

E F C 2011-06-09-0001R

**A RESOLUTION OF THE
CITY OF SAN ANTONIO, TEXAS
EDUCATION FACILITIES CORPORATION**

AUTHORIZING THE ISSUANCE OF UP TO \$21,000,000 IN PRINCIPAL AMOUNT OF *CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION HIGHER EDUCATION REVENUE REFUNDING BONDS (TRINITY UNIVERSITY PROJECT), SERIES 2011*; AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT, AN INDENTURE OF TRUST, AND A PURCHASE CONTRACT; APPROVING THE FORM OF AN OFFICIAL STATEMENT; CALLING CERTAIN BONDS FOR REDEMPTION; AND APPROVING OTHER MATTERS IN CONNECTION THEREWITH

* * * * *

WHEREAS, the CITY OF SAN ANTONIO, TEXAS (the "***City***"), pursuant to Section 53.35(b), Texas Education Code (now amended and recodified as Section 53A.35(b), Texas Education Code, as amended), approved and created the CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION (the "***Issuer***") as a nonprofit corporation to exercise the powers enumerated and provided in Chapter 53, Texas Education Code (now amended and recodified as Chapter 53A, Texas Education Code, as amended - the "***Act***") for and on behalf of the City; and

WHEREAS, Section 53A.34 of the Act authorizes the Issuer to issue and execute revenue bonds or other obligations to loan or otherwise provide funds to an institution of higher education to enable an institution of higher education to acquire, construct, enlarge, extend, repair, renovate, or otherwise improve an "educational facility" or "housing facility" (as such terms are defined in the Act) or any facility incidental, subordinate, or related to or appropriate in connection with an educational facility or housing facility, or for acquiring land to be used for those purposes, or to create operating and debt service reserves for and to pay issuance costs related to the bonds or other obligations; and

WHEREAS, Section 53A.331 of the Act further authorizes the Issuer to refinance any educational facility or housing facility acquired, constructed, or improved; and

WHEREAS, Section 53A.35 further provides that the Issuer has all powers granted under the Texas Non-Profit Corporation Act for the purpose of aiding institutions of higher education in providing educational facilities and housing facilities and facilities incidental, subordinate, or related thereto or appropriate in connection therewith; and

WHEREAS, the Issuer has previously issued its "*Higher Education Variable Rate Demand Revenue Refunding and Improvement Bonds (Trinity University Project) Series 2002*" in the

aggregate principal amount of \$32,000,000 (the "**Series 2002 Bonds**"), the proceeds of which were loaned to **TRINITY UNIVERSITY**, a Texas nonprofit corporation located within the City and an institution of higher education with the meaning of the Act (the "**University**"), pursuant to the terms a loan agreement between the Issuer and the University, dated as of May 1, 2002, to refinance certain educational and housing facilities that were originally financed with certain "Higher Education Revenue Bonds" issued by the Issuer in 1984 and 1985 and refinanced by the Issuer with a series of refunding bonds issued in 1993; and

WHEREAS, the Series 2000 Bonds were issued under and pursuant to and are secured by an indenture of trust, dated as May 1, 2002 (the "**Series 2002 Indenture**"), from the Issuer to Wells Fargo Bank, National Association, as trustee thereunder (the "**Series 2002 Trustee**"); and

WHEREAS, pursuant to Section 8.01 of the Series 2002 Indenture, the Series 2002 Bonds while bearing interest at "Flexible Rates," "Daily Rates," "Weekly Rates," "Monthly Rates," "Quarterly Rates" or "Semiannual Rates" (as such terms are defined in the Series 2002 Indenture), are subject to optional redemption by the Issuer (which option may be exercised only at the direction of the University) on any interest payment date at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date; and

WHEREAS, the Series 2002 Bonds are bearing interest at Daily Rates, and in accordance with the Series 2002 Indenture, interest on the Series 2002 Bonds while bearing interest at Daily Rates is paid on the first business day of each month; and

WHEREAS, in order to reduce its exposure to variable rate indebtedness, the University has requested, through a resolution approved by its Board of Trustees on May 13, 2011, and a letter from the University's Vice President for Finance and Administration, that \$20,000,000 in principal amount of the Series 2002 Bonds be redeemed using proceeds of the fixed rate "Bonds" (defined below) being approved for issuance by this Resolution; and

WHEREAS, in accordance with Section 8.01(a) of the Series 2002 Indenture, the University has provided written direction to the Issuer to exercise the option to redeem the Series 2002 Bonds on the earliest interest payment date to occur following the delivery of the Bonds and the giving of notice of redemption as required by Section 8.03(a) of the Series 2002 Indenture; and

WHEREAS, at the request of the University and in furtherance of the purposes of the Act, the Issuer intends to issue a series of revenue bonds in the aggregate principal amount not to exceed **\$21,000,000**, which will be known as the **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION HIGHER EDUCATION REVENUE REFUNDING BONDS (TRINITY UNIVERSITY PROJECT) SERIES 2011** (the "**Bonds**"), the proceeds of which will be loaned to the University and will be used to pay costs of issuance and refinance a portion of the educational facilities and housing facilities that were financed with proceeds of the Series 2002 Bonds by refunding \$20,000,000 in principal amount of the Series 2002 Bonds; and

WHEREAS, the University has, pursuant to the Loan Agreement (defined below), agreed to make payments to the Issuer or its designee in amounts sufficient to pay debt service on the Bonds authorized hereby and to pay certain costs of administration and indemnification, if required, to hold the Issuer and the City harmless with respect to the issuance of the Bonds and the projects financed and refinanced thereby; and

WHEREAS, the issuance of the Bonds authorized hereby will enable the University to borrow funds at the lower costs available in the tax-exempt market and will reduce the University's interest expenses to refinance the projects at a fixed rate of interest than would otherwise be available to the University through a taxable financing; and

WHEREAS, there have been presented to the Issuer substantially final forms of each of the following documents:

1. The *Loan Agreement*, dated as of June 1, 2011 (the "**Loan Agreement**"), by and between the Issuer and the University, including a promissory note from the University to the Issuer in the principal amount of the Bonds;
2. The *Indenture of Trust*, dated as of June 1, 2011 (the "**Indenture**"), between the Issuer and Wells Fargo Bank, National Association, Dallas, Texas, as Trustee ("**Trustee**");
3. The *Purchase Contract*, to be dated as of the date of execution by all parties (the "**Purchase Contract**"), by and among the Issuer, the University and **MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED**, as the Underwriter; and
4. The *Official Statement* relating to the Bonds; and

WHEREAS, this Resolution, the Bonds, the Loan Agreement, the Indenture, and the Purchase Contract are collectively referred to herein as the "**Issuer Documents**"; and

WHEREAS, prior to the adoption of this Resolution a representative of the Issuer held a public hearing in connection with the issuance of the Bonds and the projects to be refinanced with proceeds thereof in order to comply with the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "**Code**"), the compliance with which is required to permit the interest on the Bonds to be excludable from federal income taxation; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Resolution was adopted was open to the public and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; and

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION THAT:

SECTION 1. APPROVAL OF LOAN AGREEMENT, INDENTURE, AND PURCHASE CONTRACT.

The Board of Directors of the Issuer (the "**Board**" or the "**Board of Directors**") hereby approves the Loan Agreement, the Indenture, and the Purchase Contract in substantially the form and substance presented to the Board, and the President and Vice President of the Issuer each is hereby authorized and directed, for and on behalf of the Issuer, to date, sign, and otherwise execute the Loan Agreement, the Indenture and the Purchase Contract, and the Secretary and any Assistant Secretary each is authorized and directed, for and on behalf of the Issuer, to attest the Loan Agreement, the Indenture and the Purchase Contract, and such officers are hereby authorized to deliver such documents to the other parties thereto. Upon execution by the parties thereto and delivery thereof, the Loan Agreement, the Indenture and the Purchase Contract shall be binding upon the Issuer in accordance with the terms and provisions thereof.

SECTION 2. AUTHORIZATION TO ISSUE THE BONDS. The Bonds are authorized to be issued in an aggregate principal amount not to exceed **\$21,000,000**, maturing on the respective dates and principal amounts, and bearing interest at the respective per annum rates, and being subject to redemption, as determined and set forth in the Indenture. The Bonds are issued for the purpose of loaning the proceeds thereof to the University for the purposes as described in the recitals of this Resolution. The Board hereby approves the Bonds in substantially the form and substance set forth in the Indenture, and the President and Vice President, and the Secretary and any Assistant Secretary, are hereby authorized and directed, for and on behalf of the Issuer, to execute the Bonds or have their facsimile signatures placed upon the Bonds, and such officers are hereby authorized and directed to deliver the Bonds, and the seal of the Issuer is hereby authorized and directed to be affixed or placed in facsimile on the Bonds. The Bonds shall be issued, executed, authenticated and delivered in the form and manner, and shall be dated, shall and may be redeemed prior to maturity, and shall have all of the characteristics, as provided in the Indenture. The Bonds shall be issued, authenticated and delivered as provided in the Indenture, and the Bonds shall be issued initially as one fully registered bond, without coupons, numbered as set forth in the Indenture.

SECTION 3. SALE OF BONDS. The Bonds are hereby authorized to be sold and delivered in accordance with the provisions of the Purchase Contract at the purchase price set forth therein.

SECTION 4. APPROVAL OF OFFICIAL STATEMENT. The Board hereby approves the Official Statement in substantially the form and substance presented to the Board as it relates to the Issuer and the Bonds and further approves the distribution of the Official Statement by the Underwriter in connection with the sale of the Bonds.

SECTION 5. AUTHORIZATION TO COMPLETE ISSUER DOCUMENTS AND APPROVE CHANGES. The President and Vice President of the Board of Directors of the Issuer are hereby authorized to incorporate the final terms of the Bonds in the Issuer Documents and to complete and approve any changes made to the Issuer Documents and the Official Statement as they relate to the Issuer from the forms presented to and approved by the Board, such approval to be evidenced by the

execution of the Issuer Documents, provided that such changes are not inconsistent with this Resolution.

SECTION 6. AUTHORIZATION TO APPROVE ADDITIONAL ACTIONS AND DOCUMENTS. All officers, employees, agents and representatives of the Issuer and its Board shall be and are hereby expressly authorized, empowered and directed from time to time, and at any time, to do and perform all such acts and things, and to execute and deliver in the name and under the official seal and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution and of the Bonds, as well as the terms and provisions of the Issuer Documents.

SECTION 7. AUTHORIZATION TO AUTHENTICATE BONDS AND DELIVER TRANSCRIPT TO THE ATTORNEY GENERAL. The President and Vice President of the Board and the Executive Director of the Issuer each are individually hereby authorized to execute and deliver to the Trustee a written order of the Issuer for the authentication and delivery of the Bonds by the Trustee in accordance with the Indenture, and to deliver a transcript of proceedings to the Attorney General of the State of Texas, along with the initial Bond, which shall be delivered to the Comptroller of Public Accounts of the State of Texas for registration upon Attorney General approval.

SECTION 8. AUTHORIZATION TO REDEEM A PORTION OF THE SERIES 2002 BONDS. The Board of Directors hereby authorizes the redemption of \$20,000,000 in principal amount of the Series 2002 Bonds to occur on the earliest reasonably possible redemption date permitted in accordance with the provisions of the Series 2002 Indenture, and as further requested by the University. The President, Vice President, Secretary, any Assistant Secretary and the Executive Director of the Issuer are hereby authorized to take all actions required to be taken by the Issuer, and execute all documents deemed reasonably necessary, to cause such portion of the Series 2002 Bonds to be redeemed on such date, including but not limited to providing for appropriate notice of redemption to be mailed or published as required by the Series 2002 Indenture, and causing sufficient proceeds of the Bonds, together with funds provided by the University, to be deposited into the appropriate funds or accounts maintained in the Series 2002 Indenture in order to defease \$20,000,000 in principal amount of the Series 2002 Bonds on the date of issuance of the Bonds.

SECTION 9. APPROVAL AND RATIFICATION OF PUBLIC HEARING. The Board of Directors has been advised that a public hearing relating to the issuance of the Bonds was conducted on behalf of the Issuer on May 26, 2011, at the offices of the City of San Antonio's International and Economic Development Department in order to comply with the provisions of Section 147(f) of the Code and that Susan Sale, an employee of the City, served as the hearing officer for such public hearing. The Board of Directors hereby approves and ratifies the holding of such public hearing and Susan Sale serving as the hearing officer of such public hearing.

SECTION 10. RESOLUTION IRREPEALABLE. After any of the Bonds are issued, this Resolution shall be and remain irrevocable until the Bonds or the interest thereon shall have been fully paid or provision for payment shall have been made pursuant to the Indenture.

SECTION 11. ENFORCEABILITY OF RESOLUTION. If any section, paragraph, clause, or provision of this Resolution shall 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 Resolution. In case any obligation of the Issuer authorized or established by this Resolution or the Bonds is held to be in violation of law as applied to any person or any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

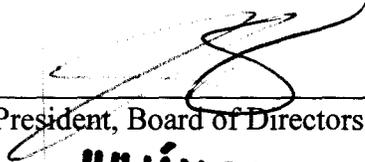
SECTION 12. INCORPORATION OF RECITALS. The Board of Directors hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the board of Directors hereby incorporates such recitals as a part of this Resolution.

SECTION 13. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

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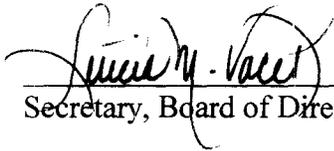
LOH 06/09/11
Item No. 4A

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION THIS 9TH DAY OF JUNE, 2011.

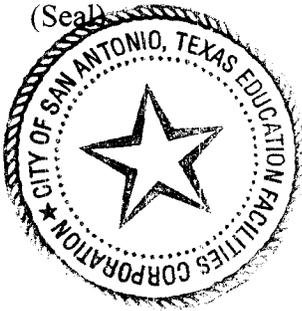


President, Board of Directors
JULIÁN CASTRO

Attest:



Secretary, Board of Directors



CERTIFICATE FOR RESOLUTION

**THE STATE OF TEXAS
COUNTIES OF BEXAR AND COMAL
CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION**

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I, the undersigned Secretary of the Board of Directors of the **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION** (the "*Issuer*"), hereby certify as follows:

1. The Board of Directors (the "*Board of Directors*") of the Issuer convened in **SPECIAL MEETING ON THE 9TH DAY OF JUNE, 2011**, at designated meeting place in the City of San Antonio, Texas (the "*Meeting*"), and the roll was called of the duly constituted officers and members of the Board of Directors to wit:

Julián Castro, President	Ray Lopez, Director
Mary Alice P. Cisneros, Director	Justin Rodriguez, Director
Ivy R. Taylor, Director	W. Reed Williams, Director
Jennifer V. Ramos, Director	Elisa Chan, Director
Rey Saldaña, Director	Carlton Soules, Director
David Medina, Jr., Director	

All members of the Board of Directors were present, except the following: NONE
_____, thus constituting a quorum, whereupon among other business, the following was transacted at the Meeting a written:

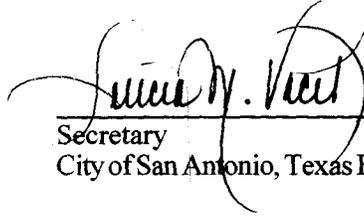
RESOLUTION OF THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION AUTHORIZING THE ISSUANCE OF UP TO \$21,000,000 IN PRINCIPAL AMOUNT OF CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION HIGHER EDUCATION REVENUE REFUNDING BONDS (TRINITY UNIVERSITY PROJECT), SERIES 2011; AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT, AN INDENTURE OF TRUST, AND A PURCHASE CONTRACT; APPROVING THE FORM OF AN OFFICIAL STATEMENT; CALLING CERTAIN BONDS FOR REDEMPTION; AND APPROVING OTHER MATTERS IN CONNECTION THEREWITH

(the "*Resolution*") was duly introduced for the consideration of the Board of Directors. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, such motion, carrying with it the adoption of the Resolution prevailed and carried by the following votes:

AYES: 10 NOES: 0 ABSTENTIONS: 1

2. A true, full, and correct copy of the Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; the Resolution has been duly recorded in the Board of Directors's minutes of the Meeting pertaining to the adoption of the Resolution; the persons named in the above and foregoing paragraph are duly chosen, qualified, and acting officers and members of the Board of Directors's and duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting, and that the Resolution would be introduced and considered for adoption at the Meeting and each such officers and members consented, in advance, to the holding of the Meeting for such purpose; and the Meeting was open to the public, and public notice was given, all as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED THIS 9TH DAY OF JUNE, 2011.



Secretary
City of San Antonio, Texas Education Facilities Corporation

(SEAL)



SIGNATURE PAGE TO THE CERTIFICATE FOR RESOLUTION RELATING TO THE
CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION
HIGHER EDUCATION REVENUE REFUNDING BONDS (TRINITY UNIVERSITY PROJECT), SERIES 2011

Agenda Item:	4A						
Date:	06/09/2011						
Time:	09:23:49 AM						
Vote Type:	Motion to Approve						
Description:	A Resolution of The City of San Antonio, Texas Education Facilities Corporation authorizing the issuance of up to \$21,000,000.00 in tax exempt Higher Education Revenue Bonds to refinance a portion of similar bonds issued in 2002 for Trinity University to fund educational and housing facilities.						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Mary Alice P. Cisneros	District 1		x			x	
Ivy R. Taylor	District 2		x				
Jennifer V. Ramos	District 3		x				
Rey Saldaña	District 4				x		
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x				
Justin Rodriguez	District 7		x				
W. Reed Williams	District 8		x				x
Elisa Chan	District 9		x				
Carlton Soules	District 10		x				