

Riverwalk Public Improvement District Project Overview

The Riverwalk Public Improvement District (the “District”) was created by the Town of Flower Mound Town Council on August 19, 2013, pursuant to the Public Improvement District Act, Texas Local Government Code, Chapter 372, as amended (the “Act”), and Resolution No. 20-13 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 for the benefit of certain property in the PID, all of which is located within the corporate limits of the Town of Flower Mound (the “Town”). A Service and Assessment Plan was accepted and approved by the Town Council on May 15, 2014 pursuant to Ordinance No. 27-14 (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 Town issued the Town of Flower Mound (River Walk Public Improvement District No. 1) Special Assessment Revenue Bonds, Series 2014 in the aggregate amount of \$16,000,000 pursuant to the Act, an Ordinance No. 28-14 adopted by the Town Council on May 15, 2014 and an Indenture of Trust dated as of May 1, 2014 between the Town, and The Bank of New York Mellon Trust Company, N.A, as trustee.

Annual installments of the assessments are collected each year by the Denton County Tax Assessor and Collector. These annual installments of the assessments may be included on the ad valorem tax bill(s) for the property and may be collected in the same manner and at the same time as the ad valorem taxes. 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 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 PID, the assessments and the due dates of that assessment may be obtained from MuniCap, Inc., the District Administrator for the Town, located at 222 W. Las Colinas Blvd, Suite 1650E, Irving, TX 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.