

**Spiritas Ranch Public Improvement District
Improvement Area #1 – 40 FT Lot
Project Overview**

The Spiritas Ranch Public Improvement District (the “District”) was created by the Town of Little Elm Town Council (the “Town Council”) on February 2, 2021, pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the “Act”), and the passing and approval of Resolution No. 0202202101 upon petition of the owners of the taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment within the District and the property owners who own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for assessment by the District.

The District was created principally to finance certain public improvements (the “Authorized Improvements”) that specially benefit assessed property in the District. All of the property in the District was located within the extraterritorial jurisdiction of the Town of Little Elm (the “Town”). On May 11, 2021, the Town Council passed and approved a Service and Assessment Plan for the District (the "Service and Assessment Plan") and levied assessments on certain property within the District in accordance with the Spiritas Ranch Assessment Roll attached as Appendix E to the Service and Assessment Plan. The Assessments may be prepaid in whole or in part at any time or may be paid in annual installments as provided by the Act and the Service and Assessment Plan.

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

All Assessments that are not paid in full will be billed in annual installments and collected each year by the Town, or its designee, as provided in the Updated Service and Assessment Plan. Annual installments are due and payable as provided on the annual installment assessment bill. Annual installments are expected to be billed and collected on the same schedule as property taxes. The Assessments, including the annual installments thereof, are (a) a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for state, county, school district or other political subdivision ad valorem property taxes, whether now or hereafter payable, and (b) a personal liability of and charge against the owners of the property to the extent of their ownership regardless of whether the owners are named.

More information concerning the District, the Assessments and the due dates of the annual installments of the Assessments may be obtained from MuniCap, Inc., the PID Administrator, located at 600 E. John Carpenter Freeway, Suite 150, Irving, Texas 75062 and available by telephone at (469) 490-2800 or (866) 648-8482 (toll free) and email at txpid@municap.com.

FAILURE TO PAY THE ASSESSMENTS LEVIED AGAINST ASSESSED PROPERTY, INCLUDING THE ANNUAL INSTALLMENT THEREOF, COULD RESULT IN FORECLOSURE OF SUCH PROPERTY.

PID Assessment Notice

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO
THE TOWN OF LITTLE ELM, TEXAS
CONCERNING THE FOLLOWING PROPERTY

[insert property address]

As the purchaser of the real property described above, you are obligated to pay assessments to the Town of Little Elm, Texas (the "Town"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the Spiritas Ranch Public Improvement District (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

The exact amount of the assessment may be obtained from the Town. The exact amount of each annual installment will be approved each year by the Town Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the Town or MuniCap, Inc., the District Administrator for the Town, located at 600 E. John Carpenter Fwy, Suite 150, Irving, Texas 75062 and available by telephone at (469) 490-2800 or (866) 648-8482 (toll free) and email at txpid@municap.com.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

Date: _____

Signature of Seller

Signature of Seller

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

Date: _____

Signature of Purchaser

Signature of Purchaser

STATE OF TEXAS §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

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

Notary Public, State of Texas

**Spiritas Ranch Public Improvement District
Improvement Area #1
Summary of Projected Annual Installments**

Lot Size
Outstanding Assessment
Total Equivalent Units

40' Lot
\$26,757
0.67

| Year¹ | Cumulative Outstanding Principal | IA #1 Bond Principal² | IA #1 Bond Interest² | Additional Interest Expense | Administrative Expenses³ | Total Annual Installment |
|-------------------------|---|---|--|------------------------------------|--|---------------------------------|
| 2022 | \$26,757 | \$402 | \$611 | \$134 | \$50 | \$1,198 |
| 2023 | \$26,354 | \$423 | \$1,417 | \$132 | \$63 | \$2,034 |
| 2024 | \$25,932 | \$447 | \$1,394 | \$130 | \$65 | \$2,035 |
| 2025 | \$25,485 | \$475 | \$1,370 | \$127 | \$66 | \$2,039 |
| 2026 | \$25,009 | \$500 | \$1,344 | \$125 | \$67 | \$2,036 |
| 2027 | \$24,509 | \$524 | \$1,317 | \$123 | \$69 | \$2,033 |
| 2028 | \$23,985 | \$553 | \$1,289 | \$120 | \$70 | \$2,032 |
| 2029 | \$23,432 | \$581 | \$1,259 | \$117 | \$71 | \$2,029 |
| 2030 | \$22,851 | \$614 | \$1,228 | \$114 | \$73 | \$2,029 |
| 2031 | \$22,238 | \$646 | \$1,195 | \$111 | \$74 | \$2,027 |
| 2032 | \$21,591 | \$683 | \$1,161 | \$108 | \$76 | \$2,027 |
| 2033 | \$20,909 | \$719 | \$1,124 | \$105 | \$77 | \$2,025 |
| 2034 | \$20,189 | \$756 | \$1,085 | \$101 | \$79 | \$2,021 |
| 2035 | \$19,434 | \$801 | \$1,045 | \$97 | \$80 | \$2,023 |
| 2036 | \$18,633 | \$841 | \$1,002 | \$93 | \$82 | \$2,018 |
| 2037 | \$17,792 | \$886 | \$956 | \$89 | \$84 | \$2,015 |
| 2038 | \$16,906 | \$931 | \$909 | \$85 | \$85 | \$2,009 |
| 2039 | \$15,975 | \$983 | \$859 | \$80 | \$87 | \$2,009 |
| 2040 | \$14,992 | \$1,036 | \$806 | \$75 | \$89 | \$2,006 |
| 2041 | \$13,955 | \$1,089 | \$750 | \$70 | \$91 | \$2,000 |
| 2042 | \$12,866 | \$1,150 | \$692 | \$64 | \$92 | \$1,998 |
| 2043 | \$11,716 | \$1,211 | \$630 | \$59 | \$94 | \$1,994 |
| 2044 | \$10,505 | \$1,276 | \$565 | \$53 | \$96 | \$1,989 |
| 2045 | \$9,229 | \$1,345 | \$496 | \$46 | \$98 | \$1,985 |
| 2046 | \$7,884 | \$1,418 | \$424 | \$39 | \$100 | \$1,981 |
| 2047 | \$6,466 | \$1,491 | \$348 | \$32 | \$102 | \$1,973 |
| 2048 | \$4,974 | \$1,573 | \$267 | \$25 | \$104 | \$1,969 |
| 2049 | \$3,401 | \$1,658 | \$183 | \$17 | \$106 | \$1,964 |
| 2050 | \$1,743 | \$1,743 | \$94 | \$9 | \$108 | \$1,954 |
| Total | | \$26,757 | \$25,818 | \$2,479 | \$2,400 | \$57,453 |

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|---|
| <p>1 - Example: The Annual Installment billed during Year 2022 will be billed on or around 10/01/22 and payment is due</p> <p>2 - The principal and interest amounts represent the final numbers of the Series 2021 Bonds and will not increase during Interest amounts are calculated through the principal payment date of each year.</p> <p>3 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Update.</p> |
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THIS SCHEDULE IS AN ESTIMATE OF ANNUAL INSTALLMENT PAYMENTS AND IS SUBJECT TO CHANGE. THE EXACT AMOUNT OF EACH ANNUAL INSTALLMENT WILL BE REFLECTED IN THE SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT SERVICE AND ASSESSMENT PLAN, AS THE SAME IS UPDATED EACH YEAR.