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Item No. 5

EFC 2014-06-19-0001R

RESOLUTION APPROVING A SECOND AMENDMENT TO THE LOAN AGREEMENT BETWEEN THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION AND TRINITY UNIVERSITY, DATED AS OF MAY 1, 2002, RELATING TO THE UNIVERSITY PROVIDING SELF-LIQUIDITY FOR THE PURCHASE PRICE OF TENDERED BONDS IN LIEU OF LIQUIDITY BEING PROVIDED BY A FINANCIAL INSTITUTION (CURRENTLY BANK OF AMERICA, N.A.)

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

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, the Issuer previously issued revenue bonds in the original aggregate principal amount of $32,000,000, designated **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION HIGHER EDUCATION VARIABLE RATE DEMAND REVENUE REFUNDING AND IMPROVEMENT BONDS (TRINITY UNIVERSITY PROJECT) SERIES 2002** (the "***Series 2002 Bonds***"), the proceeds of which were loaned to **TRINITY UNIVERSITY**, a private nonprofit educational corporation organized and existing under the laws of the State of Texas (the "***University***"), pursuant to a loan agreement, dated May 1, 2002 (the "***Loan Agreement***") to be used to (i) defease and currently refund certain outstanding bonds, (ii) finance the cost of certain improvements, and (iii) pay certain of the costs of issuing the Series 2002 Bonds; and

WHEREAS, the Series 2002 Bonds were issued under and pursuant to and are secured by an *Indenture of Trust*, dated May 1, 2002 (the "***Indenture***"), from the Issuer to *Wells Fargo Bank Texas, N.A.*, as trustee thereunder; and

WHEREAS, at the request of the University, the Issuer issued and delivered on June 29, 2011, $20,035,000 in principal amount of its **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION HIGHER EDUCATION REVENUE REFUNDING BONDS (TRINITY UNIVERSITY PROJECT) SERIES 2011** for the purpose of refunding $20,000,000 in principal amount of the Series 2002 Bonds in order to reduce the University's exposure to variable rate indebtedness; accordingly, the Series 2002 Bonds currently are outstanding in the aggregate principal amount of $12,000,000; and

WHEREAS, the University entered into a standby bond purchase facility with *Bank of America, N.A.* (the "***Bank***"), wherein the Bank agreed, on the terms and subject to the conditions set forth therein, to purchase any of the Series 2002 Bonds tendered for repurchase pursuant to the provisions of the Indenture (the "***Bank of America Standby Bond Purchase Agreement***"); and

WHEREAS, at the request of the University, the expiration date of the Bank of America Standby Bond Purchase Agreement has been extended from time to time, and currently is stated to expire on September 6, 2014; and

WHEREAS, the Loan Agreement and the Indenture permit the University, upon compliance with certain conditions set forth therein, to replace the Bank of America Standby Bond Purchase Agreement on any "Interest Payment Date" (i.e., currently the first Business Day of each month) with a "substitute Credit Facility Instrument" provided by certain institutions meeting the requirements set forth in the Loan Agreement and the Indenture, which includes "*an agreement between the University and the Trustee pursuant to which the University agrees to provide liquidity for the Series 2002 Bonds*"; and

WHEREAS, one condition set forth in the Indenture (specifically Section 13.04 thereof) for replacing the Bank of America Standby Bond Purchase Agreement is that *"the institution issuing the substitute Credit Support Instrument must be such as to maintain a rating on the Series 2002 Bonds equal to or higher than the then current rating on the Series 2002 Bonds given by [Standard &Poor's Rating Services]*" ("***S&P***"); and

WHEREAS, the Series 2002 Bonds currently are rated "AA" (long term rating based on the University's long term credit rating) and "A-1" (short term rating based on Bank of America's short term credit rating), and it is expected that such ratings will be maintained following the replacement of the Bank of America Standby Bond Purchase Agreement with self-liquidity provided by the University; and

WHEREAS, on November 4, 2003, the Board of Directors of the Issuer, at the request of the University, approved an amendment to the Loan Agreement to conform certain reporting requirements contained therein to similar reporting requirements in the Bank of America Standby Bond Purchase Agreement (the "***First Amendment***"); and

WHEREAS, the Issuer desires to further amend the Loan Agreement to obligate the University to provide liquidity for the purchase of tendered Series 2002 Bonds which are not timely remarketed by the Remarketing Agent (the "***Second Amendment***") until such time as the Series 2002 Bonds are not bearing interest as "Variable Rate Bonds" or the University delivers another "substitute Credit Support Instrument" provided by another institution, if ever; and

WHEREAS, in connection with the execution and delivery of the Second Amendment and replacing the Bank of America Standby Bond Purchase Agreement with the University's self-liquidity obligation, it will be necessary to prepare and distribute a Remarketing Memorandum related to the Series 2002 Bonds; 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;

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

SECTION 1. APPROVAL OF SECOND AMENDMENT TO LOAN AGREEMENT. The Second Amendment, in substantially the form and substance attached hereto as Exhibit A, is hereby approved and the President, Vice President, Secretary and any Assistant Secretary of the Board of Directors of the Issuer are hereby authorized to execute the Second Amendment and approve any changes made to the Second Amendment from the form approved by this Resolution, such approval to be evidenced by the execution of the Second Amendment, provided that such changes are not inconsistent with this Resolution.

SECTION 2. AUTHORIZATION TO PREPARE AND DISTRIBUTE A REMARKETING MEMORANDUM. The Board hereby authorizes the officers of the Issuer, together with Bond Counsel related to the Series 2002 Bonds, to prepare and distribute a Remarketing Memorandum in connection with the future remarketing of the Series 2002 Bonds which, among other things, will disclose the fact that liquidity support will be provided by the University.

SECTION 3. AUTHORIZATION TO APPROVE ADDITIONAL ACTIONS AND DOCUMENTS. The President, Vice President, Secretary, any Assistant Secretary, and the Executive Director of the Issuer 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 certificates and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution.

SECTION 4. 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.

SECTION 5. 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 6. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

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PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION THIS 19TH DAY OF JUNE, 2014.

President, Board of Directors

Attest:

Secretary, Board of Directors

(Seal)

Signature Page to the Resolution Authorizing the Second Amendment to the Loan Agreement Relating to the City of San Antonio, Texas Education Facilities Corporation
Higher Education Variable Rate Demand Revenue Refunding and Improvement Bonds
(Trinity University Project) Series 2002

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CERTIFICATE FOR RESOLUTION

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

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 19TH DAY OF JUNE, 2014, 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
Diego M. Bernal, Director	Cris Medina, Director
Ivy R. Taylor, Director	Ron Nirenberg, Director
Rebecca J. Viagran, Director	Joe Krier, Director
Rey Saldaña, Director	Mike Gallagher, Director
Shirley Gonzales, 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 No. EFC 2014-06-19-0001R**

RESOLUTION APPROVING A SECOND AMENDMENT TO THE LOAN AGREEMENT BETWEEN THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION AND TRINITY UNIVERSITY, DATED AS OF MAY 1, 2002, RELATING TO THE UNIVERSITY PROVIDING SELF-LIQUIDITY FOR THE PURCHASE PRICE OF TENDERED BONDS IN LIEU OF LIQUIDITY BEING PROVIDED BY A FINANCIAL INSTITUTION (CURRENTLY BANK OF AMERICA, N.A.)

(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.

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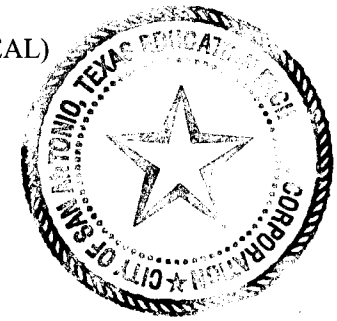
SIGNED AND SEALED THIS 19TH DAY OF JUNE, 2014.

Secretary
City of San Antonio, Texas Education Facilities Corporation

(SEAL)



Signature Page to the Certificate for Resolution Relating to the
Resolution Authorizing the Second Amendment to the Loan Agreement Relating to the
City of San Antonio, Texas Education Facilities Corporation
Higher Education Variable Rate Demand Revenue Refunding and Improvement Bonds
(Trinity University Project) Series 2002