

ORDINANCE NO. 2008-06-12-0537

AUTHORIZING THE TERMINATION OF UBS SECURITIES LLC AS THE DEALER FOR THE CITY'S SALES TAX REVENUE COMMERCIAL PAPER NOTE PROGRAM, AND APPROVING AND AUTHORIZING THE EXECUTION OF A COMMERCIAL PAPER DEALER AGREEMENT WITH SAMUEL A. RAMIREZ & CO., INC. TO SERVE AS THE NEW DEALER FOR SUCH COMMERCIAL PAPER NOTE PROGRAM

WHEREAS, pursuant to Ordinance No. 2007-05-10-0526 (the "*Note Ordinance*") adopted by the City Council of the CITY OF SAN ANTONIO, TEXAS (the "*City*") on May 10, 2007, the City authorized the establishment of a Sales Tax Commercial Paper Note Program (the "*Commercial Paper Program*") pursuant to which the City is authorized to issue Commercial Paper Notes in an aggregate principal amount at any one time outstanding not to exceed \$50,000,000 for the purpose of providing financing to acquire property for a conservation easement or open-space preservation program intended to protect water in the Edwards Aquifer, as approved by the voters of the City on May 7, 2005 through the implementation of a 1/8th cent sales and use tax in the City; and

WHEREAS, the Note Ordinance approved UBS Securities LLC ("*UBS*") to serve as the "Dealer" in connection with the Commercial Paper Program in accordance with the terms of a Commercial Paper Dealer Agreement, dated as of May 1, 2007, between the City and UBS (the "*UBS Dealer Agreement*"); and

WHEREAS, the City has been notified that UBS will be closing its institutional municipal securities group in the near future, which necessitates finding a replacement for UBS as the Dealer for the Commercial Paper Program; and

WHEREAS, Section 7 of the UBS Dealer Agreement authorizes the City to remove UBS as the Dealer upon seven days written notice; and

WHEREAS, the City now deems it necessary and appropriate to amend the Note Ordinance for the purpose of authorizing the termination and removal of UBS as the Dealer under the Commercial Paper Program; and

WHEREAS, the City's staff requested the submission of bids from the City's approved underwriting firms to serve as the new Dealer for the Commercial Paper Program, and based on the receipt of such bids, the City's Director of Finance has recommended that Samuel A. Ramirez & Co., Inc. ("*Ramirez*") be appointed to serve as the new Dealer for the Commercial Paper Program; and

WHEREAS, the City Council now deems it appropriate to further amend the Note Ordinance in order to appoint Ramirez to serve as the new Dealer for the Commercial Paper Program and to authorize the City to enter into a new Commercial Paper Dealer Agreement in substantially the form attached hereto as Exhibit A; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; **NOW THEREFORE**:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS:

SECTION 1. TERMINATION OF UBS AS DEALER. The City Council hereby authorizes the termination of UBS as the Dealer for the Commercial Paper Program and, consequently, the termination of the UBS Dealer Agreement as originally approved in accordance with Section 3.04 of the Note Ordinance, and the City Council further authorizes the Director of Finance of the City, or another appropriate official of the City, to send a formal notice of termination to UBS in accordance with the termination provisions of the UBS Dealer Agreement. The effective date of such termination shall be a date determined by the Director of Finance in his discretion.

SECTION 2. APPOINTMENT OF RAMIREZ AS THE NEW DEALER. Ramirez is hereby appointed to serve as the new Dealer for the Commercial Paper Program, which appointment shall become effective immediately upon the effective date of the termination of UBS as the Dealer. The Mayor, City Manager, any Deputy City Manager, any Assistant City Manager, and the Director of Finance of the City each is hereby authorized to execute on behalf of the City a Commercial Paper Dealer Agreement with Ramirez in substantially the form attached hereto as Exhibit A. The Mayor, City Manager, any Deputy City Manager, any Assistant City Manager, and the Director of Finance of the City are further authorized to approve any and all changes to such Commercial Paper Dealer Agreement from the form attached to this Ordinance and approved at this meeting, and such approval shall be evidenced by the signature of such authorized person and the delivery of such executed Dealer Agreement to Ramirez as the new Dealer.

SECTION 3. AUTHORIZATION OF OTHER NECESSARY ACTIONS; SIGNATURES. The Mayor, the City Manager, any Deputy City Manger, any Assistant City Manager, the City Clerk, the Director of Finance, and any other officer, employee, agent and official of the City designated by the City Manager are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform and to take any and all action necessary and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, documents and agreements, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of the Dealer Agreement with Ramirez.

6/12/08
Item #30

SECTION 4. ENFORCEABILITY OF ORDINANCE. If any section, paragraph, clause, or provision of this Ordinance shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance. In case any obligation of the City authorized or established by this Ordinance or the City Agreements is held to be in violation of law as applied to any person or any circumstance, such obligation shall be deemed to be the obligation of the City to the fullest extent permitted by law.

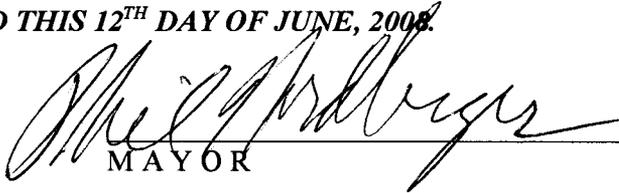
SECTION 5. INCORPORATION OF RECITALS. The City Council hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City Council hereby incorporates such recitals as a part of this Ordinance.

SECTION 6. EFFECTIVE DATE. This Ordinance shall become effective on the tenth day from passage hereof.

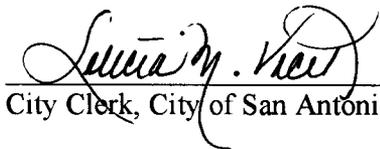
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6/12/08
Item #30

PASSED AND APPROVED THIS 12TH DAY OF JUNE, 2008.


MAYOR

ATTEST:


City Clerk, City of San Antonio, Texas



(CITY SEAL)

APPROVED AS TO FORM:

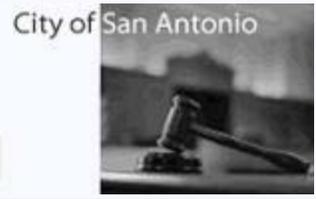
By: 
City Attorney

** ** * ** * ** * **

[SIGNATURE PAGE FOR ORDINANCE RELATING TO SALES TAX COMMERCIAL PAPER NOTES]



Request for
**COUNCIL
ACTION**



Agenda Voting Results - 30

Name:	8, 9, 12, 14, 15, 18, 20, 22, 23, 24, 26, 27, 28A, 28B, 29A, 29B, 30, 31, 32, 33, 37, 38, 39A, 39B, 39C
Date:	06/12/2008
Time:	10:17:35 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing the termination of UBS Securities LLC as the Dealer for the City’s Sales Tax Revenue Commercial Paper Note Program; and approving and authorizing the execution of a Commercial Paper Dealer Agreement with Ramirez & Co., Inc. to serve as the new Dealer for such Commercial Paper Note Program. [Pat DiGiovanni, Deputy City Manager; Ben Gorzell, Director, Finance]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Phil Hardberger	Mayor		x				
Mary Alice P. Cisneros	District 1		x				
Sheila D. McNeil	District 2		x				
Jennifer V. Ramos	District 3		x				x
Philip A. Cortez	District 4		x				
Lourdes Galvan	District 5		x				
Delicia Herrera	District 6		x			x	
Justin Rodriguez	District 7		x				
Diane G. Cibrian	District 8		x				
Louis E. Rowe	District 9		x				
John G. Clamp	District 10		x				

6/12/08
Item #30

EXHIBIT A

FORM OF DEALER AGREEMENT

CERTIFICATE FOR ORDINANCE

I, the undersigned City Clerk of the CITY OF SAN ANTONIO, TEXAS (the "City"), hereby certify as follows:

1. The City Council of the City convened in REGULAR MEETING ON THE 12TH DAY OF JUNE, 2008 at the designated meeting place, and the roll was called of the duly constituted officers and members of said City Council, to wit:

Phil Hardberger, Mayor
Mary Alice P. Cisneros, Councilmember, District 1
Sheila D. McNeil, Councilmember, District 2
Jennifer V. Ramos, Councilmember, District 3
Philip A. Cortez, Councilmember, District 4
Lourdes Galvan, Councilmember, District 5

Delicia Herrera, Councilmember, District 6
Justin Rodriguez, Councilmember, District 7
Diane G. Cibrian, Councilmember, District 8
Louis E. Rowe, Councilmember, District 9
John G. Clamp, Councilmember District 10

and all of said persons were present, except the following absentees: NONE
_____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written Ordinance entitled:

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AUTHORIZING THE TERMINATION OF UBS SECURITIES LLC AS THE DEALER FOR THE CITY'S SALES TAX REVENUE COMMERCIAL PAPER NOTE PROGRAM, AND APPROVING AND AUTHORIZING THE EXECUTION OF A COMMERCIAL PAPER DEALER AGREEMENT WITH SAMUEL A. RAMIREZ & CO., INC. TO SERVE AS THE NEW DEALER FOR SUCH COMMERCIAL PAPER NOTE PROGRAM

was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said Ordinance be passed; and, after due discussion, said motion, carrying with it the passage of said Ordinance, prevailed and carried by the following vote:

AYES: 11 NOES: 0 ABSTENTIONS: 0

2. A true, full and correct copy of the aforesaid Ordinance passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Ordinance has been duly recorded in said City Council's minutes of said Meeting; the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said Meeting pertaining to the passage of said Ordinance; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Ordinance would be introduced and considered for passage at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose; and said Meeting was open to the public and public notice of the time, place and purpose of said Meeting was given, all as required by Texas Government Code, Chapter 551.

SIGNED AND SEALED THE 12TH DAY OF JUNE, 2008.



Maria J. [Signature]
City Clerk, City of San Antonio, Texas

COMMERCIAL PAPER DEALER AGREEMENT

Between

CITY OF SAN ANTONIO, TEXAS
(as the Issuer)

and

SAMUEL A RAMIREZ & CO., INC.
(as the Dealer)

Dated as of July 1, 2008

Relating to

CITY OF SAN ANTONIO, TEXAS
SALES TAX REVENUE COMMERCIAL PAPER NOTES, SERIES A

TABLE OF CONTENTS

	<u>Page</u>
Section 1. Background and Definitions	1
Section 2. Appointment of Dealer	1
Section 3. Responsibilities of Dealer	1
Section 4. Transactions in Notes	3
Section 5. Payment for Notes	4
Section 6. Designated Representative	4
Section 7. Resignation and Removal of Dealer	4
Section 8. Furnishing of Disclosure Materials	4
Section 9. Fees and Expenses	5
Section 10. Representations, Warranties, Covenants and Agreements of the Issuer	5
Section 11. Term of Agreement	6
Section 12. Governing Law	6
Section 13. Dealing in Notes by the Dealer; No Obligation to Purchase Notes	6
Section 14. Miscellaneous	6
Exhibit A Certificate of Designated Representative	

COMMERCIAL PAPER DEALER AGREEMENT

This **COMMERCIAL PAPER DEALER AGREEMENT**, dated as of July 1, 2008 (this "**Agreement**"), between the **CITY OF SAN ANTONIO, TEXAS** (the "Issuer") and **SAMUELA A. RAMIREZ & CO., INC.** ("**Ramirez**" or the "**Dealer**").

For and in consideration of the mutual covenants made herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. BACKGROUND AND DEFINITIONS. (a) The Issuer has authorized the issuance and reissuance from time-to-time of its tax-exempt commercial paper notes (the "**Notes**") in the aggregate principal amount not to exceed \$50,000,000 outstanding at any time.

(b) The issuer has authorized the issuance of the Notes pursuant to its ordinance adopted on May 10, 2007 (the "**Authorizing Document**").

(c) **BANK OF AMERICA, N.A.** (the "**Facility Issuing Party**") has delivered a direct-pay letter of credit (the "**Facility**") with respect to the Notes to **WELLS FARGO BANK, NATIONAL ASSOCIATION** (the "**Account Party**") in accordance with the terms of the Authorizing Document and the Letter of Credit and Reimbursement Agreement, dated as of May 1, 2007 (the "**Facility Agreement**") between the Issuer and the Facility Issuing Party.

(d) The Authorizing Document provides for the appointment of a commercial paper dealer to perform certain duties, including the offering and sale from time-to-time of the Notes on behalf of the Issuer.

(e) Ramirez has agreed to accept the duties and responsibilities of the Dealer with respect to the Notes under the Authorizing Document and this Agreement.

(f) Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Authorizing Document or the Issuing and Paying Agent Agreement.

SECTION 2. APPOINTMENT OF DEALER. (a) Subject to the terms and conditions contained herein, the Issuer hereby appoints Ramirez as the Dealer for the Notes, and Ramirez hereby accepts such appointment.

(b) The Dealer shall act as exclusive dealer with respect to the Notes.

SECTION 3. RESPONSIBILITIES OF DEALER. (a) Subject to the terms and conditions set forth in this Agreement, Ramirez agrees to perform the duties of Dealer set forth in this Agreement. It is understood that in undertaking to perform such duties, and in the performance thereof, it is the intention of the parties that the Dealer will act solely as an agent and not as a principal, except as expressly provided in this Agreement. The Dealer shall use its best efforts to solicit and arrange sales of the Notes on behalf of the Issuer at such rates and maturities as may prevail from time to time in the market. The Dealer and the Issuer agree that any Notes which the Dealer may arrange

the sale of or which, in the Dealer's sole discretion, it may elect to purchase, will be purchased or sold on the terms and conditions and in the manner provided in the Authorizing Document, the Issuing and Paying Agent Agreement and this Agreement. Anything herein to the contrary notwithstanding, to the extent of any conflict between the provisions hereof and of the Authorizing Document or the Issuing and Paying Agent Agreement, the provisions of the Authorizing Document and the Issuing and Paying Agent Agreement shall be controlling.

(b) Notwithstanding anything to the contrary contained herein, the Dealer:

(i) will suspend its efforts with respect to the offer or sale of the Notes on behalf of the Issuer upon the receipt of notice of the occurrence of an event of default under the Notes, the Authorizing Document, the Facility, the Facility Agreement or the Issuing and Paying Agent Agreement; and

(ii) may, in its sole discretion, suspend its efforts with respect to the offer or sale of the Notes on behalf of the Issuer immediately upon the occurrence of any of the following events, which suspension will continue so long as, in the Dealer's reasonable judgment, such event continues to exist as to the Notes:

(1) suspension or material limitation in trading in securities generally on the New York Stock Exchange;

(2) a general moratorium on commercial banking activities in New York is declared by either federal or New York State authorities;

(3) the engagement by the United States in hostilities if the effect of such engagement, in the Dealer's judgment, makes it impractical or inadvisable to proceed with the solicitation of offers to purchase the Notes;

(4) legislation shall be introduced by committee, by amendment or otherwise, in, or be enacted by, the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Notes and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the offering or sale of obligations of the general character of the Notes, as contemplated hereby, is or would be in violation of any provision of the Securities Act of 1933, as amended (the "Securities Act") as then in effect, or the Securities Exchange Act of 1934, as amended (the "Exchange Act") as then in effect, or with the purpose or effect of otherwise prohibiting the offering or sale of obligations of the general character of the Notes, or the Notes themselves, as contemplated hereby;

(5) any event shall occur or information shall become known, which, in the Dealer's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in any disclosure documents provided to the Dealer in connection with the performance of its duties hereunder, whether provided pursuant to Section 5 hereof or otherwise, or causes such documents to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(6) any governmental authority shall impose, as to the Notes, or obligations of the general character of the Notes, any material restrictions not now in force, or increase materially those now in force;

(7) any of the representations and warranties of the Issuer made hereunder shall not have been true and correct on the date made;

(8) the Issuer fails to observe any of the covenants or agreements made herein;

(9) any of the rating agencies then rating the Notes or the Facility Issuing Party shall either (i) downgrade the ratings assigned to either the Notes or the Facility Issuing Party so that such Notes are not "Eligible Notes" as defined under Rule 2a-7 of the Investment Company Act of 1940, as amended or (ii) suspend or withdraw the then current ratings assigned to either the Notes or the Facility Issuing Party; or

(10) an actual or imminent default or a moratorium in respect of payment of any U.S. Treasury bills, bonds or notes the effect of which in the Dealer's judgment makes it impractical to market the Notes or to enforce contracts for the sale of the Notes.

SECTION 4. TRANSACTIONS IN NOTES. All transactions in Notes between the Dealer and the Issuer shall be in accordance with the Authorizing Document, the Issuing and Paying Agent Agreement, this Agreement, the Facility Agreement and with the customs and practices in the commercial paper market regarding settlement and delivery formally adopted in writing from time to time by the New York Clearinghouse, to the extent not inconsistent with the Authorizing Document. As early as possible, but not later than 12:30 p.m. (New York City time) on the day on which any Notes are to be issued, the Dealer shall notify the Issuer of the proposed final maturities, prices and interest rates (which interest rates shall not exceed 10% per annum) at which the Dealer will purchase or cause the purchase of the Notes, and provide the Issuer with any other information as required for delivery of such Notes. Except as described below, the Dealer shall not be obligated to purchase or cause the purchase of any Notes unless and until agreement has been reached in each case on the foregoing points and the Dealer has agreed to such purchase. Not later than 12:30 p.m.

(New York City time) on the date of each transaction the Dealer shall either (a) confirm each transaction made with or arranged by it or (b) notify the Issuer and the Issuing and Paying Agent of the difference, if any, between the amount of maturing Notes and the amount of Notes which the Dealer has arranged to sell or has agreed to purchase. Such confirmation or notification shall be given by telephone (or by other telecommunications medium acceptable to the Issuer) and in writing to the Issuer and the Issuing and Paying Agent.

SECTION 5. PAYMENT FOR NOTES. The Dealer shall pay for the Notes sold by the Dealer (or purchased by the Dealer for its own account) in immediately available funds by 3:30 p.m. (New York City time) on the Business Day such Notes are delivered to the Dealer (provided that such Notes are so delivered to the Dealer by 3:00 p.m. on such Business Day). All Notes will be sold at par, and will be evidenced either by (i) a global note immobilized with The Depository Trust Company of New York or (ii) if not, will be executed in the manner provided for in the Authorizing Document.

SECTION 6. DESIGNATED REPRESENTATIVE. Note transactions with the Issuer, pursuant to Section 4 hereof, shall be with any one of the officers or employees of the Issuer who are designated as a Designated Representative by certificate acknowledged by the City Clerk of the Issuer. The initial written designation of the Designated Representatives is appended hereto as Appendix A. The Issuer agrees to provide the Dealer with revised written designations in the form of Appendix A when and as required by changes in the Designated Representatives. The Dealer may rely upon such designation unless and until otherwise notified in writing by the Issuer.

SECTION 7. RESIGNATION AND REMOVAL OF DEALER. The Dealer may at any time resign and be discharged of its duties and obligations hereunder upon providing the Issuer and the Issuing and Paying Agent with seven (7) days' prior written notice. The Dealer may be removed at any time, at the direction of the Issuer upon seven (7) days' prior written notice to the Dealer and the Issuing and Paying Agent. Upon removal or resignation of the Dealer, the Issuer shall promptly cause the Issuing and Paying Agent to give notice thereof by mail to all owners of the Notes and to any rating agency which has assigned a rating to the Notes. The Dealer shall assign and deliver this Agreement to its successor if requested by the Issuer.

SECTION 8. FURNISHING OF DISCLOSURE MATERIALS.

(a) The Issuer agrees to furnish the Dealer with as many copies as the Dealer may reasonably request of the investor memorandum of the Issuer relating to the Notes (the "Investor Memorandum"), and such other information with respect to the Issuer and the Notes as the Dealer shall reasonably request from time to time.

(b) The Issuer agrees to cooperate with the Dealer in the preparation from time-to-time of a new Investor Memorandum of the Issuer for the Notes in the event the Dealer determines that the preparation and distribution of such Investor Memorandum is necessary or desirable and reasonable in connection with offering and sale on behalf of the Issuer of the Notes, and to furnish or to cause to be furnished to the Dealer as many copies of such new Investor Memorandum as the Dealer shall

request.

(c) If, at any time during the term of this Agreement, any event shall occur or facts become known to either party that might affect the correctness or completeness of any statement of a material fact contained in the then current Investor Memorandum, such party shall promptly notify the other in writing of the circumstances and details of such event. The Issuer agrees to promptly furnish to the Dealer a copy of each filing or notice made to anyone (whether in connection with the Notes or not) pursuant to any undertaking or other agreement of the Issuer made under any provision of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

SECTION 9. FEES AND EXPENSES. For the Dealer's services under this Agreement, the Issuer will pay the Dealer a fee of 0.05% (five (5) basis points) per annum of the weighted average of the principal amount of Notes outstanding during each three month period. The Issuer will pay the fee quarterly in arrears commencing October 1, 2008, and each January 1, April 1, July 1 and October 1 thereafter.

SECTION 10. REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF THE ISSUER. The Issuer, by its acceptance hereof, represents, warrants, covenants, and agrees with the Dealer that:

(a) it is a home-rule municipality and a political subdivision of the State of Texas;

(b) it has full power and authority to take all actions required or permitted to be taken by the Issuer by or under, and to perform and observe the covenants and agreements on its part contained in, this Agreement and any other instrument or agreement relating thereto to which the Issuer is a party; and this Agreement constitutes a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms;

(c) it has, on or before the date hereof, duly taken all action necessary to be taken by it prior to such date to authorize (i) the execution, delivery and performance of this Agreement, the Authorizing Document, the Facility Agreement and any other instrument or agreement to which the Issuer is a party and which has been or will be executed in connection with the transactions contemplated by the foregoing documents; and (ii) the carrying out, giving effect to, consummation and performance of the transactions and obligations contemplated by the foregoing agreements and by the current Investor Memorandum;

(d) it will provide Ramirez at its address set forth below, (i) within 45 days of the end of each of its first three fiscal quarters, with copies of its unaudited quarterly financial statements, and (ii) within 180 days of the end of each fiscal year, with a copy of its annual audited financial statements for that fiscal year; and

(e) it will promptly notify the Dealer by Electronic Means of any material adverse changes that may affect the offering and sale on behalf of the Issuer of the Notes or any fact or circumstance which may constitute, or with the passage of time will constitute, an event of default under the

Notes, the Authorizing Document, the Facility, the Facility Agreement or the Issuing and Paying Agent Agreement;

(f) it will notify the Dealer by Electronic Means of any amendment to the Notes, the Authorizing Document, the Facility, the Facility Agreement or the Issuing and Paying Agent Agreement at least seven days prior to the date such amendment is to become effective;

(g) Investor Memorandums and supplements, amendments and updates to any thereof, furnished by the Issuer and used by the Dealer (including amendments, supplements and replacements thereof), until such time as they shall have been subsequently amended, updated or replaced, do not and shall not contain any untrue, incorrect or misleading statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; and

(h) all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matters which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the City of its obligations under this Agreement, the Authorizing Document, the Facility Agreement or the Issuing and Paying Agent Agreement have been duly obtained or will be obtained prior to the delivery of the Facility.

SECTION 11. TERM OF AGREEMENT. This Agreement shall become effective at 12:00 a.m. on the date hereof and shall continue in full force and effect until the cessation of the Notes program, subject to the right of suspension and termination as provided herein.

SECTION 12. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas; provided that the obligations of the Dealer hereunder shall be governed and construed by the laws of the State of New York.

SECTION 13. DEALING IN NOTES BY THE DEALER; NO OBLIGATION TO PURCHASE NOTES. The Dealer, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Notes, including, without limitation, any Notes offered and sold by the Dealer pursuant to this Agreement, and may join in any action which any Owner may be entitled to take with like effect as if it did not act in any capacity hereunder. The Dealer, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer and may act as depository, Account Party, or agent for any committee or body of owners of the Notes or other obligations of the Issuer as freely as if it did not act in any capacity hereunder.

SECTION 14. MISCELLANEOUS. Except as otherwise specifically provided in this Agreement, all notices, demands and formal actions under this Agreement shall be in writing and either (i) hand-delivered, (ii) sent by electronic means, or (iii) mailed by registered or certified mail, return receipt requested, postage prepaid, to:

The Dealer:

Samuel A. Ramirez & Co., Inc.
61 Broadway, Suite 2924
New York, New York 10006
Attention: Linda Martin
Telephone: 212-248-3882
Telecopy: 212-248-0528

The Issuer:

City of San Antonio, Texas
Department of Finance
Riverview Towers
111 Soledad, 5th Floor
San Antonio, Texas 78205
Attention: Director of Finance
Telephone: (210) 207-8652
Telecopy: (210) 207-7774

The Issuing and Paying Agent:

Wells Fargo Bank, National Association
MAC T5656-013
400 West 15th St., Suite 150
Austin, Texas 78701
Attention: Corporate, Municipal and Escrow Services
Telephone: (512) 344-7306
Telecopy: (512) 344-8621

Each party hereto may, by notice given under this Agreement to the other parties described above, designate other addresses to which subsequent notices, requests, reports or other communications shall be directed.

(b) This Agreement shall inure to the benefit of and be binding only upon the parties hereto and their respective successors and assigns. The terms "successors" and "assigns" shall not include any purchaser of any of the Notes merely because of such purchase. Neither the Facility Issuing Party nor any owner of the Notes or other third party shall have any rights or privileges hereunder.

(c) All of the representations and warranties of the Issuer and the Dealer in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Dealer or the Issuer, (ii) the offering and sale of and any payment for any Notes hereunder, or (iii) suspension, termination or cancellation of this Agreement.

(d) This Agreement and each provision hereof may be amended, changed, waived, discharged or terminated only by an instrument in writing signed by the parties hereto.

(e) Nothing herein shall be construed to make any party an employee of the other or to establish any fiduciary relationship between the parties except as expressly provided herein.

(f) If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(g) This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

SECTION 15. ENTIRE AGREEMENT. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT OF THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SUPERSEDES ALL PRIOR ORAL OR WRITTEN AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF. THIS WRITTEN AGREEMENT AND ALL OTHER RELATED DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE DEALER AND THE CITY WITH RESPECT TO THE MATTERS PROVIDED HEREIN AND MAY NOT BE CONTRADICTED BY EVIDENCE OR PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES HERETO.

[The remainder of this page intentionally left blank]

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

CITY OF SAN ANTONIO, TEXAS

By: _____
Name: Ben Gorzell, Jr.
Title: Finance Director

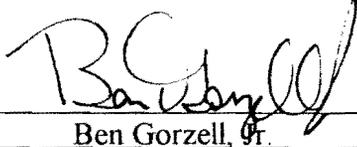
SAMUEL A. RAMIREZ & CO., INC.

By: 
Name: J. Art Morales
Title: Managing Director

[SIGNATURE PAGE TO COMMERCIAL PAPER DEALER AGREEMENT]

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

CITY OF SAN ANTONIO, TEXAS

By: 
Name: Ben Gorzell, Jr.
Title: Finance Director

SAMUEL A. RAMIREZ & CO., INC.

By: _____
Name: J. Art Morales
Title: Managing Director

CERTIFICATE OF DESIGNATED REPRESENTATIVE

I am the City Clerk of the **CITY OF SAN ANTONIO, TEXAS** (the "*Issuer*") duly authorized to certify as to the Designated Representatives of the Issuer in connection with the issuance, from time to time, by the Issuer of tax-exempt commercial paper (the "*Notes*") in accordance with the Authorizing Document. I hereby certify that the following persons are authorized to act on behalf of the Issuer in accordance with the Authorizing Document (as defined in the Dealer Agreement) and specimen signatures of such persons are set forth beside their names.

Designated Persons

Ben Gorzell, Jr., Finance Director

Specimen Signature

Ben Gorzell, Jr.

Executed this _____

Leticia M. Vacek

Name: Leticia M. Vacek
Title: City Clerk





CITY OF SAN ANTONIO
Request for Council Action

Agenda Item # 30
Council Meeting Date: 6/12/2008
RFCA Tracking No: R-3450

DEPARTMENT: Finance

DEPARTMENT HEAD: Ben Gorzell

COUNCIL DISTRICT(S) IMPACTED:
City Wide

SUBJECT:
Authorizing the Selection of a Commercial Paper Dealer

SUMMARY:

This ordinance approves the selection of Ramirez & Co., Inc. to serve as the new Commercial Paper Dealer, selected from the City's Financial Underwriting Pool for the City's Sales Tax Revenue Commercial Paper Program; authorizes the Director of Finance to negotiate and execute a Dealer Agreement; approves any required updated Offering Memorandum necessary for the issuance of future Commercial Paper Notes; and provides an effective date.

BACKGROUND INFORMATION:

On May 10, 2007, a Sales Tax Revenue Commercial Paper Program (the "Program") was approved by City Council. This Program was developed to provide for an accelerated land acquisition program for the Edwards Aquifer Venue Project. The Program along with pay as you go financing gives the City access to the majority of the \$90 million allocated to the Edwards Aquifer Venue Project prior to the collection of the related Sales Tax revenue.

On April 5, 2007, UBS Investment Bank was selected to serve as the Commercial Paper Dealer for the Notes. The Commercial Paper Dealer is responsible for arranging the marketing and sale of the Notes. Currently there are \$4 million in Sales Tax Revenue Commercial Paper Notes ("Notes") outstanding. On May 6, 2008, UBS announced that it will exist or sell its institutional municipal securities group. In order to continue this Program, the City is moving to replace UBS with another firm currently in the City's Financial Underwriting Pool.

On June 2, 2008, the City received three proposals from firms seeking to serve as the Commercial Paper Dealer for the Notes. The proposals were limited to those firms currently within the existing Financial Underwriter Pool which was approved by City Council on October 19, 2006.

The selection of the Commercial Paper Dealer was based on 1) the fee proposal; 2) out of pocket

expenses for structuring the Commercial Paper Program; and 3) commercial paper program experience in the last two years. Based on the aforementioned criteria, Ramirez & Co., Inc. was selected to serve as Commercial Paper Dealer. The terms of the engagement will be included in a Dealer Agreement which will be negotiated and executed by the Director of Finance.

ISSUE:

The approval of a Commercial Paper Dealer is consistent with the City's policy and previous actions to employ such services.

ALTERNATIVES:

The City could not continue its Sales Tax Revenue Commercial Paper Program without utilizing the services of a Commercial Paper Dealer and would be limited to pay as you go financing.

FISCAL IMPACT:

Any costs incurred related to the aforementioned actions will be paid from the proceeds of the Notes and will have no impact on the City's Operating Budget.

RECOMMENDATION:

Staff recommends approval of this ordinance to approve Ramirez & Co., Inc. as the new Commercial Paper Dealer in order to continue the Sales Tax Revenue Commercial Paper Program which allows for the accelerated land acquisition program for the Edwards Aquifer Venue Project.

ATTACHMENT(S):

File Description	File Name
2008 CP Discretionary Contracts Disclosure	2008 CP Discretionary Contracts Disclosure.pdf
Voting Results	
Ordinance/Supplemental Documents	200806120537.pdf

DEPARTMENT HEAD AUTHORIZATIONS:

Ben Gorzell Director Finance

APPROVED FOR COUNCIL CONSIDERATION:

Pat DiGiovanni Deputy City Manager