

**Jackson Ridge Public Improvement District
Phase #2 – Lot Type 2 – 60 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 for Phases #2-3 of the District was accepted and approved by the City Council on November 17, 2015, setting forth the plan for apportioning the costs of certain Authorized Improvements to be assessed on a pro-rata basis against properties within Phases #2-3 of the District and for payment of the special assessments with respect thereto.

A Service and Assessment Plan for Phase #2 of the District was accepted and approved by the City Council on October 23, 2018, pursuant to Ordinance No. 647-18 (the “Assessment Ordinance”), setting forth the plan for apportioning the costs of certain public improvement projects (the “Authorized Improvements”) to be assessed against properties in the District and for payment of special assessments with respect thereto. Mustang Special Utility District (“MSUD”) will be servicing the district for water and sewer services as agreed upon in June 2017 by MSUD and the Jackson Ridge PID.

The City issued the City of Aubrey (Jackson Ridge Public Improvement District Phases #2-3 Major Improvement Project) Special Assessment Revenue Bonds, Series 2015 (the “Series 2015 Bonds”) in the aggregate principal amount of \$10,255,000 pursuant to the Act, and Ordinance No. 583-16 adopted by the City Council on November 17, 2015 and an Indenture of Trust dated as of December 1, 2015 between the City and Wilmington Trust N.A. as trustee. The City also issued the City of Aubrey (Jackson Ridge Public Improvement District Phase #2 Project) Special Assessment Revenue Bonds, Series 2018 (the “Series 2018 Bonds”) in the aggregate amount of \$9,425,000 pursuant to the Act, and Ordinance No. 649-18 adopted by the City Council on October 23, 2018 and an Indenture of Trust dated as of November 1, 2018 between the City and Wilmington Trust, N.A. as trustee.

The Series 2018 Bonds and the Series 2015 Bonds are payable from special assessments levied against each parcel of property within the District pursuant to the Assessment Ordinances adopted by the City Council. The Act provides that the special 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.

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 East John Carpenter Freeway, Suite 333, Irving, TX 75062 and available by telephone at (469) 490-2800 or toll-free at (866) 648-8482.

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

**NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS
TO THE CITY OF AUBREY, TEXAS**

CONCERNING THE PROPERTY AT:

[INSERT STREET ADDRESS]

(Phase #2 – Lot Size – 60' Lot)

(Outstanding Principal Assessment - \$33,865)

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the City of Aubrey, Texas, for public improvements undertaken for the benefit of the property within the Jackson Ridge Public Improvement District created under Subchapter A, Chapter 372, Local Government Code, as amended.

THE PRINCIPAL AMOUNT OF THE ASSESSMENT AGAINST YOUR PROPERTY FOR PUBLIC IMPROVEMENTS IS \$33,865, WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments, including the annual installments thereof, will be approved by the City Council. More information about the assessments, including the amounts and due dates, may be obtained from the City Secretary of the City of Aubrey.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

Jackson Ridge Public Improvement District
Summary of Projected Annual Installments
Phase #2

Parcel
Outstanding Assessment
Equivalent Unit

Lot Type 1 (60' Lot)
\$33,865
1.00

Assessment Year (ending 9/1) ¹	Outstanding Assessment Amount	Phase #2-3 MI Bond Principal ²	Phase #2-3 MI Bond Interest ²	Phase # 2 Bond Principal ³	Phase #2 Bond Interest ³	Administrative Expenses ⁴	MSUD Contract Revenue Credit ⁵	Estimated Net Annual Installments ⁶
2019	\$33,865	\$203	\$955	\$0	\$1,071	\$109	(\$250)	\$2,089
2020	\$33,662	\$222	\$938	\$355	\$1,320	\$111	(\$249)	\$2,697
2021	\$33,085	\$234	\$920	\$378	\$1,303	\$113	(\$249)	\$2,700
2022	\$32,473	\$259	\$901	\$390	\$1,284	\$116	(\$249)	\$2,700
2023	\$31,824	\$277	\$879	\$414	\$1,264	\$118	(\$248)	\$2,705
2024	\$31,132	\$302	\$856	\$437	\$1,244	\$120	(\$248)	\$2,712
2025	\$30,393	\$327	\$832	\$461	\$1,220	\$123	(\$248)	\$2,713
2026	\$29,605	\$351	\$805	\$485	\$1,194	\$125	(\$247)	\$2,713
2027	\$28,769	\$382	\$776	\$508	\$1,168	\$128	(\$248)	\$2,714
2028	\$27,878	\$413	\$744	\$544	\$1,140	\$130	(\$247)	\$2,724
2029	\$26,921	\$444	\$710	\$579	\$1,110	\$133	(\$246)	\$2,730
2030	\$25,898	\$487	\$673	\$603	\$1,076	\$135	(\$246)	\$2,729
2031	\$24,808	\$524	\$633	\$650	\$1,042	\$138	(\$246)	\$2,742
2032	\$23,634	\$567	\$590	\$686	\$1,004	\$141	(\$244)	\$2,744
2033	\$22,381	\$616	\$543	\$721	\$965	\$144	(\$245)	\$2,745
2034	\$21,043	\$666	\$492	\$769	\$923	\$147	(\$244)	\$2,753
2035	\$19,609	\$715	\$437	\$828	\$876	\$150	(\$242)	\$2,764
2036	\$18,066	\$777	\$378	\$875	\$826	\$153	(\$242)	\$2,766
2037	\$16,414	\$838	\$314	\$946	\$772	\$156	(\$241)	\$2,785
2038	\$14,630	\$912	\$245	\$1,005	\$714	\$159	(\$241)	\$2,794
2039	\$12,712	\$986	\$170	\$1,064	\$653	\$162	(\$240)	\$2,795
2040	\$10,662	\$1,073	\$88	\$1,135	\$587	\$165	(\$238)	\$2,811
2041	\$8,454	\$0	\$0	\$1,490	\$518	\$128	\$0	\$2,136
2042	\$6,964	\$0	\$0	\$1,584	\$427	\$131	\$0	\$2,141
2043	\$5,380	\$0	\$0	\$1,679	\$330	\$133	\$0	\$2,142
2044	\$3,701	\$0	\$0	\$1,797	\$227	\$136	\$0	\$2,160
2045	\$1,904	\$0	\$0	\$1,904	\$117	\$139	\$0	\$2,159
Total		\$11,577	\$13,881	\$22,288	\$24,372	\$3,640	(\$5,398)	\$70,361

1 - Assessment Year ending 2019 is anticipated to be billed on, or around, October 1, 2018 and is due by January 31, 2019.

2 - The principal and interest amounts represent a pro rata share of the Phase #2-3 Major Improvement Area Bonds final numbers and will not increase during the life of the Bonds.

3 - The principal and interest amounts represent a pro rata share of the Phase #2 Bonds final numbers and will not increase during the life of the Bonds.

4 - The amounts shown include estimated PID administration and assessment collection costs and will be updated each year in the Annual Service Plan Updates.

5 - MSUD Contract Revenue Credits represents bond debt service amounts payable by MSUD and used to offset the annual installments to be collected.

6 - The Estimated Net Annual Installments shown do not include any TIRZ Credit.

Example of TIRZ Credit Calculation

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 (2018) taxable value = \$1,000
Estimated current year (Yr 1) taxable value = \$300,000
Estimated current (Yr 1) incremental value = \$299,000 (i.e. \$300,000 - \$1,000)
Estimated current (Yr 1) City tax rate per \$100 of taxable value = \$0.566
Estimated PID current (Yr 1) annual installment of Assessment = \$1,875
Estimated PID next (Yr 2) annual installment of Assessments = \$2,377

B) Estimated City incremental tax:

\$1,695 [i.e., $(\$299,000 \div 100) \times \$0.567 = \$1,695$]

C) Estimated TIRZ Credit:

\$766 (i.e., $\$1,695 \times 45.2\% = \766)

D) Estimated PID current annual installment due (Yr 1):

\$1,875 with no prior year TIRZ Credit

E) Estimated PID next annual installment due (Yr 2):

\$1,611 (i.e., $\$2,377 - \$766 = \$1,611$) after application of the \$766 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.