

Owensby Farms Public Improvement District Project Overview

The Owensby Farms Public Improvement District (the "District") was created by the City of Celina City Council on June 9, 2015, pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "Act"), and Resolution No. 2015-26R upon petition of the owners of the taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment within the District and the property owners who own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for assessment by the District.

The District was created principally to finance certain public improvements (the "Authorized Improvements") that specially benefit assessed property in the District. On January 17, 2017, the City Council adopted Ordinance No. 2017-06 that approved a Service and Assessment Plan for the District (the "Service and Assessment Plan") and levied special assessments (the "Phase #1 Assessments") on certain property within Phase #1 in accordance with the Phase #1 Assessment Roll attached as Appendix B to the Service and Assessment Plan. The Phase #1 Assessments may be prepaid in whole or in part at any time or may be paid in annual installments as provided by the Act and the Service and Assessment Plan.

The City issued the City of Celina Special Assessment Revenue Bonds, Series 2017 (Owensby Farms Public Improvement District Phase #1 Project) in the aggregate amount of \$4,465,000 pursuant to the Act, Ordinance No. 2017-08 adopted by the City Council on January 17, 2017 and an Indenture of Trust dated as of January 1, 2017 between the City and U.S. Bank National Association, as trustee. The City also approved the Phase #1 Reimbursement Agreement in the aggregate amount of \$1,256,000 pursuant to an ordinance adopted by the City Council on January 17, 2017 to finance the remaining costs of the Authorized Improvements in Phase #1.

The Series 2017 Bonds are payable from the Phase #2 Assessments levied against each parcel of Assessed Property within Phase #1 of the District pursuant to the Assessment Ordinance and in accordance with the Service and Assessment Plan. Additionally, as more fully described in the Service and Assessment Plan, the City has approved "Reinvestment Zone Number Seven, City of Celina, Final Project and Finance Plan" (the "TIRZ Plan") and the "TIRZ Agreement" relating to the Owensby Farms development (the "TIRZ Agreement"); and, the City has agreed, subject to the terms of the TIRZ Plan and TIRZ Agreement, to apply 34.6% of the annual City ad valorem taxes collected for this property as an offset against the following year's Annual Installment of the Phase #1 Assessment.

All Phase #1 Assessments that are not paid in full will be billed in Annual Installments and collected each year by the City, or its designee, as provided in the Service and Assessment Plan. Annual Installments are due and payable as provided on the Annual Installment bill. Annual Installments are expected to be billed and collected on the same schedule as property taxes. The Phase #1 Assessments, including the annual installments thereof, are (a) a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for state, county, school district or other political subdivision ad valorem property taxes, whether now or hereafter payable, and (b) a personal liability of and charge against the owners of the property to the extent of their ownership regardless of whether the owners are named.

More information concerning the District, the Phase #1 Assessments and the due dates of the Annual Installments of the Phase #1 Assessments may be obtained from MuniCap, Inc., the District Administrator for the City, located at 222 West Las Colinas Blvd, Suite 1650E, Irving, Texas 75039 and available by telephone at (972) 444-2519 or (866) 648-8482 (toll free).

FAILURE TO PAY THE PHASE #1 ASSESSMENTS LEVIED AGAINST ASSESSED PROPERTY, INCLUDING THE ANNUAL INSTALLMENT THEREOF, COULD RESULT IN FORECLOSURE OF SUCH PROPERTY.