

Chalk Hill Public Improvement District No. 2
Phase #1 – 50 FT Lot
Project Overview

The Chalk Hill Public Improvement District No. 2 (the “District”) was created by the City Council of the City of Celina (the “City Council”) on December 12, 2017, pursuant to the Public Improvement District Act, Texas Local Government Code, Chapter 372, as amended (the “Act”), and Resolution No. 2017-212R 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. All of the property in the District is located within the boundaries of the City of Celina (the “City”).

The District was created principally to finance certain public improvement projects (the “Authorized Improvements”) that specially benefit assessed property in the District. On March 23, 2018, the City Council approved an ordinance (the “Assessment Ordinance”) accepting and approving a service and assessment plan for the District (the "SAP") and levying special assessments (the "Phase #1 Assessments") against the Phase #1 Assessed Property as shown on the Phase #1 Assessment Roll attached to the SAP. The Phase #1 Assessments may be prepaid in whole or in part at any time without penalty or may be paid in Annual Installments as provided by the Act and the SAP.

The City issued the City of Celina (Chalk Hill Public Improvement District Phase #1 Project) Special Assessment Revenue Bonds, Series 2018 in the aggregate amount of \$4,325,000 pursuant to the Act, in Ordinance 2383 (the “Bond Ordinance”) adopted by the City Council on March 23, 2018 and an Indenture of Trust dated as of April 1, 2018 between the City, and the U.S. Bank, N.A. as trustee.

The Series 2018 Bonds are payable from the Phase #1 Assessments levied against each parcel of Assessed Property within Phase #1 of the District pursuant to the Assessment Ordinance and in accordance with the SAP. Additionally, as more fully described in the SAP, the City has approved "Reinvestment Zone Number Ten, City of Celina, (the "TIRZ"). The City has agreed, subject to the terms of the TIRZ, to apply 34.2% 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.

Annual Installments are expected to be billed and collected on the same schedule as property taxes. The Act provides that the Phase #1 Assessments, and the Annual Installments thereof, (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 Phase #1 Assessments, application of the TIRZ credit offset, 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 600 E. John Carpenter Fwy, Suite 150, Irving, Texas 75062 and available by telephone at (469) 490-2800 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.

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

**Chalk Hill Public Improvement District No. 2
Summary of Projected Annual Installments
Phase #1**

**Lot Type
Assessment
Equivalent Units**

Lot Type 1 (50' Lot)
\$26,367
1.00

Year¹	Outstanding Assessment	Principal²	Interest²	Administrative Expenses³	Total Annual Installment⁴
2022	\$26,367	\$449	\$1,780	\$231	\$2,459
2023	\$25,918	\$481	\$1,621	\$217	\$2,318
2024	\$25,437	\$513	\$1,591	\$221	\$2,324
2025	\$24,924	\$513	\$1,558	\$225	\$2,297
2026	\$24,412	\$545	\$1,526	\$230	\$2,301
2027	\$23,867	\$609	\$1,492	\$234	\$2,336
2028	\$23,258	\$641	\$1,454	\$239	\$2,334
2029	\$22,617	\$673	\$1,414	\$244	\$2,331
2030	\$21,944	\$705	\$1,372	\$249	\$2,326
2031	\$21,239	\$737	\$1,328	\$254	\$2,319
2032	\$20,501	\$801	\$1,282	\$259	\$2,342
2033	\$19,700	\$833	\$1,232	\$264	\$2,329
2034	\$18,867	\$897	\$1,180	\$269	\$2,347
2035	\$17,969	\$962	\$1,124	\$275	\$2,360
2036	\$17,008	\$994	\$1,064	\$280	\$2,337
2037	\$16,014	\$1,058	\$1,002	\$286	\$2,345
2038	\$14,957	\$1,122	\$935	\$291	\$2,349
2039	\$13,835	\$1,218	\$865	\$297	\$2,381
2040	\$12,617	\$1,282	\$789	\$303	\$2,375
2041	\$11,335	\$1,346	\$709	\$309	\$2,365
2042	\$9,989	\$1,442	\$625	\$316	\$2,383
2043	\$8,546	\$1,538	\$535	\$322	\$2,395
2044	\$7,008	\$1,635	\$439	\$328	\$2,402
2045	\$5,373	\$1,731	\$337	\$335	\$2,402
2046	\$3,642	\$1,859	\$228	\$342	\$2,429
2047	\$1,783	\$1,783	\$112	\$348	\$2,244
Total	\$26,367	\$26,367	\$27,595	\$7,168	\$61,129

1 - Example: Annual Installment for billed during Year 2022 will be billed on or around 10/01/2022 and payment is due by 01/31/2023.
2 - The principal and interest amounts represent the final numbers of the Series 2018 Bonds and will not increase during the life of the bonds. Interest amounts are calculated through the principal payment date of each year.
3 - The Administrative Expenses shown include the estimated PID administration and assessment collection costs.
4 - Amounts shown do not include any TIRZ Credit.

THIS SCHEDULE IS AN ESTIMATE OF ANNUAL INSTALLMENT PAYMENTS AND IS SUBJECT TO CHANGE. THE EXACT AMOUNT OF EACH ANNUAL INSTALLMENT WILL BE REFLECTED IN THE CHALK HILL PUBLIC IMPROVEMENT DISTRICT NO. 2 ANNUAL SERVICE AND ASSESSMENT PLAN UPDATE.

Chalk Hill Public Improvement District (PID)
& Reinvestment Zone Number Ten (TIRZ)

Example of TIRZ Credit Application

The property in the PID is also located in the City of Celina Tax Increment Reinvestment Zone No. 10. The City has committed to use approximately 34.20% 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.

If a property owner is to receive a TIRZ Credit, the Annual Installment shown on their tax statement will be the projected Annual Installment shown in the attached schedule **LESS** any TIRZ Credit.

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 (2022) taxable value = \$300,000

Estimated current (2022) incremental value = \$299,000 (i.e. \$300,000 - \$1,000)

Estimated current (2022) City tax rate per \$100 of taxable value = \$0.645

Estimated PID current (2022) annual installment of Assessment = \$2,459

Estimated PID next (2023) annual installment of Assessments = \$2,318

B) Estimated City incremental tax:

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

C) Estimated TIRZ Credit:

\$659 (i.e., $\$1,929 \times 34.2\% = \659)

D) PID current annual installment due (2022):

\$2,459 with no prior year TIRZ Credit

E) Estimated PID next annual installment due (2023):

\$1,659 (i.e., $\$2,318 - \$659 = \$1,659$) after application of the \$659 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.