

**The Woodlands Public Improvement District
Neighborhood Improvement Area #1 – Lot Size – Townhome**

Project Overview

The Woodlands Public Improvement District (the “District”) was created by the Commissioners Court of Medina County, Texas (the “County”) on March 26, 2021, pursuant to the Public Improvement District Act, Texas Local Government Code, Subchapter A of Chapter 372, as amended (the “PID Act”), and Resolution No. 6711 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 improvement projects for the residential development located within the boundaries of the County of Medina. A Service and Assessment Plan was accepted and approved by the County on May 11, 2021, pursuant to Order No. 2021-03-11-02 (the “Assessment Order”), setting forth the plan for apportioning the costs of certain of the public improvement projects (the “Authorized Improvements”) to be assessed against properties in the District and for payment of Special Assessments with respect thereto.

The County issued the Medina County, Texas Special Assessment Revenue Bonds, Series 2021 (The Woodlands Public Improvement District Neighborhood Improvement Area #1 Project) (the “NIA #1”) (the “Series 2021 Bonds”) in the aggregate amount of \$6,625,000 pursuant to the Act, an Order No. 2021-03-11-04 adopted by the Commissioners Court on March 11, 2021 and an Indenture of Trust dated as of March 1, 2021 between the County, and the UMB Bank, N.A. as trustee. The County also approved the Neighborhood Improvement Area #1 Reimbursement Agreement (the “NIA Reimbursement Agreement”) in the aggregate amount of \$6,800,000 on March 11, 2021 to finance the remaining costs of the Authorized Improvements in NIA #1.

The NIA #1 Authorized Improvements are payable from Assessments levied against each parcel of property within NIA #1 of the District pursuant to the Assessment Ordinance adopted by the City Council. The PID Act provides that the Special Assessments (including any reassessment, the expense of collection and reasonable attorney’s fees, if incurred) 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 municipality 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 about the assessments, including the amounts and due dates, may be obtained from MuniCap, Inc., the Administrator of the District, 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.

FAILURE TO PAY THE NIA #1 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
MEDINA COUNTY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

[insert property address]

As the purchaser of the real property described above, you are obligated to pay assessments to Medina County, Texas (the "County"), 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 Woodlands 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 County. The exact amount of each annual installment will be approved each year by the Commissioners Court of the County 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 or MuniCap, Inc., the District Administrator for the County, 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

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§

COUNTY OF _____

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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 capCounty 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

**The Woodlands Public Improvement District
Summary of Projected Annual Installments
Neighborhood Improvement Area #1**

**Lot Size
Outstanding Assessment
Equivalent Units**

Townhome
\$25,179
0.79

Year ¹	Cumulative Outstanding Principal	Bond Principal ²	Bond Interest ²	Reimbursement Agreement Principal ³	Reimbursement Agreement Interest ³	Administrative Expenses ⁴	Maintenance Assessment ⁵	Total Annual Installment
2022	\$25,179	\$249	\$619	\$254	\$555	\$99	\$0	\$1,776
2023	\$24,676	\$258	\$548	\$243	\$543	\$101	\$139	\$1,832
2024	\$24,175	\$268	\$539	\$292	\$531	\$103	\$139	\$1,873
2025	\$23,615	\$277	\$530	\$292	\$517	\$106	\$139	\$1,861
2026	\$23,046	\$277	\$520	\$292	\$504	\$108	\$139	\$1,841
2027	\$22,476	\$296	\$509	\$292	\$492	\$110	\$139	\$1,838
2028	\$21,887	\$306	\$497	\$340	\$479	\$112	\$139	\$1,873
2029	\$21,241	\$315	\$484	\$340	\$464	\$114	\$139	\$1,857
2030	\$20,586	\$325	\$471	\$340	\$450	\$117	\$139	\$1,841
2031	\$19,920	\$344	\$458	\$340	\$435	\$119	\$139	\$1,835
2032	\$19,236	\$354	\$442	\$390	\$420	\$121	\$139	\$1,866
2033	\$18,492	\$373	\$426	\$390	\$403	\$124	\$139	\$1,855
2034	\$17,730	\$382	\$410	\$390	\$386	\$126	\$139	\$1,833
2035	\$16,957	\$401	\$392	\$438	\$370	\$129	\$139	\$1,869
2036	\$16,118	\$421	\$374	\$438	\$351	\$131	\$139	\$1,853
2037	\$15,260	\$440	\$355	\$438	\$332	\$134	\$139	\$1,837
2038	\$14,383	\$459	\$336	\$486	\$313	\$137	\$139	\$1,868
2039	\$13,438	\$478	\$315	\$486	\$292	\$139	\$139	\$1,848
2040	\$12,475	\$497	\$293	\$535	\$271	\$142	\$139	\$1,877
2041	\$11,443	\$526	\$271	\$535	\$248	\$145	\$139	\$1,863
2042	\$10,382	\$545	\$246	\$535	\$225	\$148	\$139	\$1,837
2043	\$9,302	\$573	\$220	\$583	\$202	\$151	\$139	\$1,868
2044	\$8,145	\$602	\$193	\$583	\$176	\$154	\$139	\$1,847
2045	\$6,960	\$631	\$164	\$633	\$151	\$157	\$139	\$1,875
2046	\$5,696	\$659	\$134	\$633	\$124	\$160	\$139	\$1,849
2047	\$4,404	\$688	\$103	\$681	\$97	\$163	\$139	\$1,870
2048	\$3,036	\$726	\$70	\$730	\$67	\$166	\$139	\$1,899
2049	\$1,579	\$755	\$36	\$824	\$36	\$170	\$139	\$1,959
Total		\$12,425	\$9,958	\$12,754	\$9,431	\$3,684	\$3,747	\$52,000

- 1 - Example: Annual Installment for Year 2022 will be billed on or around 10/01/22 and payment is due by 01/31/23.
2 - The principal and interest amounts represent the final numbers of the Series 2021 Bonds and will not increase during the life of the bonds. Interest amounts are calculated through the principal payment date of each year.
3 - The principal and interest amounts are calculated using the Reimbursement Agreement interest rates of 4.80% for Years 2022 through 2024 and 4.32% for tax years 2025 through 2049. Interest amounts are calculated through the principal payment date of each year.
4 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Update.
5 - The projected Maintenance Assessment will only be collected and, therefore, included in Annual Service Plan Update in the event the HOA fails to maintain, repair, and keep in good condition and working order the applicable public improvements in accordance with the standards set forth in the Maintenance Agreement.

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 WOODLANDS PUBLIC IMPROVEMENT DISTRICT SERVICE AND ASSESSMENT PLAN, AS THE SAME IS UPDATED EACH YEAR.