

RESOLUTION NO.

(A) APPROVING RESOLUTIONS PREVIOUSLY ADOPTED BY THE BOARD OF DIRECTORS OF THE SCHERTZ/SEGUIN LOCAL GOVERNMENT CORPORATION (1) AUTHORIZING THE REQUEST OF FINANCIAL ASSISTANCE FROM THE TEXAS WATER DEVELOPMENT BOARD THROUGH AN APPLICATION FOR STATE WATER IMPLEMENTATION FUND FOR TEXAS AND BOARD PARTICIPATION PROGRAMS FOR THE PURPOSE OF PLANNING, DESIGNING, AND CONSTRUCTING UTILITY SYSTEM IMPROVEMENTS TO ASSIST IN THE IMPLEMENTATION OF THE STATE WATER PLAN; RATIFYING SUCH APPLICATION AS WELL AS THE TERMS AND CONDITIONS SET FORTH THEREIN; AND ACKNOWLEDGING THE APPLICATION'S SUBMISSION TO THE TEXAS WATER DEVELOPMENT BOARD; AND (2) APPROVING THE EXECUTION OF RESPECTIVE FINANCING AGREEMENTS PERTAINING TO THE STATE WATER IMPLEMENTATION FUND FOR TEXAS AND BOARD PARTICIPATION PROGRAMS AND A MASTER AGREEMENT PERTAINING TO THE BOARD PARTICIPATION PROGRAM BY THE BOARD OF DIRECTORS OF THE SCHERTZ/SEGUIN LOCAL GOVERNMENT CORPORATION AND AUTHORIZING THE MAYOR AND CITY SECRETARY OF THE CITY OF SEGUIN, TEXAS TO EXECUTE ON BEHALF OF THE CITY OF SEGUIN, TEXAS ANY AND ALL NECESSARY DOCUMENTS AND CERTIFICATES; (B) RATIFYING, RECONFIRMING, AND READOPTING THE PROVISIONS OF A REGIONAL WATER SUPPLY CONTRACT EXECUTED BETWEEN THE CITY OF SEGUIN, TEXAS, THE CITY OF SCHERTZ, TEXAS, AND THE SCHERTZ/SEGUIN LOCAL GOVERNMENT CORPORATION; AND (C) APPROVING OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEGUIN, TEXAS THAT:

Section 1. The City Council of the City of Seguin, Texas (the *City*) finds and declares that the actions of the Board of Directors (the *Board*) of the Schertz/Seguin Local Government Corporation (the *Corporation*) should be approved and the actions described in the Corporation Resolutions (hereinafter defined) are in the best interests of the inhabitants of the City for the reasons therein set forth.

Section 2. The City Council (i) reviewed and hereby approves a resolution, as to form and content, including the factual findings contained therein and all documents referenced therein, adopted by the Board of the Corporation on April 21, 2016, relating to the request of financial assistance from the Texas Water Development Board's State Water Implementation Fund for Texas (*SWIRFT*) and Board Participation Programs (collectively, the *Programs*) for the purpose of planning, designing, and constructing utility system improvements (the *Application Resolution*); (ii) ratifies an application (the *Application*) to the Texas Water Development Board for financial assistance pursuant

to the Programs, and consents to the terms and conditions set forth in the Application; and (iii) acknowledges the Application's previous submission by the Corporation to the Texas Water Development Board for approval.

Section 3. The City Council (i) reviewed and hereby approves a resolution, as to form and content, including the factual findings contained therein and all documents referenced therein, adopted by the Board of the Corporation on August 29, 2016, relating to the Application's condition precedent to secure the Board Participation Program's financing assistance through the execution of a Master Agreement (the *Master Agreement Resolution*); (ii) reviewed and hereby approves a resolution, as to form and content, including the factual findings contained therein and all documents referenced therein, adopted by the Board of the Corporation on August 29, 2016, relating to the Application's condition precedent to secure the Board Participation Program's financing assistance through the execution of a Financing Agreement (the *Board Participation Resolution*); and (iii) reviewed and hereby approves a resolution, as to form and content, including the factual findings contained therein and all documents referenced therein, adopted by the Board of the Corporation on August 29, 2016, relating to the Application's condition precedent to secure SWIRFT's financing assistance through the execution of a Financing Agreement (the *SWIRFT Resolution*, and collectively with the Board Participation Resolution, the *Financing Resolutions*).

Section 4. The City Council ratifies, readopts, and reconfirms the Regional Water Supply Contract, including the factual findings contained therein, previously approved and executed among the City of Schertz, Texas and the City of Seguin, Texas (collectively, the *Cities*) and the Corporation (the *Contract*) which provides certain security for the prospective payment of obligations hereinafter issued by the Corporation to assist in financing planning, designing, and constructing Corporation utility system improvements, and each City's obligations under the Contract, including the acknowledgement that the payment of principal of and interest in relation to the obligations undertaken pursuant to the Programs is payable, in whole or in part, from the Annual Payments (as defined in the Contract) to be made by the Cities to the Corporation under and pursuant to the Contract.

Section 5. The Mayor, the City Manager, and the City Secretary of the City are hereby authorized to execute on behalf of the City any and all documents in connection with these transactions, including the Application Resolution, the Master Agreement Resolution, and the Financing Resolutions (collectively, the *Corporation Resolutions*). This Resolution may be relied upon by the appropriate representatives of the parties to this transaction, including the Texas Water Development Board and the Texas Attorney General, in the review and approval of this transaction.

Section 6. The Mayor and the City Secretary and the other officers of the City are hereby authorized 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 Resolutions on behalf of the City.

Section 7. The City Manager of the City, or his designee, is authorized to accomplish all administrative matters (as may be necessary or desired), with respect to directives included in this Resolution.

Section 8. No default by the City in observing or performing its obligations under this Resolution shall constitute a breach of or default under the Corporation Resolutions for purposes of any other provision of the Corporation Resolutions. Nothing is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY OBLIGATIONS OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS RESOLUTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

Section 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 City Council.

Section 10. 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.

Section 11. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 12. 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 City Council hereby declares that this Resolution would have been enacted without such invalid provision.

Section 13. 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, as amended, Texas Government Code.

Section 14. This Resolution shall be in force and effect from and after the date of its adoption, and it is so resolved.

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APPROVED THIS THE 30TH DAY OF AUGUST, 2016.

ATTEST:

City Secretary

Mayor