

# **NOTICE TO PURCHASER OF SPECIAL TAXING OR ASSESSMENT DISTRICT**

The real property that you are about to purchase is located in the Encanto Real Utility District (the "District") and may be subject to District taxes. 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 \$0.74 on each \$100 of assessed valuation. The total amount of bonds payable wholly or partly from property taxes, excluding refunding bonds that are separately approved by the voters and any bonds or any portion 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) \$135,150,000 for water, sewer, and drainage facilities; (ii) \$14,600,000 for road facilities; and (iii) \$8,300,000 for park and recreational facilities. The aggregate initial principal amounts of all bonds issued are: (i) \$46,500,000 for water, sewer, and drainage facilities; (ii) \$4,040,000 for road facilities; and (iii) \$2,300,000 for park and recreational facilities.

The District is located in whole or in part in the extraterritorial jurisdiction of the City of Houston. 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 municipality is dissolved.

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

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ANNUALLY ESTABLISHES TAX RATES. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

\_\_\_\_\_, Seller

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property or at closing of purchase of the real property.

\_\_\_\_\_, Purchaser

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_