

EFC 2012-11-08-0001R

RESOLUTION OF THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION AUTHORIZING THE REDEMPTION OF ALL OUTSTANDING *CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION ADJUSTABLE RATE DEMAND REVENUE BONDS (UNIVERSITY OF THE INCARNATE WORD PROJECT), SERIES 2007 AND SERIES 2008*

* * * * *

WHEREAS, the CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION (the "**Issuer**") was created by the City of San Antonio, Texas in 1983 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 Issuer is deemed to be operating and existing pursuant to the Act, particularly Section 53A.35(b) thereof; and

WHEREAS, the Issuer is a constituted authority and instrumentality (within the meaning of those terms in the Regulations of the Department of the Treasury and the rulings of the Internal Revenue Service prescribed and promulgated pursuant to Section 103 of the Internal Revenue Code of 1986); 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, the UNIVERSITY OF THE INCARNATE WORD, a Texas nonprofit corporation and an institution of higher education located primarily in the City (the "**University**"), has financed various capital improvements through the use of tax-exempt bonds issued by the Issuer, including but not limited to the following two series of bonds:

CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION ADJUSTABLE RATE DEMAND REVENUE BONDS (UNIVERSITY OF THE INCARNATE WORD PROJECT), SERIES 2007, dated as of April 1, 2007, issued in the original principal amount of \$26,000,000 and currently outstanding in the aggregate principal amount of \$22,190,000 (the "**Series 2007 Bonds**"); and

CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION ADJUSTABLE RATE DEMAND REVENUE BONDS (UNIVERSITY OF THE INCARNATE WORD PROJECT), SERIES 2008, dated as of April 1, 2008, issued in the original principal amount of \$28,000,000 and currently outstanding in the aggregate principal amount of \$24,870,000 (the "**Series 2008 Bonds**"); and

WHEREAS, in order to reduce the University's exposure to the uncertainties of possible increases in interest rates and to provide more certainty as to its annual debt service payment obligations, the University believes it is appropriate and prudent to refund the Series 2007 Bonds and the Series 2008 Bonds in their entirety into fixed rate obligations; and

WHEREAS, the Series 2007 Bonds were issued under and pursuant to, and are secured by, a Trust Indenture, dated as April 1, 2007 (the "**Series 2007 Indenture**"), between the Issuer and *Wells Fargo Bank, National Association*, as trustee thereunder (the "**Series 2007 Trustee**"); and

WHEREAS, similarly, the Series 2008 Bonds were issued under and pursuant to, and are secured by, a Trust Indenture, dated as April 1, 2008 (the "**Series 2008 Indenture**"), between the Issuer and *Wells Fargo Bank, National Association*, as trustee thereunder (the "**Series 2008 Trustee**"); and

WHEREAS, the Series 2007 Bonds and the Series 2008 Bonds are secured with a direct-pay letter of credit issued by *JP Morgan Chase Bank, N.A.* ("**Letter of Credit Bank**"); and

WHEREAS, pursuant to Section 3.01(a) of the Series 2007 Indenture and the Series 2008 Indenture, the Series 2007 Bonds and the Series 2008 Bonds while bearing interest at the "Weekly Rate" or "Flexible Rate" may be redeemed by the Issuer, at the direction of the University, in whole on any "Business Day" at a redemption price equal to the principal thereof, plus accrued interest to, but excluding, the redemption date; and

WHEREAS, the Series 2007 Bonds and the Series 2008 Bonds are bearing interest at the "Weekly Rate" in accordance with the Series 2007 Indenture and the Series 2008 Indenture, respectively, and *Banc of America Securities LLC* serves as the "Remarketing Agent" for the Series 2007 Bonds and the Series 2008 Bonds; and

WHEREAS, in accordance with Section 3.01(a) of the Series 2007 Indenture and the Series 2008 Indenture, the University has provided written direction to the Issuer to exercise the option to redeem the Series 2007 Bonds and the Series 2008 Bonds on the earliest date after the issuance and delivery of a series of fixed rate revenue bonds being issued by the *City of Olmos Park, Texas Higher Education Facilities Corporation* (the "**Series 2012 Bonds**") for which notice of redemption can be given in accordance with the applicable Trust Indenture ("**Redemption Date**"), which date currently is expected to be *Friday, December 28, 2012*; and

WHEREAS, in accordance with Section 3.04(a) of the Series 2007 Indenture and the Series 2008 Indenture, at least 45 days prior to the Redemption Date the University notified the Series 2007 Trustee, the Series 2008 Trustee, the Letter of Credit Bank and the Remarketing Agent related to the Series 2007 Bonds and the Series 2008 Bonds in writing of the University's decision to optionally redeem the Series 2007 Bonds and the Series 2008 Bonds in whole on the Redemption Date; and

WHEREAS, the Series 2007 Trustee and the Series 2008 Trustee have certified that they will prepare and send notice of such optional redemption of the Series 2007 Bonds and the Series 2008 Bonds to the registered owners thereof, to the University, to the Remarketing Agent and to the Letter of Credit Bank, all in accordance with the requirements set forth in Section 3.04(b) of the Series 2007 Indenture and the Series 2008 Indenture, respectively; and

WHEREAS, the Issuer now deems it necessary and appropriate to call the outstanding Series 2007 Bonds and Series 2008 Bonds for redemption prior to maturity as requested by the University; 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. AUTHORIZATION TO REDEEM THE SERIES 2007 BONDS AND THE SERIES 2008 BONDS. The Board of Directors hereby authorizes the redemption of all of the outstanding Series 2007 Bonds and Series 2008 Bonds to occur on the earliest reasonably possible redemption date to occur following the delivery of the Series 2012 Bonds which complies with the notice requirements set forth in the Series 2007 Indenture and the Series 2008 Indenture, respectively, 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 the outstanding Series 2007 Bonds and Series 2008 Bonds to be redeemed on such date, including but not limited to providing for appropriate notice of redemption (in substantially the form attached hereto as Exhibit A or as otherwise prepared by the Series 2007 Trustee and the Series 2008 Trustee which satisfies the notice requirements set forth in the Series 2007 Indenture and the Series 2008 Indenture) to be mailed or published as required by the Series 2007 Indenture and the Series 2008 Indenture, respectively.

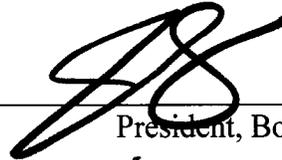
SECTION 2. INCORPORATION OF RECITALS. The Board of Directors hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the board of Directors hereby incorporates such recitals as a part of this Resolution.

SECTION 3. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

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LOH
11/08/12
ITEM #15

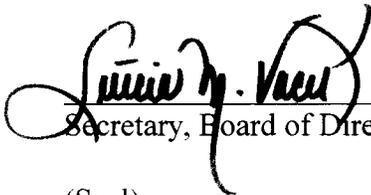
PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION THIS 8TH DAY OF NOVEMBER, 2012.



President, Board of Directors

JULIÁN CASTRO

Attest:



Secretary, Board of Directors

(Seal)



Signature Page to the Resolution of the City of San Antonio, Texas Education Facilities Corporation
Relating to the Redemption of the
City of San Antonio, Texas Education Facilities Corporation Adjustable Rate Demand Revenue Bonds
(University of the Incarnate Word Project), Series 2007 and Series 2008

LOH
11/08/12
ITEM #15

EXHIBIT A

NOTICE OF REDEMPTION

To the Holders of the
**CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION
ADJUSTABLE RATE DEMAND REVENUE BONDS
(UNIVERSITY OF THE INCARNATE WORD PROJECT), SERIES 2007
(CUSIP No. 796247 AG9)***

NOTICE IS HEREBY GIVEN that the CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION (the "*Issuer*") has called for optional redemption on **Friday, December 28, 2012** (the "*Redemption Date*") all of its outstanding **ADJUSTABLE RATE DEMAND REVENUE BONDS (UNIVERSITY OF THE INCARNATE WORD PROJECT), SERIES 2007**, dated as of April 1, 2007 (the "*Refunded Bonds*") at the redemption price equal to par plus accrued interest to the Redemption Date, all in accordance with the provisions of the Trust Indenture, dated as of April 1, 2007, authorizing the issuance of the Refunded Bonds. The Refunded Bonds shall become due and payable on the Redemption Date, and the interest thereon shall cease to accrue from and after such date.

NOTICE IS FURTHER GIVEN THAT the Refunded Bonds will be payable at and should be submitted either in person or by certified or registered mail to the following address:

Express Delivery

Wells Fargo Bank, N.A.
Corporate Trust Operations
N9309-121
6th & Marquette Avenue
Minneapolis, MN 555479

First Class/Registered/Certified Mail Hand Delivery

Wells Fargo Bank, N.A.
Corporate Trust Operations
P.O. Box 1517
Minneapolis, MN 55480-1517

Wells Fargo Bank, N.A.
Northstar East Building
608 2nd Ave. So., 12th Floor
Minneapolis, MN 55479

To avoid a backup withholding tax required by Section 3406 of the Internal Revenue Code of 1986, holders must submit a properly completed IRS Form W-9.

*The above referenced CUSIP number is provided for the convenience of the Bondholders. Neither the Issuer, University of the Incarnate Word, nor the Trustee for the Refunded Bonds is responsible for any error of any nature relating to the CUSIP number.

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11/08/12
ITEM #15

NOTICE OF REDEMPTION

To the Holders of the
**CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION
ADJUSTABLE RATE DEMAND REVENUE BONDS
(UNIVERSITY OF THE INCARNATE WORD PROJECT), SERIES 2008
(CUSIP No. 796247 AH7)***

NOTICE IS HEREBY GIVEN that the CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION (the "*Issuer*") has called for optional redemption on **Friday, December 28, 2012** (the "*Redemption Date*") all of its outstanding **ADJUSTABLE RATE DEMAND REVENUE BONDS (UNIVERSITY OF THE INCARNATE WORD PROJECT), SERIES 2008**, dated as of April 1, 2008 (the "*Refunded Bonds*") at the redemption price equal to par plus accrued interest to the Redemption Date, all in accordance with the provisions of the Trust Indenture, dated as of April 1, 2008, authorizing the issuance of the Refunded Bonds. The Refunded Bonds shall become due and payable on the Redemption Date, and the interest thereon shall cease to accrue from and after such date.

NOTICE IS FURTHER GIVEN THAT the Refunded Bonds will be payable at and should be submitted either in person or by certified or registered mail to the following address:

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Wells Fargo Bank, N.A.
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Corporate Trust Operations
P.O. Box 1517
Minneapolis, MN 55480-1517

Hand Delivery
Wells Fargo Bank, N.A.
Northstar East Building
608 2nd Ave. So., 12th Floor
Minneapolis, MN 55479

To avoid a backup withholding tax required by Section 3406 of the Internal Revenue Code of 1986, holders must submit a properly completed IRS Form W-9.

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ITEM #15

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 8th day of November, 2012**, 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 |
| Diego M. Bernal | Cris Medina |
| Ivy R. Taylor | W. Reed Williams |
| Leticia d. Ozuna | Elisa Chan |
| Rey Saldaña | Carlton Soules |
| David Medina, Jr. | |

All members of the Board of Directors were present, except the following: RAY LOPEZ, thus constituting a quorum, whereupon among other business, the following was transacted at the Meeting a written:

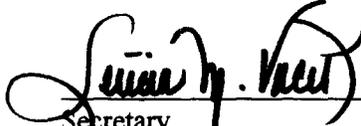
RESOLUTION OF THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION AUTHORIZING THE REDEMPTION OF ALL OUTSTANDING CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION ADJUSTABLE RATE DEMAND REVENUE BONDS (UNIVERSITY OF THE INCARNATE WORD PROJECT), SERIES 2007 AND SERIES 2008

(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: Ø ABSTENTIONS: Ø

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.

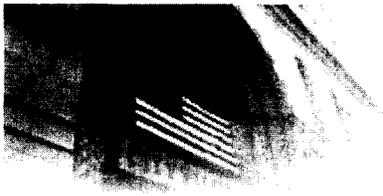
SIGNED AND SEALED THIS 8TH DAY OF NOVEMBER, 2012.


Secretary

City of San Antonio, Texas Education Facilities Corporation

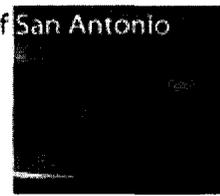
(SEAL)





Request for
**COUNCIL
ACTION**

City of San Antonio



Agenda Voting Results - 15

| Name: | 6A, 6B, 7, 9, 10, 11, 12, 13, 15, 16A, 16B, 16C | | | | | | |
|---------------------|---|-------------|-----|-----|---------|--------|--------|
| Date: | 11/08/2012 | | | | | | |
| Time: | 10:08:44 AM | | | | | | |
| Vote Type: | Motion to Approve | | | | | | |
| Description: | A Resolution authorizing the redemption, at the request of the University of the Incarnate Word and at no cost or liability to the City, of all outstanding Adjustable Rate Demand Revenue Bonds (University of the Incarnate Word Project), Series 2007 and Series 2008, issued by the City of San Antonio Texas Education Facilities Corporation to finance certain educational and housing facilities. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Director, Finance] | | | | | | |
| Result: | Passed | | | | | | |
| Voter | Group | Not Present | Yea | Nay | Abstain | Motion | Second |
| Julián Castro | Mayor | | x | | | | |
| Diego Bernal | District 1 | | x | | | | |
| Ivy R. Taylor | District 2 | | x | | | | x |
| Leticia Ozuna | District 3 | | x | | | | |
| Rey Saldaña | District 4 | | x | | | x | |
| David Medina Jr. | District 5 | | x | | | | |
| Ray Lopez | District 6 | x | | | | | |
| Cris Medina | District 7 | | x | | | | |
| W. Reed Williams | District 8 | | x | | | | |
| Elisa Chan | District 9 | | x | | | | |
| Carlton Soules | District 10 | | x | | | | |