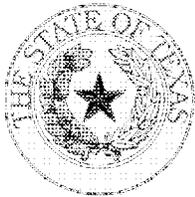


Kaufman County
Laura Hughes
County Clerk

Instrument Number: 2024-0031082

Billable Pages: 57
Number of Pages: 58

FILED AND RECORDED – REAL RECORDS	CLERKS COMMENTS
On: 10/04/2024 at 11:44 AM	E-RECORDING
Document Number: <u>2024-0031082</u>	
Receipt No: <u>24-27145</u>	
Amount: \$ <u>249.00</u>	
Vol/Pg: <u>V:8696 P:4</u>	



STATE OF TEXAS
COUNTY OF KAUFMAN

I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the Official Public Records of Kaufman County, Texas.

Laura A. Hughes

Laura Hughes, County Clerk

Recorded By: Viviana Basurto, Deputy

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Record and Return To:

CAPITOL SERVICES (TX)
1501 S. MOPAC EXPY, STE. 220
AUSTIN, TX 78746



ORDINANCE NO. O-22-24

AN ORDINANCE OF THE CITY OF KAUFMAN, TEXAS APPROVING A SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR THE KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3 (THE "DISTRICT"); MAKING A FINDING OF SPECIAL BENEFIT TO CERTAIN PROPERTY IN THE DISTRICT; LEVYING ASSESSMENTS AGAINST CERTAIN PROPERTY WITHIN THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR PAYMENT OF THE ASSESSMENT IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE ASSESSMENTS; PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Kaufman, Texas (the "City") received a petition meeting the requirements of Sec. 372.005 of the Public Improvement District Assessment Act (the "Act") requesting the creation of a public improvement district over a portion of the area within the corporate limits of the City to be known as the Kaufman Public Improvement District No. 3 (the "District"); and

WHEREAS, the petition contained the signatures of the owners of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the boundaries of the proposed District, as determined by the then current ad valorem tax rolls of the Kaufman Central Appraisal District and the signatures of property owners who own taxable real property that constitutes more than fifty percent of the area of all taxable property that is liable for assessment by the City; and

WHEREAS, after notice of hearing was published in a newspaper of general circulation in the City and was mailed to the property owners in the PID as required by the Act, on January 24, 2022 the City Council held such public hearing on the creation of the District and heard any comments or objection thereto; and

WHEREAS on January 24, 2022, the City approved a resolution creating the Kaufman Public Improvement District No. 3; and

WHEREAS, pursuant to Sections 372.013, 372.014, and 372.016 of the Act, the City Council has directed the preparation of an amended and restated Service and Assessment Plan (the "Service and Assessment Plan") for the financing of certain public improvements within the District (the "Authorized Improvements") and an assessment roll for the District (the "Assessment Roll") that states the assessment against each parcel of land within the District (the "Assessments"); and

WHEREAS, the City called a public hearing regarding the proposed levy of Assessments pursuant to the Preliminary Plan and the proposed Assessment Roll on property within the District, pursuant to Section 372.016 of the Act; and

WHEREAS, the City, pursuant to Section 372.016(b) of the Act, published notice in a newspaper of general circulation within the City to consider the proposed Service and Assessment Plan for the District and the levy of the Assessments, as defined in the Service and Assessment Plan, on property in the District; and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the Act, caused the mailing of notice of the public hearing to consider the proposed Service and Assessment Plan and the Assessment Roll attached to the Service and Assessment Plan and the levy of Assessments on property in the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened the public hearing at 6:00 p.m. on the 30th day of September, 2024, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Roll, and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the costs of the Authorized Improvements, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, the City wishes to levy assessments on the property within the District for the Authorized Improvements as set forth in the Service and Assessment Plan; and

WHEREAS, the City Council finds and determines that the Service and Assessment Plan and Assessment Roll attached thereto should be approved and that the Assessments should be levied on property within the District as provided in this Ordinance and the Service and Assessment Plan and Assessment Roll; and

WHEREAS, the City Council further finds that there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of the costs of the Authorized Improvements, the Assessment Roll or the levy of Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the District, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, THAT:

Section 1. Findings. The findings and determinations set forth in the preambles hereto are hereby incorporated by reference for all purposes.

Section 2. Terms. Terms not otherwise defined herein are defined in the Service and Assessment Plan attached hereto as Exhibit A.

Section 3. Findings. The findings and determinations set forth in the preambles are hereby incorporated by reference for all purposes. The City Council hereby finds, determined and orders, as follows:

- a. The apportionment of the Costs of the Authorized Improvements, and the Administrative Expenses pursuant to the Service and Assessment Plan is fair and reasonable, reflects an accurate presentation of the special benefit each property will receive from the Authorized Improvements identified in the Service and Assessment Plan, and is hereby approved;
- b. The Service and Assessment Plan covers a period of at least five years and defines the annual indebtedness and projected costs for the Authorized Improvements;
- c. The Service and Assessment Plan apportions the costs of the Authorized Improvements to be assessed against each Assessed Property in the District and such apportionment is made on the basis of special benefits accruing to each Assessed Property because of the Authorized Improvements.
- d. All of the real property in the District which is being assessed in the amounts shown in the Service and Assessment Plan and Assessment Roll will be benefited by the Authorized Improvements proposed to be provided through the District in the Service and Assessment Plan, and each parcel of real property in the District will receive special benefits during the term of the Assessments equal to or greater than the total amount assessed;
- e. The method of apportionment of the costs of the Authorized Improvements and Administrative Expenses set forth in the Service and Assessment Plan results in imposing equal shares of the costs of the Authorized Improvements and Administrative Expenses on property similarly benefited, and results in a reasonable classification and formula for the apportionment of the costs;
- f. The Service and Assessment Plan should be approved as the service plan and assessment plan for the District, as described in Sections 372.013 and 372.014 of the Act;
- g. The Assessment Roll in the form attached to the Service and Assessment Plan should be approved as the assessment roll for the District;
- h. The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Assessments, interest on Annual Installments, interest and penalties on delinquent Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Assessments should be approved and will expedite collection of the Assessments in a timely manner in order to provide the improvements needed and required for the area within the District; and
- i. A written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public for the time required by

law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered and formally acted upon.

Section 4. Assessment Plan. The Service and Assessment Plan is hereby accepted and approved pursuant to Sections 372.013 and 372.014 of the Act as a service plan and an assessment plan for the Authorized Improvements within the District.

Section 5. Assessment Roll. The Assessment Roll is hereby accepted and approved pursuant to Section 372.016 of the Act as the assessment roll for the Authorized Improvements within the District.

Section 6. Levy and Payment of Assessments for Costs of Authorized Improvements.

- a. The City Council hereby levies Assessments on each Assessed Property located within the District, as shown and described in the Service and Assessment Plan and the Assessment Roll, in the respective amounts shown on the Assessment Roll, as special assessments on the properties within the District as set forth in the Service and Assessment Plan and the Assessment Roll.
- b. The levy of the Assessments shall be effective on the date of execution of this Ordinance levying assessments and strictly in accordance with the terms of the Service and Assessment Plan.
- c. The collection of the Assessments shall be as described in the Service and Assessment Plan.
- d. Each Assessment may be pre-paid or paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.
- e. Each Assessment shall bear interest at the rate or rates specified in the Service and Assessment Plan.
- f. Each Annual Installment shall be collected each year in the manner set forth in the Service and Assessment Plan.
- g. The Administrative Expenses for Assessed Properties shall be calculated pursuant to the terms of the Service and Assessment Plan.

Section 7. Method of Assessment. The method of apportioning the costs of the Authorized Improvements is as set forth in the Service and Assessment Plan.

Section 8. Penalties and Interest on Delinquent Assessments. Delinquent Assessments shall be subject to the penalties, interest, procedures and foreclosure sales set forth in the Service and Assessment Plan. The Assessments shall have lien priority as specified in the Act and the Service and Assessment Plan.

Section 9. Prepayments of Assessments. As provided in Section 372.018(f) of the Act and in the Service and Assessment Plan, the owner (the “Owner”) of any Assessed Property may prepay the Assessments levied by this Ordinance as set forth in the Service and Assessment Plan.

Section 10. Lien Priority. As provided in the Act, the City Council and owners of the Assessed Property intend for the obligations, covenants and burdens on the owners of Assessed Property, including without limitation such owner’s obligations related to payment of the Assessments and the Annual Installments, to constitute a covenant running with the land. The Assessments and the Annual Installments levied hereby shall be binding upon the Assessed Property, and the owners of Assessed Properties, and their respective transferees, legal representatives, heirs, devisees, successors and assigns in the same manner and for the same period as such parties would be personally liable for the payment of ad valorem taxes under applicable law. Assessments shall have lien priority as specified in the Act.

Section 11. Administrator and Collector of Assessments.

- a. Administrator. The City shall administer the Service and Assessment Plan and the Assessments levied by this Ordinance. The City has appointed a third-party administrator (the “Administrator”) to administer the Service and Assessment Plan and the Assessments. The Administrator shall perform the duties of the Administrator described in the Service and Assessment Plan and in this Ordinance. The Administrator’s fees, charges and expenses for providing such services shall constitute an Administrative Expense.
- b. Collector. The City may collect the assessments or may, by future action, appoint a third-party collector of the Assessments. The City is hereby authorized to enter into an agreement with a third-party for the collection of the Assessments. The City may also contract with any other qualified collection agent selected by the City or may collect the Assessments on its own behalf. The costs of such collection contracts shall constitute an Administrative Expense.

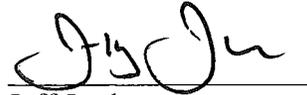
Section 12. Applicability of Tax Code. To the extent not inconsistent with this Ordinance and the Act or other laws governing public improvement districts, the provisions of the Texas Tax Code shall be applicable to the imposition and collection of Assessments by the City.

Section 13. Severability. If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to 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 Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

Section 14. Effective Date. This Ordinance shall take effect, and the levy of the Assessments, and the provisions and terms of the Service and Assessment Plan shall be and become effective upon passage and execution thereof.

PASSED AND APPROVED this 30th day of September, 2024.

[Remainder of Page left Intentionally Blank]



Jeff Jordan
Mayor, City of Kaufman

ATTEST:



Jessie Hanks
City Secretary, City of Kaufman

THE STATE OF TEXAS §

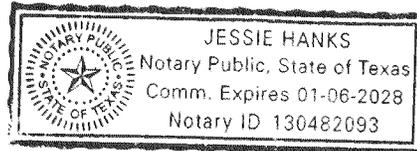
COUNTY OF KAUFMAN §

Before me, the undersigned authority, on this day personally appeared Jeff Jordan, Mayor of the City of Kaufman, Texas, known to me to be such persons who signed the above and acknowledged to me that such persons executed the above and foregoing Ordinance in my presence for the purposes stated therein.

Given under my hand and seal of office this September 30, 2024.



Notary Public, State of Texas



[NOTARY STAMP]



Return Acknowledgement to: _____
Capitol Services, Inc.
PO Box 1831
Austin, TX 78767
800.345.4647

EXHIBIT A
SERVICE AND ASSESSMENT PLAN
AND ASSESSMENT ROLL

KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3

CITY OF KAUFMAN, TEXAS

SERVICE AND ASSESSMENT PLAN

September 30, 2024

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

KAUFMAN PUBLIC IMPROVEMENT DISTRICT No. 3

SERVICE AND ASSESSMENT PLAN

TABLE OF CONTENTS

I. PLAN DESCRIPTION AND DEFINED TERMS.....	1
A. INTRODUCTION	1
B. DEFINITIONS	2
II. PROPERTY INCLUDED IN THE PID.....	7
A. PROPERTY INCLUDED IN THE PID	7
III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS.....	8
A. AUTHORIZED IMPROVEMENT OVERVIEW	8
B. DESCRIPTIONS OF THE AUTHORIZED IMPROVEMENTS	9
IV. SERVICE PLAN	12
A. PROJECTED SOURCES AND USES OF FUNDS	12
B. PROJECTED FIVE -YEAR SERVICE AND ASSESSMENT PLAN.....	13
C. PID ASSESSMENT NOTICE	14
V. ASSESSMENT PLAN	15
A. INTRODUCTION	15
B. SPECIAL BENEFIT.....	16
C. ASSESSMENT METHODOLOGY	17
D. ASSESSMENTS.....	18
E. ADMINISTRATIVE EXPENSES	18
F. DELINQUENCY AND PREPAYMENT RESERVE	18
VI. TERMS OF THE ASSESSMENTS	19
A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE PID	19
B. REALLOCATION OF ASSESSMENTS	19
C. MANDATORY PREPAYMENT OF ASSESSMENTS	20
D. REDUCTION OF ASSESSMENTS	20
E. PAYMENT OF ASSESSMENTS	21
F. COLLECTION OF ANNUAL INSTALLMENTS	22
VII. THE ASSESSMENT ROLL.....	24
A. ASSESSMENT ROLL	24
B. ANNUAL ASSESSMENT ROLL UPDATES.....	25
VIII. MISCELLANEOUS PROVISIONS	26
A. ADMINISTRATIVE REVIEW	26
B. TERMINATION OF ASSESSMENTS	26
C. AMENDMENTS	27
D. ADMINISTRATION AND INTERPRETATION OF PROVISIONS.....	27
E. SEVERABILITY.....	27
F. BUYER DISCLOSURE.....	27

APPENDIX A - PID MAP

APPENDIX B - ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

APPENDIX C - LEGAL DESCRIPTION

APPENDIX D - DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

APPENDIX E - PID ASSESSMENT NOTICE

**APPENDIX F - ASSESSMENT PER UNIT, PROJECTED LEVERAGE AND PROJECTED TAX
RATE EQUIVALENTS**

APPENDIX G - ASSESSMENT ROLL

I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On January 24, 2022, the City Council of the City of Kaufman, Texas passed and approved Resolution No. R-03-22 approving and authorizing the creation of Kaufman Public Improvement District No. 3 (the “PID”) to finance the costs of certain public improvements for the benefit of property in such public improvement district, all of which was located within the City limits.

The property in the PID is proposed to be developed in one phase. Assessments will be imposed on the property that receives a special benefit from the public improvements to be financed.

Chapter 372 of the Texas Local Government Code, the “Public Improvement District Assessment Act” (as amended, the “PID Act”), governs the creation and operation of public improvement districts within the State of Texas. This Kaufman Public Improvement District No. 3 Service and Assessment Plan (the “Service and Assessment Plan”) has been prepared in accordance with the PID Act and specifically Sections 372.013, 372.014, 372.015 and 372.016, which address the requirements of a service and assessment plan and the assessment roll. According to Section 372.013 of the PID Act, a service plan “must (1) cover a period of at least five years; (2) define the annual indebtedness and the projected costs for improvements; and (3) include a copy of the notice form required by Section 5.014, Property Code.” Additionally, the PID Act requires that “the governing body of the municipality or county shall review and update the service plan annually for the purpose of determining the annual budget for improvements.” The service plan is described in Section IV of this Service and Assessment Plan. The copy of the notice form required by Section 5.014 of the Texas Property Code, as amended, is attached hereto as Appendix F.

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

Section 372.015 of the PID Act requires that “the governing body of the municipality or county shall apportion the cost of an improvement to be assessed against property in an improvement district.” The method of assessing the costs of the Authorized Improvements and apportionment of such costs to the property in the PID is included in Section V of this Service and Assessment Plan.

Section 372.016 of the PID 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 roll must state the assessment against each parcel of land in the district, as determined by the method of assessment chosen by the municipality or county under this subchapter.” The Assessment Roll for the PID is included as Appendix G of this Service and Assessment Plan. The Assessments as shown on the Assessment Roll are based on the method of assessment and apportionment of costs described in Section V of this Service and Assessment Plan.

B. DEFINITIONS

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

“Actual Cost(s)” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement. Actual Cost may include: (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor and construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, and taxes, (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, and (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, permit fees, development fees), insurance premiums and miscellaneous expenses.

Actual Costs may include general contractor’s fees in an amount up to a percentage equal to the percentage of work completed and accepted by the City or construction management fees in an amount up to five percent of the eligible Actual Costs described in a Certification for Payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

“Additional Interest” means the 0.50% additional interest rate charged on Assessments (if applicable) pursuant to Section 372.018 of the PID Act.

“Additional Interest Component” means the amount collected by application of the Additional Interest.

“Administrative Expenses” means the administrative, organization, maintenance and operation costs associated with, or incidental to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, maintenance, and operation of the PID and the Authorized Improvements, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) issuing, paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee’s reasonable fees and expenses relating to the Bonds, (ix) legal

counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds or any costs of issuance associated with the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

“Administrator” means the employee or designee of the City, identified in any indenture of trust relating to the Bonds or in any other agreement approved by the City Council, who shall have the responsibilities provided for herein.

“Annual Installment” means, with respect to each Parcel, each annual payment of: (i) the Assessments including both principal and interest, as shown on the Assessment Roll attached hereto as Appendix G, as applicable, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, (ii) the Additional Interest Component designated for the Delinquency and Prepayment Reserve described in Section V of this Service and Assessment Plan, and (iii) the Administrative Expenses.

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

“Assessed Property” means the property that benefits from the Authorized Improvements to be provided by the PID on which Assessments have been imposed as shown in each Assessment Roll, as each Assessment Roll is updated each year by the Annual Service Plan Update. Assessed Property includes Parcels within the PID other than Non-Benefited Property.

“Assessment” means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act. An Assessment for a Parcel consists of the Annual Installments to be collected in all years including the portion of those Annual Installments collected to pay Administrative Expenses and interest on all Assessments.

“Assessment Ordinance” means an Assessment Ordinance adopted by the City Council approving the Service and Assessment Plan (including amendments or supplements to the Service and Assessment Plan) and levying the Assessments.

“Assessment Revenues” mean the revenues actually received by or on behalf of the City from the collection of Assessments.

“Assessment Roll” means the Assessment Roll included in this Service and Assessment Plan as Appendix G or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update, as each may be updated, modified, or amended from time to time in accordance with the procedures set forth in this Service and Assessment Plan and in the PID Act.

“Authorized Improvements” mean those public improvements described in Appendix B of this Service and Assessment Plan and Section 372.003 of the PID Act, constructed and installed in accordance with this Service and Assessment Plan, and any future updates and/or amendments.

“Bonds” mean any bonds issued by the City in one or more series and secured in whole or in part by the Assessment Revenues.

“Budgeted Cost(s)” means the amounts budgeted to construct the Authorized Improvements as used in the preparation of this Service and Assessment Plan.

“Certification for Payment” means the certificate to be provided by the Developer, or his designee, to substantiate the Actual Cost of one or more Authorized Improvements.

“City” means the City of Kaufman, Texas.

“City Council” means the duly elected governing body of the City.

“County” means Kaufman County, Texas.

“Delinquency and Prepayment Reserve” has the meaning set forth in Section V.F of this Service and Assessment Plan.

“Delinquent Collection Costs” mean interest, penalties and expenses incurred or imposed with respect to any delinquent installment of an Assessment in accordance with the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorney’s fees.

“Developer” means Freeman Farm, a series of EIS Development II, LLC, a Texas limited liability company, and its respective successors and assigns

“Development Agreement” means the Freeman Farm Development Agreement, between the City and between the City and the Developer relating to the Bonds, effective February 16, 2022as amended from time to time.

“Equivalent Units” means, as to any Parcel the number of dwelling units by lot type expected to be built on the Parcel multiplied by the factors calculated and shown in Appendix E attached hereto.

“Homeowner Association” means a homeowner’s association or property owners’ association established for the benefit of property owners within the boundaries of the PID.

“Homeowner Association Property” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, a homeowner’s association.

“**Lot**” means a tract of land described as a “lot” in a subdivision plat recorded in the official public records of the County.

“**Lot Type**” means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the City Council as described in Appendix E and shown in Appendix G. In the case of single family residential lots, the Lot Type shall be further defined by classifying the residential lots by the estimated average home value for each home at the time of assessment levy, considering factors such as density, lot size, proximity to amenities, view premiums, location, and any other factors that may impact the average home value on the lot, as determined by the Administrator and confirmed by the City Council.

“**Maximum Assessment Per Unit**” means an Assessment per unit for each applicable Lot Type as follows:

Lot Type 1 (60 Ft Lot)	\$25,886.56
Lot Type 2 (50 Ft Lot)	\$21,485.84

“**Non-Benefited Property**” means Parcels that accrue no special benefit from the Authorized Improvements, including Homeowner Association Property, Public Property and easements that create an exclusive use for a public utility provider to the extent they accrue no special benefit. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI.C.

“**Parcel**” or “**Parcels**” means a parcel or parcels within the PID identified by either a tax map identification number assigned by the Kaufman Central Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the real property records of the County.

“**PID**” has the meaning set forth in Section I.A of this Service and Assessment Plan.

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

“**PID Bonds**” mean the certain City of Kaufman, Texas, Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3) are secured primarily by Assessment Revenues.

“**Prepayment Costs**” mean interest and expenses to the date of prepayment, plus any additional expenses related to the prepayment, reasonably expected to be incurred by or imposed upon the City as a result of any prepayment of an Assessment.

“Public Property” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, the County, the City, a school district or any other public agency, whether in fee simple or through an exclusive use easement.

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

“Trust Indenture” means an indenture of trust, ordinance or similar document setting forth the terms and other provisions relating to the Bonds, as modified, amended, and/or supplemented from time to time.

“Trustee” means the fiscal agent or trustee as specified in the Trust Indenture, including a substitute fiscal agent or trustee.

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II. PROPERTY INCLUDED IN THE PID

A. PROPERTY INCLUDED IN THE PID

The PID is presently located within the City and contains approximately 25.402 acres of land. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 123 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots and the classification of each lot are based upon the proposed development plan.

The property within the PID is proposed to be developed as follows:

Table II-A
Proposed Development within the PID

Proposed Development	Quantity	Measurement
Lot Type 1 (60 Ft)	58	Units
Lot Type 2 (50 Ft)	65	Units
Total	123	Units

The estimated number of units at the build-out of the PID is based on the land use approvals for the property, the anticipated subdivision of property in the PID, and the Developer's estimate of the highest and best use of the property within the PID.

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III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. AUTHORIZED IMPROVEMENT OVERVIEW

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

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 may include:

- (i) landscaping;
- (ii) erection of fountains, distinctive lighting, and signs;
- (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
- (iv) construction or improvement of pedestrian malls;
- (v) acquisition and installation of pieces of art;
- (vi) acquisition, construction, or improvement of libraries;
- (vii) acquisition, construction, or improvement of off-street parking facilities;
- (viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;
- (ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;
- (x) the establishment or improvement of parks;
- (xi) projects similar to those listed in Subdivisions (i)-(x);
- (xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
- (xiii) 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;
- (xiv) payment of expenses incurred in the establishment, administration and operation of the district; and
- (xv) the development, rehabilitation, or expansion of affordable housing

After analyzing the public improvement projects authorized by the PID Act, the City has determined at this time to undertake only Authorized Improvements listed in Section III.B and shown in the opinion of probable costs included as Appendix B and on the diagrams included as Appendix D for the benefit of the Assessed Property. Any change to the list of Authorized Improvements will require the approval of the City and an update to this Service and Assessment Plan.

B. DESCRIPTIONS OF THE AUTHORIZED IMPROVEMENTS

The Authorized Improvements benefit the entire PID. The costs of the Authorized Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the anticipated number of Equivalent Units.

The Authorized Improvements descriptions are presented below as provided by the project engineer. The Budgeted Costs are shown in Table III-A, and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Authorized Improvements are as follows:

Roadway Improvements:

Onsite

The onsite roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Offsite

The offsite roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Wet Utilities:

Wet utilities include water improvements, sanitary sewer improvements, and storm drainage improvements are further described on the following page.

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Water Improvements:

Onsite

The onsite water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The onsite water distribution system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Offsite

The offsite water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The offsite water improvements are constructed exclusively for the benefit of the Assessed Property, are fully allocated to the PID, and will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements:

The sanitary sewer collection system improvements within the PID consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements:

The storm drainage collection system improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Landscaping and Open Space Improvements:

The landscaping improvements within the PID consist of grading, landscaping, irrigation, entry monumentation, and seeding. The landscaping improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Soft and Miscellaneous Costs

Soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Authorized Improvements including land planning and design, city fees, legal fees, district formation costs, appraisal fees, engineering, soil testing, survey, construction staking, construction

management, and contingency, costs associated with financing the Authorized Improvements, and a portion of the costs incurred in the establishment, administration and operation of the PID.

Table III-A
Budgeted Authorized Improvement Costs

Authorized Improvements	Offsite	Onsite	Total
<u>Hard Costs</u>			
Roadway Improvements	\$167,919	\$1,390,722	\$1,558,641
Wet Utilities:			
Water Improvements	\$448,760	\$463,850	\$912,610
Sanitary Sewer Improvements	\$0	\$424,260	\$424,260
Drainage Improvements	\$0	\$589,765	\$589,765
<i>Sub-total Wet Utilities</i>	<i>\$448,760</i>	<i>\$1,477,875</i>	<i>\$1,926,635</i>
Landscaping and Open Spaces	\$219,875	\$0	\$219,875
<i>Sub-total Hard Costs</i>	<i>\$836,554</i>	<i>\$2,868,597</i>	<i>\$3,705,151</i>
<u>Soft and Miscellaneous Costs</u>			
Other Soft and Miscellaneous Costs	\$114,938	\$636,361	\$751,299
<i>Sub-total Soft and Miscellaneous Costs</i>	<i>\$114,938</i>	<i>\$636,361</i>	<i>\$751,299</i>
Total Authorized Improvements	\$951,492	\$3,504,958	\$4,456,450

¹The above shown estimated costs are provided by the Developer. The figures shown in Table III-A may be revised in Annual Service Plan Updates and may be reallocated between line items. Amounts are rounded to the nearest dollar.

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IV. SERVICE PLAN

A. PROJECTED SOURCES AND USES OF FUNDS

The PID Act requires the service plan to cover a period of at least five years. The service plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the PID during the five-year period. It is anticipated that the Authorized Improvements will be completed and accepted by the City in the fourth quarter of 2024.

The Budgeted Costs for Authorized Improvements plus costs related to the issuance of the PID Bonds and payment of expenses incurred in the establishment, administration, and operation of the PID are \$5,195,094 as shown in Table IV-A. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Authorized Improvement costs, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an “Annual Service Plan Update.”

Table IV-A shows the projected sources and uses of funds for the Authorized Improvements.

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Table IV-A
Projected Sources and Uses

Sources of Funds	Total
Par Amount	\$2,898,000
Other Funding Sources ¹	\$2,297,094
Total Sources	\$5,195,094
Uses of Funds	
<i>Authorized Improvements:</i>	
Roadway Improvements	\$1,558,641
Wet Utilities:	
Water Improvements	\$912,610
Sanitary Sewer Improvements	\$424,260
Drainage Improvements	\$589,765
Landscaping and Open Spaces	\$219,875
Other Soft and Miscellaneous Costs	\$751,299
<i>Subtotal Authorized Improvements</i>	<i>\$4,456,450</i>
<i>Bond Issuance Costs:</i>	
Underwriter's Discount	\$86,940
Cost of Issuance	\$251,559
Deposit to Debt Service Reserve Fund	\$206,765
Capitalized Interest	\$138,890
Deposit to Administrative Fund	\$40,000
Deposit to Prepayment and Delinquency Fund	\$14,490
<i>Subtotal Bond Issuance Costs</i>	<i>\$738,644</i>
Total Uses	\$5,195,094

¹Other funding sources are being funded by the Developer and are not anticipated to be reimbursed by the PID.

B. PROJECTED FIVE -YEAR SERVICE AND ASSESSMENT PLAN

The annual projected costs and annual projected indebtedness are shown in Table IV-B. The annual projected costs and indebtedness are subject to revision, and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

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**Table IV-B
Annual Projected Costs and Annual Projected Indebtedness**

Year	Annual Projected Cost	Annual Projected Indebtedness	Other Funding Sources¹	Projected Annual Installments^{2,3}
2024	\$5,195,094	\$2,898,000	\$2,297,094	\$0
2025	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$262,055
2027	\$0	\$0	\$0	\$261,939
2028	\$0	\$0	\$0	\$261,723
2029	\$0	\$0	\$0	\$262,410
2030	\$0	\$0	\$0	\$261,941
Total	\$5,195,094	\$2,898,000	\$2,297,094	\$1,310,067

¹ Other funding sources are being funded by the Developer and are not anticipated to be reimbursed by the PID.
² Administrative Expenses for the fiscal year 2025 are being funded with PID Bond proceeds and interest on the PID Bonds for fiscal year 2025 is being funded with capitalized interest.
³ Includes amounts to be paid from Assessments related to the PID Bonds.

The annual projected costs shown in Table IV-B are the annual expenditures relating to the Authorized Improvements shown in Table III-A, and the costs associated with setting up the PID and bond issuance costs including reserves shown in Table IV-A. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer.

C. PID ASSESSMENT NOTICE

The PID Act requires that this Service and Assessment Plan, and each Annual Service Plan Update, include a copy of the Notice form (required by Section 5.014 of the Texas Property Code). The PID assessment notice is attached hereto as Appendix F and may be updated in an Annual Service Plan Update.

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V. ASSESSMENT PLAN

A. INTRODUCTION

The PID Act requires the City Council to apportion the costs of the Authorized Improvements on the basis of special benefits conferred upon the property because of the Authorized Improvements. The PID Act provides that the costs of the Authorized Improvements 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 PID 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 municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

For purposes of this Service and Assessment Plan, the City Council has determined that the Budgeted Costs of the Authorized Improvements shall be allocated as described below:

1. The Authorized Improvement costs shall be allocated on the basis of Equivalent Units once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements to Parcels similarly benefited.
2. The City Council has concluded that larger more expensive homes are likely to be built on the larger lots, and that larger more expensive homes are likely to make greater use of and receive greater benefit from the Authorized Improvements. In determining the relative values of Parcels, the City Council has taken into consideration (i) the type of development (i.e., residential, commercial, etc.), (ii) single-family lot sizes and the size of homes likely to be built on lots of different sizes, (iii) current and projected home prices provided by the Developer, (iv) the Authorized Improvements to be provided and the estimated costs, and (v) the ability of different property types to utilize and benefit from the Authorized Improvements.
3. The Assessed Property is classified into different Lot Types as described in Appendix E based on the type and size of proposed development on each Parcel.
4. Equivalent Units are calculated for each Lot Type based on the relative value of each Lot Type.

This section of this Service and Assessment Plan currently (i) describes the special benefit received by each Parcel within the PID as a result of the Authorized Improvements, (ii) provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Authorized Improvements to Parcels in a manner that results in equal shares of the Actual Costs of the Authorized Improvements being apportioned to Parcels similarly benefited.

The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council 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

Assessed Property must receive a direct and special benefit from the Authorized Improvements, and this benefit must 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 line-item format in Appendix B to this Service and Assessment Plan) and the costs of issuance and payment of costs incurred in the establishment of the PID shown in Table IV-A are authorized by the PID Act. These Authorized Improvements are provided specifically for the benefit of the Assessed Property.

Each owner of the Assessed Property has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and has consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. Each of the owners is acting in its interest in consenting to this apportionment and levying of the Assessments because the special benefit conferred upon the Assessed Property by the Authorized Improvements exceeds the amount of the Assessments.

The Authorized Improvements provide a special benefit to the Assessed Property as a result of the close proximity of these improvements to the Assessed Property and the specific purpose of these improvements of providing infrastructure for the Assessed Property. In other words, the Assessed Property could not be used in the manner proposed without the construction of the Authorized Improvements. The Authorized Improvements are being provided specifically to meet the needs of the Assessed Property as required for the proposed use of the property.

The Assessments are being levied to provide the Authorized Improvements that are required for the highest and best use of the Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as “the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.” (*Dictionary of Real Estate Appraisal, Third Edition.*) The Authorized Improvements are expected to be required for the proposed use of the Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

The Developer has evaluated the potential use of the property and has determined that the highest and best use of the property is the use intended and the legal use for the property as described in Section II of this Service and Assessment Plan. The use of the Assessed Property as described herein will require the construction of the Authorized Improvements.

Each owner of the Assessed Property will ratify, confirm, accept, agree to and approve: (i) the determinations and finding by the City Council as to the special benefits described in this Service and Assessment Plan and the Assessment Ordinance; (ii) the Service and Assessment Plan and

the Assessment Ordinance; and (iii) the levying of Assessments on the Assessed Property. Use of the Assessed Property as described in this Service and Assessment Plan and as authorized by the PID Act requires that Authorized Improvements be acquired, constructed, installed, and/or improved. Funding the Actual Costs of the Authorized Improvements through the PID has been determined by the City Council to be the most beneficial means of doing so. This special benefit exceeds the amount of the Assessment. This conclusion is based on and supported by the evidence, information, and testimony provided to the City Council and reflected in Table VII-A.

In summary, the Authorized Improvements result in a special benefit to the Assessed Property for the following reasons:

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Assessed Property as a result;
2. The Developer has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;
3. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);
4. As a result, the special benefit to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C. ASSESSMENT METHODOLOGY

The costs of the Authorized Improvements may be assessed by the City Council 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 costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited.

1. Assessment Methodology for the Authorized Improvements

For purpose of this Service and Assessment Plan, the City Council has determined that the Budgeted Costs of the Authorized Improvements to be financed with the PID Bonds shall be allocated to the Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units anticipated to be developed on each Parcel within the PID.

Based on the Budgeted Costs of the Authorized Improvements, as set forth in Table III-A, the City Council has determined that the benefit to the Assessed Property of the Authorized Improvements is at least equal to the Assessments levied on the Assessed Property.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the estimated Equivalent Units of each newly created Parcel. For residential

Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated Equivalent Units at the time residential Lots are platted to the total estimated Equivalent Units of all Lots in the platted Parcel, as calculated and shown in Appendix E using the types, number and average home value of Lots anticipated to be developed on each Parcel.

The Assessment and Annual Installments for each Parcel or Lot located within the PID is shown on the Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

D. ASSESSMENTS

The Assessments are levied on each Parcel according to the Assessment Roll, attached hereto as Appendix G. The Annual Installments will be collected at the time and in the amounts shown on the Assessment Roll subject to any revisions made during an Annual Service Plan Update.

E. ADMINISTRATIVE EXPENSES

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of Assessment levied against the Parcel. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on each Assessment Roll, attached as Appendix G, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

F. DELINQUENCY AND PREPAYMENT RESERVE

Pursuant to the PID Act, the interest rate for Assessments may exceed the actual interest rate per annum paid on the related Bonds by no more than one half of one percent (0.50%). The interest rate used to determine the Assessments is one half of one percent (0.50%) per annum higher than the actual rate paid on the PID Bonds, with the Additional Interest Component of the Annual Installments allocated to fund a reserve to be used for paying interest associated with a prepayment and to offset any possible delinquency related costs. The Delinquency and Prepayment Reserve shall be funded until it reaches 5.50% of the outstanding Bonds unless otherwise stipulated in the Trust Indenture. Once the Delinquency and Prepayment Reserve is funded in full, the City may allocate the Additional Interest Component of the Annual Installments as provided in the applicable Trust Indenture.

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VI. TERMS OF THE ASSESSMENTS

A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE PID

The Assessment and Annual Installments for each Assessed Property located within the PID is shown on the Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from the Assessed Property in an amount sufficient to pay (i) principal and interest on the PID Bonds, (ii) to fund the Delinquency and Prepayment Reserve described in Section V, and (iii) to pay Administrative Expenses related to the PID. The Annual Installment for each Parcel in the PID shall be calculated by taking into consideration any available capitalized interest applicable to the Parcel.

B. REALLOCATION OF ASSESSMENTS

1. Subdivision

Upon the subdivision of any Parcel, the Assessment for the Parcel prior to the subdivision shall be reallocated 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 total Equivalent Units to be built on each new subdivided Parcel
- D = the sum of the estimated total Equivalent Units to be built on all of the new subdivided Parcels

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

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

2. Consolidation

Upon the consolidation of two or more Parcels, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the consolidation of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

C. MANDATORY PREPAYMENT OF ASSESSMENTS

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.
2. If at any time the Assessment per unit on a Parcel exceeds the applicable Maximum Assessment Per Unit shown in this Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the City prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per unit for the Parcel exceeds the applicable Maximum Assessment Per Unit calculated in this Service and Assessment Plan. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the owner of the Parcel to pay each Assessment due, or alternately all of the Authorized Improvements are not completed, pursuant to this section.
3. The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

D. REDUCTION OF ASSESSMENTS

1. If after all Authorized Improvements to be funded with a series of Bonds have been completed, Actual Costs for such Authorized Improvements are less than the Budgeted Costs of the Authorized Improvements used to calculate the Assessments securing such series of Bonds, resulting in excess Bond proceeds such excess Bond proceeds shall be applied to redeem Bonds as provided in the Trust Indenture, then the Assessment securing such series of Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in any other method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.

2. If all the Authorized Improvements are not undertaken, resulting in excess Bond proceeds, such excess Bond proceeds shall be applied to redeem Bonds as provided in the Trust Indenture, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the Bonds, including interest on the Bonds and Administrative Expenses. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on number of units, if determined by the City Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds, including interest on the Bonds and Administrative Expenses. The principal portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced principal portion of the Bonds is not less than the outstanding principal amount of the Bonds.

E. PAYMENT OF ASSESSMENTS

1. Payment in Full

- (a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include all Prepayment Costs. If prepayment in full will result in redemption of Bonds, the payment amount shall be reduced by the amount, if any, of interest from the date of prepayment through the date of redemption of Bonds and reserve funds applied to the redemption under the Trust Indenture, net of any other costs applicable to the redemption of Bonds.
- (b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.
- (c) Upon payment in full of the Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the Trust Indenture, if applicable, or other relevant PID documents; whereupon, the Assessment shall be reduced to zero and the Assessment Roll revised accordingly, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate. The Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan update. The City shall provide the owner with a recordable notice of the termination of the Assessment. The City Manager or their designee is hereby authorized to execute any such notice or other lien release documents.
- (d) At the option of the owner, the Assessment on any Parcel plus Prepayment Costs may be paid in part. Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the partial payment is made.

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2. Payment in Annual Installments

The PID Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the PID Act authorizes the Assessment to be paid in installments and additionally allows the City to collect interest, administrative expenses and other authorized charges in installments. An Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown on the Assessment Roll, as updated as provided for herein, which include interest, Additional Interest, and Administrative Expenses. Payment of the first Annual Installments shall be due February 1, 2026.

Each Assessment Roll sets forth for each year the Annual Installment for each parcel based on an interest rate of 5.25% in years 1 through 20 (2025-2044) and 5.50% in years 21 through 30 (2045-2054) on the PID Bonds and Additional Interest at the rate of 0.5% for the Delinquency and Prepayment Reserve. Furthermore, the Annual Installments may not exceed the amounts shown on the Assessment Roll. The Assessment Roll is shown as Appendix G.

The Annual Installments shall equal the Actual Costs of repaying the PID Bonds, Additional Interest, and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

The City reserves and shall have the right and option to refund the Bonds in accordance with Section 372.027 of the PID Act, Chapter 1207 of the Texas Government Code or any other applicable authority provided by the laws of the State of Texas. In the event of such refunding, the Administrator, upon approval by the City, shall recalculate the Annual Installments, and if necessary, may adjust, or decrease, the amount of the Annual Installments so that total Annual Installments of Assessments will be produced in annual amounts that are required to pay the refunding bonds when due and payable as required by and established in the ordinance and/or the indenture authorizing and securing the refunding bonds, and such refunding bonds shall constitute Bonds for purposes of this Service and Assessment Plan.

F. COLLECTION OF ANNUAL INSTALLMENTS

No less frequently than annually, the Administrator shall prepare, and the City Council shall consider, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Parcel. Administrative Expenses shall be allocated among Parcels in proportion to the amount of the Annual Installments for the Parcels. Each Annual Installment shall be reduced by any credits applied under the applicable Trust Indenture, such as capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City. The City Council may provide for other means of collecting the Annual Installments to

the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the PID Act.

Any sale of property for nonpayment of the 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.

Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be updated annually. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. Collection of the initial Annual Installments relating to the Authorized Improvements that benefit the Assessed Property will be due when billed and will be delinquent if not paid prior to the first February 1, 2026.

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VII. THE ASSESSMENT ROLL

A. ASSESSMENT ROLL

The City Council has evaluated each Parcel in the PID based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of Authorized Improvements, and other development factors deemed relevant to determine the amount of Assessed Property within the PID.

The Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Authorized Improvements. Table VII-A summarizes the \$5,195,094 in special benefit received by the Assessed Property from the Authorized Improvements. The par amount of the PID Bonds is \$2,898,000 which is less than the benefit received by the Assessed Property. Accordingly, the total Assessment to be applied to all the Assessed Property is \$2,898,000 plus annual Administrative Expenses. The Assessment for each Assessed Property is calculated based on the allocation methodologies described in Section V.C. The Assessment Roll is attached hereto as Appendix G.

Table VII-A
Special Benefit Summary

<u>Special Benefit</u>	<u>Total Cost</u>
Total Authorized Improvements ¹	\$4,456,450
<u>Bond Issuance Costs:</u>	
Underwriter's Discount	\$86,940
Cost of Issuance	\$251,559
Deposit to Debt Service Reserve Fund	\$206,765
Capitalized Interest	\$138,890
Deposit to Administrative Fund	\$40,000
Deposit to Prepayment and Delinquency Fund	\$14,490
<i>Subtotal Bond Issuance Costs</i>	<i>\$738,644</i>
Total Special Benefit	\$5,195,094
<u>Special Benefit:</u>	
Total Special Benefit	\$5,195,094
Projected Assessment	\$2,898,000
Excess Benefit	\$2,297,094

¹See Table III-A for details.

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B. ANNUAL ASSESSMENT ROLL UPDATES

The Administrator shall prepare, and shall submit to the City Council for approval, 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 City and permitted by the PID Act: (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 and 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.E. of this Service and Assessment Plan.

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VIII. MISCELLANEOUS PROVISIONS

A. ADMINISTRATIVE REVIEW

The City may elect to designate a third party to serve as Administrator. The City shall notify the Developer in writing at least thirty (30) days in advance before appointing a third-party Administrator.

To the extent consistent with the PID Act, an owner of an Assessed Property claiming that a calculation error has been made in the Assessment Roll(s), including the calculation of the Annual Installment, shall send a written notice describing the error to the City not later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. If the owner fails to give such notice, such Owner shall be deemed to have accepted the calculation of the Assessment Roll (including the Annual Installments) and to have waived any objection to the calculation. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Property owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the 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 City Council for approval to the extent permitted by the PID 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 or if it is determined there are sufficient funds to meet the expenses of the PID for the current year), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to the City Council. Any amendments made to the Assessment Roll(s) pursuant to calculation errors shall be made pursuant to the PID Act.

The decision of the Administrator, or if such decision is appealed to the City Council, the decision of the City Council shall be conclusive. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

B. TERMINATION OF ASSESSMENTS

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

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C. AMENDMENTS

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

The City Council reserves the right to the extent permitted by the PID Act to amend this Service and Assessment Plan without notice under the PID Act and without notice to property owners of Parcels:

- (i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, Collection Costs, and other charges imposed by the Service and Assessment Plan; and (iv) as may be required by the Attorney General of Texas in connection with the issuance of any series of Bonds.

D. ADMINISTRATION AND INTERPRETATION OF PROVISIONS

The City Council shall administer the PID, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the PID Act and shall make all interpretations and determinations related to the application of this Service and Assessment Plan unless stated otherwise herein or in the Trust Indenture, such determination shall be conclusive.

E. SEVERABILITY

If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan or the application of same to an Assessed Property 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 City Council in adopting this Service and Assessment Plan that no part hereof 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 City.

F. BUYER DISCLOSURE

Pursuant to Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any Annual Service Plan update shall include a form of the buyer disclosure, substantially in the form set forth in Appendix F, as described in Section IV.C.

APPENDIX A
PID MAP

APPENDIX B
ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

APPENDIX C
LEGAL DESCRIPTION

Metes and Bounds Description

25.411 ACRE

WHEREAS, WILLIAMSBURG CONSTRUCTION SERVICES, LLC BEING THE OWNER OF A 25.402 ACRE TRACT OF LAND LOCATED IN THE LEVI YORK SURVEY, ABSTRACT NO. 609, CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS AND BEING ALL OF THAT CERTAIN CALLED 25.411 ACRE TRACT CONVEYED TO WILLIAMSBURG CONSTRUCTION SERVICES, LLC BY LANDMARK CHURCH OF CHRIST ON JUNE 18, 2021, RECORDED IN VOLUME 7062, PAGE 431, DEED RECORDS, KAUFMAN COUNTY, TEXAS (DRKCT) AND BEING MORE PARTICULARLY DESCRIBED, BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1-INCH IRON PIPE FOUND AT THE EAST CORNER OF THE ABOVE MENTIONED 25.411 ACRE TRACT, AT THE NORTH CORNER OF THE JERRY WYNN DILLARD, JR. CALLED 20.097 ACRE TRACT, RECORDED IN VOLUME 2786, PAGE 130, DRKCT, SAME BEING IN THE SOUTHWEST LINE OF LOT 10 OF ALTA VISTA ESTATES SUBDIVISION, RECORDED IN VOLUME 6, PAGE 20, PLAT RECORDS, KAUFMAN COUNTY, TEXAS (PRKCT);

THENCE SOUTH 43 DEGREES 52 MINUTES 54 SECONDS WEST, ALONG THE COMMON LINE OF SAID 20.097 ACRE TRACT AND SAID 25.411 ACRE TRACT, A DISTANCE OF 1633.23 FEET TO A 1/2-INCH IRON ROD FOUND AT THE WEST CORNER OF SAID 20.097 ACRE TRACT AND THE SOUTH CORNER OF SAID 25.411 ACRE TRACT, SAME BEING IN THE NORTHEAST RIGHT OF WAY LINE OF US HIGHWAY 175, A VARIABLE WIDTH RIGHT-OF-WAY AND BEING AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 5806.58 FEET WHOSE CHORD BEARS NORTH 39 DEGREES 45 MINUTES 02 SECONDS WEST, A DISTANCE OF 367.50 FEET;

THENCE, NORTHWESTERLY, ALONG SAID US HIGHWAY 175 AND SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 03 DEGREES 37 MINUTES 37 SECONDS, A DISTANCE OF 367.56 FEET TO A 1/2-INCH IRON ROD WITH CAP STAMPED "ONEAL 6570" SET AT THE SOUTH CORNER OF THE FRANCISCO GUERRERO 1.953 ACRE TRACT, RECORDED IN VOLUME 6120, PAGE 523, DRKCT, SAME BEING THE MOST SOUTHERLY WEST CORNER OF SAID 25.411 ACRE TRACT;

THENCE, ALONG THE COMMON LINE OF THE LAST MENTION TRACT, THE FOLLOWING TWO (2) COURSES:

- 1) NORTH 43 DEGREES 11 MINUTES 31 SECONDS EAST, A DISTANCE OF 518.18 FEET TO A 3/8-INCH IRON ROD FOUND;
- 2) NORTH 42 DEGREES 28 MINUTES 11 SECONDS WEST, A DISTANCE OF 165.28 FEET TO A 3/8-INCH IRON ROD WITH CAP STAMPED "5244" FOUND AT THE NORTH CORNER OF SAID 1.953 ACRE TRACT AND THE EAST CORNER OF THE

JOHN CROCKER AND JOHN H. CROCKER 2.034 ACRE TRACT, RECORDED IN VOLUME 6187, PAGE 500, DRKCT;

THENCE NORTH 42 DEGREES 30 MINUTES 11 SECONDS WEST, ALONG THE NORTHERLY SOUTHWEST LINE OF SAID 25.411 ACRE TRACT AND THE NORTHEAST LINE OF SAID 2.034 ACRE TRACT, PASSING THE NORTH CORNER OF SAME AND CONTINUING ALONG THE NORTHEAST LINE OF THE STEVEN M. CHANEY AND CHARLOTTE A. CHANEY 0.360 ACRE TRACT, RECORDED IN VOL 6156, PAGE 576, DRKCT, A TOTAL DISTANCE OF 210.69 FEET TO A 3/8-INCH IRON ROD WITH CAP STAMPED "5244" FOUND AT THE EAST CORNER OF THE CHARLOTTE FREEMAN 0.323 ACRE TRACT, RECORDED IN VOL 1033, PAGE 496, DRKCT;

THENCE NORTH 42 DEGREES 37 MINUTES 33 SECONDS WEST, ALONG THE COMMON LINE OF SAID 0.323 ACRE TRACT AND SAID 25.411 ACRE TRACT, A DISTANCE OF 103.83 FEET TO A 1/2-INCH IRON ROD WITH CAP STAMPED "ONEAL 6570" SET AT THE NORTH CORNER OF 0.323 ACRE TRACT AND THE MOST NORTHERLY WEST CORNER OF SAID 25.411 ACRE TRACT, SAME BEING IN THE SOUTHEAST LINE OF LOT 15, FREEMAN PARK ESTATES, RECORDED IN CABINET 1, PAGE 716, PRKCT;

THENCE NORTH 43 DEGREES 32 MINUTES 47 SECONDS EAST, ALONG THE COMMON LINE OF SAID 25.411 ACRE TRACT AND SAID FREEMAN PARK ESTATES, A DISTANCE OF 1042.96 FEET TO A 1/2-INCH IRON ROD FOUND AT THE NORTH CORNER OF SAID 25.411 ACRE TRACT AND THE EAST CORNER OF LOT 10 OF SAID FREEMAN PARK ESTATES, SAME BEING IN THE SOUTHWEST LINE OF LOT 7 OF THE ABOVE MENTIONED ALTA VISTA ESTATES SUBDIVISION;

THENCE SOUTH 46 DEGREES 12 MINUTES 06 SECONDS EAST, ALONG THE COMMON LINE OF SAID ALTA VISTA ESTATES AND SAID 25.411 ACRE TRACT, A DISTANCE OF 856.42 FEET TO THE POINT OF BEGINNING, CONTAINING 25.402 ACRES OF LAND, MORE OR LESS.

APPENDIX D
DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

APPENDIX E
ASSESSMENT PER UNIT, PROJECTED LEVERAGE AND PROJECTED TAX RATE
EQUIVALENTS

Appendix E

For purposes of calculating and allocating the Assessments, the Assessed Property has been classified in one of two Lot Types.

“**Lot Type 1**” means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 60 feet.

“**Lot Type 2**” means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 50 feet.

A) Proposed Development

The following table shows the proposed residential units to be developed within the PID.

Table E-1
Proposed Development within the PID

Description	Proposed Development	
Lot Type 1 (60 Ft)	58	Units
Lot Type 2 (50 Ft)	65	Units
Total	123	Units

B) Calculation of Equivalent Units

As explained under Section V, for purpose of this Service and Assessment Plan, the City Council has determined that the Budgeted Costs of the Authorized Improvements to be financed with the Bonds shall be allocated to the Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For purposes of this Plan, the City Council has determined that the Assessments shall be allocated to the Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the City Council has taken into consideration (i) the type of lots (i.e., 60 Ft lots, 50 Ft lots, etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements; and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the City Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the “Lot Types” defined above. These classifications (from Lot Type 1 (60 Ft Lots) representing the highest value to Lot Type 2 (50 Ft Lot) representing the lowest value for residential lots are set forth in Table E-1. Assessments are allocated to each Lot Type on the basis of the average home value for each class of lots. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (60 Ft Lots) to 1.0.

Table E-2
Equivalent Unit Factors

Lot Type	Estimated Average Home Value per Unit¹	Equivalent Unit Factor
Lot Type 1 (60 Ft)	\$395,000	1.00 per dwelling unit
Lot Type 2 (50 Ft)	\$328,000	0.83 per dwelling unit

¹As provided by the Developer. Lot Type 2 estimated average home value per unit is rounded down.

The total Equivalent Units for the PID are shown in Table E-3 as calculated based on the Equivalent Unit factors shown in Table E-3, estimated Lot Types and number of units estimated to be built within the PID.

Table E-3
Equivalent Units – PID

Description	Planned No. of Units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (60 Ft)	58	1.00	58.00
Lot Type 2 (50 Ft)	65	0.83	53.95
Total	123		111.95

C) Allocation of Assessments to Lots within the PID

The total amount of the PID Bonds, which represents the total Assessment to be allocated on all Parcels within the PID, is \$2,898,000. As shown above, there are a total of 111.95 equivalent units, resulting in an Assessment per Unit of \$25,886.56 (i.e. \$2,898,000 ÷ 111.95 = \$25,886.56).

Table E-4 sets forth the Assessment per dwelling unit within the PID.

Table E-4
Assessment Per Unit – PID

Description	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit	Total Assessments
Lot Type 1 (60 Ft)	58	\$25,886.56	1.00	\$25,886.56 per dwelling unit	\$1,501,420.28
Lot Type 2 (50 Ft)	65	\$25,886.56	0.83	\$21,485.84 per dwelling unit	\$1,396,579.72
Total	123				\$2,898,000.00

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table E-5 below.

Table E-5
Projected Leverage – PID

Description	Planned No. of Units	Estimated Finished Lot Value per Unit¹	Estimated Average Home Value per Unit^{1,2}	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (60 Ft)	58	\$75,500	\$395,000	\$25,886.56	2.92	15.26
Lot Type 2 (50 Ft)	65	\$75,500	\$328,000	\$21,485.84	3.51	15.27

¹As provided by the Developer.

²Lot Type 2 estimated average home value per unit is rounded down.

The projected tax rate equivalent per unit based on the estimated finished lot values and home values for each unit is shown in Table E-6.

Table E-6
Estimated Tax Rate Equivalent per Unit – PID

Description	Planned No. of Units	Estimated Finished Lot Value per Unit¹	Estimated Average Home Value per Unit^{1,2}	Projected Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
Lot Type 1 (60 Ft)	58	\$75,500	\$395,000	\$2,336	\$3.09	\$0.59
Lot Type 2 (50 Ft)	65	\$75,500	\$328,000	\$1,939	\$2.57	\$0.59

¹As provided by the Developer.

²Lot Type 2 estimated average home value per unit is rounded down.

The Assessment and Annual Installments for each Parcel or Lot located within the PID is shown on the Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

APPENDIX F
PID ASSESSMENT NOTICE

AFTER RECORDING RETURN TO:

_____]¹

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
 CITY OF KAUFMAN, TEXAS
 CONCERNING THE FOLLOWING PROPERTY

 STREET ADDRESS

LOT TYPE _____ PRINCIPAL ASSESSMENT: \$ _____

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kaufman, Texas (the "City"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Kaufman Public Improvement District No. 3*** (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 County. The exact amount of each annual installment will be approved each year by the City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the County.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County.

[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:

DATE:

SIGNATURE OF
PURCHASER

SIGNATURE OF
PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

COUNTY OF KAUFMAN

§

§

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.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County.

APPENDIX G
PID ASSESSMENT ROLL

**Appendix G-1
Assessment Roll**

**Parcel
Equivalent Units
Assessment**

**See Summary Roll
111.95
\$2,898,000**

Year¹	Principal	Interest²	Administrative Expenses³	Additional Interest	Capitalized Interest	Total Annual Installment
9/1/2025	\$0	\$138,890	\$0	\$0	(\$138,890)	\$0
9/1/2026	\$51,000	\$155,765	\$40,800	\$14,490	\$0	\$262,055
9/1/2027	\$53,000	\$153,088	\$41,616	\$14,235	\$0	\$261,939
9/1/2028	\$55,000	\$150,305	\$42,448	\$13,970	\$0	\$261,723
9/1/2029	\$58,000	\$147,418	\$43,297	\$13,695	\$0	\$262,410
9/1/2030	\$60,000	\$144,373	\$44,163	\$13,405	\$0	\$261,941
9/1/2031	\$62,000	\$141,223	\$45,046	\$13,105	\$0	\$261,374
9/1/2032	\$65,000	\$137,968	\$45,947	\$12,795	\$0	\$261,710
9/1/2033	\$68,000	\$134,555	\$46,866	\$12,470	\$0	\$261,891
9/1/2034	\$71,000	\$130,985	\$47,804	\$12,130	\$0	\$261,919
9/1/2035	\$74,000	\$127,258	\$48,760	\$11,775	\$0	\$261,792
9/1/2036	\$77,000	\$123,373	\$49,735	\$11,405	\$0	\$261,512
9/1/2037	\$81,000	\$119,330	\$50,730	\$11,020	\$0	\$262,080
9/1/2038	\$84,000	\$115,078	\$51,744	\$10,615	\$0	\$261,437
9/1/2039	\$88,000	\$110,668	\$52,779	\$10,195	\$0	\$261,642
9/1/2040	\$92,000	\$106,048	\$53,835	\$9,755	\$0	\$261,637
9/1/2041	\$96,000	\$101,218	\$54,911	\$9,295	\$0	\$261,424
9/1/2042	\$100,000	\$96,178	\$56,010	\$8,815	\$0	\$261,002
9/1/2043	\$105,000	\$90,928	\$57,130	\$8,315	\$0	\$261,372
9/1/2044	\$110,000	\$85,415	\$58,272	\$7,790	\$0	\$261,477
9/1/2045	\$115,000	\$79,640	\$59,438	\$7,240	\$0	\$261,318
9/1/2046	\$121,000	\$73,315	\$60,627	\$6,665	\$0	\$261,607
9/1/2047	\$127,000	\$66,660	\$61,839	\$6,060	\$0	\$261,559
9/1/2048	\$133,000	\$59,675	\$63,076	\$5,425	\$0	\$261,176
9/1/2049	\$140,000	\$52,360	\$64,337	\$4,760	\$0	\$261,457
9/1/2050	\$147,000	\$44,660	\$65,624	\$4,060	\$0	\$261,344
9/1/2051	\$154,000	\$36,575	\$66,937	\$3,325	\$0	\$260,837
9/1/2052	\$162,000	\$28,105	\$68,275	\$2,555	\$0	\$260,935
9/1/2053	\$170,000	\$19,195	\$69,641	\$1,745	\$0	\$260,581
9/1/2054	\$179,000	\$9,845	\$71,034	\$895	\$0	\$260,774
Total	\$2,898,000	\$2,980,088	\$1,582,723	\$262,005	(\$138,890)	\$7,583,926

¹The 9/1/XX dates represent the fiscal year end for the PID Bonds.

² The interest is calculated using an 5.25% interest rate for years 1 through 20 and 5.50% interest rate for years 21 through 30 to match the interest rate on the PID Bonds for the Authorized Improvements.

³Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

Appendix G-2 Assessment Roll by Lot Type

Parcel Equivalent Units Assessment	Lot Type 1 (60 Ft) 1.00 \$25,887
---	---

Year ¹	Principal	Interest ²	Administrative Expenses ³	Additional Interest	Capitalized Interest	Total Annual Installment
9/1/2025	\$0	\$1,241	\$0	\$0	(\$1,241)	\$0
9/1/2026	\$456	\$1,391	\$364	\$129	\$0	\$2,341
9/1/2027	\$473	\$1,367	\$372	\$127	\$0	\$2,340
9/1/2028	\$491	\$1,343	\$379	\$125	\$0	\$2,338
9/1/2029	\$518	\$1,317	\$387	\$122	\$0	\$2,344
9/1/2030	\$536	\$1,290	\$394	\$120	\$0	\$2,340
9/1/2031	\$554	\$1,261	\$402	\$117	\$0	\$2,335
9/1/2032	\$581	\$1,232	\$410	\$114	\$0	\$2,338
9/1/2033	\$607	\$1,202	\$419	\$111	\$0	\$2,339
9/1/2034	\$634	\$1,170	\$427	\$108	\$0	\$2,340
9/1/2035	\$661	\$1,137	\$436	\$105	\$0	\$2,338
9/1/2036	\$688	\$1,102	\$444	\$102	\$0	\$2,336
9/1/2037	\$724	\$1,066	\$453	\$98	\$0	\$2,341
9/1/2038	\$750	\$1,028	\$462	\$95	\$0	\$2,335
9/1/2039	\$786	\$989	\$471	\$91	\$0	\$2,337
9/1/2040	\$822	\$947	\$481	\$87	\$0	\$2,337
9/1/2041	\$858	\$904	\$490	\$83	\$0	\$2,335
9/1/2042	\$893	\$859	\$500	\$79	\$0	\$2,331
9/1/2043	\$938	\$812	\$510	\$74	\$0	\$2,335
9/1/2044	\$983	\$763	\$521	\$70	\$0	\$2,336
9/1/2045	\$1,027	\$711	\$531	\$65	\$0	\$2,334
9/1/2046	\$1,081	\$655	\$542	\$60	\$0	\$2,337
9/1/2047	\$1,134	\$595	\$552	\$54	\$0	\$2,336
9/1/2048	\$1,188	\$533	\$563	\$48	\$0	\$2,333
9/1/2049	\$1,251	\$468	\$575	\$43	\$0	\$2,335
9/1/2050	\$1,313	\$399	\$586	\$36	\$0	\$2,334
9/1/2051	\$1,376	\$327	\$598	\$30	\$0	\$2,330
9/1/2052	\$1,447	\$251	\$610	\$23	\$0	\$2,331
9/1/2053	\$1,519	\$171	\$622	\$16	\$0	\$2,328
9/1/2054	\$1,599	\$88	\$635	\$8	\$0	\$2,329
Total	\$25,887	\$26,620	\$14,138	\$2,340	(\$1,241)	\$67,744

¹The 9/1/XX dates represent the fiscal year end for the PID Bonds.

² The interest is calculated using an 5.25% interest rate for years 1 through 20 and 5.50% interest rate for years 21 through 30 to match the interest rate on the PID Bonds for the Authorized Improvements.

³Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

**Appendix G-3
Assessment Roll by Lot Type**

Parcel Equivalent Units Assessment	Lot type 2 (50 Ft) 0.83 \$21,486
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Year ¹	Principal	Interest²	Administrative Expenses³	Additional Interest	Capitalized Interest	Total Annual Installment
9/1/2025	\$0	\$1,030	\$0	\$0	(\$1,030)	\$0
9/1/2026	\$378	\$1,155	\$302	\$107	\$0	\$1,943
9/1/2027	\$393	\$1,135	\$309	\$106	\$0	\$1,942
9/1/2028	\$408	\$1,114	\$315	\$104	\$0	\$1,940
9/1/2029	\$430	\$1,093	\$321	\$102	\$0	\$1,946
9/1/2030	\$445	\$1,070	\$327	\$99	\$0	\$1,942
9/1/2031	\$460	\$1,047	\$334	\$97	\$0	\$1,938
9/1/2032	\$482	\$1,023	\$341	\$95	\$0	\$1,940
9/1/2033	\$504	\$998	\$347	\$92	\$0	\$1,942
9/1/2034	\$526	\$971	\$354	\$90	\$0	\$1,942
9/1/2035	\$549	\$943	\$362	\$87	\$0	\$1,941
9/1/2036	\$571	\$915	\$369	\$85	\$0	\$1,939
9/1/2037	\$601	\$885	\$376	\$82	\$0	\$1,943
9/1/2038	\$623	\$853	\$384	\$79	\$0	\$1,938
9/1/2039	\$652	\$820	\$391	\$76	\$0	\$1,940
9/1/2040	\$682	\$786	\$399	\$72	\$0	\$1,940
9/1/2041	\$712	\$750	\$407	\$69	\$0	\$1,938
9/1/2042	\$741	\$713	\$415	\$65	\$0	\$1,935
9/1/2043	\$778	\$674	\$424	\$62	\$0	\$1,938
9/1/2044	\$816	\$633	\$432	\$58	\$0	\$1,939
9/1/2045	\$853	\$590	\$441	\$54	\$0	\$1,937
9/1/2046	\$897	\$544	\$449	\$49	\$0	\$1,940
9/1/2047	\$942	\$494	\$458	\$45	\$0	\$1,939
9/1/2048	\$986	\$442	\$468	\$40	\$0	\$1,936
9/1/2049	\$1,038	\$388	\$477	\$35	\$0	\$1,938
9/1/2050	\$1,090	\$331	\$487	\$30	\$0	\$1,938
9/1/2051	\$1,142	\$271	\$496	\$25	\$0	\$1,934
9/1/2052	\$1,201	\$208	\$506	\$19	\$0	\$1,935
9/1/2053	\$1,260	\$142	\$516	\$13	\$0	\$1,932
9/1/2054	\$1,327	\$73	\$527	\$7	\$0	\$1,933
Total	\$21,486	\$22,094	\$11,734	\$1,943	(\$1,030)	\$56,227

¹The 9/1/XX dates represent the fiscal year end for the PID Bonds.

² The interest is calculated using an 5.25% interest rate for years 1 through 20 and 5.50% interest rate for years 21 through 30 to match the interest rate on the PID Bonds for the Authorized Improvements.

³Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.