

Sutton Fields II Public Improvement District
Neighborhood Improvement Area #3
Phases #2A & #2B of Development

60 FT LOT
Project Overview

The Sutton Fields II Public Improvement District (the “District”) was created by the City Council of the City of Celina on October 13, 2015, pursuant to the Public Improvement District Act, Texas Local Government Code, Chapter 372, as amended (the “Act”), and Resolution No. 2015-51R 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 improvement projects for the residential development located within the boundaries of the City of Celina (the “City”) and within the extraterritorial jurisdiction of the City. An updated Service and Assessment Plan was accepted and approved by the City Council which set forth the plan for apportioning the costs of certain of the public improvement projects (the “Authorized Improvements”) to be assessed against properties in Neighborhood Improvement Area #2 (“NIA #2”) and in Neighborhood Improvement Area #3 (“NIA #3”) of the District and for payment of Special Assessments with respect thereto on August 28, 2018 and June 11, 2019, respectively.

The City issued the City of Celina (Sutton Fields II Public Improvement District Neighborhood Improvement Areas #2-3 Projects) Special Assessment Revenue Bonds, Series 2019 (the “NIA #2-3 Bonds”) in the aggregate amount of \$6,355,000 pursuant to the Act, an Ordinance adopted by the City Council on September 10, 2019 and an Indenture of Trust dated as of October 1, 2019 between the City, and the U.S. Bank, N.A. as trustee. Parcels within NIA #2 of the District were levied \$1,905,000 for costs of the NIA #2 Authorized Improvements; while Parcels within Neighborhood Improvement Area #3 (“NIA #3”) of the District were levied \$4,450,000 for costs of the NIA #3 Authorized Improvements.

The NIA #2-3 Bonds are payable from Special Assessments levied against each parcel of property within NIA #2 and NIA #3 of the District pursuant to the Assessment Ordinance adopted by the City Council. The Act provides that the Special Assessments (including any reassessment, the expense of collection and reasonable attorney’s fees, if incurred) 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 municipality 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 Assessments and the due dates of that Annual Installments of the Assessments may be obtained from MuniCap, Inc., the District Administrator for the City, located at 600 E. John Carpenter Freeway, Suite 333, Irving, TX 75062 and available by telephone at (469) 490-2800 or toll-free at (866) 648-8482.

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

**NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS
TO THE CITY OF CELINA, TEXAS**

CONCERNING THE PROPERTY AT:

[INSERT STREET ADDRESS]

(Neighborhood Improvement Area #3 – Lot Size – 60' Lot)

(Total Outstanding Assessment - Principal - \$21,507)

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the City of Celina, Texas, for public improvements undertaken for the benefit of the property within the Sutton Fields Public Improvement District II created under Subchapter A, Chapter 372, Local Government Code, as amended.

THE TOTAL PRINCIPAL AMOUNT OF THE ASSESSMENT AGAINST YOUR PROPERTY FOR PUBLIC IMPROVEMENTS IS \$21,507, WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments, including the annual installments thereof, will be approved by the City Council. More information about the assessments, including the amounts and due dates, may be obtained from MuniCap, Inc., the District Administrator for the City, located at 600 E. John Carpenter Fwy, Suite 333, Irving, Texas 75062 and available by telephone at (469) 490-2800 or (866) 648-8482 (toll free) and email at txpid@municap.com.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

Sutton Fields II Public Improvement District
Schedule of Projected Annual Installments
Neighborhood Improvement Area #3
Phases #2A & #2B of Development

Lot Type

Lot Type B - 60' Lot

Outstanding Assessment

\$21,507

*Annual Installments **ARE NOT** collected in arrears. Annual Installments are collected for the period 09/01/XXXX - 08/31/XXXX*

Assessment Year (ending 9/1) ¹	Outstanding Principal Assessment	NIA #2-3 Bond Principal ²	NIA #2-3 Bond Interest ²	NIA #2-5 Bond Principal ³	NIA #2-5 Bond Interest ³	Administrative Expenses ⁴	Total Annual Installment ⁵
2021	\$21,507	\$0	\$55	\$190	\$767	\$13	\$1,024
2022	\$21,320	\$43	\$601	\$204	\$762	\$93	\$1,703
2023	\$21,073	\$43	\$600	\$220	\$744	\$95	\$1,701
2024	\$20,810	\$43	\$598	\$237	\$708	\$96	\$1,682
2025	\$20,530	\$43	\$596	\$259	\$688	\$98	\$1,683
2026	\$20,229	\$43	\$594	\$278	\$665	\$100	\$1,680
2027	\$19,909	\$43	\$592	\$302	\$641	\$102	\$1,680
2028	\$19,564	\$43	\$590	\$327	\$615	\$104	\$1,679
2029	\$19,195	\$43	\$588	\$354	\$587	\$107	\$1,678
2030	\$18,798	\$43	\$586	\$384	\$556	\$109	\$1,677
2031	\$18,372	\$43	\$584	\$414	\$523	\$111	\$1,674
2032	\$17,915	\$43	\$582	\$449	\$471	\$113	\$1,658
2033	\$17,424	\$57	\$580	\$484	\$434	\$115	\$1,670
2034	\$16,882	\$57	\$577	\$525	\$394	\$118	\$1,671
2035	\$16,300	\$57	\$574	\$569	\$350	\$120	\$1,670
2036	\$15,674	\$57	\$572	\$615	\$302	\$122	\$1,669
2037	\$15,002	\$57	\$569	\$667	\$251	\$125	\$1,669
2038	\$14,279	\$57	\$567	\$721	\$196	\$127	\$1,668
2039	\$13,501	\$57	\$564	\$781	\$136	\$130	\$1,667
2040	\$12,663	\$71	\$561	\$846	\$71	\$132	\$1,682
2041	\$11,745	\$1,098	\$558	\$0	\$0	\$108	\$1,763
2042	\$10,647	\$1,140	\$506	\$0	\$0	\$110	\$1,756
2043	\$9,507	\$1,183	\$452	\$0	\$0	\$112	\$1,747
2044	\$8,324	\$1,240	\$395	\$0	\$0	\$115	\$1,750
2045	\$7,084	\$1,297	\$336	\$0	\$0	\$117	\$1,751
2046	\$5,787	\$1,354	\$275	\$0	\$0	\$119	\$1,748
2047	\$4,433	\$1,411	\$211	\$0	\$0	\$122	\$1,743
2048	\$3,022	\$1,482	\$144	\$0	\$0	\$124	\$1,750
2049	\$1,539	\$1,539	\$73	\$0	\$0	\$127	\$1,739
Total		\$12,686	\$14,076	\$8,822	\$9,861	\$3,184	\$48,631

1 - Annual Installment for Year ending 09/01/2021 is anticipated to be billed on, or around, October 1, 2020 and is due by January 31, 2021.

2 - The principal and interest amounts are based upon the pro rata share of NIA #2-3 Bonds and will not increase during the life of the Bonds.

3 - The principal and interest amounts are based upon the pro rata share of the NIA #2-5 Bonds and will not increase during the life of the bonds.

4 - The Administrative Expenses shown are estimates and will be updated each in the Annual Service Plan Update.

5 - The total annual installment does not include TIRZ credit, if any.

Example of TIRZ Credit Application

The property in the PID is also located in the City of Celina Tax Increment Reinvestment Zone No. 8. The City has committed to use approximately 7.76% of the annual incremental City ad valorem property taxes collected from a property in the current tax year as a credit (the “TIRZ Credit”) to reduce the PID annual installment of assessments due in the following year. The following hypothetical example illustrates the application of the TIRZ Credit:

A) Estimates for illustration purposes:

Estimated prorated base year (2017) taxable value = \$1,000

Estimated current year (Yr 1) taxable value = \$300,000

Estimated current (Yr 1) incremental value = \$299,000 (i.e. \$300,000 - \$1,000)

Estimated current (Yr 1) City tax rate per \$100 of taxable value = \$0.645

Estimated PID current (Yr 1) annual installment of Assessment = \$1,024

Estimated PID next (Yr 2) annual installment of Assessments = \$1,703

B) Estimated City incremental tax:

\$1,929 [i.e., $(\$299,000 \div 100) \times \$0.645 = \$1,929$]

C) Estimated TIRZ Credit:

\$150 (i.e., $\$1,929 \times 7.76\% = \150)

D) PID current annual installment due (Yr 1):

\$1,024 with no prior year TIRZ Credit

E) Estimated PID next annual installment due (Yr 2):

\$1,553 (i.e., $\$1,703 - \$150 = \$1,553$) after application of the \$150 TIRZ Credit

PLEASE NOTE THAT THE ABOVE CALCULATIONS ARE ONLY INTENDED TO ILLUSTRATE APPLICATION OF THE TIRZ CREDIT AND DO NOT REPRESENT ANY ACTUAL OR PROJECTED AMOUNTS OF TAXABLE VALUES, CITY TAX RATES AND PID ANNUAL INSTALLMENTS.