1 Reimbursement Agreement Assessments balance of \$7,745,000 for six months each and an effective interest rate of 5.88 percent. Annual Installments to be collected include a principal payment of \$61,000 due on September 1, 2024 for the Additional Improvement Area #1 Reimbursement Agreement. As a result, total principal and interest due for the Additional Improvement Area #1 Reimbursement Agreement for 2023-24 is estimated to be \$516,019.

Administrative Expenses

Administrative expenses include the Town, PID Administrator, auditor, Trustee, and contingency fees. As shown in Table II-D-2 on the following page, the total Additional Improvement Area #1 Reimbursement Agreement administrative expenses to be collected for 2023-24 are estimated to be \$50,000.

Table II-D-2
Administrative Budget Breakdown

Description	2023-24 Estimated Budget (9/1/23-8/31/24)
Town	\$8,000
PID Administrator	\$35,000
Audit	\$2,000
Trustee	\$1,000 ¹
Contingency	\$4,000
Total	\$50,000

1 – Trustee fee is for estimated expenses related to the establishment of depositor accounts for the Additional Improvement Area #1 Improvement Annual Installments and other applicable revenues.

Available Reserve Fund Income

As of June 30, 2023, there is not a significant excess balance in the Reserve Fund. As a result, there is no Reserve Fund income anticipated to be available to reduce the Additional Improvement Area #1 Reimbursement Agreement’s portion of the 2023-24 Annual Installment.

Available Administrative Expense Account

As of June 30, 2023, the available balance for administrative expenses was \$123,537, which is anticipated to be used for the payment of future administrative expenses. As a result, there are no excess administrative expense funds available in the Administrative Fund to reduce the Additional Improvement Area #1 Reimbursement Agreement 2023-24 Annual Installment.

G. ANNUAL INSTALLMENTS PER UNIT – ADDITIONAL IMPROVEMENT AREA #1

According to the Updated Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay principal and interest on the Additional Improvement Area #1 Reimbursement Agreement and to cover Administrative Expenses of the Additional Improvement Area #1 Reimbursement Agreement.

According to the Updated Service and Assessment Plan, 1,057 units, representing 824.33 total Equivalent Units, are anticipated to be built within the Additional Improvement Area #1 of the PID. Accordingly, the net principal and interest portion of Annual Installment to be collected from each Equivalent Unit will be \$625.98 (i.e. $\$516,019 \div 824.33 = \625.98) and the net Administrative Expenses to be collected from each Equivalent Unit will be \$60.66 (i.e. $\$50,000 \div 824.33 = \60.66). As a result, the total Annual Installment to be collected from each Equivalent Unit within the Additional Improvement Area #1 will be \$686.65. The Annual Installment to be collected from each Parcel within the Additional Improvement Area #1 is calculated by multiplying the Annual Installment for each Equivalent Unit of \$686.65 by the total estimated Equivalent Units for each Parcel in the Additional Improvement Area #1.

The Annual Installment due to be collected from each Land Use Class in the Additional Improvement Area #1 for 2023-24 is shown in Table II-E-1 below.

Table II-E-1
Annual Installment Per Unit – Additional Improvement Area #1
Reimbursement Agreement

Land Use Class	Annual Installment Per Equivalent Unit	Equivalent Unit Factor	Annual Installment Per Unit
60 FT	\$686.65	1.00	\$686.65
50 FT	\$686.65	0.83	\$572.21
40 FT	\$686.65	0.67	\$457.77

The list of Parcels within the Additional Improvement Area #1 of the PID, the number of units to be developed on the current residential Parcels, the corresponding total Equivalent Units, the total outstanding Assessment, the annual principal and interest, the Administrative Expenses, and the Annual Installment to be collected for 2023-24 are shown in the Assessment Roll Summary attached hereto as Appendix E.

H. ANNUAL BUDGET – INITIAL MAJOR IMPROVEMENT AREA

The Assessment imposed on any Parcel may be paid in full at any time. If not paid in full, the Assessment shall be payable in thirty (30) annual installments of principal and interest beginning with the tax year following the issuance of the Series 2021 Bonds, of which twenty-eight (28) Annual Installments remain outstanding.

Pursuant to the Updated Service and Assessment Plan, each Assessment shall bear interest at the rate on the Series 2021 Bonds commencing with the issuance of the Series 2021 Bonds. The effective interest rate on the Series 2021 Bonds for 2023-24 is 5.38 percent. 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 actual interest rate paid on the debt. Accordingly, the effective interest rate on the Series 2021 Bonds (5.38 percent) plus an additional interest of one-half of one percent are used to calculate the interest on the Assessments. These payments, the “Annual Installments” of the Assessments, shall be billed by the Town in 2023 and will be delinquent on February 1, 2024.

Pursuant to the Updated Service and Assessment Plan, the Annual Service Plan Update shall show the remaining balance of the Assessments, the Annual Installment 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 Installment on a Parcel bears to the total amount of Annual Installments in the PID as a whole that are payable at the time of such allocation. Each Annual Installment shall be reduced by any credits applied under an applicable Trust Indenture 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 will be paid on the Initial Major Improvement Area portion of the Series 2021 Bonds 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. The additional interest collected with the Annual Installments will be used to pay the prepayment and delinquency reserve amounts as described in the Updated Service and Assessment Plan and applicable Trust Indenture.

Phases #2-4 Initial Major Improvement Area Annual Installments to be Collected for 2023-24

The budget for the Initial Major Improvement Area of the PID will be paid from the collection of Annual Installments collected for 2023-24 as shown in Table II-F-1 below.

Table II-F-1
Budget for the Initial Major Improvement Area
Annual Installments to be Collected for 2023-24

	Major Improvement Area portion of the Series 2021 Bonds
Interest payment on March 1, 2024	\$272,109
Interest payment on September 1, 2024	\$272,109
Principal payment on September 1, 2024	\$165,000
<i>Subtotal - Debt Service Payments</i>	<i>\$709,219</i>
Administrative Expenses	\$43,000
Excess Interest for Prepayment & Delinquency Reserves	\$50,625
<i>Subtotal Expenses</i>	<i>\$802,844</i>
Available Reserve Fund Income	(\$10,000)
Available Capitalized Interest Funds	\$0
Available Administrative Expense Funds	(\$5,000)
<i>Subtotal funds available</i>	<i>(\$15,000)</i>
Annual Installments	\$787,844

Debt Service Payments

Annual Installments to be collected for principal and interest include interest due on March 1, 2024 in the amount of \$272,109 and on September 1, 2024 in the amount of \$272,109, which equal interest on the outstanding Initial Major Improvement Area Assessments balance of \$10,125,000 for six months each and an effective interest rate of 5.38 percent. Annual Installments to be collected include a principal payment of \$165,000 due on September 1, 2024 for the Initial Major Improvement Area portion of the Series 2021 Bonds. As a result, total

principal and interest due for the Initial Major Improvement Area Assessments portion of the Series 2021 Bonds for 2023-24 is estimated to be \$709,219.

Administrative Expenses

Administrative expenses include the Town, Trustee, Administrator, auditor, dissemination agent and contingency fees. As shown in Table II-F-2 below, the total Initial Major Improvement administrative expenses to be collected for 2023-24 are estimated to be \$43,000.

Table II-F-2
Administrative Budget Breakdown

Description	2023-24 Estimated Budget (9/1/23-8/31/24)
Town	\$8,000
PID Administrator	\$25,000
Audit	\$2,000
Trustee	\$3,000
Contingency	\$5,000
Total	\$43,000

Excess Interest for Prepayment and Delinquency Reserve

Annual Installments to be collected for excess interest for prepayment and delinquency reserves in the amount of \$50,625, which equals 0.5 percent interest on the outstanding Initial Major Improvement Area's portion of the Series 2021 Bonds balance of \$10,125,000.

Available Reserve Fund Income

As of June 30, 2023, the balance in the Reserve Fund was \$3,076,050 which exceeds the Bond Reserve Requirement of \$2,976,469. As a result, there are \$10,000 in funds anticipated to be available to pay the Series 2021 Bonds debt service for Assessment Year ending September 1, 2024.

Available Capitalized Interest Account

The final payment out of the Capitalized Interest Fund will be used to pay interest on the Series 2021 Bonds on the interest payment dates for Assessment Year ending September 1, 2023. As a result, there will be no credit available to reduce the Annual Installment for Assessment Year ending September 1, 2024.

Available Administrative Expense Account

As of June 30, 2023, there is \$5,000 anticipated to be available in the Administrative Expense Fund to reduce the Initial Major Improvement Area Annual Installment for 2023-24.

I. ANNUAL INSTALLMENTS PER UNIT – INITIAL MAJOR IMPROVEMENT AREA

According to the Updated Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay principal and interest on the Initial Major Improvement Area portion of the Series 2021 Bonds, to fund the Prepayment Reserve and Delinquency Reserve described in the Updated Service and Assessment Plan, and to cover Administrative Expenses of the Initial Major Improvement Area.

According to the Updated Service and Assessment Plan, 1,099 units representing 876.83 total Equivalent Units are anticipated to be built within the Initial Major Improvement Area of the PID. Accordingly, the net principal, interest, and prepayment and reserve portion of Annual Installments to be collected from each Equivalent Unit will be \$855.17 (i.e. $(\$709,219 + \$50,625 - \$10,000) \div 876.83 = \855.17) and the Administrative Expenses to be collected from each Equivalent Unit will be \$43.34 (i.e. $(\$43,000 - \$5,000) \div 876.83 = \$43.34$). As a result, the total Annual Installment to be collected from each Equivalent Unit within the Initial Major Improvement Area will be \$898.51 for each Parcel within the Initial Major Improvement Area. The Annual Installment to be collected from each Parcel within the Initial Major Improvement Area is calculated by multiplying the Annual Installment for each Equivalent Unit of \$898.51 by the total estimated Equivalent Units for each Parcel in the Initial Major Improvement Area.

The Annual Installment due to be collected from each Land Use Class in the Initial Major Improvement Area for 2023-24 is shown in Table II-G-1 below.

Table II-G-1
Annual Installment Per Unit – Phases #2-4 Initial Major Improvement Area

Land Use Class	Annual Installment per Equivalent Unit	Equivalent Unit Factor	Annual Installment Per Unit
60 Ft	\$898.51	1.00	\$898.51
50 Ft	\$898.51	0.83	\$748.76
40 Ft	\$898.51	0.67	\$599.01

The list of Parcels within the Initial Major Improvement Area of the PID, the estimated number of units to be developed on the current residential Parcels, the total Assessment, the Annual Assessment, the Administrative Expenses and the Annual Installment to be collected for 2023-24 are shown in the assessment roll summary attached hereto as Appendix F.

J. BOND REDEMPTION RELATED UPDATES

The Series 2021 Bonds were issued in 2021. Pursuant to Section 4.3 of the Trust Indenture, the Town reserves the right and option to redeem the Series 2021 Bonds before their scheduled maturity dates, in whole or in part, on any date on or after **September 1, 2026**, such redemption date or dates to be fixed by the Town, at the redemption prices and dates shown in the applicable Trust Indenture.

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 2021 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.

(remainder of this page is intentionally left blank)

III. UPDATE OF THE ASSESSMENT PLAN

The Updated Service and Assessment Plan adopted by the Town Council describes that the Authorized Improvement costs shall be allocated to the Assessed Property equally based on the equivalent 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.

Assessment Methodology

This method of assessing property, as updated in prior Annual Service Plan Updates, has not been changed and Assessed Property will continue to be assessed as provided for in the Service and Assessment Plan.

(remainder of this page is intentionally left blank)

IV. UPDATE OF THE ASSESSMENT ROLL

Pursuant to the original Service and Assessment Plan, the Assessment Rolls 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 the Service and Assessment Plan or in the PID Act;
- (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.I of the Service and Assessment Plan.

The summary of updated Assessment Rolls is shown in Appendix D and Appendix E of this report. Each Parcel in the PID is identified, along with the Assessment on each Parcel and the Annual Installment 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.

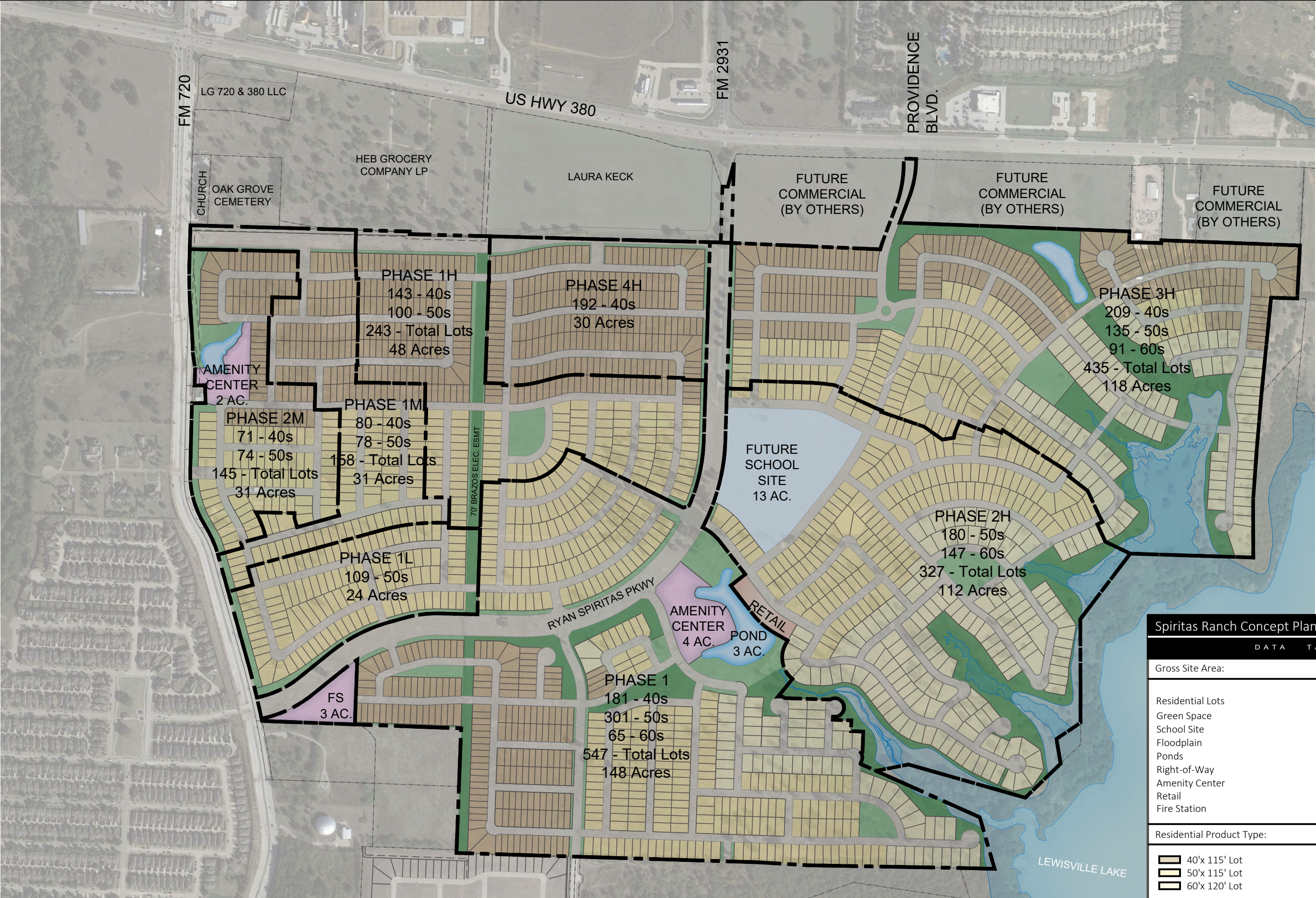
B. PREPAYMENT OF ASSESSMENTS

As of June 30, 2023 there have been no prepayment of Assessments for any Parcel within the PID.

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

APPENDIX A
SPIRITAS RANCH PID MAP

S:\2019\2019017-00 Spiritas Ranch\CAD\EXHIBITS\201901700LP28SpiritasRanchConceptPlan 03292021.dwg Mar 29, 2021 - 11:17 am - charcock



Spiritas Ranch Concept Plan 28			
DATA TABLE			
Gross Site Area:		545+/-	
		Acres	Gross %
Residential Lots		433	80%
Green Space		49	9%
School Site		13	2%
Floodplain		16	3%
Ponds		5	1%
Right-of-Way		17	3%
Amenity Center		7	1%
Retail		2	0.5%
Fire Station		3	0.5%
Residential Product Type:		Phase 1	Future Total
40'x 115' Lot		404	472 876
50'x 115' Lot		588	389 977
60'x 120' Lot		65	238 303
Total Lots		1,057	1,099 2,156
Total Acres		251	294 545

APPENDIX B
PREPAID PARCELS

APPENDIX B

As of June 30, 2023 there has been no prepayment of Assessments for any Parcel within the PID.

APPENDIX C
ASSESSED VALUE BY PHASE

SPIRITAS RANCH PID
2023 Certified Assessed Value

Phase	Parcels	2023 Assessed Value ¹
Initial Improvement Area #1 and Initial Major Improvement Area	19	\$28,168,645.00
Total	19	\$28,168,645.00

1 - Parcel assessed values reflect 2023 values, inclusive of applicable exemptions, in accordance with Denton Central Appraisal District online records as of July 26, 2023.

APPENDIX D
IMPROVEMENT AREA #1 ASSESSMENT ROLL – INITIAL IMPROVEMENT AREA
IMPROVEMENTS – 2023-24

SPIRITAS RANCH PID
Improvement Area #1 Assessment Roll Summary
2023-24

Parcel ID	Equivalent Units	Outstanding Assessments	Principal	Interest	Excess Interest for Reserves	Administrative Expenses	2023-24 Annual Installment
38076, 38089, 38226, 111275, 465354, 746126, 967339, 983733, 983734, 1007166	824.33	\$32,425,000.00	\$520,000.00	\$1,732,843.75	\$162,125.00	\$48,000.00	\$2,462,968.75
1006511	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	824.33	\$32,425,000.00	\$520,000.00	\$1,732,843.75	\$162,125.00	\$48,000.00	\$2,462,968.75

APPENDIX E
IMPROVEMENT AREA #1 ASSESSMENT ROLL – ADDITIONAL IMPROVEMENT #1
AREA #1 IMPROVEMENTS – 2023-24

SPIRITAS RANCH PID
Additional Improvement Area #1 Reimbursement Agreement Assessment Roll Summary
2023-24

Parcel ID	Equivalent Units	Outstanding Assessments	Principal	Interest	Administrative Expenses	2023-24 Annual Installment
38076, 38089, 38226, 111275, 465354, 746126, 967339, 983733, 983734, 1007166	824.33	\$7,745,000.00	\$61,000.00	\$455,018.75	\$50,000.00	\$566,018.75
1006511	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	824.33	\$7,745,000.00	\$61,000.00	\$455,018.75	\$50,000.00	\$566,018.75

APPENDIX F
**MAJOR IMPROVEMENT ASSESSMENT ROLL – INITIAL MAJOR
IMPROVEMENTS – 2023-24**

SPIRITAS RANCH PID
Major Improvement Area Assessment Roll Summary
2023-24

Parcel ID	Equivalent Units	Outstanding Assessments	Principal	Interest	Excess Interest for Reserves	Administrative Expenses	2023-24 Annual Installment
38076, 38089, 38094, 38102, 38191, 38193, 38226, 111275, 465354, 967339, 967340	876.83	\$10,125,000.00	\$165,000.00	\$534,218.75	\$50,625.00	\$38,000.00	\$787,843.75
1006512	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1006510	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	876.83	\$10,125,000	\$165,000.00	\$534,218.75	\$50,625.00	\$38,000.00	\$787,843.75

APPENDIX G
PID ASSESSMENT NOTICE

Form of Homebuyer Disclosure

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 Spiritas Ranch Public Improvement District (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

The exact amount of the assessment may be obtained from the Town. The exact amount of each annual installment 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 installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

Date: _____

Signature of 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