LOH
3/12/15
ITEM #6A

RESOLUTION NO. EFC 2015-03-12-0001R

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION APPROVING AND AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BY AND AMONG THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION, THE UNIVERSITY OF THE INCARNATE WORD, AND DNT ASSET TRUST, A DELAWARE BUSINESS TRUST AND WHOLLY OWNED SUBSIDIARY OF JPMORGAN CHASE BANK, N.A., FOR THE PURPOSE OF REFINANCING CERTAIN EDUCATIONAL FACILITIES AND HOUSING FACILITIES PREVIOUSLY FINANCED FOR THE UNIVERSITY AND AN AFFILIATED EDUCATIONAL INSTITUTION; AND APPROVING AND AUTHORIZING THE EXECUTION OF ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO

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, the **UNIVERSITY OF THE INCARNATE WORD** (the "***University***") is a Texas non-profit corporation and operates as an "institution of higher education" (within the meaning of the Act) within the corporate limits 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, such as the University, to enable the University 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, at the request of the University, on July 13, 1999, the *City of Alamo Heights, Texas Higher Education Facilities Corporation* issued and delivered *$15,075,000* in principal amount of its *City of Alamo Heights, Texas Higher Education Facilities Corporation*

Adjustable Rate Demand Tax-Exempt Revenue and Refunding Bonds (University of the Incarnate Word Project), Series 1999-A (the "***Series 1999-A Bonds***"), and *$5,475,000* in principal amount of its *City of Alamo Heights, Texas Higher Education Facilities Corporation Adjustable Rate Demand Taxable Refunding Bonds (University of the Incarnate Word Project), Series 1999-B* (the "***Series 1999-B Bonds***"), the proceeds of which were loaned to and used by the University to refund two series of bonds issued in 1993 and 1996 by the City of Terrell Hills, Texas Higher Education Facilities Corporation (which were issued to finance certain educational facilities and housing facilities for the University), and to acquire, construct, renovate, furnish and equip new administrative offices, a new residence hall, a new natatorium, and education and business facility, various athletic improvements, and various telephone, energy and technology improvements (collectively, the "***1999 Projects***"); and

WHEREAS, at the request of the University, on August 2, 2001, the Issuer issued and delivered *$9,000,000* in principal amount of its *City of San Antonio, Texas Education Facilities Corporation Adjustable Rate Demand Revenue Bonds (University of the Incarnate Word Project), Series 2001* (the "***Series 2001 Bonds***"), the proceeds of which were loaned to and used by the University for (i) the construction and equipping of a five-story building at the site of the parking lot on the east side of the University's International Center (which contains a parking garage on the lower three levels with approximately 210 parking spaces, and conference, bookstore and student residential housing facilities on the upper two levels), (ii) the construction and equipping of an eight-unit apartment building as part of the Avoca apartment complex which is used for student housing, (iii) completing the construction and equipping of a new business and education building, and (iv) completing the acquisition and installation of energy management improvements (collectively, the "***2001 Projects***"); and

WHEREAS, at the request of the University and **ST. ANTHONY CATHOLIC HIGH SCHOOL, INC.**, a Texas nonprofit corporation in which the University is the sole member ("***St. Anthony Catholic High School***"), on November 12, 2003, the Issuer issued and delivered *$4,115,000* in principal amount of its *City of San Antonio, Texas Education Facilities Corporation Adjustable Rate Demand Revenue Bonds (St. Anthony Catholic High School Project), Series 2003A* (the "***Series 2003A Bonds***"), and *$1,070,000* in principal amount of its *City of San Antonio, Texas Education Facilities Corporation Adjustable Rate Demand Revenue Bonds (St. Anthony Catholic High School Project), Taxable Series 2003B* (the "***Series 2003B Bonds***"), the proceeds of which were loaned to and used by St. Anthony Catholic High School for the acquisition of land and improvements that were associated with and used as a private secondary school known as "*St. Anthony Catholic High School*," located at 3200 McCullough Avenue, San Antonio, Texas, and making improvements thereto, all of which are described more specifically as follows: (i) the acquisition of approximately 11.76 acres of land located at the southeast corner of the intersection of McCullough Avenue and East King's Highway in the City of San Antonio, Texas and all buildings and improvements located thereon (exclusive of the Chapel, funds for the acquisition of which were provided from another source); such buildings and improvements included the main education building (approximately 78,101 square feet), the

gymnasium and locker/shower building (approximately 12,500 square feet), soccer field, football field, water tower, roadways and parking areas; and (ii) the renovation, repair, improvement and equipping of such buildings and improvements, including but not limited to classroom renovations, fire alarm system, new boilers, asbestos removal, air conditioning in gymnasium and other areas, bleachers in gymnasium, elevator repairs, demolition of pool and re-routing water and irrigation lines, resurface streets and add additional parking, ADA ramp, roof repairs, upgrade electrical service and panels, and install data hubs and switches (collectively, the "***2003 Projects***"); and

WHEREAS, the 1999 Projects, the 2001 Projects, and the 2003 Projects have been completed by the University and are collectively referred to herein as the "***Projects***"; and

WHEREAS, the Series 1999-A Bonds and the Series 1999-B Bonds were issued pursuant to a Trust Indenture, dated as of June 15, 1999 (the "***1999 Indenture***"), between the *City of Alamo Heights, Texas Higher Education Facilities Corporation* and *Norwest Bank Minnesota, N.A.* (now known as *Wells Fargo Bank, National Association*), the Series 1999-A Bonds currently are outstanding in the aggregate principal amount of *$7,505,000* and have a final stated maturity of April 1, 2019, and the Series 1999-B Bonds were paid at final maturity on April 1, 2007 and are no longer outstanding; and

WHEREAS, the Series 2001 Bonds were issued pursuant to a Trust Indenture, dated as of July 1, 2001 (the "***2001 Indenture***"), between the Issuer and *Wells Fargo Bank Minnesota, N.A.* (now known as *Wells Fargo Bank, National Association*), currently are outstanding in the aggregate principal amount of *$3,865,000*, and have a final stated maturity of December 1, 2021; and

WHEREAS, the Series 2003A Bonds and the Series 2003B Bonds were issued pursuant to a Trust Indenture, dated as of November 1, 2001, between the Issuer and *Wells Fargo Bank, National Association* (the "***2003 Indenture***"), the Series 2003A Bonds currently are outstanding in the aggregate principal amount of *$2,940,000* and have a final stated maturity of December 1, 2023, and the Series 2003B Bonds have been paid and are no longer outstanding; and

WHEREAS, the 1999 Indenture, the 2001 Indenture and the 2003 Indenture are collectively referred to herein as the "***Indentures***", and as noted in the three preceding recitals, *Wells Fargo Bank, National Association* serves as the trustee under the Indentures and is referred to herein as the "***Trustee***"; and

WHEREAS, the Series 1999-A Bonds, the Series 2001 Bonds, the Series 2003A Bonds are collectively referred to herein as the "***Outstanding Variable Rate Bonds***"; and

WHEREAS, at the request of the University and in connection with the Outstanding Variable Rate Bonds, **JPMORGAN CHASE BANK, N.A.** (the "***Bank***") has provided to the Trustee (i) a direct-pay letter of credit related to the Series 1999-A Bonds, (ii) a separate direct-pay letter of credit related to the Series 2001 Bonds, and (iii) a separate direct-pay letter of credit related to the Series 2003A Bonds, all of which permit the Trustee to draw thereunder for the payment of principal of and interest on the related Outstanding Variable Rate Bonds and provide liquidity for certain optional and mandatory tenders described and permitted under the Indentures, and all of which have an expiration date of May 1, 2015 (the "***Letters of Credit***"); and

WHEREAS, the University has determined (and is prepared to provide the requisite notice to the Trustee) not to request the Bank to extend the expiration date of the Letters of Credit; accordingly, under the terms of the Indentures, particularly Section 3.07(a)(iii) and Section 3.01(e) thereof, all Outstanding Variable Rate Bonds are subject to mandatory tender for purchase and mandatory redemption, respectively, on April 1, 2015; and

WHEREAS, the University has applied to the Issuer for a loan to be used to refinance the Projects; and

WHEREAS, the University has asked **DNT ASSET TRUST**, a Delaware business trust and wholly owned subsidiary of the Bank (the "***Lender***"), to make a loan to the Issuer for the purpose of providing funds to enable the Issuer to make a loan to the University to refinance the costs of the Projects by providing funds, together with other funds provided by the University, to be used to reimburse the Bank for a draw on each of the Letters of Credit to effectuate the mandatory purchase and redemption of the Outstanding Variable Rate Bonds; and

WHEREAS, the Lender is willing to make such loan to the Issuer for the benefit of the University, on the terms and conditions hereinafter set forth; and

WHEREAS, the University has represented to the Issuer and the City that it is reasonably expected that the loan being provided by the Lender through the Issuer will be beneficial to the University by reducing the University's interest and transaction costs related to financing the Projects; and

WHEREAS, as provided in the Loan Agreement, the University will agree and acknowledge that it shall be unconditionally obligated to the Issuer and the Lender to make or pay, or cause to be made or paid, without set-off, recoupment, or counterclaim, to the Lender the "Borrower Loan Payments" required by the Loan Agreement in amounts sufficient to pay the principal of and interest on the Borrower Loan, when due, and all other amounts required to be paid by the Loan Agreement; and

WHEREAS, the University is a "501(c)(3) organization," within the meaning of Section 145 of the Internal Revenue Code of 1986, as amended (the "***Code***"); and

WHEREAS, Section 147(f) of the Code requires that the issuance of any "qualified 501(c)(3) bonds" be approved by the governing body of the City, or a designee of the City, after a public hearing following reasonable public notice, and the Issuer Loan is considered a "qualified 501(c)(3) bond" for purposes of Section 147(f) of the Code; and

WHEREAS, on February 24, 2015, the Issuer published notice of a public hearing on the refinancing of the Projects (the "***Public Notice***") in a newspaper of general circulation in the jurisdiction of the City as required by Section 147(f) of the Code, and such public hearing held on March 11, 2015, by the representative of the Issuer ratified and approved by this Resolution; 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

WHEREAS, it is hereby deemed necessary and advisable that this Resolution be adopted; *NOW THEREFORE:*

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

SECTION 1. DEFINITIONS. Terms not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

SECTION 2. APPROVAL OF LOAN AGREEMENT AND LOANS. The Loan Agreement, the Issuer Note, the Issuer Loan and the Borrower Loan, all in substantially the form attached hereto as *Exhibit A*, are hereby approved.

SECTION 3. AUTHORIZATION TO ENTER INTO AND EXECUTE THE LOAN AGREEMENT AND OTHER DOCUMENTS RELATED THERETO. The President, Vice President and Secretary of the Board of Directors of the Issuer and the Executive Director of the Issuer are each severally authorized to execute, enter into, attest and deliver all documents necessary to bind the Issuer pursuant to and in connection with the Loan Agreement to borrow from the Lender and to lend to the University an aggregate principal amount not to exceed *$12,325,000*, including specifically, without limitation (a) the Loan Agreement, (b) the Issuer Note (evidencing the Issuer Loan), and (c) any other document, instrument, certificate or other item deemed necessary to carry out the purposes of this Resolution and the Loan Agreement. In addition, the President, Vice President and Secretary of the Board of Directors of the Issuer, the Executive Director of the Issuer, and Bond Counsel are hereby authorized and directed to approve any technical changes or correction to the Loan Agreement and the Issuer Note or to any other instruments authorized and approved by this Resolution necessary in order to correct any ambiguity or

mistake or properly or more completely document the transactions contemplated and approved by this Resolution.

SECTION 4. ACKNOWLEDGMENT OF MANDATORY REDEMPTION OF OUTSTANDING SERIES 2001 AND SERIES 2003 BONDS. As required by Section 3.01(e) of the Indentures related to the outstanding Series 2001 and Series 2003 Bonds, the Issuer acknowledges that the Series 2001 Bonds the Series 2003 Bonds will be redeemed pursuant to a mandatory redemption on April 1, 2015 and thereafter will no longer be considered outstanding under the terms of such Indentures. No formal actions are required to be taken by the Issuer to effectuate such mandatory redemption as the requirements thereof are set forth in the applicable Indentures.

SECTION 5. SECTION 147(f) HEARING. The Issuer hereby appoints Thomas K. Spurgeon, an attorney with McCall, Parkhurst & Horton L.L.P. serving as Bond Counsel to the Issuer, as its hearing officer to conduct the public hearing required by Section 147(f) of the Code and ratifies the actions of such hearing officer in conducting the public hearing on March 11, 2015, on behalf of the Issuer.

SECTION 6. INCORPORATION OF RECITALS. The Issuer hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the Issuer hereby incorporates such recitals as a part of this Resolution.

SECTION 7. 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 8. EFFECTIVE DATE. This Resolution shall become effective immediately after its adoption.

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LOH
3/12/15
ITEM #6A

ADOPTED AND APPROVED BY THE BOARD OF DIRECTORS OF THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION THIS 12TH DAY OF MARCH, 2015.

By _____
President, Board of Directors
City of San Antonio, Texas
Education Facilities Corporation

ATTEST:

_____
Secretary, Board of Directors
City of San Antonio, Texas
Education Facilities Corporation

** ** ** ** **

Signature Page to the Issuer's Resolution Relating to
Refinancing Certain Educational Facilities and Housing Facilities
for the Benefit of the University of the Incarnate Word

Agenda Item:	**6A**
Date:	03/12/2015
Time:	10:01:24 AM
Vote Type:	Motion to Approve
Description:	A Resolution of the Board of Directors of the City of San Antonio, Texas Education Facilities Corporation approving and authorizing the execution of a loan agreement by and among the City of San Antonio, Texas Education Facilities Corporation, the University of the Incarnate Word, and DNT Asset Trust, a Delaware business trust and wholly-owned subsidiary of JPMorgan Chase Bank, N.A., for the purpose of refinancing certain educational and housing facilities previously financed for the University and an affiliated educational institution; and approving and authorizing the execution of all other instruments and procedures related thereto.
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Trevino	District 1		x				
Alan Warrick	District 2		x				x
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x			x	
Shirley Gonzales	District 5		x				
Ray Lopez	District 6	x					
Cris Medina	District 7		x				
Ron Nirenberg	District 8	x					
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

LOH
3/12/15
ITEM #6A

EXHIBIT A

FORM OF LOAN AGREEMENT

The Loan Agreement is omitted at this point as it appears in executed form elsewhere in this Transcript of Proceedings.

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 **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION** (the "***Corporation***"), hereby certify as follows:

1. The Board of Directors of the Corporation (the "***Board of Directors***") convened in Special Meeting on March 12, 2015 (the "***Meeting***"), at the San Antonio City Hall, and the roll was called of the duly constituted officers and members of the Board of Directors, to wit:

Ivy R. Taylor	President
Roberto C. Treviño	Director
Alan E. Warrick, II	Director
Rebecca J. Viagran	Director
Rey Saldana	Director
Shirley Gonzales	Director
Ray Lopez	Director
Cris Medina	Director
Ron Nirenberg	Director
Joe Krier	Director
Mike Gallagher	Director

and all of said officers and members of the Board of Directors were present, except the following absentees: Ray Lopez and Ron Nirenberg, thus constituting a quorum. Whereupon, among other business, the following was transacted at the Meeting: a written Resolution No. **EFC 2015-03-12-0001R** (the "***Resolution***") entitled

> **RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION APPROVING AND AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BY AND AMONG THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION, THE UNIVERSITY OF THE INCARNATE WORD, AND DNT ASSET TRUST, A DELAWARE BUSINESS TRUST AND WHOLLY OWNED SUBSIDIARY OF JPMORGAN CHASE BANK, N.A., FOR THE PURPOSE OF REFINANCING CERTAIN EDUCATIONAL FACILITIES AND HOUSING FACILITIES PREVIOUSLY FINANCED FOR THE UNIVERSITY AND AN AFFILIATED EDUCATIONAL INSTITUTION; AND APPROVING AND AUTHORIZING THE EXECUTION OF ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO**

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, said motion carrying with it the adoption of the Resolution, prevailed and carried by the following vote:

AYES: 9 NOES: 0 ABSTENTIONS: 0

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; the above and foregoing paragraph is a true, full and correct excerpt from the Board of Directors's minutes of the Meeting pertaining to the passage of the Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board of Directors as indicated therein; each of the officers and members of the Board of Directors was 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 passage at the Meeting, and each of said 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 of the time, place and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED the 12th day of March, 2015.

Secretary
City of San Antonio, Texas Education Facilities Corporation

(SEAL)

Signature Page to the "Certificate for Resolution" for the
City of San Antonio's Resolution Relating to Refinancing Certain Educational Facilities
and Housing Facilities for the Benefit of the University of the Incarnate Word