

**Kaufman County
Laura Hughes
County Clerk**

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**STATE OF TEXAS
COUNTY OF KAUFMAN**

I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the Official Public Records of Kaufman County, Texas.

Laura A. Hughes

Laura Hughes, County Clerk

Recorded By: Beatriz Saucedo, Deputy

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Record and Return To:

CITY OF CRANDALL
PO BOX 277
CRANDALL, TX 75114



ORDINANCE NO. 07172023B

**AN ORDINANCE APPROVING THE 2023-24 ANNUAL
SERVICE AND ASSESSMENT PLAN UPDATE FOR THE
CARTWRIGHT RANCH PUBLIC IMPROVEMENT
DISTRICT**

WHEREAS, the City of Crandall (the "City") is authorized pursuant to Texas Local Government Code, Chapter 372, as amended (the "PID Act") to create public improvement districts for the purposes described therein; and

WHEREAS, the City received a petition (the "Petition") requesting the creation of the Cartwright Ranch Public Improvement District (the "PID"); and

WHEREAS, on March 1, 2021, the City held a public hearing then passed and adopted Resolution 030121 establishing the Cartwright Ranch Public Improvement District in accordance with the PID Act; and

WHEREAS, on June 7, 2021, the City passed and adopted Ordinance 060721A approving a Service and Assessment Plan (the "SAP") for the PID;

WHEREAS, the City Council of the City wishes to approve the 2023-24 Annual Update of the SAP (the "Annual Service Plan Update") for the PID.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF CRANDALL, TEXAS, as follows:

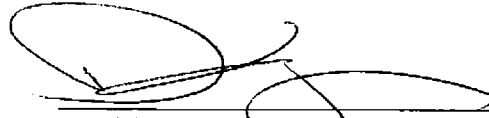
Section 1. The facts recited in the preamble hereto are found to be true and correct.

Section 2. The Cartwright Ranch Public Improvement District Annual Service Plan Update (Assessment Year 9/15/2023-9/15/2024), attached to this Ordinance as Exhibit A, is hereby approved and adopted on behalf of the PID.

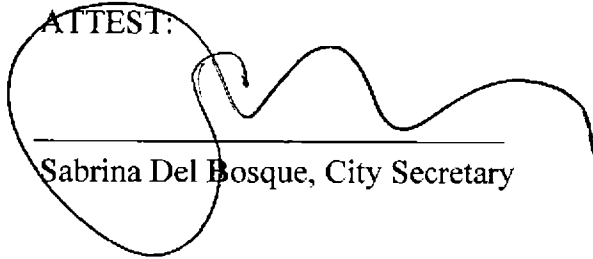
Section 3. All Ordinances, and agreements and parts of Ordinances and agreements in conflict herewith are hereby repealed to the extent of the conflict only.

Section 4. It is hereby found and determined that the meeting at which this Ordinance was passed was open to the public and that advance public notice of the time, place and purpose of said meeting was given as required by law. The Ordinance shall become effective immediately upon passage. The City Secretary shall cause this Ordinance to be filed with the City clerk in each City 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 City approves this Annual Service Plan Update. Further, the City Secretary shall cause this Ordinance to be filed with the Kaufman County Clerk not later than seven (7) days after the date the governing body approves this Annual Service Plan Update.

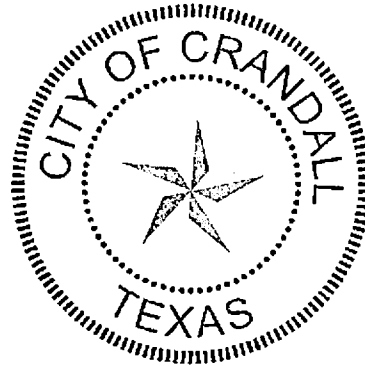
PASSED AND ADOPTED on the 17th day of July 2023.



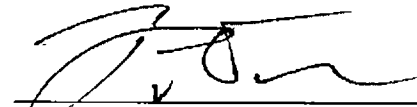
David Lindsey, Mayor

ATTEST:


Sabrina Del Bosque, City Secretary



APPROVED AS TO FORM:



City Attorney

**CARTWRIGHT RANCH
PUBLIC IMPROVEMENT DISTRICT
CITY OF CRANDALL, TEXAS**

**ANNUAL SERVICE PLAN UPDATE
(ASSESSMENT YEAR 9/15/2023-9/14/2024)**

**AS APPROVED BY CITY COUNCIL ON:
JULY 17, 2023**

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

CARTWRIGHT RANCH PUBLIC IMPROVEMENT DISTRICT

ANNUAL SERVICE PLAN UPDATE – 2023-24

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I. INTRODUCTION

The Cartwright Ranch Public Improvement District (the “PID”) was created pursuant to the PID Act and a resolution of the City Council on March 1, 2021, to finance certain public improvement projects for the benefit of the property in the PID.

On June 7, 2021, the City approved issuance of the City of Crandall, Texas Special Assessment Revenue Bonds, Series 2021 (Cartwright Ranch Public Improvement District Improvement Area #1 Project) (the “Improvement Area #1 Bonds”) in the aggregate principal amount of \$17,679,000 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. The Improvement Area #1 Bonds are secured by the Improvement Area #1 Assessments (the “Improvement Area #1 Assessments”).

Additionally, on June 7, 2021, the City approved issuance of the City of Crandall, Texas Special Assessment Revenue Bonds, Series 2021 (Cartwright Ranch Public Improvement District Major Improvement Area Project) (the “Major Improvement Area Bonds”) in the aggregate principal amount of \$11,987,000, 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. The Major Improvement Area Bonds are secured by the Major Improvement Area Assessments (the “Major Improvement Area Assessments”).

A service and assessment plan (the “Service and Assessment Plan”) was prepared at the direction of the City 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”).

Effective September 1, 2021, 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 City 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 F 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 City 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

A. UPDATED SOURCES AND USES FOR PUBLIC IMPROVEMENTS

Improvement Area #1 Improvements Sources and Uses

The current total estimated costs of the Improvement Area #1 Improvements, including the proportional share of the Major Improvement costs and bond issuance costs, is equal to \$17,679,000, which remain the same as the budget estimates included in the Service and Assessment Plan. According to the Developer, there have been no budget line item amount revisions for the Authorized Improvements.

Table II-A-1 on the following page summarizes the updated sources and uses of funds required to (1) construct the Improvement Area #1 Improvements, including the proportional share of the Major Improvement Area Improvements costs, (2) establish the PID, and (3) issue Improvement Area #1 Bonds.

For additional Improvement Area #1 development-related information, refer to the link below for a history of the quarterly improvement implementation reports:

<https://emma.msrb.org/IssueView/Details/P2408097>

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Table II-A-1
Improvement Area #1 Sources and Uses of Funds

Sources of Funds	Initial Estimated Budget ¹	Budget Revisions ¹	Updated Budget ¹	Spent to Date ^{1,2}	Remaining to be Funded
Par amount	\$17,679,000	\$0	\$17,679,000	\$14,682,447	\$2,996,553
Other funding sources	\$0	\$0	\$0	\$0	\$0
Total Sources	\$17,679,000	\$0	\$17,679,000	\$14,682,447	\$2,996,553
Uses of Funds					
<i>Major Improvements</i>					
Road Improvements	\$292,230	\$0	\$292,230	\$32,302	\$259,928
Water Improvements	\$569,584	\$21,448	\$591,032	\$591,032	\$0
Sanitary Sewer Improvements	\$200,414	\$23,423	\$223,837	\$223,837	\$0
Storm Drainage Improvements	\$88,466	\$0	\$88,466	\$79,769	\$8,697
Other Soft and Miscellaneous Costs	\$459,892	(\$44,871)	\$415,021	\$278,598	\$136,423
<i>Subtotal: Major Improvements</i>	<i>\$1,610,586</i>	<i>\$0</i>	<i>\$1,610,586</i>	<i>\$1,205,539</i>	<i>\$405,047</i>
<i>IA #1 Improvements</i>					
Road Improvements	\$4,333,195	\$0	\$4,333,195	\$2,168,391	\$2,164,804
Water Improvements	\$1,761,780	\$12,694	\$1,774,474	\$1,774,474	\$0
Sanitary Sewer Improvements	\$1,815,473	\$339,379	\$2,154,852	\$2,154,852	\$0
Storm Drainage Improvements	\$1,995,478	(\$231,636)	\$1,763,842	\$1,515,912	\$247,929
Other Soft and Miscellaneous Costs	\$1,743,373	(\$120,437)	\$1,622,936	\$1,484,544	\$138,393
<i>Subtotal: IA #1 Improvements</i>	<i>\$11,649,299</i>	<i>\$0</i>	<i>\$11,649,299</i>	<i>\$9,098,173</i>	<i>\$2,551,126</i>
<i>Bond Issuance Costs</i>					
Cost of Issuance	\$863,057	\$0	\$863,057	\$822,677	\$40,380
Capitalized interest	\$1,679,444	\$0	\$1,679,444	\$1,679,444	\$0
Reserve Fund	\$1,147,410	\$0	\$1,147,410	\$1,147,410	\$0
Administrative Expense Fund	\$153,020	\$0	\$153,020	\$153,020	\$0
Underwriters Discount	\$530,370	\$0	\$530,370	\$530,370	\$0
Original Issue Discount	\$45,814	\$0	\$45,814	\$45,814	\$0
<i>Subtotal: Bond Issuance Costs</i>	<i>\$4,419,115</i>	<i>\$0</i>	<i>\$4,419,115</i>	<i>\$4,378,735</i>	<i>\$40,380</i>
Total Uses	\$17,679,000	\$0	\$17,679,000	\$14,682,447	\$2,996,553

1 – According to the Improvement Area #1 Requisition #23 approved by the City on May 11, 2023.

2 – According to Cartwright Ranch's Improvement Area #1 Closing Instruction Letter dated June 28, 2021.

Improvement Area #1 Cost Variances

As stated in Table II-A-1 above, there are no significant Improvement Area #1 Improvement cost variances.

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Major Improvement Area Sources and Uses

The current total estimated costs of the Major Improvement Area Improvements, including bond issuance costs, is equal to \$11,987,000, which remain the same as the budget estimates included in the Service and Assessment Plan. According to the Developer, there have been no budget line item amount revisions for the Authorized Improvements.

Table II-A-2 on the following page summarizes the updated sources and uses of funds required to (1) construct the Major Improvement Area Improvements, (2) establish the PID, and (3) issue Major Improvement Area Bonds.

For additional Major Improvement Area development-related information, refer to the link below for a history of the quarterly improvement implementation reports:

<https://emma.msrb.org/IssueView/Details/CC66117B2554AD6F85F6A0527AE0C7B0>

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Table II-A-2
Major Improvement Area Sources and Uses of Funds

Sources of Funds	Initial Estimated Budget ¹	Budget Revisions ¹	Updated Budget ¹	Spent to Date ^{1, 2}	Remaining to be Funded
Par amount	\$11,987,000	\$0	\$11,987,000	\$9,731,563	\$2,255,437
Other funding sources	\$0	\$0	\$0	\$0	\$0
Total Sources	\$11,987,000	\$0	\$11,987,000	\$9,731,563	\$2,255,437
Uses of Funds					
<i>Major Improvements</i>					
Road Improvements	\$1,573,971	\$0	\$1,573,971	\$173,970	\$1,400,001
Water Improvements	\$3,067,826	\$115,295	\$3,183,121	\$3,183,121	\$0
Sanitary Sewer Improvements	\$1,079,445	\$126,071	\$1,205,516	\$1,205,516	\$0
Storm Drainage Improvements	\$476,488	\$0	\$476,488	\$429,614	\$46,874
Other Soft and Miscellaneous Costs	\$2,477,014	(\$241,366)	\$2,235,648	\$1,500,446	\$735,202
<i>Subtotal: Major Improvements</i>	<i>\$8,674,744</i>	<i>\$0</i>	<i>\$8,674,744</i>	<i>\$6,492,666</i>	<i>\$2,182,078</i>
<i>Bond Issuance Costs</i>					
Cost of Issuance	\$623,259	\$0	\$623,259	\$549,900	\$73,359
Capitalized interest	\$1,340,652	\$0	\$1,340,652	\$1,340,652	\$0
Reserve Fund	\$837,790	\$0	\$837,790	\$837,790	\$0
Administrative Expense Fund	\$122,416	\$0	\$122,416	\$122,416	\$0
Underwriters Discount	\$359,610	\$0	\$359,610	\$359,610	\$0
Original Issue Discount	\$28,529	\$0	\$28,529	\$28,529	\$0
<i>Subtotal: Bond Issuance Costs</i>	<i>\$3,312,256</i>	<i>\$0</i>	<i>\$3,312,256</i>	<i>\$3,238,897</i>	<i>\$73,359</i>
Total Uses	\$11,987,000	\$0	\$11,987,000	\$9,731,563	\$2,255,437

1 – According to the Major Improvement Area Requisition #12 approved by the City on May 11, 2023.

2 – According to Cartwright Ranch's Major Improvement Area Closing Instruction Letter dated June 28, 2021.

Major Improvement Area Cost Variances

As stated in Table II-A-2 on the previous page, there are no significant Major Improvement Area Improvement cost variances.

B. FIVE YEAR SERVICE PLAN

A service plan must cover a period of five years. All the Authorized Improvements are expected to be built within a period of five years. The anticipated budget for the Authorized Improvements is shown in Section II.A. of this report and the projected Annual Installments to repay the outstanding Assessments for these costs is shown by Table II-B-1 below.

Table II-B-1
Annual Projected Costs and Annual Projected Indebtedness
2023-2029

Assessment Year Ending 09/15¹	Improvement Area #1 Projected Annual Installments	Major Improvement Area Projected Annual Installments
2022-2023	\$0	\$0
2024	\$1,191,822	\$889,236
2025	\$1,225,678	\$914,045
2026	\$1,225,612	\$914,614
2027	\$1,225,727	\$914,282
2028	\$1,225,141	\$914,391
2029	\$1,224,854	\$913,889
Total	\$6,093,980	\$4,546,568

1 – Annual Installment amounts due for assessment years ending 2024 and prior represent actual Annual Installment amounts billed or to be billed. Assessment Years 2025 through 2029 represent projected future Annual Installments and do not include any available credits nor applicable TIRZ credits, if any.

C. ANNUAL BUDGET – IMPROVEMENT AREA #1

Improvement Area #1 - 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 Improvement Area #1 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 Improvement Area #1 Bonds commencing with the issuance of the Improvement Area #1 Bonds. The effective interest rate on the Improvement Area #1 Bonds is 4.30 percent per annum for 2023-24. 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 Improvement Area #1 Bonds (4.30 percent) plus an additional interest of one-half of one percent is used to calculate the interest on the Assessments. These payments, the “Annual Installments” of the Assessments, shall be billed by the City 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 Improvement Area #1 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 Improvement Area #1 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 additional interest reserve amounts as described in the Service and Assessment Plan and Improvement Area #1 Trust Indenture.

Improvement Area #1 Annual Installments to be Collected for 2023-24

The budget for Improvement Area #1 of the PID will be paid from the collection of Annual Installments collected for 2023-24 as shown by Table II-C-1 below.

Table II-C-1
Budget for the Improvement Area #1 Annual Installments
to be Collected for 2023-24

	Improvement Area #1 Bonds
Interest payment on March 15, 2024	\$379,774
Interest payment on September 15, 2024	\$379,774
Principal payment on September 15, 2024	\$335,000
<i>Subtotal debt service</i>	<i>\$1,094,548</i>
Administrative expenses	\$42,448
Excess interest for additional interest reserves	\$88,395
<i>Subtotal Expenses</i>	<i>\$1,225,391</i>
Available TIRZ revenues	(\$54)
Available reserve fund income	(\$33,515)
Available capitalized interest account	\$0
Available Administrative Expense account	\$0
<i>Subtotal funds available</i>	<i>(\$33,569)</i>
Annual Installments	\$1,191,822

Debt Service Payments

Annual Installments to be collected for principal and interest include Improvement Area #1 Bond interest due on March 15, 2024, in the amount of \$379,774, and on September 15, 2024, in the amount of \$379,774, which equals interest on the outstanding Improvement Area #1 Bond

Assessments balance of \$17,679,000 for six months each at an effective interest rate of 4.30 percent. Annual Installments to be collected for the Improvement Area #1 Bonds include a principal amount of \$335,000 due on September 15, 2024. As a result, total principal and interest due on Improvement Area #1 Assessments in 2023-24 is estimated to be equal to \$1,094,548.

Administrative Expenses

Administrative expenses include the City, Administrator, Trustee, Auditor, Dissemination Agent, and contingency fees. As shown in Table II-C-2 below, the total Improvement Area #1 Administrative Expenses to be collected for 2023-24 are estimated to be \$42,448.

Table II-C-2
Administrative Budget Breakdown

Description	2023-24 Estimated Budget (9/15/23-9/14/24)
City	\$5,000
Administrator	\$25,000
Trustee	\$2,500
Auditor	\$4,000
Dissemination Agent	\$2,000
Contingency	\$3,948
Total	\$42,448

Excess Interest for Additional Interest Reserve

Annual Installments to be collected for excess interest for Additional Interest reserves are \$88,395, which equals 0.5 percent interest on the outstanding Improvement Area #1 Assessments balance of \$17,679,000.

Available TIRZ Credit

According to the City, there have been TIRZ increments collected in 2022 in the total amount of \$54 that are available to be used as TIRZ Credit in 2023-24 for the respective Parcels within Improvement Area #1. This TIRZ Credit amount is allocated based upon the amount of TIRZ increment generated by each Parcel within Improvement Area #1 and each Parcel that has an outstanding Improvement Area #1 Assessment balance as of September 1, 2023 as shown in Appendix D-2.

Available Reserve Fund Income

As of May 31, 2023, the balance in the Reserve Fund was \$1,180,925, which includes the Bond Reserve Requirement of \$1,147,410 and \$33,515 in excess funds. As a result, there is \$33,315 in

excess balance to be applied as a credit to reduce the Improvement Area #1 2023-24 Annual Installment.

Available Capitalized Interest Account

As of May 31, 2023, the Trustee reported that the Capitalized Interest Fund been fully expended. As a result, there is no credit to reduce the Annual Installment.

Available Administrative Expense Account

As of May 31, 2023, the available balance for administrative expenses was \$111,453. The current balance is anticipated to be used for 2023-24 administrative expenses and future administrative expenses anticipated with upcoming home construction within Improvement Area #1 of the PID. As a result, there is no credit to reduce the budgeted administrative expense portion of the Improvement Area #1 2023-24 Annual Installment.

D. ANNUAL INSTALLMENTS PER UNIT – IMPROVEMENT AREA #1

According to the Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Improvement Area #1 Bonds, (ii) to fund the prepayment reserve and delinquency reserve, and (iii) to cover Administrative Expenses of Improvement Area #1. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest available.

According to the Service and Assessment Plan, 664 units, representing 521.68 Equivalent Units, are estimated to be built within Improvement Area #1 of the PID. Accordingly, the principal and interest portion of Annual Installment to be collected from each Equivalent Unit within Improvement Area #1 will be \$2,203.32 (i.e., $(\$1,094,548 + \$88,395 - \$33,569) \div 521.68 = \$2,203.32$) and the Administrative Expenses to be collected from each Equivalent Unit will be \$81.37 (i.e., $(\$42,448 \div 521.68 = \$81.37)$). As a result, the total Annual Installment to be collected from each Equivalent Unit within Improvement Area #1 will be \$2,284.69 (i.e., $\$2,203.32 + \$81.36 = \$2,284.69$). The Annual Installment to be collected from each Parcel within Improvement Area #1 is calculated by multiplying the Annual Installment for each Equivalent Unit of \$2,284.69 by the total estimated Equivalent Units for each parcel in Improvement Area #1.

The Annual Installment due to be collected from each Land Use Class in Improvement Area #1 for 2023-24 is shown in Table II-D-1 on the following page.

Table II-D-1
Improvement Area #1 Annual Installment Per Equivalent Unit

Land Use Class	Annual Installment per Equivalent Unit	Equivalent Unit Factor	Annual Installment Per Unit¹
Lot Type 1 (60 Ft)	\$2,284.69	1.00	\$2,284.69
Lot Type 2 (50 Ft)	\$2,284.69	0.81	\$1,850.60
Lot Type 3 (40 Ft)	\$2,284.69	0.73	\$1,667.82

1 - Annual Installment per unit is net of available Capitalized Interest and Administrative Expense credits but does not include applicable TIRZ Credit, if any.

The list of Parcels within Improvement Area #1 of the PID, the estimated number of Equivalent Units to be developed on the current residential Parcels, the total Assessment, the Annual Assessment, the Capitalized Interest Credit, the Additional Interest reserve, 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-1.

E. ANNUAL BUDGET – MAJOR IMPROVEMENT AREA

Major Improvement Area - 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 Major Improvement Area 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 Bonds commencing with the issuance of the Major Improvement Area Bonds. The effective interest rate on the Major Improvement Area Bonds is 5.06 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 Major Improvement Area Bonds (5.06 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 City 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 applicable Major Improvement Area 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 Major Improvement Area 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 additional interest reserve amounts as described in the Service and Assessment Plan and Major Improvement Area Trust Indenture.

Major Improvement Area Annual Installments to be Collected for 2023-24

The budget for Major Improvement Area of the PID will be paid from the collection of Annual Installments collected for 2023-24 as shown by Table II-E-1 below.

Table II-E-1
Budget for the Major Improvement Area Annual Installments
to be Collected for 2023-24

	Major Improvement Area Bonds
Interest payment on March 15, 2024	\$303,163
Interest payment on September 15, 2024	\$303,163
Principal payment on September 15, 2024	\$205,000
Subtotal debt service on bonds	\$811,325
Administrative expenses	\$42,448
Excess interest reserves	\$59,935
Subtotal Expenses	\$913,708
Available reserve fund income	(\$24,472)
Available capitalized interest account	\$0
Available Administrative Expense account	\$0
Subtotal funds available	(\$24,472)
Annual Installments	\$889,236

Debt Service Payments

Annual Installments to be collected for principal and interest include Major Improvement Area Bond interest due on March 15, 2024, in the amount of \$303,163, and on September 15, 2024, in the amount of \$303,163, which equals interest on the outstanding Improvement Area #1 Bond Assessments balance of \$11,987,000 for six months each at an effective interest rate of 5.06 percent. Annual Installments to be collected for the Major Improvement Area Bonds include a principal amount of \$205,000 due on September 15, 2024. As a result, total principal and interest due on the Major Improvement Area Assessments in 2023-24 is estimated to be equal to \$811,325.

Administrative Expenses

Administrative expenses include the City, Administrator, Trustee, Auditor, Dissemination Agent, and contingency fees. As shown in Table II-E-2 below, the total Major Improvement Area Administrative Expenses to be collected for 2023-24 are estimated to be \$42,448.

Table II-E-2
Administrative Budget Breakdown

Description	2023-24 Estimated Budget (9/15/23-9/14/24)
City	\$5,000
Administrator	\$25,000
Trustee	\$2,500
Auditor	\$3,500
Dissemination Agent	\$2,000
Contingency	\$4,448
Total	\$42,448

Excess Interest for Additional interest Reserve

Annual Installments to be collected for excess interest for additional interest reserves are \$59,935, which equals 0.5 percent interest on the outstanding Major Improvement Area Assessments balance of \$11,987,000.

Available Reserve Fund Income

As of May 31, 2023, the balance in the Reserve Fund was \$862,262, which includes the Bond Reserve Requirement of \$837,790 and excess funds of \$24,472. As a result, there is \$24,472 in excess balance to be applied as a credit to reduce the Major Improvement Area 2023-24 Annual Installment.

Available Capitalized Interest Account

As of May 31, 2023, the Trustee reported that the Capitalized Interest Fund been fully expended. As a result, there is no credit to reduce the Annual Installment.

Available Administrative Expense Account

As of May 31, 2023, the available balance for administrative expenses was \$78,736. The current balance is anticipated to be used for 2023-24 administrative expenses and future administrative expenses within the Major Improvement Area of the PID. As a result, there is no credit to reduce the budgeted administrative expense portion of the Major Improvement Area 2023-24 Annual Installment.

F. ANNUAL INSTALLMENTS PER UNIT – MAJOR IMPROVEMENT AREA

According to the Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Major Improvement Area Bonds, (ii) to fund the prepayment reserve and delinquency reserve, and (iii) to cover Administrative Expenses of Major Improvement Area. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest.

According to the Service and Assessment Plan, 3,311 units, representing 2,809.81 Equivalent Units, are estimated to be built within the Major Improvement Area of the PID. Accordingly, the principal and interest portion of Annual Installment to be collected from each Equivalent Unit within the Major Improvement Area will be \$301.37 (i.e., $[\$811,325 + \$59,935 - \$24,472] \div 2,809.81 = \301.37) and the Administrative Expenses to be collected from each Equivalent Unit will be \$15.11 (i.e., $\$42,448 \div 2,809.81 = \15.11). As a result, the total Annual Installment to be collected from each Equivalent Unit within the Major Improvement Area will be \$316.48 (i.e., $\$301.37 + \$15.11 = \$316.48$). The Annual Installment to be collected from each Parcel within the Major Improvement Area is calculated by multiplying the Annual Installment for each Equivalent Unit of \$316.48 by the total estimated Equivalent Units for each parcel in the Major Improvement Area.

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

Table II-F-1
Major Improvement Area Annual Installment Per Equivalent Unit

Land Use Class	Annual Installment per Equivalent Unit	Equivalent Unit Factor	Annual Installment Per Unit¹
Lot Type 1 (60 Ft)	\$316.48	1.00	\$316.48
Lot Type 2 (50 Ft)	\$316.48	0.81	\$256.35
Lot Type 3 (40 Ft)	\$316.48	0.73	\$231.03

1 - Annual Installment per unit is net of available Capitalized Interest and Administrative Expense credits but does not include applicable TIRZ Credit, if any.

The list of Parcels within the Major Improvement Area of the PID, the estimated number of Equivalent Units to be developed on the current residential Parcels, the total Assessment, the Annual Assessment, the Capitalized Interest credit, the Additional interest Reserve, the Administrative Expenses, and the Annual Installment to be collected for 2023-24 are shown in the Assessment Roll Summary attached hereto as Appendix E-1.

G. BOND REDEMPTION RELATED UPDATES

Improvement Area #1 Bonds

The Improvement Area #1 Bonds were issued in 2021. Pursuant to Section 4.3(a) of the Improvement Area #1 Trust Indenture, the City reserves the right and option to redeem the Improvement Area #1 Bonds maturing on or after September 15, 2041, before their scheduled maturity dates, in whole or in part, on any date on or after **September 15, 2031**, such redemption date or dates to be fixed by the City, at the Redemption Price of par plus accrued interest to the date of redemption.

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 Improvement Area #1 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 City accordingly.

Major Improvement Area Bonds

The Major Improvement Area Bonds were issued in 2021. Pursuant to Section 4.3(a) of the Major Improvement Area Trust Indenture, the City reserves the right and option to redeem the Major Improvement Area Bonds maturing on or after September 15, 2041, before their scheduled maturity dates, in whole or in part, on date on or after **September 15, 2031**, such redemption date or dates to be fixed by the City, at the Redemption Price of par plus accrued interest to the date of redemption.

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 Major Improvement Area 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 City accordingly.

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III. UPDATE OF THE ASSESSMENT PLAN

The Service and Assessment Plan adopted by the City Council provided that the Authorized Improvement costs shall be allocated to the Assessed Property equally on the basis of the 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 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

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 this 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.G of this Service and Assessment Plan.

The updated Assessment Rolls are shown in Appendix D-1 and E-1 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 number of Equivalent Units to be built on each newly subdivided Parcel

D = the sum of the estimated number of Equivalent Units to be built on all of the new subdivided Parcels

The calculation of the estimated number of Equivalent Units to be built on a Parcel shall be performed by the Administrator and confirmed by the City Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

As shown in the 2022-23 Annual Service Plan Update and according to the Kaufman Central Appraisal District (“KCAD”) records, the parent parcels were subdivided into new parent parcels to separate the Improvement Area #1, Major Improvement Area, and overall PID boundaries. Parcels 6149 and 6151 include property outside the PID boundaries in 2021 and were subdivided in 2022 to only include property within the PID. The overall acreage of the PID did not change.

B. PREPAYMENT OF ASSESSMENTS

Improvement Area #1

As of May 31, 2023, there have been no prepayments of the Improvement Area #1 Assessments.

Major Improvement Area

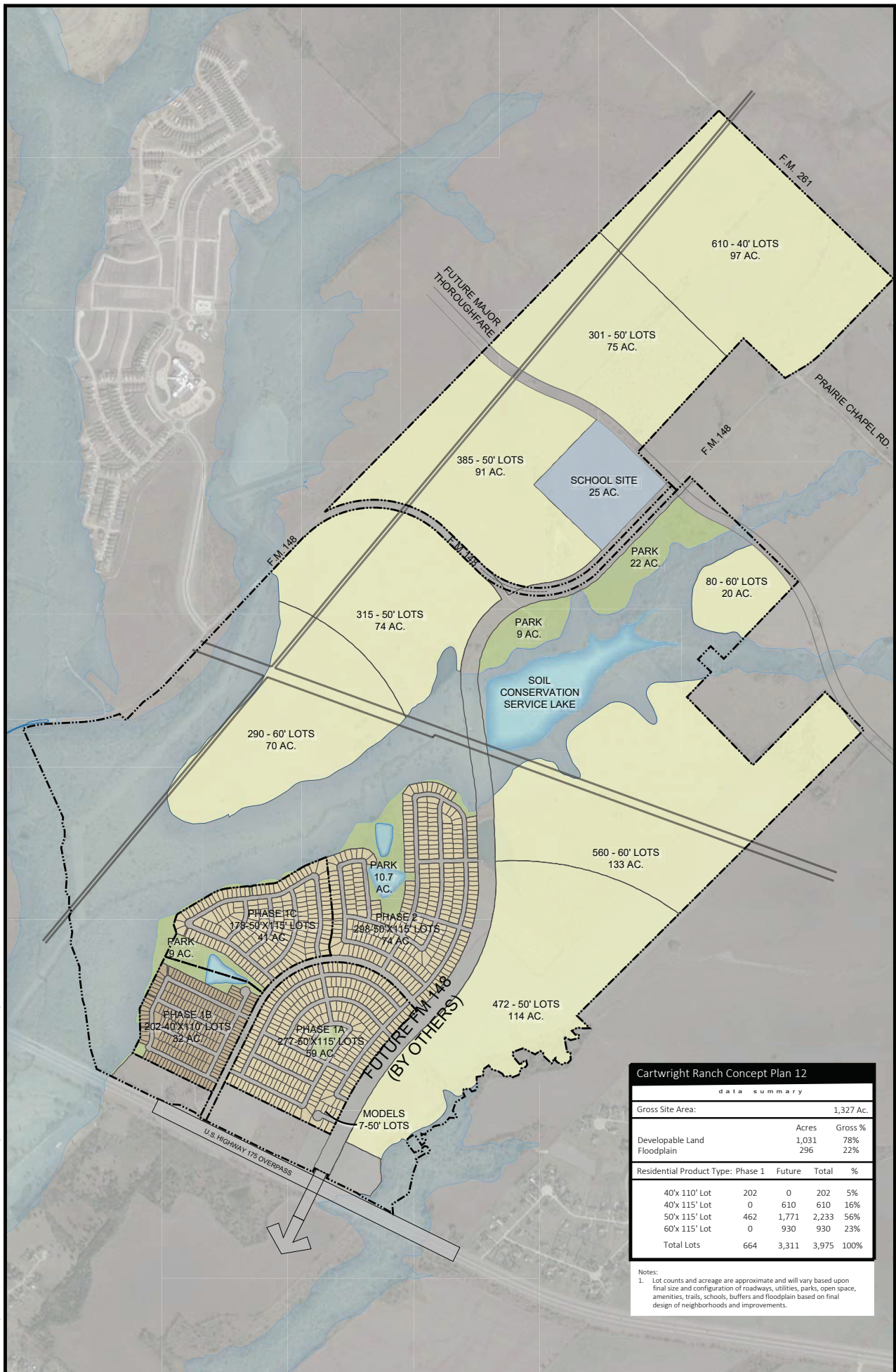
As of May 31, 2023, there have been no prepayments of the Major Improvement Area Assessments.

The complete Assessment Rolls are available for review at the City Hall, located at 110 Main Street, Crandall, Texas 75114.

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APPENDIX A
MAP OF CARTWRIGHT RANCH PID

S:\2019\2019001-00 Cartwright Ranch\CAD\04-EXHIBITS\1900400L.P12 Cartwright Ranch Concept Plan 03/24/2021.dwg Apr 27, 2021 - 11:13 am chancok



Cartwright Ranch Concept Plan 12				
data summary				
Gross Site Area:		1,327 AC.		
Developable Land	Acreage	1,031	Gross %	78%
	Floodplain	296		22%
Residential Product Type: Phase 1 Future Total %				
40'x 110' Lot	202	0	202	5%
40'x 115' Lot	0	610	610	16%
50'x 115' Lot	462	1,771	2,233	56%
60'x 115' Lot	0	930	930	23%
Total Lots	664	3,311	3,975	100%

Notes:
1. Lot counts and acreage are approximate and will vary based upon final size and configuration of roadways, utilities, parks, open space, amenities, trails, schools, buffers and floodplain based on final design of neighborhoods and improvements.

APPENDIX B
PREPAID PARCELS

As of May 31, 2023, there have been no prepayment of Assessments for any Parcel within the PID.

APPENDIX C
ASSESSED VALUE

Appendix C
2023 Assessed Values

Parcel ID	Improvement Area	2023 Assessed Value
6132	IA #1	\$2,369
6133	IA #1	\$10,000
6134	IA #1	\$6,474
6149	IA #1	\$1,449
6151	IA #1	\$739
6135	MIA	\$64,979
11318	MIA	\$5,123
11319	MIA	\$113,857
11320	MIA	\$16,250
13658	MIA	\$10,113
13659	MIA	\$718
13660	MIA	\$8,629
16522	MIA	\$20,503
16523	MIA	\$31,572
51360	MIA	\$44
51361	MIA	\$120
51362	MIA	\$92
51363	MIA	\$37
51364	MIA	\$41
51365	MIA	\$56
51366	MIA	\$79
55021	MIA	\$56
55024	MIA	\$1,749
55026	MIA	\$92
55027	MIA	\$120
55028	MIA	\$153
55040	MIA	\$8,652
181968	MIA	\$9,980
214286	MIA	\$16,000
221564	MIA	\$16,320
221567	MIA	\$21,610
221568	MIA	\$2,563
Total		\$370,539

1 - According to Kaufman Central Appraisal District Records as of June 2, 2023.

APPENDIX D-1
IMPROVEMENT AREA #1 ASSESSMENT ROLL SUMMARY – 2023-24

Appendix D-1
Improvement Area #1 Assessment Roll Summary
2023-24

Parcel ID	Lot Size	Estimated Equivalent Units	Total Assessments	Principal	Interest	Additional Interest Reserves	Administrative Expenses	TIRZ Credit	Total Annual Installment
6132	Various	521.68	\$17,679,000	\$335,000.00	\$726,032.12	\$88,395.00	\$42,448.00	(\$53.59)	\$1,191,821.53
6133									
6134									
6149									
6151									
Total		521.68	\$17,679,000	\$335,000.00	\$726,032.12	\$88,395.00	\$42,448.00	(\$53.59)	\$1,191,821.53

APPENDIX D-2

TIRZ CREDIT CALCULATION – IMPROVEMENT AREA #1 – 2023-24

Appendix D-2

TIRZ Credit Calculation - Improvement Area #1

2023-24

Parcel ID	City of Crandall Incremental Taxes				Kaufman County Incremental Taxes				TIRZ Credit			
	Base Year	2022	2022 Tax	2023-24	Base Year	2022	2022 Tax	2023-24	City	Kaufman	Total 2023-24	Total 2023-24
	Taxable Value	Taxable	Rate (per	Incremental	Taxable Value	Taxable	Rate (per	Incremental	(55%)	County	Available	Applicable
	(2021) ¹	Value ¹	\$100) ²	Taxes ³	(2021) ¹	Value ¹	\$100) ²	Taxes ³		(25%)	TIRZ Credit	TIRZ Credit
6132	\$11,038.43	\$18,924.00	\$0.730000	\$57.56	\$11,038.43	\$18,924.00	\$0.345850	\$27.27	\$31.66	\$6.82	(\$38.48)	(\$38.48)
6133	\$5,000.00	\$8,000.00	\$0.730000	\$21.90	\$5,000.00	\$8,000.00	\$0.345850	\$10.38	\$12.05	\$2.59	(\$14.64)	(\$14.64)
6134	\$6,945.54	\$6,708.00	\$0.730000	\$0.00	\$6,945.54	\$6,708.00	\$0.345850	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6149	\$1,337.00	\$1,433.00	\$0.730000	\$0.70	\$1,337.00	\$1,433.00	\$0.345850	\$0.33	\$0.39	\$0.08	(\$0.47)	(\$0.47)
6151	\$1,060.00	\$731.00	\$0.730000	\$0.00	\$1,060.00	\$731.00	\$0.345850	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$25,380.97	\$35,796.00		\$80.17	\$25,380.97	\$35,796.00		\$37.98	\$44.09	\$9.49	(\$53.59)	(\$53.59)

1 - According to Kaufman Central Appraisal District as of May 31, 2023.

2 - According to the Kaufman County Tax Office.

3 - According to the Project and Finance plan, the TIRZ base year is 2021.

APPENDIX E
MAJOR IMPROVEMENT AREA ASSESSMENT ROLL SUMMARY – 2023-24

Appendix E
Major Improvement Area Assessment Roll Summary
2023-24

Parcel ID	Lot Size	Estimated Equivalent Units	Total Assessments	Principal	Interest	Additional Interest Reserves	Administrative Expenses	Annual Installment
6135	Various	2,809.81	\$11,987,000	\$205,000.00	\$581,852.90	\$59,935.00	\$42,448.00	\$889,235.90
11318								
11319								
11320								
13658								
13659								
13660								
16522								
16523								
51360								
51361								
51362								
51363								
51364								
51365								
51366								
55021								
55024								
55026								
55027								
55028								
55040								
181968								
214286								
221564								
221567								
221568								
Total		2809.81	\$11,987,000	\$205,000.00	\$581,852.90	\$59,935.00	\$42,448.00	\$889,235.90

APPENDIX F
PID ASSESSMENT NOTICE

PID Assessment Notice

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO
THE CITY OF CRANDALL, 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 Crandall, 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 Cartwright 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 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

§

§

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