

**Bel Air Village Public Improvement District  
Phase #2 – Lot Size – 50 Ft**

**Project Overview**

Bel Air Village Public Improvement District (the “District”) was created by the City Council of the City of Sherman (the “City”) on March 15, 2021, pursuant to the Public Improvement District Act, Texas Local Government Code, Chapter 372, as amended (the “Act”), and Resolution No. 6711 upon petition of the owners of the taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment within the District and the property owners who own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for Assessment by the District.

The District was created principally to finance certain public improvement projects for the residential development located within the boundaries of the City of Sherman. On December 5, 2022, the City Council approved Ordinance No. 6548 (the “Assessment Ordinance”) accepting and approving a service and assessment plan for the District (the "Updated Service and Assessment Plan") and levying special assessments (the "Phase #2 Assessments") against the Phase #2 Assessed Property as shown on the Phase #2 Assessment Roll attached to the Updated Service and Assessment Plan. The Phase #2 Assessments may be prepaid in whole or in part at any time without penalty or may be paid in annual installments as provided by the Act and the Service and Assessment Plan.

The City and Developer entered into a Reimbursement Agreement (the “Phase #2 Reimbursement Agreement”) with a total principal amount payable to the Developer of \$20,186,042 (the “Phase #2 Reimbursement Amount”). The Phase #2 Reimbursement Agreement will finance certain Actual Costs of the Authorized Improvements being constructed for Phase #2 of the District. The Phase #2 Reimbursement Agreement is secured by the Phase #2 Assessments.

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 Service and Assessment Plan. **Annual Installments are billed by the Grayson County Tax Office and 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 about the assessments, including the amounts and due dates, may be obtained from MuniCap, Inc., the Administrator of the District, located at 600 E. John Carpenter Fwy, Suite 150, Irving, Texas 75062 and available by telephone at (469) 490-2800 or (866) 648-8482 (toll free) and email at [txpid@municap.com](mailto:txpid@municap.com).

**FAILURE TO PAY THE PHASE #2 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 SHERMAN, 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 Sherman, 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 Bel Air Village 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](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.

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Seller

\_\_\_\_\_  
Signature of Seller

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

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

**Bel Air Village Public Improvement District  
Summary of Projected Annual Installments  
Phase #2**

Lot Size 50 Ft  
Assessment \$38,061  
Equivalent Unit 1.00

Year <sup>1</sup>	Cumulative Outstanding Principal	Phase #2 R.A. Principal <sup>2</sup>	Phase #2 R.A. Interest <sup>2</sup>	Administrative Expenses <sup>3</sup>	Total Annual Installment
2023	\$38,061	\$0	\$0	\$0	\$0
2024	\$38,061	\$0	\$0	\$0	\$0
2025	\$38,061	\$2	\$3,540	\$113	\$3,655
2026	\$38,059	\$2	\$3,540	\$115	\$3,657
2027	\$38,058	\$2	\$3,539	\$118	\$3,659
2028	\$38,056	\$2	\$3,539	\$120	\$3,661
2029	\$38,054	\$2	\$3,539	\$122	\$3,663
2030	\$38,052	\$694	\$2,397	\$125	\$3,216
2031	\$37,358	\$733	\$2,354	\$127	\$3,214
2032	\$36,625	\$777	\$2,307	\$130	\$3,214
2033	\$35,848	\$822	\$2,258	\$133	\$3,213
2034	\$35,026	\$871	\$2,207	\$135	\$3,213
2035	\$34,154	\$922	\$2,152	\$138	\$3,212
2036	\$33,232	\$979	\$2,094	\$141	\$3,213
2037	\$32,254	\$1,037	\$2,032	\$143	\$3,213
2038	\$31,217	\$1,097	\$1,967	\$146	\$3,210
2039	\$30,119	\$1,163	\$1,898	\$149	\$3,210
2040	\$28,956	\$1,235	\$1,824	\$152	\$3,212
2041	\$27,721	\$1,309	\$1,746	\$155	\$3,210
2042	\$26,413	\$1,388	\$1,664	\$158	\$3,210
2043	\$25,025	\$1,473	\$1,577	\$162	\$3,211
2044	\$23,552	\$1,563	\$1,484	\$165	\$3,212
2045	\$21,989	\$1,657	\$1,385	\$168	\$3,211
2046	\$20,332	\$1,759	\$1,281	\$171	\$3,212
2047	\$18,573	\$1,867	\$1,170	\$175	\$3,212
2048	\$16,706	\$1,982	\$1,052	\$178	\$3,213
2049	\$14,724	\$2,102	\$928	\$182	\$3,212
2050	\$12,622	\$2,232	\$795	\$186	\$3,213
2051	\$10,389	\$2,370	\$655	\$189	\$3,214
2052	\$8,019	\$2,515	\$505	\$193	\$3,214
2053	\$5,504	\$2,670	\$347	\$197	\$3,214
2054	\$2,834	\$2,834	\$179	\$201	\$3,213
<b>Total</b>		<b>\$38,061</b>	<b>\$55,953</b>	<b>\$4,590</b>	<b>\$98,604</b>

- 1 - Collection of the Phase #2 Annual Installments is scheduled to begin in Year 2025 and will be billed on or around October 1, 2025 and will be due by January 31st of the following year.
- 2 - The principal and interest amounts are calculated for the Reimbursement Agreement amount and will not increase during the life of the Reimbursement Agreement. Interest amounts are calculated through the principal payment date of each year.
- 3 - 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 BEL AIR VILLAGE PUBLIC IMPROVEMENT DISTRICT SERVICE AND ASSESSMENT PLAN, AS THE SAME IS UPDATED EACH YEAR.**

Property Owners may choose to prepay their Assessment at any time. Effective January 1, 2024, for any single-family residential parcel prepaying an Assessment, a \$500 fee will be included in the total payoff amount to cover processing and other lien release related filing expenses. If interested in prepaying an Assessment, please contact MuniCap by telephone at (469) 490-2800 or email at [txpid@municap.com](mailto:txpid@municap.com).