

NOTICE TO PURCHASER OF SPECIAL TAXING OR ASSESSMENT DISTRICT

NEWPORT MUNICIPAL UTILITY DISTRICT

The real property that you are about to purchase is located in Newport Municipal 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 real property that you are about to purchase may also be located within a Designated Area of the district (“Defined Area 1” or “Defined Area 2”). If your property is located within Defined Area 1 or Defined Area 2, an additional Notice to Purchaser will apply. This additional Notice to Purchaser is filed in the real property records of Harris County, Texas.**

The current rate of the district property tax is \$0.6226 on each \$100 assessed valuation (not including any taxes levied for the benefit of the Defined Area 1 or Defined Area 2).

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:

\$227,110,000 for water, sewer, and drainage facilities;

\$0.00 for road facilities; and

\$5,000,000 for parks and recreational facilities

(not including the water, sewer, and drainage facilities bonds of (i) \$50,000,000 approved by voters of the Defined Area 1 for the benefit of the Defined Area 1 or the (ii) \$55,000,000 approved by voters of the Defined Area 2 for the benefit of the Defined Area 2).

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

\$84,330,000 for water, sewer, and drainage facilities;

\$0.00 for road facilities; and

\$5,000,000 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 purpose of the district 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]”