

## **Rudman Tract Public Improvement District Project Overview**

The Rudman Tract Public Improvement District (the “District”) was created by the Town of Little Elm Town Council (the “Town Council”) on October 18, 2016, pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the “Act”), and the passing and approval of Resolution No. 10181601 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 extraterritorial jurisdiction of the Town of Little Elm (the “Town”). On July 15, 2016, the Town Council adopted Ordinance No. 1359 that approved a Service and Assessment Plan for the District (the "Service and Assessment Plan") and levied assessments on certain property within the District in accordance with the Rudman Tract Assessment Roll attached as Appendix B to the Service and Assessment Plan. The 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 entered into a Reimbursement Agreement (the “Reimbursement Agreement”) with the developer on October 18, 2016 in the aggregate amount of \$7,300,000 in which the developer agrees to fund the Actual Costs of certain Authorized Improvements and the City agrees to reimburse the developer and/or the City for the Actual Costs of those Authorized Improvements funded by the developer with interest as permitted by the Act. The Town Council also approved creation of Tax Increment Reinvestment Zone No. 6 (the “TIRZ”) on November 1, 2016, pursuant to the Tax Increment Financing Act, Chapter 311, of the Texas Tax Code and Ordinance No. 1358. Pursuant to the Service and Assessment Plan and the TIRZ creation documents, the Town has committed to use a portion of the Town incremental taxes collected from each parcel within the District to reduce the PID annual payments due from the parcel.

All 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. 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 PID Administrator, 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.**