

Chalk Hill Public Improvement District Phases #2-3 – 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 "Phases #2-3 Assessments") against the Phases #2-3 Assessed Property as shown on the Phases #2-3 Assessment Roll attached to the SAP. The Phases #2-3 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.

On March 23, 2018, the City issued the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2018 (Chalk Hill Public Improvement District No. 2 Phases #2-3 Major Improvement Project) (the “Phases #2-3 Major Improvement Bonds”) in the aggregate amount of \$3,690,000 pursuant to the Act, in Ordinance 2018-15 (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. (the “Trustee”) as trustee to finance the costs of Phases #2-3 Major Improvement Authorized Improvements.

On July 11, 2023, the City issued the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2023 (Chalk Hill Public Improvement District No. 2 Phases #2-3 Direct Improvement Project) (the “Phases #2-3 Direct Bonds”) in the aggregate amount of \$7,633,000 pursuant to the Act, an Ordinance No. 2023-65 adopted by the City Council on July 11, 2023 and an Indenture of Trust dated as of August 1, 2023 between the City, and the Trustee. In addition, the City approved the Phases #2-3 Direct Improvement Reimbursement Agreement in the aggregate amount of \$1,612,000 pursuant to the Act on July 11, 2023 to finance the remaining costs of the Phases #2-3 Direct Authorized Improvements.

The Phases #2-3 Major Improvement Bonds, Phases #2-3 Direct Bonds and Phases #2-3 Direct Improvement Reimbursement Agreement are payable from the Phases #2-3 Assessments levied against each parcel of Assessed Property within Phases #2-3 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 #2-3 Assessment.

All 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 billed by the Collin County Tax Office and are due and payable as provided on the annual installment assessment bill.** Annual installments are expected to be billed and collected on the same

schedule as property taxes. The 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 Phases #2-3 Assessments, application of the TIRZ credit offset, and the due dates of the Annual Installments of the Phases #2-3 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) and email at txpid@gmail.com.

FAILURE TO PAY THE PHASES #2-3 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 TO
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 Chalk Hill Public Improvement District No. 2 (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 §

§

COUNTY OF _____ §

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
Phases #2-3

Lot Type
Assessment
Equivalent Units

Lot Type 1 - 50 Feet
 \$44,982
 1.00

Year ¹	Outstanding Assessment	Phases #2-3 MI Bonds Principal ²	Phases #2-3 MI Bonds Interest ²	Phases #2-3 Direct Bonds Principal ³	Phases #2-3 Direct Bonds Interest ³	Phases #2-3 Direct RA Principal ⁴	Phases #2-3 Direct RA Interest ⁴	Administrative Expenses ⁵	Total Annual Installment ⁶
2023	\$44,982	\$211	\$857	\$0	\$0	\$0	\$348	\$126	\$1,542
2024	\$44,771	\$229	\$871	\$246	\$1,713	\$77	\$335	\$317	\$3,788
2025	\$44,218	\$246	\$854	\$250	\$1,699	\$81	\$331	\$323	\$3,784
2026	\$43,641	\$246	\$837	\$275	\$1,685	\$88	\$326	\$329	\$3,786
2027	\$43,032	\$264	\$819	\$285	\$1,670	\$92	\$320	\$336	\$3,786
2028	\$42,391	\$282	\$800	\$296	\$1,654	\$99	\$315	\$343	\$3,788
2029	\$41,715	\$299	\$780	\$306	\$1,638	\$102	\$309	\$350	\$3,784
2030	\$41,007	\$335	\$759	\$303	\$1,621	\$109	\$302	\$357	\$3,786
2031	\$40,261	\$352	\$735	\$320	\$1,602	\$116	\$296	\$364	\$3,786
2032	\$39,472	\$370	\$710	\$433	\$1,582	\$123	\$289	\$277	\$3,784
2033	\$38,546	\$387	\$684	\$468	\$1,555	\$130	\$281	\$280	\$3,786
2034	\$37,560	\$423	\$656	\$486	\$1,526	\$137	\$273	\$283	\$3,784
2035	\$36,514	\$440	\$626	\$525	\$1,496	\$148	\$265	\$287	\$3,785
2036	\$35,401	\$475	\$595	\$549	\$1,463	\$155	\$256	\$290	\$3,782
2037	\$34,222	\$511	\$561	\$581	\$1,429	\$165	\$246	\$293	\$3,786
2038	\$32,965	\$546	\$524	\$616	\$1,392	\$176	\$236	\$297	\$3,787
2039	\$31,627	\$581	\$485	\$655	\$1,354	\$187	\$225	\$300	\$3,787
2040	\$30,204	\$616	\$444	\$697	\$1,313	\$197	\$214	\$304	\$3,785
2041	\$28,694	\$651	\$400	\$746	\$1,269	\$208	\$202	\$307	\$3,784
2042	\$27,088	\$704	\$354	\$782	\$1,223	\$218	\$189	\$311	\$3,780
2043	\$25,384	\$739	\$304	\$842	\$1,174	\$232	\$176	\$315	\$3,781
2044	\$23,570	\$792	\$251	\$894	\$1,119	\$246	\$161	\$318	\$3,783
2045	\$21,637	\$845	\$194	\$951	\$1,061	\$261	\$146	\$322	\$3,780
2046	\$19,581	\$915	\$134	\$1,000	\$999	\$278	\$130	\$326	\$3,783
2047	\$17,387	\$968	\$69	\$1,070	\$934	\$292	\$113	\$330	\$3,777
2048	\$15,056	\$0	\$0	\$2,338	\$864	\$310	\$95	\$172	\$3,779
2049	\$12,408	\$0	\$0	\$2,489	\$712	\$331	\$76	\$172	\$3,782
2050	\$9,588	\$0	\$0	\$2,648	\$551	\$349	\$56	\$173	\$3,777
2051	\$6,592	\$0	\$0	\$2,820	\$379	\$370	\$35	\$174	\$3,778
2052	\$3,401	\$0	\$0	\$3,004	\$195	\$398	\$24	\$175	\$3,795
Total		\$12,430	\$14,303	\$26,877	\$36,872	\$5,676	\$6,569	\$8,551	\$111,277

1 - Annual Installment billed by the Collin County Tax Office during Year 2023 will be billed on or around 10/01/23 and payment is due by 01/31/24.
 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 amount calculated through the principal payment date of each year.
 3 - The principal and interest amounts represent the final numbers of the Phases #2-3 Direct Series 2023 Bonds and will not increase during the life of the bond. Interest amounts are calculated through the principal payment date of each year.
 4 - The principal and interest amounts represent the debt service requirements of the Phases #2-3 Direct Improvement 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.
 5 - Administrative expenses are estimated and will be updated each year in the Annual Service Plan Update.
 6 - 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, AS THE SAME IS UPDATED EACH YEAR.

Property Owners may choose to prepay their Assessment at any time. Effective January 1, 2024, for any single-family residential parcel prepaying an Assessment, a \$500 fee will be included in the total payoff amount to cover processing and other lien release related filing expenses. If interested in prepaying an Assessment, please contact MuniCap by telephone at (469) 490-2800 or email at txpid@municap.com.

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 (2023) taxable value = \$400,000

Estimated current (2023) incremental value = \$399,000 (i.e. \$400,000 - \$1,000)

Estimated current (2023) City tax rate per \$100 of taxable value = \$0.634759

Estimated PID current (2023) annual installment of Assessment = \$1,542

Estimated PID next (2024) annual installment of Assessments = \$3,788

B) Estimated City incremental tax:

\$2,533 [i.e., $(\$399,000 \div 100) \times \$0.634759 = \$2,533$]

C) Estimated TIRZ Credit:

\$866 (i.e., $\$2,533 \times 34.2\% = \866)

D) PID current annual installment due (2023):

\$1,542 with no prior year TIRZ Credit

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

\$2,922 (i.e., $\$3,788 - \$866 = \$2,922$) after application of the \$866 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.