CERTIFICATE OF CITY CLERK

THE STATE OF TEXAS	§
	§
COUNTIES OF BEXAR, COMAL AND MEDINA	§
	§
	§
CITY OF SAN ANTONIO	

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 16th day of June, 2016 the City Council (the *Council*) of the City of San Antonio, Texas (the *City*) convened in regular session at its regular meeting place in the City Hall of the City (the *Meeting*), the duly constituted members of the Council being as follows:

Ivy R. Taylor	Mayor
Roberto C. Treviño	Councilmember
Alan E. Warrick, II	Councilmember
Rebecca J. Viagran	Councilmember
Rey Saldaña	Councilmember
Shirley Gonzales	Councilmember
Ray Lopez	Councilmember
Cris Medina	Councilmember
Ron Nirenberg	Councilmember
Joe Krier	Councilmember
Mike Gallagher	Councilmember

and all of such persons were present at the Meeting, except the following None, thus constituting a quorum. Among other business considered at the Meeting, the attached ordinance (the *Ordinance*) entitled:

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS AUTHORIZING THE ISSUANCE OF UP TO $30,000,000 "CITY OF SAN ANTONIO, TEXAS TAX NOTES, SERIES 2016"; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF THE NOTES; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF THE NOTES, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE CONTRACT; COMPLYING WITH THE PROVISIONS OF THE DEPOSITORY TRUST COMPANY'S LETTER OF REPRESENTATIONS; DELEGATING THE AUTHORITY TO CERTAIN CITY OFFICIALS AND STAFF TO ESTABLISH TERMS OF SALE OF THE NOTES AND TO EXECUTE CERTAIN DOCUMENTS RELATING TO THE SALE THEREOF; ENACTING OTHER PROVISIONS INCIDENT AND RELATED TO THE

SUBJECT AND PURPOSE OF THIS ORDINANCE; AND PROVIDING FOR AN EFFECTIVE DATE

was introduced and submitted to the Council for passage and adoption. After presentation and due consideration of the Ordinance, a motion was made by Councilmember Alan E. Warrick, II that the Ordinance be finally passed and adopted in accordance with the City's Home Rule Charter. The motion was seconded by Councilmember Rebecca J. Viagran and carried by the following vote:

11 voted "For" 0 voted "Against" 0 abstained

all as shown in the official Minutes of the Council for the Meeting.

2. The attached Ordinance is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council of the City on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Council was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Ordinance would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Ordinance, was open to the public and was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 16th day of June, 2016.

(SEAL)

City Clerk
City of San Antonio, Texas

FINAL

ORDINANCE NO. 2016-06-16-0483

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS AUTHORIZING THE ISSUANCE OF UP TO $30,000,000 "CITY OF SAN ANTONIO, TEXAS TAX NOTES, SERIES 2016"; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF THE NOTES; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF THE NOTES, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE CONTRACT; COMPLYING WITH THE PROVISIONS OF THE DEPOSITORY TRUST COMPANY'S LETTER OF REPRESENTATIONS; DELEGATING THE AUTHORITY TO CERTAIN CITY OFFICIALS AND STAFF TO ESTABLISH TERMS OF SALE OF THE NOTES AND TO EXECUTE CERTAIN DOCUMENTS RELATING TO THE SALE THEREOF; ENACTING OTHER PROVISIONS INCIDENT AND RELATED TO THE SUBJECT AND PURPOSE OF THIS ORDINANCE; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, pursuant to the provisions of Chapter 1431, as amended, Texas Government Code (the *Act*), the City Council (the *Governing Body*) of the City of San Antonio, Texas (the *Issuer* or the *City*) is authorized and empowered to issue anticipation notes to pay contractual obligations incurred or to be incurred for the construction of any public works, for the purchase of materials, supplies, equipment, machinery, buildings, lands, and rights-of-way for the Issuer's authorized needs and purposes, and for professional services, including services provided by tax appraisers, engineers, architects, attorneys, auditors, mapmakers, financial advisors, and fiscal agents; and

WHEREAS, in accordance with the provisions of the Act, the Governing Body hereby finds and determines that anticipation notes should be issued and sold at this time to finance the costs of paying contractual obligations to be incurred for (i) streets, sidewalks, and drainage improvements necessary or incidental thereto, (ii) public safety improvements, (iii) information technology improvements, (iv) municipal facilities improvements, and (v) the payment of professional services related to the design, construction, installation, and financing of the aforementioned projects (the *Project*); and

WHEREAS, the Governing Body hereby finds and determines that the issuance of anticipation notes is in the best interests of the residents of the Issuer, now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO THAT:

SECTION 1: Authorization – Designation – Principal Amount – Purpose. General obligation notes of the Issuer shall be and are hereby authorized to be issued in the aggregate principal amount of TWENTY SEVEN MILLION FOUR HUNDRED TEN THOUSAND AND NO/100 DOLLARS ($27,410,000), to be designated and bear the title of "CITY OF SAN ANTONIO, TEXAS TAX NOTES, SERIES 2016" (the *Notes*), for the purpose of providing funds for (i) streets, sidewalks, and drainage improvements necessary or incidental thereto, (ii) public safety improvements, (iii) information technology improvements, (iv) municipal facilities improvements, and (v) the payment of professional services related to the design, construction, installation, and financing of the aforementioned projects, all in conformity with the laws of the State of Texas, particularly Chapter 1431, as amended, Texas Government Code, Chapter 1371, as amended, Texas Government Code, an ordinance adopted by the Governing Body on June 16, 2016, and the Issuer's Home Rule Charter.

As authorized by Chapter 1371, as amended, Texas Government Code (*Chapter 1371*), each Authorized Official is hereby authorized, appointed, and designated as the officers of the Issuer authorized to act on behalf of the Issuer in selling and delivering the Notes authorized herein and carrying out the procedures specified in this Ordinance, including approval of the following terms and provisions for the Notes:

A. Approval of the aggregate principal amount of each maturity of the Notes;

B. Approval of the rate of interest to be borne on the principal amount of each maturity;

C. Approval of the interest payment dates;

D. Approval of the redemption provisions therefor, if any;

E. Approval of the pricing of the Notes, including use of premium, discount, underwriters compensation, and costs of issuance; and

F. Approval, replacement, or confirmation, as applicable, of the underwriting syndicate, to consist of one or more financial institutions included in the Issuer's approved underwriters pool, and the establishment or confirmation, as applicable, of the respective roles of the members of such syndicate, which approval, replacement, and establishment (if any) shall supersede prior action or actions of the Governing Body concerning the same.

The Notes shall be issued within the following parameters:

A. The principal amount of the Notes authorized to be issued pursuant to this Ordinance shall not exceed $30,000,000;

B. The maximum maturity of the Notes will be February 1, 2019; and

C. The true interest rate (federal arbitrage yield) shall not exceed a rate greater than 4.50% per annum.

Any Authorized Official, acting for and on behalf of the Issuer, is authorized to execute the Approval Certificate attached hereto as Schedule I. The execution of the Approval Certificate shall evidence the sale date of the Notes by the Issuer to the Purchasers (hereinafter defined) in accordance with the provisions of Chapter 1371 and as set forth in Schedule I. It is further provided, however, that notwithstanding the foregoing provisions, the Notes shall not be delivered unless prior to delivery, the Notes have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations, as required by Chapter 1371. Upon execution of the Approval Certificate, Co-Bond Counsel is authorized to complete this Ordinance to reflect such final terms.

SECTION 2: Fully Registered Notes – Authorized Denominations – Stated Maturities – Interest Rates – Dated Date. The Notes shall be issued as fully registered obligations, without coupons, shall be dated August 1, 2016 (the *Dated Date*) and shall be issued in authorized denominations of $5,000 or any integral multiple thereof (within a Stated Maturity), shall be lettered "R-" and numbered consecutively from one (1) upward. The principal shall become due and payable on February 1 in each of the years (the *Stated Maturities*) and in the amounts and bear interest at the rates per annum in accordance with the following schedule:

Years of Stated Maturity	Principal Amounts ($)	Interest Rates (%)
2017	8,805,000	3.000
2018	9,070,000	5.000
2019	9,535,000	5.000

The Notes shall bear interest on the unpaid principal amounts from the Closing Date (anticipated to occur on or about August 31, 2016), or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity, while Outstanding, at the rates per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Notes shall be payable on February 1 and August 1 in each year (each, an *Interest Payment Date*), commencing February 1, 2017 while the Notes are Outstanding.

SECTION 3: Payment of Notes – Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Notes, due and payable by reason of Stated Maturity or otherwise, shall be payable, without exchange or collection charges to the Holders (as hereinafter defined), appearing on the Security Register (as hereinafter defined) maintained by the Paying Agent/Registrar (as hereinafter defined) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payment of principal of, premium, if any, and interest on the Notes shall be without exchange or collection charges to the Holder of the Notes.

The selection and appointment of U.S. Bank National Association, Dallas, Texas (the *Paying Agent/Registrar*), to serve as the initial Paying Agent/Registrar for the Notes is hereby

approved and confirmed, and the Issuer agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment, and transfer of the Notes, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit A hereto, and such reasonable rules and regulations as the Paying Agent/Registrar and the Issuer may prescribe. The Issuer covenants to maintain and provide a Paying Agent/Registrar at all times while the Notes are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution or (ii) an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers. Such Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and authorized by law to serve as a Paying Agent/Registrar.

The Issuer reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or ordinance terminating such agency. Additionally, the Issuer agrees to promptly cause a written notice of this substitution to be sent to each Holder of the Notes by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of, premium, if any, and interest on the Notes, due and payable by reason of Stated Maturity or otherwise, shall be payable only to the registered owner of the Notes appearing on the Security Register (the *Holder* or *Holders*) maintained on behalf of the Issuer by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (hereinafter defined) for purposes of payment of interest on the Notes, (ii) on the date of surrender of the Notes for purposes of receiving payment of principal thereof at the Notes' Stated Maturity, and (iii) on any other date for any other purpose. The Issuer and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Note for purposes of receiving payment and all other purposes whatsoever, and neither the Issuer nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of and premium, if any, on the Notes shall be payable only upon presentation and surrender of the Notes to the Paying Agent/Registrar at its corporate trust office. Interest on the Notes shall be paid to the Holder whose name appears in the Security Register at the close of business on the fifteenth (15th) day of the month next preceding an Interest Payment Date for the Notes (the *Record Date*) and shall be paid (i) by check sent by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

If the date for the payment of the principal of, premium, if any, or interest on the Notes shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a day. The payment on such date shall have the same force and effect as if made on the original date any such payment on the Notes was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder of a Note appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption. The Notes are not subject to redemption prior to Stated Maturity.

SECTION 5: Execution – Registration. The Notes shall be executed on behalf of the Issuer by its Mayor under the seal of the Issuer reproduced or impressed thereon and attested by its City Clerk or Assistant City Clerk. The signature of any of said officers on the Notes may be manual or facsimile. Notes bearing the manual or facsimile signatures of individuals who were, at the time of the Dated Date, the proper officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Notes to the Purchasers, all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Note shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Note either a certificate of registration substantially in the form provided in Section 8C herein, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 8D herein, executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly certified or registered and delivered.

SECTION 6: Registration – Transfer – Exchange of Notes – Predecessor Notes. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of every owner of the Notes, or, if appropriate, the nominee thereof. Any Note may, in accordance with its terms and the terms hereof, be transferred or exchanged for Notes of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Note to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Note at the corporate trust office of the Paying Agent/Registrar, the Issuer shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Notes of authorized denomination and having the same Stated Maturity and of a like interest rate and aggregate principal amount as the Note or Notes surrendered for transfer.

At the option of the Holder, Notes may be exchanged for other Notes of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Notes surrendered for exchange upon surrender of the Notes to be exchanged at the corporate trust office of the Paying Agent/Registrar. Whenever any Notes are so surrendered for exchange, the Issuer shall execute, and the Paying Agent/Registrar shall register and deliver, the Notes to the Holder requesting the exchange.

All Notes issued upon any transfer or exchange of Notes shall be delivered at the corporate trust or other office of the Paying Agent/Registrar, or be sent by registered mail to the Holder at his request, risk, and expense, and upon the delivery thereof, the same shall be the valid and binding obligations of the Issuer, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Notes surrendered upon such transfer or exchange.

All transfers or exchanges of Notes pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Notes canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be Predecessor Notes, evidencing all or a portion, as the case may be, of the same debt evidenced by the new Note or Notes registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Notes shall include any Note registered and delivered pursuant to Section 17 herein in lieu of a mutilated, lost, destroyed, or stolen Note which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Note.

SECTION 7: Initial Note. The Notes herein authorized shall be initially issued as a single fully registered Note in the aggregate principal amount of $27,410,000 with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1 (the *Initial Note*), and the Initial Note shall be registered in the name of the Purchasers or the designee thereof. The Initial Note shall be the Note submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchasers. Any time after the delivery of the Initial Note, the Paying Agent/Registrar, pursuant to written instructions from the Purchasers, or the designee thereof, shall cancel the Initial Note delivered hereunder and exchange therefor Definitive Notes of like kind and of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8: Forms.

A. Forms Generally.

The Notes, the Registration Certificate of Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Notes shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including insurance legends in the event the Notes, or any Stated Maturities thereof, are insured and identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of Co-Bond Counsel) thereon as may, consistent herewith, be established by the Issuer or determined by the officers executing the Notes as evidenced by their execution thereof. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

The definitive Notes shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing the Notes as evidenced by their execution thereof, but the Initial Note submitted to the Attorney General of the State of Texas may be typewritten or photocopied or otherwise reproduced.

[The remainder of this page intentionally left blank.]

B. Form of Definitive Note.

REGISTERED
NO. _____

REGISTERED
PRINCIPAL AMOUNT
$_____

United States of America
State of Texas
Counties of Bexar, Comal, and Medina
CITY OF SAN ANTONIO, TEXAS
TAX NOTE, SERIES 2016

Dated Date:	Interest Rate:	Stated Maturity:	CUSIP NO:
August 1, 2016	_____	_____	_____

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

The City of San Antonio, Texas (the *Issuer*), a body corporate and a municipal corporation in the Counties of Bexar, Comal, and Medina, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above and to pay interest on the unpaid Principal Amount hereof from the Closing Date (anticipated to occur on or about August 31, 2016), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to Stated Maturity, while Outstanding, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 of each year (each, an *Interest Payment Date*), commencing February 1, 2017.

Principal on this Note shall be payable to the Registered Owner hereof (the *Holder*), upon presentation and surrender, at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon or a successor thereof. Interest shall be payable to the Holder of this Note (or one or more Predecessor Notes, as defined in the Ordinance hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth (15th) day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Note shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder's risk and expense.

This Note is one of the series specified in its title issued in the aggregate principal amount of $27,410,000 (the *Notes*) pursuant to an ordinance adopted by the Governing Body of the Issuer (the *Ordinance*), for the purpose of providing funds for (i) streets, sidewalks, and drainage improvements necessary or incidental thereto, (ii) public safety improvements, (iii) information technology improvements, (iv) municipal facilities improvements, and (v) the payment of professional services related to the design, construction, installation, and financing of the aforementioned projects, all in conformity with the laws of the State of Texas, including Chapter 1431, as amended, Texas Government Code, Chapter 1371, as amended, Texas Government Code, the Ordinance, and the Issuer's Home Rule Charter.

As provided in the Ordinance, the Notes are not subject to redemption prior to Stated Maturity.

The Notes of this series are payable from the proceeds of an annual ad valorem tax levied, within the limitations prescribed by law, upon all taxable property within the Issuer.

Reference is hereby made to the Ordinance, a copy of which is on file in the corporate trust or other office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Notes; the terms and conditions relating to the transfer or exchange of the Notes; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Issuer and the Paying Agent/Registrar; the terms and provisions upon which this Note may be discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Ordinance. Capitalized terms used herein have the same meanings assigned in the Ordinance.

This Note, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register upon presentation and surrender at the corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Holder hereof, or his duly authorized agent, and thereupon one or more new fully registered Notes of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The Issuer and the Paying Agent/Registrar, and any agent of either, shall treat the Holder hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Note as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity, and (iii) on any other date as the owner hereof for all other purposes, and neither the Issuer nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the

Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to the issuance of this Note in order to render the same a legal, valid, and binding obligation of the Issuer have been performed, exist, and have been done, in regular and due time, form, and manner, as required by the laws of the State of Texas and the Ordinance, and that issuance of the Notes does not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of, premium if any, and interest on the Notes by the levy of a tax as aforestated. In case any provision in this Note or any application thereof shall be deemed invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Note and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed under its official seal.

CITY OF SAN ANTONIO, TEXAS

By_____
Mayor

ATTEST:

_____
City Clerk

(CITY SEAL)

[The remainder of this page intentionally left blank.]

C. *Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Note Only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER OF PUBLIC ACCOUNTS	§	
	§	
	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

I HEREBY CERTIFY that this Note has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____

_____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

*NOTE TO PRINTER: Not to appear on printed Notes.

D. Form of Certificate of Paying Agent/Registrar to Appear on Definitive Notes Only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Note has been duly issued under the provisions of the within-mentioned Ordinance; the Note or Notes of the above-entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

Registered this date:

U.S. BANK NATIONAL ASSOCIATION,
Dallas, Texas, as Paying Agent/Registrar

_____

By: _____
Authorized Signature

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): _____

_____

(Social Security or other identifying number): _____

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

_____

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular.

Signature guaranteed:

_____

F. The Initial Note shall be in the respective forms set forth in paragraph B of this Section, except that the form of a single fully registered Initial Note shall be modified as follows:

(i) immediately under the name of the Note the headings "Interest Rate ____" and "Stated Maturity _____" shall both be completed "as shown below";

(ii) the first two paragraphs shall read as follows:

Registered Owner: _____

Principal Amount: _____

The City of San Antonio, Texas (the *Issuer*), a body corporate and municipal corporation in the Counties of Bexar, Comal, and Medina, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the Principal Amount specified above on the first (1st) day of February in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

Years of Stated Maturity	Principal Amounts ($)	Interest Rates (%)

(Information to be inserted from schedule in Section 2 hereof.)

and to pay interest on the unpaid Principal Amount hereof from the Closing Date (anticipated to occur on August 31, 2016) or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for, at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 of each year (each, an *Interest Payment Date*), commencing February 1, 2017.

Principal of this Note shall be payable to the Registered Owner hereof (the *Holder*), upon its presentation and surrender to Stated Maturity, while Outstanding, at the corporate trust office of U.S. Bank National Association, Dallas, Texas (the *Paying Agent/Registrar*). Interest shall be payable to the Holder of this Note whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth (15th) day of the month next preceding each interest payment date. All payments of principal of and interest on this Note shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

G. Insurance Legend. If bond insurance is obtained by the Issuer or the Purchasers for the Notes, the definitive Notes and the Initial Note shall bear an appropriate legend as provided by the insurer.

SECTION 9: Definitions. For all purposes of this Ordinance (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Sections 19 and 36 of this Ordinance have the meanings assigned to them in such Sections, and all such terms include the plural as well as the singular; (ii) all references in this Ordinance to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of this Ordinance as originally adopted; and (iii) the words "herein", "hereof", and "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision.

A. The term *Authorized Officials* shall mean the Mayor, the City Manager, the Chief Financial Officer, the City Clerk, or the Director of Finance.

B. The term *Certificates* shall mean the $84,855,000 "CITY OF SAN ANTONIO, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION,

SERIES 2016" authorized pursuant to a separate ordinance approved by the Governing Body on June 16, 2016 but sold and delivered concurrently with the Notes.

C. The term *Closing Date* shall mean the date of physical delivery of the Initial Note in exchange for the payment in full by the Purchasers.

D. The term *Issuer* shall mean the City of San Antonio, Texas located in the Counties of Bexar, Comal, and Medina, Texas and, where appropriate, the Governing Body of the Issuer.

E. The term *Debt Service Requirements* shall mean, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the Issuer as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest at the maximum rate permitted by the terms thereof and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto.

F. The term *Depository* shall mean an official depository bank of the Issuer.

G. The term *General Improvement and Refunding Bonds* shall mean the $194,175,000 "CITY OF SAN ANTONIO, TEXAS GENERAL IMPROVEMENT AND REFUNDING BONDS, SERIES 2016" authorized pursuant to a separate ordinance approved by the Governing Body on June 16, 2016 but sold and delivered concurrently with the Notes.

H. The term *Government Securities,* as used herein, shall mean: (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; or (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Notes.

I. The term *Holder* or *Holders* shall mean the registered owner, whose name appears in the Security Register, for any Note.

J. The term *Interest Payment Date* shall mean the date interest is payable on the Notes, being February 1 and August 1 of each year, commencing February 1, 2017, while any of the Notes remain Outstanding.

K. The term *Note Fund* shall mean the special fund created and established by the provisions of Section 10 of this Ordinance.

L. The term *Notes* shall mean the $27,410,000 "CITY OF SAN ANTONIO, TEXAS TAX NOTES, SERIES 2016" authorized by this Ordinance.

M. The term *Ordinance* shall mean this ordinance finally adopted by the Governing Body of the Issuer on June 16, 2016.

N. The term *Outstanding* when used in this Ordinance with respect to Notes shall mean, as of the date of determination, all Notes issued and delivered under this Ordinance, except:

(1) those Notes canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Notes for which payment has been duly provided by the Issuer in accordance with the provisions of Section 21 of this Ordinance; and

(3) those Notes that have been mutilated, destroyed, lost, or stolen and replacement Notes have been registered and delivered in lieu thereof as provided in Section 17 of this Ordinance.

O. The term *Purchasers* shall mean the initial purchasers of the Notes named in Section 18 of this Ordinance.

P. The term *Stated Maturity* shall mean the annual principal payments of the Notes payable on February 1 of each year, as set forth in Section 2 of this Ordinance.

SECTION 10: Note Fund – Investments. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Notes, there shall be and is hereby created a special fund to be designated "CITY OF SAN ANTONIO, TEXAS TAX NOTES, SERIES 2016 INTEREST AND SINKING FUND" (the *Note Fund*), which fund shall be kept and maintained at the Depository, and money deposited in such fund shall be used for no other purpose and shall be maintained as provided in Section 19. Authorized Officials of the Issuer are hereby authorized and directed to make withdrawals from the Note Fund sufficient to pay the principal of, premium, if any, and interest on the Notes as the same become due and payable and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Note Fund an amount sufficient to pay the amount of principal and/or interest stated to mature on the Notes, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the business day next preceding each interest and principal payment date for the Notes.

Pending the transfer of funds to the Paying Agent/Registrar, money deposited in any fund created and established by this Ordinance, at the option of the Issuer, may be placed in time deposits, certificates of deposit, guaranteed investment contracts, or similar contractual agreements, as permitted by the provisions of the Public Funds Investment Act, as amended,

Chapter 2256, Texas Government Code, secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or be invested, as authorized by any law, including investments held in book-entry form, in securities including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from such fund will be available at the proper time or times. All interest and income derived from deposits and investments in such fund shall be credited to, and any losses debited to, such fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Notes.

SECTION 11: Tax Levy. To provide for the payment of the Debt Service Requirements on the Notes being (i) the interest on the Notes and (ii) a sinking fund for their redemption at Stated Maturity or a sinking fund of two percent (2%) (whichever amount shall be the greater), there shall be and there is hereby levied for the fiscal year commencing October 1, 2016 and each succeeding year thereafter while the Notes or any interest thereon shall remain Outstanding, a sufficient tax, within the limitations prescribed by law, on each one hundred ($100) dollars' valuation of taxable property in the Issuer, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Note Fund and are thereafter pledged to the payment of the Notes. The Governing Body hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay such Debt Service Requirements, it having been determined that the existing and available taxing authority of the Issuer for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness and other obligations of the Issuer.

SECTION 12: Deposits to Note Fund – Surplus Note Proceeds. The Issuer hereby covenants and agrees to cause to be deposited in the Note Fund prior to a principal and interest payment date for the Notes, from the annual levy of an ad valorem tax or from other lawfully available funds, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Notes as the same accrues or matures or comes due by reason of Stated Maturity.

Accrued interest, if any, received from the Purchasers of the Notes shall be deposited to the Note Fund. In addition, any surplus proceeds from the sale of the Notes, including investment income thereon, not expended for authorized purposes, as described in Section 1 hereof, shall be deposited in the Note Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in said fund from ad valorem taxes.

SECTION 13: Security of Funds. All money on deposit in the funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and money on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

SECTION 14: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the Issuer covenants and agrees particularly that in the event the Issuer (i) defaults in the payments to be made to the Note Fund or (ii) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, the Holders of any of the Notes shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Governing Body of the Issuer and other officers of the Issuer to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 15: Notices to Holders – Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first-class postage prepaid, to the address of each Holder as it appears in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Holders. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 16: Cancellation. All Notes surrendered for payment, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the Issuer, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The Issuer may at any time deliver to the Paying Agent/Registrar for cancellation any Notes previously certified or registered and delivered which the Issuer may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Notes held by the Paying Agent/Registrar shall be destroyed as directed by the Issuer.

SECTION 17: Mutilated, Destroyed, Lost, and Stolen Notes. If (i) any mutilated Note is surrendered to the Paying Agent/Registrar, or the Issuer and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Note, and (ii) there is delivered to the Issuer and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the Issuer or the Paying Agent/Registrar that such Note has been acquired by a bona fide purchaser, the Issuer shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Note, a new Note of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Note has become or is about to become due and payable, the Issuer in its discretion may, instead of issuing a new Note, pay such Note.

Upon the issuance of any new Note or payment in lieu thereof, under this Section, the Issuer may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses (including attorney's fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Note issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Note shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Notes.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Notes.

SECTION 18: Sale of Notes – Approval of Purchase Contract – Authorization and Distribution of the Official Statement – Use of Proceeds. The Notes authorized by this Ordinance are hereby sold by the Issuer to Ramirez & Co., Inc., Austin, Texas, as the authorized representative of a group of investors (the *Purchasers*, having all of the rights, duties, and obligations of a Holder), in accordance with the provisions of a Purchase Contract dated August 2, 2016 (the *Purchase Contract*) attached hereto as Exhibit B and incorporated hereby by reference as a part of this Ordinance for all purposes. The Initial Note shall be registered in the name of Ramirez & Co., Inc. The pricing and terms of the sale of the Notes are hereby found and determined to be the most advantageous reasonably obtainable by the City. Each Authorized Official is hereby authorized and directed to execute the Purchase Contract for and on behalf of the Issuer and as the act and deed of this Governing Body, and in regard to the approval and execution of the Purchase Contract, the Governing Body hereby finds, determines and declares that the representations, warranties, and agreements of the Issuer contained in the Purchase Contract are true and correct in all material respects and shall be honored by the Issuer. Delivery of the Notes to the Purchasers shall occur as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of the Purchase Contract.

Furthermore, the Issuer hereby ratifies, confirms, and approves in all respects (i) the Issuer's prior determination that the Preliminary Official Statement was, as of its date, "deemed final" in accordance with the Rule (hereinafter defined), and (ii) the use and distribution of the Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Notes. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale, referenced in the Purchase Contract (together with such changes approved by an Authorized Official), shall be and is hereby in all respects, including form and content, approved and the Purchasers are hereby authorized to use and distribute the final Official Statement, dated August 2, 2016, in the reoffering, sale and delivery of the Notes to the public. The Mayor and City Clerk are further authorized and directed to manually execute and deliver for and on behalf of the Issuer copies of the Official Statement in final form as may be required by the Purchasers, and such final Official Statement in the form and content manually executed by said officials shall be deemed to be approved by the Governing Body and constitute the Official Statement authorized for distribution and use by the Purchasers.

Proceeds from the sale of the Notes shall be applied as follows:

(1) Accrued interest, if any, received from the Purchasers shall be deposited into the Note Fund.

(2) The City received an original issue reoffering premium from the sale of the Notes of $1,649,981.95 which is hereby allocated by the City in the following manner: $127,839.34 of the premium shall be used to pay costs of issuance and the contingency amount, $60,352.61 shall be used to pay the Purchasers' discount, and $1,461,790.00 shall be deposited into the construction fund.

(3) $28,871,790.00 (representing $27,410,000.00 of principal and $1,461,790.00 of remaining net original issue reoffering premium after making the disbursements described above) shall be deposited into the special construction account or accounts created for the projects to be constructed with the proceeds of the Notes. This special construction account shall be established and maintained at the Depository and shall be invested in accordance with the provisions of Section 10 of this Ordinance. Interest earned on the proceeds of the Notes pending completion of construction of the projects financed with such proceeds shall be accounted for, maintained, deposited, and expended as permitted by the provisions of Chapter 1201, as amended, Texas Government Code, or as required by any other applicable law. Thereafter, such amounts shall be expended in accordance with Section 12 of this Ordinance.

SECTION 19: Covenants to Maintain Tax-Exempt Status.

A. Definitions. When used in this Section, the following terms have the following meanings:

Code means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

Computation Date has the meaning set forth in Section 1.148-1(b) of the Regulations.

Gross Proceeds means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Notes.

Investment has the meaning set forth in Section 1.148-1(b) of the Regulations.

Nonpurpose Investment means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Notes are invested and which is not acquired to carry out the governmental purposes of the Notes.

Rebate Amount has the meaning set forth in Section 1.148-1(b) of the Regulations.

Regulations means any proposed, temporary, or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Notes. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

Yield of

(1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and

(2) the Notes means the combined yield on the General Improvement and Refunding Bonds , the Certificates, and the Notes, treating them as a single issue and as calculated pursuant to Section 1.148-4 of the Regulations.

B. Not to Cause Interest to Become Taxable. The Issuer shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Notes to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Issuer receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Note, the Issuer shall comply with each of the specific covenants in this Section.

C. No Private Use or Private Payments. Except to the extent that it will not cause the Notes to become "private activity bonds" within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the Issuer shall at all times prior to the last Stated Maturity of Notes:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Notes, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Notes or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the Issuer or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

D. No Private Loan. Except to the extent that it will not cause the Notes to become "private activity bonds" within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the Issuer shall not use Gross Proceeds of the Notes to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (i) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (ii) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (iii) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

E. Not to Invest at Higher Yield. Except to the extent that it will cause the Notes to become "arbitrage bonds" within the meaning of section 148 of the Code and the Regulations and rulings thereunder, the Issuer shall not at any time prior to the final Stated Maturity of the Notes directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of the Notes.

F. Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the Issuer shall not take or omit to take any action which would cause the Notes to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

G. Information Report. The Issuer shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary of the Treasury may prescribe.

H. Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The Issuer shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six (6) years after the day on which the last Outstanding Note is discharged. However, to the extent permitted by law, the Issuer may commingle Gross Proceeds of the Notes with other money of the Issuer, provided that the Issuer separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the Issuer shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The Issuer shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Notes until six (6) years after the final Computation Date.

(3) As additional consideration for the purchase of the Notes by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the Issuer shall pay to the United States out of the Note Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Notes equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The Issuer shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

I. Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the Issuer shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Notes, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection H of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Notes not been relevant to either party.

J. Notes Not Hedge Bonds.

(1) The Issuer reasonably expects to spend at least eighty-five percent (85%) of the spendable proceeds of the Notes within three (3) years after such Notes are issued.

(2) Not more than fifty percent (50%) of the proceeds of the Notes will be invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of four (4) years or more.

K. Elections. The Issuer hereby directs and authorizes any Authorized Official or the City Attorney, either or any combination of the foregoing, to make such elections in the Certificate as to Tax Exemption or similar or other appropriate certificate, form, or document permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Notes. Such elections shall be deemed to be made on the Closing Date.

SECTION 20: Control and Custody of Notes. The Mayor shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas and shall take and have charge and control of the Notes pending their approval by the Attorney General of the State of Texas, the registration thereof by the Comptroller of Public Accounts of the State of Texas and the delivery of the Notes to the Purchasers.

Furthermore, any Authorized Official, either individually or any combination of them, are hereby authorized and directed to furnish and execute such documents relating to the Issuer and its financial affairs as may be necessary for the issuance of the Notes, the approval of the Attorney General of the State of Texas and their registration by the Comptroller of Public Accounts of the State of Texas and, together with the Issuer's Co-Financial Advisors, Co-Bond Counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Note to the Purchasers and, when requested in writing by the Purchasers, the initial exchange thereof for definitive Notes.

SECTION 21: Satisfaction of Obligation of Issuer. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Notes, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements, and other obligations of the Issuer to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Notes, or any principal amount(s) thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Notes or the principal amount(s) thereof at Stated Maturity, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, and/or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified, in the case of a net defeasance, by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any

money deposited therewith, if any, to pay when due the principal of and interest on such Notes, or the principal amount(s) thereof, at the Stated Maturity thereof. The Issuer covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Notes to be treated as arbitrage bonds within the meaning of section 148 of the Code (as defined in Section 19 hereof).

Any money so deposited with the Paying Agent/Registrar, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Notes, or any principal amount(s) thereof, or interest thereon with respect to which such money has been so deposited shall be remitted to the Issuer or deposited as directed by the Issuer. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Notes and remaining unclaimed for a period of three (3) years after the Stated Maturity of the Notes such money was deposited and is held in trust to pay shall upon the request of the Issuer be remitted to the Issuer against a written receipt therefor, subject to the unclaimed property laws of the State of Texas.

SECTION 22: Printed Opinion. The Purchasers' obligation to accept delivery of the Notes is subject to its being furnished a final opinion of Norton Rose Fulbright US LLP and Kassahn & Ortiz, P.C., as Co-Bond Counsel, approving certain legal matters as to the Notes, said opinion to be dated and delivered as of the date of initial delivery and payment for such Notes. Printing of a true and correct copy of this opinion on the reverse side of each of the Notes, with appropriate certificate pertaining thereto executed by facsimile signature of the City Clerk of the Issuer is hereby approved and authorized.

SECTION 23: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Notes. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Notes shall be of no significance or effect as regards the legality thereof, and neither the Issuer nor attorneys approving said Notes as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Notes.

SECTION 24: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 25: Ordinance a Contract; Amendments – Outstanding Notes. The Issuer acknowledges that the covenants and obligations of the Issuer herein contained are a material inducement to the purchase of the Notes. This Ordinance shall constitute a contract with the Holders from time to time, shall be binding on the Issuer and its successors and assigns, and shall not be amended or repealed by the Issuer so long as any Note remains Outstanding except as permitted in this Section. The Issuer may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Issuer may, with the written consent of Holders holding a majority in aggregate principal amount of the Notes then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided, however that, without the consent of all Holders of Outstanding Notes, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, and interest on the Notes, reduce the

principal amount thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, or interest on the Notes, (2) give any preference to any Note over any other Note, or (3) reduce the aggregate principal amount of Notes required for consent to any such amendment, addition, or rescission.

SECTION 26: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the Issuer, Co-Bond Counsel, Paying Agent/Registrar, the Purchasers, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the Issuer, Co-Bond Counsel, the Paying Agent/Registrar, the Purchasers, and the Holders.

SECTION 27: Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters ordained herein.

SECTION 28: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 29: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 30: Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Governing Body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 31: Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Governing Body.

SECTION 32: Authorization of Paying Agent/Registrar Agreement. The Governing Body of the Issuer hereby finds and determines that it is in the best interest of the Issuer to authorize the execution of a Paying Agent/Registrar Agreement pertaining to the registration, exchange, transferability, and payment of the Notes. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated by reference to the provisions of this Ordinance.

SECTION 33: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance 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 Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 34: Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the Issuer or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

SECTION 35: No Recourse Against Issuer Officials. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Note or for any claim based thereon or on this Ordinance against any official of the Issuer or any person executing any Note.

SECTION 36: Continuing Disclosure Undertaking; Annual Reports.

A. Definitions.

As used in this Section, the following terms have the meanings ascribed to such terms below:

EMMA means the MSRB's Electronic Municipal Market Access system, accessible by the general public, without charge, on the internet through the uniform resource locator (URL) http://www.emma.msrb.org.

MSRB means the Municipal Securities Rulemaking Board.

Rule means SEC Rule 15c2-12, as amended from time to time.

SEC means the United States Securities and Exchange Commission.

B. Annual Reports.

The Issuer shall file annually with the MSRB, (1) within six (6) months after the end of each fiscal year of the Issuer ending in or after 2016, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by Section 18 of this Ordinance, being the information described in Exhibit C hereto, and (2) if not provided as part such financial information and operating data, audited financial statements of the Issuer, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall file unaudited financial statements within such period and audited for the applicable fiscal year to the MSRB, when and if the audit report on such statements becomes available.

If the Issuer changes its fiscal year, it will file notice thereof with the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer

otherwise would be required to provide financial information and operating data pursuant to this Section.

C. Notice of Certain Events.

The Issuer shall file notice of any of the following events with respect to the Notes to the MSRB in a timely manner and not more than ten (10) business days after occurrence of the event:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax exempt status of the Notes, or other material events affecting the tax status of the Notes;

(7) Modifications to rights of holders of the Notes, if material;

(8) Note calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Notes, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership, or similar event of the Issuer, which shall occur as described below;

(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar if material.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer shall file notice with the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with this Section by the time required by this Section.

D. Limitations, Disclaimers, and Amendments.

The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Notes within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit that causes the Notes to be no longer Outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Notes, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Notes at any future date.

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY NOTE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, 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.

No default by the Issuer in observing or performing their obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Notes in the primary offering of the Notes in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Notes consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Notes. The Issuer may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Issuer also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Notes in the primary offering of the Notes, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Issuer so amends the provisions of this Section, the Issuer shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

E. Information Format – Incorporation by Reference.

The Issuer information required under this Section shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents submitted to EMMA must be in word-searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public through EMMA or filed with the SEC.

SECTION 37: Book-Entry Only System.

The Notes shall initially be registered so as to participate in a securities depository system (the *DTC System*) with the Depository Trust Company, New York, New York, or any successor entity thereto (*DTC*), as set forth herein. Each Stated Maturity of the Notes shall be issued (following cancellation of the Initial Note described in Section 7) in the form of a separate single

definitive Note. Upon issuance, the ownership of each such Note shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Notes shall be registered in the name of Cede & Co., as the nominee of DTC. The Issuer and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit D (the *Representation Letter*).

With respect to the Notes registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Notes from time to time as securities depository (a *Depository Participant*) or to any person on behalf of whom such a Depository Participant holds an interest in the Notes (an *Indirect Participant*). Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Notes, (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Notes, as shown on the Security Register, of any notice with respect to the Notes, including any notice of redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Note, of any amount with respect to principal of, premium, if any, or interest on the Notes. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest on the Notes pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the Holder, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

In the event that (a) the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the Issuer determines that it is in the best interest of the beneficial owners of the Notes that they be able to obtain certificated Notes, the Issuer shall notify the Paying Agent/Registrar, DTC, and the Depository Participants of the availability within a reasonable period of time through DTC of bond certificates, and the Notes shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the Issuer may determine that the Notes shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Issuer, or such depository's agent or designee, and if the Issuer and the Paying Agent/Registrar do not select such alternate securities depository system then the Notes may be registered in whatever name or names the Holders of Notes transferring or exchanging the Notes shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Note is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Note and all notices with respect to such Note shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 38: Further Procedures. The officers and employees of the Issuer are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of the Notes, the Paying Agent/Registrar Agreement, the Purchase Contract, and the Official Statement. In addition, prior to the initial delivery of the Notes, each Authorized Official and Co-Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Notes by the Texas Attorney General's office. In case any officer of the Issuer whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 39: Ancillary Bond Contracts. Though such parties may be identified, and the entry into a particular form of contract may be authorized herein, the Governing Body hereby delegates to each Authorized Official other than the Mayor the authority to independently select the counterparty to any agreement with any paying agent/registrar, rating agency, securities depository, or any other contract that is determined by an Authorized Official (other than the Mayor), the City's Co-Financial Advisor, or the City's Co-Bond Counsel to be necessary or incidental to the issuance of the Notes as long as each of such contracts has a value of less than the amount referenced in Section 2252.908 of the Texas Government Code (collectively, the *Ancillary Bond Contracts*); and, as necessary, to execute the Ancillary Bond Contracts on behalf and as the act and deed of the City. The Governing Body has not participated in the selection of any of the business entities which are counterparties to the Ancillary Bond Contracts.

SECTION 40: Perfection of Security Interest. Chapter 1208, Texas Government Code, applies to the issuance of the Notes and the pledge of ad valorem taxes granted by the Issuer in Section 11, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Notes are outstanding and unpaid such that the pledge of ad valorem taxes granted by the Issuer is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Notes the perfection of the security interest in this pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in this pledge to occur.

SECTION 41: City's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the City hereby consents to and authorizes any

Authorized Official, the City's Co-Bond Counsel, and/or the City's Co-Financial Advisors to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Notes; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Notes.

SECTION 42: Effective Date. The effective date of this Ordinance shall be governed by the provisions of Section 1-15 of the City Code of San Antonio, Texas. This Ordinance shall take effect immediately if passed by eight (8) affirmative votes; otherwise, this Ordinance shall take effect ten (10) days from the date of passage.

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PASSED AND ADOPTED by an affirmative vote of 11 members of the City Council of the City of San Antonio, Texas, this the 16th day of June, 2016.

CITY OF SAN ANTONIO

Mayor

ATTEST:

City Clerk

(CITY SEAL)

I, the undersigned, Acting City Attorney of the City of San Antonio, Texas, hereby certify that I read, passed upon, and approved as to form the foregoing Ordinance prior to its adoption and passage as aforesaid.

Acting City Attorney
City of San Antonio, Texas

Agenda Item:	**37D (in consent vote: 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18A, 20, 21, 22, 26, 28, 30, 31, 33, 34, 35, 36, 37A, 37B, 37C, 37D, 37E)**
Date:	06/16/2016
Time:	09:35:28 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing the issuance of the City of San Antonio, Texas Tax Notes, Series 2016, in an aggregate principal amount not to exceed $30,000,000, and authorizing other matters incident and related thereto.
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Treviño	District 1		x				
Alan Warrick	District 2		x			x	
Rebecca Viagran	District 3		x				x
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

INDEX OF SCHEDULES AND EXHIBITS

Schedule I – Form of Approval Certificate

Exhibit A – Paying Agent/Registrar Agreement

Exhibit B – Purchase Contract

Exhibit C – Description of Annual Financial Information

Exhibit D – DTC Letter of Representations

SCHEDULE I

Form of Approval Certificate

See Tab No. 2

EXHIBIT A

Paying Agent/Registrar Agreement

See Tab No. 4

EXHIBIT B

Purchase Contract

See Tab No. 8

EXHIBIT C

Description of Annual Financial Information

Information and Data with Respect to the Issuer

The information and data with respect to the Issuer referred to in Section 36 of this Ordinance are the quantitative financial information and operating data specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The Issuer's audited financial statements for the most recently concluded fiscal year or to the extent these audited financial statements are not available, the portions of the unaudited financial statements of the Issuer appended to the Official Statement as Appendix C, but for the most recently concluded fiscal year.

2. Tables 1A through 13 and 16 through 19 in the Official Statement.

Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time.

EXHIBIT D

DTC Letter of Representations

See Tab No. 5