

**RESOLUTION NO. EFC 2021-06-17-0001R
OF THE
CITY OF SAN ANTONIO, TEXAS
EDUCATION FACILITIES CORPORATION**

AUTHORIZING THE ISSUANCE OF UP TO \$170,000,000 IN PRINCIPAL AMOUNT OF *CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION HIGHER EDUCATION REVENUE IMPROVEMENT AND REFUNDING BONDS (UNIVERSITY OF THE INCARNATE WORD PROJECT), SERIES 2021A* AND *CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION HIGHER EDUCATION REVENUE REFUNDING BONDS (UNIVERSITY OF THE INCARNATE WORD PROJECT), TAXABLE SERIES 2021B*; AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT, AN INDENTURE OF TRUST, AND A PURCHASE CONTRACT; AUTHORIZING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND APPROVING OTHER MATTERS IN CONNECTION THEREWITH

* * * * *

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, 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, Section 53A.35 further provides that the Issuer has all powers granted under the Texas Non-Profit Corporation Act for the purpose of aiding institutions of higher education in providing educational facilities and housing facilities and facilities incidental, subordinate, or related thereto or appropriate in connection therewith; and

WHEREAS, the **UNIVERSITY OF THE INCARNATE WORD**, a nonprofit corporation organized and existing under the laws of the State of Texas, being a private institution of higher education (the "**University**"), is an "institution of higher education" as defined in Section 53A.02(5) of the Act located primarily with the City; and

WHEREAS, the University has incurred, and currently has outstanding, the following debt obligations, all of which constitute "*Long Term Indebtedness*" as defined in the documents relating to the "2012 Bonds," the "2016 Tax-Exempt Bank Loan," and the "2019 Taxable Bank Loan" described and defined below (collectively, the "**Outstanding Long Term Indebtedness**"):

- (i) "**2012 Bonds**": the *City of Olmos Park, Texas Higher Education Facilities Corporation Higher Education Revenue Improvement and Refunding Bonds (University of the Incarnate Word Project), Series 2012*, issued and delivered on November 28, 2012, in the original principal amount of \$67,155,000 by the *City of Olmos Park, Texas Higher Education Facilities Corporation* (which was created pursuant to the Act by the *City of Olmos Park, Texas*) for the purpose of (i) refunding two series of "Adjustable Rate Demand Revenue Bonds" issued in 2007 and 2008 by the Issuer at the University's request to finance certain educational facilities and housing facilities and facilities incidental, subordinate, or related thereto or appropriate in connection therewith described as the "*2007 Projects*" and the "*2008 Projects*" in Exhibit A-2 attached to the "Loan Agreement" (as defined below), and (ii) finance additional educational facilities and housing facilities and facilities incidental, subordinate, or related thereto or appropriate in connection therewith, which are more specifically described as the "2012 Projects" in Exhibit A-2 attached to the Loan Agreement;
- (ii) "**2016 Tax-Exempt Bank Loan**": a commercial bank loan provided to the University on October 12, 2016 by *Banc of America Public Capital Corp* (the "**2016 Lender**" - an affiliate of *Bank of America, N.A.*) through the Issuer pursuant to a *Loan Agreement*, dated as of October 1, 2016, among the 2016 Lender, the Issuer, and the University (the "**2016 Loan Agreement**") and a related Note, to finance costs relating to a new medical school and a new student center at the University's main campus, which are more specifically described as the "*2016 Projects*" in Exhibit A-1 attached to the Loan Agreement; and

- (iii) **"2019 Taxable Bank Loan"**: a commercial bank loan provided to the University on September 30, 2019, by *Bank of America, N.A.* (the "**2019 Lender**") pursuant to a *Loan Agreement*, dated as of September 30, 2019, between the 2019 Lender and the University (the "**2019 Loan Agreement**"), to finance costs relating to the purchase, construction and/or renovation of capital improvement projects authorized by Chapter 53A, as amended, Texas Education Code, including, without limitation, the purchase of the property located at 4119 Broadway Street, San Antonio, Texas, which are more specifically described as the "2019 Projects" in Exhibit A-1 attached to the Loan Agreement; and

WHEREAS, the Outstanding Long Term Indebtedness are currently outstanding, and are subject to redemption or prepayment at the option of the University, as follows:

Long Term Indebtedness	Principal Currently Outstanding (\$)	Optional Redemption or Prepayment Provisions
2012 Bonds	41,250,000	2012 Bonds maturing on and after 12/01/2023 are subject to optional redemption, at the direction of the University, at par on 12/01/2022 or any date thereafter (per Section 6.01 of the related 2012 Indenture).
2016 Tax-Exempt Bank Loan	28,640,000	Principal may be prepaid by the University on any "Interest Payment Date" (i.e., the first day of each calendar quarter) at par plus accrued interest (per Sections 2.06 and 3.04 of the 2016 Loan Agreement).
2019 Taxable Bank Loan	40,104,631	Principal may be prepaid by the University on any "Interest Payment Date" (i.e., the first day of each calendar quarter) if such Loan bears interest at the "LIBOR Rate," or on any "Business Day" if such Loan bears interest at the "LIBOR Daily Floating Rate," at par plus accrued interest (per Section 3.04 of the 2019 Loan Agreement).

WHEREAS, more specifically, (i) the outstanding 2012 Bonds mature on December 1 in the years and principal amounts, and bear interest at the rates per annum, as follows:

2012 BONDS					
YEAR OF MATURITY	PRINCIPAL AMOUNT (\$)	INTEREST RATE (%)	YEAR OF MATURITY	PRINCIPAL AMOUNT (\$)	INTEREST RATE (%)
2021	3,780,000	5.000	2027	4,945,000	5.000
2022	3,950,000	5.000	2028	3,340,000	3.125
2023	4,135,000	5.000	2029	1,795,000	3.000
2024	4,325,000	5.000	2030	1,850,000	3.250
2025	4,520,000	5.000	2031	1,910,000	3.250
2026	4,725,000	5.000	2032	1,975,000	3.250

(ii) the outstanding principal of the 2016 Tax-Exempt Bank Loan is due and payable on April 1, 2022 and December 1, 2022 in the principal amount of \$1,400,000 and \$27,240,000, respectively, and (iii) the outstanding principal of the 2019 Taxable Bank Loan is due and payable in its entirety on September 30, 2021; and

WHEREAS, the Board of Trustees of the University has determined that it is necessary and financially advantageous to the University to refinance the educational and housing facilities that were originally financed or refinanced with proceeds of the 2012 Bonds, the 2016 Tax-Exempt Bank Loan, and the 2019 Taxable Bank Loan (i.e., the 2007 Projects, the 2008 Projects, the 2012 Projects, the 2016 Projects, and the Series 2019 Projects as defined in the Loan Agreement and described in Exhibit A-1 and Exhibit A-2 attached to the Loan Agreement) as permitted by Sections 53A.331 and 53A.35 of Act; and

WHEREAS, the Board of Trustees of the University has further authorized the University to proceed with a major renovation of the multi-story office building acquired by the University in 2019 (with proceeds of the 2019 Taxable Bank Loan) that is located on the southwest corner of the intersection of Broadway Street and Hildebrand Avenue across from the University's main campus and incur capital costs to construct improvements and acquire fixtures and equipment to convert the building for academic and administrative functions of the University (to be known as "**Founders Hall**") and thereafter renovate space in the University's existing Administration Building and other existing buildings on the University's main campus as certain existing groups and functions move to Founders Hall (collectively, the "**2021 Projects**"); and

WHEREAS, the Board of Trustees of the University has requested the Issuer to assist the University by issuing its *City of San Antonio, Texas Education Facilities Corporation Higher Education Revenue Bonds (University of the Incarnate Word Project)* to (i) refund all outstanding

2012 Bonds, (ii) prepay the 2016 Tax-Exempt Bank Loan and the 2019 Taxable Bank Loan in their entirety by refinancing the 2016 Projects and the 2019 Projects, (iii) provide \$50,000,000 to construct and equip the 2021 Projects, and (iv) pay all transaction costs (including costs of issuance); and

WHEREAS, the Issuer now deems it appropriate to assist the University as described in the preceding recitals by issuing two series bonds pursuant the Act which shall be known as follows (collectively, the "**Series 2021 Bonds**");

(i) the **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION HIGHER EDUCATION REVENUE REFUNDING AND IMPROVEMENT BONDS (UNIVERSITY OF THE INCARNATE WORD PROJECT), SERIES 2021A** (the "**Series 2021A Bonds**"), the proceeds of which shall be used to (A) prepay the 2016 Tax-Exempt Bank Loan and the 2019 Taxable Bank Loan in their entirety by refinancing the 2016 Projects and the 2019 Projects, (B) provide \$50,000,000 to construct and equip the 2021 Projects, and (C) pay related transaction costs; and

(ii) the **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION HIGHER EDUCATION REVENUE REFUNDING BONDS (UNIVERSITY OF THE INCARNATE WORD PROJECT), TAXABLE SERIES 2021B** (the "**Series 2021B Bonds**"), the proceeds of which shall be used to (A) refund all outstanding 2021 Bonds, and (B) pay related transaction costs; and

WHEREAS, the Series 2021 Bonds shall be issued under, and pursuant to the terms set forth in, an *Indenture of Trust*, dated as of July 1, 2021, between the Issuer and Wells Fargo Bank, National Association, as Trustee thereunder (the "**Indenture**"); and

WHEREAS, the proceeds of the Series 2021 Bonds shall loaned to the University, and such loan shall be repaid by the University, in accordance with the terms of a *Loan Agreement*, dated as of July 1, 2021, between the Issuer and the University (the "**Loan Agreement**"); and

WHEREAS, the University has, pursuant to the Loan Agreement, agreed to make payments to the Issuer or its designee in amounts sufficient to pay debt service on the Series 2021 Bonds authorized hereby and to pay certain costs of administration and indemnification, if required, to hold the Issuer and the City harmless with respect to the issuance of the Series 2021 Bonds and the projects financed and refinanced thereby; and

WHEREAS, Bond Counsel to the Issuer has advised the Board of Directors of the Issuer (the "**Board**" or "**Board of Directors**") that upon the issuance of the Series 2021 Bonds and the defeasance of all Outstanding Long Term Indebtedness being accomplished thereby, all covenants and obligations of the University relating to the Outstanding Long Term Indebtedness will be extinguished; therefore, neither the University nor the Issuer are subject to any conditions precedent in any financing documents previously entered into by the University to enable the Issuer to issue the Series 2021 Bonds at the request of the University; and

WHEREAS, there have been presented to the Issuer substantially final forms of each of the following documents:

- (i) the Loan Agreement, including a promissory note from the University to the Issuer in the principal amount of the Series 2021 Bonds; and
- (ii) the Indenture; and

WHEREAS, the University has selected Raymond James & Associates, Inc., BofA Securities LLC, and Jefferies LLC to serve as the underwriters of the Series 2021 Bonds (collectively, the "**Underwriters**"), and the Issuer will be required to enter into a purchase contract by and among the Issuer, the University and the Underwriters for the purpose of obligating the Underwriters to purchase, and obligating the Issuer to deliver, the Series 2021 Bonds at the agreed upon purchase price and under the conditions set forth therein (the "**Purchase Contract**"); and

WHEREAS, this Resolution, the Series 2021 Bonds, the Loan Agreement, the Indenture, and the Purchase Contract are collectively referred to herein as the "**Issuer Documents**"; 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. APPROVAL OF LOAN AGREEMENT, INDENTURE, AND PURCHASE CONTRACT.
The Board of Directors approves the Loan Agreement and the Indenture in substantially the form and substance described or presented to the Board, hereby authorizes each of the President, Vice President, Executive Director and Treasurer of the Issuer to approve the form of the Purchase Contract, and hereby further authorizes each of the President, Vice President, Executive Director and Treasurer of the Issuer to approve in final form, date, sign, and otherwise execute the Loan Agreement, the Indenture and the Purchase Contract, and the Secretary and any Assistant Secretary each is authorized and directed, for and on behalf of the Issuer, to attest the Loan Agreement, the

Indenture and the Purchase Contract, if necessary, and such officers are hereby authorized to deliver such documents to the other parties thereto. Upon execution by the parties thereto and delivery thereof, the Loan Agreement, the Indenture and the Purchase Contract shall be binding upon the Issuer in accordance with the terms and provisions thereof.

SECTION 2. AUTHORIZATION TO ISSUE THE SERIES 2021 BONDS. The Series 2021 Bonds are authorized to be issued in an aggregate principal amount not to exceed **\$170,000,000**, maturing on the respective dates and principal amounts, and bearing interest at the respective per annum rates, and being subject to redemption, as approved by the University and determined and set forth in the Indenture. The Series 2021 Bonds are issued for the purpose of loaning the proceeds thereof to the University for the purposes as described in the recitals of this Resolution. The Board hereby approves the Series 2021 Bonds in substantially the form and substance set forth in the Indenture, and the President and Vice President, and the Secretary and any Assistant Secretary, are hereby authorized and directed, for and on behalf of the Issuer, to execute the Series 2021 Bonds or have their facsimile signatures placed upon the Series 2021 Bonds, and such officers are hereby authorized and directed to deliver the Series 2021 Bonds, and the seal of the Issuer is hereby authorized and directed to be affixed or placed in facsimile on the Series 2021 Bonds. The Series 2021 Bonds shall be issued, executed, authenticated and delivered in the form and manner, shall be dated, shall and may be redeemed prior to maturity, and shall have all of the characteristics, as provided in the Indenture, and the Series 2021A Bonds and the Series 2021B Bonds shall each be issued initially as one fully registered bond numbered as set forth in the Indenture.

SECTION 3. SALE OF SERIES 2021 BONDS. The Series 2021 Bonds are hereby authorized to be sold and delivered in accordance with the provisions of the Purchase Contract at the purchase price set forth therein.

SECTION 4. APPROVAL OF OFFICIAL STATEMENT. The Board hereby authorizes the preparation and distribution of a Preliminary Official Statement relating to the issuance of the Series 2021 Bonds and further approves the distribution of the Preliminary Official Statement by the Underwriters in connection with the sale of the Series 2021 Bonds. The Board of Directors further approves the preparation and distribution of the final Official Statement (in substantially the form of the Preliminary Official Statement) incorporating all final terms of the Series 2021 Bonds and other changes deemed necessary by officers of the Issuer or Bond Counsel to the Issuer related to the Series 2021 Bonds.

SECTION 5. AUTHORIZATION TO COMPLETE ISSUER DOCUMENTS AND APPROVE CHANGES. Bond Counsel related to the Series 2021 Bonds is hereby authorized to complete the Issuer Documents by incorporating the final terms of the Series 2021 Bonds therein and to make any other changes deemed necessary, provided that such changes are not inconsistent with this Resolution. The President, Vice President, Executive Director and Treasurer of the Issuer each are hereby individually authorized to approve any changes made to the Issuer Documents and the Official Statement as they relate to the Issuer from the forms presented to and approved by the

Board, such approval to be evidenced by the execution of the Issuer Documents, provided that such changes are not inconsistent with this Resolution.

SECTION 6. AUTHORIZATION TO APPROVE ADDITIONAL ACTIONS AND DOCUMENTS. All officers, employees, agents and representatives of the Issuer and its Board 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 on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution and of the Series 2021 Bonds, as well as the terms and provisions of the Issuer Documents.

SECTION 7. AUTHORIZATION TO AUTHENTICATE SERIES 2021 BONDS AND DELIVER TRANSCRIPT TO THE ATTORNEY GENERAL. The President and Vice President of the Board and the Executive Director and Treasurer of the Issuer each are individually hereby authorized to execute and deliver to the Trustee a written order of the Issuer for the authentication and delivery of the Series 2021 Bonds by the Trustee in accordance with the Indenture, and to deliver a transcript of proceedings to the Attorney General of the State of Texas, along with the initial Series 2021 Bond, which shall be delivered to the Comptroller of Public Accounts of the State of Texas for registration upon Attorney General approval.

SECTION 8. RESOLUTION IRREPEALABLE. After any of the Series 2021 Bonds are issued, this Resolution shall be and remain irrevocable until the Series 2021 Bonds or the interest thereon shall have been fully paid or provision for payment shall have been made pursuant to the Indenture.

SECTION 9. ENFORCEABILITY OF RESOLUTION. If any section, paragraph, clause, or provision of this 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 Series 2021 Bonds is held to be in violation of law as applied to any person or any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

SECTION 10. 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 11. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

RKN/MPH
06/17/21
Item No. ____A

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION THIS 17TH DAY OF JUNE, 2021.

President, Board of Directors

Attest:

Secretary, Board of Directors

(Seal)

Signature Page to the Resolution of the Issuer Relating to the
City of San Antonio, Texas Education Facilities Corporation
Higher Education Revenue Improvement and Refunding Bonds
(University of the Incarnate Word Project), Series 2021A
and
Higher Education Revenue Refunding Bonds
(University of the Incarnate Word Project), Taxable Series 2021B

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 "**Issuer**"), hereby certify as follows:

1. The Board of Directors (the "**Board of Directors**") of the Issuer convened in Special Meeting on June 17, 2021, 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	Melissa Cabello Havrda, Director
_____, Director	Ana Sandoval, Director
_____, Director	Manny Peláez, Director
_____, Director	_____, Director
Dr. Adriana Rocha Garcia, Director	Clayton Perry, Director
_____, Director	

All members of the Board of Directors were present, except the following: _____, thus constituting a quorum, whereupon among other business, the following was transacted at the Meeting a written Resolution No. **EFC 2021-06-17-0001R** (the "**Resolution**" entitled

RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$170,000,000 IN PRINCIPAL AMOUNT OF CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION HIGHER EDUCATION REVENUE IMPROVEMENT AND REFUNDING BONDS (UNIVERSITY OF THE INCARNATE WORD PROJECT), SERIES 2021A AND CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION HIGHER EDUCATION REVENUE REFUNDING BONDS (UNIVERSITY OF THE INCARNATE WORD PROJECT), TAXABLE SERIES 2021B; AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT, AN INDENTURE OF TRUST, AND A PURCHASE CONTRACT; AUTHORIZING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND APPROVING OTHER MATTERS IN CONNECTION THEREWITH

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: _____ NOES: _____ ABSTENTIONS: _____

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.

RKN/MPH
06/17/21
Item No. __A

SIGNED AND SEALED THIS 17TH DAY OF JUNE, 2021.

Secretary
City of San Antonio, Texas Education Facilities Corporation

(SEAL)

Signature Page to the Certificate for Resolution Relating to the

City of San Antonio, Texas Education Facilities Corporation
Higher Education Revenue Improvement and Refunding Bonds
(University of the Incarnate Word Project), Series 2021A
and
Higher Education Revenue Refunding Bonds
(University of the Incarnate Word Project), Taxable Series 2021B