

Denton County  
Juli Luke  
County Clerk

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Instrument Number: 89737

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Recorded On: August 21, 2023 03:58 PM

Number of Pages: 32

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STATE OF TEXAS  
COUNTY OF DENTON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time  
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Juli Luke  
County Clerk  
Denton County, TX

**TOWN OF LITTLE ELM**

**ORDINANCE NO. 1722**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM UPDATING THE SPIRITAS EAST PUBLIC IMPROVEMENT DISTRICT SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL**

**WHEREAS**, by Resolution No. 1116202103 adopted on November 16, 2021, after notice and a public hearing in the manner required by law, the Town Council of the Town of Little Elm, Texas approved a resolution authorizing the creation of the Spiritas East Public Improvement District (the “District”) of the Town of Little Elm; and

**WHEREAS**, the Town Council, pursuant to Section 372. 016(b) of the PID Act, published notice of the Levy and Assessment Hearing on October 19, 2021 in DENTON RECORD-CHRONICLE, a newspaper of general circulation in the Town; and

**WHEREAS**, on December 21, 2021, after notice and a public hearing conducted in the manner required by law, the Town Council adopted Ordinance No. 1649 approving the Spiritas East Public Improvement District Service and Assessment Plan and Assessment Roll and the levy of assessments on property in the District; and

**WHEREAS**, the Service and Assessment Plan and Assessment Roll is required to be reviewed and updated annually as described in Sections 372.013 and 372.014 of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code (the “PID Act”) PID Act; and

**WHEREAS**, the Annual Service Plan Update and updated Assessment Roll summary attached as Exhibit A hereto conforms the original Assessment Roll to the principal and interest payment schedule required for the bonds and reimbursement agreements, and updates the Assessment Roll to reflect prepayments, property divisions and changes to the budget allocation for District public improvements that occur during the year, if any; and

**WHEREAS**, the Town Council now desires to proceed with the adoption of this Ordinance, which approves and adopts the Annual Service Plan Update and the updated Assessment Roll summary attached thereto, in conformity with the requirements of the PID Act; and

**WHEREAS**, the Town Council finds the passage of this Ordinance to be in the best interest for the citizens of Little Elm.

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS:**

**SECTION 1:** That all matters stated in the preamble are found to be true and correct and are incorporated herein as if copied in their entirety.

**SECTION 2:** That the **Spiritas East Annual Service Plan Update and updated Assessment Roll summary, attached hereto as Exhibit A**, are hereby accepted and approved.

**SECTION 3:** That this Ordinance shall be cumulative of all other Town Ordinances and all other provisions of other Ordinances adopted by the Town which are inconsistent with the terms or provisions of this Ordinance are hereby repealed.

**SECTION 4:** It is hereby declared to be the intention of the Town Council of the Town of Little Elm, Texas, that sections, paragraphs, clauses and phrases of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared legally invalid or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such legal invalidity or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Ordinance since the same would have been enacted by the Town Council of the Town of Little Elm without the incorporation in this Ordinance of any such legally invalid or unconstitutional, phrase, sentence, paragraph or section.

**SECTION 5:** This Ordinance shall take effect immediately from and after its passage as the law in such case provides.

**SECTION 6: PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS, THIS THE 15<sup>TH</sup> DAY OF AUGUST 2023.**

Approved by

Mayor

Date 8-15-23

Approved to form by

Town Attorney

Date 8-15-2023

Certified by

Town Secretary

Date 08-15-2023



WHEREAS, GURA § 103.022 provides that costs incurred by cities in ratemaking activities are to be reimbursed by the regulated utility.

THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS:

1. That the findings and recitations set out in the preamble of this Resolution are found to be true and correct and are hereby adopted by the Town Council and made a part hereof for all purposes.

2. That the September 1, 2023 effective date of the rate request submitted by CoServ on July 28, 2023, be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.

3. That the Town is authorized to cooperate with other cities in the CoServ service area, CoServ Gas Cities, and subject to the right to terminate employment at any time, hereby authorizes the hiring of Thomas L. Brocato of the law firm of Lloyd Gosselink Rochelle and Townsend, P.C. and consultants, to review CoServ's filing, negotiate with the Company, make recommendations to the Town regarding reasonable rates, and to direct any necessary administrative proceedings or court litigation associated with an appeal of a rate ordinance and the rate case filed with the Town or Railroad Commission.

4. That the Town's reasonable rate case expenses shall be reimbursed by CoServ.

5. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

6. That a copy of this Resolution shall be sent to CoServ, care of Charles D. Harrell, CoServ Gas Ltd., 7701 South Stemmons, Corinth, Texas 76210-1842, and to Thomas Brocato, counsel for CoServ Gas Cities, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725 ([tbrocato@lglawfirm.com](mailto:tbrocato@lglawfirm.com)).

7. That this Resolution shall be and become effective from and after its adoption.

PASSED AND APPROVED this 15<sup>th</sup> day of August, 2023.



Curtis J. Cornelious, Mayor

**RESOLUTION NO. 0815202301**

**RESOLUTION OF THE TOWN OF LITTLE ELM  
SUSPENDING THE SEPTEMBER 1, 2023 EFFECTIVE  
DATE OF COSERV GAS, LTD.'S REQUESTED RATE  
CHANGE TO PERMIT THE TOWN TIME TO STUDY THE  
REQUEST AND TO ESTABLISH REASONABLE RATES;  
APPROVING COOPERATION WITH OTHER CITIES IN  
THE COSERV SERVICE AREA, TO HIRE LEGAL AND  
CONSULTING SERVICES AND TO NEGOTIATE WITH  
THE COMPANY AND DIRECT ANY NECESSARY  
LITIGATION AND APPEALS; REQUIRING  
REIMBURSEMENT OF THE STEERING COMMITTEE OF  
CITIES SERVED BY COSERV GAS' RATE CASE  
EXPENSES; FINDING THAT THE MEETING AT WHICH  
THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC  
AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS  
RESOLUTION TO THE COMPANY AND LEGAL  
COUNSEL**

WHEREAS, on or about July 28, 2023, CoServ Gas Ltd ("CoServ" or "Company"), pursuant to Gas Utility Regulatory Act § 104.102 filed with the Town of Little Elm ("Town") a Statement of Intent to change gas rates in all municipalities exercising original jurisdiction within its service area, effective September 1, 2023; and

WHEREAS, the Town is a gas utility customer and a regulatory authority under the Gas Utility Regulatory Act ("GURA") and under Chapter 104, § 104.001 et seq. of GURA has exclusive original jurisdiction over CoServ's rates, operations, and services within the Town; and

WHEREAS, in order to maximize the efficient use of resources and expertise, it is reasonable for the Town to cooperate with other cities in conducting a review of the Company's application and to hire and direct legal counsel and consultants and to prepare a common response and to negotiate with the Company and direct any necessary litigation; and

WHEREAS, it is not possible for the Town to complete its review of CoServ's filing by the September 1, 2023 effective date proposed in CoServ's Statement of Intent; and

WHEREAS, the Town will need an adequate amount of time to review and evaluate CoServ's rate application to enable the Town to adopt a final decision as a local regulatory authority with regard to CoServ's requested rate increase; and

WHEREAS, GURA § 104.107 grants local regulatory authorities the right to suspend the effective date of proposed rate changes for ninety (90) days; and

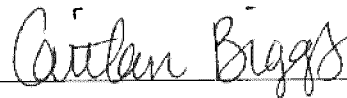
APPROVED AS TO FORM:



Robert Brown, Town Attorney

I, Caitlan Biggs, Secretary of the Town Council of the Town of Little Elm, Texas, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the Town Council of the Town of Little Elm, Texas, at its regular meeting held of the 15<sup>th</sup> day of August, 2023, as the same appears in the records of this office.

**IN TESTIMONY WHEREOF**, I subscribe my name hereto officially under the corporate seal of the Town of Little Elm this 15<sup>th</sup> day of August, 2023.



Caitlan Biggs, Secretary for the Town Council  
of the Town of Little Elm, Texas



**SPIRITAS EAST  
PUBLIC IMPROVEMENT DISTRICT  
TOWN OF LITTLE ELM, TEXAS**

**ANNUAL SERVICE PLAN UPDATE  
(ASSESSMENT YEAR 9/1/23 - 8/31/24)**

**AS APPROVED BY TOWN COUNCIL ON:  
AUGUST 15, 2023**

**PREPARED BY:**

**MUNICAP, INC.**  
— PUBLIC FINANCE —



# **SPIRITAS EAST PUBLIC IMPROVEMENT DISTRICT**

## **ANNUAL SERVICE PLAN UPDATE (ASSESSMENT YEAR 9/1/23 – 8/31/24)**

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## ***I. INTRODUCTION***

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The Spiritas East Public Improvement District (the “PID”) was created pursuant to the PID Act and Resolution No. 1116202103 approved by the Town Council of Little Elm, Texas (the “Town Council”) on November 16, 2021, to finance certain public improvement projects for the benefit of the property in the PID.

On December 21, 2021, the Town of Little Elm, Texas (the “Town”) approved issuance of the Town of Little Elm, Texas Special Assessment Revenue Bonds, Series 2022 (Spiritas East Public Improvement District Project) (the “Series 2022 Bonds”) in the aggregate principal amount of \$4,650,000, to finance the costs of certain public improvements for the benefit of the property in the PID. The Series 2022 Bonds closed on January 14, 2022.

A service and assessment plan (the “Service and Assessment Plan”) was prepared at the direction of the Town identifying the public improvements (the “Authorized Improvements”) to be provided by the PID, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the PID for the costs of the Authorized Improvements. Pursuant to the PID Act, the Service and Assessment Plan must be reviewed and updated annually. This document is the annual update of the Service and Assessment Plan for 2023-24 (the “Annual Service Plan Update”).

The Town also adopted the Assessment Roll (the “Assessment Roll”) attached as Appendix G, to the Service and Assessment Plan, identifying the assessments on each Parcel within the PID, based on the method of assessment identified in the Service and Assessment Plan. This Annual Service Plan Update also updates the Assessment Roll for 2023-24.

The Texas legislature passed House Bill 1543 as an amendment to the PID Act, requiring, among other things, (i) all Service and Assessment Plans and Annual Service Plan Updates be approved through Town ordinance or order to be filed with the county clerk of each county in which all or part of the PID is located within seven days and (ii) include a copy of the notice form required by Section 5.014 of the Texas Property Code (the “PID Assessment Notice”) as disclosure of the obligation to pay PID Assessments. In light of these amendments to the PID Act, this Annual Service Plan Update includes a copy of the PID Assessment Notice as Appendix E and copy of this Annual Service Plan Update will be filed with the county clerk in each county in which all or a part of the PID is located not later than seven (7) days after the date the governing body of the Town approves this Annual Service Plan Update.

Section 372.013 of the PID Act, as amended, stipulates that a person who proposes to sell or otherwise convey real property that is located in the PID, except in certain situation described in the PID Act, shall first give to the purchaser of the property a copy of the completed PID Assessment Notice. The PID Assessment Notice shall be given to a prospective purchase before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without

the seller provided the required notice, the purchaser, subject to certain exceptions described in the PID act, is entitled to terminate the contract.

The PID Assessment Notice shall be executed by the seller and must be filed in the real property records of the County in which the property is located at the closing of the purchase and sale of the property.

Capitalized terms shall have the meanings set forth in the Service and Assessment Plan unless otherwise defined herein.

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## ***II. UPDATE OF THE SERVICE PLAN***

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### **A. UPDATED SOURCES AND USES FOR PUBLIC IMPROVEMENTS**

#### ***Authorized Improvements Sources and Uses***

Pursuant to the original Service and Assessment Plan adopted on December 21, 2021, the initial total estimated costs of the Authorized Improvements were equal to \$4,285,678. According to the Developer, there has been no change to the total initial estimated costs as provided in draw request #14, which was approved by the Town on June 28, 2023.

Table II-A-1 on the following page summarizes the budget line-item changes and updated sources and uses of funds required to (1) construct the Authorized Improvements (2) establish the PID, and (3) issue the Series 2022 Bonds.

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**Table II-A-1**  
**Sources and Uses**

<b>Sources of Funds</b>	<b>Initial Estimated Budget</b>	<b>Budget Revisions<sup>1</sup></b>	<b>Updated Budget<sup>1</sup></b>	<b>Amount Spent to Date<sup>1</sup></b>	<b>Remaining Balance<sup>1</sup></b>
Par amount	\$4,650,000	\$0	\$4,650,000	\$3,111,680	\$1,538,320
Plus: original issue discount	(\$19,098)	\$0	(\$19,098)	(\$19,098)	\$0
<i>Net Par Amount</i>	<i>\$4,630,902</i>	<i>\$0</i>	<i>\$4,630,902</i>	<i>\$3,092,582</i>	<i>\$1,538,320</i>
<i>Other funding sources</i>					
Developer contributions	\$664,006	\$0	\$664,006	\$287,971	\$376,035
<i>Subtotal: Other funding sources</i>	<i>\$664,006</i>	<i>\$0</i>	<i>\$664,006</i>	<i>\$287,971</i>	<i>\$376,035</i>
<b>Total Sources</b>	<b>\$5,294,907</b>	<b>\$0</b>	<b>\$5,294,907</b>	<b>\$3,380,553</b>	<b>\$1,914,353</b>
<b>Uses of Funds</b>					
<i>Authorized Improvements</i>					
Roadway Improvements	\$1,777,602	\$0	\$1,777,602	\$111,549	\$1,666,053
Water Improvements	\$422,136	\$0	\$422,136	\$379,922	\$42,214
Sewer Improvements	\$644,200	\$0	\$644,200	\$579,780	\$64,420
Storm Drainage Improvements	\$681,241	\$0	\$681,241	\$613,117	\$68,124
Other Soft and Miscellaneous	\$760,499	\$0	\$760,499	\$686,955	\$73,544
Costs					
<i>Subtotal: Authorized Improvements</i>	<i>\$4,285,678</i>	<i>\$0</i>	<i>\$4,285,678</i>	<i>\$2,371,323</i>	<i>\$1,914,355</i>
<i>Bond Issuance Costs</i>					
Cost of Issuance	\$265,150	\$0	\$265,150	\$265,150	\$11,553
Capitalized Interest	\$286,562	\$0	\$286,562	\$286,562	\$0
Reserve Fund	\$278,018	\$0	\$278,018	\$278,018	\$0
Administrative Expense	\$40,000	\$0	\$40,000	\$40,000	\$0
Placement Agent's Fee	\$139,500	\$0	\$139,500	\$139,500	\$0
<i>Subtotal: Bond Issuance Costs</i>	<i>\$1,009,229</i>	<i>\$0</i>	<i>\$1,009,229</i>	<i>\$1,009,229</i>	<i>\$11,553</i>
<b>Total Uses</b>	<b>\$5,294,907</b>	<b>\$0</b>	<b>\$5,294,907</b>	<b>\$3,380,553</b>	<b>\$1,914,354</b>

1 – According to Draw Request #14 approved by the Town on June 28, 2023.

#### Authorized Improvement Cost Variances

As stated in Table II-A-1 above, there are no significant variances to the Authorized Improvement aggregate budget.

## **B. FIVE YEAR SERVICE PLAN**

According to the PID Act, a service plan must cover a period of five years.

All of the Authorized Improvements are expected to be built within a period of five years. The anticipated budget for the Authorized Improvements over a period of five years, and the Annual Installments expected to be collected for these costs is shown by Table II-B-1 on the following page.

**Table II-B-1**  
**Annual Indebtedness and Projected Annual Installments (2022-2029)**

<b>Assessment Year Ending 09/01<sup>1</sup></b>	<b>Annual Projected Cost</b>	<b>Annual Projected Indebtedness</b>	<b>Sources other than PID Bonds</b>	<b>Annual Installments</b>
2022-2023	\$5,294,907	\$4,650,000	\$664,006	\$50,300 <sup>2</sup>
2024	\$0	\$0	\$0	\$353,253
2025	\$0	\$0	\$0	\$342,618
2026	\$0	\$0	\$0	\$343,530
2027	\$0	\$0	\$0	\$343,308
2028	\$0	\$0	\$0	\$342,992
2029	\$0	\$0	\$0	\$343,292
<b>Total</b>	<b>\$5,294,907</b>	<b>\$4,650,000</b>	<b>\$664,006</b>	<b>\$2,119,293</b>

1 - Assessment years ending 2022 through 2024 reflect actual Annual Installment amounts billed and include applicable credits. Assessment years ending 2025 through 2029 represent projected Annual Installments and are subject to change.

2 – Includes capitalized interest funds anticipated to be available for the September 1, 2023 debt service payment.

### **C. STATUS OF DEVELOPMENT**

According to the Developer’s Quarterly Improvement Implementation Report dated as of March 31, 2023, the expected completion date for the Authorized Improvements is the first quarter of 2024 with an expected final lot sale date of the fourth quarter of 2025.

### **D. ANNUAL BUDGET**

#### *Annual Installments – 2023-24*

The Assessment imposed on any Parcel may be paid in full at any time. If not paid in full, the Assessment shall be payable in thirty Annual Installments of principal and interest beginning with the tax year following the issuance of the Series 2022 Bonds, of which twenty-eight (28) Annual Installments remain outstanding.

Pursuant to the Service and Assessment Plan, each Assessment shall bear interest at the rate on the Series 2022 Bonds commencing with the issuance of the Series 2022 Bonds. The effective interest rate on the Series 2022 Bonds for 2023-24 is 3.78 percent. Pursuant to Section 372.018 of the PID Act, the interest rate for that assessment may not exceed a rate that is one-half of one percent higher than the actual interest rate paid on the debt. Accordingly, the effective interest rate on the Series 2022 Bonds (3.78 percent) plus an additional interest of one-half of one percent are used to calculate the interest on the Assessments. These payments, the “Annual Installments” of the Assessments, shall be billed by the Town in 2023 and will be delinquent on February 1, 2024.

Pursuant to the Service and Assessment Plan, the Annual Service Plan Update shall show the remaining balance of the Assessments, the Annual Installment due for 2023-24, and the

Administrative Expenses to be collected from each Parcel. Administrative Expenses shall be allocated to each Parcel pro-rata based upon the amount the Annual Installment on a Parcel bears to the total amount of Annual Installments in the PID as a whole that are payable at the time of such allocation. Each Annual Installment shall be reduced by any credits applied under applicable documents including the Service and Assessment Plan and Trust Indenture such as capitalized interest and interest earnings on any account balances and by any other funds available to the PID.

#### Annual Budget for the Repayment of Indebtedness

Debt service will be paid on the Authorized portion of the Series 2022 Bonds from the collection of the Annual Installments. In addition, Administrative Expenses are to be collected with the Annual Installments to pay expenses related to the collection of the Annual Installments. The additional interest collected with the Annual Installments will be used to pay the prepayment and delinquency reserve amounts as described in the Service and Assessment Plan and applicable Trust Indenture.

#### Authorized Annual Installments to be Collected for 2023-24

The budget for Authorized of the PID will be paid from the collection of Annual Installments collected for 2023-24 as shown in Table II-D-1 on the following page.

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**Table II-D-1**  
**Budget for the Authorized Annual Installments**  
**to be Collected for 2023-24**

	<b>Series 2022 Bonds</b>
Interest payment on March 1, 2024	\$87,873
Interest payment on September 1, 2024	\$87,873
Principal payment on September 1, 2024	\$102,000
<i>Subtotal - Debt Service Payments</i>	<i>\$277,745</i>
Administrative Expenses	\$61,000
Excess Interest for Prepayment & Delinquency Reserves	\$23,250
<i>Subtotal Expenses</i>	<i>\$361,995</i>
Available Reserve Fund Income	(\$8,742)
Available Capitalized Interest Funds	\$0
Available Administrative Expense Funds	\$0
<i>Subtotal funds available</i>	<i>(\$8,742)</i>
<b>Annual Installments</b>	<b>\$353,253</b>

*Debt Service Payments*

Annual Installments to be collected for principal and interest include interest due on March 1, 2024 in the amount of \$87,873 and on September 1, 2024 in the amount of \$87,873, which equal interest on the outstanding Assessment balance of \$4,650,000 for six months each and an effective interest rate of 3.78 percent. Annual Installments to be collected include a principal payment of \$102,000 due on September 1, 2024 for the Series 2022 Bonds. As a result, total principal and interest due in 2023-24 for the Series 2022 Bonds is estimated to be \$277,745.

*Administrative Expenses*

Administrative expenses include the Town, PID Administrator, auditor, Trustee, and contingency fees. As shown in Table II-D-2 on the following page, the total Authorized administrative expenses to be collected for 2023-24 are estimated to be \$61,000.

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**Table II-D-2**  
**Administrative Budget Breakdown**

<b>Description</b>	<b>2023-24 Estimated Budget (9/1/23-8/31/24)</b>
Town	\$22,000
PID Administrator	\$25,000
Trustee	\$4,500
Auditor	\$6,000
Contingency	\$3,500
<b>Total</b>	<b>\$61,000</b>

*Excess Interest for Prepayment and Delinquency Reserve*

Annual Installments to be collected for excess interest for prepayment and delinquency reserves in the amount of \$23,250, which equals 0.5 percent interest on the outstanding Series 2022 Assessments balance of \$4,650,000.

*Available Reserve Fund Income*

As of June 30, 2023, the balance in the Reserve Fund was \$286,760, which exceeds the Bond Reserve Requirement of \$278,018. As a result, there are \$8,742 in funds anticipated to be available to pay the Series 2022 Bonds debt service for Assessment Year ending September 1, 2024.

*Available Capitalized Interest Account*

The final payment out of the Capitalized Interest Fund will be used to pay interest on the Series 2022 Bonds on the interest payment dates for Assessment Year ending September 1, 2023. As a result, there will be no credit available to reduce the Annual Installment for Assessment Year ending September 1, 2024.

*Available Administrative Expense Account*

As of June 30, 2023, the balance in the Administrative Expense Fund was \$67,974. The available balance is anticipated to be used for future administrative expenses. As a result, there are no funds anticipated to be available in the Administrative Expense Fund to reduce the 2023-24 Annual Installment.

*(remainder of this page is intentionally left blank)*

## E. ANNUAL INSTALLMENTS PER UNIT

According to the Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay principal and interest on the Authorized portion of the Series 2022 Bonds, to fund the Prepayment Reserve and Delinquency Reserve described in the Service and Assessment Plan, and to cover Administrative Expenses.

According to the Service and Assessment Plan, 146 units, representing 113.24 total Equivalent Units, are anticipated to be built within the PID. Accordingly, the net principal, interest, and prepayment and delinquency reserve portion of Annual Installment to be collected from each Equivalent Unit will be \$2,580.82 (i.e.  $(\$277,745 + \$23,250 - \$8,742) \div 113.24 = \$2,580.82$ ) and the net Administrative Expenses to be collected from each Equivalent Unit will be \$538.68 (i.e.  $\$61,000 \div 113.24 = \$538.68$ ). As a result, the total Annual Installment to be collected from each Equivalent Unit within the PID will be \$3,119.50 (i.e.  $\$2,580.82 + \$538.68 = \$3,119.50$ ). The Annual Installment to be collected from each Parcel is calculated by multiplying the Annual Installment for each Equivalent Unit of \$3,119.50 by the total estimated Equivalent Units for each Parcel in the PID.

The Annual Installment due to be collected from each Land Use Class for 2023-24 is shown in Table II-E-1 below.

**Table II-E-1**  
**Annual Installment Per Unit**

<b>Land Use Class</b>	<b>Annual Installment Per Equivalent Unit</b>	<b>Equivalent Unit Factor</b>	<b>Annual Installment Per Unit</b>
50 FT	\$3,119.50	1.00	\$3,119.50
40 FT	\$3,119.50	0.72	\$2,246.04

The list of Parcels within the PID, the number of units to be developed on the current residential Parcels, the corresponding total Equivalent Units, the total outstanding Assessment, the annual principal and interest, the Administrative Expenses, and the Annual Installment to be collected for 2023-24 are shown in the Assessment Roll Summary attached hereto as Appendix D.

## F. BOND REDEMPTION RELATED UPDATES

The Series 2022 Bonds were issued in 2022. Pursuant to Section 4.3 of the Trust Indenture, the Town reserves the right and option to redeem the Series 2022 Bonds before their scheduled maturity dates, in whole or in part, on any date on or after **September 1, 2032**, such redemption date or dates to be fixed by the Town, at the redemption prices and dates shown in the applicable Trust Indenture.

The Administrator has conducted a preliminary evaluation of the current refunding market conditions, recent PID bond refunding transactions, and other relevant factors. Based on this preliminary evaluation, the Administrator believes a refunding of the Series 2022 Bonds does not appear viable at this time. The Administrator will continue to monitor the refunding market conditions, applicable PID bond refunding transactions, and other relevant factors to determine if refunding becomes viable in the future and will inform the Town accordingly.

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### ***III. UPDATE OF THE ASSESSMENT PLAN***

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The Service and Assessment Plan adopted by the Town Council describes that the Authorized Improvement costs shall be allocated to the Assessed Property equally based on the equivalent number of residential dwelling units anticipated to be built on each Parcel once such property is fully developed, and that such method of allocation will result in the imposition of equal shares of the Authorized Improvement costs to Parcels similarly benefited.

#### *Assessment Methodology*

This method of assessing property, as updated in prior Annual Service Plan Updates, has not been changed and Assessed Property will continue to be assessed as provided for in the Service and Assessment Plan.

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## ***IV. UPDATE OF THE ASSESSMENT ROLL***

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Pursuant to the original Service and Assessment Plan, the Assessment Rolls shall be updated each year to reflect:

(i) the identification of each Parcel (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by the Service and Assessment Plan or 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 the Service and Assessment Plan.

The summary of updated Assessment Roll is shown in Appendix D of this report. Each Parcel in the PID is identified, along with the Assessment on each Parcel and the Annual Installment to be collected from each Parcel. Assessments are to be reallocated for the subdivision of any Parcels.

### **A. PARCEL UPDATES**

According to the Service and Assessment Plan, upon the subdivision of any Parcel, the Administrator shall reallocate the Assessment for the Parcel prior to the subdivision 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 Equivalent Units to be built on each newly subdivided Parcel  
D = the sum of the estimated 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 Town 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.

### **B. PREPAYMENT OF ASSESSMENTS**




As of June 30, 2023, there have been no prepayment of Assessments for any Parcel within the PID.

The complete Assessment Roll is available for review at the Little Elm Town Hall, located at 100 W. Eldorado Parkway, Little Elm, Texas 75068.

**APPENDIX A**  
**SPIRITAS EAST PID MAP**



Spiritas East Ranch Concept Plan 2

DATA TABLE	
Gross Site Area:	43 +/-
Residential Product Type:	Total
 40' x 130' lot (courtyard lots)	28
 50' x 115' lot	89
 50' x 370' (avg) lot	29
Total lots	146

**APPENDIX B**  
**PREPAID PARCELS**



**Appendix B**

As of June 30, 2023, there has been no prepayment of Assessments for any Parcel within the PID.

**APPENDIX C**  
**ASSESSED VALUE**

**Appendix C**  
**Spiritas East PID**  
**2023 Certified Assessed Value**

	<b>Parcels</b>	<b>2023 Assessed Value<sup>1</sup></b>
Spiritas East	2	\$4,117,639.00
<b>Total</b>	<b>2</b>	<b>\$4,117,639.00</b>

1 - Parcel assessed values reflect 2023 values, inclusive of applicable exemptions, in accordance with Denton Central Appraisal District online records as of July 26, 2023.

**APPENDIX D**  
**ASSESSMENT ROLL – 2023-24**

**SPIRITAS EAST PID**  
**Assessment Roll Summary**  
**2023-24**

<b>Parcel ID</b>	<b>Equivalent Units</b>	<b>Outstanding Assessments</b>	<b>Principal</b>	<b>Interest</b>	<b>Excess Interest for Reserves</b>	<b>Administrative Expenses</b>	<b>2023-24 Annual Installment</b>
38197, 147906	113.24	\$4,650,000.00	\$102,000.00	\$167,002.54	\$23,250.00	\$61,000.00	\$353,252.54
<b>Total</b>	<b>113.24</b>	<b>\$4,650,000.00</b>	<b>\$102,000.00</b>	<b>\$167,002.54</b>	<b>\$23,250.00</b>	<b>\$61,000.00</b>	<b>\$353,252.54</b>

**Appendix E**  
**PID Assessment Notice**

**Form of Homebuyer Disclosure**

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 East 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](mailto: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 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\_\_.

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Notary Public, State of Texas