

ORDINANCE NO. _____

AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF MESQUITE SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2023 (HEARTLAND TOWN CENTER PUBLIC IMPROVEMENT DISTRICT PHASE #2 SPECIFIC IMPROVEMENTS PROJECT); APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, LIMITED OFFERING MEMORANDUM, A CONTINUING DISCLOSURE AGREEMENT, AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Mesquite, Texas (the “City”), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code (the “PID Act”), has previously established the Heartland Town Center Public Improvement District (the “District”), pursuant to a Resolution adopted by the City Council of the City (the “City Council”) on December 18, 2017; and

WHEREAS, pursuant to the PID Act, the City Council published notice and held a public hearing on December 6, 2021, regarding the levy of special assessments within the District, and after the conduct of such public hearing adopted an Ordinance levying assessments (the “Assessment Ordinance”) on property within Phases #2 of the District for the financing of certain public improvements that benefit only Phase #2 (the “Phase #2 Specific Improvements”); and

WHEREAS, in the Assessment Ordinance, the City Council approved and accepted the “Amended and Restated Service and Assessment Plan” (as defined and described in the Assessment Ordinance, the “Service and Assessment Plan”) relating to the District and levied assessments on property within Phase #2 of the District that is benefitted by the Phase #2 Specific Improvements (the “Assessments”) against the Phase #2 Assessed Property as set forth on the “Phase #2 Assessment Roll (the “Assessment Roll”). Capitalized terms used in this preamble and not otherwise defined shall have the meaning assigned thereto in the Service and Assessment Plan; and

WHEREAS, the City is authorized by the PID Act to issue its revenue bonds payable from the Assessments for the purposes of (i) paying the costs of the Phase #2 Specific Improvements identified in the Service and Assessment Plan, (ii) paying capitalized interest on Bonds, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) funding a portion of the Delinquency and Prepayment Reserve Account, and (v) paying the costs of issuing the Bonds.

WHEREAS, the City Council has found and determined that it is in the best interests of the citizens of the City to issue its bonds in a single series to be designated “City of Mesquite Special Assessment Revenue Bonds, Series 2023 (Heartland Town Center Public Improvement Phase #2 Project)” (the “Bonds”), such series to be payable solely from and secured by the Phase

#1 Assessments levied on the Phase #2 Assessed Property as set forth in the Service and Assessment Plan; and

WHEREAS, the City Council has found and determined to (i) approve the issuance of the Bonds to finance the Phase #2 Specific Improvements identified in the Service and Assessment Plan on the terms described herein, (ii) approve the form, terms and provisions of the Indenture securing the City's Bonds authorized hereby, (iii) approve the form, terms and provisions of a Bond Purchase Agreement between the City and the purchasers of the Bonds, (iv) approve a Limited Offering Memorandum, and (iv) approve a Continuing Disclosure Agreement relating to the Bonds and the Assessments; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended;

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, THAT:

Section 1. Findings. The findings and determinations set forth in the preamble hereof are hereby incorporated by reference for all purposes as if set forth in full herein. Terms not otherwise defined herein shall have the definitions as set forth in the Indenture (defined herein).

Section 2. Approval of Issuance of Bonds and Indenture of Trust. (a) The issuance of the Bonds in the principal amount of \$_____ for the purpose of providing funds for (i) paying a portion of the Phase #2 Specific Improvement Costs (as defined in the Indenture), (ii) paying capitalized interest on the Bonds, (iii) funding the Bond Reserve Account of the Reserve Fund (and defined in the Indenture), (iv) funding a portion of the Delinquency and Prepayment Reserve Account (as defined in the Indenture), and (v) paying the costs of issuance of the Bonds, are hereby authorized and approved.

(b) The Bonds shall be issued and secured under an indenture of trust, the form, terms and provisions of which are hereby approved in the substantially final form presented at this meeting of that certain Indenture of Trust (the "Indenture"), dated as of April 1, 2023, between the City and The Bank of New York Mellon Trust Company, National Association, as trustee (the "Trustee"), with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the Mayor of the City, such approval to be evidenced by the execution and delivery of the Indenture. The Mayor of the City is hereby authorized and directed to execute the Indenture and the City Secretary is hereby authorized and directed to attest such signature of the Mayor.

(c) The Bonds shall be dated, shall mature on the date or dates and in the principal amounts, shall bear interest, shall be subject to redemption and shall have such other terms and provisions as set forth in the Indenture. The Bonds shall be in substantially the form set forth in the Indenture with such insertions, omissions and modifications as may be required to conform the form of bond to the actual terms of the Bonds. The Bonds shall be payable from and secured solely by the Phase #2 Assessments levied on the Phase #2 Assessed Property for the Phase #2 Specific

Improvements (as defined in the Indenture), as set forth in the Service and Assessment Plan and other assets of the “Trust Estate” (as defined in the Indenture) pledged to such series, and shall never be payable from ad valorem taxes.

Section 3. Sale of Bonds: Approval of Bond Purchase Contract. The Bonds shall be sold to FMSbonds, Inc. (the “Underwriter”) at the price and on the terms and provisions set forth in that certain Bond Purchase Agreement (the “Bond Purchase Agreement”), dated the date hereof, between the City and the Underwriter. The form, terms and provisions of the Bond Purchase Agreement are hereby authorized and approved and the Mayor of the City is hereby authorized and directed to execute and deliver the Bond Purchase Agreement. It is hereby officially found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable.

Section 4. Limited Offering Memorandum. The form and substance of the Preliminary Limited Offering Memorandum for the Bonds and any addenda, supplement or amendment thereto presented to and considered at this meeting are hereby in all respects approved and adopted. The City hereby authorizes the preparation of a final Limited Offering Memorandum reflecting the terms of the Bond Purchase Agreement and other relevant information. The Mayor is hereby authorized and directed to execute, such Limited Offering Memorandum with such changes and alterations therein as the Mayor may approve, such approval to be conclusively evidenced by such execution thereof. The Limited Offering Memorandum as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Mayor of the City and the Underwriter, may be used by the Underwriter in the offering and sale of the Bonds, and the Preliminary Limited Offering Memorandum is hereby deemed final as of its date (except for the omission of pricing and related information) within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The City Secretary is hereby authorized and directed to include and maintain a copy of the Preliminary Limited Offering Memorandum and Limited Offering Memorandum and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Limited Offering Memorandum in the offering of the Bonds is hereby ratified, approved and continued. Notwithstanding the execution, approval and delivery of such Preliminary Limited Offering Memorandum and Limited Offering Memorandum by the Mayor, the Mayor and this City Council are not responsible for and proclaim no specific knowledge of the information contained in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum pertaining to development, the Developer (as defined in the Indenture) or its financial ability, the development, or the landowners.

Section 5. Continuing Disclosure Agreement. The form, terms and provisions of that certain Continuing Disclosure Agreement (the “Continuing Disclosure Agreement” dated as of April 1, 2023 between the City, HTS Continuing Disclosure Services, a Division of Hilltop Securities, Inc. and David Taussig & Associates, Inc., is hereby authorized and approved in substantially final form presented at this meeting and the Mayor of the City is hereby authorized and directed to execute and deliver such Continuing Disclosure Agreement with such changes as may be required to carry out the purpose of this Ordinance and approved by the Mayor, such approval to be evidenced by the execution thereof, the Mayor’s signature on the Agreement may be attested by the City Secretary.

Section 6. Update of Service and Assessment Plan. The Service and Assessment Plan for the District reflecting the levy of assessments on property within the District, as updated to reflect the issuance of the Bonds, is hereby approved in the form presented herewith.

Section 7. Additional Actions. The Mayor, the City Manager and each other officer, employee and agent of the City are hereby authorized and directed to take any and all actions on behalf of the City necessary or desirable to carry out the intent and purposes of this Ordinance and to issue the Bonds in accordance with the terms of this Ordinance, including the making of modifications to this Ordinance and the Indenture as necessary to obtain approval of the Bonds by the Attorney General of the State, the Mayor, the City Manager and each other officer, employee and agent of the City are hereby authorized and directed to execute and deliver any and all certificates, agreements, notices, instruction letters, requisitions, and other documents which may be necessary or advisable in connection with the sale, issuance and delivery of the Bonds and the carrying out of the purposes and intent of this Ordinance, including payment of the Attorney General transcript review fee for the Bonds.

Section 8. Effective Date. This Ordinance shall take effect immediately upon its adoption by the City Council of the City.

FINALLY PASSED, APPROVED AND EFFECTIVE this April 3, 2023

[Signature Page Follows]

BY:

MAYOR,
CITY OF MESQUITE, TEXAS

ATTEST:

CITY SECRETARY,
CITY OF MESQUITE, TEXAS

APPROVED AS TO FORM:

CITY ATTORNEY,
CITY OF MESQUITE, TEXAS