NOTICE TO PURCHASER OF SPECIAL TAXING OR ASSESSMENT DISTRICT

LAKE FOREST UTILITY DISTRICT

The real property that you are about to purchase is located in Lake Forest Utility District and may be subject to district taxes or 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 $0.20286 on each $100 of assessed valuation.

The total amounts of bonds payable wholly or partly from property taxes, excluding refunding bonds 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 voters are:

$28,450,000 for water, sewer, and drainage facilities; and
$0 for road facilities; and
$0 for parks and recreational facilities.

The aggregate initial principal amounts of all such bonds issued are:
$8,450,000 for water, sewer, and drainage facilities; and
$0 for road facilities; and
$0 for parks and recreational facilities.

The district is located wholly or partly 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 the municipality is dissolved.

The district has entered into a strategic partnership agreement with the City of Houston. This agreement may address the timeframe, process, and procedures for the municipal annexation of the area of the district located in the municipality's extraterritorial jurisdiction.

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

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Date Signature of Seller

[ACKNOWLEDGMENT OF SELLER]

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.

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.

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Date Signature of Purchaser

[ACKNOWLEDGMENT OF PURCHASER]