

CERTIFICATE OF CITY CLERK

THE STATE OF TEXAS                   §  
  §  
COUNTIES OF BEXAR, COMAL, AND   §  
MEDINA                                   §  
  §  
CITY OF SAN ANTONIO

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 18th day of June, 2015 the City Council (the *Council*) of the City of San Antonio, Texas (the *City*) convened in regular session at its regular meeting place in the City Hall of the City (the *Meeting*), the duly constituted members of the Council being as follows:

Ivy R. Taylor	Mayor
Roberto C. Treviño	Councilmember
Alan E. Warrick, III	Councilmember
Rebecca J. Viagran	Councilmember
Rey Saldaña	Councilmember
Shirley Gonzales	Councilmember
Ray Lopez	Councilmember
Cris Medina	Councilmember
Ron Nirenberg	Councilmember
Joe Krier	Councilmember
Mike Gallagher	Councilmember

and all of such persons were present at the Meeting, except the following VIAGRAN, thus constituting a quorum. Among other business considered at the Meeting, the attached ordinance (the *Ordinance*) entitled:

AN ORDINANCE AUTHORIZING EXECUTION OF A LOAN AGREEMENT BY THE CITY OF SAN ANTONIO, TEXAS, PURSUANT TO WHICH IT WILL RECEIVE A LOAN IN THE AMOUNT OF \$6,100,000 TO PAY CERTAIN COSTS RELATED TO THE ACQUISITION OF FROST TOWER, AND OTHER MATTERS INCIDENT AND RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE

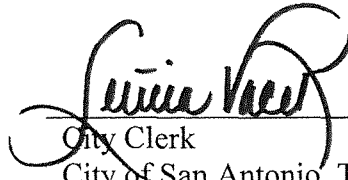
was introduced and submitted to the Council. After presentation and due consideration of the Ordinance, a motion was made by Councilmember LOPEZ that the Ordinance be finally passed and adopted in accordance with the City’s Home Rule Charter. The motion was seconded by Councilmember WARRICK and carried by the following vote:

10 voted “For” 0 voted “Against” 0 abstained

all as shown in the official Minutes of the Council for the Meeting.

2. The attached Ordinance is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council of the City on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Council was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Ordinance would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Ordinance, was open to the public and was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 18th day of June, 2015.

  
\_\_\_\_\_  
City Clerk  
City of San Antonio, Texas



2015-06-18-0587

**AN ORDINANCE AUTHORIZING EXECUTION OF A LOAN AGREEMENT BY THE CITY OF SAN ANTONIO, TEXAS, PURSUANT TO WHICH IT WILL RECEIVE A LOAN IN THE AMOUNT OF \$6,100,000 TO PAY CERTAIN COSTS RELATED TO THE ACQUISITION OF FROST TOWER, AND OTHER MATTERS INCIDENT AND RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE**

WHEREAS, the City of San Antonio, Texas (the *City*) is home-rule City operating pursuant to a home-rule charter (the *Charter*), and a political subdivision, duly organized and existing pursuant to the Constitution and laws of the State of Texas (the *State*); and

WHEREAS, the City Council of the City (the *Council*) has, pursuant to Chapter 2267, as amended, Texas Government Code (*Chapter 2267*), entered into an Agreement of Purchase and Sale with Frost Bank and a Comprehensive Development Agreement with Frost Bank and Weston Urban, LLC (such agreements, together, the *Acquisition Agreements*) pursuant to which the City has, among other related matters, agreed to purchase from Frost Bank the property identified within the Acquisition Agreements and generally referred to as the Frost Tower and Frost Parking Garage (together, the *Acquired Property*); and

WHEREAS, the City has incurred costs relating to its acquisition of the Acquired Property; and

WHEREAS, the City is required under the Acquisition Agreements to contribute into escrow in close proximity to the effective date of each Acquisition Agreement a portion of the acquisition price of the Acquired Property in the aggregate amount of \$5,510,000 (the *Initial Purchase Price Payment*); and

WHEREAS, the City now desires to obtain a loan, in the amount of \$6,100,000 (the *Loan*), to finance costs related to its acquisition of the Acquired Property that have heretofore been paid or are now coming due, to include the costs of (i) acquiring, designing, renovating, and equipping the Acquired Property to be used to consolidate City administration into a single facility and (ii) the payment of professional services (including legal, appraisal, survey, engineering, architectural, facilities planning, and building assessment study) relating to such acquisition and ultimate utilization of the Acquired Property by the City for its intended purpose; and

WHEREAS, to obtain the Loan, the City now desires to enter into a Loan Agreement, dated as of June 18, 2015 (but effective as of June 25, 2015, the date of Loan closing) (the *Loan Agreement*), with JPMorgan Chase Bank, N.A. (the *Bank*), pursuant to which the Bank will make the Loan to the City, who will use the proceeds therefrom for the purposes specified herein; and

WHEREAS, the Council is now approving this Ordinance to authorize the City's execution of the Loan Agreement and all documentation necessary or incidental thereto (including the City's execution of a promissory note evidencing its repayment obligation under the Loan Agreement; such documentation, as further defined in the Loan Agreement and as used

herein, the *Borrower Documents*), and to authorize the pledge the Pledged Revenues (defined herein) as security for the City's repayment of the Loan; and

WHEREAS, the Council hereby finds and determines the adoption of this Ordinance is in the best interests of the residents of the City; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS THAT:

SECTION 1. Authorization to Enter into Loan Agreement and Accept Loan. As authorized by and pursuant to the provisions of the Constitution and general laws of the State of Texas, including Section 1502.059, as amended, Texas Government Code and Chapter 2267, and the Charter (collectively, *Applicable Law*), the Council hereby approves the City's acceptance of the Loan from the Bank and, in connection therewith, the City's execution of the Loan Agreement (in substantially the form attached hereto as Exhibit A), the other Borrower Documents, and any other document, certificate, or instrument determined to be necessary to effectuate the transactions contemplated under any of such named documents.

SECTION 2. Authorization to Execute Documentation. The City Manager of the City and the City's Chief Financial Officer (each, an *Authorized Official*) are hereby individually authorized to execute, on behalf of and as the act and deed of the City, any and all documentation identified in Section 1 hereof (which documentation shall be in substantially the form presented to the Council at the meeting at which this Ordinance is considered and adopted). Each Authorized Official, after consultation with Norton Rose Fulbright US LLP, as counsel to the City, is authorized to approve any technical modifications or amendments to such documentation to effectuate the transactions thereunder contemplated without further action of the Council being necessary or required.

SECTION 3. Pledge of Pledged Revenues. In the Loan Agreement, the City will pledge, as security for the Loan, all money derived solely from those net revenues of City Public Service (CPS), the City's municipally-owned electric and gas utility systems (the *Utility Systems*), that are transferred by CPS to the City in an amount not to exceed 14% of the gross revenues of the Utility Systems less the value of gas and electric services of the Utility Systems used by the City for municipal purposes and the amounts expended for additions to the street lighting system, that remain after amounts due and owing by the City to the City of San Antonio, Texas Starbright Industrial Development Corporation (the *Corporation*) pursuant to the Economic Development Contract, dated as of June 19, 2003, between such parties (and the proceeds received by the Corporation under which are pledged as security for the repayment of the City of San Antonio, Texas, Starbright Industrial Development Corporation Contract Revenue Refunding Bonds, Taxable Series 2013 (Starbright Project)), subject to the flow of funds and other more specific terms of the City's ordinances authorizing bonds, notes, public securities and credit agreements payable from the net revenues of the Utility Systems (such money, the *Pledged Revenues*). The Council hereby authorizes the pledge of, and pledges, the Pledged Revenues as security for the Loan, as prescribed in the Loan Agreement.

SECTION 4. Inconsistent Provisions. All resolutions and ordinances, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to

the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

SECTION 5. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 6. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid by a court of competent jurisdiction, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 7. Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals and other statements therein are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

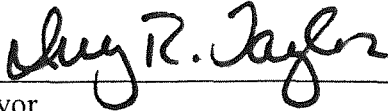
SECTION 8. Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 9. Effective Date. The effective date of this Ordinance shall be governed by the provisions of Section 1-15 of the City Code of San Antonio, Texas. This Ordinance shall take effect immediately if passed by eight (8) affirmative votes; otherwise, this Ordinance shall take effect ten (10) days from the date of passage.


*[The remainder of this page intentionally left blank]*

PASSED AND ADOPTED by the City Council of the City of San Antonio, Texas, this 18<sup>th</sup> day of June, 2015.

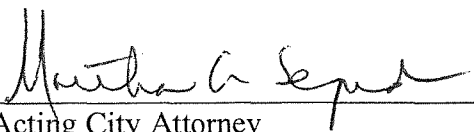
CITY OF SAN ANTONIO

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

I, the undersigned, Acting City Attorney of the City of San Antonio, Texas, hereby certify that I read, passed upon, and approved as to form the foregoing Ordinance prior to its adoption and passage as aforesaid.

  
\_\_\_\_\_  
Acting City Attorney  
City of San Antonio, Texas

<b>Agenda Item:</b>	65A ( in consent vote: 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 24, 25A, 25B, 25C, 25D, 25E, 25F, 25G, 25H, 26, 28, 29, 30, 31, 32, 33, 34, 35A, 35B, 36, 37, 38, 39, 41, 42, 43, 44, 45, 46, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64A, 64B, 65A, 65B, 66A, 66B, 66C, 67A, 67B, 67C, 68A, 68B, 68C, 69A, 69B, 69C, 69D, 70A, 70B, 70C, 70D, 70E )
<b>Date:</b>	06/18/2015
<b>Time:</b>	10:00:14 AM
<b>Vote Type:</b>	Motion to Approve
<b>Description:</b>	An Ordinance authorizing the execution of a Loan Agreement by the City of San Antonio, Texas, pursuant to which the City will receive a loan in the amount of \$6,100,000 to pay certain costs related to the acquisition of Frost Tower, and authorizing other matters incident and related thereto.
<b>Result:</b>	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				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x			x	
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

**EXHIBIT A**  
LOAN AGREEMENT