

**The Legacy Hills Public Improvement District
Phase #1A – Lot Type 1 – 60 FT Lot**

Project Overview

In 2019, the North Parkway Municipal Management District No. 1 (the “District”) was created by Dynavest Joint Venture, LLC, through the acts of the 86th Texas Legislature for the primary use of facilitating the construction and continued maintenance of quality mixed-use residential and commercial development to benefit the residents of the District. The District Legislature empowers the District to levy special assessments to fund public improvements that benefit all or a substantial portion of the District.

The \$81,175,000 North Parkway Municipal Management District No. 1 Special Assessment Revenue Bonds, Series 2021 (Major Improvement Project) (the “Initial Major Improvement Bonds”) were issued by the District pursuant to Chapter 3986, Texas Special District Laws Code (the “District Legislation”) and PID Act, an order adopted by the Board of Directors (the “Board of Directors”) on October 6, 2021, and an Indenture of Trust, dated October 1, 2021, entered into by and between the District and Wilmington Trust, National Association (the “Trustee”).

The Initial Major Improvement Bonds closed on October 28, 2021 and were issued to finance the costs of certain public improvements for the benefit of property in the District (the “Initial Major Improvements”), all of which is located within the city limits of the City of Celina (the “City”).

On September 14, 2021, the Legacy Hills Public Improvement District (the “PID”) was created by the City of Celina City Council (the “City Council”) pursuant to the Public Improvement District Act, Texas Local Government Code, Chapter 372, as amended (the “Act”), and Resolution No. 2021-84R approved on September 14, 2021 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 PID.

The District issued the North Parkway Municipal Management District No. 1 Contract Revenue Bonds, Series 2021 (Legacy Hills Public Improvement District Phase #1A-1B Improvements) (the “Phase #1A-1B Bonds”) in the aggregate amount of \$13,300,000, pursuant to the District Legislation and an order adopted by the Board of Directors on October 6, 2021, and an Indenture of Trust, dated October 1, 2021, entered into by and between the District and the Trustee to finance costs of the Phase #1A-1B Authorized Improvements.

On August 26, 2022, the District also issued the North Parkway Municipal Management District No. 1 Special Assessment Revenue Bonds, Series 2022 (Major Improvement Project #2) (the “Additional Major Improvement”) in the aggregate amount of \$32,225,000, pursuant to the District Legislation and an order adopted by the Board of Directors on August 15, 2022, and an Indenture of Trust, dated August 1, 2022, entered into by and between the District and the Trustee to finance the costs of certain public improvements for the benefit of property in the District (the “Additional Major Improvements”).

The Phase #1A-1B Bonds and a portion of the Initial and Additional Major Improvement Bonds are payable from the Assessments levied against each parcel of Assessed Property within the PID pursuant to the Assessment Ordinance and in accordance with the Service and Assessment Plan. 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 municipality 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.

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 Assessments and the due dates of the Annual Installments of the 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@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 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 Legacy Hills Public Improvement District (the "PID"), 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 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 District. The exact amount of each annual installment will be approved each year by the Board of Directors 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 District or MuniCap, Inc., the District Administrator, 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

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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

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

NOTICE TO PURCHASER OF SPECIAL TAXING OR ASSESSMENT DISTRICT

The real property, described below, that you are about to purchase is located within the boundaries of NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1, a political subdivision of the State of Texas created and operating under the provisions of Chapter 3986, Texas Special District Local Laws Code; Chapters 372 and 375, Texas Local Government Code; and Chapters 49 and 54, Texas Water Code, all as amended (the "District") and may be subject to District taxes or assessments. The District was originally created as the North Celina Municipal Management District No. 3, but on June 2, 2021, a Notice of Name Change was filed renaming the District. The District may, subject to voter approval, impose taxes and bonds. The District may impose an unlimited rate of tax in payment of such bonds. In addition, on February 13, 2023, the Board of Directors of the District (the "Board") approved the creation of the District Single Family Defined Area No. 1 (the "SF Defined Area No. 1") pursuant to a Resolution and Section 54.804-54.812 of the Texas Water Code in order to apply separately, differently, equitably, and specifically the District's taxing power and lien authority to SF Defined Area No. 1. A map depicting the boundaries of SF Defined Area No. 1 is attached hereto as **Exhibit A**.¹ The District may exercise its authority without holding an election on the matter. Any unpaid taxes are personal obligation of the person that owned the property at the time of imposition and is secured by a lien on the property.

Voters of the SF Defined Area No. 1 of the District have authorized the following principal amount of bonds to be issued by the District:

<u>Election Date</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Issued to Date</u>	<u>Remaining Unissued</u>
5/6/2023	Utility Bonds	\$194,327,781	-	\$194,327,781
5/6/2023	Utility Bonds Refunding	\$242,909,762	-	\$242,909,762
5/6/2023	Road Bonds	\$246,277,730	\$23,605,000	\$219,567,730
5/6/2023	Road Bonds Refunding	\$307,847,162	-	\$307,847,162

The current total rate of the District property tax is \$0.408000 on each \$100 of assessed valuation, which is comprised of: (i) a property tax rate of \$0.00 on each \$100 of assessed valuation on all property in the District, and (ii) a property tax rate of \$0.408000 on each \$100 of assessed valuation on property within SF Defined Area No. 1 of the District.

The District also has assessment authority separate from any other taxing or assessment authority and may levy special assessments 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 District created under Subchapter A, Chapter 372, Local Government Code. The amount of the District assessment on the real property that you are about to purchase is generally equivalent to a tax rate of \$0.3021 on each \$100 of assessed valuation, which is comprised of: (i) an "Assessment Part A" of \$0.2119 on each \$100 of assessed valuation, and (ii) an "Assessment Part B" of \$0.0902 on each \$100 of assessed valuation based on average home prices shown in the Service and

(1) Properties within the Legacy Hills Public Improvement District are not located within SF Defined Area No. 1 and are not subject to the SF Defined Area No. 1 Tax.

Assessment plan. 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.

The District has previously issued the following: (i) \$81,175,000 Special Assessment Revenue Bonds, Series 2021 (Major Improvement Project); (ii) \$13,300,000 Contract Revenue Bonds, Series 2021 (Legacy Hills Public Improvement District Phase #1A-1B Improvements); and (iii) \$32,225,000 Special Assessment Revenue Bonds, Series 2022 (Major Improvement Project #2).

AN ASSESSMENT AND/OR TAX¹ HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS. THE ASSESSMENT PORTION 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 District. The exact amount of each annual installment will be approved each year by the Board 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 District or MuniCap, Inc., the District Administrator, 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.

The District is located wholly within the corporate boundaries of the City of Celina, Texas (the "City"). The City and the District overlap, but may not provide duplicate services or improvements. Property located in the City and the District is subject to taxation by the City and the District.

The purpose of this District is to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under Chapter 3986, Special District Local Laws Code and to accomplish the public purposes set out in Sections 52 and 52-A, Article III and Section 59, Article XVI, Texas Constitution and other powers granted under Chapter 3986, Special District Local Laws Code. The cost of District facilities are not included in the purchase price of your property. The legal description of the property which you are acquiring is as follows:

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ANNUALLY ESTABLISHES TAX RATES¹. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

[SIGNATURE PAGE TO FOLLOW]

Date: _____

Signature of Seller

Signature of Seller

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

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property or at closing of purchase of the real property.

Date: _____

Signature of Purchaser

Signature of Purchaser

STATE OF TEXAS

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COUNTY OF _____

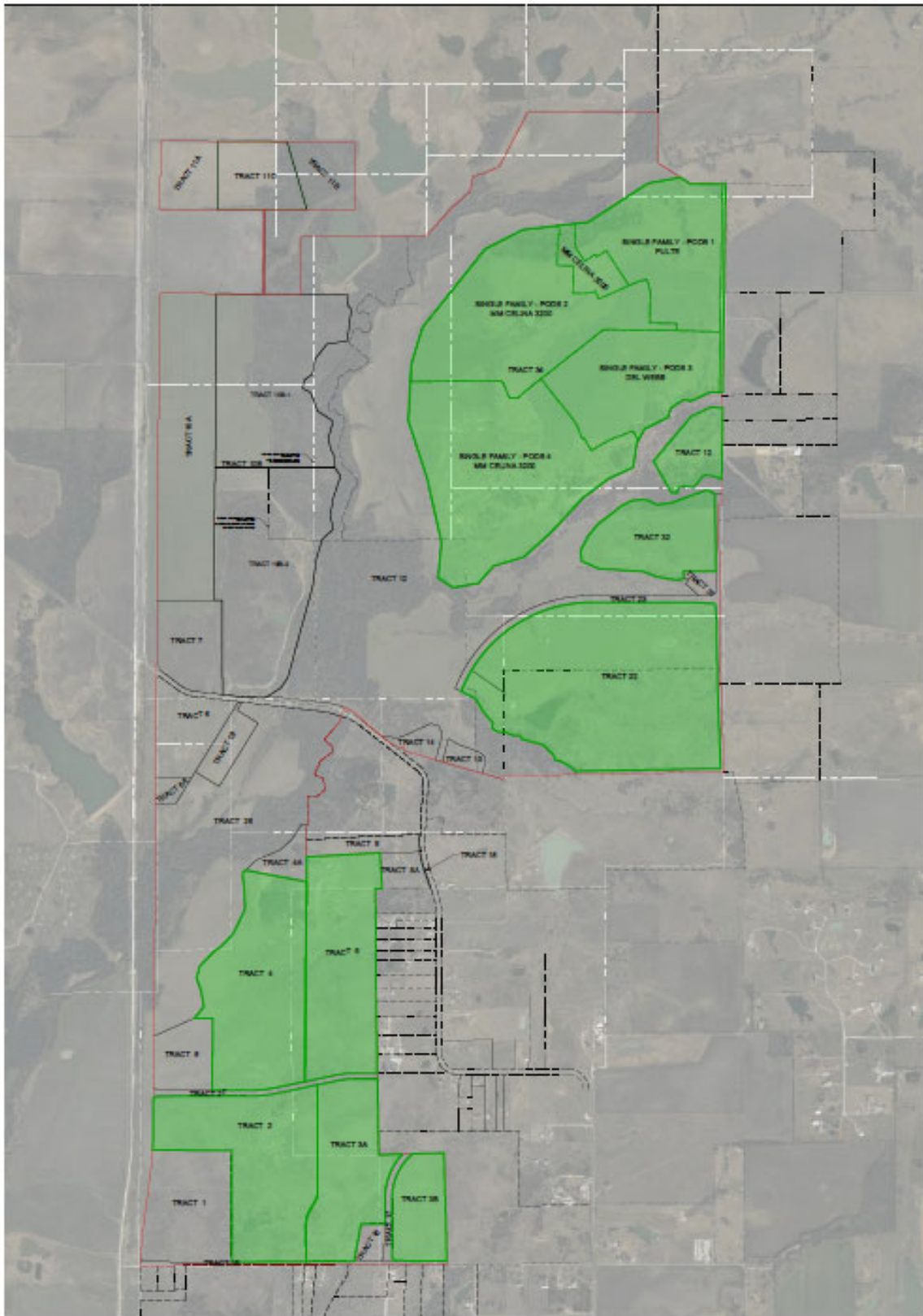
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The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, 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

EXHIBIT A
MAP OF SF DEFINED AREA No. 1



**Legacy Hills Public Improvement District
Summary of Projected Annual Installments
Phase #1A**

**Lot Type
Equivalent Units
Assessment**

Lot Type 1 (60 Ft)
1.00
\$44,345

Year¹	Cumulative Outstanding Principal	Phase #1A-1B Bond Principal²	Phase #1A-1B Bond Interest²	MMD Bonds Principal³	MMD Bonds Interest³	Administrative Expenses⁴	Total Annual Installment
2026	\$44,345	\$632	\$1,076	\$390	\$1,023	\$120	\$3,241
2027	\$43,323	\$652	\$1,049	\$409	\$1,037	\$147	\$3,294
2028	\$42,262	\$673	\$1,021	\$428	\$1,058	\$150	\$3,329
2029	\$41,161	\$695	\$992	\$449	\$1,037	\$153	\$3,325
2030	\$40,017	\$718	\$961	\$472	\$1,014	\$156	\$3,321
2031	\$38,828	\$740	\$930	\$494	\$991	\$159	\$3,315
2032	\$37,594	\$769	\$898	\$519	\$967	\$162	\$3,316
2033	\$36,305	\$796	\$865	\$547	\$939	\$165	\$3,313
2034	\$34,963	\$826	\$831	\$576	\$910	\$169	\$3,312
2035	\$33,561	\$857	\$795	\$606	\$880	\$172	\$3,310
2036	\$32,097	\$888	\$758	\$638	\$848	\$175	\$3,307
2037	\$30,572	\$921	\$720	\$672	\$814	\$179	\$3,305
2038	\$28,979	\$954	\$680	\$706	\$778	\$182	\$3,301
2039	\$27,319	\$991	\$639	\$744	\$741	\$186	\$3,300
2040	\$25,585	\$1,027	\$596	\$783	\$701	\$190	\$3,298
2041	\$23,775	\$1,064	\$552	\$824	\$660	\$194	\$3,293
2042	\$21,886	\$1,107	\$506	\$870	\$616	\$198	\$3,297
2043	\$19,909	\$1,150	\$458	\$917	\$568	\$201	\$3,295
2044	\$17,842	\$1,196	\$408	\$967	\$518	\$206	\$3,294
2045	\$15,679	\$1,245	\$356	\$1,020	\$465	\$210	\$3,296
2046	\$13,414	\$1,294	\$303	\$1,076	\$408	\$214	\$3,295
2047	\$11,043	\$1,345	\$247	\$1,136	\$349	\$218	\$3,295
2048	\$8,563	\$1,399	\$189	\$1,199	\$287	\$222	\$3,295
2049	\$5,965	\$1,456	\$128	\$1,264	\$221	\$227	\$3,296
2050	\$3,245	\$1,513	\$65	\$1,334	\$151	\$231	\$3,296
2051	\$397	\$0	\$0	\$397	\$78	\$11	\$486
Total		\$24,908	\$16,023	\$19,437	\$18,060	\$4,596	\$83,025

1 - Annual Installment billed by the Collin County Tax Office during Year 2026 will be billed on or around 10/01/26 and payment is due by 01/31/27.

2 - The principal and interest amounts are based upon the Phase #1A pro rata share of the Phase #1A-1B Bonds and will not increase during the life of the Bonds. Interest amounts are calculated through the principal payment date of each year.

3 - The principal and interest amounts are based upon the Phase #1A pro rata share of the Initial and Additonal Major Improvement Area Bonds and includes 0.5% Additional Interest for debt service reserves. Interest amounts are calculated through the principal payment date of each year.

4 - Administrative Expenses 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 LEGACY HILLS PUBLIC IMPROVEMENT DISTRICT SERVICE AND ASSESSMENT PLAN, 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.