

**GLEN CROSSING
PUBLIC IMPROVEMENT DISTRICT**

CITY OF CELINA, TEXAS

**ANNUAL SERVICE PLAN UPDATE
(ASSESSMENT YEAR 9/1/20 - 8/31/21)**

**APPROVED BY CITY COUNCIL ON:
AUGUST 11, 2020**

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

GLEN CROSSING PUBLIC IMPROVEMENT DISTRICT

ANNUAL SERVICE PLAN UPDATE (ASSESSMENT YEAR 9/1/20 – 8/31/21)

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I. INTRODUCTION

The G Bar 7 Public Improvement District (the “PID”) was created pursuant to the PID Act and a resolution of the City Council on April 12, 2016 to finance certain public improvement projects for the benefit of the property in the PID. On June 14, 2016, the City of Celina (the “City”) passed and approved Resolution No. 2016-31R changing the name of the PID to the Glen Crossing Public Improvement District.

On July 12, 2016, the City approved issuance of the City of Celina, Texas Special Assessment Revenue Bonds, Series 2016 (Glen Crossing Public Improvement District Phase #1 Project) (the “Phase #1A Bonds”) in the aggregate principal amount of \$3,550,000, The Phase #1A were issued to finance, refinance, provide or otherwise assist in the acquisition, construction and maintenance of the public improvements provided for the benefit of the property in the PID. In addition, reimbursement obligations for the Phase #1 Reimbursement Agreement in the aggregate principal amount of \$2,175,000 were secured by Special Assessments.

On November 13, 2018, the City approved issuance of the City of Celina, Texas Special Assessment Revenue Bonds, Series 2018 (Glen Crossing Public Improvement District Phase #1B Project) (the “Phase #1B Bonds”) in the aggregate principal amount of \$1,800,000 to fully reimburse the Developer for the unpaid balance of the Phase #1 Reimbursement Agreement. In addition, on November 13, 2018, the City approved issuance of the City of Celina, Texas Special Assessment Revenue Bonds, Series 2018 (Glen Crossing Public Improvement District Phase #2 Project) (the “Phase #2 Bonds”) in the aggregate principal amount of \$6,945,000 to finance, refinance, provide or otherwise assist in the acquisition, construction and maintenance of the public improvements provided for the benefit of the property in Phase #2 the PID.

A service and assessment plan (the “Service and Assessment Plan”) was prepared at the direction of the City identifying the public improvements (the “Authorized Improvements”) to be provided by the PID, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the PID for the costs of the Authorized Improvements. Pursuant to the PID Act, the Service and Assessment Plan must be reviewed and updated annually. This document is the annual update of the Service and Assessment Plan for 2020-21 (the “Annual Service Plan Update”).

The City also adopted an assessment roll for Phase #1 of the PID (the “Phase #1 Assessment Roll”) identifying the assessments on each Parcel of Phase #1 Assessed Property and an assessment roll for Phase #2 (the “Phase #2 Assessment Roll”), based on the method of assessment identified in the Service and Assessment Plan. This Annual Service Plan Update also updates the Phase #1 Assessment Roll and Phase #2 Assessment Roll for 2020-21.

Capitalized terms not defined herein shall have the meanings assigned to such terms in the Amended and Restated Service and Assessment Plan.

II. UPDATE OF THE SERVICE PLAN

A. UPDATED SOURCES AND USES FOR PUBLIC IMPROVEMENTS

Phases #1 Sources and Uses

Pursuant to the original Service and Assessment Plan adopted on July 12, 2016, the initial total estimated costs of the Phase #1 Improvements were equal to \$8,333,116. As described in the Quarterly Improvement Implementation Report dated as of March 31, 2020, the actual costs of the Phase #1 Improvements were equal to \$8,333,116, which remain unchanged.

Table II-A on the following page summarizes the updated sources and uses of funds required to (1) construct the Phase #1 Improvements, (2) establish the PID, and (3) issue the Phase #1A Bonds and Phase #1B Bonds. The Actual Costs of the Phase #1 Improvements provided by W/J CR 55 LP (the “Developer”) in the Developer’s Quarterly Improvement Implementation Report dated March 31, 2020. For additional Phase #1 development-related information, refer to the link below:

<https://emma.msrb.org/RE1329934-RE1036034-RE1443542.pdf>

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Table II-A
Updated Sources and Uses – Phase #1

Sources of Funds	Authorized Improvements (PID) ¹	Other Improvements (Non-PID) ¹	Total Amounts	Actual Amount ²	Variance
Phase #1 Bonds par amount	\$3,550,000	\$0	\$3,550,000	\$3,550,000	\$0
Phase #1B Bonds par amount	\$2,175,000	\$0	\$2,175,000	\$2,175,000	\$0
<i>Subtotal</i>	\$5,725,000	\$0	\$5,725,000	\$5,725,000	\$0
Other funding sources - Phase #1 Improvements	\$1,120,468	\$0	\$1,120,468	\$1,120,468	\$0
Total Sources for Phase #1 Improvements	\$6,845,468	\$0	\$6,845,468	\$6,845,468	\$0
Other funding sources - City Improvements	\$0	\$1,482,648	\$1,482,648	\$1,482,648	\$0
Other funding sources – Private Improvements and Ag reserve	\$0	\$1,271,213	\$1,271,213	\$1,271,213	\$0
Total Sources	\$6,845,468	\$2,753,861	\$9,599,329	\$9,599,329	\$0
Uses of Funds					
Authorized Improvements - Phase #1 Improvements					
Road improvements	\$1,501,138	\$0	\$1,501,138	\$1,501,138	\$0
Water distribution system improvements	\$572,950	\$0	\$572,950	\$572,950	\$0
Sanitary sewer improvements	\$691,366	\$0	\$691,366	\$691,366	\$0
Storm drainage improvements	\$1,377,040	\$0	\$1,377,040	\$1,377,040	\$0
Parks and open space improvements	\$512,950	\$0	\$512,950	\$512,950	\$0
Other soft and miscellaneous costs	\$1,303,524	\$0	\$1,303,524	\$1,303,524	\$0
<i>Subtotal</i>	\$5,958,968	\$0	\$5,958,968	\$5,958,968	\$0
City Improvements					
Road improvements	\$0	\$160,000	\$160,000	\$160,000	\$0
Water distribution system improvements	\$0	\$280,060	\$280,060	\$280,060	\$0
Sanitary sewer improvements	\$0	\$753,258	\$753,258	\$753,258	\$0
Other soft and miscellaneous costs	\$0	\$289,330	\$289,330	\$289,330	\$0
<i>Subtotal</i>	\$0	\$1,482,648	\$1,482,648	\$1,482,648	\$0
Private Improvements					
City debt issuance fee	\$0	\$226,850	\$226,850	\$226,850	\$0
NonBQ fee	\$0	\$40,310	\$40,310	\$40,310	\$0
Other private improvements	\$0	\$999,053	\$999,053	\$999,053	\$0
<i>Subtotal</i>	\$0	\$1,266,213	\$1,266,213	\$1,266,213	\$0
Costs of issuance					
Capitalized interest	\$181,785	\$0	\$181,785	\$181,785	(\$0)
Reserve fund	\$237,195	\$0	\$237,195	\$237,195	\$0
Ag exemption foreclosure reserve	\$0	\$5,000	\$5,000	\$5,000	\$0
PID establishment/operation & other costs of issuance	\$361,020	\$0	\$361,020	\$361,020	\$0
Underwriter's discount	\$106,500	\$0	\$106,500	\$106,500	\$0
<i>Subtotal</i>	\$886,500	\$5,000	\$891,500	\$891,500	(\$0)
Total Uses	\$6,845,468	\$2,753,861	\$9,599,329	\$9,599,329	(\$0)

1 – According to the Service and Assessment Plan passed and adopted on July 12, 2016.

2 – According to the Developer’s Quarterly Improvement Implementation Report dated as of March 31, 2020.

Phase #1 Cost Variances

As stated in Table II-A above there are significant variances to the Phase #1 Improvement aggregate budget.

Phases #2 Sources and Uses

Pursuant to the Service and Assessment Plan, updated for Phase #2, adopted on March 13, 2018 and August 14, 2018, the initial total estimated costs of the Phase #2 Improvements were equal to \$10,716,850. As described in the Developer's Quarterly Improvement Implementation Report dated as of June 30, 2020, the current estimated costs of the Phase #2 are \$10,716,850.

Table II-B on the following page summarizes the updated sources and uses of funds required to (1) construct the Phase #2 Improvements, (2) establish the PID, and (3) issue the Phase #2 Bonds.

The actual costs spent to date of the Phase #2 Improvements were provided by the Developer in the Developer's Quarterly Improvement Implementation Report dated as of June 30, 2020. For additional Phase #2 development-related information, refer to the link below:

<https://emma.msrb.org/RE1362227-RE1058771-RE1468259.pdf>

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Table II-B
Updated Sources and Uses – Phase #2

Sources of Funds	Authorized Improvements (PID) ¹	Other Improvements (Non-PID) ¹	Total Amounts ¹	Actual Amount ²	Variance
Phase #2 Bonds par amount	\$6,945,000	\$0	\$6,945,000	\$6,945,000	\$0
<i>Subtotal</i>	\$6,945,000	\$0	\$6,945,000	\$6,945,000	\$0
Other funding sources - Phase #2 Improvements	\$1,782,649	\$0	\$1,782,649	\$1,782,649	\$0
Total Sources for Phase #2 Improvements	\$8,727,649	\$0	\$8,727,649	\$8,727,649	\$0
Other funding sources - City Improvements	\$0	\$1,984,201	\$1,984,201	\$1,984,201	\$0
Other funding sources – Private Improvements and Ag reserve	\$0	\$5,000	\$5,000	\$5,000	\$0
Total Sources	\$8,727,649	\$1,989,201	\$10,716,850	\$10,716,850	\$0
Uses of Funds					
Authorized Improvements - Phase #2 Improvements					
Road improvements	\$2,408,192	\$0	\$2,408,192	\$2,408,192	\$0
Water distribution system improvements	\$425,441	\$0	\$425,441	\$425,441	\$0
Sanitary sewer improvements	\$367,092	\$0	\$367,092	\$367,092	\$0
Storm drainage improvements	\$1,602,124	\$0	\$1,602,124	\$1,602,124	\$0
Parks and open space improvements	\$936,851	\$0	\$936,851	\$936,851	\$0
Other soft and miscellaneous costs	\$1,607,116	\$0	\$1,607,116	\$1,607,116	\$0
<i>Subtotal</i>	\$7,346,816	\$0	\$7,346,816	\$7,346,816	\$0
City Improvements					
Road improvements	\$0	\$983,420	\$983,420	\$983,420	\$0
Water distribution system improvements	\$0	\$0	\$0	\$0	\$0
Sanitary sewer improvements	\$0	\$252,544	\$252,544	\$252,544	\$0
Trail system improvements	\$0	\$314,193	\$314,193	\$314,193	\$0
Other soft and miscellaneous costs	\$0	\$434,044	\$434,044	\$434,044	\$0
<i>Subtotal</i>	\$0	\$1,984,201	\$1,984,201	\$1,984,201	\$0
Private Improvements					
City debt issuance fee	\$0	\$0	\$0	\$0	\$0
NonBQ fee	\$0	\$0	\$0	\$0	\$0
Other private improvements	\$0	\$0	\$0	\$0	\$0
<i>Subtotal</i>	\$0	\$0	\$0	\$0	\$0
Costs of issuance					
Capitalized interest	\$283,720	\$0	\$283,720	\$283,720	\$0
Reserve fund	\$508,763	\$0	\$508,763	\$508,763	(\$1)
Ag exemption foreclosure reserve	\$0	\$5,000	\$5,000	\$5,000	\$0
PID establishment/operation & other costs of issuance	\$380,000	\$0	\$380,000	\$380,000	\$0
Underwriter's discount	\$208,350	\$0	\$208,350	\$208,350	\$0
<i>Subtotal</i>	\$1,380,833	\$5,000	\$1,385,833	\$1,385,833	(\$0)
Total Uses	\$8,727,649	\$1,989,201	\$10,716,850	\$10,716,850	(\$0)

1 – According to the Service and Assessment Plan approved on July 12, 2016 and updated for Phase #2 on November 13, 2018.

2 – According to the Developer’s Quarterly Improvement Implementation Report dated as of June 30, 2020.

Phase #2 Cost Variances

As stated in Table II-B on the previous page there are significant variances to the Phase #2 Improvement aggregate budget.

B. FIVE YEAR SERVICE PLAN

According to the PID Act, a service plan must cover a period of five years. As stated in Section II-A, the Phase #1 Improvements were completed and accepted by the City on October 4, 2017, and the Phase #2 Improvements have been substantially completed and were anticipated to be accepted in July 2020 according to the Developer's Quarterly Improvement Implementation Report dated as of June 30, 2020.

All of the Authorized Improvements are expected to be built within a period of five years. The anticipated budget for the Authorized Improvements over a period of five years and the Annual Installments expected to be collected for these costs is shown by Table II-C below.

Table II-C
Projected Annual Installments (2020-2026)

Assessment Year ending 09/01¹	Phase #1 Projected Annual Installments	Phase #2 Projected Annual Installments
2017-2020	\$1,155,069	\$563,847
2021	\$326,978	\$539,445
2022	\$424,734	\$575,561
2023	\$425,338	\$575,004
2024	\$420,767	\$574,207
2025	\$421,034	\$572,665
2026	\$421,079	\$575,866
Total	\$3,594,999	\$3,976,594

1 – Assessment years ending 2017 through 2021 reflect actual Annual Installments and are net of applicable reserve fund income, TIRZ credits, and capitalized interest. Assessment years 2022 through 2026 reflect projected Annual Installments and are subject to change.

C. STATUS OF DEVELOPMENT

According to the City, one hundred forty-seven (147) building permits have been issued for Phase #1 of the PID as of June 30, 2020, representing 92.5 percent of the total building permits expected to be issued within Phase #1.

See Table II-D below for the status of completed homes as of June 30, 2020 within Phase #1 of the PID.

Table II-D
Completed Homes

Status	As of September 30, 2018	As of September 30, 2019	As of June 30, 2020
Completed Homes ¹	26	96	123

1 – According to certificate of occupancy issuance data provided by the City as of June 30, 2020.

See Appendix C for 2020 assessed values of all Parcels within the PID.

D. ANNUAL BUDGET – PHASE #1

Phase #1 - Annual Installments

The Assessment imposed on any Parcel may be paid in full at any time. If not paid in full, the Assessment shall be payable in thirty Annual Installments of principal and interest beginning with the tax year following the issuance of the Phase #1A Bonds and/or execution of the Phase #1 Reimbursement Agreement, of which twenty-six Annual Installments remain outstanding.

Pursuant to the Service and Assessment Plan, each Assessment shall bear interest at the rate on the Phase #1A Bonds commencing with the issuance of the Phase #1A Bonds. The effective interest rate on the Phase #1A Bonds is 4.92 percent and the interest rate applicable to the Phase #1B Bonds is 5.30 percent for 2020-21. Pursuant to Section 372.018 of the PID Act, the interest rate for that Assessment may not exceed a rate that is one-half of one percent higher than the actual interest rate paid on the debt. Accordingly, the effective interest rate on the Phase #1A Bonds and Phase #1B Bonds (4.92% and 5.30%, respectively) plus an additional interest of one-half of one percent are used to calculate the interest on the Assessments. These payments, the “Annual Installments” of the Assessments, shall be billed by the City in 2020 and will be delinquent on February 1, 2021.

Pursuant to the Service and Assessment Plan, the Annual Service Plan Update shall show the remaining balance of the Assessments, the Annual Installment due for 2020-21, and the Administrative Expenses to be collected from each Parcel. Administrative Expenses shall be allocated to each Parcel pro rata based upon the amount the Annual Installment on a Parcel bears to the total amount of Annual Installments in the PID as a whole that are payable at the time of such allocation. Each Annual Installment shall be reduced by any credits applied under applicable documents including the Service and Assessment Plan and applicable Trust Indenture, such the TIRZ Credit, capitalized interest and interest earnings on any account balances and by any other funds available to the PID.

Annual Budget for the Repayment of Indebtedness

Debt service will be paid on the Phase #1A Bonds and Phase #1B Bonds from the collection of the Annual Installments. In addition, Administrative Expenses are to be collected with the Annual Installments to pay expenses related to the collection of the Annual Installments. The additional interest collected with the Annual Installments will be used to pay the prepayment reserve and delinquency reserve amounts as described in the Service and Assessment plan and applicable Trust Indenture.

Phase #1 Annual Installments to be collected for 2020-21

The budget for Phase #1 of the PID will be paid from the collection of Annual Installments collected for 2020-21 as shown by Table II-E below.

Table II-E
Budget for the Phase #1 Annual Installments
to be Collected for 2020-21

Descriptions	Phase #1A Bonds	Phase 1B Bonds	Total
Interest payment on March 1, 2021	\$82,212	\$46,291	\$128,503
Interest payment on September 1, 2021	\$82,212	\$46,291	\$128,503
Principal payment on September 1, 2021	\$69,714	\$34,656	\$104,370
<i>Subtotal debt service on bonds</i>	<i>\$234,138</i>	<i>\$127,238</i>	<i>\$361,376</i>
Administrative Expenses	\$25,810	\$13,190	\$39,000
Excess Interest for Prepayment and Delinquency Reserves	\$16,703	\$8,738	\$25,441
<i>Subtotal Expenses</i>	<i>\$276,651</i>	<i>\$149,166</i>	<i>\$425,817</i>
Available TIRZ Credit	(\$54,755)	(\$28,652)	(\$83,407)
Available reserve fund income	(\$10,135)	(\$5,302)	(\$15,437)
Available capitalized interest account	\$0	\$0	\$0
Available Administrative Expense account	(\$3,939)	(\$2,061)	(\$6,000)
<i>Subtotal funds available</i>	<i>(\$68,829)</i>	<i>(\$36,015)</i>	<i>(\$104,844)</i>
Annual Installments	\$207,822	\$113,151	\$320,973

Debt Service Payments

Annual Installments to be collected for principal and interest on the Phase #1A Bonds include interest due on March 1, 2021 in the amount of \$82,212 and on September 1, 2021 in the amount of \$82,212, which equal interest on the outstanding Assessments balance of \$3,240,552 for six months each at an effective interest rate of 4.92 percent. Annual Installments to be collected include a principal amount of \$69,714 due on September 1, 2021. As a result, total Annual

Installment to be collected for principal and interest for the Phase #1A Bonds in 2020-21 is equal to \$234,138.

Annual Installments to be collected for principal and interest on the Phase #1B Bonds include interest due on March 1, 2021 in the amount of \$46,291 and September 1, 2021 in the amount of \$46,291, which equal interest on the outstanding Assessments balance of \$1,747,670 for six months each at an effective interest rate of 5.30 percent. Annual Installments to be collected include a principal amount of \$34,656 due on September 1, 2021. As a result, total Annual Installments to be collected for principal and interest for the Phase #1B Bonds in 2020-21 is estimated to be equal to \$127,238.

Administrative Expenses

Administrative expenses for Phase #1 include the City, Trustee, Administrator, auditor, dissemination agent, and contingency. As shown in Table II-F below, the total administrative expenses to be collected for 2020-21 are estimated to be \$39,000.

Table II-F
Administrative Budget Breakdown

Description	2020-21 Estimated Budget (9/1/20- 8/31/21)
City	\$4,423
PID Administrator	\$27,000
Trustee	\$2,500
Auditor	\$1,000
Dissemination Agent	\$653
Contingency	\$3,424
Total	\$39,000

Excess Interest for Prepayment and Delinquency Reserve

Annual Installments to be collected for excess interest for prepayment and delinquency reserves in the amount of \$16,705, which equals 0.5 percent interest on the outstanding Phase #1A Bonds balance of \$3,335,116. Annual Installments to be collected for excess interest for prepayment and delinquency reserves in the amount of \$8,739, which equals 0.5 percent interest on the outstanding Phase #1B Bonds balance of \$1,744,593. The total Annual Installment amount to be collected for excess interest for prepayment and delinquency reserves is \$25,443.

Available TIRZ Credit

According to the City, there have been TIRZ increments collected for tax year 2019 in the total amount of \$83,407 that are available to be used as TIRZ Credit in 2020-21 for the respective Parcels within Phase #1. This TIRZ Credit amount is allocated to each of the 159 assessed Parcels within Phase #1 that generated the TIRZ Revenues in 2019 as shown in Appendix D-2.

Available Reserve Fund Income

According to the Trustee, excess reserves in the amount of \$11,349 were transferred from the Reserve Fund Reserve Account to the Principal and Interest Account in February 2020 to pay interest on the Phase #1 Bonds on the next interest payment date.

As of June 30, 2020, the balance in the Reserve Fund was \$370,125, which includes the Bond Reserve Requirement of \$366,038 and investment income \$4,088. Pursuant to Section 6.7 (d) of the Trust Indenture, the excess balance of \$4,088 should be transferred to the Principal & Interest Account and used to pay interest on the Phase #1 Bonds on the next interest payment date. As a result, the excess Annual Installments currently in the Pledged Revenue Fund (\$11,349) and the amount to be transferred (\$4,088), equal \$15,437, which is available to pay a portion of the Phase #1 Bonds debt service.

Available Capitalized Interest Account

As of June 30, 2020, the Trustee reported that the Capitalized Interest Fund been fully expended. As a result, there is no credit to reduce the Annual Installment.

Available Administrative Expense Account

As of June 30, 2020, the balance in the Administrative Expense Fund was \$23,963. Approximately \$17,963 of the current balance is anticipated to be used for the payment of current year administrative expenses through January 31, 2021. As a result, there is \$6,000 anticipated to be available in the Administrative Expense Fund to reduce the Phase #1 2020-21 Annual Installment.

E. ANNUAL INSTALLMENTS PER UNIT - PHASE #1

According to the Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay principal and interest on the Phase #1A Bonds and Phase #1B Bonds, to fund the Prepayment Reserve and Delinquency Reserve described in the Service and Assessment Plan, and to cover Administrative Expenses of Phase #1.

According to the Service and Assessment Plan, 159 units representing 143.33 total Equivalent Units are built within Phase #1 of the PID. Accordingly, the net principal, interest, prepayment, and delinquency reserve portion of Annual Installment to be collected from each Equivalent Unit will be \$2,591.02 (i.e. $\$371,380 \div 143.33 = \$2,591.02$) and the Administrative Expenses to be collected from each Equivalent Unit will be \$230.23 (i.e. $\$33,000 \div 143.33 = \230.23). As a result,

the total Annual Installment to be collected from each Equivalent Unit within Phase #1 will be \$2,821.26 (i.e. \$2,591.02 + \$230.23 = \$2,821.26) less the applicable TIRZ Credit shown in Appendix D-1 for each Parcel within Phase #1. The Annual Installment to be collected from each Parcel within Phase #1 is calculated by multiplying the Annual Installment for each Equivalent Unit of \$2,788.15 by the total estimated Equivalent Units for each Parcel in Phase #1.

The Annual Installment due to be collected from each Land Use Class in Phase #1 for 2020-21 is shown in Table II-G below.

Table II-G
Annual Installment Per Unit – Phase #1

Land Use Class	Annual Installment	Equivalent Unit Factor	Annual Installment Per Unit
60 Ft	\$2,821.26	1.000	\$2,821.26
50 Ft	\$2,821.26	0.833	\$2,351.05

The list of Parcels within Phase #1 of the PID, the number of units to be developed on the current residential Parcels, the corresponding total Equivalent Units, the total outstanding Assessment, the annual principal and interest, the Administrative Expenses, and the Annual Installment to be collected for 2020-21 are shown in the Assessment Roll Summary attached hereto as Appendix D-1.

F. ANNUAL BUDGET – PHASE #2

The Assessment imposed on any Parcel may be paid in full at any time. If not paid in full, the Assessment shall be payable in thirty Annual Installments of principal and interest beginning with the tax year following the issuance of the Phase #2 Bonds, of which twenty-seven Annual Installments remain outstanding.

Pursuant to the Service and Assessment Plan, each Assessment shall bear interest at the rate on the Phase #2 Bonds commencing with the issuance of the Phase #2 Bonds. The effective interest rate on the Phase #2 Bonds is 5.57 percent for 2020-21. Pursuant to Section 372.018 of the PID Act, the interest rate for that Assessment may not exceed a rate that is one-half of one percent higher than the actual interest rate paid on the debt. Accordingly, the effective interest rate on the Phase #2 Bonds (5.57%) plus an additional interest of one-half of one percent are used to calculate the interest on the Assessments. These payments, the “Annual Installments” of the Assessments, shall be billed by the City in 2020 and will be delinquent on February 1, 2021.

Pursuant to the Service and Assessment Plan, the Annual Service Plan Update shall show the remaining balance of the Assessments, the Annual Installment due for 2020-21, and the Administrative Expenses to be collected from each Parcel. Administrative Expenses shall be allocated to each Parcel pro rata based upon the amount the Annual Installment on a Parcel bears to the total amount of Annual Installments in the PID as a whole that are payable at the time of

such allocation. Each Annual Installment shall be reduced by any credits applied under applicable documents including the Service and Assessment Plan and applicable Trust Indenture, such as capitalized interest and interest earnings on any account balances and by any other funds available to the PID.

Annual Budget for the Repayment of Indebtedness

Debt service will be paid on the Phase #2 Bonds from the collection of the Annual Installments. In addition, Administrative Expenses are to be collected with the Annual Installments to pay expenses related to the collection of the Annual Installments. The additional interest collected with the Annual Installments will be used to pay the prepayment reserve and delinquency reserve amounts as described in the Service and Assessment plan and applicable Trust Indenture.

Phase #2 Annual Installments to be collected for 2020-21

The budget for Phase #2 of the PID will be paid from the collection of Annual Installments collected for 2020-21 as shown by Table II-H below.

Table II-H
Budget for the Phase #2 Annual Installments
to be Collected for 2020-21

Descriptions	Phase #2 Bonds
Interest payment on March 1, 2021	\$190,056
Interest payment on September 1, 2021	\$190,056
Principal payment on September 1, 2021	\$120,000
<i>Subtotal debt service on bonds</i>	<i>\$500,113</i>
Administrative Expenses	\$32,000
Excess Interest for Prepayment and Delinquency Reserves	\$34,150
Subtotal Expenses	\$566,263
Available TIRZ Credit	\$0
Available reserve fund income	(\$15,942)
Available capitalized interest account	\$0
Available Administrative Expense account	(\$10,000)
<i>Subtotal funds available</i>	<i>(\$25,942)</i>
Annual Installments	\$540,321

Debt Service Payments

Annual Installments to be collected for principal and interest include interest due on March 1, 2021 in the amount of \$190,056 and on September 1, 2021 in the amount of \$190,056, which equal

interest on the outstanding Phase #2 Assessments balance of \$6,830,000 for six months each and an effective interest rate of 5.57 percent. Annual Installments to be collected include a principal amount of \$120,000 due on September 1, 2021. As a result, total Annual Installments to be collected for Phase #2 for principal and interest in 2020-21 is estimated to be equal to \$500,113.

Administrative Expenses

Administrative expenses include the City, Trustee, Administrator, auditor, and dissemination agent and contingency fees. As shown in Table II-I below, the total Phases #2 Improvement administrative expenses to be collected for 2020-21 are estimated to be \$32,000.

**Table II-I
Administrative Budget Breakdown**

Description	2020-21 Estimated Budget (9/1/20-8/31/21)
City	\$4,423
PID Administrator	\$21,500
Trustee	\$2,500
Auditor	\$1,000
Dissemination Agent	\$1,130
Contingency	\$1,447
Total	\$32,000

Excess Interest for Prepayment and Delinquency Reserve

Annual Installments to be collected for excess interest for prepayment and delinquency reserves in the amount of \$34,150 which equals 0.5 percent interest on the outstanding Phase #2 Assessments balance of \$6,830,000.

Available TIRZ Credit

According to the Collin County Tax Assessor-Collector, the 2019 City property taxes collected from the Phase #2 Parcel were \$24,936.99 and the base year City property taxes collected from the Phase #2 Parcel was \$24,936.99. As a result, the 2019 TIRZ increment is \$0. There have been no TIRZ increments collected in 2019 that are available to be used as TIRZ Credit in 2020-21 for the respective Parcels within Phase #2.

Available Reserve Fund Income

According to the Trustee, excess reserves in the amount of \$8,508 were transferred from the Reserve Fund Reserve Account to the Principal and Interest Account in February 2020 to pay interest on the Phase #2 Bonds on the next interest payment date.

As of June 30, 2020, the balance in the Reserve Fund was \$516,196, which includes the Bond Reserve Requirement of \$508,763 and investment income \$7,444. Pursuant to Section 6.7 (d) of the Trust Indenture, the excess balance of \$7,444 should be transferred to the Principal & Interest Account and used to pay interest on the Phase #2 Bonds on the next interest payment date. As a result, the excess Annual Installments currently in the Pledged Revenue Fund (\$8,508) and the amount to be transferred (\$7,444) equal \$15,942, which is available to pay a portion of the Phase #2 Bonds debt service.

Available Capitalized Interest Account

As of June 30, 2020, the Trustee reported that the Capitalized Interest Fund been fully expended. As a result, there is no credit to reduce the Annual Installment.

Available Administrative Expense Account

As of June 30, 2020, the balance in the Administrative Expense Fund was \$38,854. Approximately \$28,854 of the current balance is anticipated to be used for the payment of current year administrative expenses through January 31, 2021. As a result, there is \$10,000 anticipated to be available in the Administrative Expense Fund to reduce the 2020-21 Phase #2 Annual Installment.

G. ANNUAL INSTALLMENTS PER UNIT - PHASE #2

According to the Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay principal and interest on the Phase #2 Bonds, to fund the Prepayment Reserve and Delinquency reserve described in the Service and Assessment Plan, and to cover Administrative Expenses of Phase #2.

According to the Developer, 197 units representing 178.17 total Equivalent Units are estimated to be built within Phase #2 of the PID. Accordingly, the net principal, interest, prepayment reserve, and delinquency reserve portion of Annual Installment to be collected from each Equivalent Unit will be \$2,909.19 (i.e. $\$518,321 \div 178.17 = \$2,909.19$) and the Administrative Expenses to be collected from each Equivalent Unit will be \$179.61 (i.e. $\$22,000 \div 178.17 = \179.61). As a result, the total Annual Installment to be collected from each Equivalent Unit within Phase #2 will be \$3,088.80 (i.e. $\$2,909.19 + \$179.61 = \$3,088.80$). The Annual Installment to be collected from each Parcel within Phase #2 is calculated by multiplying the Annual Installment for each Equivalent Unit of \$3,088.80 by the total estimated Equivalent Units for each Parcel in Phase #2.

The Annual Installment due to be collected from each Land Use Class in Phase #2 for 2020-21 is shown in Table II-J on the following page.

Table II-J
Annual Installment Per Unit – Phase #2

Land Use Class	Annual Installment	Equivalent Unit Factor	Annual Installment Per Unit
50 Ft	\$3,088.80	1.000	\$3,088.80
60 Ft	\$3,088.80	0.833	\$2,574.00

The list of Parcels within Phase #2 of the PID, the number of units to be developed on the current residential Parcels, the corresponding total Equivalent Units, the total outstanding Assessment, the annual principal and interest, the Administrative Expenses, and the Annual Installment to be collected for 2020-21 are shown in the Assessment Roll Summary attached hereto as Appendix E-1.

H. BOND REDEMPTION RELATED UPDATES

Phase #1A Bonds

The Phase #1A Bonds were issued in August 2016. Pursuant to Section 4.3 of the Trust Indenture relating to the Phase #1A Bonds, the City reserves the right and option to redeem the Phase #1A Bonds before their scheduled maturity dates, in whole or in part, on any interest payment date on or after **September 1, 2026**, such redemption date or dates to be fixed by the City, at the redemption prices and dates shown in the Trust Indenture.

The Administrator has conducted a preliminary evaluation of the current refunding market conditions, recent PID bond refunding transactions, and other relevant factors. Based on this preliminary evaluation, the Administrator believes a refunding of the Phase #1A Bonds does not appear viable at this time. The Administrator will continue to monitor the refunding market conditions, applicable PID bond refunding transactions, and other relevant factors to determine if refunding becomes viable in the future and will inform the City accordingly.

Phase #1B Bonds

The issuance of the Phase #1B Bonds was approved in November 2018. Pursuant to Section 4.4 of the Trust Indenture relating to the Phase #1B Bonds, the City reserves the right and option to redeem the Phase #1B Bonds before their scheduled maturity dates, in whole or in part, on any interest payment date on or after **September 1, 2028**, such redemption date or dates to be fixed by the City, at the redemption prices and dates shown in the Trust Indenture.

The Administrator has conducted a preliminary evaluation of the current refunding market conditions, recent PID bond refunding transactions, and other relevant factors. Based on this preliminary evaluation, the Administrator believes a refunding of the Phase #1B Bonds does not appear viable at this time. The Administrator will continue to monitor the refunding market

conditions, applicable PID bond refunding transactions, and other relevant factors to determine if refunding becomes viable in the future and will inform the City accordingly.

Phase #2 Bonds

The issuance of the Phase #2 Bonds was approved in November 2018. Pursuant to Section 4.3 of the Trust Indenture relating to the Phase #2 Bonds, the City reserves the right and option to redeem the Phase #2 Bonds before their scheduled maturity dates, in whole or in part, on any interest payment date on or after **September 1, 2028**, such redemption date or dates to be fixed by the City, at the redemption prices and dates shown in the Trust Indenture.

The Administrator has conducted a preliminary evaluation of the current refunding market conditions, recent PID bond refunding transactions, and other relevant factors. Based on this preliminary evaluation, the Administrator believes a refunding of the Phase #2 Bonds does not appear viable at this time. The Administrator will continue to monitor the refunding market conditions, applicable PID bond refunding transactions, and other relevant factors to determine if refunding becomes viable in the future and will inform the City accordingly.

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III. UPDATE OF THE ASSESSMENT PLAN

The Service and Assessment Plan adopted by the City Council describes that the Authorized Improvement costs shall be allocated to the Assessed Property equally based on the equivalent number of residential dwelling units anticipated to be built on each Parcel once such property is fully developed, and that such method of allocation will result in the imposition of equal shares of the Authorized Improvement costs to Parcels similarly benefited.

Assessment Methodology

This method of assessing property, as updated in prior Annual Service Plan Updates, has not been changed and Assessed Property will continue to be assessed as provided for in the Service and Assessment Plan.

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IV. UPDATE OF THE ASSESSMENT ROLL

Pursuant to the original Service and Assessment Plan, the Assessment Rolls shall be updated each year to reflect:

- (i) the identification of each Parcel
- (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by the Service and Assessment Plan or in the PID Act;
- (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and
- (iv) payments of the Assessment, if any, as provided by Section VI.I of the Service and Assessment Plan.

The summary of updated Assessment Rolls is shown in Appendix D-1 and E of this report. Each Parcel in the PID is identified, along with the Assessment on each Parcel and the Annual Installment to be collected from each Parcel. Assessments are to be reallocated for the subdivision of any Parcels.

A. PARCEL UPDATES

According to the Service and Assessment Plan, upon the subdivision of any Parcel, the Administrator shall reallocate the Assessment for the Parcel prior to the subdivision among the new subdivided Parcels according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

- A = the Assessment for each new subdivided Parcel.
- B = the Assessment for the Parcel prior to subdivision.
- C = the estimated Equivalent Units to be built on each newly subdivided Parcel
- D = the sum of the estimated Equivalent Units to be built on all of the new subdivided Parcels

The calculation of the estimated number of units to be built on a Parcel shall be performed by the Administrator and confirmed by the City Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

According to the Developer and Collin Central Appraisal District, the Phase #1 plat was recorded on February 20, 2018. Phase #1 was completely subdivided in 2018.

According to the Developer, there have been no subdivisions or consolidations within Phase #1 or Phase #2 between the date of this report and the approval date of the 2019-20 Annual Service Plan Update.

B. PREPAYMENT OF ASSESSMENTS

There have been no prepayments of Assessments in full and one partial Assessment prepayment as of July 31, 2020. Refer to Appendix B for additional information regarding prepaid Assessments.

The complete Assessment Roll is available for review at the City Hall, located at 142 N. Ohio, Celina, Texas 75009.

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APPENDIX A
PID MAP

APPENDIX B
PREPAID PARCELS

APPENDIX B
LIST OF PREPAID PARCELS

Parcel ID	Prepayment Date	Amount	Full/Partial
2768005	07/2019	\$19,700	Partial

APPENDIX C
ASSESSED VALUE BY PHASE

Appendix C
Glen Crossing Public Improvement District
Assessed Value Per Phase

Phase	Parcels	2020 Assessed Value^{3,4}
Phase #1 ¹	168	\$36,171,517
Phase #2 ²	1	\$6,736,467
Total	169	\$42,907,984

1 - Parcels include one hundred and fifty nine residential lots and nine open space lots.

2 - Parcel includes one parent parcel that has yet to be subdivided for the 2020-21 Assessment year.

3 - Parcel assessed values are in accordance with Collin Central Appraisal District online records as of July 31, 2020.

4 - Values shown reflect the 2020 preliminary assessed values.

APPENDIX D-1
PHASE #1 ASSESSMENT ROLL SUMMARY – 2020-21

APPENDIX D-2
PHASE #1 TIRZ CALCULATION

APPENDIX E-1
PHASE #2 ASSESSMENT ROLL SUMMARY – 2020-21

APPENDIX E-2
PHASE #2 TIRZ CREDIT CALCULATION – 2020-21