

Southridge Public Improvement District Project Overview

Improvement Area #1 – 60 FT Lots

The Southridge Public Improvement District (the “District”) was created by the City of Princeton City Council on April 25, 2022, pursuant to the Public Improvement District Act, Texas Local Government Code, Chapter 372, as amended (the “Act”), and Resolution No. 2022-04-25-R-01 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 for the benefit of certain property in the PID, all of which is located within the corporate limits of the City of Princeton (the “City”). A Service and Assessment Plan was accepted and approved by the City Council on October 10, 2023 pursuant to Ordinance No. 2023-10-10-01 (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 Assessments with respect thereto.

The City issued the City of Princeton (Southridge Public Improvement District – Improvement Area No. 1 Project) Special Assessment Revenue Bonds, Series 2023 (the “Improvement Area #1 PID Bonds”) in the aggregate amount of \$7,954,000 pursuant to the Act, an Ordinance No. 2023-10-10-02 adopted by the City Council on October 10, 2023 and an Indenture of Trust dated as of October 15, 2023 between the City and Regions Bank, as trustee.

Annual Installments of the Assessments are collected each year by the Collin County Tax Assessor and Collector. These Annual Installments of the Assessments may be included on the ad valorem tax bill(s) for the property and may be collected in the same manner and at the same time as the ad valorem taxes. The Act provides that the Assessments (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 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 PID, the Assessments 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 (866) 648-8482 (toll free) and email at txpid@municap.com.

FAILURE TO PAY THE 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
THE CITY OF PRINCETON, 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 Princeton, 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 Southridge 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

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

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 _____

§

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

Southridge PID - Improvement Area #1
Projected Schedule of Annual Installments

Lot Type
Outstanding Assessment

60 FT
 \$41,190

Year ¹	Outstanding Assessment	Bond Principal ²	Bond Interest ²	Administrative Expense	Total Annual Installment
2025	\$41,190	\$613	\$2,784	\$275	\$3,671
2026	\$40,578	\$645	\$2,747	\$412	\$3,804
2027	\$39,933	\$677	\$2,708	\$420	\$3,806
2028	\$39,256	\$709	\$2,668	\$429	\$3,806
2029	\$38,546	\$742	\$2,625	\$437	\$3,804
2030	\$37,805	\$785	\$2,580	\$446	\$3,811
2031	\$37,020	\$833	\$2,528	\$455	\$3,816
2032	\$36,187	\$881	\$2,471	\$464	\$3,817
2033	\$35,306	\$935	\$2,412	\$473	\$3,820
2034	\$34,371	\$989	\$2,349	\$483	\$3,820
2035	\$33,382	\$1,053	\$2,282	\$493	\$3,828
2036	\$32,329	\$1,118	\$2,211	\$502	\$3,831
2037	\$31,211	\$1,182	\$2,135	\$513	\$3,830
2038	\$30,029	\$1,257	\$2,056	\$523	\$3,836
2039	\$28,771	\$1,333	\$1,971	\$533	\$3,837
2040	\$27,439	\$1,413	\$1,881	\$544	\$3,838
2041	\$26,025	\$1,510	\$1,785	\$555	\$3,850
2042	\$24,515	\$1,601	\$1,683	\$566	\$3,851
2043	\$22,914	\$1,698	\$1,575	\$577	\$3,851
2044	\$21,216	\$1,811	\$1,459	\$589	\$3,858
2045	\$19,405	\$1,929	\$1,334	\$600	\$3,864
2046	\$17,476	\$2,047	\$1,201	\$612	\$3,861
2047	\$15,428	\$2,182	\$1,061	\$625	\$3,867
2048	\$13,246	\$2,327	\$911	\$637	\$3,875
2049	\$10,920	\$2,477	\$751	\$650	\$3,878
2050	\$8,442	\$2,639	\$580	\$663	\$3,882
2051	\$5,804	\$2,811	\$399	\$676	\$3,886
2052	\$2,993	\$2,993	\$206	\$690	\$3,889
		\$41,190	\$51,352	\$14,844	\$107,386

- 1 - Annual Installment for Year 2025 is anticipated to be billed by the Collin County Tax Office on or around October 1, 2025 and is due by January 31, 2026.
- 2 - The principal and interest amounts represent the debt service requirements of the Improvement Area #1 Bonds and will not increase during the life of the bonds. Interest amounts are calculated through the principal payment date of each year and include additional interest of one-half percent for debt service reserves.
- 3 - The Annual Collection Costs shown are estimated and will be updated each year in the Annual Service Plan update.

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 SOUTHRIDGE PUBLIC IMPROVEMENT DISTRICT ANNUAL SERVICE 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.

Southridge Public Improvement District (PID)
& Reinvestment Zone Number Six (TIRZ)

Example of TIRZ Credit Application

The property in the PID is also located in the City of Princeton Tax Increment Reinvestment Zone No. 6. The City has committed to use approximately 45% 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 (2022) taxable value = \$1,000

Estimated current year (2025) taxable value = \$343,000

Estimated current (2025) incremental value = \$342,000 (i.e. \$342,000 - \$1,000)

Estimated current (2025) City tax rate per \$100 of taxable value = \$0.440226

Estimated PID current (2025) annual installment of Assessment = \$3,200

Estimated PID next (2026) annual installment of Assessments = \$3,199

B) **Estimated** City incremental tax:

\$ 1,426 [i.e., $(342,000 \div 100) \times \$.440226 = \$1,426$]

C) **Estimated** TIRZ Credit:

\$641 (i.e., $\$1,426 \times 45 \% = \641)

D) PID current annual installment due (2025):

\$3,200 with no prior year TIRZ Credit

E) **Estimated** PID next annual installment due (2026):

\$2,588 (i.e., $\$3,199 - \$641 = \$2,588$) after application of the \$892 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.