LOH
06/24/10
ITEM #62B

A RESOLUTION **2010-06-24-0037R**

AUTHORIZING AN AMENDMENT TO THE ARTICLES OF INCORPORATION OF THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION TO PROVIDE FOR THE MEMBERS OF THE CITY COUNCIL TO SERVE AS THE MEMBERS OF THE BOARD OF DIRECTORS OF THE CORPORATION, AS PERMITTED BY A STATUTORY CHANGE APPROVED BY THE TEXAS LEGISLATURE IN 2009; AND APPROVING AMENDED AND RESTATED BYLAWS FOR THE CORPORATION

* * * * *

WHEREAS, the **CITY OF SAN ANTONIO, TEXAS** (the "***City***") created the **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION** (the "***Corporation***") pursuant to Chapter 53, Texas Education Code, as amended (the "***Original Act***"); and

WHEREAS, in 2005, during the Regular Session of the 79th Texas Legislature, the Texas Legislature amended the Original Act and re-codified the provisions therein relating to financings for private schools into a new "Chapter 53A" of the Texas Education Code (known as the "Higher Education Facility Authority for Private Schools Act"); and

WHEREAS, Chapter 53A, Texas Education Code, is referred to herein as the "Act", and the Corporation is deemed to be operating and existing pursuant to the Act, particularly Section 53A.35B thereof; and

WHEREAS, when the Corporation was created in 1983 by the City, the Original Act (which was carried over in the Act) prohibited any officer or employee of the City from serving on the Board of Directors of the Corporation (the "***Board of Directors***"); consequently, since its inception the Board of Directors has been composed of residents of the City who are not officers or employees of the City; and

WHEREAS, in 2009, the Texas Legislature approved S.B. 2240 which, among other matters, removed the provision that prohibited officers and employees of the City from serving as directors of the Corporation; and

WHEREAS, the City Council of the City serves as the board of directors of all non-profit "conduit issuers" that have been created by the City for the purpose of issuing tax-exempt bonds for the benefit of private entities for various purposes, other than the Corporation, and the City has advised the Board of Directors that, primarily for ease of administration, the City Council prefers to have the members of the City Council serve as the directors of the Board of Directors; and

WHEREAS, when the original Bylaws of the Corporation were written and approved in 1983, the Corporation was known as the *City of San Antonio Higher Education Authority, Inc.*, and the Bylaws then referred to and currently refer to the Corporation as the "Authority"; and

WHEREAS, numerous changes have occurred since 1983 including, but not limited to, changing the name of the Corporation from the "*City of San Antonio Higher Education Authority, Inc.*" to the "*City of San Antonio, Texas Education Facilities Corporation*," and most recently the proposed amendment to Article VII of the Corporation's Articles of Incorporation referred to in this Resolution, relating to the continual appointment of members of the City Council of the City to serve as the members of the Board of Directors of the Corporation; and

WHEREAS, Article XII of the Corporation's Articles of Incorporation provides that such Articles of Incorporation may be amended by (i) the Board first filing with the City a written application seeking permission to amend the Articles of Incorporation and obtaining the City's approval of such amendment, or (ii) the City Council, in its sole discretion, adopting a amendment to the Articles of Incorporation and directing the Board of Directors to amend the same and file articles of amendment with the Secretary of State; and

WHEREAS, Section 5.2 of the Corporation's Bylaws authorizes the Board of Directors to amend its Bylaws at any time by majority vote of the Board with approval of the governing body of the City; and

WHEREAS, due to the numerous changes that have occurred since the initial Bylaws were initially written and approved, the Board of Directors of the Corporation has deemed it advisable to amend and restate the Bylaws of the Corporation; and

WHEREAS, the Board of Directors of the Corporation is expected to on June 25, 2010, a resolution (i) approving the form of Articles of Amendment to amend Article VII of the Articles of Incorporation for the purposes described above, (ii) approving the form of Amended and Restated Bylaws for the purposes described above, and (iii) acknowledging the City Council's prior approval of such Articles of Amendment and Amended and Restated Bylaws as required by law and the existing Articles of Incorporation and Bylaws of the Corporation; and

WHEREAS, the City Council has been presented with the proposed form of the Articles of Amendment and the Amended and Restated Bylaws of the Corporation, and the City Council finds that the form and substance of such Articles of Amendment and Amended and Restated Bylaws are satisfactory; and

WHEREAS, it is now necessary and proper for the City Council of the City to consider and approve Articles of Amendment to the Corporation's Articles of Incorporation and the Amended and Restated Bylaws of the Corporation for the purpose set forth above; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Resolution was passed 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, Tex. Government Code; ***NOW, THEREFORE***:

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. **AUTHORIZATION AND APPROVAL OF AMENDMENTS TO THE ARTICLES OF INCORPORATION**. The City Council of the City hereby consents to and, authorizes and approves an amendment to the Articles of Incorporation of the Corporation, in substantially the form of the Articles of Amendment attached hereto as Exhibit A, for the purpose of providing for the members of the City Council of the City to automatically serve as the members of the Board of Directors of the Corporation, as now permitted by the Act, and hereby directs the Board of Directors of the Corporation to take all further actions necessary to implement the Articles of Amendment in accordance with the Act and the existing Article of Incorporation of the Corporation, including filing the Articles of Amendment with the Secretary of State of Texas.

SECTION 2. **AUTHORIZATION AND APPROVAL OF AMENDED AND RESTATED BYLAWS**. The City Council of the City hereby consents to and, authorizes and approves the Amended and Restated Bylaws of the Corporation, in substantially the form attached hereto as Exhibit B for the purposes described above, and hereby directs the Board of Directors of the Corporation to take all further actions necessary to implement the Amended and Restated Bylaws in accordance with the Act and the existing Bylaws of the Corporation.

SECTION 3. **INCORPORATION OF RECITALS.** The City hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the City hereby incorporates such recitals as a part of this Resolution.

SECTION 4. **SEVERABILITY.** If any provision of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 5. **EFFECTIVE DATE.** This Resolution shall become effective immediately upon passage by eight (8) affirmative votes. If passed by less than eight (8) affirmative votes, then this Resolution shall become effective on the tenth (10th) day following passage thereof.

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PASSED AND APPROVED THIS 24TH DAY OF JUNE, 2010.

MAYOR
Julián Castro

ATTEST:

City Clerk, City of San Antonio, Texas

(CITY SEAL)

APPROVED AS TO FORM:

By: _____
for City Attorney

** ** ** ** ** **

[SIGNATURE PAGE TO CITY RESOLUTION APPROVING ARTICLES OF AMENDMENT AND RESTATED BYLAWS]

Request for COUNCIL ACTION

City of San Antonio

Agenda Voting Results - 62B

Name:	7, 8, 9, 10, 11, 12, 13, 14, 16, 19, 20, 21, 22, 25, 26A, 26B, 26C, 27, 28, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42A, 42B, 43, 44, 47, 49, 51, 52, 53, 54, 55, 57, 58, 59, 61, 62A, 62B, 63, 64, 66
Date:	06/24/2010
Time:	03:30:59 PM
Vote Type:	Motion to Approve
Description:	A Resolution amending the Articles and Bylaws of the Education Facilities Corporation (EFC) to establish City Council as the EFC Board of Directors.
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				
Philip A. Cortez	District 4		x				
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x				x
Justin Rodriguez	District 7		x				
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x				
John G. Clamp	District 10		x				

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EXHIBIT A

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION OF
CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION

Pursuant to the provisions of (i) Chapter 53A, Texas Education Code, as amended (the "***Act***"), formerly known as Chapter 53, Texas Education Code when the **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION** (the "***Corporation***") was initially created in 1983 by the City of San Antonio, Texas (the "***City***"), particularly Section 53A.35(b) of the Act (formerly known as Section 53.35(b), Texas Education Code, when the Corporation was initially created in 1983 by the City), (ii) Chapter 3 and Section 22.107, Texas Business Organizations Code, and (iii) Article XII of the Articles of Incorporation of the Corporation, the Corporation adopts the following Articles of Amendment to the Articles of Incorporation of the Corporation for the purpose of providing for the members of the City Council of the City to serve as the members of the board of directors of the Corporation (as permitted by an amendment to the Act approved by the Texas Legislature in 2009).

ARTICLE ONE

NAME OF THE CORPORATION

The name of the Corporation is **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION**.

ARTICLE TWO

AMENDMENT TO ARTICLE VII OF ARTICLES OF INCORPORATION

Article VII of the Articles of Incorporation of the Corporation is hereby amended to read in its entirety as follows:

> "The affairs of the Corporation shall be managed by an eleven (11) member board of directors [or such greater or lesser number (if then permitted by the Act) to be equivalent at all times with the total number of positions constituting the City Council of the City of San Antonio, Texas (the "City)] which shall be composed in its entirety of persons who are members of the City Council of the City, and whose terms of office shall be fixed by, and run coterminous with, their respective terms of office as members of the City Council of the City. A director shall hold office for

the term to which the director is qualified and until a successor is qualified. A director serves without compensation but shall be entitled to reimbursement incurred in performing services as a director."

ARTICLE THREE

ADOPTION BY MAJORITY VOTE OF DIRECTORS AND CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS

The amendment was adopted in the following manner:

(1) In accordance with Article XII of the Articles of Incorporation, the amendment was adopted by the City Council of the City pursuant to Resolution No. 2010-_____ during a regular meeting of the City Council of the City held on June 24, 2010, and received the vote of a majority of the members of the City Council present at such meeting.

(2) At the direction of the City Council, the amendment was adopted at a special meeting of the Board of Directors held on June 25, 2010, and received the vote of a majority of the directors present at such meeting, there being no members having voting rights in respect thereof.

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DATED: June ____, 2010.

CITY OF SAN ANTONIO, TEXAS
EDUCATION FACILITIES CORPORATION

By: _____
Name: Richard C. Porter
Title: Vice President

Attest:

_____
Name: Veronica R. Garcia
Title: Secretary/Treasurer

STATE OF TEXAS §
§
COUNTY OF BEXAR §

Before me, the undersigned Notary Public, on this day personally appeared Richard C. Porter and Veronica R. Garcia, who being by me first duly sworn, declared that they are the Vice President and Secretary/Treasurer, respectively of **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION**, a Texas nonprofit corporation, that they signed the foregoing document as Vice President and Secretary/Treasurer, respectively, of said corporation, and that the statements therein contained are true and correct.

Given under my hand and seal of office this _____ day of June, 2010.

_____
_____
(Printed or Stamped Name)
Notary Public - State of Texas
My commission expires:
_____

(Notary Seal)

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EXHIBIT B

AMENDED AND RESTATED BYLAWS OF THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION

ARTICLE I

OFFICES

The principal office of the **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION** (the "***Corporation***") shall be at the office of the International and Economic Development Department (or any successor Department thereto) of the **CITY OF SAN ANTONIO, TEXAS** (the "***City***"), which currently is located at 100 W. Houston Street, 19th Floor, San Antonio, Texas 78205.

ARTICLE II

DIRECTORS

SECTION 2.01. BOARD OF DIRECTORS. The affairs of the Corporation shall be managed by an eleven (11) member board of directors (the "***Board***"), or such greater or lesser number (if then permitted by Chapter 53A, Texas Education Code) to be equivalent at all times with the total number of positions constituting the City Council of the City, which shall be composed in its entirety of persons who are members of the City Council of the City, and whose terms of office shall be fixed by and run coterminous with their respective terms of office on such City Council of the City.

SECTION 2.02. FILLING VACANCIES. Vacancies on the Board, including vacancies to be filled by reason of an increase in the number of directors, shall be filled for the unexpired term by the person qualified to serve the specific unexpired term by virtue of that person's selection, in the manner prescribed by law, to serve the associated respective unexpired term of membership on the City Council of the City.

SECTION 2.03. POWERS OF CORPORATION TO BE EXERCISED BY BOARD. The property and business of the Corporation shall be managed by the Board which may exercise all powers of the Corporation and do all lawful acts.

SECTION 2.04. PLACE OF BOARD MEETINGS. Meetings of the Board may be held at such place or places in the State of Texas as the Board from time to time may determine; provided, however, in the absence of any such determination by the Board of Directors, the meetings shall be held at the City Council Chambers of the City.

SECTION 2.05. REGULAR BOARD MEETINGS. Regular meetings of the Board may be held on such dates and at such time and places as shall from time to time be determined by the Board; provided, however, in the absence of any such determination by the Board, the meetings shall be held at the City Council Chambers of the City. Public notice of such regular meetings shall be provided as required by Section 3.01 herein below, a copy of which notice shall be given to the City Clerk of the City.

SECTION 2.06. SPECIAL BOARD MEETINGS. Special meetings of the Board may be called by the President on three days notice to each director, and upon public notice as provided in Section 3.01 herein below, and shall be called by the President or Secretary also on three days notice to each director, and upon public notice as provided in Section 3.01 herein below, on the written request of two directors. Emergency meetings shall be called by the President on two hours notice, but only upon compliance with the public notice requirements as provided in Section 3.01 herein below.

SECTION 2.07. QUORUM. At all meetings of the Board, the presence of a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by these Bylaws.

SECTION 2.08. NO COMPENSATION PAID TO DIRECTORS. Directors, as such, shall receive no compensation for services rendered as directors, but shall be reimbursed for all reasonable expenses incurred in performing their duties as directors.

SECTION 2.09. COMMITTEES. The Board may by resolution or resolutions adopted by the Board, establish one or more committees, each committee to consist of two or more of the directors of the Corporation. Such committee or committees shall have such name or names, and such powers, as may be determined from time to time by resolution adopted by the Board.

SECTION 2.10. COMMITTEE MINUTES. The committees shall keep regular minutes of their proceedings and report the same to the Board when required.

SECTION 2.11. PUBLIC HEARINGS. Public hearings required under Section 147(f) of the Internal Revenue Code of 1986, as amended, may be called and conducted by any officer or director of the Corporation or the Executive Director of the Corporation, and such person may establish the date, place and time of the hearing and may give notice of the hearing.

ARTICLE III

NOTICES

SECTION 3.01. OPEN MEETINGS. The Board, all actions of the Board, all meetings of the Board, whether regular, special or emergency, and all meetings of committees of the Board shall be subject to the public notice requirements of the Texas Open Meetings Act, Chapter 551, Tex. Government Code.

SECTION 3.02. NOTICE TO DIRECTORS. Whenever under the provisions of any statute or these Bylaws, notice is required to be given to any director, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director at such address as appears on the books of the Corporation, and such notice shall be deemed to be given at the time when the same shall be thus mailed.

SECTION 3.03. WAIVER OF NOTICE BY DIRECTORS. Whenever any notice is required to be given to a director under the provisions of any statute or of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE IV

OFFICERS

SECTION 4.01. SELECTION OF VARIOUS OFFICERS. The officers of the Corporation shall be chosen by the Board. Unless otherwise changed by a resolution of the Board duly adopted, (i) the President of the Board shall be the person then serving as the duly elected and acting Mayor of the City, (ii) the Vice President of the Board shall be the duly elected member of the City Council of the City then serving as the Mayor Pro-Tem of the City, (iii) the Secretary of the Corporation shall be the person then serving as the City Clerk of the City, and (iv) the Treasurer of the Board shall be the person then serving as the Finance Director of the City.

SECTION 4.02. APPOINTMENT OF OTHER OFFICERS AND AGENTS. The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

SECTION 4.03. REMOVAL OF OFFICERS. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the whole Board. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board.

SECTION 4.04. EXECUTIVE DIRECTOR OF CORPORATION. The Director of the City's International and Economic Development Department (or the successor Department thereto) shall serve as Executive Director of the Corporation, who shall be the Chief Administrative Officer of the Corporation and shall exercise such powers and perform such duties as shall be authorized by these Bylaws or determined from time to time by the Board.

THE PRESIDENT

SECTION 4.05. The President shall preside at all meetings of the directors.

SECTION 4.06. The President shall be an ex-officio member of all standing committees, shall have general supervision of the management of the business of the Corporation, and shall see that all resolutions of the Board are carried into effect.

SECTION 4.07. The President shall execute bonds, mortgages and other contracts, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation.

THE VICE PRESIDENT

SECTION 4.08. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Board shall prescribe.

THE SECRETARY

SECTION 4.09. The Secretary shall attend all sessions of the Board and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Board and shall perform such other duties as may be prescribed by the Board or the President. The Secretary shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the same to any instrument requiring it, and, when so affixed, it shall be attested by the Secretary's signature. When the corporate seal is required as to instruments executed in the course of ordinary business, the Secretary shall attest to the signature of the President or Vice President and shall affix the seal thereto. The Board may appoint one or more persons to serve as an Assistant Secretary, which person may, but need not be, a director. The Assistant Secretary may perform any duty granted to the Secretary in these Bylaws and/or in any resolution approved by the Board.

THE TREASURER

SECTION 4.10. To the extent not otherwise provided by the Board, by rules or regulations, in resolutions relating to the issuance of bonds, or in any financing documents relating to such issuance, the Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in a depository as shall be designated by the Board. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it, an account of all transactions performed as Treasurer and of the financial condition of the Corporation. The Board may appoint one or more persons to serve as an Assistant Treasurer, which person may, but need not be, a director. The Assistant Treasurer may perform any duty granted to the Treasurer in these Bylaws and/or in any resolution approved by the Board.

SECTION 4.11. SURETY BONDS. The Board may require the President, Vice President, the Secretary, any Assistant Secretary, the Treasurer, and any Assistant Treasurer to give the Corporation bonds in such sums and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of their office and for the restoration to the Corporation, in case of such person's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in such person's possession or under such person's control belonging to the Corporation.

SECTION 4.12. INDEMNIFICATION. The Corporation shall have the power to indemnify any director, officer or former director or officer, or agent thereof, of the Corporation for expenses and costs (including attorneys' fees) actually and necessarily incurred by such director, officer or agent in connection with any claim asserted against such director, officer or agent by action in court or otherwise by reason of such director's or officer's being or having been a director, officer or agent, except in relation to matters as to which such director, officer or agent shall have been guilty of negligence or misconduct in respect of the matter in which indemnity is sought. If the Corporation has not fully indemnified such director, officer or agent, the court in the proceeding in which any claim against such director, officer or agent has been asserted or any court having the requisite jurisdiction of an action instituted by such director, officer or agent on such director's, officer's or agent's claim for indemnity may assess indemnity against the Corporation, its receiver or trustee for the amount paid by such director, officer or agent (including attorneys' fees) in satisfaction of any judgment or in compromise of any such claim (exclusive in either case of any amount paid to the Corporation) actually and necessarily incurred by such director, officer or agent in connection therewith to the extent that the court shall deem reasonable and equitable; provided, nevertheless, that indemnity may be assessed under this Section 4.12 only if the court finds that the person seeking indemnification was not guilty of negligence or misconduct in respect of the matter in which indemnity is sought.

SECTION 4.13. FACSIMILE SIGNATURES. The provisions of the Texas Uniform Facsimile Signature of Public Officials Act shall be applicable to the Corporation, which is a duly constituted instrumentality of the City, a political subdivision of the State of Texas.

ARTICLE V

FISCAL PROVISIONS

SECTION 5.01. RESTRICTIONS ON PAYMENT OF FUNDS. No dividends shall ever be paid by the Corporation and no part of its net earnings remaining after payment of its expenses shall be distributed to or inure to the benefit of its directors or officers or any individual, firm, corporation, or association, except that in the event the Board of Directors shall determine that sufficient provision has been made for the full payment of the expenses, bonds and other obligations of the Corporation, then any net earnings of the Corporation thereafter accruing shall be paid to the City. No part of the Corporation's activities shall be carrying on propaganda, or otherwise attempting to influence legislation, and it shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office.

SECTION 5.02. EXECUTION OF FINANCIAL INSTRUMENTS. All checks, demands for money, withdrawals of money, notes, time and demand deposits and certificates of deposit shall be signed by the Treasurer or his designee or such other person or persons as the Board of Directors from time to time may designate by resolution or other action of the Board of Directors or as may be designated in any financing documents relating to the issuance of bonds or other obligations of the Corporation, provided that in the case of checks at least one of the authorized signatories shall be an officer of the Corporation.

SECTION 5.03. FISCAL YEAR. The fiscal year of the Corporation shall be the same as the fiscal year of the City.

SECTION 5.04. BOOKS AND RECORDS. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board and committees having any of the authority of the Board. All books and records of the Corporation shall be kept at the principal office of the Corporation where they shall be available to the public in accordance with the applicable provisions of the Public Information Act (Chapter 552, Tex. Government Code, as amended).

SECTION 5.05. STAFF FUNCTIONS. Staff functions for the Corporation may be performed by the City as directed by the City Council of the City. The Corporation shall pay, to the extent funds of the Corporation are legally available, the amount of costs for such services from fees collected by it, as from time to time shall be billed to the Corporation by the City.

ARTICLE VI

SEAL

The corporate seal shall be circular and shall have inscribed in the outer circle "City of San Antonio, Texas Education Facilities Corporation." Said seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced.

ARTICLE VII

AMENDMENT AND INTERPRETATION OF BYLAWS

SECTION 7.01. AMENDMENT OF BYLAWS. These Bylaws may be amended at any time and from time to time by majority vote of the Board with approval of the City by resolution of the City Council of the City.

SECTION 7.02. INTERPRETATION OF BYLAWS. These Bylaws and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

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AMENDED AND RESTATED BYLAWS
OF THE
CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION

ARTICLE I

OFFICES

The principal office of the **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION** (the "***Corporation***") shall be at the office of the International and Economic Development Department (or any successor Department thereto) of the **CITY OF SAN ANTONIO, TEXAS** (the "***City***"), which currently is located at 100 W. Houston Street, 19th Floor, San Antonio, Texas 78205.

ARTICLE II

DIRECTORS

SECTION 2.01. BOARD OF DIRECTORS. The affairs of the Corporation shall be managed by an eleven (11) member board of directors (the "***Board***"), or such greater or lesser number (if then permitted by Chapter 53A, Texas Education Code) to be equivalent at all times with the total number of positions constituting the City Council of the City, which shall be composed in its entirety of persons who are members of the City Council of the City, and whose terms of office shall be fixed by and run coterminous with their respective terms of office on such City Council of the City.

SECTION 2.02. FILLING VACANCIES. Vacancies on the Board, including vacancies to be filled by reason of an increase in the number of directors, shall be filled for the unexpired term by the person qualified to serve the specific unexpired term by virtue of that person's selection, in the manner prescribed by law, to serve the associated respective unexpired term of membership on the City Council of the City.

SECTION 2.03. POWERS OF CORPORATION TO BE EXERCISED BY BOARD. The property and business of the Corporation shall be managed by the Board which may exercise all powers of the Corporation and do all lawful acts.

SECTION 2.04. PLACE OF BOARD MEETINGS. Meetings of the Board may be held at such place or places in the State of Texas as the Board from time to time may determine; provided, however, in the absence of any such determination by the Board of Directors, the meetings shall be held at the City Council Chambers of the City.

SECTION 2.05. REGULAR BOARD MEETINGS. Regular meetings of the Board may be held on such dates and at such time and places as shall from time to time be determined by the Board; provided, however, in the absence of any such determination by the Board, the meetings shall be held at the City Council Chambers of the City. Public notice of such regular meetings shall be provided

as required by Section 3.01 herein below, a copy of which notice shall be given to the City Clerk of the City.

SECTION 2.06. SPECIAL BOARD MEETINGS. Special meetings of the Board may be called by the President on three days notice to each director, and upon public notice as provided in Section 3.01 herein below, and shall be called by the President or Secretary also on three days notice to each director, and upon public notice as provided in Section 3.01 herein below, on the written request of two directors. Emergency meetings shall be called by the President on two hours notice, but only upon compliance with the public notice requirements as provided in Section 3.01 herein below.

SECTION 2.07. QUORUM. At all meetings of the Board, the presence of a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by these Bylaws.

SECTION 2.08. NO COMPENSATION PAID TO DIRECTORS. Directors, as such, shall receive no compensation for services rendered as directors, but shall be reimbursed for all reasonable expenses incurred in performing their duties as directors.

SECTION 2.09. COMMITTEES. The Board may by resolution or resolutions adopted by the Board, establish one or more committees, each committee to consist of two or more of the directors of the Corporation. Such committee or committees shall have such name or names, and such powers, as may be determined from time to time by resolution adopted by the Board.

SECTION 2.10. COMMITTEE MINUTES. The committees shall keep regular minutes of their proceedings and report the same to the Board when required.

SECTION 2.11. PUBLIC HEARINGS. Public hearings required under Section 147(f) of the Internal Revenue Code of 1986, as amended, may be called and conducted by any officer or director of the Corporation or the Executive Director of the Corporation, and such person may establish the date, place and time of the hearing and may give notice of the hearing.

ARTICLE III

NOTICES

SECTION 3.01. OPEN MEETINGS. The Board, all actions of the Board, all meetings of the Board, whether regular, special or emergency, and all meetings of committees of the Board shall be subject to the public notice requirements of the Texas Open Meetings Act, Chapter 551, Tex. Government Code.

SECTION 3.02. NOTICE TO DIRECTORS. Whenever under the provisions of any statute or these Bylaws, notice is required to be given to any director, it shall not be construed to mean

personal notice, but such notice may be given in writing, by mail, addressed to such director at such address as appears on the books of the Corporation, and such notice shall be deemed to be given at the time when the same shall be thus mailed.

SECTION 3.03. WAIVER OF NOTICE BY DIRECTORS. Whenever any notice is required to be given to a director under the provisions of any statute or of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE IV

OFFICERS

SECTION 4.01. SELECTION OF VARIOUS OFFICERS. The officers of the Corporation shall be chosen by the Board. Unless otherwise changed by a resolution of the Board duly adopted, (i) the President of the Board shall be the person then serving as the duly elected and acting Mayor of the City, (ii) the Vice President of the Board shall be the duly elected member of the City Council of the City then serving as the Mayor Pro-Tem of the City, (iii) the Secretary of the Corporation shall be the person then serving as the City Clerk of the City, and (iv) the Treasurer of the Board shall be the person then serving as the Finance Director of the City.

SECTION 4.02. APPOINTMENT OF OTHER OFFICERS AND AGENTS. The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

SECTION 4.03. REMOVAL OF OFFICERS. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the whole Board. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board.

SECTION 4.04. EXECUTIVE DIRECTOR OF CORPORATION. The Director of the City's International and Economic Development Department (or the successor Department thereto) shall serve as Executive Director of the Corporation, who shall be the Chief Administrative Officer of the Corporation and shall exercise such powers and perform such duties as shall be authorized by these Bylaws or determined from time to time by the Board.

THE PRESIDENT

SECTION 4.05. The President shall preside at all meetings of the directors.

SECTION 4.06. The President shall be an ex-officio member of all standing committees, shall have general supervision of the management of the business of the Corporation, and shall see that all resolutions of the Board are carried into effect.

SECTION 4.07. The President shall execute bonds, mortgages and other contracts, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation.

THE VICE PRESIDENT

SECTION 4.08. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Board shall prescribe.

THE SECRETARY

SECTION 4.09. The Secretary shall attend all sessions of the Board and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Board and shall perform such other duties as may be prescribed by the Board or the President. The Secretary shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the same to any instrument requiring it, and, when so affixed, it shall be attested by the Secretary's signature. When the corporate seal is required as to instruments executed in the course of ordinary business, the Secretary shall attest to the signature of the President or Vice President and shall affix the seal thereto. The Board may appoint one or more persons to serve as an Assistant Secretary, which person may, but need not be, a director. The Assistant Secretary may perform any duty granted to the Secretary in these Bylaws and/or in any resolution approved by the Board.

THE TREASURER

SECTION 4.10. To the extent not otherwise provided by the Board, by rules or regulations, in resolutions relating to the issuance of bonds, or in any financing documents relating to such issuance, the Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in a depository as shall be designated by the Board. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it, an account of all transactions performed as Treasurer and of the financial condition of the Corporation. The Board may appoint one or more persons to serve as an Assistant Treasurer, which person may, but need not be, a director. The Assistant Treasurer may perform any duty granted to the Treasurer in these Bylaws and/or in any resolution approved by the Board.

SECTION 4.11. SURETY BONDS. The Board may require the President, Vice President, the Secretary, any Assistant Secretary, the Treasurer, and any Assistant Treasurer to give the Corporation

bonds in such sums and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of their office and for the restoration to the Corporation, in case of such person's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in such person's possession or under such person's control belonging to the Corporation.

SECTION 4.12. INDEMNIFICATION. The Corporation shall have the power to indemnify any director, officer or former director or officer, or agent thereof, of the Corporation for expenses and costs (including attorneys' fees) actually and necessarily incurred by such director, officer or agent in connection with any claim asserted against such director, officer or agent by action in court or otherwise by reason of such director's or officer's being or having been a director, officer or agent, except in relation to matters as to which such director, officer or agent shall have been guilty of negligence or misconduct in respect of the matter in which indemnity is sought. If the Corporation has not fully indemnified such director, officer or agent, the court in the proceeding in which any claim against such director, officer or agent has been asserted or any court having the requisite jurisdiction of an action instituted by such director, officer or agent on such director's, officer's or agent's claim for indemnity may assess indemnity against the Corporation, its receiver or trustee for the amount paid by such director, officer or agent (including attorneys' fees) in satisfaction of any judgment or in compromise of any such claim (exclusive in either case of any amount paid to the Corporation) actually and necessarily incurred by such director, officer or agent in connection therewith to the extent that the court shall deem reasonable and equitable; provided, nevertheless, that indemnity may be assessed under this Section 4.12 only if the court finds that the person seeking indemnification was not guilty of negligence or misconduct in respect of the matter in which indemnity is sought.

SECTION 4.13. FACSIMILE SIGNATURES. The provisions of the Texas Uniform Facsimile Signature of Public Officials Act shall be applicable to the Corporation, which is a duly constituted instrumentality of the City, a political subdivision of the State of Texas.

ARTICLE V

FISCAL PROVISIONS

SECTION 5.01. RESTRICTIONS ON PAYMENT OF FUNDS. No dividends shall ever be paid by the Corporation and no part of its net earnings remaining after payment of its expenses shall be distributed to or inure to the benefit of its directors or officers or any individual, firm, corporation, or association, except that in the event the Board of Directors shall determine that sufficient provision has been made for the full payment of the expenses, bonds and other obligations of the Corporation, then any net earnings of the Corporation thereafter accruing shall be paid to the City. No part of the Corporation's activities shall be carrying on propaganda, or otherwise attempting to influence legislation, and it shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office.

SECTION 5.02. EXECUTION OF FINANCIAL INSTRUMENTS. All checks, demands for money, withdrawals of money, notes, time and demand deposits and certificates of deposit shall be signed by the Treasurer or his designee or such other person or persons as the Board of Directors from time to time may designate by resolution or other action of the Board of Directors or as may be designated in any financing documents relating to the issuance of bonds or other obligations of the Corporation, provided that in the case of checks at least one of the authorized signatories shall be an officer of the Corporation.

SECTION 5.03. FISCAL YEAR. The fiscal year of the Corporation shall be the same as the fiscal year of the City.

SECTION 5.04. BOOKS AND RECORDS. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board and committees having any of the authority of the Board. All books and records of the Corporation shall be kept at the principal office of the Corporation where they shall be available to the public in accordance with the applicable provisions of the Public Information Act (Chapter 552, Tex. Government Code, as amended).

SECTION 5.05. STAFF FUNCTIONS. Staff functions for the Corporation may be performed by the City as directed by the City Council of the City. The Corporation shall pay, to the extent funds of the Corporation are legally available, the amount of costs for such services from fees collected by it, as from time to time shall be billed to the Corporation by the City.

ARTICLE VI

SEAL

The corporate seal shall be circular and shall have inscribed in the outer circle "City of San Antonio, Texas Education Facilities Corporation." Said seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced.

ARTICLE VII

AMENDMENT AND INTERPRETATION OF BYLAWS

SECTION 7.01. AMENDMENT OF BYLAWS. These Bylaws may be amended at any time and from time to time by majority vote of the Board with approval of the City by resolution of the City Council of the City.

SECTION 7.02. INTERPRETATION OF BYLAWS. These Bylaws and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of

competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

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LOH
06/24/10
ITEM #62 B

***ADOPTED AND APPROVED** by the Board of Directors of the Corporation on June 25, 2010, following adoption by the City Council of the City on June 24, 2010 of a resolution approving these Amended and Restated Bylaws and the Articles of Amendment providing for members of the City Council of the City of San Antonio, Texas to serve as the Directors of the Corporation, but effective only after filing of such Articles of Amendment with the Secretary of State of the State of Texas.*

Julián Castro
President, Board of Directors
City of San Antonio, Texas Education Facilities Corporation

ATTEST:

Leticia M. Vacek
Secretary, Board of Directors
City of San Antonio, Texas Education Facilities Corporation

[SIGNATURE PAGE FOR THE AMENDED AND RESTATED BYLAWS OF THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION]