



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

Agenda Item Summary

Meeting Date: 2/9/2016 Meeting Type: Special Regular

Item Title: Consideration and approval of an order amending orders authorizing 2010 Direct Subsidy Bonds and authorizing amendments to the paying agent/registrar agreements relating thereto to provide for payments of tax subsidies to the District to be used subject to board approval.

Purpose: Discussion/ Possible Action Recognition Report Only

Requested By: Jesus Salazar, Chief Financial & Business Operations Officer

Presenter(s): Dr. Abelardo Saavedra

Description of item to include your specific request:

Consideration and approval of an order amending orders authorizing 2010 Direct Subsidy Bonds and authorizing amendments to the paying agent/registrar agreements relating thereto to provide for payments of tax subsidies to the District to be used subject to board approval.

Supporting Documentation Enclosed

Please select the appropriate District Goal(s):

Choose an item.
Choose an item.
Department Initiatives/Other:

Funding source-program and/or Budget Code: CFO Approval

ROUTE APPROVAL

SIGNATURE

DATE

Principal/Director:

Executive Director:

Chief Administrator:

Superintendent:

Handwritten signatures and dates: Jesus Salazar, 2-5-2016, Abelardo Saavedra, 2-5-2016

ORDER AMENDING ORDERS AUTHORIZING 2010 DIRECT SUBSIDY BONDS AND AUTHORIZING AMENDMENTS TO THE PAYING AGENT/REGISTRAR AGREEMENTS RELATING THERETO TO PROVIDE FOR PAYMENTS OF TAX CREDITS TO THE DISTRICT TO BE USED SUBJECT TO BOARD APPROVAL

WHEREAS, on July 21, 2010 the Board of Trustees (the "Board") of the South San Antonio Independent School District (the "District") adopted orders authorizing the "South San Antonio Independent School District Unlimited Tax School Building Bonds, Taxable Series 2010 (Direct Subsidy – Build America Bonds)" and the "South San Antonio Independent School District Unlimited Tax School Building Bonds, Taxable Series 2010 (Direct – Pay Subsidy Bonds)" (collectively, the "Orders") and approved respective Paying Agent/Registrar Agreements (the "Agreements") with The Bank of New York Mellon Trust Company, N.A. (the "Paying Agent") for such Bonds;

WHEREAS, the Board has determined to amend the Agreements to provide for the payment of the "Tax Credits" (as defined in the Agreements) to the District and not to the Paying Agent for use by the District upon approval by the Board;

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF TRUSTEES OF THE SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT THAT the Board authorizes the Superintendent of Schools and other officials of the District, and the District's financial advisor and bond counsel, to prepare and execute amendments to the Agreements substantially in the forms attached hereto as Exhibit "A" and Exhibit "B" to provide that the "Tax Credits" will be payable to the District. All other provisions of the Orders and the Agreements are hereby reaffirmed.

PASSED AND ADOPTED this 9th day of February, 2016.

SOUTH SAN ANTONIO INDEPENDENT
SCHOOL DISTRICT

/s/ Connie Prado
President, Board of Trustees

ATTEST:

/s/ Angelina Osteguin
Secretary, Board of Trustees

(DISTRICT SEAL)

EXHIBIT A

**AMENDMENT TO PAYING AGENT/REGISTRAR AGREEMENT FOR THE
SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX SCHOOL BUILDING BONDS, TAXABLE SERIES 2010
(DIRECT SUBSIDY – BUILD AMERICA BONDS)**

AMENDMENT TO PAYING AGENT/REGISTRAR AGREEMENT

THIS AMENDMENT TO PAYING AGENT/REGISTRAR AGREEMENT entered into as of February 10, 2016 (the “Amendment Agreement”) is between the SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT (the “Issuer”) and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Austin, Texas, a national banking association duly organized and existing under the laws of the United States of America and authorized to transact business in the State of Texas (the “Bank”).

WHEREAS, the Issuer has duly authorized and provided for the issuance of its “SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BONDS, TAXABLE SERIES 2010 (DIRECT SUBSIDY – BUILD AMERICA BONDS)” (the “Securities”), dated July 15, 2010, in the original aggregate principal amount of \$29,095,000 issued as registered securities without coupons;

WHEREAS, the Paying Agent/Registrar Agreement, dated as of July 21, 2010, between the Issuer and the Bank (the “Original Agreement”) provides the duties and responsibilities of the parties; and

WHEREAS, the parties have agreed to amend the Original Agreement for payments of Tax Credits to the Issuer as provided in this Amendment to Agreement. Defined terms used herein are defined in the Original Agreement;

NOW, THEREFORE, it is mutually agreed as follows:

Section 1. Amended Section 6.01. Section 6.01 of the Original Agreement is hereby amended to read as follows:

Section 6.01 Receipt and Deposit of Tax Credit – Investment.

The Issuer has decided to receive directly from the Department of the Treasury a tax credit equal to 35% of the interest paid on the Securities by the Issuer (the “Tax Credit”), which election is based on the Securities’ qualifications as “build America bonds” under section 54AA of the Code and as “qualified bonds” under subsection 54AA(g) of the Code, and the Issuer’s irrevocable election to treat the Securities as such at the time of their issuance. The Issuer has the sole and complete authority for the receipt, allocation, accounting, and transfer of the Tax Credit and hereby authorizes the Paying Agent to receive any and all direction with respect to the Tax Credit from the authorized representative of the Issuer. In each Form 8038-CP filed and to be filed by the Issuer with the Internal Revenue Service, the Issuer will direct the Department of the Treasury to send the Tax Credit, on its behalf directly to the Bank in its capacity as Paying Agent for the Securities. The Issuer hereby directs the Bank to immediately deposit the Tax Credit to the Direct Subsidy Account for uses directed by the Issuer.

The Bank agrees to cooperate with the Issuer and take such reasonable actions as directed by the Issuer to enable or assist the Issuer with respect to the receipt of the Tax Credit.

Money on deposit in the Direct Subsidy Account shall be invested by the Bank as directed in writing by the authorized representatives of the Issuer in investments as authorized by Section 10 of the Bond Resolution.

Section 2. Amended Section 6.03. Section 6.03 of the Original Agreement is hereby amended to read as follows:

Section 6.03 Notice to Issuer of Tax Credit Deposit.

As soon as practicable, but in no event later than two business days, after depositing a Tax Credit payment to the Direct Subsidy Account, the Bank will send written notice of such deposit (including the amount thereof) to the Issuer.

Section 3. Repealed Section. Sections 6.04 is hereby repealed and shall no longer be in effect.

Section 4. Other Provisions of Original Agreement. Except as specifically provided in this Amendment to Agreement, the unaffected provisions of the Original Agreement shall continue to be in full force and effect, including without limitation, Section 5.06 relating to indemnification of the Bank.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**

Attest:

By _____

Title _____

By _____

Title _____

Address: 2001 Bryan Street, Floor 11
Dallas, Texas 75201

(BANK SEAL)

Attest:

**SOUTH SAN ANTONIO INDEPENDENT
SCHOOL DISTRICT**

By _____

Secretary, Board of Trustees

By _____

President, Board of Trustees
Address: 5622 Ray Ellison Drive
San Antonio, Texas 78242

(DISTRICT SEAL)

EXHIBIT B

**AMENDMENT TO PAYING AGENT/REGISTRAR AGREEMENT
AND ESCROW DEPOSIT AGREEMENT FOR THE
SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX SCHOOL BUILDING QUALIFIED SCHOOL CONSTRUCTION BONDS,
TAXABLE SERIES 2010 (DIRECT-PAY SUBSIDY BONDS)**

**AMENDMENT TO PAYING AGENT/REGISTRAR AGREEMENT
AND ESCROW DEPOSIT AGREEMENT**

THIS AMENDMENT TO PAYING AGENT/REGISTRAR AGREEMENT AND ESCROW DEPOSIT AGREEMENT entered into as of February 10, 2016 (the "Amendment Agreement") is between the SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT (the "Issuer") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Austin, Texas, a national banking association duly organized and existing under the laws of the United States of America and authorized to transact business in the State of Texas (the "Bank").

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING QUALIFIED SCHOOL CONSTRUCTION BONDS, TAXABLE SERIES 2010 (DIRECT-PAY SUBSIDY BONDS)" (the "Securities"), dated July 15, 2010, in the original aggregate principal amount of \$9,785,000 to be issued as registered securities without coupons;

The Securities are tax credit bonds issued as "qualified school construction bonds" as defined in Section 54F of the Code, and with respect thereto, the Issuer has made an election in the Authorizing Document causing Section 6431(f) of the Code to apply to the Securities and entitling the Issuer to the periodic receipt of the Tax Credit from the Department of the Treasury;

WHEREAS, the Paying Agent/Registrar Agreement dated as of July 21, 2010, between the Issuer and the Bank (the "Original Agreement") provides the duties and responsibilities of the parties; and

WHEREAS, the parties have agreed to amend the Original Agreement to provide for payments of Tax Credits to the Issuer as provided in this Amendment to Agreement. Defined terms used herein are defined in the Original Agreement;

NOW, THEREFORE, it is mutually agreed as follows:

Section 1. Amended Section 6.01. Section 6.01 of the Original Agreement is hereby amended to read as follows:

Section 6.01 Receipt and Deposit of Tax Credit – Investment

The Issuer has irrevocably elected to receive directly from the Department of the Treasury a refundable tax credit equal to the amount of interest payable on the Securities (which credit rate applicable to the Securities is 5.19% per annum, being the per annum interest rate applicable to the Securities) the "Tax Credit", which election is based on the Securities' qualification as "qualified school construction bonds" under section 54F of the Code and as "qualified bonds" under subsection 6431(f)(1)(A) of the Code, and the Issuer's irrevocable election, which election was made in the Authorizing Document, to treat the Securities as such at the time of their issuance. The Issuer has the sole and complete authority for the receipt, allocation, accounting, and transfer of the Tax Credit and hereby authorizes the Paying Agent to

receive any and all direction with respect to the Tax Credit from the authorized representative of the Issuer. In each Form 8038-CP filed and to be filed by the Issuer with the Internal Revenue Service, the Issuer will direct the Department of the Treasury to send the Tax Credit, directly to the Bank, in its capacity as Paying Agent for the Securities. The Issuer hereby directs the Bank to immediately deposit the Tax Credit to the Direct Subsidy Account. Money in the Direct Subsidy Account shall be used as directed by the Issuer.

The Bank agrees to cooperate with the Issuer and take such reasonable actions as directed by the Issuer to enable or assist the Issuer with respect to the receipt of the Tax Credit.

Money on deposit in the Direct Subsidy Account shall be invested by the Bank as directed in writing by the authorized representatives of the Issuer in investments as authorized by Section 10 of the Authorizing Document.

Section 2. Amended Section 6.03. Section 6.03 of the Original Agreement is hereby amended to read as follows:

Section 6.03 Notice to Issuer of Tax Credit Deposit.

As soon as practicable after depositing a Tax Credit payment to the Direct Subsidy Account, but in no event later than as part of the monthly statement of accounts provided by the Bank to the Issuer, the Bank will send written notice of such deposit (including the amount thereof) to the Issuer.

Section 3. Repealed Section. Sections 6.04 is hereby repealed and shall no longer be in effect.

Section 4. Other Provisions of Original Agreement. Except as specifically provided in this Amendment to Agreement, the unaffected provisions of the Original Agreement shall continue to be in full force and effect, including without limitation, Section 5.06 relating to indemnification of the Bank.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**

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Secretary, Board of Trustees

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