

Kaufman Public Improvement District No. 1
Lots Triggered for Collection in 2022-23
Phases #2A-2B – Lot Type 4 – 65 FT Lot
Project Overview

Kaufman Public Improvement District No. 1 (the “District”) was created by the City of Kaufman City Council on November 13, 2018, pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the “Act”), and a Resolution 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”) for the residential development located within the boundaries of the City of Kaufman (the “City”). An amended and restated Service and Assessment Plan was accepted and approved by the City Council on November 21, 2022, pursuant to Ordinance O-38-22 (the “Assessment Ordinance”), setting forth the plan for apportioning the costs of certain of the public improvement projects (the “Phases #2A-2B Authorized Improvements”) to be assessed against properties in the District and for payment of special assessments with respect thereto. 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 City issued the City of Kaufman, Texas, Special Assessment Revenue Bonds, Series 2022 (Kaufman Public Improvement District No. 1 Phases #2A-2B Project) (the “Series 2022 Bonds”) in the aggregate amount of \$5,635,000 pursuant to the Act, Ordinance No. O-39-22 adopted by the City Council on November 21, 2022 and an Indenture of Trust dated as of November 15, 2022 between the City and Wilmington Trust, National Association, as trustee, to finance the costs of the Phases #2A-2B Authorized Improvements.

All Assessments that are not paid in full will be billed in annual installments and collected each year by the City, or its designee, as provided in the Amended and Restated 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 District Administrator for the City, 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 CITY OF KAUFMAN, 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 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 the Kaufman Public Improvement District No. 1 (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 City. 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 City or MuniCap, Inc., the District Administrator for the City, 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 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

Kaufman Public Improvement District No. 1
Summary of Projected Annual Installments
Lots Triggered for Collection in 2022-23
Phases #2A-2B

Lot Size Lot Type 4 (65 Ft Lot)
Assessment \$38,523
Equivalent Unit 1.05

Year ¹	Cumulative Outstanding Principal	Phases #2A-2B Bond Principal ²	Phases #2A-2B Bond Interest ²	Additional Interest	Administrative Expenses ³	Total Annual Installment ⁴
2022	\$38,523	\$0	\$0	\$0	\$0	\$0
2023	\$38,523	\$588	\$2,227	\$193	\$279	\$3,287
2024	\$37,935	\$615	\$2,197	\$190	\$285	\$3,287
2025	\$37,320	\$643	\$2,166	\$187	\$290	\$3,285
2026	\$36,677	\$670	\$2,133	\$183	\$296	\$3,282
2027	\$36,007	\$704	\$2,099	\$180	\$302	\$3,285
2028	\$35,303	\$738	\$2,062	\$177	\$308	\$3,285
2029	\$34,565	\$779	\$2,021	\$173	\$314	\$3,287
2030	\$33,785	\$820	\$1,977	\$169	\$320	\$3,287
2031	\$32,965	\$861	\$1,931	\$165	\$327	\$3,284
2032	\$32,104	\$909	\$1,882	\$161	\$333	\$3,286
2033	\$31,194	\$957	\$1,831	\$156	\$340	\$3,284
2034	\$30,237	\$1,005	\$1,778	\$151	\$347	\$3,280
2035	\$29,232	\$1,060	\$1,721	\$146	\$354	\$3,281
2036	\$28,173	\$1,121	\$1,661	\$141	\$361	\$3,284
2037	\$27,052	\$1,183	\$1,598	\$135	\$368	\$3,284
2038	\$25,869	\$1,251	\$1,532	\$129	\$375	\$3,288
2039	\$24,618	\$1,319	\$1,461	\$123	\$383	\$3,287
2040	\$23,298	\$1,388	\$1,387	\$116	\$391	\$3,282
2041	\$21,911	\$1,470	\$1,309	\$110	\$398	\$3,287
2042	\$20,441	\$1,552	\$1,226	\$102	\$406	\$3,287
2043	\$18,889	\$1,641	\$1,133	\$94	\$414	\$3,283
2044	\$17,248	\$1,743	\$1,035	\$86	\$423	\$3,287
2045	\$15,505	\$1,846	\$930	\$78	\$431	\$3,285
2046	\$13,659	\$1,955	\$820	\$68	\$440	\$3,283
2047	\$11,704	\$2,071	\$702	\$59	\$449	\$3,281
2048	\$9,632	\$2,201	\$578	\$48	\$458	\$3,285
2049	\$7,431	\$2,331	\$446	\$37	\$467	\$3,281
2050	\$5,100	\$2,475	\$306	\$25	\$476	\$3,282
2051	\$2,625	\$2,625	\$158	\$13	\$486	\$3,281
Total		\$38,523	\$42,309	\$3,595	\$10,820	\$95,247

- 1 - Example: The 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 2022 Bonds and will not increase during the life of the bonds.
3 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Update.
4 - Annual Installments shown do not include any TIRZ credits, if applicable.

Kaufman Public Improvement District (PID) & Reinvestment Zone No. 1 (TIRZ)

The property in the PID is also located in the City of Kaufman Tax Increment Reinvestment Zone No. 1. Various taxing jurisdictions have committed to use a portion of their annual incremental ad valorem property taxes collected from a property in the current tax year as a credit (the “TIRZ Credit”) to reduce the PID annual installment of assessments due in the following year.

If a property owner is to receive a TIRZ Credit, the Annual Installment shown on their tax statement will be the projected Annual Installment shown in the attached schedule **LESS** any TIRZ Credit.

Please see below for a summary of the percentage of annual ad valorem tax that each participating taxing jurisdiction has committed:

Real Property Tax 2022 M&O Tax Rates <i>(per \$100 of taxable value)</i>		Committed Participation Percentage ¹	
City of Kaufman	\$0.4800018	75%	\$0.36000135
Kaufman County	\$0.2792920	50%	\$0.13964600
College	\$0.1154940	0%	\$0.00000000
Kaufman ISD	\$0.9429000	0%	\$0.00000000
	\$1.8176878		\$0.49964735

1 – Committed participation percentages shown in the table above are as reported in the TIRZ No. 1 Project and Financing Plan.

2- The TIRZ credit, if any, applied each year to reduce the PID Annual Installment billed to a property owner shall not cause the tax rate equivalent of the net PID Annual Installment to be less than \$0.368 per \$100 of assessed value.

For additional information regarding the exact amount of TIRZ Credit for a specific parcel, refer to the property search feature on the MuniCap website: <https://municap.clearbasinsystems.com/disclaimer>. The applicable amount of TIRZ Credit will be reviewed and approved each year by the City Council in the Annual Service Plan Update for the District.

More information about the TIRZ Credit may be obtained from MuniCap, Inc., available by telephone at (469) 490-2800 or (866) 648-8482 (toll free) and email at txpid@municap.com.

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