Sutton Fields II Public Improvement District
Neighborhood Improvement Area #3 – Lot Type B – 60 Ft Lot
Phases #2A & #2B of Development

Project Overview

The Sutton Fields II Public Improvement District (the "District") was created by the City Council of the City of Celina on October 13, 2015, pursuant to the Public Improvement District Act, Texas Local Government Code, Chapter 372, as amended (the "Act"), and Resolution No. 2015-51R 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 boundaries of the City of Celina (the "City") and within the extraterritorial jurisdiction of the City. An updated Service and Assessment Plan was accepted and approved by the City Council which set forth the plan for apportioning the costs of certain of the public improvement projects (the "Authorized Improvements") to be assessed against properties in Neighborhood Improvement Area #2 ("NIA #2") and in Neighborhood Improvement Area #3 ("NIA #3") of the District and for payment of Special Assessments with respect thereto on August 28, 2018 and June 11, 2019, respectively.

The City issued the City of Celina (Sutton Fields II Public Improvement District Neighborhood Improvement Areas #2-3 Projects) Special Assessment Revenue Bonds, Series 2019 (the "NIA #2-3 Bonds") in the aggregate amount of $6,355,000 pursuant to the Act, an Ordinance adopted by the City Council on September 10, 2019 and an Indenture of Trust dated as of October 1, 2019 between the City, and the U.S. Bank, N.A. as trustee. Parcels within NIA #2 of the District were levied $1,905,000 for costs of the NIA #2 Authorized Improvements; while Parcels within Neighborhood Improvement Area #3 ("NIA #3") of the District were levied $4,450,000 for costs of the NIA #3 Authorized Improvements.

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 District, the Assessments and the due dates of that Annual Installments of the Assessments 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 email at txpid@municap.com or by telephone at (469) 490-2800 or toll-free at (866) 648-8482.

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 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 Sutton Fields II 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

ONCE RECORDED WITH THE COUNTY, PLEASE SEND A COPY TO TXPID.DISCLOSURES@MUNICAP.COM.

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

Sutton Fields II Public Improvement District
Schedule of Projected Annual Installments
Neighborhood Improvement Area #3
Development Phases #2A & #2B

Lot Type B - 60 FT
Outstanding Assessment $19,272

Year[1]	Outstanding Principal Assessment	NIA #2-3 Bond Principal[2]	NIA #2-3 Bond Interest[2]	NIA #2-5 Bond Principal[3]	NIA #2-5 Bond Interest[3]	Administrative Expenses[4]	Total Annual Installment[5]
2026	$19,272	$43	$581	$351	$339	$186	$1,499
2027	$18,877	$43	$599	$367	$356	$190	$1,555
2028	$18,467	$43	$597	$386	$336	$193	$1,554
2029	$18,038	$43	$595	$405	$314	$197	$1,555
2030	$17,589	$43	$593	$424	$292	$201	$1,553
2031	$17,122	$43	$591	$446	$269	$205	$1,554
2032	$16,633	$58	$589	$465	$244	$209	$1,565
2033	$16,109	$58	$586	$489	$219	$214	$1,565
2034	$15,562	$58	$583	$513	$192	$218	$1,564
2035	$14,991	$58	$581	$538	$163	$222	$1,562
2036	$14,395	$58	$578	$566	$134	$227	$1,562
2037	$13,772	$58	$575	$593	$103	$231	$1,560
2038	$13,121	$58	$572	$622	$70	$236	$1,558
2039	$12,441	$72	$570	$650	$36	$240	$1,568
2040	$11,719	$1,114	$566	$0	$0	$110	$1,790
2041	$10,605	$1,158	$513	$0	$0	$112	$1,783
2042	$9,447	$1,201	$458	$0	$0	$114	$1,774
2043	$8,246	$1,259	$401	$0	$0	$116	$1,777
2044	$6,987	$1,302	$342	$0	$0	$119	$1,763
2045	$5,685	$1,360	$279	$0	$0	$121	$1,760
2046	$4,325	$1,418	$214	$0	$0	$123	$1,755
2047	$2,907	$1,490	$146	$0	$0	$126	$1,762
2048	$1,416	$1,416	$74	$0	$0	$128	$1,619
Total		**$12,457**	**$11,181**	**$6,815**	**$3,066**	**$4,039**	**$37,557**

1 - Annual Installment billed by the Denton County Tax Office during Year 2026 will be billed on or around 10/1/2026 and payment is due by 1/31/2027.
2 - The principal and interest amounts are based upon the pro rata share of NIA #2-3 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 of one percent for debt service reserves.
3 - The principal and interest amounts are based upon the pro rata share of the NIA #2-5 Refunding 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 of one percent for debt service reserves.
4 - The Administrative Expenses shown are estimates and will be updated each in the Annual Service Plan Update.
5 - The total annual installment does not include TIRZ credit, if any.

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 SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT SERVICE AND ASSESSMENT PLAN, AS THE SAME IS UPDATED EACH YEAR. THE SUTTON FIELDS II PUBLIC IMPROVEMENT DISTRICT SERVICE AND ASSESSMENT PLAN MAY BE OBTAINED FROM THE CITY SECRETARY OF CELINA, TEXAS.

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 Celina Tax Increment Reinvestment Zone No. 8. The City has committed to use approximately 7.76% 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 (2026) taxable value = $375,000
Estimated current (2026) incremental value = $374,000 (i.e. $375,000 - $1,000)
Estimated current (2026) City tax rate per $100 of taxable value = $0.571677
Estimated PID current (2026) annual installment of Assessment = $1,499
Estimated PID next (2027) annual installment of Assessments = $1,555

B) **Estimated** City incremental tax:

$2,138 [i.e., ($374,000 ÷ 100) × $0.571677 = $2,138]

C) **Estimated** TIRZ Credit:

$166 (i.e., $2,138 × 7.76% = $166)

D) PID current annual installment due (2026):

$1,499 with no prior year TIRZ Credit

E) **Estimated** PID next annual installment due (2027):

$1,389 (i.e., $1,555 - $166 = $1,389) after application of the $166 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.