

**ORDINANCE NO. 2023-88**

**AN ORDINANCE OF THE CITY OF CELINA APPROVING THE ANNUAL UPDATE OF THE SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLLS FOR THE TEN MILE CREEK PUBLIC IMPROVEMENT DISTRICT IN ACCORDANCE WITH TEXAS LOCAL GOVERNMENT CODE §372.013, AS AMENDED; CONTAINING A CUMMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, on March 15, 2022, the City Council of the City of Celina, Texas (the “City”) approved Resolution No. 2022-14R establishing the Ten Mile Creek Public Improvement District (the “PID”) in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the “Public Improvement District Assessment Act” or “the PID Act”); and

**WHEREAS**, the City has heretofore levied assessments against property within Improvement Area #1 the PID, pursuant to Ordinance No. 2023-23 which ordinance also approved the Ten Mile Creek Public Improvement District Service and Assessment Plan and Assessment Roll related to Improvement Area #1, dated as of March 14, 2023 (the “Service and Assessment Plan and Improvement Area #1 Assessment Roll”); and

**WHEREAS**, the City has also heretofore levied assessments against property within the Major Improvement Area of the PID, pursuant to Ordinance No. 2023-22 which ordinance also approved the Ten Mile Creek Public Improvement District Service and Assessment Plan and Assessment Roll related to the Major Improvement Area, dated as of March 14, 2023 (the “Service and Assessment Plan and Major Improvement Area Assessment Roll”) [and, together with the Service and Assessment Plan and Improvement Area #1 Assessment Roll, the “Service and Assessment Plan and Assessment Rolls”]; and

**WHEREAS**, the Service and Assessment Plan and Assessment Rolls are required to be reviewed and updated annually as described in Sections 372.013 and 372.014 of the PID Act (the “Annual Service Plan Update”); and

**WHEREAS**, the Annual Service Plan Update, attached hereto as Exhibit A, including the Improvement Area #1 and the Major Improvement Area Assessment Rolls attached thereto, update the Service and Assessment Plan and Assessment Rolls to reflect prepayments, property divisions and changes to the budget allocation for the PID that occur during the year, if any; and

**WHEREAS**, the City Council desires and finds it to be in the public interest to adopt this Ordinance approving and adopting the Annual Service Plan Update and the updated Assessment Roll attached thereto, in compliance with the PID Act.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, THAT:**

**SECTION 1.** All matters stated in the preamble are found to be true and correct and are incorporated herein as if copied in their entirety.

**SECTION 2.** The Ten Mile Creek Public Improvement District Annual Service Plan Update, attached hereto as Exhibit A and incorporated herein by reference, inclusive of the updated Assessment Rolls contained therein and made a part thereof, are hereby accepted and approved.

**SECTION 3.** The provisions of this ordinance are to be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent with or in conflict with any of the provisions of this ordinance are hereby expressly repealed to the extent of any such inconsistency or conflict.

**SECTION 4.** Should any sentence, paragraph, subdivision, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this Ordinance as a whole, or any part or provision thereof other than the part so decided to be invalid, illegal or unconstitutional, and shall not affect the validity of the Ordinance as a whole.

**SECTION 5.** This Ordinance shall take effect immediately after its passage and the publication of the caption, as the law and charter in such case provide. The City Secretary shall cause this Ordinance to be filed with the county clerk in each county in which all or a part of the PID is located not later than seven (7) days after the date the governing body of the City approves this Annual Service Plan Update.

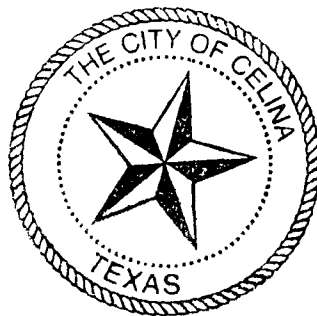
**DULY PASSED BY THE CITY COUNCIL OF THE CITY OF CELINA, TEXAS, ON THE 8TH OF AUGUST 2023.**

APPROVED:

  
\_\_\_\_\_  
Ryan Tubbs, Mayor

ATTEST:

  
\_\_\_\_\_  
Lauren Vaughns, City Secretary



**TEN MILE CREEK  
PUBLIC IMPROVEMENT DISTRICT  
CITY OF CELINA, TEXAS**

**ANNUAL SERVICE PLAN UPDATE  
2023-24**

**AS APPROVED BY CITY COUNCIL ON:  
AUGUST 8, 2023**

**PREPARED BY:**

**MUNICAP, INC.**  
— PUBLIC FINANCE —

# TEN MILE CREEK PUBLIC IMPROVEMENT DISTRICT

## ANNUAL SERVICE PLAN UPDATE – 2023-24

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## ***I. INTRODUCTION***

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The Ten Mile Creek Public Improvement District (the “PID”) was created pursuant to the PID Act and a resolution of the City Council on March 15, 2022 to finance certain public improvement projects for the benefit of the property in the PID.

On March 14, 2023, the City approved issuance of the City of Celina, Texas Special Assessment Revenue Bonds, Series 2023 (Ten Mile Creek Public Improvement District Improvement Area #1 Project) (the “Improvement Area #1 Bonds”) in the aggregate principal amount of \$12,010,000, and reimbursement obligations for the Improvement Area #1 Reimbursement Agreement (the “Improvement Area #1 Reimbursement Agreement”) in the aggregate principal amount of \$2,940,000 to finance, refinance, provide or otherwise assist in the acquisition, construction and maintenance of the public improvements provided for the benefit of the property in the PID. Both the Improvement Area #1 Bonds and the Improvement Area #1 Reimbursement Agreement are secured by the Improvement Area #1 Assessments (the “Improvement Area #1 Assessments”).

Additionally, on March 14, 2023, the City approved issuance of the City of Celina, Texas Special Assessment Revenue Bonds, Series 2023 (Ten Mile Creek Public Improvement District Major Improvement Area Project) (the “Major Improvement Bonds”) in the aggregate principal amount of \$7,021,000, to finance, refinance, provide or otherwise assist in the acquisition, construction and maintenance of the public improvements provided for the benefit of the property in the PID. The Major Improvement Bonds are secured by the Major Improvement Area Assessments (the “Major Improvement Area Assessments”).

A service and assessment plan (the “Service and Assessment Plan”) was prepared at the direction of the City identifying the public improvements (the “Authorized Improvements”) to be provided by the PID, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the PID for the costs of the Authorized Improvements. Pursuant to the PID Act, the Service and Assessment Plan must be reviewed and updated annually. This document is the annual update of the Service and Assessment Plan for 2023-24 (the “Annual Service Plan Update”).

The City also adopted Assessment Rolls identifying the assessments on each Parcel within the PID, based on the method of assessment identified in the Service and Assessment Plan. This Annual Service Plan Update also updates the Assessment Roll for 2023-24.

The Texas legislature passed House Bill 1543 as an amendment to the PID Act, requiring, among other things, (i) all Service and Assessment Plans and Annual Service Plan Updates be approved through City ordinance or order to be filed with the county clerk of each county in which all or part of the PID is located within seven days and (ii) include a copy of the notice form required by Section 5.014 of the Texas Property Code (the “PID Assessment Notice”) as disclosure of the obligation to pay PID Assessments. In light of these amendments to the PID Act, this Annual Service Plan Update includes a copy of the PID Assessment Notice as Appendix D and copy of this Annual Service Plan Update will be filed with the county clerk in each county in which all or

a part of the PID us located not later than seven (7) days after the date the governing body of the City approves this Annual Service Plan Update.

Section 372.013 of the PID Act, as amended, stipulates that a person who proposes to sell or otherwise convey real property that is located in the PID, except in certain situation described in the PID Act, shall first give to the purchaser of the property a copy of the completed PID Assessment Notice. The PID Assessment Notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller provided the required notice, the purchaser, subject to certain exceptions described in the PID Act, is entitled to terminate the contract. The PID Assessment Notice shall be executed by the seller and must be filed in the real property records of the County in which the property is located at the closing of the purchase and sale of the property.

Capitalized terms shall have the meanings set forth in the Service and Assessment Plan unless otherwise defined herein.

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## ***II. UPDATE OF THE SERVICE PLAN***

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### **A. UPDATED SOURCES AND USES FOR PUBLIC IMPROVEMENTS**

#### ***Improvement Area #1 Improvements Sources and Uses***

The current total estimated costs of the Improvement Area #1 Improvements (including the proportional share of the Major Improvement costs) are equal to \$14,897,091 which remain the same as the budget estimates included in the Service and Assessment Plan. According to Requisition #2 approved by the City on May 17, 2023, the actual costs of the Improvement Area #1 Improvements spent to date are \$2,336,687. According to the Developer, there have not been line item amount revisions for the Authorized Improvements as shown in Table II-A-1 on the following page.

Table II-A-1 on the following page summarizes the updated sources and uses of funds required to (1) construct the Improvement Area #1 Improvements, including the proportional share of the Major Improvement costs, (2) establish the PID, and (3) issue Improvement Area #1 Bonds.

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**Table II-A-1**  
**Improvement Area #1 Sources and Uses of Funds**

<b>Sources of Funds</b>	<b>Initial Estimated Budget<sup>1</sup></b>	<b>Budget Revisions<sup>2</sup></b>	<b>Updated Budget<sup>2</sup></b>	<b>Spent to Date<sup>2</sup></b>	<b>Remaining to be Funded</b>
Par amount (Phase #1 Bonds)	\$12,010,000	\$0	\$12,010,000	\$5,174,757	\$6,835,243
Assessment amount (Phase #1 Reimbursement Agreement)	\$2,940,000	\$0	\$2,940,000	\$0	\$2,940,000
Other funding sources	\$2,785,161	\$0	\$2,785,161	\$0	\$2,785,161
<b>Total Sources</b>	<b>\$17,735,161</b>	<b>\$0</b>	<b>\$17,735,161</b>	<b>\$5,174,757</b>	<b>\$12,560,404</b>
<b>Uses of Funds</b>					
<u>Improvement Area #1 Improvements:</u>					
Road Improvements	\$3,935,600	\$0	\$3,935,600	\$99,015	\$3,836,585
Water Improvements	\$1,949,120	\$0	\$1,949,120	\$232,881	\$1,716,239
Sanitary Sewer Improvements	\$1,083,705	\$0	\$1,083,705	\$483,277	\$600,428
Storm Drainage Improvements	\$1,752,083	\$0	\$1,752,083	\$747,450	\$1,004,633
Other Soft and Miscellaneous Costs	\$2,627,640	\$0	\$2,627,640	\$42,164	\$2,585,476
<i>Subtotal</i>	<i>\$11,348,148</i>	<i>\$0</i>	<i>\$11,348,148</i>	<i>\$1,604,788</i>	<i>\$9,743,360</i>
<u>Major Improvements:</u>					
Road Improvements	\$1,228,664	\$0	\$1,228,664	\$5,408	\$1,223,256
Water Improvements	\$391,794	\$0	\$391,794	\$215,499	\$176,295
Sanitary Sewer Improvements	\$362,117	\$0	\$362,117	\$209,316	\$152,801
Storm Drainage Improvements	\$747,779	\$0	\$747,779	\$269,946	\$477,833
Other Soft and Miscellaneous Costs	\$818,588	\$0	\$818,588	\$31,730	\$786,858
<i>Subtotal</i>	<i>\$3,548,943</i>	<i>\$0</i>	<i>\$3,548,943</i>	<i>\$731,899</i>	<i>\$2,817,043</i>
<u>Bond Issuance Costs:</u>					
Cost of issuance	\$612,330	\$0	\$612,330	\$612,330	\$0
Capitalized interest	\$935,600	\$0	\$935,600	\$935,600	\$0
Reserve fund	\$879,840	\$0	\$879,840	\$879,840	\$0
Administrative Expense	\$50,000	\$0	\$50,000	\$50,000	\$0
Underwriter's discount	\$360,300	\$0	\$360,300	\$360,300	\$0
<i>Subtotal</i>	<i>\$2,838,070</i>	<i>\$0</i>	<i>\$2,838,070</i>	<i>\$2,838,070</i>	<i>\$0</i>
<b>Total Uses</b>	<b>\$17,735,161</b>	<b>\$0</b>	<b>\$17,735,161</b>	<b>\$5,174,757</b>	<b>\$12,560,404</b>

1 – According to the Service and Assessment Plan approved on March 14, 2023.

2 – According to Requisition #2 approved by the City on May 17, 2023.



Major Improvement Area Projects Sources and Uses

The current total estimated costs of the Major Improvement Area Projects are equal to \$5,135,063, which remain the same as the budget estimates included in the Service and Assessment Plan. According to Requisition #2 approved by the City on May 17, 2023, the actual costs of the Major Improvement Area Projects spent to date are \$1,892,664. According to the Developer, there have not been line item amount revisions for the Authorized Improvements as shown in Table II-A-2 on the following page.

Table II-A-2 on the following page summarizes the updated sources and uses of funds required to (1) construct the Major Improvement Area Projects, (2) establish the PID, and (3) issue Major Improvement Bonds.

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**Table II-A-2**  
**Major Improvement Area Projects Sources and Uses of Funds**

Sources of Funds	Initial Estimated Budget <sup>1</sup>	Budget Revisions <sup>2</sup>	Updated Budget <sup>2</sup>	Spent to Date <sup>2</sup>	Remaining to be Funded
Par amount	\$7,021,000	\$0	\$7,021,000	\$3,778,601	\$3,242,399
Other funding sources	\$0	\$0	\$0	\$0	\$0
<b>Total Sources</b>	<b>\$7,021,000</b>	<b>\$0</b>	<b>\$7,021,000</b>	<b>\$3,778,601</b>	<b>\$3,242,399</b>
<b>Uses of Funds</b>					
<i>Major Improvements</i>					
Road Improvements	\$1,777,788	\$0	\$1,777,788	\$86,068	\$1,691,720
Water Improvements	\$566,898	\$0	\$566,898	\$504,357	\$62,541
Sanitary Sewer Improvements	\$523,957	\$0	\$523,957	\$455,080	\$68,877
Storm Drainage Improvements	\$1,081,982	\$0	\$1,081,982	\$401,238	\$680,744
Other Soft and Miscellaneous Costs	\$1,184,438	\$0	\$1,184,438	\$445,922	\$738,516
<i>Subtotal: Major Improvements</i>	<i>\$5,135,063</i>	<i>\$0</i>	<i>\$5,135,063</i>	<i>\$1,892,664</i>	<i>\$3,242,399</i>
<i>Bond Issuance Costs</i>					
Cost of issuance	\$404,468	\$0	\$404,468	\$404,468	\$0
Capitalized interest	\$621,669	\$0	\$621,669	\$621,669	\$0
Reserve fund	\$549,170	\$0	\$549,170	\$549,170	\$0
Administrative Expense	\$100,000	\$0	\$100,000	\$100,000	\$0
Underwriter's discount	\$210,630	\$0	\$210,630	\$210,630	\$0
<i>Subtotal: Bond Issuance Costs</i>	<i>\$1,885,937</i>	<i>\$0</i>	<i>\$1,885,937</i>	<i>\$1,885,937</i>	<i>\$0</i>
<b>Total Uses</b>	<b>\$7,021,000</b>	<b>\$0</b>	<b>\$7,021,000</b>	<b>\$3,778,601</b>	<b>\$3,242,399</b>

1 – According to the Service and Assessment Plan approved on March 14, 2023.

2 – According to Requisition #2 approved by the City on May 17, 2023.

## B. FIVE YEAR SERVICE PLAN

A service plan must cover a period of five years. All the Authorized Improvements are expected to be built within a period of five years. The anticipated budget for the Authorized Improvements over a period of five years and the indebtedness expected to be incurred for these costs is shown by Table II-B-1 on the following page.

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**Table II-B-1**  
**Annual Projected Costs and Annual Projected Indebtedness**  
**2023-2029**

Assessment Year Ending 09/01 <sup>1</sup>	Improvement Area #1 Projected Annual Installments	Major Improvement Area Projected Annual Installments
2023	\$0	\$0
2024	\$460,293	\$0
2025	\$1,189,903	\$636,295
2026	\$1,190,225	\$635,975
2027	\$1,188,916	\$635,377
2028	\$1,189,034	\$635,499
2029	\$1,189,468	\$636,283
<b>Total</b>	<b>\$6,407,838</b>	<b>\$3,179,429</b>

<sup>1</sup>Assessment years ending 2023 through 2024 reflect actual Annual Installments and are net of applicable reserve fund income, and capitalized interest. Assessment years 2025 through 2029 reflect projected Annual Installments and are subject to change.

### C. ANNUAL BUDGET – IMPROVEMENT AREA #1

#### *Improvement Area #1 - Annual Installments – 2023-24*

The Assessment imposed on any Parcel may be paid in full at any time. If not paid in full, the Assessment shall be payable in thirty Annual Installments of principal and interest beginning with the tax year following the issuance of the Improvement Area #1 Bonds and/or the execution of the Improvement Area #1 Reimbursement Agreement, of which twenty-nine (29) Annual Installments remain outstanding.

Pursuant to the Service and Assessment Plan, each Assessment shall bear interest at the rate on the Improvement Area #1 Bonds commencing with the issuance of the Improvement Area #1 Bonds. The effective interest rate on the Improvement Area #1 Bonds is 5.55 percent and the interest rate applicable to the Improvement Area #1 Reimbursement Agreement is 6.03 percent per annum for 2023-24. Pursuant to Section 372.018 of the PID Act, the interest rate for that assessment may not exceed a rate that is one-half of one percent higher than the actual interest rate paid on the debt. Accordingly, the effective interest rate on the Improvement Area #1 Bonds (5.55 percent) plus an additional interest of one-half of one percent and the effective interest rate on the Improvement Area #1 Reimbursement Agreement (6.03 percent) are used to calculate the interest on the Assessments. These payments, the “Annual Installments” of the Assessments, shall be billed by the City in 2023 and will be delinquent on February 1, 2024.

Pursuant to the Service and Assessment Plan, the Annual Service Plan Update shall show the remaining balance of the Assessments, the Annual Installment due for 2023-24 and the Administrative Expenses to be collected from each Parcel. Administrative Expenses shall be allocated to each Parcel pro rata based upon the amount the Annual Installment on a Parcel bears to the total amount of Annual Installments in the PID as a whole that are payable at the time of such allocation. Each Annual Installment shall be reduced by any credits applied under applicable

documents including the Service and Assessment Plan and Trust Indenture, capitalized interest and interest earnings on any account balances and by any other funds available to the PID.

Annual Budget for the Repayment of Indebtedness

Debt service will be paid on the Improvement Area #1 Bonds and Improvement Area #1 Reimbursement Agreement from the collection of the Annual Installments. In addition, Administrative Expenses are to be collected with the Annual Installments to pay expenses related to the collection of the Annual Installments. The additional interest collected with the Annual Installments will be used to pay the prepayment and delinquency reserve amounts as described in the Service and Assessment Plan and applicable Trust Indenture.

Improvement Area #1 Annual Installments to be Collected for 2023-24

The budget for Improvement Area #1 of the PID will be paid from the collection of Annual Installments collected for 2023-24 as shown by Table II-C-1 below.

**Table II-C-1**  
**Budget for the Improvement Area #1 Annual Installments**  
**to be Collected for 2023-24**

	Phase #1 Bonds	Phase #1 Reimbursement Agreement	Total
Interest payment on March 1, 2024	\$333,481	\$221,603	\$555,084
Interest payment on September 1, 2024	\$333,481	\$88,641	\$422,122
Principal payment on September 1, 2024	\$0	\$40,000	\$40,000
<i>Subtotal debt service</i>	<i>\$666,963</i>	<i>\$350,244</i>	<i>\$1,017,206</i>
Administrative expenses	\$51,000	\$0	\$51,000
Additional interest reserves	\$60,050	\$0	\$60,050
<i>Subtotal Expenses</i>	<i>\$778,013</i>	<i>\$350,244</i>	<i>\$1,128,256</i>
Available reserve fund income	\$0	\$0	\$0
Available capitalized interest account	(\$666,963)	\$0	(\$666,964)
Available administrative expense account	(\$1,000)	\$0	(\$1,000)
<i>Subtotal funds available</i>	<i>(\$667,964)</i>	<i>\$0</i>	<i>(\$667,964)</i>
<b>Annual Installments</b>	<b>\$110,049</b>	<b>\$350,244</b>	<b>\$460,293</b>

Debt Service Payments

Annual Installments to be collected for principal and interest include the Improvement Area #1 Bonds' interest due on March 1, 2024 in the amount of \$333,481 and on September 1, 2024 in the amount of \$333,481, which equal interest on the outstanding Improvement Area #1 Bond

Assessments balance of \$12,010,000 for six months each and an effective interest rate of 5.55 percent plus an additional interest of one-half of one percent. There is no Improvement Area #1 Bond principal amount to be collected for the 2023-24 assessment year. As a result, total Annual Installments to be collected for the Improvement Area #1 Bonds' principal and interest in 2023-24 is equal to \$666,963.

Additionally, Annual Installments to be collected for principal and interest include Improvement Area #1 Reimbursement Agreement interest due on March 1, 2024 in the amount of \$221,603 and on September 1, 2024 in the amount of \$88,641, which equal interest on the outstanding Improvement Area #1 Reimbursement Agreement Assessments balance of \$2,940,000 for fifteen months and six months, respectively, at an effective interest rate of 6.03 percent. Improvement Area #1 Reimbursement Agreement Annual Installments to be collected include a principal amount of \$40,000 due on September 1, 2024. As a result, the total Annual Installments to be collected for Improvement Area #1 Reimbursement Agreement principal and interest in 2023-24 is equal to \$350,244.

#### Administrative Expenses

Administrative expenses include the City, Trustee, Administrator, auditor, dissemination agent and contingency fees. As shown in Table II-C-2 below, the total Improvement Area #1 Administrative Expenses to be collected for 2023-24 are estimated to be \$51,000.

**Table II-C-2**  
**Improvement Area #1 Administrative Budget Breakdown**

Description	2023-24 Estimated Budget (9/1/23-8/31/24)
City	\$6,000
PID Administrator	\$33,500
Trustee	\$2,750
Auditor	\$2,000
Dissemination Agent	\$3,500
Contingency	\$3,250
<b>Total</b>	<b>\$51,000</b>

#### Excess Interest for Prepayment and Delinquency Reserve

Annual Installments to be collected for excess interest for prepayment and delinquency reserves in the amount of \$60,050, which equals 0.5 percent interest on the outstanding collective Improvement Area #1 Bond Assessments balance of \$12,010,000.

Available Capitalized Interest Account

As of May 31, 2023, and in accordance with Section 6.4(c) of the Trust Indenture, \$666,963 is anticipated to be available and will be transferred to the Principal & Interest Account to fund the interest payment due March 1, 2024 in the amount of \$333,481 and the interest payment due September 1, 2024 in the amount of \$333,481.

Available Administrative Expense Account

As of May 31, 2023, the available balance for administrative expenses was \$51,162. \$50,162 is anticipated to be used for the payment of current year administrative expenses through January 31, 2024. As a result, there is \$1,000 available in the Administrative Expense Fund to reduce the 2023-24 Improvement Area #1 Annual Installment.

**D. ANNUAL INSTALLMENTS PER UNIT – IMPROVEMENT AREA #1**

According to the Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Improvement Area #1 Bonds and Improvement Area #1 Reimbursement Agreement, (ii) to fund the prepayment reserve and delinquency reserve, and (iii) to cover Administrative Expenses of Improvement Area #1. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest available.

According to the Service and Assessment Plan, 296 units representing 237.60 total Equivalent Units are estimated to be built within Improvement Area #1 of the PID. Accordingly, the principal and interest portion of Annual Installment to be collected from each Equivalent Unit within Improvement Area #1 will be \$1,726.82 (i.e.  $(\$1,017,206 + \$60,050 - 666,993) \div 237.60 = \$1,726.82$ ) and the Administrative Expenses to be collected from each Equivalent Unit will be \$210.44 (i.e.  $(\$51,000 - \$1,000) \div 237.60 = \$210.44$ ). As a result, the total Annual Installment to be collected from each Equivalent Unit within Improvement Area #1 will be \$1,937.26 (i.e.  $\$1,726.82 + \$210.44 = \$1,937.26$ ). The Annual Installment to be collected from each Parcel within Improvement Area #1 is calculated by multiplying the Annual Installment for each Equivalent Unit of \$1,937.26 by the total estimated number of Equivalent Units for each Parcel in Improvement Area #1.

The Annual Installment due to be collected from each Land Use Class in Improvement Area #1 for 2023-24 is shown in Table II-D-1 on the following page.

**Table II-D-1**  
**Improvement Area #1 Annual Installment Per Unit**

<b>Land Use Class</b>	<b>Annual Installment Per Equivalent Unit</b>	<b>Equivalent Unit Factor</b>	<b>Annual Installment per Unit</b>
60 ft	\$1,937.26	1.00	\$1,937.26
55 ft	\$1,937.26	0.90	\$1,743.53
Townhome	\$1,937.26	0.60	\$1,162.35

The list of Parcels within Improvement Area #1 of the PID, the estimated number of units to be developed on the current residential Parcels, the total Assessment, the Annual Assessment, the Capitalized Interest Credit, the Prepayment and Delinquency Reserve, the Administrative Expenses and the Annual Installment to be collected for 2023-24 are shown in the Assessment Roll Summary attached hereto as Appendix B.

**E. ANNUAL BUDGET – MAJOR IMPROVEMENT AREA**

*Major Improvement Area - Annual Installments – 2023-24*

The Assessment imposed on any Parcel may be paid in full at any time. If not paid in full, the Assessment shall be payable in thirty annual installments of principal and interest beginning with the tax year following the issuance of the Major Improvement Bonds, of which twenty-nine (29) Annual Installments remain outstanding.

Pursuant to the Service and Assessment Plan, each Assessment shall bear interest at the rate on the Bonds commencing with the issuance of the Major Improvement Bonds. The effective interest rate on the Major Improvement Bonds is 6.31 percent. Pursuant to Section 372.018 of the PID Act, the interest rate for that Assessment may not exceed a rate that is one-half of one percent higher than the actual interest rate paid on the debt. Accordingly, the effective interest rate on the Major Improvement Bonds (6.31 percent) plus an additional interest of one-half of one percent are used to calculate the interest on the Assessments. These payments, the “Annual Installments” of the Assessments, shall be billed by the City in 2023 and will be delinquent on February 1, 2024.

Pursuant to the Service and Assessment Plan, the Annual Service Plan Update shall show the remaining balance of the Assessments, the Annual Installment due for 2023-24 and the Administrative Expenses to be collected from each Parcel. Administrative Expenses shall be allocated to each Parcel pro rata based upon the amount the Annual Installment on a Parcel bears to the total amount of Annual Installments in the PID as a whole that are payable at the time of such allocation. Each Annual Installment shall be reduced by any credits applied under applicable documents including the Service and Assessment Plan and applicable Trust Indenture, such as capitalized interest and interest earnings on any account balances and by any other funds available to the PID.

Annual Budget for the Repayment of Indebtedness

Debt service will be paid on the Major Improvement Bonds from the collection of the Annual Installments. In addition, Administrative Expenses are to be collected with the Annual Installments to pay expenses related to the collection of the Annual Installments. The additional interest collected with the Annual Installments will be used to pay the prepayment and delinquency reserve amounts as described in the Service and Assessment Plan and applicable Trust Indenture.

Major Improvement Area Annual Installments to be Collected for 2023-24

The budget for the Major Improvement Area of the PID will be paid from the collection of Annual Installments collected for 2023-24 as shown by Table II-E-1 below.

**Table II-E-1**  
**Budget for the Major Improvement Area Annual Installments**  
**to be Collected for 2023-24**

	<b>Major Improvement Bonds</b>
Interest payment on March 1, 2024	\$221,585
Interest payment on September 1, 2024	\$221,585
Principal payment on September 1, 2024	\$0
<i>Subtotal debt service on bonds</i>	<i>\$443,170</i>
Administrative expenses	\$0
Excess interest for prepayment and delinquency reserves	\$0
<i>Subtotal Expenses</i>	<i>\$443,170</i>
Available reserve fund income	\$0
Available capitalized interest account	(\$443,170)
Available Administrative Expense account	\$0
<i>Subtotal funds available</i>	<i>(\$443,170)</i>
<b>Annual Installments</b>	<b>\$0</b>

Debt Service Payments

Annual Installments to be collected for principal and interest include interest due on March 1, 2024 in the amount of \$221,585 and on September 1, 2024 in the amount of \$221,585, which equal interest on the outstanding Major Improvement Area Assessments balance of \$7,021,000 for six months each and an effective interest rate of 6.31 percent. There is no Major Improvement Bond principal amount to be collected for the 2023-24 assessment year. As a result, the total Major Improvement Area Annual Installments to be collected for principal and interest in 2023-24 is estimated to be equal to \$443,170.



Administrative Expenses

Administrative expenses include the City, Trustee, Administrator, auditor, dissemination agent and contingency fees. As shown in the Service and Assessment Plan approved by the City on March 14, 2023, administrative expenses for the 2023-24 assessment year were funded by Major Improvement Bond proceeds. As a result, there are no administrative expenses to collect from Major Improvement Area Parcels for 2023-24.

Excess Interest for Prepayment and Delinquency Reserve

As shown in the Service and Assessment approved by the City on March 14, 2023, Annual Installments for excess interest for prepayment and delinquency reserves will not be collected in 2023-24.

Available Capitalized Interest Account

As of May 31, 2023, and in accordance with Section 6.4(c) of the Trust Indenture, \$443,170 is anticipated to be available and will be transferred to the Principal & Interest Account to fund the interest payment due March 1, 2024 in the amount of \$221,585 and the interest payment due September 1, 2024 in the amount of \$221,585.

Available Administrative Expense Account

As stated above, there are no Major Improvement Area administrative expenses to be collected for 2023-24. As a result, there is no credit available in the Administrative Expense Fund to reduce the Major Improvement Area 2023-24 Annual Installment.

**F. ANNUAL INSTALLMENTS PER UNIT – MAJOR IMPROVEMENT AREA**

According to the Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Major Improvement Bonds, (ii) to fund the prepayment reserve and delinquency reserve, and (iii) to cover Administrative Expenses of the Major Improvement Area. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest.

According to the Service and Assessment Plan, 1,055 units representing 343.79 total Equivalent Units are estimated to be built within the Major Improvement Area of the PID. Accordingly, the principal and interest portion of Annual Installment to be collected from each Equivalent Unit within the Major Improvement Area will be \$0 (i.e.  $(\$443,170 - 443,170) \div 343.79 = \$0$ ) and the Administrative Expenses to be collected from each Equivalent Unit will be \$0 (i.e.  $\$0 \div 343.79 = \$0$ ). As a result, the total Annual Installment to be collected from each Equivalent Unit within the Major Improvement Area will be \$0. The Annual Installment to be collected from each Parcel within the Major Improvement Area is calculated by multiplying the Annual Installment for each Equivalent Unit of \$0 by the total estimated number of Equivalent Units for each Parcel in the Major Improvement Area.

The Annual Installment due to be collected from each Land Use Class in the Major Improvement Area for 2023-24 is shown in Table II-F-1 below.

**Table II-F-1**  
**Major Improvement Area Annual Installment Per Unit**

<b>Land Use Class</b>	<b>Annual Installment Per Unit</b>	<b>Equivalent Unit Factor</b>	<b>Annual Installment per Unit</b>
60 ft	\$0.00	1.00	\$0.00
55 ft	\$0.00	0.90	\$0.00
Multifamily	\$0.00	0.19	\$0.00

The list of Parcels within the Major Improvement Area of the PID, the estimated number of units to be developed on the current residential Parcels, the total Assessment, the Annual Assessment, the Capitalized Interest Credit, the Prepayment and Delinquency Reserve, the Administrative Expenses and the Annual Installment to be collected for 2023-24 are shown in the Assessment Roll Summary attached hereto as Appendix C.

#### **G. BOND REDEMPTION RELATED UPDATES**

##### *Improvement Area #1 Bonds*

The Improvement Area #1 Bonds were issued in 2023. Pursuant to Section 4.3 of the Improvement Area #1 Trust Indenture, the City reserves the right and option to redeem the Improvement Area #1 Bonds before their scheduled maturity dates, in whole or in part, on any interest payment date on or after **September 1, 2033**, such redemption date or dates to be fixed by the City, at the redemption prices and dates shown in the Improvement Area #1 Trust Indenture.

The Administrator has conducted a preliminary evaluation of the current refunding market conditions, recent PID bond refunding transactions, and other relevant factors. Based on this preliminary evaluation, the Administrator believes a refunding of the Improvement Area #1 Bonds does not appear viable at this time. The Administrator will continue to monitor the refunding market conditions, applicable PID bond refunding transactions, and other relevant factors to determine if refunding becomes viable in the future and will inform the City accordingly.

##### *Major Improvement Bonds*

The Major Improvement Bonds were issued in 2023. Pursuant to Section 4.3 of the Major Improvement Area Trust Indenture, the City reserves the right and option to redeem the Major Improvement Bonds before their scheduled maturity dates, in whole or in part, on any interest payment date on or after **September 1, 2033**, such redemption date or dates to be fixed by the City, at the redemption prices and dates shown in the Major Improvement Area Trust Indenture.

The Administrator has conducted a preliminary evaluation of the current refunding market conditions, recent PID bond refunding transactions, and other relevant factors. Based on this

preliminary evaluation, the Administrator believes a refunding of the Major Improvement Bonds does not appear viable at this time. The Administrator will continue to monitor the refunding market conditions, applicable PID bond refunding transactions, and other relevant factors to determine if refunding becomes viable in the future and will inform the City accordingly.

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### ***III. UPDATE OF THE ASSESSMENT PLAN***

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The Service and Assessment Plan adopted by the City Council provided that the Authorized Improvement costs shall be allocated to the Assessed Property equally on the basis of the number of residential dwelling units anticipated to be built on each Parcel once such property is fully developed, and that such method of allocation will result in the imposition of equal shares of the Authorized Improvement costs to Parcels similarly benefited.

#### *Assessment Methodology*

This method of assessing property has not been changed and assessed property will continue to be assessed as provided for in the Service and Assessment Plan.

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## ***IV. UPDATE OF THE ASSESSMENT ROLL***

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Pursuant to the original Service and Assessment Plan, the Assessment Rolls shall be updated each year to reflect:

- (i) the identification of each Parcel
- (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by this Service and Assessment Plan or in the PID Act;
- (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and
- (iv) payments of the Assessment, if any, as provided by Section VI.H of this Service and Assessment Plan.

The updated Assessment Rolls are shown in Appendix B and C of this report. Each Parcel in the PID is identified, along with the Assessment on each Parcel and the Annual Installment to be collected from each Parcel. Assessments are to be reallocated for the subdivision of any Parcels.

### **A. PARCEL UPDATES**

According to the Service and Assessment Plan, upon the subdivision of any Parcel, the Administrator shall reallocate the Assessment for the Parcel prior to the subdivision among the new subdivided Parcels according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

A = the Assessment for each new subdivided Parcel.

B = the Assessment for the Parcel prior to subdivision.

C = the estimated number of Equivalent Units to be built on each newly subdivided Parcel

D = the sum of the estimated number of Equivalent Units to be built on all of the new subdivided Parcels

The calculation of the estimated number of units to be built on a Parcel shall be performed by the Administrator and confirmed by the City Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of Equivalent Units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

The developer has confirmed there have been no parcel subdivisions in the PID applicable for the Annual Installments to be collected in 2023-24.

**B. PREPAYMENT OF ASSESSMENTS**

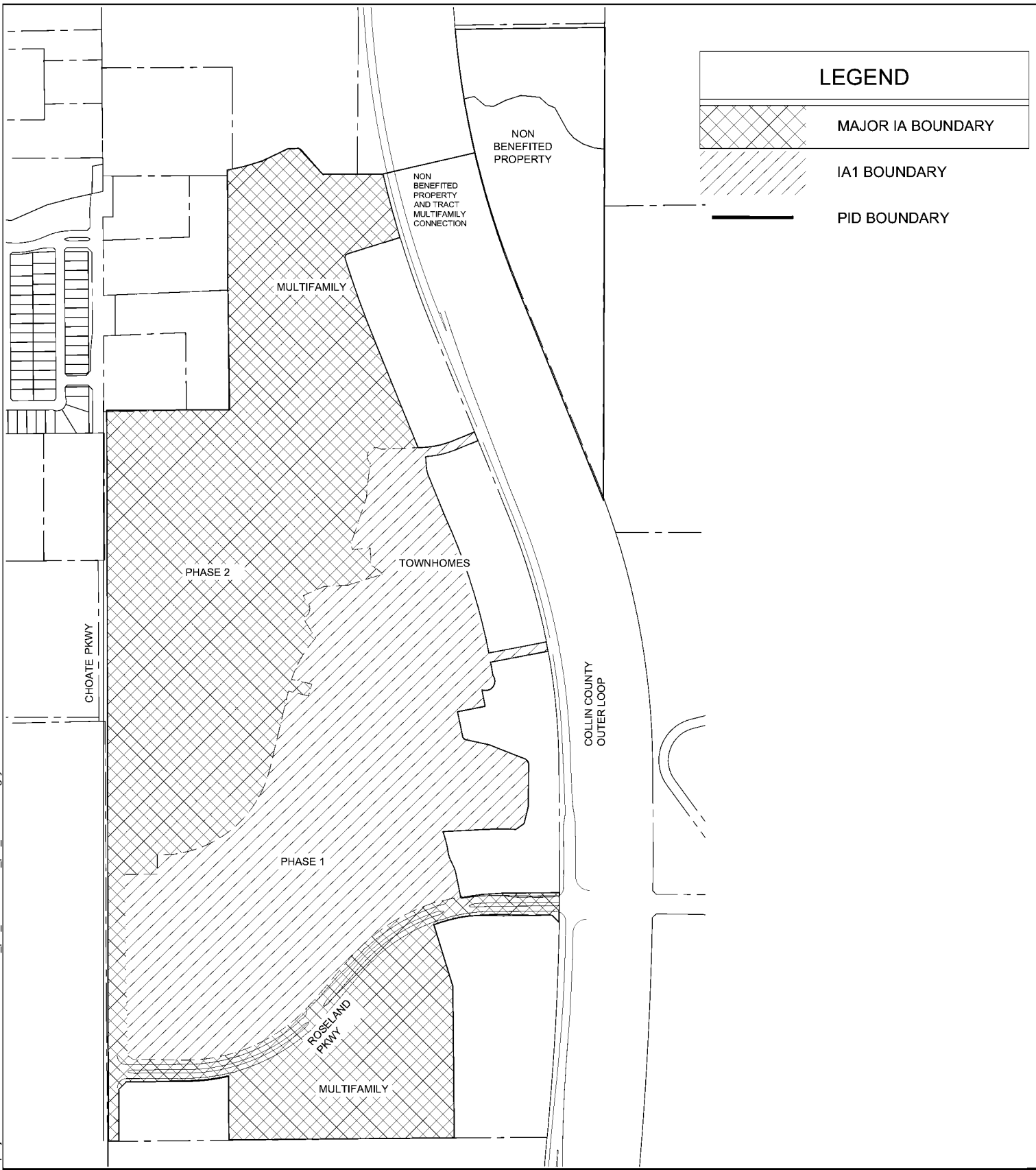
There have been no Assessment prepayments as of June 30, 2023.

The complete Assessment Rolls are available for review at the City Hall, located at 142 N. Ohio, Celina, Texas 75009.

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**APPENDIX A**  
**MAP OF TEN MILE CREEK PID**

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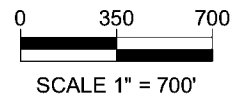
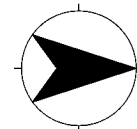


3501 OLYMPUS BLVD  
 SUITE 100  
 DALLAS, TEXAS 75019  
 PHONE: (469) 899-0536  
 WWW.KFM-LLC.COM  
 TBPE #: F-20821

**TITLE**  
**PID BOUNDARY**  
**PID EXHIBIT**

**PROJECT**  
 TEN MILE CREEK  
 CELINA, TEXAS

**CLIENT**  
 CORSON CRAMER DEVELOPMENT  
 DALLAS, TEXAS



PROJECT NUMBER:  
 010061012

SHEET:

DATE:  
 2022/11/09

EXH 01



**APPENDIX B**  
**IMPROVEMENT AREA #1 ASSESSMENT ROLL SUMMARY – 2023-24**

Appendix B  
Improvement Area #1 Assessment Roll Summary - 2023-24

<b>Parcel ID</b>	<b>Equivalent Units</b>	<b>Outstanding Assessment</b>	<b>Principal</b>	<b>Interest</b>	<b>Additional Interest Reserve</b>	<b>Administrative Expenses</b>	<b>Annual Installment</b>
2850105	115.20	\$14,950,000	\$40,000.00	\$310,242.50	\$60,050.00	\$50,000.00	\$460,292.50
<b>Total</b>	<b>115.20</b>	<b>\$14,950,000</b>	<b>\$40,000.00</b>	<b>\$310,242.50</b>	<b>\$60,050.00</b>	<b>\$50,000.00</b>	<b>\$460,292.50</b>

**APPENDIX C**  
**MAJOR IMPROVEMENT AREA ASSESSMENT ROLL SUMMARY – 2023-24**

Appendix C  
Major Improvement Area Assessment Roll Summary - 2023-24

<b>Parcel ID</b>	<b>Lot Type</b>	<b>Equivalent Units</b>	<b>Outstanding Assessment</b>	<b>Principal</b>	<b>Interest</b>	<b>Additional Interest Reserve</b>	<b>Administrative Expenses</b>	<b>Annual Installment</b>
2850124	Lot Type 4 (Multifamily)	91.20	\$1,862,518	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2850129	Lot Type 4 (Multifamily)	72.39	\$1,478,374	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2850103	Lot Type 1 (60 Ft)	20.00	\$408,447	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2850103	Lot Type 2 (55 Ft)	37.80	\$771,965	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2850105	Lot Type 1 (60 Ft)	36.00	\$735,205	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2850105	Lot Type 2 (55 Ft)	86.40	\$1,764,491	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total</b>		<b>343.79</b>	<b>\$7,021,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0.00</b>

**APPENDIX D**  
**PID ASSESSMENT NOTICE**

**PID Assessment Notice**

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO  
THE 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 Ten Mile Creek 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](mailto: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

**Collin County  
Honorable Stacey Kemp  
Collin County Clerk**

---

**Instrument Number:** 2023000092010

eRecording - Real Property

ORDINANCE

Recorded On: August 11, 2023 11:26 AM

Number of Pages: 32

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**" Examined and Charged as Follows: "**

Total Recording: \$146.00

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**\*\*\*\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\*\*\*\***

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

**File Information:**

Document Number: 2023000092010  
Receipt Number: 20230811000239  
Recorded Date/Time: August 11, 2023 11:26 AM  
User: Amanda J  
Station: Station 6

**Record and Return To:**

CSC



**STATE OF TEXAS  
COUNTY OF COLLIN**

**I hereby certify that this Instrument was FILED In the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Public Records of Collin County, Texas.**

Honorable Stacey Kemp  
Collin County Clerk  
Collin County, TX

