

## **Eules Midtown Public Improvement District Project Overview**

The Eules Midtown Public Improvement District (the "District") was created by the City Council of the City of Eules on August 25, 2015, pursuant to the Public Improvement District Act, Texas Local Government Code, Chapter 372, as amended (the "Act"), and Resolution No. 15-1471 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 corporate limits of the City of Eules (the "City"). A Service and Assessment Plan was accepted and approved by the City Council on January 26, 2016, pursuant to an ordinance (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 special assessments with respect thereto.

The City issued the City of Eules Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2016 (the "Certificates of Obligation") in the aggregate amount of \$16,450,000 pursuant to the Constitution and general laws of the State of Texas, specifically Subchapter C of Chapter 271, and an ordinance passed by the City Council on January 26, 2016. The Certificates of Obligation are dated as of January 1, 2016.

The Certificates of Obligation are payable from special assessments levied against each parcel of property within the District pursuant to the Assessment Ordinance adopted by the City Council. Additionally, as more fully described in the Service and Assessment Plan, the City has approved "Reinvestment Zone Number Four, City of Eules, Final Project and Finance Plan" (the "TIRZ Plan") and the "TIRZ Agreement" relating to the Eules Midtown development (the "TIRZ Agreement"); and, the City has agreed, subject to the terms of the TIRZ Plan and TIRZ Agreement, to apply a percentage of the annual City ad valorem taxes collected for this property as an offset against the following year's Annual Installment of the Assessment.

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.

More information concerning the District, the Assessments, application of the TIRZ credit offset, 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 222 West Las Colinas Blvd, Suite 1650E, Irving, Texas 75039 and available by telephone at (972) 444-2519 or (866) 648-8482 (toll free).

**FAILURE TO PAY THE ASSESSMENTS LEVIED AGAINST ASSESSED PROPERTY, INCLUDING THE ANNUAL INSTALLMENT THEREOF, COULD RESULT IN FORECLOSURE OF SUCH PROPERTY.**