

ORDINANCE NO. 2023-20

AN ORDINANCE OF THE CITY OF TOMBALL, TEXAS APPROVING A SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR AUTHORIZED IMPROVEMENTS FOR THE WINFREY ESTATES PUBLIC IMPROVEMENT DISTRICT (THE “DISTRICT”); MAKING A FINDING OF SPECIAL BENEFIT TO CERTAIN PROPERTY IN THE DISTRICT; LEVYING ASSESSMENTS AGAINST CERTAIN PROPERTY WITHIN THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR PAYMENT OF THE ASSESSMENT IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE ASSESSMENTS; PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE

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WHEREAS, the City of Tomball, Texas (the “City”) received a petition meeting the requirements of Sec. 372.005 of the Public Improvement District Assessment Act (the “Act”) requesting the creation of a public improvement district over a portion of the area within the corporate limits of the City to be known as the Winfrey Estates Public Improvement District (the “District”); and

WHEREAS, on January 3, 2022, the City Council accepted the Petition and called a public hearing for February 7, 2022 on the creation of the District and the advisability of the improvements; and

WHEREAS, notice of the hearing was published in a newspaper of general circulation in the City in which the District is to be located on January 12, 2022; and,

WHEREAS, notice to the owners of property within the proposed District was sent by first-class mail to the owners of 100% of the property subject to assessment under the proposed District containing the information required by the Act such that such owners had actual knowledge of the public hearing to be held on February 7, 2022; and

WHEREAS, on February 7, 2022 the City Council continued such public hearing on the creation of the District and heard any comments or objection thereto; and Ordinance No. 2022-36

WHEREAS, the City Council approved the creation of the PID by Resolution approved on April 18, 2022 (the " Creation Resolution") and recorded the Creation Resolution as authorized by the Act; and

WHEREAS, the District is being developed in a single phase and assessments are anticipated to be levied on all property within the PID; and

WHEREAS, pursuant to Sections 372.013, 372.014, and 372.016 of the Act, the City Council has directed the preparation of a Preliminary Service and Assessment Plan for Authorized

Improvements within the District (the “Service and Assessment Plan”) and an assessment roll for of the District (the “Assessment Roll”) that states the assessment against each parcel of land within the District (the “Assessments”); and

WHEREAS, the City called a public hearing regarding the proposed levy of Assessments pursuant to the Service and Assessment Plan and the proposed Assessment Roll on property within the District, pursuant to Section 372.016 of the Act; and

WHEREAS, the City, pursuant to Section 372.016(b) of the Act, published notice in a newspaper of general circulation within the City to consider the proposed Service and Assessment Plan for the District and the levy of the Assessments, as defined in the Service and Assessment Plan, on property in the District; and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the Act caused the mailing of notice of the public hearing to consider the proposed Service and Assessment Plan and the Assessment Roll attached to the Service and Assessment Plan and the levy of Assessments on property in the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened the public hearing at 6:00 p.m. on the 3rd day of July, 2023, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Roll, and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the costs of the Authorized Improvements, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, the developer of property within the District as described in the Service and Assessment Plan for the District has substantially completed the Authorized Improvements within the District; and

WHEREAS, the City wishes to levy assessments on the property within the District for the Authorized Improvements as set forth in the Service and Assessment Plan; and

WHEREAS, the City Council finds and determines that the Service and Assessment Plan and Assessment Roll attached thereto should be approved and that the Assessments should be levied on property within the District as provided in this Ordinance and the Service and Assessment Plan and Assessment Roll; and

WHEREAS, the City Council further finds that there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of the costs of the Authorized Improvements, the Assessment Roll or the levy of Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the District, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TOMBALL, 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 in Sections 2 through 6 herein shall have the definitions as set forth in the Indenture (defined herein).

Section 2. Defined Terms. Capitalized terms not otherwise defined herein shall have the meaning ascribed to in the Master Indenture or in the First Supplemental Indenture.

Section 3. Approval of Issuance of Improvement Area #2 Bonds and Master Indenture of Trust. The issuance of Improvement Area #2 Bonds for the purpose of providing funds for (i) paying a portion of the Improvement Area #2 Costs, (ii) paying capitalized interest on the Bonds, (iii) funding the Bond Reserve Account of the Reserve Fund, (iv) funding a portion of the Delinquency and Prepayment Reserve Account, (v) paying a portion of the costs incidental to the organization of the District, and (vi) paying the costs of issuance of each series of Improvement Area #2 Bonds, are hereby authorized and approved.

(a) The Improvement Area #2 Bonds shall be issued and secured under that certain Master Indenture of Trust dated September 15, 2022 by and between the City and the Wilmington Trust, N.A. as trustee (the “Master Indenture”), and pursuant to supplemental indentures for each series as authorized by the Master Indenture. Such Master Indenture is hereby approved in the substantially final form presented at this meeting, 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 Master Indenture. The Mayor of the City is hereby authorized and directed to execute the Master Indenture and the City Secretary is hereby authorized and directed to attest such signature of the Mayor.

(b) The Improvement Area #2 Bonds issued pursuant to the Master Indenture 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 a supplemental indenture. The Improvement Area #2 Bonds shall be in substantially the form set forth in the Master Indenture and in a supplemental indenture with such insertions, omissions and modifications as may be required to conform the form of bond to the actual terms of the Improvement Area #2 Bonds. The Improvement Area #2 Bonds shall be payable from and secured solely by the Assessments levied on the Assessed Property for the Improvement Area #2 Costs, as set forth in the Service and Assessment Plan and other assets of the “Trust Estate” (as defined in the Indentures) pledged to such an Improvement Area #2 Bonds, and shall never be payable from ad valorem taxes.

Section 4. Approval of First Supplemental Indenture and Series 2022 Bonds. The City of Tomball, Texas Special Assessment Revenue Bonds, Series 2022 (Raburn Reserve Public Improvement District Improvement Area #2 Project)(the “Series 2022 Bonds”) shall be issued and secured under the Master Indenture and under that certain first supplemental indenture of trust dated September 15, 2022 by and between the City and Wilmington Trust, N.A., as trustee (the “First Supplemental Indenture” and together with the Master Indenture, the “Indentures”). The First Supplemental Indenture is hereby approved in the substantially final form presented at this meeting, 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 First Supplemental Indenture. The Mayor of the City is hereby authorized and directed to execute the First Supplemental Indenture and the City Secretary is hereby authorized and directed to attest such signature of the Mayor.

Section 5. Sale of Bonds. Improvement Area #2 Bonds shall be sold pursuant to the provisions of the Master Indenture and supplemental indentures. The Series 2022 Bonds shall be sold as set forth in the First Supplemental Indenture.

Section 6. Limited Offering Memorandum. The form and substance of the Preliminary Limited Offering Memorandum for the Series 2022 Bonds and any addenda, supplement or amendment thereto presented to and considered by the City Council 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 Limited Offering Memorandum as thus approved and delivered, with such appropriate variations as shall be approved by the City Manager 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 construction of the Improvement Area #2 Improvements, the Developer (as defined in the Limited Offering Memorandum) or its financial ability, the homebuilders, or the landowners.

Section 7. Continuing Disclosure Agreement. The City shall provide continuing disclosure for the Series 2022 Bonds as set forth in the First Supplemental Indenture. Continuing disclosure agreements for additional series of Improvement Area #2 Bonds issued pursuant to the Master Indenture shall be approved in a Supplemental Indenture. In connection with its continuing disclosure obligations for the Series 2022 Bonds, the City hereby approves that certain Master Agreement for Dissemination Agent Services (the “Master Agreement”) by and between the City and HTS Continuing Disclosure Services, a Division of Hilltop Securities, Inc., as presented at the meeting. The City Manager or the Mayor are hereby authorized to execute such Master Agreement.

Section 8. 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 any required consents relating to land transfers. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the City is hereby authorized and directed to issue a check of the City payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount not to exceed \$9,500).

Section 9. Effective Date. This Ordinance shall take effect immediately upon its adoption by the City Council of the City.

[Signature Page Follows]

FIRST READING:

READ, PASSED AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 3RD DAY OF JULY 2023.

COUNCILMAN FORD _____
COUNCILMAN STOLL _____
COUNCILMAN DUNAGIN _____
COUNCILMAN TOWNSEND _____
COUNCILMAN PARR _____

Lori Klein Quinn, Mayor

ATTEST:

Tracylynn Garcia, City Secretary

SECOND READING:

READ, PASSED, APPROVED AND ORDAINED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 7TH DAY OF AUGUST 2023.

COUNCILMAN FORD _____
COUNCILMAN STOLL _____
COUNCILMAN DUNAGIN _____
COUNCILMAN TOWNSEND _____
COUNCILMAN PARR _____

Lori Klein-Quinn, Mayor

ATTEST:

Doris Speer, City Secretary