NOTICE TO PURCHASERS OF REAL PROPERTY WITHIN A PUBLIC IMPROVEMENT DISTRICT
(Hackberry Hidden Cove Public Improvement District No. 2)

The real property, described below, that you are about to purchase is located in the HACKBERRY HIDDEN COVE PUBLIC IMPROVEMENT DISTRICT NO. 2 (the "PID"). As a purchaser of this parcel of real property you are obligated to pay an assessment to the City of Hackberry for an improvement project undertaken by the PID under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code.

The purpose of this PID is to provide water, sanitary sewer, drainage and roadway facilities and services within the PID, as well as other facilities or services consistent with the stated purposes of a PID, through the issuance of bonds payable in whole or in part from assessments. The cost of these facilities is not included in the purchase price of your property, and these facilities are to be owned by the PID.

The cost of the facilities will be funded by a combination of PID assessments and District No. 4-A ad valorem taxes via a Joint Utility Contract and Joint Road Contract between the City of Hackberry ("City) and Denton County Fresh Water Supply District No. 4-A ("District 4-A"). The total amount of bonds under a Joint Utility Contract between the City and District No. 4-A and approved by voters within District No. 4-A and which may, at this date, be issued is $21,070,000.00, the total amount of bonds under a Joint Road Contract between the City and District No. 4-A and approved by voters within District No. 4-A and which may, at this date, be issued is $21,070,000.00 and the aggregate initial principal amounts of all bonds issued for one or more of the specified facilities of the PID and payable in whole or part from assessments is $17,280,000.00.

A PID has the authority to levy assessments separate from any other assessment or taxing authority, and may, subject to City approval, issue an unlimited amount of bonds and levy an assessment upon property within the PID for payment of such bonds. This assessment is based upon the value of the real property or any other manner that results in imposing equal shares of the cost on property similarly benefitted and is levied in addition to the ad valorem tax assessed by District No. 4-A. The current effective ad valorem tax rate for District No. 4-A is $0.8321 per $100 of assessed valuation and the current average annual assessment by the PID is $1,327.96. Both the tax rate and assessment amount are subject to change. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from MuniCap, Inc., the PID Administrator for the City of Hackberry, located at 1825 W. Walnut Hill Lane, Suite 120, Irving, Texas, 75038 and available by telephone at (972) 331-2555. Your failure to pay the assessments could result in a lien on and the foreclosure of your property.

The legal description of the property which you are acquiring is described in Exhibit A

attached hereto and incorporated herein by reference.

SELLER:

One Hackberry, Ltd.,
a Texas limited partnership

By: PDC Properties, Inc.
a Texas corporation
its General Partner

By: _____
Barry Milton, Vice President

STATE OF TEXAS §
COUNTY OF COLLIN §

This instrument was acknowledged before me on the ____ day of _____, 200_, by Barry T. Milton, Vice President of PDC Properties, Inc., a Texas corporation, being the general partner of One Hackberry, Ltd., a Texas limited partnership, on behalf of said limited partnership.

(SEAL)

_____
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

_____
Printed Name of Notary

My Commission expires:

_____

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE PID AT ANY TIME. PURCHASER IS ADVISED TO CONTACT THE PID 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 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.

PURCHASER:

_____

_____

_____

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 200_, by _____, _____, _____, being the general partner of _____, a Texas limited partnership, on behalf of said limited partnership.

(SEAL)

_____
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

_____
Printed Name of Notary

My Commission expires:

_____

EXHIBIT A

Legal Description

NOTICE TO PURCHASERS OF REAL PROPERTY
(Denton County Fresh Water Supply District Number 4A)

The real property, described below, that you are about to purchase is located in Denton County Fresh Water Supply District Number 4A (The "District"). The District has taxing authority separate from any other taxing authority, and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. As of this date, the rate of taxes levied by the District on real property located in the District is $.8321 on each $100 of assessed valuation. The total amount of bonds, excluding refunding bonds 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 voters and which have been or may, at this date, be issued is $55,600,000.00, and the aggregate initial principal amounts of all bonds issued by the District for one or more of the specified facilities of the District and payable in whole or in part from property taxes is $-0-.

The District has the authority to adopt and impose a standby fee on property in the District that has water, sanitary sewer, or drainage facilities and services available but not connected and which does not have a house, building or other improvement located thereon and does not substantially utilize the utility capacity available to the property. The District may exercise the authority without holding an election on the matter. As of this date, the most recent amount of standby fee is $0.00 per lot per year. 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 the unpaid standby fees on a tract of property in the district.

The District is located in whole or in part within the Extra Territorial Jurisdiction of the City of Hackberry, Texas. By law, a district located in the extraterritorial jurisdiction of a municipality may be annexed without the consent of the district or the voters of the district. The District could be dissolved at the time of annexation by the City of Hackberry, Texas.

The purpose of this District is to provide water, sewer, drainage, flood control facilities, roadways and services within the District through the issuance of bonds payable in whole or in part from property taxes. The cost of these utility facilities is not included in the purchase price of your property, and these utility facilities are owned or to be owned by the District.

The legal description of the property which you are acquiring is described in Exhibit A attached hereto and incorporated herein by reference.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLAK]

SELLER:

One Hackberry, Ltd.,
a Texas limited partnership

By: PDC Properties, Inc.
a Texas corporation
its General Partner

By: _____
Barry Milton, Vice President

STATE OF TEXAS §
COUNTY OF COLLIN §

This instrument was acknowledged before me on the ____ day of _____, 200_, by Barry T. Milton, Vice President of PDC Properties, Inc., a Texas corporation, being the general partner of One Hackberry, Ltd., a Texas limited partnership, on behalf of said limited partnership.

(SEAL)

_____
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

_____
Printed Name of Notary

My Commission expires:

_____

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 THROUGHT 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 STATURS OF ANY CURRENT OR PROPOOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice 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.

PURCHASER:

_____

_____

_____

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 200_, by _____, _____, _____, being the general partner of _____, a Texas limited partnership, on behalf of said limited partnership.

(SEAL)

_____
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

_____
Printed Name of Notary

My Commission expires:

_____

EXHIBIT A

Legal Description