

Somerset Public Improvement District No. 1
Lot Type 5 – Travel Center

Project Overview

The Somerset Public Improvement District No. 1 (the “District”) was created by the City Council of the City of Sinton (the “City Council”) on May 18, 2021, pursuant to the Public Improvement District Act, Texas Local Government Code, Chapter 372, as amended (the “Act”), and Resolution No. 20210518 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 (the “Authorized Improvements”) that specially benefit assessed property in the District. On January 18, 2022, the City Council approved Ordinance No. 2022-02 (the “Assessment Ordinance”) accepting and approving a Service and Assessment Plan for the District (the “Service and Assessment Plan”) and levying special assessments (the “PID Assessments”) on certain property within the District in accordance with the Assessment Roll attached as Appendix G 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 City issued the City of Sinton, Texas Special Assessment Revenue Bonds, Series 2022 (Somerset Public Improvement District No. 1) (the “Series 2022 Bonds”) in the aggregate amount of \$11,735,000 pursuant to the Act, in Ordinance 2022-03 (the “Bond Ordinance”) adopted by the City Council on January 18, 2022 and an Indenture of Trust dated as of January 1, 2022 entered into by and between the City, and UMB Bank, N.A., as trustee.

On January 1, 2022, the City and Developer entered into a certain Somerset Public Improvement District No. 1 Reimbursement Agreement (the “PID Reimbursement Agreement”) with a total principal amount payable to the Developer of \$17,071,452. The PID Reimbursement Agreement will finance the Actual Costs of only a portion of the Authorized Improvements. The Series 2022 Bonds and PID Reimbursement are payable from the PID Assessments levied against each parcel of Assessed Property within the District pursuant to the Assessment Ordinances and Service and Assessment Plan.

All Assessments that are not paid in full will be billed in annual installments and collected each year by the District, or its designee, as provided in the 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 PID 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, PID Assessments and the due dates of the Annual Installments of the PID Assessments may be obtained from MuniCap, Inc., the District Administrator, located at 600 E. John Carpenter Freeway, Suite 150, Irving, TX 75062 and available by telephone at (469) 490-2800 or toll-free at (866) 648-8482 (toll free) and email at txpid@municap.com.

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

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

**Somerset Public Improvement District No. 1
Schedule of Projected Annual Installments**

Lot Type
Equivalent Units
Outstanding Assessment (Per 1,000 GSF)

Lot Type 5 (Travel Center)
0.73
\$27,039

Year ¹	Cumulative Outstanding Principal	Bond Principal ²	Bond Interest ²	R.A. Principal ³	R.A. Interest ³	Administrative Expenses ⁴	Total Annual Installment
2022	\$27,039	\$0	\$55	\$0	\$0	\$48	\$103
2023	\$11,733	\$190	\$616	\$300	\$707	\$49	\$1,861
2024	\$11,733	\$198	\$606	\$314	\$693	\$50	\$1,862
2025	\$11,569	\$207	\$597	\$329	\$680	\$51	\$1,862
2026	\$11,424	\$216	\$587	\$343	\$665	\$52	\$1,862
2027	\$11,165	\$225	\$576	\$357	\$650	\$53	\$1,861
2028	\$10,716	\$236	\$564	\$371	\$634	\$54	\$1,859
2029	\$23,755	\$247	\$552	\$390	\$618	\$55	\$1,861
2030	\$23,119	\$259	\$539	\$408	\$601	\$56	\$1,863
2031	\$22,451	\$271	\$525	\$422	\$583	\$57	\$1,859
2032	\$21,758	\$284	\$511	\$446	\$564	\$58	\$1,864
2033	\$21,027	\$299	\$495	\$465	\$544	\$60	\$1,863
2034	\$20,263	\$315	\$478	\$483	\$524	\$61	\$1,862
2035	\$19,464	\$331	\$460	\$507	\$503	\$62	\$1,863
2036	\$18,626	\$349	\$442	\$526	\$480	\$63	\$1,860
2037	\$17,751	\$367	\$422	\$549	\$457	\$64	\$1,860
2038	\$16,835	\$387	\$402	\$573	\$433	\$66	\$1,859
2039	\$15,876	\$407	\$380	\$601	\$408	\$67	\$1,863
2040	\$14,868	\$429	\$357	\$629	\$381	\$68	\$1,864
2041	\$13,810	\$451	\$333	\$652	\$353	\$70	\$1,860
2042	\$12,706	\$476	\$307	\$685	\$325	\$71	\$1,864
2043	\$11,545	\$501	\$280	\$713	\$294	\$73	\$1,862
2044	\$10,330	\$528	\$251	\$746	\$263	\$74	\$1,863
2045	\$9,056	\$558	\$221	\$779	\$230	\$75	\$1,863
2046	\$7,719	\$589	\$189	\$812	\$196	\$77	\$1,862
2047	\$6,319	\$620	\$155	\$849	\$160	\$79	\$1,863
2048	\$4,849	\$654	\$119	\$887	\$122	\$80	\$1,863
2049	\$3,307	\$691	\$82	\$925	\$83	\$82	\$1,862
2050	\$1,692	\$728	\$42	\$963	\$42	\$83	\$1,860
Total		\$11,015	\$11,142	\$16,024	\$12,193	\$1,857	\$52,232

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 2022 Bonds and will not increase during the life of the bonds. Interest is calculated assuming an interest rate of 4.375% in years 1 through 6 (2022-2027), 4.750% in years 7 through 11 (2028-2032), 5.125% in years 12 through 21 (2033-2042), and 5.250% in years 22 through 30 (2043-2051).
3 - Represents the principal and interest on the PID Reimbursement Agreement. Interest is calculated assuming an interest rate of 4.41%.
4 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Update.

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 CLUB MUNICIPAL MANAGEMENT DISTRICT SERVICE AND ASSESSMENT PLAN, AS THE SAME IS UPDATED EACH YEAR.

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

The property in the PID is also located in the City of Sinton 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 Tax Rates ¹ <i>(per \$100 of taxable value)</i>	Committed Participation Percentage ²		
City of Sinton (M&O)	\$0.691184	50%	\$0.3455920
San Patricio County (M&O)	\$0.341909	50%	\$0.1709545
San Patricio County Drainage District (M&O)	\$0.053452	50%	\$0.0267260
	\$1.086545		\$0.5432725

1 – The tax rates included in the table above reflect 2022 tax rates as reported on <https://www.co.san-patricio.tx.us/upload/page/5553/docs/Financial/Tax/2022%20Tax%20Rates.pdf>, which are subject to change.

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

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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