

NOTICE OF ASSESSMENT
TOWN OF TROPHY CLUB
PUBLIC IMPROVEMENT DISTRICT NO. 1
DENTON COUNTY, TEXAS

TO: THE PROSPECTIVE PURCHASER OF THE
REAL PROPERTY KNOWN AS:

(1) Public Improvement District No. 1

This property is subject to Town of Trophy Club (the "Town") Public Improvement District No. 1 ("PID No. 1") assessments which are in addition to the ad valorem property taxes applicable to the parcel. The Town levied the assessments on October 15, 2007. These assessments are a first and prior lien against each residential lot/home superior to all other liens or claims except liens and claims for State, county, school district, or municipality ad valorem taxes, and are a personal liability of the owner(s) of each lot. These assessments may be enforced by the Town in the same manner as an ad valorem tax lien against real property may be enforced by the Town. Delinquent installments of the assessments shall incur interest, penalties, and attorney's fees in the same manner as delinquent ad valorem taxes. Your failure to pay the assessment or annual installment could result in a lien on and the foreclosure of property.

(2) Public Improvement District No. 1 Assessment Amounts

(a) Assessments for Improvement Projects

The assessments levied by the Town for improvement projects undertaken by the Town of Trophy Club Public Improvement District No. 1 (the "District") pursuant to Texas Local Government Code Chapter 372, Improvement Districts in Municipalities and Counties, Subchapter A, Public Improvement Districts, as amended are based on whether a lot is classified as a Type 1, Type 2, Type 3, Type 4, or a Type 5 parcel.

THE PRINCIPAL AMOUNT OF ASSESSMENT AGAINST A:

TYPE 1 PARCEL IS \$27,885.08

TYPE 2 PARCEL IS \$21,192.68

TYPE 3 PARCEL IS \$17,288.75

TYPE 4 PARCEL IS \$14,779.09

TYPE 5 PARCEL IS \$12,269.45

You may either (1) pay at any time the entire assessment (or any remaining amount), including all accrued interest and collection costs, or (2) pay the assessment in annual installments including interest and collection costs. The last annual installment of the assessment levied for improvement projects will be payable in 2037. The annual installments will be billed by the Town or Denton County. **The annual installments of the assessment levied for improvement projects will increase at the rate of approximately one and one-half percent (1 ½%) per year.** The amount of these annual installments is subject to change.

(b) Separate Assessments for Services

Separate assessments are levied by the Town for emergency services undertaken by the Town within the boundaries of Trophy Club Public Improvement District No. 1 (the "District") pursuant to Texas Local Government

Code Chapter 372, Improvement Districts in Municipalities and Counties, Subchapter A, Public Improvement Districts. These annual installments are apportioned according to the value of the property, excluding non-benefitted property, as determined by the Town from the certified tax roll. The annual assessments for emergency services will be billed by the Town or Denton County. The amount of the assessment for emergency services is subject to change based on the amount levied each year by the Town.

(3) Authorized Improvement Projects and Services

The authorized services for which the annual assessment for emergency made services include, without limitation, fire suppression and control, inspection services, arson investigations, hazardous material response, search and rescue, emergency recovery and extraction, pre-hospital medical stabilization or transportation of persons who are sick, injured, wounded, or otherwise incapacitated or helpless including basic life support ambulance services, advanced life support ambulance services, air ambulance services, and quick-response unit services provided by the Town

YOU MAY OBTAIN A COPY OF THE ORDINANCE WHICH AUTHORIZED CREATION OF THE PUBLIC IMPROVEMENT DISTRICT AS WELL AS ADDITIONAL ASSESSMENT INFORMATION FROM THE TOWN BY CALLING OR WRITING TO THE TOWN FINANCE DIRECTOR AT (682) 831-4600 OR 100 MUNICIPAL DRIVE, TROPHY CLUB, TEXAS 76262.

I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE OR SIGNING A DEPOSIT RECEIPT WITH RESPECT TO THE ABOVE-REFERENCED PROPERTY. THIS NOTICE SHALL BE RETURNED TO THE TOWN.

Date: _____

Buyer (Print Name)

Signature

Buyer (Print Name)

Signature

Schedule 1

<p style="text-align: center;">PARCEL DESCRIPTIONS BY BLOCK AND LOT</p>	<p style="text-align: center;">PARCEL CLASSIFICATION</p>	<p style="text-align: center;">ASSESSMENT PER PARCEL</p>
<p><u>Neighborhood 1</u> Block E, Lots 19 and 28 Block F, Lots 16 and 25</p> <p><u>Neighborhood 2</u> Block Y, Lots 27, 35, 36, and 44 Block BB, Lots 1 and 10</p> <p><u>Neighborhoods 3&4</u> Block E, Lots 1 through 11 Block F, Lots 1 through 21 Block G, Lots 1 through 6 Phase 2 – 29 lots</p> <p><u>Neighborhood 5</u> Phase 2E – 4 lots</p> <p><u>Neighborhood 6</u> Phase 2F – 4 lots Phase 3B – 30 lots</p> <p><u>Neighborhood 7</u> Phase 3C – 1 lot</p> <p><u>Neighborhood 9</u> Block A, Lots 1 through 32 Block B, Lots 1 through 14</p>	<p style="text-align: center;">Type 1</p>	<p style="text-align: center;">\$27,885.08 (See Schedule 2 for projected annual installments)</p>
<p><u>Neighborhood 1</u> Block E, Lots 20 through 27 Block F, Lots 17 through 24</p> <p><u>Neighborhood 2</u> Block AA, Lots 1 through 25 Block BB, Lots 2 through 9, 11 through 43 Block X, Lots 1 through 15 Block Y, Lots 1 through 26, 28 through 34, 37 through 43 Block Z, Lots 1 through 23</p> <p><u>Neighborhoods 3&4</u> Block A, Lots 54 through 58 Block B, Lots 1, 2, 23 through 33 Block C, Lots 7 through 13 Block H, Lots 1 through 13 Block J, Lots 1 through 17 Block K, Lots 1 through 19 Block L, Lots 1 through 13 Block M, Lots 1 through 8 Phase 1B/2 – 81 lots</p> <p><u>Neighborhood 5</u> Block G, Lots 34 through 47 Block K, Lots 1 through 3, 9, and 10 Phase 2E – 14 lots</p>	<p style="text-align: center;">Type 2</p>	<p style="text-align: center;">\$21,192.68 (See Schedule 3 for projected annual installments)</p>

<p><u>Neighborhood 6</u> Block CC, Lots 1 through 20 Block DD, Lots 27 through 57 Phase 2F – 18 lots Phase 3B – 68 lots</p>		
<p><u>Neighborhood 1</u> Block A, Lots 3 through 9 Block G, Lots 63 through 68 Block J, Lots 8 through 14 Block A, Lots 10 through 17</p> <p><u>Neighborhood 5</u> Block G, Lots 20 through 33, 48 through 62 Block K, Lots 4 through 8 Block L, Lots 1 through 19 Block M, Lots 1 through 26 Block N, Lots 2 through 33 Block P, Lots 1 through 12 Block Q, Lots 1 through 4</p> <p><u>Neighborhood 7</u> Phase 2G – 116 lots Phase 3C – 106 lots</p>	<p style="text-align: center;">Type 3</p>	<p style="text-align: center;">\$17,288.75 (See Schedule 4 for projected annual installments)</p>
<p><u>Neighborhood 1</u> Block A, Lots 18 through 45 Block B, Lots 1 through 38 Block C, Lots 1 through 28 Block D, Lots 1 through 14 Block E, Lots 2 through 18 Block F, Lots 1 through 15 Block G, Lots 1 through 19 Block H, Lots 1 through 11 Block J, Lots 1 through 7</p> <p><u>Neighborhood 8</u> Block A, Lots 1 through 19 Block B, Lots 1 through 22 Block C, Lots 1 through 13 Block D, Lots 1 through 6 Block F, Lots 1 through 14</p>	<p style="text-align: center;">Type 4</p>	<p style="text-align: center;">\$14,779.09 (See Schedule 5 for projected annual installments)</p>
<p><u>Neighborhood 8</u> 149 lots</p>	<p style="text-align: center;">Type 5</p>	<p style="text-align: center;">\$12,269.45 (See Schedule 6 for projected annual installments)</p>

Schedule 2

Annual Installments - Lot Type 1 Parcels

Assessment = \$27,885.08

Year (Due in January of following year)	Principal and Interest	Principal	Interest	Collection Costs	Total
2010	\$2,176.46	\$15.32	\$2,161.14	\$43.05	\$2,219.51
2011	\$2,211.03	\$51.08	\$2,159.95	\$43.69	\$2,254.72
2012	\$2,241.80	\$85.81	\$2,155.99	\$44.35	\$2,286.15
2013	\$2,276.02	\$126.67	\$2,149.34	\$45.02	\$2,321.04
2014	\$2,312.17	\$172.64	\$2,139.53	\$45.69	\$2,357.86
2015	\$2,344.76	\$218.61	\$2,126.15	\$46.38	\$2,391.14
2016	\$2,377.87	\$268.67	\$2,109.20	\$47.07	\$2,424.94
2017	\$2,413.24	\$324.86	\$2,088.38	\$47.78	\$2,461.02
2018	\$2,448.33	\$385.13	\$2,063.20	\$48.49	\$2,496.82
2019	\$2,490.00	\$456.64	\$2,033.36	\$49.22	\$2,539.22
2020	\$2,525.09	\$527.13	\$1,997.97	\$49.96	\$2,575.05
2021	\$2,565.97	\$608.85	\$1,957.11	\$50.71	\$2,616.68
2022	\$2,604.59	\$694.66	\$1,909.93	\$51.47	\$2,656.06
2023	\$2,641.68	\$785.58	\$1,856.09	\$52.24	\$2,693.92
2024	\$2,682.95	\$887.74	\$1,795.21	\$53.03	\$2,735.98
2025	\$2,720.39	\$993.98	\$1,726.41	\$53.82	\$2,774.21
2026	\$2,759.82	\$1,110.44	\$1,649.38	\$54.63	\$2,814.45
2027	\$2,800.43	\$1,237.12	\$1,563.32	\$55.45	\$2,855.88
2028	\$2,846.55	\$1,379.11	\$1,467.44	\$56.28	\$2,902.83
2029	\$2,886.78	\$1,526.22	\$1,360.56	\$57.12	\$2,943.90
2030	\$2,930.92	\$1,688.65	\$1,242.28	\$57.98	\$2,988.90
2031	\$2,971.68	\$1,860.27	\$1,111.41	\$58.85	\$3,030.53
2032	\$3,020.58	\$2,053.35	\$967.24	\$59.73	\$3,080.31
2033	\$3,064.74	\$2,256.64	\$808.10	\$60.63	\$3,125.37
2034	\$3,112.55	\$2,479.34	\$633.21	\$61.54	\$3,174.09
2035	\$3,158.43	\$2,717.36	\$441.06	\$62.46	\$3,220.89
2036	\$3,204.24	\$2,973.21	\$230.47	\$63.40	\$3,267.64
Total	\$71,789.07	\$27,885.08	\$43,903.43	\$1,420.05	\$73,209.12

Schedule 3

Annual Installments - Lot Type 2 Parcels

Assessment = \$21,192.68

Year (Due in January of following year)	Principal and Interest	Principal	Interest	Collection Costs	Total
2010	\$1,654.11	\$11.65	\$1,642.47	\$32.72	\$1,686.83
2011	\$1,680.38	\$38.82	\$1,641.56	\$33.21	\$1,713.59
2012	\$1,703.77	\$65.22	\$1,638.55	\$33.71	\$1,737.48
2013	\$1,729.77	\$96.27	\$1,633.50	\$34.21	\$1,763.98
2014	\$1,757.25	\$131.21	\$1,626.04	\$34.72	\$1,791.97
2015	\$1,782.02	\$166.15	\$1,615.87	\$35.25	\$1,817.27
2016	\$1,807.18	\$204.19	\$1,602.99	\$35.77	\$1,842.95
2017	\$1,834.06	\$246.89	\$1,587.17	\$36.31	\$1,870.37
2018	\$1,860.73	\$292.70	\$1,568.04	\$36.86	\$1,897.59
2019	\$1,892.40	\$347.05	\$1,545.35	\$37.41	\$1,929.81
2020	\$1,919.07	\$400.62	\$1,518.45	\$37.97	\$1,957.04
2021	\$1,950.14	\$462.73	\$1,487.41	\$38.54	\$1,988.68
2022	\$1,979.49	\$527.94	\$1,451.55	\$39.12	\$2,018.61
2023	\$2,007.67	\$597.04	\$1,410.63	\$39.70	\$2,047.37
2024	\$2,039.04	\$674.68	\$1,364.36	\$40.30	\$2,079.34
2025	\$2,067.50	\$755.43	\$1,312.07	\$40.90	\$2,108.40
2026	\$2,097.46	\$843.94	\$1,253.53	\$41.52	\$2,138.98
2027	\$2,128.33	\$940.21	\$1,188.12	\$42.14	\$2,170.47
2028	\$2,163.38	\$1,048.13	\$1,115.25	\$42.77	\$2,206.15
2029	\$2,193.95	\$1,159.93	\$1,034.02	\$43.41	\$2,237.36
2030	\$2,227.50	\$1,283.37	\$944.13	\$44.07	\$2,271.57
2031	\$2,258.47	\$1,413.81	\$844.67	\$44.73	\$2,303.20
2032	\$2,295.64	\$1,560.54	\$735.10	\$45.40	\$2,341.04
2033	\$2,329.20	\$1,715.04	\$614.16	\$46.08	\$2,375.28
2034	\$2,365.54	\$1,884.30	\$481.24	\$46.77	\$2,412.31
2035	\$2,400.40	\$2,065.20	\$335.21	\$47.47	\$2,447.87
2036	\$2,435.23	\$2,259.62	\$175.16	\$48.18	\$2,483.41
Total	\$54,559.68	\$21,192.68	\$33,366.60	\$1,079.24	\$55,638.92

Schedule 4

Annual Installments - Lot Type 3 Parcels

Assessment = \$17,288.75

Year (Due in January of following year)	Principal and Interest	Principal	Interest	Collection Costs	Total
2010	\$1,349.41	\$9.50	\$1,339.91	\$26.69	\$1,376.10
2011	\$1,370.84	\$31.67	\$1,339.17	\$27.09	\$1,397.93
2012	\$1,389.92	\$53.20	\$1,336.72	\$27.50	\$1,417.42
2013	\$1,411.13	\$78.54	\$1,332.59	\$27.91	\$1,439.04
2014	\$1,433.55	\$107.04	\$1,326.51	\$28.33	\$1,461.88
2015	\$1,453.75	\$135.54	\$1,318.21	\$28.75	\$1,482.50
2016	\$1,474.28	\$166.58	\$1,307.71	\$29.18	\$1,503.46
2017	\$1,496.21	\$201.41	\$1,294.80	\$29.62	\$1,525.83
2018	\$1,517.97	\$238.78	\$1,279.19	\$30.07	\$1,548.04
2019	\$1,543.80	\$283.12	\$1,260.68	\$30.52	\$1,574.32
2020	\$1,565.56	\$326.82	\$1,238.74	\$30.98	\$1,596.54
2021	\$1,590.90	\$377.49	\$1,213.41	\$31.44	\$1,622.34
2022	\$1,614.85	\$430.69	\$1,184.16	\$31.91	\$1,646.76
2023	\$1,637.84	\$487.06	\$1,150.78	\$32.39	\$1,670.23
2024	\$1,663.43	\$550.40	\$1,113.03	\$32.88	\$1,696.31
2025	\$1,686.64	\$616.27	\$1,070.37	\$33.37	\$1,720.01
2026	\$1,711.09	\$688.47	\$1,022.61	\$33.87	\$1,744.96
2027	\$1,736.27	\$767.01	\$969.26	\$34.38	\$1,770.65
2028	\$1,764.86	\$855.05	\$909.81	\$34.89	\$1,799.75
2029	\$1,789.80	\$946.26	\$843.55	\$35.42	\$1,825.22
2030	\$1,817.17	\$1,046.96	\$770.21	\$35.95	\$1,853.12
2031	\$1,842.44	\$1,153.37	\$689.07	\$36.49	\$1,878.93
2032	\$1,872.76	\$1,273.07	\$599.69	\$37.03	\$1,909.79
2033	\$1,900.14	\$1,399.12	\$501.02	\$37.59	\$1,937.73
2034	\$1,929.78	\$1,537.19	\$392.59	\$38.15	\$1,967.93
2035	\$1,958.22	\$1,684.77	\$273.46	\$38.73	\$1,996.95
2036	\$1,986.63	\$1,843.37	\$142.89	\$39.31	\$2,025.94
Total	\$44,509.24	\$17,288.75	\$27,220.14	\$880.43	\$45,389.67

Schedule 5

Annual Installments - Lot Type 4 Parcels

Assessment = \$14,779.09

Year (Due in January of following year)	Principal and Interest	Principal	Interest	Collection Costs	Total
2010	\$1,153.52	\$8.12	\$1,145.40	\$22.82	\$1,176.34
2011	\$1,171.85	\$27.07	\$1,144.77	\$23.16	\$1,195.01
2012	\$1,188.16	\$45.48	\$1,142.68	\$23.51	\$1,211.67
2013	\$1,206.29	\$67.14	\$1,139.15	\$23.86	\$1,230.15
2014	\$1,225.45	\$91.50	\$1,133.95	\$24.22	\$1,249.67
2015	\$1,242.72	\$115.87	\$1,126.86	\$24.58	\$1,267.30
2016	\$1,260.27	\$142.40	\$1,117.88	\$24.95	\$1,285.22
2017	\$1,279.02	\$172.17	\$1,106.84	\$25.32	\$1,304.34
2018	\$1,297.62	\$204.12	\$1,093.50	\$25.70	\$1,323.32
2019	\$1,319.70	\$242.02	\$1,077.68	\$26.09	\$1,345.79
2020	\$1,338.30	\$279.38	\$1,058.92	\$26.48	\$1,364.78
2021	\$1,359.96	\$322.69	\$1,037.27	\$26.88	\$1,386.84
2022	\$1,380.43	\$368.17	\$1,012.26	\$27.28	\$1,407.71
2023	\$1,400.09	\$416.36	\$983.73	\$27.69	\$1,427.78
2024	\$1,421.96	\$470.50	\$951.46	\$28.10	\$1,450.06
2025	\$1,441.81	\$526.81	\$915.00	\$28.53	\$1,470.34
2026	\$1,462.70	\$588.53	\$874.17	\$28.95	\$1,491.65
2027	\$1,484.23	\$655.67	\$828.56	\$29.39	\$1,513.62
2028	\$1,508.67	\$730.93	\$777.74	\$29.83	\$1,538.50
2029	\$1,529.99	\$808.90	\$721.10	\$30.28	\$1,560.27
2030	\$1,553.39	\$894.98	\$658.41	\$30.73	\$1,584.12
2031	\$1,574.99	\$985.94	\$589.05	\$31.19	\$1,606.18
2032	\$1,600.91	\$1,088.27	\$512.63	\$31.66	\$1,632.57
2033	\$1,624.31	\$1,196.02	\$428.29	\$32.13	\$1,656.44
2034	\$1,649.65	\$1,314.05	\$335.60	\$32.62	\$1,682.27
2035	\$1,673.97	\$1,440.20	\$233.76	\$33.10	\$1,707.07
2036	\$1,698.25	\$1,575.80	\$122.15	\$33.60	\$1,731.85
Total	\$38,048.21	\$14,779.09	\$23,268.81	\$752.62	\$38,800.83

Schedule 6

Annual Installments - Lot Type 5 Parcels

Assessment = \$12,269.45

Year (Due in January of following year)	Principal and Interest	Principal	Interest	Collection Costs	Total
2010	\$957.64	\$6.74	\$950.90	\$18.94	\$976.58
2011	\$972.85	\$22.47	\$950.38	\$19.23	\$992.08
2012	\$986.39	\$37.76	\$948.64	\$19.51	\$1,005.90
2013	\$1,001.45	\$55.74	\$945.71	\$19.81	\$1,021.26
2014	\$1,017.35	\$75.96	\$941.39	\$20.10	\$1,037.45
2015	\$1,031.69	\$96.19	\$935.50	\$20.41	\$1,052.10
2016	\$1,046.26	\$118.22	\$928.05	\$20.71	\$1,066.97
2017	\$1,061.82	\$142.94	\$918.89	\$21.02	\$1,082.84
2018	\$1,077.27	\$169.46	\$907.81	\$21.34	\$1,098.61
2019	\$1,095.60	\$200.92	\$894.68	\$21.66	\$1,117.26
2020	\$1,111.04	\$231.94	\$879.11	\$21.98	\$1,133.02
2021	\$1,129.03	\$267.90	\$861.13	\$22.31	\$1,151.34
2022	\$1,146.02	\$305.65	\$840.37	\$22.65	\$1,168.67
2023	\$1,162.34	\$345.66	\$816.68	\$22.99	\$1,185.33
2024	\$1,180.50	\$390.61	\$789.89	\$23.33	\$1,203.83
2025	\$1,196.97	\$437.35	\$759.62	\$23.68	\$1,220.65
2026	\$1,214.32	\$488.59	\$725.73	\$24.04	\$1,238.36
2027	\$1,232.19	\$544.33	\$687.86	\$24.40	\$1,256.59
2028	\$1,252.48	\$606.81	\$645.67	\$24.76	\$1,277.24
2029	\$1,270.18	\$671.54	\$598.65	\$25.13	\$1,295.31
2030	\$1,289.61	\$743.00	\$546.60	\$25.51	\$1,315.12
2031	\$1,307.54	\$818.52	\$489.02	\$25.89	\$1,333.43
2032	\$1,329.06	\$903.47	\$425.58	\$26.28	\$1,355.34
2033	\$1,348.49	\$992.92	\$355.56	\$26.68	\$1,375.17
2034	\$1,369.52	\$1,090.91	\$278.61	\$27.08	\$1,396.60
2035	\$1,389.71	\$1,195.64	\$194.07	\$27.48	\$1,417.19
2036	\$1,409.87	\$1,308.21	\$101.41	\$27.90	\$1,437.77
Total	\$31,587.19	\$12,269.45	\$19,317.51	\$624.82	\$32,212.01