

**Jackson Ridge Public Improvement District
Phase #1 – Lot Type 2 – 50 FT Lot**

Project Overview

The Jackson Ridge Public Improvement District (the “District”) was created by the City Council of the City of Aubrey (the “City Council”) on June 25, 2015, pursuant to the Public Improvement District Act, Texas Local Government Code, Chapter 372, as amended (the “Act”), and Resolution No. 709-15 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 city limits of the City of Aubrey (the “City”). A Service and Assessment Plan was accepted and approved by the City Council on November 17, 2015, pursuant to Ordinance No. 581-16 (the “Assessment Ordinance”), setting forth the plan for apportioning the costs of certain of the public improvement projects (the “Authorized Improvements”) to be assessed against properties in the District and for payment of special assessments with respect thereto.

The City issued the City of Aubrey (Jackson Ridge Public Improvement District Phase #1 Project) Special Assessment Revenue Bonds, Series 2015 (the “Series 2015 Bonds”) in the aggregate amount of \$13,460,000 pursuant to the Act, an Ordinance No. 582-16 adopted by the City Council of the City of Aubrey (the “City Council”) on November 17, 2015 and an Indenture of Trust dated as of December 1, 2015 between the City, and the Wilmington Trust, N.A. as trustee. The City also approved the Jackson Ridge Public Improvement District Phase #1 Reimbursement Agreement (the “Reimbursement Agreement”) in the aggregate amount of \$4,500,000 pursuant to Ordinance No. 581-16 adopted by the City Council on November 17, 2015 to finance the remaining costs of the Authorized Improvements.

Mustang Special Utility District (“MSUD”) will be servicing the district for water services as agreed upon in June 2017 by MSUD and the Jackson Ridge PID. Therefore, the costs of authorized water improvements financed with bond proceeds are anticipated to be redeemed on November 1, 2018. This redemption results in a lowering of the original assessment due per property owner and is reflected by the principal reduction between years 2018 and 2019.

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 Denton 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 amount of the assessment and the due dates of that assessment may be obtained from MuniCap, Inc., the District Administrator for the City, located at 600 E. John Carpenter Freeway, Suite 150, Irving, TX 75062 and available by telephone at (469) 490-2800 or toll-free at (866) 648-8482 and email at txpid@municap.com.

Failure to pay the assessments could result in a lien on and the foreclosure of the property.

PID Assessment Notice

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT
TO THE CITY OF AUBREY, 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 Aubrey, 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 Jackson Ridge 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

Jackson Ridge Public Improvement District
Summary of Projected Annual Installments
Phase #1

Parcel
Outstanding Assessment
Total Equivalent Units

Lot Type 2 (50' Lot)
\$25,689
0.83

Year ¹	Outstanding Assessment Amount ²	Bond Principal ³	Bond Interest ³	R.A. Principal ⁴	R.A. Interest ⁴	Administrative Expenses ⁵	MSUD Contract Revenue Credit ⁶	Total Annual Installment ⁷
2023	\$25,689	\$491	\$1,888	\$15	\$70	\$69	(\$161)	\$2,371
2024	\$25,183	\$522	\$1,871	\$17	\$67	\$50	(\$161)	\$2,366
2025	\$24,645	\$564	\$1,831	\$19	\$66	\$51	(\$161)	\$2,369
2026	\$24,062	\$606	\$1,787	\$21	\$64	\$52	(\$161)	\$2,369
2027	\$23,436	\$658	\$1,740	\$25	\$63	\$53	(\$161)	\$2,378
2028	\$22,753	\$700	\$1,689	\$27	\$61	\$54	(\$160)	\$2,371
2029	\$22,026	\$752	\$1,635	\$29	\$60	\$55	(\$160)	\$2,371
2030	\$21,245	\$804	\$1,577	\$33	\$58	\$56	(\$160)	\$2,368
2031	\$20,408	\$856	\$1,514	\$35	\$55	\$57	(\$159)	\$2,359
2032	\$19,516	\$919	\$1,448	\$40	\$53	\$58	(\$159)	\$2,359
2033	\$18,558	\$992	\$1,377	\$42	\$50	\$60	(\$159)	\$2,362
2034	\$17,524	\$1,065	\$1,300	\$46	\$48	\$61	(\$158)	\$2,361
2035	\$16,413	\$1,138	\$1,217	\$50	\$45	\$62	(\$158)	\$2,354
2036	\$15,225	\$1,222	\$1,129	\$54	\$41	\$63	(\$158)	\$2,352
2037	\$13,949	\$1,316	\$1,034	\$61	\$38	\$65	(\$158)	\$2,355
2038	\$12,573	\$1,410	\$933	\$65	\$34	\$66	(\$157)	\$2,349
2039	\$11,099	\$1,503	\$823	\$71	\$29	\$67	(\$156)	\$2,338
2040	\$9,524	\$1,618	\$707	\$75	\$25	\$69	(\$156)	\$2,338
2041	\$7,831	\$1,744	\$581	\$81	\$20	\$70	(\$156)	\$2,340
2042	\$6,006	\$1,858	\$446	\$88	\$14	\$71	(\$155)	\$2,323
2043	\$4,060	\$1,994	\$302	\$94	\$8	\$73	(\$154)	\$2,318
2044	\$1,972	\$1,905	\$148	\$66	\$2	\$74	(\$154)	\$2,042
Total		\$24,635	\$26,978	\$1,054	\$971	\$1,356	(\$3,480)	\$51,513

1 - Annual Installments billed during Year 2023 is anticipated to be billed by the Denton County Tax Office on, or around, 10/01/2023 and is due by 01/31/2024.
2 - The outstanding Assessment amounts are adjusted to reflect redemption of bonds as a result of transfer of services from the City to Mustang Special Utility District (MSUD).
3 - The principal and interest amounts are based final bond cash flows from the underwriter dated 11-17-15. The interest amounts shown include the 0.5% additional interest amount to be collected for prepayment and delinquency reserves. Interest amounts are
4 - The principal and interest amounts are calculated for the Reimbursement Agreement amount of \$540,000. The interest amounts shown are calculated at 6.63%. Interest amounts are calculated through the principal payment date of each year.
5 - The amounts shown include estimated PID administration and assessment collection costs and will be updated each year in the Annual Service Plan Updates.
6 - MSUD Contract Revenue Credits represents bond debt service amounts payable by MSUD and used to offset the Annual Installments to be collected.
7 - The Annual Installments 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 JACKSON RIDGE PUBLIC IMPROVEMENT DISTRICT ANNUAL SERVICE AND ASSESSMENT PLAN UPDATE.

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.

Example of TIRZ Credit Application

The property in the PID is also located in the City of Aubrey Tax Increment Reinvestment Zone No. 1. The City has committed to use approximately 45.2% 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 (2015) taxable value = \$1,000

Estimated current year (2023) taxable value = \$237,500

Estimated current (2023) incremental value = \$236,500 (i.e. \$237,500 - \$1,000)

Estimated current (2023) City tax rate per \$100 of taxable value = \$0.464928

Estimated PID current (2023) annual installment of Assessment = \$2,371

Estimated PID next (2024) annual installment of Assessments = \$2,366

B) Estimated City incremental tax:

\$1,100 [i.e., $(\$237,500 \div 100) \times \$0.464928 = \$1,100$]

C) Estimated TIRZ Credit:

\$497 (i.e., $\$1,100 \times 45.2\% = \497)

D) Estimated PID current annual installment due (2023):

\$2,371 with no prior year TIRZ Credit

E) Estimated PID next annual installment due (2024):

\$1,869 (i.e., $\$2,366 - \$497 = \$1,869$) after application of the \$497 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.