

RESOLUTION NO. IDA 2019-06-13-0001R

A RESOLUTION OF THE
CITY OF SAN ANTONIO
INDUSTRIAL DEVELOPMENT AUTHORITY

APPROVING AND AUTHORIZING THE EXECUTION OF AN AMENDMENT TO AN INDENTURE OF TRUST BETWEEN THE AUTHORITY AND U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE, PRIMARILY FOR THE PURPOSE OF MODIFYING THE INTEREST RATE FORMULA RELATED TO THE SERIES 2015A REFUNDING BONDS ISSUED UNDER SUCH INDENTURE FOR THE BENEFIT OF THE TINDALL CORPORATION

* * * * *

WHEREAS, the CITY OF SAN ANTONIO INDUSTRIAL DEVELOPMENT AUTHORITY (the "**Issuer**") is a nonprofit industrial development corporation of the State of Texas created by the CITY OF SAN ANTONIO, TEXAS (the "**City**") pursuant to Article 5190.6, Vernon's Ann. Tex. Civ. St. (now codified under Chapters 501 - 505, Texas Local Government Code, as amended - the "**Act**"); and

WHEREAS, pursuant to the Act, the Issuer is empowered to promote and develop industrial and manufacturing enterprises to promote and encourage employment and the public welfare and to issue revenue bonds to finance and refinance industrial and manufacturing facilities for such purposes; and

WHEREAS, the Issuer has heretofore duly authorized as a project under the Act the acquisition, construction, installation and equipping of a manufacturing facility, located at 2222 West Malone, San Antonio, Texas, and owed and operated by the TINDALL CORPORATION, a South Carolina corporation (the "**Company**"), primarily for the purpose of manufacturing furnished, pre-cast, concrete prison cells and other pre-stressed and pre-cast concrete products (the "**Tindall Project**"); and

WHEREAS, the Issuer and the U.S. Bank National Association, as trustee (the "**Trustee**") entered into an *Indenture of Trust*, dated as of October 1, 2015 (the "**Original Indenture**"), at the request of the Company, for the purpose of authorizing the issuance by the Issuer of its \$7,300,000 TAX-EXEMPT REVENUE REFUNDING BONDS (TINDALL CORPORATION REFUNDING PROJECT), SERIES 2015A (the "**Series 2015A Bonds**"), and its \$1,300,000 TAXABLE REVENUE REFUNDING BONDS (TINDALL CORPORATION REFUNDING PROJECT), SERIES 2015B (the "**Series 2015B Bonds**") and collectively with the Series 2015A Bonds, the "**Bonds**"), which were purchased by Wells Fargo Bank, National Association (referred to herein and in the Original Indenture as the

"**Purchaser**") in order to refund and refinance certain then outstanding obligations that were issued in 2008 by the Issuer for the benefit of the Company; and

WHEREAS, the Series 2015B Bonds matured on January 1, 2019 and are no longer outstanding; accordingly, only the Series 2019A Bonds are outstanding as of the date of passage of this Resolution; and

WHEREAS, the Company and the Purchaser desire to revise certain provisions in the Original Indenture primarily for the purpose of incorporating into the Indenture modifications to the interest rate provisions resulting from the change in the maximum federal corporate tax rate that currently are contained in a *Continuing Covenant Agreement* between the Company and the Purchaser; and

WHEREAS, Section 8.02 of the Original Indenture provides, in part, that the Purchaser, as the sole owner of the Bonds, has the right to consent to and direct the execution by the Trustee of a supplemental indenture amending the terms of the Original Indenture, as shall be consented to by the Issuer in its sole discretion, "*for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in [the Original] Indenture or in any supplemental indenture,*" including amending the interest on any Bond; provided that without the written consent of the Trustee, the Trustee is not required to join in the execution of any supplemental indenture that affects the rights, duties, obligations or immunities of the Trustee or that imposes additional obligations on the Trustee; and

WHEREAS, Section 8.02 of the Original Indenture further provides that "a supplemental indenture, amendment or other document described under [Article VIII of the Original Indenture] that affects any rights or obligations of the Company shall not become effective unless and until the Company shall have consented to the execution of such supplemental indenture, amendment or other document"; and

WHEREAS, the Company and the Purchaser have requested the Issuer and the Trustee to enter into a "*First Amendment to Indenture of Trust*" in substantially the form attached hereto as Exhibit A (the "**First Amendment to the Original Indenture**") to accomplish the purposes set forth above; and

WHEREAS, the First Amendment to the Original Indenture is being entered into in accordance with the provisions of Section 8.02 of the Original Indenture, and the execution thereof by the Trustee and the acceptance thereof by the Company are intended to evidence the Trustee's and the Company's acceptance and approval of the First Amendment to the Original Indenture as required by Section 8.02 of the Original Indenture;

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 INDUSTRIAL DEVELOPMENT AUTHORITY THAT:

SECTION 1. APPROVAL OF FIRST AMENDMENT TO THE ORIGINAL INDENTURE. The Board hereby approves the First Amendment to the Original Indenture in substantially the form attached hereto as Exhibit A, and the President or Vice President of the Issuer is hereby authorized and directed, for and on behalf of the Issuer, to date, sign, and otherwise execute the First Amendment to the Original Indenture, and the Secretary or any Assistant Secretary is authorized and directed, for and on behalf of the Issuer, to attest the First Amendment to the Original Indenture, and such officers are hereby authorized to deliver such document to the other parties and signatories thereto. Upon execution by the parties thereto and delivery thereof, the First Amendment to the Original Indenture shall be binding upon the Issuer in accordance with the terms and provisions thereof.

SECTION 2. AUTHORIZATION TO APPROVE CHANGES. The President, Vice President and Secretary of the Board of the Issuer are hereby authorized to approve any changes made to the First Amendment to the Original Indenture from the form presented to and approved by the Board, such approval to be evidenced by the execution of the First Amendment to the Original Indenture, provided that such changes are not inconsistent with this Resolution.

SECTION 3. AUTHORIZATION TO APPROVE ADDITIONAL ACTIONS AND DOCUMENTS. All officers, employees, agents and representatives of the Issuer and its Board (including but not limited to the President, Vice President, Secretary, any Assistant Secretary, Treasurer and Executive Director of the Issuer) shall be and are hereby expressly authorized, empowered and directed from time to time, and at any time, to do and perform all such acts and things, and to execute and deliver in the name and under the official seal and on behalf of the Issuer all such instruments, whether or not herein mentioned (including any documents and agreements relating to an interest rate swap on the Bonds), as may be necessary or desirable in order to carry out the terms and provisions of this Resolution.

SECTION 4. INCORPORATION OF RECITALS. The Board hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the Board hereby incorporates such recitals as a part of this Resolution.

SECTION 5. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.


MPH
06/13/19
Item #51

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE CITY OF SAN ANTONIO INDUSTRIAL DEVELOPMENT AUTHORITY THIS 13TH DAY OF JUNE, 2019.



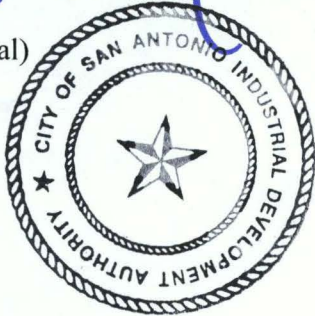
President, Board of Directors

Attest:



Secretary, Board of Directors

(Seal)



Signature Page to the Issuer's Resolution Relating to the Approving an Amendment to the Indenture of Trust
Which Authorized the Issuance of the City of San Antonio Industrial Development Authority
Tax-Exempt Revenue Refunding Bonds (Tindall Corporation Refunding Project), Series 2015A
and
Taxable Revenue Refunding Bonds (Tindall Corporation Refunding Project), Series 2015B

Agenda Item:	52 (in consent vote: 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21A, 21B, 22, 24, 25, 26, 27, 30, 31, 32, 33, 34, 35, 37, 39, 40, 41, 42, 43, 44, 45, 46, 47, 49, 48, 50, 51A, 51B, 52)
Date:	06/13/2019
Time:	10:10:52 AM
Vote Type:	Motion to Approve
Description:	Resolution of the Board of Directors of the City of San Antonio Industrial Development Authority (the "Authority") approving and authorizing the execution of an Amendment to an Indenture of Trust between the Authority and U.S. Bank National Association, as Trustee, primarily for the purpose of modifying the Interest Rate Formula related to the Series 2015A Refunding Bonds issued under such Indenture for the benefit of the Tindall Corporation. An administrative fee of \$2,500.00, payable by Tindall Corporation, will be deposited into the General Fund in accordance with the FY 2019 Adopted Budget. [Ben Gorzell, Jr., Chief Financial Officer; Troy Elliott, Director of Finance]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ron Nirenberg	Mayor	x					
Roberto C. Treviño	District 1		x			x	
Art A. Hall	District 2		x				
Rebecca Viagran	District 3		x				x
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Greg Brockhouse	District 6		x				
Ana E. Sandoval	District 7		x				
Manny Pelaez	District 8		x				
John Courage	District 9		x				
Clayton H. Perry	District 10		x				

MPH
06/13/19
Item #52

EXHIBIT A

FORM OF FIRST AMENDMENT TO INDENTURE OF TRUST

FIRST AMENDMENT TO INDENTURE OF TRUST

THIS FIRST AMENDMENT TO INDENTURE OF TRUST, dated as of July 1, 2019 (this "First Amendment"), is made and entered into by and between the **CITY OF SAN ANTONIO INDUSTRIAL DEVELOPMENT AUTHORITY** (the "Issuer"), a nonprofit industrial development corporation organized and existing under the Constitution and the laws of the State of Texas (the "State"), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association, as trustee, and its successors and assignees in trust (the "Trustee"), for the purpose of amending that certain *Indenture of Trust*, dated as of October 1, 2015 by and between the Issuer and the Trustee (the "Original Indenture"). Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in Section 1.01 of the Original Indenture.

WITNESSETH:

WHEREAS, the Issuer is a nonprofit industrial development corporation of the State created by the City of San Antonio, Texas (the "City") pursuant to the Development Corporation Act of 1979, Article 5190.6, Vernon's Ann. Tex. Civ. St., as amended (now codified under Chapters 501 – 505, Texas Local Government Code, as amended - the "Act"); and

WHEREAS, pursuant to the Act, the Issuer is empowered to promote and develop industrial and manufacturing enterprises to promote and encourage employment and the public welfare and to issue revenue bonds to finance and refinance industrial and manufacturing facilities for such purposes; and

WHEREAS, the Issuer and the Trustee entered into the Original Indenture, at the request of the Tindall Corporation, a South Carolina corporation (referred to herein and in the Original Indenture as the "Company"), for the purpose of authorizing the issuance by the Issuer of its \$7,300,000 *Tax-Exempt Revenue Refunding Bonds (Tindall Corporation Refunding Project), Series 2015A* (the "Series 2015A Bonds"), and its \$1,300,000 *Taxable Revenue Refunding Bonds (Tindall Corporation Refunding Project), Series 2015B* (the "Series 2015B Bonds" and collectively with the Series 2015A Bonds, the "Bonds"), which were purchased by Wells Fargo Bank, National Association (referred to herein and in the Original Indenture as the "Purchaser") in order to refund and refinance certain then outstanding obligations that were issued by the Issuer for the benefit of the Company; and

WHEREAS, the Company and the Purchaser desire to revise certain provisions in the Original Indenture primarily for the purpose of incorporating into the Indenture modifications to the interest rate provisions resulting from the change in the maximum federal corporate tax rate that currently are contained in the Continuing Covenant Agreement; and

WHEREAS, Section 8.02 of the Original Indenture provides, in part, that the Purchaser, as the sole Owner of the Bonds, has the right to consent to and direct the execution by the Trustee of a supplemental indenture amending the terms of the Original Indenture, as shall be consented

to by the Issuer in its sole discretion, *"for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in [the Original] Indenture or in any supplemental indenture,"* including amending the interest on any Bond; provided that without the written consent of the Trustee, the Trustee is not required to join in the execution of any supplemental indenture that affects the rights, duties, obligations or immunities of the Trustee or that imposes additional obligations on the Trustee; and

WHEREAS, Section 8.02 of the Original Indenture further provides that *"a supplemental indenture, amendment or other document described under [Article VIII of the Original Indenture] that affects any rights or obligations of the Company shall not become effective unless and until the Company shall have consented to the execution of such supplemental indenture, amendment or other document"*; and

WHEREAS, the Issuer and the Trustee are entering into this First Amendment at the request of the Company and the Purchaser to accomplish the purposes set forth above; and

WHEREAS, this First Amendment is being entered into in accordance with the provisions of Section 8.02 of the Original Indenture, and the execution hereof by the Trustee and the acceptance hereof by the Company are intended to evidence the Trustee's and the Company's acceptance and approval of this First Amendment as required by Section 8.02 of the Original Indenture;

NOW THEREFORE, the Issuer and the Trustee hereby agree as follows:

Section 1. Amendment of Certain Definitions Contained in Section 1.01 of the Original Indenture.

As of the Effective Date (as defined in Section 7 below), the following defined terms as set forth in Section 1.01 of the Original Indenture are hereby amended in their entirety to read as follows:

Applicable Factor

"Applicable Factor" means (a) for the Direct Purchase Period beginning on July 1, 2019 and ending on November 1, 2024, a fixed multiple of 0.67, and (b) during any other Direct Purchase Period for the Series 2015A Bonds (as designated in writing by the Company for such Index Rate Period pursuant to Section 2.04(a) or 2.04(b), as applicable) a fixed multiple determined by the Market Agent that is greater than 0.65 but no more than 1.35.

Applicable Spread

"Applicable Spread" means the following:

(a) For the Direct Purchase Period beginning on July 1, 2019 and ending on November 1, 2024, 131 basis points (1.31%); *provided, however*, that in the event there is a change in the Company's ratio of Funded Debt to EBITDA, to be determined quarterly as provided in the Continuing Covenant Agreement, the number of basis points set forth opposite the ratio of Funded Debt to EBITDA under the caption "Applicable Spread" in the chart below:

Funded Debt to EBITDA	Applicable Spread
Less than or equal to 1.50x	131
1.51x to 2.00x	141
2.01x to 2.50x	151
2.51 or greater	168

Any adjustment in the Applicable Spread shall become effective on the LIBOR Index Reset Date (or SIFMA Rate Reset Date, as applicable) succeeding the date the Purchaser receives from the Company the calculation of the ratio of Funded Debt to EBITDA following each quarter end, as provided under Section 6.01 of the Continuing Covenant Agreement, that is also the first Business Day of the Company's next fiscal quarter.

(b) During any Index Interest Rate Period commencing on and after November 1, 2024, the number of basis points determined by the Market Agent on or before the first day of such Index Interest Rate Period and designated by the Company for the Series 2015A Bonds in accordance with Section 2.04(a) or 2.04(b), as applicable, that, when added to the SIFMA Index or the product of the LIBOR Index multiplied by the Applicable Factor, would equal the minimum interest rate per annum that would enable such Bonds to be sold on such date at a price equal to the principal amount thereof (without regard to accrued interest, if any, thereon).

Indenture

"Indenture" means this Indenture of Trust, including all amendments thereto duly approved and executed by the Issuer and the Trustee as permitted by Article VIII hereof.

LIBOR Index Rate

"LIBOR Index Rate" means a per annum rate of interest established on each Computation Date equal to the product of (a) the sum of (i) the Applicable Spread plus (ii) the Adjusted LIBOR Index, and (b) the Margin Rate Factor. The LIBOR Index Rate shall be rounded to the fifth decimal place.

SIFMA Index Rate

"SIFMA Index Rate" means a per annum rate of interest established on each Computation Date equal to the product of (a) the sum of the Applicable Spread plus the SIFMA Index Rate and (b) the Margin Rate Factor. The SIFMA Index Rate shall be rounded to the second decimal place.

Section 2. Addition of Defined Terms to Section 1.01 of the Original Indenture. As of the Effective Date, the following defined terms shall be added to Section 1.01 of the Original Indenture:

Adjusted LIBOR Index

"Adjusted LIBOR Index" means for any date of determination, the rate equal to the product of the LIBOR Index multiplied by the Applicable Factor.

Margin Rate Factor

"Margin Rate Factor" means the greater of (a) 1.0, and (b) the product of (i) one minus the Maximum Federal Corporate Tax Rate multiplied by (ii) 1.53846. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change.

Maximum Federal Corporate Tax Rate

"Maximum Federal Corporate Tax Rate" means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time or, if as a result of a change in the Code the rate of income taxation imposed on corporations generally shall not be applicable to the Purchaser, the maximum statutory rate of federal income taxation which could apply to the Purchaser.

Section 4. No Other Amendments Intended. Other than as specifically set forth herein, no other amendments to the Original Indenture are intended, and the Original Indenture remains in full force and effect except as amended herein.

Section 5. Execution in Counterparts. This First Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 6. Governing Law. This Amendment shall be governed by and interpreted in accordance with Section 9.08 of the Original Indenture.

Section 7. Effective Date. This Amendment shall be effective upon the date of this Amendment (the "Effective Date").

[The remainder of this page intentionally left blank]

CERTIFICATE FOR RESOLUTION

I, the undersigned Secretary of the **CITY OF SAN ANTONIO INDUSTRIAL DEVELOPMENT AUTHORITY** (the "**Authority**"), hereby certify as follows:

1. The Board of Directors of the Authority (the "**Board of Directors**") convened in Special Meeting on June 13, 2019, at the designated meeting place (the "**Meeting**"), and the roll was called of the duly constituted officers and members of the Board of Directors, to wit:

Ron Nirenberg, President
Roberto C. Treviño, Director
Art A. Hall, Director
Rebecca J. Viagran, Director
Rey Saldaña, Director
Shirley Gonzales, Director

Greg Brockhouse, Director
Ana Sandoval, Director
Manny Peláez, Director
John Courage, Director
Clayton Perry, Director

all of the officers and members of the Board of Directors were present, except the following absentees: RON NIRENBERG. Whereupon, among other business, the following was transacted at the Meeting: a written

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(the "**Resolution**") was duly introduced for the consideration of the Board of Directors. It was then duly moved and seconded that the Resolution be passed on first reading and, after due discussion, said motion carrying with it the adoption of the Resolution, prevailed and carried by the following vote:

AYES: 10 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 that 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 13th day of June, 2019.

(Seal)




Secretary

City of San Antonio Industrial Development Authority