

ORDINANCE NO. 740

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF MANOR, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (MANOR HEIGHTS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #4 PROJECT); APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, A 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 Manor, Texas (the "City"), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), has previously established the "Manor Heights Public Improvement District" (the "District"), pursuant to Resolution No. 2018-10 adopted by the City Council of the City (the "City Council") on November 7, 2018; and

WHEREAS, the authorization creating the District became effective on November 9, 2018 upon publication of Resolution No. 2018-10 in the *Manor Community News*, a newspaper of general circulation in the City; and

WHEREAS, the City Council authorized additional land to be added to the boundaries of the District pursuant to Resolution No. 2020-11, adopted by the City Council on October 7, 2020; and

WHEREAS, pursuant to the PID Act, the City Council published notice and held a public hearing on May 1, 2024, regarding the levy of special assessments within Improvement Area #4 of the District and on May 1, 2024, adopted Ordinance No. _____ (the "Assessment Ordinance"); 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 the "Assessments" (as defined in the Service and Assessment Plan, the "Improvement Area #4 Assessments") against the "Assessment Roll" (as defined and described in the Service and Assessment Plan, the "Improvement Area #4 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 Council has found and determined that it is in the best interests of the City to issue its bonds to be designated "City of Manor, Texas Special Assessment Revenue Bonds, Series 2024 (Manor Heights Public Improvement District Improvement Area #4 Project)"

(the "Bonds"), such series to be payable from and secured by the Pledged Revenues, as defined in the Indenture (defined below); and

WHEREAS, the City is authorized by the PID Act to issue the Bonds for the purposes of (i) paying a portion of the Actual Costs of the Improvement Area #4 Improvements (as defined in the Indenture), (ii) paying capitalized interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #4 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying the costs of issuance of the Bonds; and

WHEREAS, in connection with the issuance of the Bonds for the purposes of paying the costs of the Improvement Area #4 Improvements, the City has determined such improvements confer a special benefit on Improvement Area #4 of the District, as provided in Section III of the Service and Assessment Plan and further depicted on Exhibit M of the Service and Assessment Plan; and

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

WHEREAS, after conducting the duly noticed public hearing on the issuance of the Bonds, the City Council, as set out this Ordinance, hereby approves the: (i) issuance of the Bonds to finance the Improvement Area #4 Improvements as identified in the Service and Assessment Plan, (ii) form, terms and provisions of the Indenture of Trust securing the Bonds authorized hereby (defined below), (iii) form, terms and provisions of the Bond Purchase Agreement (defined below) between the City and the purchaser of the Bonds, (iv) the Limited Offering Memorandum (defined below), and (v) the Continuing Disclosure Agreement (defined below).

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MANOR, 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.

SECTION 2. Approval of Issuance of Bonds and Indenture of Trust.

(a) The issuance of the Bonds in the principal amount of \$ _____,000 for the purposes of (i) paying a portion of the Actual Costs of the Improvement Area #4 Improvements, (ii) paying capitalized interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #4 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying the costs of issuance of the Bonds, is hereby authorized and approved.

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the "Indenture") dated as of May 1, 2024, between the City and UMB Bank, N.A., 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 or Mayor Pro Tem of the City, such approval to be evidenced by the execution and delivery of the Indenture, which Indenture is hereby approved in substantially final form attached hereto as Exhibit A and incorporated herein for all purposes. The Mayor or Mayor Pro Tem 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 or Mayor Pro Tem.

(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 by the Pledged Revenues (as defined in the Indenture) and other assets of the Trust Estate (as defined in the Indenture) pledged to such Bonds and shall never be payable from ad valorem taxes.

SECTION 3. Sale of Bonds; Approval of Bond Purchase Agreement. 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, attached hereto as Exhibit B and incorporated herein as a part hereof for all purposes, which terms of sale are declared to be in the best interest of the City. The form, terms and provisions of the Bond Purchase Agreement are hereby authorized and approved and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver the Bond Purchase Agreement. The Mayor's or Mayor Pro Tem's signature on the Bond Purchase Agreement may be attested by the City Secretary.

SECTION 4. Approval of Limited Offering Memorandum. The City Council, at a regular called meeting on April 17, 2024, adopted Resolution No. 2024-10 whereby it found and determined that the Preliminary Limited Offering Memorandum for the Bonds, dated April 22, 2024 (the "Preliminary Limited Offering Memorandum") was approved in form and content, with such changes, addenda, supplements, or amendments as may be approved by the City Manager, Finance Director, financial advisor, counsel or bond counsel to the City. The Preliminary Limited Offering Memorandum was "deemed final" (as that term is defined in 17 C.F.R. Section 240.15c2-12) on April 22, 2024, the date it was made public, such deeming as final is hereby ratified, confirmed and approved. The final Limited Offering Memorandum (the "Limited Offering Memorandum") is hereby approved and adopted with such changes and alteration therein as the Mayor, Mayor Pro Tem, the City Manager, the Finance Director, the City Secretary, and other appropriate officials of the City may approve, such approval to be conclusively evidenced by the delivery thereof. The Limited Offering Memorandum as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Mayor or Mayor Pro Tem, and the Underwriter, may be used by the Underwriter in the offering and sale of the Bonds. 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 the meeting. The use and distribution of the Preliminary Limited Offering Memorandum in the offering of the Bonds is hereby ratified, approved and confirmed. Notwithstanding the execution, approval and delivery of such Preliminary Limited Offering Memorandum and Limited Offering Memorandum by the Mayor or Mayor Pro Tem, the Mayor or Mayor Pro Tem 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 the Manor Heights Public Improvement District, the Developer or its financial ability, any builders, any landowners, or the appraisal of the property in the District.

SECTION 5. Approval of Continuing Disclosure Agreement of the Issuer. That certain Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between the City, P3Works, LLC (as the "PID Administrator") and UMB Bank, N.A. (as the "Dissemination Agent") is hereby authorized and approved in substantially final form attached hereto as Exhibit C and incorporated herein for all purposes and the Mayor or the Mayor Pro Tem 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 as approved by the Mayor or the Mayor Pro Tem, such approval to be evidenced by the execution thereof.

SECTION 6. Additional Actions. The Mayor, the Mayor Pro Tem, the Finance Director, the City Manager, and the City Secretary 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. The Mayor, the Mayor Pro Tem, the Finance Director, the City Manager, and the City Secretary 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.

SECTION 7. Severability. If any Section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 8. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 9. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 10. Construction of Terms. If appropriate in the context of this Ordinance, words of the plural shall be considered to include the singular, and words of the masculine, feminine or neutral gender shall be considered to include the other genders.

SECTION 11. Effective Date. This Ordinance is passed on one reading as authorized by Texas Government Code, Section 1201.028, as amended, and shall be effective immediately upon its passage and adoption.

SECTION 12. Open Meetings. It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act.

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PASSED, APPROVED, AND EFFECTIVE THIS 1ST DAY OF MAY 2024.

Dr. Christopher Harvey, Mayor
City of Manor, Texas

ATTEST:

Lluvia T. Almaraz, City Secretary
City of Manor, Texas

[CITY SEAL]

EXHIBIT A
INDENTURE OF TRUST

See complete copy at Tab 14.

EXHIBIT B
BOND PURCHASE AGREEMENT

See complete copy at Tab 8.

EXHIBIT C
CONTINUING DISCLOSURE AGREEMENT
OF THE ISSUER