

NOTICE TO PURCHASER OF SPECIAL TAXING OR ASSESSMENT DISTRICT

The real property, described below, that you are about to purchase is located in Lancaster Municipal Utility District No. 1 (the "District") and may be subjected to District taxes and assessments. The District may, subject to voter approval, impose taxes and issue bonds. The District may impose an unlimited rate of tax in payment of such bonds.

The current rate of the District property tax is \$0.92 on each \$100.00 of assessed valuation.

The total amount of bonds payable wholly or partly from property taxes, excluding refunding that are separately approved by the voters and excluding any bonds or any portions of bonds issued that are payable solely from revenues received or expected to be received under a contract with a governmental entity, approved by the voters are:

- (i) \$34,975,000 for water, sewer, and drainage purposes;

The aggregate initial principal amount of all such bonds issued are:

- (i) \$16,385,000 for water, sewer, and drainage facilities;

The District sought and obtained approval of the Texas Commission on Environmental Quality to adopt and impose a standby fee. The amount of the standby fee is \$0.00. An unpaid standby fee is a personal obligation of the person that owned the property at the time of imposition and is secured by a lien on the property. Any person may request a certificate from the district stating the amount, if any, of unpaid standby fees on a tract of property in the district.

The District is located in whole or in part in the extraterritorial jurisdiction of the City of Lancaster. Texas law governs the ability of a municipality to annex property in the municipality's extraterritorial jurisdiction and whether a district that is annexed by the municipality is dissolved.

The purpose of the District is to provide water, sewer, drainage or flood control facilities and services. The cost of District facilities is not included in the purchase price of your property.

Date Signature of Seller

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE TAX RATES ARE APPROVED BY THE DISTRICT. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing at or prior to execution of a binding contract for the purchase of the real property described in such notice or at closing of purchase of the real property.

Date

Signature of Purchaser

Note: Correct District name, tax rate, bond amount, standby fee amount and legal description are to be placed in the appropriate spaces. Except for notices included as an addendum or paragraph of a purchase contract, the notice shall be executed by the seller and purchaser, as indicated. If the District does not propose to provide one or more of the specified facilities and services, the appropriate purpose may be eliminated. If the District has not yet levied taxes, a statement of the District's most recent projected rate of debt service tax, if any, is to be placed in the appropriate space. If the District does not have approval from the commission to adopt and impose a standby fee, the second paragraph of the notice may be deleted. For the purposes of the notice form required to be given to the prospective purchaser prior to execution of a binding contract of sale and purchase, a seller and any agent, representative or person acting on his or her behalf may modify the notice by substitution of the words "January 1, 20__" for the words "this date" and place the correct calendar year in the appropriate space.)

Issued by: Lancaster Municipal Utility District No. 1
Sanford Kuhl Hagan Kugle Parker Kahn, LLP
(713) 850-9000

Date Issued: July 18, 2023