

A RESOLUTION AUTHORIZING, AMONG OTHER MATTERS, THE MANDATORY TENDER TO BE REMARKETED IN A FIXED RATE MODE OF ALL OUTSTANDING “CITY OF SAN ANTONIO INDUSTRIAL DEVELOPMENT AUTHORITY ADJUSTABLE RATE DEMAND INDUSTRIAL DEVELOPMENT REVENUE BONDS (LGC BUILDING, LTD. AND KLN STEEL PRODUCTS COMPANY, LTD. PROJECT) SERIES 1998”; DELEGATING THE AUTHORITY TO CERTAIN MEMBERS OF THE BOARD OF DIRECTORS AND CITY STAFF TO APPROVE AND EXECUTE CERTAIN DOCUMENTS AND PROVIDE CERTAIN NOTICES RELATING TO THE REMARKETING OF THE BONDS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, pursuant to the Development Corporation Act of 1979, Texas Revised Civil Statutes Annotated Article 5190.6, as amended, now codified as Chapter 501, as amended, Texas Local Government Code (the *Act*), the City of San Antonio Industrial Development Authority (the *Issuer*), on behalf of the City of San Antonio, Texas (the *Unit*), is empowered to finance the cost of projects to promote the development and expansion of manufacturing and industrial facilities to promote and encourage employment and the public welfare by the issuance of obligations of the Issuer which projects will be located inside the Unit’s boundaries;

WHEREAS, LGC Building, Ltd., a Texas company (the *Borrower*), previously requested the Issuer to loan the proceeds received from the sale of bonds to the Borrower to finance the costs of acquiring, improving, constructing, reconstructing, renovating, and equipping of a manufacturing facility for the manufacturing of steel dormitory furniture and products (the *Project*) to be leased by the Borrower and to be operated by KLN Steel Products Company (the *User*);

WHEREAS, the Borrower previously requested that the Issuer finance the Project through the issuance of revenue bonds;

WHEREAS, on January 15, 1998, the Board of Directors of the Issuer adopted a “Resolution Concerning Issuance of Bonds to Finance a Project for LGC Building, Ltd.”;

WHEREAS, in furtherance of the Act, and as part of the Issuer’s plan of financing for the Project, the Issuer adopted a bond resolution on May 7, 1998 authorizing the issuance of its revenue bonds in the aggregate principal amount of \$5,500,000 styled “City of San Antonio Industrial Development Authority Adjustable Rate Demand Industrial Development Revenue Bonds (LGC Building, Ltd. and KLN Steel Products Company, Ltd. Project) Series 1998” (the *Bonds*) the proceeds of which were used to finance the costs of the Project;

WHEREAS, pursuant to the provisions of Section 2.2A(2) and Section 2.2B(2) of the Trust Indenture, dated as of May 1, 1998 (the *Indenture*), between the Issuer and The Bank of New York Mellon Trust Company, National Association, Austin, Texas (as the successor in interest to Chase Bank of Texas, National Association), as trustee (the *Trustee*), the Borrower

has requested and all necessary parties have consented to the mandatory tender of the Bonds on May 1, 2014;

WHEREAS, the Bonds will be remarketed at a fixed rate of interest to Broadway National Bank, San Antonio, Texas (the *Purchaser*);

WHEREAS, the Issuer hereby finds and determines that the adoption of this resolution is in the best interests of the residents of the Unit, now, therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF SAN ANTONIO INDUSTRIAL DEVELOPMENT AUTHORITY THAT:

SECTION 1. Conversion to Fixed Rate. Pursuant to Sections 2.2A(2) and 2.2B(2) of the Indenture, the Bonds in the principal amount not to exceed \$5,500,000 shall be converted to the Fixed Rate commencing May 1, 2014 and the maturity date shall be extended until May 1, 2023.

The Fixed Rate Conversion Date shall be May 1, 2014, which is an Interest Payment Date on which interest is payable on the Bonds from which conversion is to be made.

SECTION 2. Notices; Ratification of Prior Action. (a) Conversion. The Trustee is hereby authorized and directed to provide notice to the Owners of the conversion to a Fixed Rate Period on the Fixed Rate Conversion Date for the Bonds authorized by the Indenture, such notice to be in the form and to the effect required by the Indenture, or notice may be mailed or waived. In addition, the Authorized Representatives (as hereinafter defined) of the Issuer are authorized and directed to provide any notice required by the Indenture in connection with any conversion of the Fixed Rate Period for the Bonds authorized by the Indenture.

The actions of the Authorized Representatives, agents and representatives of the Issuer taken prior to the date of this Resolution to accomplish the conversion to a Fixed Rate Period for the Bonds are hereby ratified, confirmed and approved.

(b) Material Events Notice. The Authorized Representatives, agents and representatives of the Issuer are hereby authorized and directed to take any action, and to execute and deliver any and all documents, certificates or other instruments as are necessary or appropriate, for the filing of any material event notice required as a result of the transactions authorized by this Resolution and the Issuer's continuing disclosure undertaking, if any, under United States Securities and Exchange Commission Rule 15c2-12 (the *Rule*) and the Indenture.

SECTION 3. The Bonds shall be serial and/or term bonds as determined by the President or any Vice President of the Issuer at the time of the marketing or sale of the Bonds, shall mature on such date or dates on or prior to May 1, 2023 and shall be subject to redemption as the President or any Vice President of the Issuer may determine at the time of the marketing or sale of the Bonds, and shall contain such other terms as shall be set forth in the Indenture. The placement of the Bonds to Broadway National Bank, San Antonio, Texas at an interest rate or rates of between 1% and 15% per annum [such rate or rates to be determined by the President or any Vice President of the Issuer pursuant to the execution of a certificate (the *Approval*

Certificate) at such time as the Bonds are marketed and to be based on interest rates payable on tax-exempt securities of comparable credit worthiness and terms as that of the Bonds] or at the Fixed Rate as established in accordance with the terms of the Indenture is hereby authorized and approved. Any determination of a term or terms of the Bonds and the redemption provisions therefor by the President or a Vice President of the Issuer pursuant hereto shall be set forth in the Approval Certificate, and such determination shall be conclusively evidenced by the execution of the Approval Certificate by the President or any Vice President on behalf of the Issuer.

SECTION 4. The Bonds shall be issued in compliance with and under the authority of the provisions of the Act, this Resolution, and the Indenture.

SECTION 5. The Bonds shall be special, limited obligations of the Issuer payable solely from the funds of the Issuer derived from or in connection with the sale or lease of the Project by the Borrower, and the Bonds shall never constitute an indebtedness, liability, general, special or moral obligation, pledge or loan of the faith or credit or taxing power of the State of Texas, the Unit, or of any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Issuer or the Unit, in any capacity, and the Bonds shall never be paid in whole or in part out of any funds to be raised by taxation or any other funds of the Unit.

SECTION 6. Termination of Initial Credit Facility, Confirming Letter of Credit, Reimbursement Agreement, and Remarketing Agreement, and Other Documents. The Issuer hereby authorizes each Authorized Representative to exercise, on the Issuer's and Borrower's behalf, the Issuer's and Borrower's right to terminate the Initial Credit Facility, the Confirmation, the 1998 Pledge Agreement, the Reimbursement Agreement, and the Remarketing Agreement (each as defined in the Indenture) and any and all other documents to convert the Bonds to a Fixed Rate, which exercise of authority shall be evidenced by delivering the appropriate termination notice to the appropriate party, with such termination to become effective on the earliest date permitted pursuant to the terms of the Indenture.

SECTION 7. Additional Actions Authorized; Authorized Representatives. Pursuant to the authority provided by the Act, the President of the Board of Directors, the Vice President of the Board of Directors, the Secretary of the Board of Directors, _____, and _____, or any individual serving in such capacity as either of the foregoing on either an interim or permanent basis (each individually an *Authorized Representative*), and all other appropriate officers, agents and representatives of the Issuer are hereby authorized and directed to take any and all other actions as may be necessary and appropriate to provide for the (i) conversion of the Fixed Rate Period for the Bonds and (ii) preparation and distribution of replacement definitive Bonds, as contemplated by this Resolution, including, without limitation, executing, delivering, and accepting on behalf of the Issuer all agreements certificates, consents, waivers, receipts, notices, requests and other documents as may be necessary or appropriate to carry out the actions contemplated by this Resolution, and shall execute a certificate to reflect the approval of the interest rates, stated maturities and redemption provisions of the Bonds in connection with the remarketing of the Bonds.

SECTION 8. The officers of the Issuer are each hereby authorized to execute, attest, affix the Issuer's seal to, and deliver, or to accept delivery of, any and all other agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests, and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution and the remarketing of the Bonds.

SECTION 9. After the passage of this Resolution, the President of the Board of Directors of the Issuer shall have the custody and charge of the Bonds and when the same have been prepared in accordance with these proceedings, he shall cause them to be delivered to the Purchaser.

SECTION 10. The placement of the Bonds to the Purchaser pursuant to the Purchase and Investment Letter is hereby authorized and approved.

SECTION 11. The Bank of New York Mellon Trust Company, National Association, Austin, Texas (as the successor in interest to Chase Bank of Texas, National Association, Austin, Texas), a Texas banking corporation with its corporate trust office in Austin, Texas, is hereby appointed as the successor Trustee, registrar, and paying agent for the Bonds.

SECTION 12. The President, any Vice President, and the Secretary or any Assistant Secretary are hereby authorized to execute and deliver to the Trustee the written request of the Issuer for the authentication and delivery of the Bonds by the Trustee in accordance with the Indenture.

SECTION 13. All action (not inconsistent with provisions of this Resolution) heretofore taken by the Board of Directors and officers of the Issuer directed toward the financing of the Project and the issuance of the Bonds shall be and the same hereby is ratified, approved, and confirmed.

SECTION 14. The officers of the Issuer shall take all action in conformity with the Act necessary or reasonably required to effectuate the issuance of the Bonds and take all action necessary for carrying out, giving effect to, and consummating the transactions contemplated by the Bonds and this Resolution, including without limitation, the execution and delivery of any closing documents in connection with the issuance of the Bonds.

SECTION 15. The officers executing the documents approved by this Resolution are authorized to approve such changes to said documents as they deem advisable, which approval shall be evidenced by their execution of such documents.

SECTION 16. After any of the Bonds are issued, this Resolution shall be and remain in effect until the Bonds and interest thereon shall have been fully paid or provisions for payment shall have been made pursuant to the Indenture.

SECTION 17. If any section, paragraph, clause, or provision of the Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Issuer authorized or established by this Resolution or the Bonds is held to

be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

SECTION 18. No stipulation, obligation, or agreement herein contained or contained in this Resolution, or any other instrument related to the issuance of the Bonds shall be deemed to be a stipulation, obligation, or agreement of any officer, director, agent or employee of the Issuer in his or her individual capacity, and no such officer, director, agent or employee shall be personally liable on the Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

SECTION 19. The Issuer hereby consents to the payment by the Borrower of all fees required by any party as a condition precedent to the remarketing of the Bonds. The Borrower has also acknowledged that it is responsible for paying all of the fees relating to the remarketing of the Bonds including, but not limited to, the fees and expenses of the Issuer and the Issuer's legal counsel and the Issuer's financial advisor.

SECTION 20. If any section, paragraph, clause, or provision of the Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Issuer authorized or established by this Resolution or the Bonds is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

SECTION 21. It is officially found, determined, and declared that the meeting at which this Resolution 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 Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 22. This Resolution shall be in full force and effect immediately upon its approval and adoption, and all other resolutions previously adopted by the Board of Directors which conflict with this Resolution are hereby repealed, but only to the extent that such resolutions conflict with this Resolution.

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PASSED, APPROVED AND EFFECTIVE this April 17, 2014.

CITY OF SAN ANTONIO INDUSTRIAL
DEVELOPMENT AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors