

ORDINANCE AUTHORIZING THE ISSUANCE OF REVENUE BONDS

THE STATE OF TEXAS :
 COUNTY OF DALLAS :
 CITY OF MESQUITE :

WHEREAS, the bonds hereinafter authorized were duly and favorably voted, as required by the Constitution and laws of the State of Texas, at elections held in said City on the 23rd day of October, 1976, and the 9th day of August, 1980; and

WHEREAS, out of the Waterworks System revenue bonds voted on August 9, 1980, the following previously have been issued and delivered:

\$855,000 out of a voted total of \$7,000,000, for the purpose of improving and extending the City's Waterworks System, represented by part of the bonds of Series 1981; and

WHEREAS, out of the Sewer System revenue bonds voted on October 23, 1976, the following previously have been issued and delivered:

\$475,000 out of a voted total of \$1,475,000, for the purpose of improving and extending the City's Sewer System, represented by part of the bonds of Series 1977, Series 1978, and Series 1981; and

WHEREAS, the bonds hereinafter authorized are to be issued and delivered pursuant to Vernon's Articles 1111 through 1118; and

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

Section 1. That said City's bonds are hereby authorized to be issued in the aggregate principal amount of \$1,000,000 for the purpose of providing \$500,000 for improving and extending the City's Waterworks System, and \$500,000 for improving and extending the City's Sewer System.

Section 2. That said bonds shall be designated as the: CITY OF MESQUITE WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 1982.

Section 3. That said bonds shall be dated November 1, 1982, shall be in the denomination of \$5,000 each, shall be numbered consecutively from one upward, and shall mature serially on the maturity date, in each of the years, and in the amounts, respectively, as set forth in the following schedule:

MATURITY DATE: MARCH 1

<u>YEARS</u>	<u>AMOUNTS</u>	<u>YEARS</u>	<u>AMOUNTS</u>
1984	\$50,000	1991	\$ 50,000
1985	\$50,000	1992	\$100,000
1986	\$50,000	1993	\$100,000
1987	\$50,000	1994	\$100,000
1988	\$50,000	1995	\$100,000
1989	\$50,000	1996	\$100,000
1990	\$50,000	1997	\$100,000

Section 4. That the bonds scheduled to mature during the years, respectively, set forth below shall bear interest at the following rates per annum:

maturities	1984 through 1989,	11.00%
maturities	1990	9.50%
maturities	1991	9.20%
maturities	1992	9.40%
maturities	1993	9.50%
maturities	1994	9.80%
maturities	1995	10.00%
maturities	1996	10.20%
maturities	1997	9.00%

Said interest shall be evidenced by interest coupons which shall appertain to said bonds, and which shall be payable in the manner provided and on the dates stated in the FORM OF BOND set forth in this Ordinance.

Section 5. That said bonds and interest coupons shall be issued, shall be payable, may be redeemed prior to their scheduled maturities, shall have the characteristics, and shall be signed and executed (and said bonds shall be sealed), all as provided, and in the manner indicated, in the FORM OF BOND set forth in this Ordinance.

Section 6. That the form of said bonds, including the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be imprinted and endorsed on each of said bonds, and the form of the aforesaid interest coupons which shall appertain and be attached initially to each of said bonds, shall be, respectively, substantially as follows:

FORM OF BOND

NO. _____

\$5,000

UNITED STATES OF AMERICA
 STATE OF TEXAS
 COUNTY OF DALLAS
 CITY OF MESQUITE
 WATERWORKS AND SEWER SYSTEM REVENUE BOND
 SERIES 1982

ON MARCH 1, _____, the CITY OF MESQUITE, in the County of Dallas, State of Texas, hereby promises to pay to bearer hereof the principal amount of

FIVE THOUSAND DOLLARS

and to pay interest thereon, from date hereof, at the rate of _____% per annum, evidenced by interest coupons payable September 1, 1983, and semi-annually thereafter while this bond is outstanding.

THE PRINCIPAL of this bond and the interest coupons appertaining hereto shall be payable to bearer, in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender of this bond or proper interest coupon, at the following, which shall constitute and be defined as the "Paying Agent" for this Series of Bonds:

MERCANTILE NATIONAL BANK AT DALLAS, DALLAS, TEXAS

THIS BOND is one of a Series dated as of November 1, 1982, authorized, issued, and delivered in the principal amount of \$1,000,000, for the purpose of providing \$500,000 for improving and extending the City's Waterworks System and \$500,000 for improving and extending the City's Sewer System.

ON MARCH 1, 1992, or on any interest payment date thereafter any outstanding bonds of this Series may be redeemed prior to their scheduled maturities, at the option of said City, in whole, or in part, for the principal amount thereof and accrued interest thereon to the date fixed for redemption. At least thirty days prior to the date fixed for any such redemption said City shall cause a written notice of such redemption to be published at least once in a financial publication published in the City of New York, New York. By the date fixed for any such redemption due provision shall be made with the Paying Agent for the payment of the principal amount of the bonds which are to be so redeemed and accrued interest thereon to the date fixed for redemption. If such written notice of redemption is published and if due provision for such payment is made, all as provided above, the bonds which are to be so redeemed thereby automatically shall be redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the bearer to receive the redemption price from the Paying Agent out of the funds provided for such payment.

IT IS HEREBY certified, recited, and covenanted that this bond has been duly and validly voted, authorized, issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the voting, authorization, issuance, and delivery of this bond

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have been performed, existed, and been done in accordance with law; that this bond is a special obligation; and that the principal of and interest on this bond, together with other revenue bonds of said City, are payable from, and secured by a first lien on and pledge of, the Net Revenues of said City's Waterworks and Sewer System.

SAID CITY has reserved the right, subject to the restrictions stated, and adopted by reference, in the Ordinance authorizing this Series of bonds, to issue additional parity revenue bonds which also may be made payable from, and secured by a lien on and pledge of, the aforesaid Net Revenues.

THE HOLDER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

IN WITNESS WHEREOF, this bond and the interest coupons appertaining hereto have been signed with the facsimile signature of the Mayor of said City and countersigned with the facsimile signature of the City Secretary of said City, and the official seal of said City has been duly impressed, or placed in facsimile, on this bond.

XXXXXXXXXX
City Secretary

XXXXXXXXXX
Mayor

FORM OF REGISTRATION CERTIFICATE

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

I hereby certify that this bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

XXXXXXXXXX
Comptroller of Public Accounts
of the State of Texas

FORM OF INTEREST COUPON

NO. _____

\$ _____

ON _____, _____, _____, THE CITY OF MESQUITE, IN THE COUNTY OF DALLAS, STATE OF TEXAS, promises to pay to bearer the the amount shown on this interest coupon, in lawful money of

the United States of America, without exchange or collection charges to the bearer, unless due provision has been made for the redemption prior to scheduled maturity of the bond to which this interest coupon appertains, upon presentation and surrender of this interest coupon, at the MERCANTILE NATIONAL BANK AT DALLAS, DALLAS, TEXAS, said amount being interest coming due that day on the bond, bearing the number hereinafter designated, of that issue of CITY OF MESQUITE WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 1982, dated NOVEMBER 1, 1982. The holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.
Bond No. _____.

XXXXXXXXXX

City Secretary

XXXXXXXXXX

Mayor

Section 7. (a) That the term "Outstanding Bonds," as hereinafter used in this Ordinance, shall mean all of said City's presently outstanding bonds which are payable from, and secured by a first lien on and pledge of, the Net Revenues of said City's Waterworks and Sewer System.

(b) That the bonds authorized hereby are parity "Additional Bonds" as defined in the Ordinance passed on March 5, 1957, authorizing the issuance, sale and delivery of said City's Waterworks and Sewer System Revenue Bonds, Series 1957.

(c) That Sections 12 through 29 of said Ordinance are hereby adopted by reference and shall be applicable to the bonds authorized to be issued by this Ordinance for all purposes except to the extent hereinafter specifically modified and supplemented. The bonds authorized to be issued by this Ordinance and the Outstanding Bonds are and shall be on a parity and of equal dignity in all respects, and are and shall be payable from, and secured by a first lien on and pledge of, the Net Revenues of said City's Waterworks and Sewer System.

Section 8. That in addition to all other amounts required by the ordinances, respectively, authorizing the Outstanding Bonds, there shall be deposited into the Interest and Redemption Fund (created for the benefit of said Outstanding Bonds and all Additional Bonds) the following:

- (a) Such amounts, in approximately equal monthly installments, deposited on or before the 10th day of each month hereafter, as will be sufficient to pay the interest scheduled to come due on the bonds authorized by this Ordinance on the next interest payment date; and
- (b) Such amounts, in approximately equal monthly installments, deposited on or before the 10th day of each month hereafter, as will be sufficient to pay the next maturing principal of the bonds authorized by this Ordinance.

Section 9. That in addition to all other amounts required by the ordinance authorizing the Outstanding Bonds, on or before the 10th day of each month hereafter, there shall be deposited into the Reserve Fund the sum of at least \$ 4,850 until the Reserve Fund contains an aggregate amount of \$ 979,760 . No deposits shall be required to be made into the Reserve Fund as long as the Reserve Fund contains said aggregate amount, but if and whenever said Reserve Fund is reduced below said aggregate amount, the aforesaid monthly deposits into the Reserve Fund shall be resumed and continued until such time as the Reserve Fund has been restored to said aggregate amount. The Reserve Fund shall be used to pay the principal of or interest on the bonds and all Additional Bonds, at any time when there is not sufficient money available in the Interest and Sinking Fund for such purpose.

Section 10. That the bonds authorized by this Ordinance are and shall be special obligations of said City, and the holder or holders thereof shall never have the right to demand payment of said obligations out of any funds raised or to be raised by taxation.

Section 11. That the Mayor of said City is hereby authorized to have control of said bonds and all necessary records and proceedings pertaining to said bonds pending their delivery and their investigation, examination and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of said Bonds, said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein to be printed and endorsed on each bond, and the seal of said Comptroller shall be impressed, or printed, or lithographed on each of said bonds.

Section 12. That the City covenants to and with the purchasers of the bonds that it will make no use of the proceeds of the bonds at any time throughout the term of this issue of bonds which, if such use had been reasonably expected on the date of delivery of the bonds to and payment for the bonds by the purchasers, would have caused the bonds to be arbitrage bonds within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or any regulations or rulings pertaining thereto; and by this covenant the City is obligated to comply with the requirements of the aforesaid Section 103(c) and all applicable and pertinent Department of the Treasury regulations relating to arbitrage bonds. The City further covenants that the proceeds of the bonds will not otherwise be used directly or indirectly so as to cause all or any part of the bonds to be or become arbitrage bonds within the meaning of the aforesaid Section 103(c), or any regulations or rulings pertaining thereto.

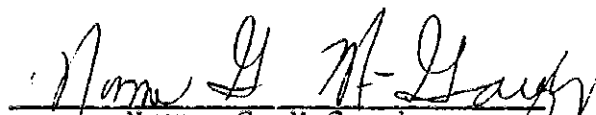
Section 13. That it is hereby officially found and determined: that a case of emergency or urgent public necessity exists which requires the holding of the meeting at which this Ordinance is passed, such emergency or urgent public necessity being that the proceeds from the sale of said bonds are required as soon as possible and without delay for necessary and urgently needed public improvements; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Vernon's Ann. Civ. St. Article 6252-17.

Section 14. That said bonds are hereby sold and shall be delivered to MERRILL LYNCH WHITE WELD CAPITAL MARKETS GROUP AND ASSOCIATES for cash for the par value thereof and accrued interest thereon to date of delivery. It is hereby officially found, determined, and declared that said bonds have been sold at public sale to the bidder offering the lowest interest cost, after receiving sealed bids pursuant to an Official Notice of Sale and Official Statement dated September 10, 1982, prepared and distributed in connection with the sale of said bonds. Said Official Notice of Sale and Official Statement have been and are hereby approved by the City Council. It is further officially found, determined, and declared that the statements and representations contained in said Official Notice of Sale and Official Statement are true and correct in all material respects, to the best knowledge and belief of the City Council.

DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 4th day of October, 1982.


Len Gibbens
Mayor

ATTEST:


Norma G. McGaughy
City Secretary

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