

Hillstone Pointe Public Improvement District No. 2
Phase #1-1A
Project Overview

The Hillstone Pointe Public Improvement District No. 2 (the "District") was created by the Town of Little Elm Town Council ("Town Council") on April 4, 2017, pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "Act"), and Resolution No. 04041709 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 improvements (the "Authorized Improvements") that specially benefit assessed property in the District. All of the property in the District was located within the Town of Little Elm (the "Town") at the time of District creation. On October 17, 2017, the Town Council adopted Ordinance No. 1421 that approved a Service and Assessment Plan for the District (the "Service and Assessment Plan") and levied special assessments (the "Phase #1-1A Assessments") on certain property within Phase #1-1A in accordance with the Phase #1-1A Assessment Roll attached as Appendix B to the Service and Assessment Plan. The Phase #1-1A Assessments may be prepaid in whole or in part at any time or may be paid in annual installments as provided by the Act and the Service and Assessment Plan.

The Town issued the Town of Little Elm Special Assessment Revenue Bonds, Series 2017 (Hillstone Pointe Public Improvement District No. 2 Phase #1-1A Project) in the aggregate amount of \$6,000,000 pursuant to the Act, Ordinance No. 1422 adopted by the Town Council on October 17, 2017 and an Indenture of Trust dated as of October 1, 2017 between the Town and U.S. Bank National Association, as trustee.

All Phase #1-1A Assessments that are not paid in full will be billed in annual installments and collected each year by the Town, or its designee, as provided in the Service and Assessment Plan. Annual Installments 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; however, annual installments may be billed separately from property taxes and remitted to a different address than property taxes. The Phase #1-1A 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 Phase #1-1A Assessments and the due dates of the Annual Installments of the Phase #1-1A Assessments may be obtained from MuniCap, Inc., the District Administrator for the Town, 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 PHASE #1-1A ASSESSMENTS LEVIED AGAINST ASSESSED PROPERTY, INCLUDING THE ANNUAL INSTALLMENT THEREOF, COULD RESULT IN FORECLOSURE OF SUCH PROPERTY.