

RESOLUTION

BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS APPROVING THE ISSUANCE OF A SERIES OF CONTRACT REVENUE NOTES DESIGNATED AS THE “CITY OF SAN ANTONIO, TEXAS MUNICIPAL FACILITIES CORPORATION CONTRACT REVENUE NOTE (SAWS REVENUE)” IN AN AMOUNT OF \$____,000,000; AUTHORIZING THE CORPORATION TO ENTER INTO AN INDENTURE OF TRUST RELATED TO THE FOREGOING NOTE AND THE PLEDGE OF CERTAIN REVENUES AS SECURITY THEREFOR; AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH

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WHEREAS, the City Council (the *Council*) of the City of San Antonio, Texas (the *City*) previously created the City of San Antonio, Texas Municipal Facilities Corporation (the *Corporation*), a valid and existing local government corporation duly organized under Subchapter D of Chapter 431 Texas Transportation Code, as amended and the Texas Non-Profit Corporation Act (together, the *Act*), for the purpose of aiding and acting on behalf of the City to accomplish certain governmental purposes of the City, including the acquisition, construction, equipping, financing, operation, and maintenance of land and other municipal facilities for the City; and

WHEREAS, on September 17, 2020, the Council adopted Ordinance No. 2020-09-17-0647, pursuant to which it provided for the continuation of the land easement acquisition program in environmentally sensitive areas over the contributing and recharge zones of the Edwards Aquifer, the City’s primary water source, known as the Edwards Aquifer Protection Program (the *Program*) by authorizing the City’s entering into the Programmatic and Financing Agreement (the *Agreement*, a copy of which is attached hereto as Exhibit A) with the Corporation; and

WHEREAS, under the Agreement, the Corporation has assumed financial and certain administrative and operational responsibility for the Program in exchange for the City’s commitment to deliver to the Corporation, from an identified revenue source (as in the Agreement defined and described, the *SAWS City Revenue Transfer*) money in the amounts and at time times needed to pay the Program costs assumed by the Corporation; and

WHEREAS, the Corporation’s Board of Directors (the *Board*) has, by a resolution adopted on August 3, 2023 (the *Corporation Resolution*), declared its intent to issue the initial series of Corporation Program Debt (as defined in the Agreement) pursuant to the terms of the Act and other applicable law, and in accordance with Agreement, in the amount of \$____,000,000 to finance Program Costs (as defined in the Agreement) and to pay associated costs of issuance; and

WHEREAS, the Bylaws of the Corporation require that the Council approve the Corporation Resolution and the contemplated of issuance of indebtedness described in the Corporation Resolution (the *Obligations*) by the Corporation; and

WHEREAS, the Council recognizes the Obligations as the initial Corporation Program Debt contemplated under the Agreement, notwithstanding the reference therein to an interim borrowing, commercial paper program as the in initial Corporation Program Debt (which the Corporation, in cooperation with the City, has replaced with the issuance of the Obligations as a more efficient borrowing structure given changes in market conditions and Program requirements since the Agreement's execution); and

WHEREAS, the City recognizes, ratifies, and acknowledges the priority lien on and pledge of the SAWS City Revenue Transfer made by the City in favor of and for the benefit of the Corporation, to be used by the Corporation as a source of payment for and securitization of the obligations thereby incurred in accomplishing its assumed obligations under the Agreement; and

WHEREAS, the City authorizes the Corporation's further pledge of revenues to be received thereby from the City under the Agreement (to be transferred by the City from the SAWS City Revenue Transfer; such Corporation revenues, as and when received by the Corporation under the Agreement, the *Corporation Revenues*) as security for the repayment of the Obligations; and

WHEREAS, the Council is now approving this Resolution to (i) authorize the Corporations' entering into the Indenture of Trust, dated as August 3, 2023, between it and the trustee therein named and pursuant to which the Obligations are issued and their repayment secured (such Indenture of Trust, the *Indenture*, a copy of which is attached hereto as Exhibit B, and (ii) authorize and approve the Corporation's entrance into a Purchase and Investment Letter with the purchaser of the Obligations (the *Purchase and Investment Letter*); and

WHEREAS, the Council finds and declares that the action of the Board should be approved and the continuation of the Program in the manner described in the Agreement and the issuance of the Obligations described in the Corporation Resolution are in the best interests of the inhabitants of the City for the reasons therein set forth; and

WHEREAS, it is deemed necessary and advisable that this Resolution be adopted.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS:

SECTION 1. This Resolution is adopted for the purpose of satisfying the conditions and requirements of the Act and the Bylaws of the Corporation.

SECTION 2. The Corporation's issuance of the Obligations, having the terms and provisions and secured in the manner specified in the Indenture, is hereby approved. In furtherance of the foregoing, the City hereby also approves the Corporation's execution of the Indenture providing for such issuance and securitization of the Obligations, as well as execution of the Purchase and Investment Letter providing for their sale.

SECTION 3. For so long as the City's and the Corporation's obligations under the Agreement, respectively, remain outstanding, the City shall adhere to, enforce, and comply with the City's covenants in the Agreement.

SECTION 4. The approvals herein given are not to be construed as any undertaking by the City, and the Obligations shall never constitute an indebtedness or pledge of the City, or the State of Texas, within the meaning of any constitutional or statutory provision, and the holders of the Obligations shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any part out of any funds raised or to be raised by taxation or any other revenues of the Corporation, the City, or the State of Texas, except those revenues assigned and pledged by the Corporation in the Indenture in connection with the issuance of the Obligations.

SECTION 5. The Mayor and the City Clerk and the other officers of the City are hereby authorized, jointly and severally, to execute and deliver such additional endorsements, instruments, certificates, documents, or paper necessary and advisable to carry out the intent and purposes of this Resolution and the Corporation Resolution on behalf of the City.

SECTION 6. The City Clerk of the City, or a designee thereof, is authorized to accomplish all administrative matters (as may be necessary or desired) to effectuate the subject matter of this Resolution. The public purposes of the City, which the Corporation may accomplish on behalf of the City, are as set forth in the Act, the Articles, and the Agreement.

SECTION 7. 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 Council.

SECTION 8. All resolutions or ordinances, 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.

SECTION 9. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 10. If any section, paragraph, clause, or provisions 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 Corporation authorized or established by this Resolution or the Obligations 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 Corporation to the fullest extent permitted by law.

SECTION 11. This Resolution shall take effect on the date of its adoption by the Council.

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PASSED AND APPROVED, this the 3rd day of August, 2023.

CITY OF SAN ANTONIO, TEXAS

M A Y O R
Ron Nirenberg

ATTEST:

Debbie Raca-Sittre, City Clerk

APPROVED AS TO FORM:

Andrew Segovia, City Attorney

(SEAL)

EXHIBIT A
PROGRAMMATIC AND FINANCING AGREEMENT

EXHIBIT B
INDENTURE OF TRUST