

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED
RESOLUTION ADOPTED BY THE CORPORATION.**

**A RESOLUTION OF THE
CITY OF SAN ANTONIO, TEXAS PUBLIC FACILITIES CORPORATION**

**AUTHORIZING AND PROVIDING FOR THE DEFEASANCE OR
PREPAYMENT OF CERTAIN CURRENTLY OUTSTANDING
LEASE REVENUE OBLIGATIONS; AUTHORIZING THE
EXECUTION OF AN ESCROW AGREEMENT AND ANY
DOCUMENTATION RELATED THERETO; AND AUTHORIZING
OTHER NECESSARY ACTIONS RELATED THERETO**

* * * * *

WHEREAS, the City of San Antonio, Texas (the *City*), acting as a “sponsor” within the meaning of Chapter 303, Texas Local Government Code, as amended (the *Act*), created the City of San Antonio, Texas Public Facilities Corporation (the *Corporation*), as a nonprofit public facility corporation pursuant to the provisions of the Act to assist the City in financing, refinancing, or providing for convention center facilities (which are “public facilities” within the meaning of the Act), and facilities related thereto, at the request of the governing body of the City; and

WHEREAS, the Corporation has previously authorized the issuance of, and there now remains outstanding, City of San Antonio, Texas Public Facilities Corporation Improvement and Refunding Lease Revenue Bonds, Series 2012 (Convention Center Refinancing and Expansion Project), pursuant to a trust agreement (the *Trust Agreement*); and

WHEREAS, the Board of Directors (the *Board*) of the Corporation determined that lawfully available funds, in an amount not to exceed \$75,000,000 shall be used on or before October 17, 2025 to defease certain outstanding obligations, which prepaid or defeased obligations are set forth in Schedule I hereto (the *Defeased Obligations*); and

WHEREAS, it is in the best interest of the Corporation and the City to defease the Defeased Obligations as herein provided in order, as applicable, to terminate the lien on and pledge of the Trust Estate, as defined and set forth in the Trust Agreement, or other security securing their payment and discharge; now, therefore,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CITY OF SAN ANTONIO,
TEXAS PUBLIC FACILITIES CORPORATION THAT:**

1. The Board hereby approves the expenditure of lawfully available funds (the *Proceeds*) for the purpose of cash defeasing and/or acquiring certain defeasance securities as permitted by applicable law and depositing the same with the Escrow Agent (defined herein), to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient funds, together with any funds deposited therewith, if any, to pay when the principal of, premium, if any, or interest on the Defeased Obligations becomes due. The Board

reserves the right and will determine the defeasance securities and any appropriate escrow reinvestment agreements or other similar contractual agreements to effectuate the defeasance of the Defeased Obligations, subject in all respects, however, to the laws of the State of Texas and the applicable provisions of the ordinance and resolution authorizing their issuance.

As permitted by Section 303.039 of the Act and Section 4.2 of the Corporation's Bylaws, the Board hereby approves the creation and designation of a "Defeasance Committee" consisting of the President or Vice President of the Board (who shall serve as the Chair of the Defeasance Committee) and another member of the Board selected by the Chair of the Pricing Committee. The Defeasance Committee is hereby authorized to exercise the authority of the Board to approve all final terms of any defeasance transaction, as a representative of the Board, to effectuate and implement the purpose and intent of this Resolution, subject to the following limitations. At the time of consummation of a prepayment or defeasance transaction pursuant to the authorization of this Resolution, being the time of acquisition or subscription for investments that will fund the Escrow Fund (defined herein) or such other action that obligates the Board to fund an escrow or effectuate a prepayment (each, a *Transaction Date*), the Corporation's Executive Director, Treasurer, Secretary, or any member of the Defeasance Committee (each, an *Authorized Official*) shall execute an "Approval Certificate", a form of which is included as Exhibit B hereto, evidencing the final terms of such defeasance transaction and compliance with the provisions and limitations of this Resolution. Any defeasance transaction shall be subject to the following limitations:

- a. Total amount of Proceeds shall not exceed \$75,000,000;
- b. Defeased Obligations shall be selected from Obligations outstanding as of a Transaction Date and that would otherwise remain outstanding as of the date of settlement of the subject transaction; and
- c. Neither a Transaction Date, nor the settlement of any transaction hereunder described, shall occur later than October 17, 2025.

Upon execution of an Approval Certificate, City's co-bond counsel (*Co-Bond Counsel*) is authorized to complete a copy of this Resolution as evidence of the defeasance of the Defeased Obligations pursuant to the delegated authority, which includes completion of Schedule I with those Obligations selected as Defeased Obligations and such other necessary technical modifications to this Resolution to accommodate all other terms and provisions of this Section 1.

2. The Board hereby approves the entrance into an escrow agreement (each, an *Escrow Agreement*) with an Escrow Agent qualified to serve in such capacity under applicable Texas law and as selected by an Authorized Official (the *Escrow Agent*) in connection with the defeasance of the Defeased Obligations. A form of the Escrow Agreement, attached hereto as Exhibit A and incorporated herein by reference as a part of this Resolution for all purposes, is hereby approved as to form and content, and each such Escrow Agreement, together with such changes or revisions as may be necessary to accomplish the defeasance of the Defeased Obligations, is hereby authorized to be executed by an Authorized Official for and on behalf of the Corporation and as the act and deed of the Corporation, and each such Escrow Agreement as executed by said officials shall be deemed approved by the Board.

Furthermore, each Authorized Official, and Co-Bond Counsel, in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the deposit of cash and/or the purchase of any securities referenced in the Escrow Agreement and the delivery thereof to the Escrow Agent upon delivery to the Escrow Agent of the funds described in Section 1 above for deposit to the credit of the "CITY OF SAN ANTONIO, TEXAS PUBLIC FACILITIES CORPORATION IMPROVEMENT AND REFUNDING LEASE REVENUE BONDS, SERIES 2012 (CONVENTION CENTER REFINANCING AND EXPANSION PROJECT) 2024 DEFEASANCE ESCROW FUND" (the *Escrow Fund*), including the execution of the subscription forms, if any, for the purchase and issuance of the "United States Treasury Securities - State and Local Government Series" for deposit to the Escrow Fund, all as contemplated and provided by the provisions of Chapter 1207, Texas Government Code, as amended, this Resolution, and each Escrow Agreement.

3. The Board hereby appoints to the Defeasance Committee to select a qualified verification agent (the *Verification Agent*), to verify the sufficiency of the deposit to the Escrow Fund to accomplish the defeasance of the Defeased Obligations, to the extent such appointment is necessary or desired and in the event of the establishment of a net defeasance Escrow Fund; provided, however, that in the event of a gross defeasance of the Defeased Obligations, the sufficiency of the deposit to the Escrow Fund to accomplish such defeasance shall be certified by the Co-Financial Advisors or another qualified financial institution.

4. This Resolution shall document the authorization to transfer funds to effectuate, from the Proceeds, the defeasance of the Defeased Obligations and provide evidence of this transaction to the Corporation's independent auditors.

5. Each Authorized Official is authorized to evidence adoption of this Resolution and to do any and all things necessary or convenient to effect the defeasance of the Defeased Obligations and otherwise give effect to the intent hereof.

6. Though such parties may be identified, and the entry into a particular form of contract may be authorized herein, the Board hereby delegates to each Authorized Official the authority to independently select the counterparty to any agreement with the Escrow Agent, Verification Agent, or any other contract that is determined to be necessary or incidental to carry out the provisions of this Resolution, as long as each of such contracts has a value of less than the amount referenced in Section 2252.908, Texas Government Code, as amended (collectively, the *Ancillary Contracts*), and, as necessary, to execute the Ancillary Contracts on behalf and as the act and deed of the Corporation. The Board has not participated in the selection of any of the business entities which are counterparties to the Ancillary Contracts.

7. The Board hereby approves payment from lawfully available funds of professional fees and expenses of Co-Bond Counsel, Co-Financial Advisors, the Escrow Agent, the Verification Agent, the paying agent/registrar for the Defeased Obligations, and any other party whose services have been determined by to be necessary to accomplish the purpose and intent of this Resolution.

8. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

9. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

10. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

11. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

12. 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, Texas Government Code, as amended.

13. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

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**PASSED AND APPROVED ON OCTOBER 17, 2024, BY THE BOARD OF
DIRECTORS OF THE CITY OF SAN ANTONIO, TEXAS PUBLIC FACILITIES
CORPORATION.**

ATTEST

Chair, Board of Directors

Secretary, Board of Directors

(SEAL)

10/17/2024

Item No. ____

SCHEDULE I

DEFEASED OBLIGATIONS

1. “City of San Antonio, Texas Public Facilities Corporation Improvement and Refunding Lease Revenue Bonds, Series 2012 (Convention Center Refinancing and Expansion Project)”, in the principal amount of \$_____.

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10/17/2024
Item No. __

EXHIBIT A
ESCROW AGREEMENT

(See Tab No. __)

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10/17/2024
Item No. __

EXHIBIT B

APPROVAL CERTIFICATE

(See Tab No. __)

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