

**Owensby Farms Public Improvement District
Phase #1 – Lot Type 2 – 50 Ft.**

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 #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 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 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.

PID Assessment Notice

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT
ASSESSMENT TOTHE CITY OF CELINA, TEXAS
CONCERNING THE
FOLLOWING PROPERTY

[insert property address]

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Celina, Texas (the "City"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the Ownsby Farms Public Improvement District (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City. The exact amount of each annual installment will be approved each year by the City Council in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City or 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) and email at txpid@municap.com.

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

Date: _____

Signature of Seller

Signature of Seller

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

Date: _____

Signature of Purchaser

Signature of Purchaser

STATE OF TEXAS

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§

COUNTY OF _____

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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

**Owensby Farms Public Improvement District
Summary of Projected Annual Installments
Phase #1**

Lot Type
Outstanding Assessment
Equivalent Units

Lot Type 2 (50 Ft Lot)
\$24,557
0.83

Year¹	Cumulative Outstanding Principal	Bond Principal²	Bond Interest²	R.A. Principal³	R.A. Interest³	Administrative Expenses⁴	Total Annual Installment⁵
2022	\$24,557	\$344	\$1,255	\$114	\$293	\$160	\$2,167
2023	\$24,098	\$367	\$1,142	\$114	\$289	\$158	\$2,070
2024	\$23,617	\$390	\$1,121	\$114	\$282	\$161	\$2,069
2025	\$23,112	\$413	\$1,099	\$137	\$276	\$164	\$2,089
2026	\$22,562	\$459	\$1,075	\$137	\$268	\$167	\$2,107
2027	\$21,965	\$551	\$1,049	\$137	\$261	\$171	\$2,168
2028	\$21,277	\$574	\$1,017	\$160	\$253	\$174	\$2,178
2029	\$20,543	\$597	\$984	\$160	\$245	\$178	\$2,163
2030	\$19,786	\$620	\$950	\$183	\$236	\$181	\$2,169
2031	\$18,984	\$665	\$914	\$183	\$226	\$185	\$2,173
2032	\$18,135	\$688	\$876	\$183	\$216	\$189	\$2,151
2033	\$17,263	\$734	\$834	\$206	\$205	\$192	\$2,172
2034	\$16,323	\$780	\$789	\$206	\$194	\$196	\$2,165
2035	\$15,337	\$826	\$741	\$229	\$183	\$200	\$2,179
2036	\$14,282	\$872	\$690	\$229	\$170	\$204	\$2,165
2037	\$13,181	\$918	\$637	\$252	\$158	\$208	\$2,172
2038	\$12,011	\$964	\$581	\$275	\$144	\$212	\$2,175
2039	\$10,772	\$1,010	\$521	\$275	\$129	\$217	\$2,151
2040	\$9,488	\$1,079	\$460	\$298	\$114	\$221	\$2,170
2041	\$8,112	\$1,147	\$394	\$321	\$97	\$225	\$2,184
2042	\$6,644	\$1,216	\$323	\$321	\$80	\$230	\$2,169
2043	\$5,107	\$1,285	\$249	\$343	\$62	\$234	\$2,174
2044	\$3,479	\$1,354	\$170	\$366	\$43	\$239	\$2,173
2045	\$1,758	\$1,377	\$87	\$381	\$23	\$244	\$2,112
Total		\$19,231	\$17,955	\$5,327	\$4,445	\$4,712	\$51,669

1 - Example: Annual Installment billed during Year 2022 will be billed on or around 10/01/22 and payment is due by 01/31/23.
2 - The principal and interest amounts represent the final numbers of the Series 2017 Phase #1 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 principal and interest amounts represent the final numbers of the Phase #1 Reimbursement Agreement and will not increase during the life of the reimbursement agreement. Interest amounts are calculated through the principal payment date of each year.
4 - Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates.
5 - The Annual Installments shown do not include any capitalized interest or TIRZ Annual Credit Amount, if applicable.

**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 OWNSBY FARMS
PUBLIC IMPROVEMENT DISTRICT ANNUAL SERVICE AND ASSESSMENT PLAN UPDATE.**

Owensby Farms Public Improvement District (PID)
& Reinvestment Zone Number Seven (TIRZ)

Example of TIRZ Credit Application

The property in the PID is also located in the City of Celina Tax Increment Reinvestment Zone No. 7. The City has committed to use approximately 34.6% 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 calculation of a TIRZ Credit:

A) Estimates for illustration purposes:

Estimated prorated base year (2015) taxable value = \$1,000

Estimated current year (2022) taxable value = \$312,500

Estimated current (2022) incremental value = \$311,500 (i.e. \$312,500 - \$1,000)

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

Estimated PID current (2022) annual installment of Assessment = \$2,167

Estimated PID next (2023) annual installment of Assessments = \$2,070

B) **Estimated** City incremental tax:

\$2,009 [i.e., $(\$311,500 \div 100) \times \$0.645 = \$2,009$]

C) **Estimated** TIRZ Credit:

\$695 (i.e., $\$2,009 \times 34.6\% = \695)

D) PID current annual installment due (2022):

\$2,167 with no prior year TIRZ Credit

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

\$1,375 (i.e., $\$2,070 - \$695 = \$1,375$) after application of the \$695 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.