

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE,
TEXAS APPROVING A REIMBURSEMENT AGREEMENT RELATING TO
THE HEARTLAND TOWN CENTER PUBLIC IMPROVEMENT DISTRICT
PHASE #1 PROJECT

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 September 4, 2018 regarding the levy of special assessments within the District, and after the conduct of such public hearing adopted an Ordinance (the "Assessment Ordinance"); and

WHEREAS, in the Assessment Ordinance, the City Council approved and accepted the "Service and Assessment Plan" (as defined and described in the Assessment Ordinance, the "Service and Assessment Plan") relating to the District and levied the "Phase #1 Assessments" and "Phase #2 Major Improvement Assessments," (together, the "Assessments") against the Phase #1 Assessed Property and Phase #2 Assessed Property, as set forth on the "Phase #1 Assessment Roll and Phase #2 Assessment Roll," (together, the "Assessment Rolls"). Capitalized terms used in this preamble and not otherwise defined shall have the meaning assigned thereto in the Service and Assessment Plan; and

WHEREAS, simultaneously with the approval of this Resolution, the City is issuing its Special Assessment Revenue Bonds, Series 2018 (Heartland Town Center Public Improvement District Phase #1 Project) (the "Bonds") that contain a pledge of the Phase #1 Assessments; and

WHEREAS, the proceeds of the Bonds will be used to pay for or reimburse the costs of certain public improvements to be constructed within Phase #1 of the Heartland Town Center Public Improvement District (the "District") but such proceeds are insufficient to pay all of the costs of the public improvements in Phase #1; and

WHEREAS, D.R. Horton-Texas, Ltd, the developer of the District (the "Developer") has deposited funds with the Trustee of the Bonds in order to ensure completion of the public improvements in Phase #1 and City has agreed to reimburse the Developer for funds advanced to construct the public improvements in Phase #1 from Phase #1 Assessment Revenues;

NOW THEREFOR BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. The recitals set forth in the preamble of this Resolution are true and correct in all material respects.

SECTION 2. The City Council of the City approves the Reimbursement agreement by and between the City and the Developer in substantially the form attached hereto as Exhibit A and

the City Manager is hereby authorized to execute such Reimbursement Agreement and the City Secretary may attest such signature.

3. It is hereby found, determined, and declared that a sufficient written notice of the date, hour, place, and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Resolution and the subject matter thereof has been discussed, considered and formally acted upon. City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

[Signature Page Follows]

PRESENTED AND PASSED on this the ____ day of _____, 2018, by a vote of ____ ayes and ____ nays at a regular meeting of the City Council of the City of Mesquite, Texas.

ATTEST:

Mayor, City of Mesquite

City Secretary, City of Mesquite

APPROVED AS TO FORM:

BY: Paula Anderson
City Attorney, City of Mesquite

**HEARTLAND TOWN CENTER PUBLIC IMPROVEMENT DISTRICT
PHASE #1 REIMBURSEMENT AGREEMENT**

This Heartland Town Center Public Improvement District Phase #1 Reimbursement Agreement (this "Reimbursement Agreement") is executed between the City of Mesquite, Texas (the "City") and D.R. Horton-Texas, Ltd., a Texas limited partnership (the "Developer") to be effective September 4, 2018 (individually referred to as a "Party" and collectively as the "Parties").

RECITALS

WHEREAS, capitalized terms used in this Reimbursement Agreement shall have the meanings given to them in this Reimbursement Agreement or in the *Heartland Town Center Public Improvement District Service and Assessment Plan* (the "SAP"), dated September 4, 2018, as the same may be amended from time to time approved by Ordinance No. _____ passed and approved by the City Council on September 4, 2018 (the "Assessment Ordinance"); and

WHEREAS, on December 18, 2017, the City Council passed and approved Resolution No. 80-2017 (the "Creation Resolution") authorizing the creation of the Heartland Town Center Public Improvement District (the "District") covering approximately 121.282 acres of land described by metes and bounds in said Creation Resolution (the "Property"); and

WHEREAS, on April 2, 2018, the City and CADG Kaufman 146, LLC ("CADG") entered into that certain Heartland Town Center Development Agreement (the "Development Agreement") for the construction and financing of certain public improvements within the District as provided by Chapter 372, Texas Local Government Code, as amended (the "Act") (the "Original Development Agreement"); and

WHEREAS, the Original Development Agreement has been amended by that certain First Amendment to Heartland Town Center Development Agreement executed by the City and CADG dated effective July 25, 2018 (the "First Amendment"); and

WHEREAS, the Original Development Agreement, as amended by the First Amendment, is hereinafter collectively referred to as the "Development Agreement"; and

WHEREAS, CADG assigned a portion of its rights and obligations under the Development Agreement to D.R. Horton-Texas Ltd. Pursuant to that certain Partial Assignment and Assumption of Heartland Town Center Development Agreement dated August 1, 2018, executed by D.R. Horton-Texas, Ltd. and CADG; and

WHEREAS, the Property is being developed in phases, and special assessments for Phase #1 Improvements (as defined in the SAP) have been levied against property within the District (the "Phase #1 Assessed Property") pursuant to the SAP approved by the City on September 4 2018, (the "SAP") to pay the costs of Phase #1 Improvements that confer a special benefit on the Phase #1 Assessed Property within such phase; and

WHEREAS, Phase #1 is the initial phase to be developed, as described in the SAP; and

WHEREAS, the City levied assessments against the Phase #1 Assessed Property for the Phase #1 Improvements in accordance with the Phase #1 Assessment Roll attached to the SAP; and

WHEREAS, on September 4, 2018, the City adopted an ordinance authorizing the issuance and sale of its "City of Mesquite, Texas, Special Assessment Revenue Bonds, Series 2018 (Heartland Town Center Public Improvement District Phase #1 Project)" (the "Bonds") to finance a portion of the costs of the Phase #1 Improvements; and

WHEREAS, the Phase #1 Assessment revenues are dedicated and pledged to Bonds as provided in the Phase #1 Assessment Roll and secured under the Indenture of Trust relating to the Bonds, dated September 1, 2018 (the "Indenture") between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"); and

WHEREAS, the Parties intend for the portion of the Phase #1 Improvements Costs (as defined in the Indenture) that is not financed by the Bonds to be financed under the terms of this Reimbursement Agreement and the Development Agreement; and

WHEREAS, the City has established a project fund segregated from all other funds of the City (the "Project Fund") for the Phase #1 Improvements and has established a "Phase #1 Improvement Account," and a "Developer Improvement Account" within such Project Fund under the Indenture; and

WHEREAS, the City has established a fund segregated from all other funds of the City for the deposit of the Phase #1 Assessment Revenues (the "Pledged Revenue Fund") and has established a "Bond Pledged Revenue Account" and a "Developer Pledged Revenue Account" under the Indenture; and

WHEREAS, the City has established a fund segregated from all other funds of the City for the purpose of paying and reimbursing the Developer (the "Reimbursement Fund") for the costs of the Phase #1 Improvements paid from the Developer Improvement Account of the Project Fund under the Indenture; and

WHEREAS, pursuant to the Indenture, amounts deposited in the Developer Pledged Revenue Account of the Pledged Revenue Fund shall be transferred to the Reimbursement Fund and used solely and exclusively to pay and reimburse the Developer for the costs of Phase #1 Improvements paid from the Developer Improvement Account of the Project Fund, plus interest, as set forth in this Reimbursement Agreement.

NOW THEREFORE, FOR VALUABLE CONSIDERATION THE RECEIPT AND ADEQUACY OF WHICH ARE ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

1. The recitals in the "WHEREAS" clauses of this Reimbursement Agreement are true and correct, reflect the intent of the Parties, and are incorporated as part of this Reimbursement Agreement for all purposes. Capitalized terms not otherwise defined in this Reimbursement Agreement shall have the definitions as set forth in the Indenture or in the SAP.

2. The City shall cause to be deposited into the Pledged Revenue Fund all Pledged Revenues (as defined in the Indenture) collected (excluding Administrative Expenses and Delinquent Collection Costs) as provided in the Indenture.

3. Developer shall make, or cause to be made, deposits of \$_____ to the Developer Improvement Account of the Project Fund (the "Developer Deposit") on the Closing Date (as defined in the Indenture) of the Bonds. The Phase #1 Improvement Costs shall be paid first from the Phase #1 Improvement Account of the Project Fund and then from the Developer Improvement Account of the Project Fund in accordance with the Indenture.

4. Strictly subject to the terms, conditions, and requirements and solely from the revenues herein provided, the City agrees to pay to the Developer, and the Developer shall be entitled to receive from the City, the amount equal to the actual Phase #1 Improvement Costs incurred by the Developer and paid from the Developer Improvement Account of the Project Fund (the "Reimbursement Amount") plus interest on the unpaid balance in accordance with the terms of this Reimbursement Agreement and the SAP until September 1, 20____ (the "Maturity Date"); provided, however, the principal amount of the Reimbursement Amount shall not exceed \$_____ (the "Reimbursement Maximum"). The Reimbursement Amount shall be payable to the Developer solely from the Phase #1 Assessment Revenues deposited in the Reimbursement Fund as provided in Article VI of the Indenture. The unpaid Reimbursement Amount shall bear simple interest per annum at the same true interest rate of the Bonds. Interest shall accrue on amounts withdrawn from the Developer Improvement Account of the Project Fund pursuant to a Certificate for Payment (as defined in and attached to the Indenture) from the date of each withdrawal until payment from the Reimbursement Fund. For the avoidance of doubt, Additional Interest shall not be paid on the Reimbursement Amount. The interest rate has been approved by the City Council and is authorized by the Act and was determined based upon the Bond Buyer Revenue Bond Index published in *The Bond Buyer*, a daily publication that publishes this interest rate index, which the highest average index rate for tax-exempt bonds reported in the previous month was ____%. The interest rate of ____% contained herein comply with Section 372.023 (e)(1) and Section 372.023 (e)(2) of the Act. Reimbursement to the Developer from the Reimbursement Fund as set forth in this section shall be made pursuant to a completed reimbursement form (the "Reimbursement Payment Request"), as set forth in Exhibit A attached hereto.

5. The Reimbursement Amount, plus interest, as described above (collectively, the "Unpaid Balance") is payable to the Developer and secured under this Reimbursement Agreement solely as described in paragraph 4 above. No other City funds, revenue, taxes, income, or property shall be used even if the Unpaid Balance is not paid in full at Maturity. Notwithstanding its collection efforts, if the City fails to receive all or any part of the Phase #1 Assessment Revenues and, as a result, is unable to make transfers to the Reimbursement Fund for payments to the Developer as required under this Reimbursement Agreement and the Indenture, such failure and inability shall not constitute a Failure or Default by the City under this Reimbursement Agreement. This Reimbursement Agreement nor the Bonds shall not and shall never give rise to or create:

(a) a charge against the general credit or taxing powers of the City or any other taxing unit; or

(b) a debt or other obligation of the City payable from any source of revenue, taxes, income, or properties of the City other than from the Reimbursement Fund as provided in the Indenture; or

(c) any obligation of the City to issue any other obligations; or

(d) any obligation of the City to pay any amount due or to become due under this Reimbursement Agreement other than from the Reimbursement Fund as provided in the Indenture and this Reimbursement Agreement.

6. Within fifteen (15) business days of receipt of any Reimbursement Payment Request, the City shall either (i) approve and execute the Reimbursement Payment Request and forward the same to the Trustee for payment (from those funds available in the Reimbursement Fund), or (ii) in the event the City disapproves the Reimbursement Payment Request, give written notification to the Developer of the City's disapproval, in whole or in part, of such Reimbursement Payment Request, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Reimbursement Payment Request. If a Reimbursement Payment Request seeking reimbursement is approved only in part, the City shall specify the extent to which the Reimbursement Payment Request is approved and shall deliver such partially approved Reimbursement Payment Request to the Trustee for payment.

7. Within fifteen (15) business days of receipt of any Certificate for Payment required under the Indenture for the City's Special Assessment Revenue Bonds, Series 2018 (Heartland Town Center Public Improvement District Phase #1 Project), the City shall either (i) approve and execute the Certificate for Payment and forward the same to the Trustee for payment, or (ii) in the event the City disapproves the Certificate for Payment, give written notification to the Developer of the City's disapproval, in whole or in part, of such Certificate for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Certificate for Payment. If a Certificate for Payment seeking reimbursement is approved only in part, the City shall specify the extent to which the Certificate for Payment is approved and shall deliver such partially approved Certificate for Payment to the Trustee for payment.

8. The Developer has the right to convey, transfer, assign, collaterally assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with written notice to) the City, the Developer's right, title, or interest to payments under this Reimbursement Agreement (but not performance obligations) including, but not limited to, any right, title, or interest of the Developer in and to payment of the Unpaid Balance (any of the foregoing, a "Transfer," and the person or entity to whom the Transfer is made, a "Transferee"). Notwithstanding the foregoing, however, no Transfer shall be effective until five days after notice of the Transfer is received by the City. The City may rely on any notice of a Transfer received from the Developer without obligation to investigate or confirm the validity or occurrence of such Transfer. The Developer waives all rights or claims against the City for any such funds provided to a third party as a result of a Transfer for which the City has received notice, and the Developer's sole remedy shall be to seek the funds directly from the Transferee.

9. The obligations of the City under this Reimbursement Agreement are non-recourse and payable only from amounts transferred to the Reimbursement Fund under the Indenture; and

such obligations do not create a debt or other obligation payable from any other City revenues, taxes, income, or property. None of the City or any of its elected or appointed officials or any of its officers or employees shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Reimbursement Agreement or their acts or omissions under this Reimbursement Agreement.

10. Nothing in this Reimbursement Agreement is intended to constitute a waiver by the City of any remedy the City may have outside this Reimbursement Agreement against the Developer, any Transferee, or any other person or entity involved in the design, construction, or installation of the Phase #1 Improvements. The obligations of the Developer hereunder shall be those as a Party hereto and not solely as an owner of property in the District. Nothing herein shall be constructed, nor is intended, to affect the City's or the Developer's rights and duties to perform their respective obligations under other agreements, regulations and ordinances.

11. This Reimbursement Agreement is being executed and delivered, and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Reimbursement Agreement. In the event of a dispute involving this Reimbursement Agreement, venue for such dispute shall lie in any court of competent jurisdiction in Kaufman County, Texas.

12. Any notice required or contemplated by this Reimbursement Agreement shall be deemed given at the addresses shown below: (i) when delivered by a national company such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person was the named addressee; or (ii) 72 hours after the notice was deposited with the United States Postal Service, Certified Mail, Return Receipt Requested. Any Party may change its address by delivering written notice of such change in accordance with this section.

To the City:

Attn: Cliff Keheley
Mesquite City Manager
PO Box 850137
Mesquite, Texas 75185-0137

With a copy to:

Attn: City Attorney
Mesquite City Attorney
PO Box 850137
Mesquite, Texas 75185-0137

And to:

Attn: Bond Counsel
Julie Partain
Bracewell LLP
1145 Ross Avenue, Suite 3800
Dallas, Texas 75202-2724

To the Developer:

Attn: David Booth
D.R. Horton-Texas, Ltd.
4306 Miller Road

Rowlett, Texas 75088

With a copy to:

Attn: Jim Ilkenhans, Regional Counsel
D.R. Horton, Inc.
4306 Miller Road
Rowlett, Texas 75088

And to:

Attn: Tim Green
Coats Rose, P.C.
14755 Preston Road, Suite 600
Dallas, Texas 75254

13. If any provision of this Reimbursement Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions, and the remainder of this Reimbursement Agreement shall remain in full force and effect.

14. Failure; Default; Remedies.

(a) If either Party fails to perform an obligation imposed on such Party by this Reimbursement Agreement (a "Failure") and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a "Default." Upon the occurrence of a Failure by a non-performing Party, the other Party shall notify the non-performing Party and all Transferees of the non-performing Party in writing specifying in reasonable detail the nature of the Failure. The non-performing Party to whom notice of a Failure is given shall have at least 30 days from receipt of the notice within which to cure the Failure; however, if the Failure cannot reasonably be cured within 30 days and the non-performing Party has diligently pursued a cure within such 30-day period and has provided written notice to the other Party that additional time is needed, then the cure period shall be extended for an additional 90 day period so long as the non-performing Party is diligently pursuing a cure. Any Transferee shall have the right, but not the obligation, to cure any alleged Failure by the Developer within the same time periods that are provided to the Developer. The election by a Transferee to cure a Failure by the Developer shall constitute a cure by the Developer but shall not obligate the Transferee to be bound by this Reimbursement Agreement unless the Transferee agrees to be bound.

(b) If the Developer is in Default, the City shall have available all remedies at law or in equity, provided that no Default by the Developer, however, shall: (1) affect the obligations of the City to use the amounts transferred to the Reimbursement Fund from the Pledged Revenue Fund under the Indenture as provided in this Reimbursement Agreement; or (2) entitle the City to terminate this Reimbursement Agreement. Provided, however, that notwithstanding (1) and (2) herein, prior to approval by the City of the Phase #1 Improvement Costs (or portions or segments thereof) pursuant to a Certificate for Payment (as defined in the Indenture), if the Developer defaults under this Reimbursement Agreement or the Development Agreement or the Development Agreement terminates according to its terms, this Reimbursement Agreement shall also terminate with respect to those Phase #1 Improvement Costs that have not been approved by the City pursuant to a Certificate for Payment. In the event of such default this Reimbursement

Agreement shall not terminate with respect to those Phase #1 Improvement Costs that have been approved by the City pursuant to a Certificate for Payment prior to the date of default.

(c) If the City is in Default, the Developer's sole and exclusive remedies shall be to: (1) seek a writ of mandamus to compel performance by the City; (2) seek specific enforcement of this Reimbursement Agreement; or (3) terminate this Reimbursement Agreement.

15. To the extent there is a conflict between this Reimbursement Agreement and the Indenture, the Indenture shall control as the provisions relate to the proceeds of the Bonds. To the extent there is a conflict between this Reimbursement Agreement and the Development Agreement, this Reimbursement Agreement shall control.

16. The failure by a Party to insist upon the strict performance of any provision of this Reimbursement Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Reimbursement Agreement.

17. The City does not waive or surrender any of its governmental powers, immunities, or rights.

18. Nothing in this Reimbursement Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer any rights, remedies, or claims under or by reason of this Reimbursement Agreement, and all covenants, conditions, promises, and agreements in this Reimbursement Agreement shall be for the sole and exclusive benefit of the City and the Developer.

19. This Reimbursement Agreement may be amended only by written agreement of the Parties.

20. This Reimbursement Agreement may be executed in counterparts, each of which shall be deemed an original.

21. The City shall have the right, during normal business hours and upon three business days' prior written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Phase #1 Improvements. For a period of two years after completion of the Phase #1 Improvements, the Developer shall maintain proper books of record and account for the construction of the Phase #1 Improvements and all costs related thereto. Such accounting books shall be maintained in accordance with customary real estate accounting principles.

22. This Reimbursement Agreement shall terminate on the earlier to occur of (i) final payment of the unpaid balance (up to the Reimbursement Maximum), (ii) the expiration of the term of the outstanding Assessments under the SAP, or (iii) the occurrence of a Default or termination event under the Development Agreement or this Reimbursement Agreement as set forth in Section 14(b).

23. Forbearance by the non-defaulting Party to enforce one or more of the remedies herein provided upon the occurrence of a Default by the other Party shall not be deemed or

construed to constitute a waiver of such default. One or more waivers of a breach of any covenant, term or condition of this Reimbursement Agreement by either Party hereto shall not be construed by the other Party as a waiver of a different or subsequent breach of the same covenant, term or condition. The consent or approval of either Party to or of any act by the other Party of a nature requiring consent or approval shall not be deemed to waive or render unnecessary the consent to or approval of any other subsequent similar act.

24. D.R. Horton- Texas Ltd. represents that, to the extent this Reimbursement Agreement constitutes a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2270 of the Texas Government Code, and subject to applicable Federal law, neither the D.R. Horton- Texas Ltd. nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the D.R. Horton- Texas Ltd. (i) boycotts Israel or (ii) will boycott Israel through the term of this Reimbursement Agreement. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

25. D.R. Horton- Texas Ltd. represents that, as of the date of this Reimbursement Agreement, to the extent this Reimbursement Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, neither D.R. Horton- Texas Ltd. nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the D.R. Horton- Texas Ltd. is an entity listed by the Texas Comptroller of Public Accounts under Sections 2252.153 or 2270.0201 of the Texas Government Code.

26. D.R. Horton- Texas Ltd. represents that it is a wholly owned subsidiary of D.R. Horton, Inc., a publicly traded business entity, and therefore this Reimbursement Agreement is exempt from Section 2252.908, Texas Government Code, as amended.

IN WITNESS WHEREOF, the Parties have caused this Reimbursement Agreement to be executed as of _____, 2018.

CITY OF MESQUITE, TEXAS

By: _____

Name: Cliff Keheley

Title: City Manager

ATTEST:

Name: Sonja Land

Title: City Secretary

[CITY SEAL]

APPROVED AS TO FORM

City Attorney or Designee

DEVELOPER

**D.R. HORTON-TEXAS, LTD.,
a Texas limited partnership**

By: D.R. Horton, Inc.,
A Delaware corporation,
Its Authorized Agent

By: _____
Name: David L. Booth
Title: Assistant Vice President

EXHIBIT A

REIMBURSEMENT PAYMENT REQUEST

REIMBURSEMENT REQUEST NO. ____

Reference is made to that certain Indenture of Trust by and between the City and the Trustee dated as of September 1, 2018 (the "Indenture") relating to the "City of Mesquite, Texas, Special Assessment Revenue Bonds, Series 2018 (Heartland Town Center Public Improvement District Phase #1 Project)" (the "Bonds"). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture.

The undersigned is an agent for D.R. Horton-Texas, Ltd., a Texas limited partnership (the "Developer") and requests reimbursement to the Developer (or to the person designated in writing by the Developer) from the Reimbursement Fund under the Indenture for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Phase #1 Improvements providing a special benefit to property within the Heartland Town Center Public Improvement District Phase #1 Project (the "Phase #1 Improvement Costs").

In connection with the above referenced payment, the Developer represents and warrants to the City as follows:

1. The Phase #1 Improvement Costs set forth this Reimbursement Payment Request relate to and have previously been paid from the Developer Improvement Account of the Project Fund pursuant to Payment Certificate No. ____.
2. Such Payment Certificate No. ____ has been duly approved by the City and all representations of the Developer pursuant to Payment Certificate No. ____ are true and remain in effect as of the date hereof.
3. The amount of the Reimbursement Payment Request is \$ _____ (consisting of \$ _____ in Phase #1 Improvement Costs and \$ _____ in accrued interest).
4. Payment made pursuant to this Reimbursement Payment Request shall not cause the cumulative amount transferred from the Reimbursement Fund to exceed the Reimbursement Maximum.

Payments requested hereunder shall be made as directed below:

- a. ☒ X amount to Person or Account Y for Z goods or services.
- b. ☐ Payment instructions

I hereby declare that the above representations and warranties are true and correct.

D.R. HORTON-TEXAS, LTD.

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST

The City is in receipt of the attached Reimbursement Payment Request, acknowledges the Reimbursement Payment Request, and finds the Reimbursement Payment Request to be in order. After reviewing the Reimbursement Payment Request, the City approves the Reimbursement Payment Request to the extent set forth below and authorizes and directs payment by Trustee in such amounts and from the accounts listed below, to the Developer or other person designated by the Developer in writing.

Principal Amount to be paid by Trustee from Reimbursement Fund	Interest to be paid by the Trustee from the Reimbursement Fund	Total Amount to be paid by Trustee from the Reimbursement Fund
\$ _____	\$ _____	\$ _____

CITY OF MESQUITE, TEXAS

By: _____

Name: _____

Title: _____

Date: _____