

NOTICE TO PURCHASER OF SPECIAL TAXING OR ASSESSMENT DISTRICT

NEWPORT MUNICIPAL UTILITY DISTRICT DEFINED AREA 2

The real property that you are about to purchase is located in Newport Municipal Utility District **Defined Area 2**, may be subject to a higher tax than other land within the District, and may be subject to district taxes or assessments. The **Defined Area 2** has taxing authority separate from any other taxing authority, and 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 **Defined Area 2** property tax is \$0.7774 on each \$100 assessed valuation (not including any taxes levied for the benefit of the District). **This tax rate will be in addition to the tax rate levied by Newport Municipal Utility District throughout the District.**

The total amount of bonds of **Defined Area 2** payable wholly or partly from property taxes in **Defined Area 2**, 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:

\$55,000,000	for water, sewer, and drainage facilities;
\$0.00	for road facilities; and
\$0.00	for parks and recreational facilities.

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

\$0.00	for water, sewer, and drainage facilities;
\$0.00	for road facilities; and
\$0.00	for parks and recreational facilities.

The **Defined Area 2** 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 purpose of the **Defined Area 2** is to provide water, sewer, drainage, flood control, 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.

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 the purchase of the real property.

Date

Signature of Purchaser

[ACKNOWLEDGMENT OF PURCHASER]"