

A RESOLUTION
2004-02-01

APPROVING THE ISSUANCE OF ADJUSTABLE RATE DEMAND REVENUE REFUNDING BONDS IN THE AMOUNT OF \$4,180,000 BY THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION FOR THE PHASE I DORMITORY PARTNERSHIP, A TEXAS GENERAL PARTNERSHIP, AND APPROVING OTHER MATTERS RELATED THERETO.

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WHEREAS, the CITY OF SAN ANTONIO, TEXAS (the "City"), pursuant to the provisions of Chapter 53, Texas Education Code, as amended (the "Act"), particularly Section 53.35(b) thereof, approved and created the CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION (the "Corporation") as a nonprofit corporation to exercise the powers enumerated and provided in the Act for and on behalf of the City; and

WHEREAS, the Corporation (formerly known as the "CITY OF SAN ANTONIO, TEXAS, HIGHER EDUCATION AUTHORITY, INC.") is a constituted authority and instrumentality (within the meaning of those terms in the Regulations of the Department of the Treasury and the rulings of the Internal Revenue Service prescribed and promulgated pursuant to section 103 of the Internal Revenue Code of 1986, as amended (the "Code"));

WHEREAS, in 1985, the Corporation issued its "*City of San Antonio, Texas, Higher Education Authority, Inc. Educational Facilities Variable Rate Demand Revenue Bonds (UTSA Phase I Dormitory Project), Series 1985*" (the "Series 1985 Bonds"), the proceeds of which were loaned to **PHASE I DORMITORY PARTNERSHIP**, a Texas general partnership (the "Borrower"), to finance (i) the initial construction of a student dormitory, known as Chisholm Hall located on a tract of land on the western portion of the campus of The University of Texas at San Antonio (the "University"); and (ii) the acquisition of the tract of land on which such dormitory is located (collectively, the "Project"); and

WHEREAS, in 1996, the Corporation issued its "*City of San Antonio, Texas, Higher Education Authority, Inc. Educational Facilities Revenue Refunding Bonds (The University of Texas at San Antonio Phase I Dormitory Project), Series 1996*", dated March 1, 1996, currently outstanding in the aggregate principal amount of \$5,100,000 (the "Series 1996 Bonds") for the purpose of refinancing the Project and refunding the Series 1985 Bonds; and

WHEREAS, pursuant to Section 53.39 of the Act, the Corporation is empowered to issue bonds for the purpose of refunding all or a portion of the Series 1996 Bonds; and

WHEREAS, the City has been informed by representatives of the Corporation that the Board of Directors of the Corporation approved a resolution on November 4, 2003, which was amended by a subsequent resolution approved on December 16, 2003 (collectively, the "Bond Resolution," a copy of which has been filed with the City) authorizing the issuance of **\$4,180,000** in principal amount of a series of revenue bonds for the purpose of providing a portion of the funds required to refund the Series 1996 Bonds that mature in 2015, which are further described as follows:

City of San Antonio, Texas Education Facilities Corporation Adjustable Rate Demand Revenue Refunding Bonds (The University of Texas at San Antonio Phase I Dormitory Project), Series 2003A (the "Series 2003A Bonds"); and

WHEREAS, the City has been further informed by representatives of the Borrower that, concurrent with the issuance of the Series 2003A Bonds by the Corporation, the Borrower will issue a separate series of revenue bonds (known generally as the "Taxable Series 2003B Bonds") for the purpose, among others, of providing additional funds required to refund the Series 1996 Bonds that mature in 2015 on the date of delivery of the Series 2003A Bonds and to provide funds to advance refund and defease all other outstanding Series 1996 Bonds (i.e. the Series 1996 Bonds maturing in the years 2004 through 2006); and

WHEREAS, in order to provide additional security and liquidity for the Series 2003A Bonds and the Taxable Series 2003B Bonds, the Borrower has arranged for a direct-pay letter of credit (the "Letter of Credit") to be provided by Allied Irish Banks, p.l.c. (the "Bank"), to the Trustee and for the Borrower to enter into a reimbursement agreement with the Bank in connection therewith, the terms of which will obligate the Borrower to repay the Bank for any draws made under the Letter of Credit and pay fees and expenses related to providing such Letter of Credit; and

WHEREAS, representatives of the Corporation have assured the City that the Series 2003A Bonds will be payable solely from revenues derived by the Corporation from the Borrower pursuant to provisions of the Bond Resolution and a Loan Agreement, dated as of December 1, 2003, between the Corporation and the Borrower, and other applicable documents being entered into by the Corporation in connection with the issuance of the Series 2003A Bonds, and from funds provided by the Bank under the Letter of Credit, and the City will have no responsibility in any manner for the payment of the debt service requirements of the Series 2003A Bonds; and

WHEREAS, the Bylaws of the Corporation require the approval of the City Council prior to the issuance of any bonds by the Corporation; 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 CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. APPROVING THE ISSUANCE OF THE SERIES 2003A BONDS. In order to satisfy the requirements of the Bylaws of the Corporation, the City hereby approves the issuance of the Series 2003A Bonds described above in the aggregate principal amount of **\$4,180,000** in order for the Corporation to obtain a portion of the funds required to refund the Series 1996 Bonds that mature in 2015.

SECTION 2. INCORPORATION OF RECITALS. The City Council hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the City Council hereby incorporates such recitals as a part of this Resolution.

SECTION 3. EFFECTIVE DATE. This Resolution shall be effective immediately upon passage by at least eight affirmative votes; otherwise this Resolution shall become effective ten days following its passage.

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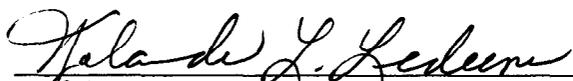
LOH
01/15/04
ITEM #18

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS ON THE 15TH DAY OF JANUARY, 2004



MAYOR
EDWARD D. GARZA

ATTEST:



Acting City Clerk, City of San Antonio, Texas



By:



for City Attorney

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[EXECUTION PAGE TO CITY RESOLUTION]

CERTIFICATE FOR RESOLUTION

I, the undersigned Acting City Clerk of the City of San Antonio, Texas (the "City"), hereby certify as follows:

The City Council of the City convened in REGULAR MEETING ON THE 15TH DAY OF JANUARY, 2004 at the designated meeting place, and the roll was called of the duly constituted officers and members of said City Council, to wit:

Ed Garza, Mayor
Roger O. Flores
Joel Williams
Ron H. Segovia
Richard Perez
Patti Radle

Enrique M. Barrera
Julian Castro
Art A. Hall
Carroll Schubert
Christopher "Chip" Haass

and all of said persons were present, except the following absentees: Flore, Baren, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written Resolution entitled:

RESOLUTION APPROVING THE ISSUANCE OF ADJUSTABLE RATE DEMAND REVENUE REFUNDING BONDS IN THE AMOUNT OF \$4,180,000 BY THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION FOR THE PHASE I DORMITORY PARTNERSHIP, A TEXAS GENERAL PARTNERSHIP, AND APPROVING OTHER MATTERS RELATED THERETO

was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said Resolution be passed; and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed and carried by the following vote:

AYES: 9 NOES: 0 ABSTENTIONS:

A true, full and correct copy of the aforesaid Resolution passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Resolution has been duly recorded in said City Council's minutes of said Meeting; the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said Meeting pertaining to the passage of said Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose; and said Meeting was open to the public and public notice of the time, place and purpose of said Meeting was given, all as required by Texas Government Code,

Chapter 51.

SIGNED AND SEALED THIS January 15, 2004.



Jolanda Y. Ledezma
Acting City Clerk, City of San Antonio, Texas