"SECTION 11. The course of instruction of the San Antonio Police Academy shall begin on a date fixed by the Commissioner of Fire and Police of the City of San Antonio, and shall be conducted for a period of eight (8) weeks thereafter, or such other period as may be fixed by the Commissioner of Fire and Police."

3. That any and all payments heretofore made on and after September 30th, 1941, on the aforesaid pecuniary subsistence allowance to students as set forth in Section 6 above, are hereby ratified, confirmed and approved.

4. PASSED AND APPROVED this 25th day of September, A.D. 1942.

C. K. Quin

ATTEST: MAYOR

J. M. Woods,

City Clerk

- - -

A RESOLUTION (1701) 93

ACCEPTING APPROPRIATION OF $ 68,500.00 GRANTED BY THE FEDERAL WORKS AGENCY - PUBLIC WORKS ADMINISTRATION OF THE UNITED STATES GOVERNMENT TO THE CITY OF SAN ANTONIO IN PROJECT TEX 41-401 SAN ANTONIO SEWER IMPROVEMENTS.

BE IT RESOLVED BY THE COMMISSIONERS OF THE CITY OF SAN ANTONIO:-

1. That the appropriation of $68,500.00 granted by the Federal Works Agency - Public Works Administration of the United States Government to the City of San Antonio under Docket Tex. 41-401, for San Antonio Sewer Improvements, is hereby accepted, to be used for the construction of sewer improvements in the City of San Antonio, Texas.

2. PASSED AND APPROVED this 1st day of October, A.D. 1942.

C. K. Quin,

ATTEST: MAYOR

J. M. Woods,

City Clerk

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AN ORDINANCE (1702) 94

SUSPENDING THE PROVISIONS OF PARAGRAPH 3 OF AN ORDINANCE ENTITLED "AN ORDINANCE REGULATING HOURS OF WORK AND VACATIONS AND PAY IN THE POLICE AND FIRE DEPARTMENTS OF THE CITY OF SAN ANTONIO", PASSED AND APPROVED BY THE COMMISSIONERS OF THE CITY OF SAN ANTONIO ON THE 8TH DAY OF JUNE, A. D. 1939.

BE IT ORDAINED BY THE COMMISSIONERS OF THE CITY OF SAN ANTONIO:-

1. That on account of the present Emergency existing, and the great number of men entering the Armed Forces of the United States, causing a shortage of manpower, it is deemed by the Commissioners of the Police and Fire Departments be suspended for the duration of the present Emergency; THEREFORE,

2. The provisions of paragraph 3 of an ordinance entitled "AN ORDINANCE REGULATING HOURS OF WORK AND VACATIONS AND PAY IN THE POLICE AND FIRE DEPARTMENTS OF THE CITY OF SAN ANTONIO", passed and approved by the Commissioners of the City of San Antonio on the 8th day of June, A.D. 1939, be and the same are hereby suspended for the duration of the present Emergency because of shortage of manpower to fill positions in the Departments mentioned.

3. PASSED AND APPROVED this 1st day of October, A.D. 1942.

Attest: J. M. Woods, City Clerk --- C. K. Quin, Mayor

AN ORDINANCE (1672)

REGULATING AMBULANCES OPERATED IN THE CITY OF SAN ANTONIO: PROVIDING FOR THE ISSUANCE OF PERMITS FOR THEIR OPERATION AND FOR THE KIND OF EQUIPMENT AND QUALIFICATIONS OF PERSONS OPERATING THE SAME AND CONNECTED THEREWITH: PROVIDING FOR INSPECTION, FEES FOR PERMITS, AND REQUIREMENTS FOR OPERATION THEREOF: PROHIBITING THE OPERATION THEREOF WITHOUT PREVIOUS COMPLIANCE WITH THE REQUIREMENTS OF THIS ORDINANCE: PROVIDING A PENALTY FOR VIOLATIONS: PROVIDING FOR THE VALIDITY OF EACH CLAUSE, PARAGRAPH AND PROVISION HEREOF: AND REPEALING ALL CONFLICTS.

BE IT ORDAINED BY THE COMMISSIONERS OF THE CITY OF SAN ANTONIO:-

SECTION 1. No person, firm or corporation shall operate or cause to be operated in the City of San Antonio any ambulance, public or private, or any other vehicle commonly used for the transportation or conveyance of the sick or injured, without first having secured a permit therefor from the Commissioner of Fire and Police of the City of San Antonio. The Commissioner of Fire and Police shall issue such permit only upon submission of:

(a) Certificate by the City Health Officer of the City of San Antonio approving the first aid kit and supplies for each such vehicle as hereinafter provided;

(b) Certificate showing that at least one ambulance attendant for each such vehicle is currently certified by American Red Cross as a person qualified to render first aid as hereinafter provided, or is the holder of a valid unrevoked physician's and surgeon's license or certificate.

SECTION 2. Every ambulance, patrol automobile, or vehicle hereinafter described, before permit is issued therefor, shall be equipped w ith and, when in service, carry as minimum equipment the following:

(a) A first aid kit as prescribed and approved by the City Health Officer of the City of San Antonio. Each kit shall contain such sterile dressings, bandages, slings, and other necessary first aid materials, the use of which is described and taught in the standard American Red Cross First Aid course.

(b) Two United States Army hinged ring upper extremity splints, or in lieu thereof, two splints for the upper extremity of a type approved by the City Health Officer of the City of San Antonio.

(c) Two United States Army hinged half-ring lower extremity splints, or in lieu thereof, two lower extremity splints of a type approved by the City Health Officer of the City of San Antonio.

SECTION 3. Every such ambulance or vehicle hereinabove described when in service shall be accompanied by at least one person who has acquired theoretical and practical knowledge in first aid as prescribed for the twenty (20) hour American Red Cross First Aid Training Course and evidenced by a current certificate issued to such person by the American Red Cross, or a person holding a valid unrevoked physician's and surgeon's license or certificate, either of whom shall be responsible for the proper handling of the sick or injured.

SECTION 4. Application for permit to operate any such ambulance shall be made to the Commissioner of Fire and Police upon such form as he may prescribe, which application shall show evidence satisfactory to the Commissioner of Fire and Police that the person seeking the permit has complied with the minimum standards set forth in Section Two (2) of this ordinance as to First Aid Equipment and is prepared to and will furnish an ambulance attendant as required in Section Three (3). If the Commissioner of Fire and Police finds that the requirements of this ordinance are and will be met by the applicant for each vehicle proposed to be operated, he shall issue a permit, upon payment of a fee of Twenty ($20.00) Dollars for each such vehicle, which permit shall expire on the 31st day of May following the issuance thereof. Such permit may be renewed by the

Commissioner of Fire and Police from year to year upon sufficient evidence that the holder hereof is complying with the minimum requirements of this ordinance and upon payment of an annual fee of Twenty ($20.00) Dollars. No fee shall be required for a permit covering an ambulance or a vehicle owned and operated by the City of San Antonio or any of its Board or Departments.

Each permit shall be numbered and posted at such place in the interior of the ambulance or vehicle as the Commissioner may designate. All such ambulances or vehicles shall be subject to regular inspection by the Commissioner of Fire and Police not less than four (4) times per year, both as to the equipment and personnel as provided in this ordinance, said inspection to include mechanical features of said ambulance as well as the first aid license; and any such permit shall be subject to revocation by the Commissioner of Fire and Police for failure to comply with any of the provisions hereof, upon notice and opportunity to be heard.

SECTION 5. Any person violating any of the provisions of this ordinance shall, upon conviction thereof, be punished by a fine of not less than Five Dollars ($5.00) nor more than Two Hundred Dollars ($200.00) for each such violation.

SECTION 6. If any section or provision of this ordinance shall be held to be void, ineffective or unconstitutional, the holding of any such section or provision of any such section to be void, ineffective or unconstitutional for any cause whatsoever shall not affect the validity of the remaining sections and provisions of this ordinance.

SECTION 7. All ordinances and parts of ordinances in conflict herewith shall be and are hereby repealed.

PASSED AND APPROVED this 1st day of October, A. D. 1942.

C. K. Quin
MAYOR

ATTEST:

J. M. Woods,
City Clerk.

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AFFIDAVIT OF PUBLISHER

STATE OF TEXAS
COUNTY OF BEXAR,
CITY OF SAN ANTONIO

Before me, the undersigned authority, on this day personally appeared Wm. McIntosh, who being by me duly sworn, says on oath that he or she is One of the publishers, of the San Antonio Light, a newspaper of general circulation in the City of San Antonio, in the State and County aforesaid, and that the Ordinance hereto attached has been published in every issue of said newspaper on the following days, to-wit: 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, and 11th, of October, 1942.

/s/ Wm. McIntosh

Sworn to and subscribed before me this 16th day of October, 1942.

/s/ J. D. Massey
Notary Public in and for Bexar County, Texas

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AN ORDINANCE (1725) 96

AUTHORIZING THE MAYOR OF THE CITY OF SAN ANTONIO TO EXECUTE LEASE CONTRACT OF CAFE AT NEW MUNICIPAL AIRPORT.

BE IT ORDAINED BY THE COMMISSIONERS OF THE CITY OF SAN ANTONIO:-

1. That the Mayor of the City of San Antonio be and he is hereby authorized to execute Lease Contract of Cafe at New Municipal Airport of the City of San Antonio, copy of which is hereto attached and made a part hereof, said lease being for a term of one (1) year from October 8th, 1942, at a rental to be paid to the City of San Antonio equal to ten (10) percent of the gross monthly receipts of said Cafe.

2. PASSED AND APPROVED this 8th day of October, A.D. 1942.

C. K. Quin
M A Y O R

ATTEST:

J. M. Woods,
City Clerk

LEASE CONTRACT OF CAFE
AT NEW MUNICIPAL AIRPORT.

STATE OF TEXAS, }
COUNTY OF BEXAR. } KNOW ALL MEN BY THESE PRESENTS:

1. That this agreement made the day and date hereinafter designated, by and between the City of San Antonio, a municipal corporation, hereinafter called "LESSOR", and Eugene T. Smith, of Bexar County, Texas, hereinafter called "LESSEE", WITNESSETH:-

2. That Lessor, for and in consideration of the mutual covenants herein contained, leases and demises to the Lessee, the following described property, to-wit:

> That certain portion of Hangar No. 1 being the present lean-to in said Hangar No. 1, located on the field side and known as the Cafe, situate upon those certain tracts or parcels of land lying north of the City of San Antonio, in Bexar County, Texas, known as the New Municipal Airport, together with all tables, stools, chairs, dishes, kitchen equipment, stoves, ice boxes and other certain personal property now in the aforesaid Cafe, an itemized inventory of said personal property being hereto attached, marked Exhibit "A" and made a part hereof.

3. That the term of this lease shall be for a period of one (1) year, commencing on the 8th day of October, A.D. 1942 and ending on the 7th day of October, A.D. 1942.

4. Lessee agrees to pay Lessor at the office of the License and Dues Collector of the City of San Antonio, Texas, on the 1st day of each and every month hereafter during the term of this lease a sum equal to ten (10) percent of the gross monthly receipts of said Cafe, whether such receipts are from the sale of foodstuffs or otherwise. It is understood that during the entire term of this lease the monthly rentals to be paid to the City of San Antonio shall be figured and calculated monthly as of the last day of each month and payments thereon made to the City on the following day thereafter.

5. The leased premises and appurtenances thereunto attached, together with the personal property belonging to the City of San Antonio shall be occupied for the business of selling food, drinks,candy, tobacco and such other articles and commodities usually sold and dispensed by similar institutions.

6. The Lessee represents that he has examined the premises, fixtures, personal property and appurtenances, and they are suitable, safe, in good condition, and sufficient for the purposes for which each is to be used,

7. The Leesee agrees that he will take good care of the property, real and personal, its fixtures and appurtenances, and suffer no waste, and shall, at his own expense, repair the same, and return the demised premises and all personal property in good order upon the termination of this lease, however terminated; and further agrees at all times to keep all of said premises in a clean, sanitary and attractive condition.

8. Lessee further agrees to comply with all laws applicable to said premises and all orders and requirements imposed by the Board of Health, Sanitation and Police Departments of the City of San Antonio, for the correction, prevention and abatement of nuisances in or upon or connected with the premises during the term of this lease, at Lessee's expense.

9. To secure the payment of rental herein, Lessee grants unto the Lessor a contract lien on all fixtures of Lessee that may be installed by him upon said premises; which lien shall be cumulative of all rights of a landlord under the statutes of the State of Texas, and shall not operate as a waiver of same.

10. Lessee covenants and agrees that at the termination of this lease, he will surrender said premises to the Lessor without notice further than as herein provided, in as good condition as when same was entered upon by the Lessee, reasonable wear and tear excepted.

11. In case of default in any of the above covenants, Lessor may enforce the performance thereof in any modes provided by law, and may declare this lease forfeited at Lessor's discretion, and Lessor or Lessor's agent or attorney, shall have the right, without further notice or demand, to re-enter and remove all persons therefrom without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or breach of covenant; or, at its option, Lessor or Lessor's agent or attorney may resume possession of the premises and re-let the same for the remainder of the term at the best rent it can obtain; and the Lessor shall have a lien as security for rent aforesaid which may be due and unpaid, upon all the goods, wares, chattels, implements, fixtures, furniture, tools and other personal property be-longing to Lessee which are or may be put on the demised premises.

12. The Lessee shall execute a bond in the amount of One Thousand Dollars ($1,000.00), executed by a surety company authorized to do business in Texas, for the specific purpose of indemnifying the City against actual monetary loss sustained by said City due to Lesee's non-performance under this lease contract, and which bond shall be approved by the Mayor of the City of San Antonio.

13. The Lessee shall not make any improvements in or upon said premises without the written consent of Lessor.

14. The Lessee shall not assign, sub-let or part with the possession of the whole or any part of the demised premises without first obtaining the written consent of the Lessor.

15. IN TESTIMONY WHEREOF, the parties have hereunto set their hands, in duplicate, this the _____ DAY OF OCTOBER, A. D. 1942, the Mayor of the City of San Antonio having been duly authorized by ordinance to execute this agreement.

CITY OF SAN ANTONIO,

BY_____MAYOR

ATTEST: LESSOR.

City Clerk

_____

LESSEE.

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LIST OF EQUIPMENT AND SUPPLIES AT THE SAN ANTONIO AIRPORT
COFFEE SHOP, OCT. 8TH, 1942.

1	Only National Cash Register	16	Tea Spoons
1	Only 8-door McCray Refrigerator	2	Only L & G Fryers
1	Only Giant Cooler and Water Coil	1	Only Cook Forks
1	Only Bloomfield Butter Cutter	72	Only Water Tumblers
1	Only Pie Display Case	1	Only Griddle
12	Only Dining Room Chairs	1	Only Tin Graters
3	Only Dining Room Tables	3	Only Cooks Knives
12	Only Counter Stools	6	Only Mustard Jaral only Grapefruit knife.
48	Only Butter Dishes		
2	Only Galv. Dish Boxes	1	Only #502 Dough Knife
6	Only Napkin Dispensers	12	Only Serated Nifes
2	Only Dishers	4	Only Crystal Mustards
24	Only Large Lunch Dishes	1	Only Potatoe Masher
12	Only Sugar Dispensera	1	Only Parer
1	Only Dish Washing Aparatus	1	Rolling Pin
4	Only Red Menu Covers	1	Only Ena. Comp. Pan
1	Only Cleavers	1	Only Enal Pitcher
6	Only Creamers	15	Only Tin Pans
12	Only Oatmeals Bowls	6	Only Muffin Pans
36	Only Knives	11	Only L & G. Sauce Pans
27	Only Forks	1	Large So. Bend Cook Stove
7	Only Soup Spoons	3	Only Kitchen Tables
11	Ice Tea Spoons	1	Only Steam Table

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A RESOLUTION (1726) 97

ACCEPTING THE OFFER OF THE UNITED STATES

OF AMERICA.

WHEREAS, there has been filed with the Federal Works Agency for and in behalf of the City of San Antonio, Texas, (herein called the "Owner"), an application for Federal assistance under the Defense Public Works Program, and the United States of America, acting by and through the Federal Works Administrator, has transmitted to the Owner an Offer of Federal assistance in connection with the public works referred to in said application and described in said

Offer; and

WHEREAS, said Offer has been duly read in open meeting and has been fully considered in every respect in accordance with the pertinent rules of procedure and legal requirements; and

WHEREAS, said Offer has been made a part of the public records of the Owner; and

WHEREAS, it is deemed advisable and in the public interest that said Offer be accepted:

NOW,THEREFORE, be it Resolved by the Board of Commissioners of the City of San Antonio, Texas, that the said Offer of the United States of America, a true and correct copy of which is hereto attached, be and the same hereby is accepted without reservation or qualification.

Passed by the Board of Commissioners on the 10th day of October, 1942.

/s/ C. K. Quin,
MAYOR

UNITED STATES OF AMERICA

FEDERAL WORKS AGENCY

GRANT OFFER

Washington, D. C.
PROJECT NO. TEX. 41-401
Dated Oct. 1942.

City of San Antonio,,
San Antonio, Texas.

Subject to the Terms and Conditions (FWA Form No. CE 100, dated August 1, 1942) attached hereto and made a part hereof, the United States of America (herein called the "Government") hereby offers to make you a grant of $68,500 to aid in financing the acquisition and construction of public works consisting of sewage treatment facilities, including necessary land and necessary equipment (herein called the "Project"), presently estimated to cost $88,500: Provided, however, that of said grant the Government shall retain an amount sufficient to pay, and shall pay therewith, such Project costs for field inspection, auditing and other field services incurred by the Government from and after the date of this Offer as, in the determination of the Federal Works Administrator, are proper: Provided, further, that if the actual cost of the Project upon completion, as determined by the Federal Works Administrator, is less than the presently estimated cost specified above, the grant shall be reduced to an amount which bears the same ratioto the actual cost as the amount of the grant specified herein bears to the said estimated cost.

The Offer dated April 28, 1942 made by the United States of America to you is hereby revoked unless it has been previously accepted by you in which event your acceptance of this Offer shall effectuate a cancellation of the contract created by said acceptance of said prior Offer: Provided, that the cancellation of such contract shall not impair or vitiate any acts performed or proceedings taken thereunder prior to such cancellation, but such acts or proceedings may be continued under the contract created by the acceptance of this Offer

UNITED STATES OF AMERICA
Federal Works Administrator
By /s/ Baird Snyder
Baird Snyder
Assistant Administrator

(TERMS AND CONDITIONS, INCORPORATED IN OFFERS PROVIDING FOR THE FINANCING AND CONSTRUCTION OF NON-FEDERAL WAR PUBLIC WORKS PROJECTS. FWA FORM NO. CE 100, dated August 1, 1942, attached to original ordinance, No. 1726, passed and approved 10th of October, 1942.)

AN ORDINANCE (1729)

AUTHORIZING THE MAYOR OF THE CITY OF SAN ANTONIO TO ENTER INTO CONTRACT WITH MATHIS AND SHELDON, BROKERS, REPRESENTING THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY, FOR INSURANCE ON SEWAGE DISPOSAL PLANT MACHINERY, FOR THREE YEARS: AND APPROPRIATING THE SUM OF $1,547.00 IN PAYMENT OF FIRST INSTALLMENT OF PREMIUM ON SAID POLICY OF INSURANCE.

BE IT ORDAINED BY THE COMMISSIONERS OF THE CITY OF SAN ANTONIO:-

1. That the Mayor of the City of San Antonio be and he is hereby authorized to enter into and execute contract with Mathis and Sheldon, Brokers, representing the Hartford Steam Boiler Inspection and Insurance Company, for insurance of Sewage Disposal Plant machinery schedule in the amount of $25,000.00, for three years, at a total premium of $3,047.00, for the period beginning June 3, 1942 and ending June 2, 1945, payments of said premium to be in installments as follows: $1,547.00 as of this date, and $1,500.00 due and payable July 1, 1943, plus 6 percent simple interest.

2. That the sum of $1,547.00 be and the same is hereby appropriated out of the 1942 General Fund - Sewage Disposal Plant. om payment to said Mathis and Sheldon, Brokers, of said first installment of premium on policy No. 25673, for $25,000.00, for three years, beginning June 3, 1942 and ending June 2, 1945.

3. PASSED AND APPROVED this 10th day of October, A.D. 1942.

C. K. Quin

ATTEST: M A Y O R

J. M. WOODS,

CITY CLERK

- - - 98

AN ORDINANCE (1741)

GRANTING PETITION OF THE UNITED STATES OF AMERICA TO CLOSE CERTAIN STREETS, ON ACCOUNT OF OCCUPANCY BY THE UNITED STATES GOVERNMENT FOR MILITARY PURPOSES.

BE IT ORDAINED BY THE COMMISSIONERS OF THE CITY OF SAN ANTONIO:-

1. That the petition of the United States of America, dated October 8, 1942, attached hereto and made a part hereof, to close certain streets, avenues and public ways south of Culberson Avenue, on account of occupancy by the United States Government for military purposes, be and the same is same is hereby granted.

2. That the following streets, avenues and public ways be and the same are hereby closed, for such period of time as a military need exists, and the United States Government is hereby given permission to occupy the territory described for military purposes:

Wortham Avenue, Maher Avenue, Claudon Avenue, Shook Avenue
and Kehoe Avenue, from the south line of Culberson Avenue
to the San Antonio City Limits;
So much of Illg Avenue as is within the San Antonio City
Limits east from the east line of the Missouri Pacific
Railroad right-of-way;
all as shown in yellow on the attached blueprint.

3. PASSED AND APPROVED THIS 15TH day of October, A. D. 1942.

Henry F. Hein,

Attest: Mayor Pro-Tem

Mrs. Kathryn Robbins,
Assistant City Clerk

WAR DEPARTMENT

UNITED STATES ENGINEER OFFICE

SOUTHWESTERN DIVISION REAL ESTATE SUBOFFICE

316 Moore Building

San Antonio, Texas

October 8, 1942.

Honorable City Commissioners

City Hall

San Antonio, Texas

Dear Sirs:

It is hereby respectfully requested that the streets, more fully described below and designated as Tract No. NOR-M-373, be closed and four certified copies of the abandonment proceedings be sent to this office at the earliest practicable date. The streets requested to be closed are described as follows.

1. NOR-M-373 - Streets north of San Antonio City Limits to the south line of Culberson Avenue and bounded on the east by the west line of Aviation Boulevard; on the west by the east line of the Missouri Pacific Railroad right-of-way.

Five copies of a map with the streets shown in color are inclosed herewith to be attached to and made a part of the abandonment proceedings.

The permanent abandonment of the streets is desired.

Very truly yours,

/s/ C. H. Colvin

C. H. COLVIN

Head, Division Real Estate Suboffice

1 Incl.

Map Normoyle Ord. Mtr. Base BXR-L-1 (quint.)

(MAP ATTACHED TO ORIGINAL ORDINANCE, NO. 1741, PASSED AND APPROVED

OCTOBER 15TH, A. D. 1942)

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AN ORDINANCE (1742) 99

GRANTING THE PETITION OF UNION BAPTIST CHURCH, FOR EXEMPTION AND CANCELLATION OF CITY TAXES FOR THE FISCAL YEAR 1927 AND YEARS SUBSEQUENT THERETO, ON LOT 36, BLOCK B, NEW CITY BLOCK 593, AT THE CORNER OF NORTH PINE AND CENTRE STREETS, IN THE CITY OF SAN ANTONIO, BEXAR COUNTY, TEXAS.

BE IT ORDAINED BY THE COMMISSIONERS OF THE CITY OF SAN ANTONIO:-

1. That the property known as Lot 36, Block B, New City Block 593, at the corner of North Pine and Centre Streets, in the City of San Antonio, Bexar County, Texas, owned by Union Baptist Church, be and is hereby declared to be of an exempt character and not subject to taxation, and the petition of Union Baptist Church, dated October 7, 1942, attached hereto and made a part hereof, for cancellation of City taxes levied upon said property for the fiscal year 1927 and subsequent years, is hereby granted, and said property is hereby exempted from taxation for the fiscal year 1927 and fiscal years subsequent thereto, and City taxes levied upon said property for the fiscal year 1927 and subsequent years thereto, are hereby cancelled, said exemption to be effective so long as the said property is used for religious or charitable purposes.

2. PASSED AND APPROVED this 15th day of October, A.D. 1942.

Henry F. Hein,

Mayor Pro-Tem

Attest:

Mrs. Kathryn Robbins

Assistant City Clerk

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AN ORDINANCE (1754)

ACCEPTING PROPOSAL OF RODGERS AND STEWART, INC., TO FURNISH THE CITY OF SAN ANTONIO ALL TOOLS, MATERIALS, LABOR AND EQUIPMENT NECESSARY FOR THE REMOVAL AND REPLACING OF APPROXIMATELY 300 SQUARE YARDS OF PAVEMENT ON HOUSTON AND COMMERCE STREETS.

BE IT ORDAINED BY THE COMMISSIONERS OF THE CITY OF SAN ANTONIO:-

1. That the proposal of Rodgers and Stewart, Inc., 1407 West Laurel Street, San Antonio, Texas, dated October 15, 1942, to furnish the City of San Antonio all tools, materials, labor and equipment necessary for the removal and replacement of approximately 300 square yards of pavement on Houston and Commerce Streets at locations to be designated by the City Engineer, at a price of 38 cents per square foot, be and the same is hereby accepted, this being the only bid received on this item in response to request for bids.

2. PASSED AND APPROVED this 19th day of October, A. D. 1942.

C. K. QUIN
MAYOR

ATTEST:

J. M. Woods,
City Clerk

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AN ORDINANCE (1758)

GRANTING THE PETITION OF ST. GERARD'S CHURCH AND SCHOOL, FOR EXEMPTION AND CANCELLATION OF CITY TAXES FOR FISCAL YEAR 1942 AND YEARS SUBSEQUENT THERETO, ON LOTS 1 AND 2, BLOCK 10, CITY BLOCK 3791, AT DILLWORTH AND GREEN TERRACE, IN THE CITY OF SAN ANTONIO, BEXAR COUNTY, TEXAS.

BE IT ORDAINED BY THE COMMISSIONERS OF THE CITY OF SAN ANTONIO:-

1. That the property known as Lots 1 and 2, Block 10, City Block 3791, at Dillworth and Green Terrace, in the City of San Antonio, Bexar County, Texas, owned by Most Rev. Robert E. Lucey and St. Gerard's Church and School, be and is hereby declared to be of an exempt character and not subject to taxation, and the petition of St. Gerard's Church and School, dated October 19, 1942 attached hereto and made a part hereof, for cancellation of City taxes levied upon said property for the fiscal year 1942 and subsequent years, is hereby granted, and said property is hereby exempted from taxation for the fiscal year 1942 and fiscal years subsequent thereto, and City taxes levied upon said property for the fiscal year 1942 are hereby cancelled, said exemption to be effective so long as the said property is used for religious, charitable and school purposes.

2. PASSED AND APPROVED this 22nd day of October, A.D. 1942.

C. K. Quin,
MAYOR

ATTEST:

J. M. Woods,
City Clerk

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AN ORDINANCE (1759)

"AN ORDINANCE CONFIRMING, RATIFYING, APPROVING, AND DECLARING EFFECTIVE AN ORDINANCE ENTITLED 'AN ORDINANCE AUTHORIZING THE ACQUISITION BY THE CITY OF SAN ANTONIO OF AN ELECTRIC LIGHT AND POWER PLANT AND SYSTEM AND A GAS DISTRIBUTION SYSTEM SERVING THE CITY OF SAN ANTONIO AND ITS INHABITANTS AND TERRITORY ADJACENT TO SAID CITY, AUTHORIZING THE ISSUANCE OF THE REVENUE BONDS OF SAID CITY FOR THE PURPOSE OF PAYING THE COST THEREOF, FIXING THE DETAILS AND PROVIDING FOR THE PAYMENT AND SECURITY OF SUCH BONDS, APPROVING AND RATIFYING THE NOTICE OF INTENTION TO ISSUE SUCH BONDS HERETOFORE GIVEN, AUTHORIZING AND PROVIDING FOR THE EXECUTION OF A MORTGAGE ON SAID PLANT AND SYSTEMS AS SECURITY FOR THE PAYMENT OF SUCH BONDS, GRANTING A FRANCHISE TO ANY PURCHASER OF SAID PROPERTIES AT ANY SALE WHICH MAY BE HELD FOR THE ENFORCEMENT OF SUCH MORTGAGE, PROVIDING FOR THE MANAGEMENT OF SAID PLANT AND SYSTEMS, ENTERING INTO CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION WITH SUCH ACQUISITION AND SUCH BONDS, AND DECLARING AN EMERGENCY,'CONFIRMING THE SALE AND FIXING THE INTEREST RATES OF BONDS AUTHORIZED BY SAID ORDINANCE TO THE AMOUNT OF $33,950,000, APPROVING CHANGES IN THE FORM PROVIDED FOR SUCH BONDS, AND DECLARING AN EMERGENCY."

WHEREAS, on the 25th day of July, 1942 the Commissioners of the City of San Antonio adopted an ordinance entitled "AN Ordinance authorizing the acquisition by the City of San Antonio of an electric light and power plant and system and a gas distribution system serving the City of San Antonio and its inhabitants and territory adjacent to said city, authorizing the issuance of the revenue bonds of said city for the purpose of paying the cost thereof, fixing the details and providing for the payment and security of such bonds, approving and ratifying the notice of intention to issue such bonds heretofore given, authorizing and providing for the execution of a mortgage on said plant and systems as security for the payment of such bonds, granting a franchise to any purchaser of said properties at any sale which may be held for the enforcement of such mortgage, providing for the management of said plant and systems, entering into certain covenants and agreements in connection with such acquisition and such bonds, and declaring an emergency"; and

WHEREAS, it has been ascertained that certain changes in the language of said ordinance are desirable in order to correct certain typographical errors which appear in the ordinance as it was adopted, and in order to clarify and make more certain the actual intent of said ordinance; and

WHEREAS, it is desired to amend one section of said ordinance in order to provide for the release of certain properties to be encumbered under the terms of the indenture which is set forth in said ordinance; and

WHEREAS, in printing the bonds authorized by said ordinance two changes have been made in the bond form in order to clarify and make more certain the intention of said ordinance, and it is desired to ratify and approve the changes so made; and

WHEREAS, on the 24th day of August, 1942, bonds authorized by said ordinance to the amount of $33,950,000 were by the Commissioners of the City of San Antonio sold to A. C. Allyn and Company of Chicago, Illinois, and associates, at the price of par plus accrued interest to the date of delivery plus a premium of $3,157.00, and it is desired to confirm said sale and provide for the delivery of the bonds to said purchasers;

NOW, THEREFORE, Be It Ordained by the Commissioners of the City of San Antonio:

SECTION 1. That Section 3 of Article VII of the form of indenture set out in Section 11 of the ordinance described in the preamble hereto shall read as follows:

"Section 3. So long as the city is not in default hereunder to the knowledge of the Trustee, the city may sell or otherwise dispose of any property mortgaged hereunder not exceeding in the period ending December 31, 1942, the sum of $200,000, in the two-year period ending December 31, 1944, the sum of $1,150,000 (of which any amount over $400,000 must represent the sale of electric distribution systems and transmission lines lying outside of Bexar County, Texas), and in any calendar year thereafter the sum of $200,000, all in aggregate sale price or fair value (whichever is greater), without deduction for any liens on such property, and obtain the release

of, and the trustees shall release from the lien hereof, such property, but only upon the receipt by the Trustee of a certificate signed by a majority of the Board of Trustees and by a licensed engineer stating in substance:

(1) The then fair value, in the opinion of the signers, of the property to be released, which property shall be described in such certificate in reasonable detail;

(2) That the aggregate sale price or fair value (whichever is greater) of such property, and of all property theretofore released by the trustees pursuant to the provisions hereof during the period in which the request for the release is made, does not exceed the amount hereinabove authorized to be released during such period, and, if such release is requested after the expiration of the third year from the date of this indenture, that all property released hereunder by the trustees from the date of this indenture to the date of the request of said additional release does not exceed ten per cent (10%) of the bonds of the issue secured hereby theretofore paid or otherwise retired; and

(3) That the city is not, to the knowledge of the signers, in default in the performance of any of the terms or covenants of this indenture or of the bonds secured hereby, and that such release will not be, in the opinion of the signers, prejudicial to the interest of the bondholders, and that the property to be released is not, in the opinion of the signers, necessary to the proper and economical operation of the electric and gas systems.

The money received from the sale of such released property shall be held by the Board of Trustees as a special fund for the purchase of additional property deemed by them necessary or advantageous to the system, and unless such money is used in such purchase of property within eighteen months of the time received, the same shall be used in the redemption prior to maturity of as many of the bonds as may be redeemed with such money in the manner provided in Section 7 Article V, above, for the redemption of bonds with surplus funds. All additional property purchased or acquired under the provisions of this section shall immediately upon such purchase or acquisition become subject to the lien of this indenture."

SECTION 2. That bonds authorized by said ordinance to the amount of Thirty Three Million Nine Hundred Fifty Thousand Dollars ($33,950,000.00) of the following numbers shall bear interest at the following rates:

Bond Numbers	Maturity Date	Interest Rate
1 to 750	1944	3%
776 to 1550	1945	3%
1576 to 2375	1946	3%
2401 to 3225	1947	3%
3251 to 4100	1948	3%
4126 to 5000	1949	3%
5026 to 5925	1950	3%
5951 to 6875	1951	3%
6906 to 7860	1952	3%
7891 to 8870	1953	3%
8901 to 9910	1954	3%
9941 to 10980	1955	2 3/4%
11011 to 12080	1956	2 3/4%
12116 to 13215	1957	2 3/4%
13256 to 14390	1958	2 3/4%
14426 to 15595	1959	2 1/2%
15631 to 16835	1960	2 1/2%
16871 to 18110	1961	2 3/4%
18151 to 19425	1962	2 3/4%
19466 to 20780	1963	2 3/4%
20821 to 22175	1964	2 3/4%
22216 to 23610	1965	3%
23656 to 25090	1966	3%
25136 to 26615	1967	3%
26661 to 28185	1968	3%
28231 to 29800	1969	3%
29851 to 31465	1970	3%
31516 to 33180	1971	3%
33231 to 34945	1972	2 1/2%

SECTION 3. That the sale of the bonds described in Section 2 hereof to A. C. Allyn and Company, of Chicago, Illinois, and associates, at the price of par and accrued interest to the date

of delivery, plus a premium of Three Thousand One Hundred Fifty Seven Dollars ($3,157.00) is hereby ratified and confirmed and said bonds shall be delivered to said purchasers in accordance with the terms of sale and the provisions of the above described ordinance.

SECTION 4. That the printed copy of the ordinance described in the preamble hereto which is attached hereto and marked "Exhibit A", and which copy contains the corrections described in the preamble hereto and contains the change authorized in Section 1 hereof, is hereby approved and ratified and declared to be fully effective, all with like force and effect as though said copy were herein set out in full, and the action of the Mayor and Clerk of the City of San Antonio in executing the indenture in the form set out in said "Exhibit A" is hereby confirmed, ratified and approved.

SECTION 5. That two variations which appear in the above described bonds as they have been printed and executed and which variations were made in order to make more certain the original intention of the above described ordinance, which changes consist of the insertion of the parenthetical expression "Except as otherwise provided in the above mentioned indenture" after the word "solely" in the third paragraph of the bond, and substitution of the words "Bonds numbered 3251 to 35000" for the words "The Bonds" in the first line of paragraph 5 of the bond, are hereby ratified and approved.

SECTION 6. That if any section, provision, or part hereof shall be held to be invalid or ineffective for any reason, the remainder hereof shall, nevertheless, remain in full force and effect.

SECTION 7. That by reason of the fact that the sale of the bonds authorized by the above mentioned ordinance is effective only until October 24, 1942, and that the purchasers of said bonds can be compelled to take delivery of said bonds only if the bonds are delivered on or prior to that date, and that the Commissioners are of the opinion that it would be impossible to find other purchasers for said bonds at the very favorable interest rates which are specified in the existing sales contract, it is necessary to the immediate preservation of the public peace, health and safety of the City of San Antonio that this ordinance shall become effective immediately upon its passage and approval and it is so ordained.

ADOPTED AND APPROVED October 23rd, 1942.

C. K. Quin
MAYOR

ATTEST:

J. M. Woods,
City Clerk

Thereafter the following ordinance was introduced in writing by Mayor Quin and was read in full. It was then moved by Com. Steffler and seconded by Com. Hein that the ordinance as read be adopted and, after due discussion, the motion was voted upon and carried by the following vote:

Aye: Quin
Steffler
Hein
Anderson

Nay: None

The ordinance was thereupon declared adopted, was approved and signed in open meeting by the Mayor and was ordered recorded by the City Clerk. The ordinance is as follows:

"AN ORDINANCE WITH RESPECT TO THE RATES TO BE CHARGED BY THE CITY OF SAN ANTONIO IN THE OPERATION OF ITS GAS AND ELECTRIC PROPERTIES."

WHEREAS, the City of San Antonio is about to acquire a gas distribution system and an electric light and power plant and system; and

WHEREAS, it is desired to establish the rates which are to be charged for the services supplied by said systems;

NOW, THEREFORE, Be It Ordained by the Commissioners of the City of San Antonio:

SECTION 1. That until changed by action of the Board of Trustees of the San Antonio Electric and Gas System, the rates to be charged for gas, electricity and services supplied by said systems shall be the rates now being charged by San Antonio Public Service Company, it being fully understood and recognized, however, that the rates to be hereafter charged for such services are to be fixed and imposed in full compliance with the terms of that certain ordinance adopted by the Commissioners on July 25, 1942, entitled: "An Ordinance authorizing the acquisition by the City of San Antonio of an electric light and power plant and system and a gas distribution system serving the City of San Antonio and its inhabitants and territory adjacent to said city, authorizing the issuance of the revenue bonds of said city for the purpose of paying the cost thereof, fixing the details and providing for the payment and security of such bonds, approving and ratifying the notice of intention to issue such bonds heretofore given, authorizing and providing for the execution of a mortgage on said plant and systems as security for the payment of such bonds, granting a franchise to any purchaser of said properties at any sale which may be held for the enforcement of s uch mortgage, providing for the management of said plant and systems, entering into certain covenants and agreements in connection with such acquisition and such bonds, and declaring an emergency."

SECTION 2. That by reason of the fact that the aforesaid gas and electric properties are to be acquired immediately and that it is necessary that initial rates be established prior to such acquisition, it is necessary to the immediate preservation of the public peace, health and safety of the City of San Antonio that this ordinance shall become effective immediately upon its passage and approval, and four of the five Commissioners having voted in favor thereof, it is so Ordained.

ADOPTED AND APPROVED October 23rd, 1942.

C. K. Quin
MAYOR

ATTEST:

J. M. Woods,
City Clerk

THEREAFTER the following ordinance was introduced in writing by Mayor Quin and was read in full. It was then moved by Com. Steffler and seconded by Com. Hein that the ordinance as read be adopted and, after due discussion, the motion was voted upon and carried by the following vote:

Aye: Quin
Steffler
Hein
Anderson

Nay: None

The Ordinance was thereupon declared adopted, was approved and signed in open meeting by the ~~meeting by the~~ Mayor and was ordered recorded by the City Clerk. The Ordinance is as follows:

An Ordinance authorizing the Mayor and City Clerk, in behalf of the City of San Antonio, to enter into a certain agreement entitled "Operating Agreement between the Guadalupe Electric Company and the City of San Antonio, Texas."

WHEREAS, certain of the electric properties now owned by San Antonio Public Service Company are about to be sold and transferred by said company to Guadalupe Electric Company,: and

WHEREAS, the City of San Antonio is about to acquire certain other electric properties now owned by San Antonio Public Service Company: and

WHEREAS, it is considered both by the City of San Antonio and Guadalupe Electric Company that an agreement can be advantageously entered into pursuant to which the properties so to be

acquired by Guadalupe Electric Company will be operated by the City of San Antonio through its Board of Trustees of the San Antonio Electric and Gas System;

NOW, THEREFORE, be it ordained by the Commissioners of the City of San Antonio:

SECTION 1. That the agreement hereto attached and marked Exhibit "B", which agreement is entitled "Operating Agreement between the Guadalupe Electric Company and the City of San Antonio, Texas" is hereby authorized to be executed by the Mayor and City Clerk in behalf of the City of San Antonio;

SECTION 2. That when said agreement shall have been properly executed by the Mayor and City Clerk and by the President and Secretary of Guadalupe Electric Company, said agreement shall be the valid and binding obligation of the City of San Antonio and that the provisions thereof shall be carried out by the Board of Trustees of the San Antonio Electric and Gas System in all respects as provided therein.

SECTION 3. That by reason of the fact that the aforesaid electric properties are to be acquired by Guadalupe Electric Company on the day following the adoption of this Ordinance, and that as a part of the program pursuant to which the City of San Antonio is to acquire its electric and gas systems, it is necessary that this Ordinance have been adopted and have become effective, it is necessary to the immediate preservation of the public peace, health and safety of the City of San Antonio that this Ordinance shall become effective immediately upon its passage and approval and it is so ordained.

ADOPTED AND A PPROVED October 23rd, 1942.

C. K. Quin
MAYOR

ATTEST:

J. M. Woods,
City Clerk

Thereafter the following ordinance was introduced in writing by Mayor Quin and was read in full. It was then moved by Com. Steffler and seconded by Com. Hein that the ordinance as read be adopted and, after due discussion, the motion was voted upon and carried by the following vote:

Aye: Quin
Steffler
Hein
Anderson

Nay: None

The Ordinance was thereupon declared adopted, was approved and signed in open meeting by the Mayor and was ordered recorded by the City Clerk. The Ordinance is as follows:

An Ordinance authorizing the Mayor and City Clerk, in behalf of the City of San Antonio, to enter into a certain agreement entitled, "Contract and Agreement between City of San Antonio and Guadalupe-Blanco River Authority".

WHEREAS, the City of San Antonio is about to acquire from San Antonio Public Service Company certain electric and gas properties; and

WHEREAS, after due deliberation it has been determined by the Commissioners of the City of San Antonio advisable to enter into the following described agreement and to impose upon the Board of Trustees of the San Antonio Electric and Gas System the duty and obligation of carrying out the provisions of such agreement;

NOW, THEREFORE, be it ordained by the Commissioners of the City of San Antonio:

SECTION 1. That the agreement hereto attached and marked Exhibit "C", which agreement is entitled, "Contract and Agreement between City of San Antonio and Guadalupe-Blanco River Authority" is hereby authorized to be executed by the Mayor and City Clerk in behalf of the City of San Antonio.

SECTION 2. That when said agreement shall have been properly executed by the Mayor and City Clerk and by the Chairman and Secretary of Guadalupe-Blanco River Authority, said agreement shall be the valid and binding obligation of the City of San Antonio and that the provisions thereof

shall be carried out by the Board of Trustees of the San Antonio Electric and Gas System in all respects as provided therein.

SECTION 3. That by reason of the fact that the aforesaid gas and electric properties can be acquired by the City of San Antonio within the period of time as of which the present sale of the revenue bonds which have been authorized to pay the cost of the acquisition of such properties remains in effect, only if the aforesaid agreement is entered into and by reason of the fact that such present sale of said bonds expires on October 24, 1942, it is necessary to the immediate preservation of the public peace health and safety of the City of San Antonio that this Ordinance shall beomce effective immediately upon its passage and approval and it is so ordained.

ADOPTED AND APPROVED October 23rd, 1942.

C. K. Quin
MAYOR

ATTEST:

J. M. Woods,
City Clerk

Thereafter the following ordinance was introduced in writing by Mayor Quin and was read in full. It was then moved by Com. Steffler and seconded by Com. Hein that the ordinance as read be adopted and, after due discussion, the motion was voted upon and carried by the following vote:

Aye: Quin
Steffler
Hein
Anderson

Nay: None

The Ordinance was thereupon declared adopted, was approved and signed in open meeting by the Mayor and was ordered recorded by the City Clerk. The Ordinance is as follows:

An Ordinance authorizing the execution of an agreement entitled, "Contract between City of San Antonio and Guadalupe-Blanco River Authority"

WHEREAS the City of San Antonio is about to acquire from San Antonio Public Service Company certain electric properties more particularly described in the agreement hereinafter described; and

WHEREAS, after due deliberation it has been determined by the Commissioners of the City of San Antonio advisable to enter into the following described agreement pursuant to which such properties are sold to Guadalupe-Blanco River Authority:

NOW, THEREFORE, be it Ordained by the Commissioners of the City of San Antonio:

Section 1. That the agreement hereto attached and marked Exhibit "D", which agreement is entitled, "Contract between City of San Antonio and Guadalupe-Blanco River Authority" is hereby authorized to be executed by the Mayor and City Clerk in behalf of the City of San Antonio:

SECTION 2. That when said agreement shall have been properly executed by the Mayor and City Clerk and by the Chariman and Secretary of Guadalupe-Blanco River Authority, said agreement shall be the valid and binding obligation of the City of San Antonio:

SECTION 3. That by reason of the fact that the gas and electric properties which are to be acquired by the City of San Antonio from San Antonio Public Service Company can be acquired within the period of time as of which the present sale of the revenue bonds which have been authorized to pay the cost of the acquisition of such properties remains in effect, only if the aforesaid agreement is entered into, and by reason of the fact that such present sale of said bonds expires on October 24, 1942, it is necessary to the immediate preservation of the public peace, health and safety of the City of San Antonio that this Ordinance shall become effective immediately upon its passage and approval and it is so ordianed.

ADOPTED AND APPROVED October 23rd, 1942.

Attest: J. M. Woods
City Clerk

C. K. Quin
Mayor

Thereafter the following ordinance was introduced in writing by Mayor Quin and was read in full. It was then moved by Com. Steffler and seconded by Com. Hein that the ordinance as read be adopted and, after due discussion, the motion was voted upon and carried by the following vote:

Aye: Quin
Steffler
Hein
Anderson

Nay: None

The Ordinance was thereupon declared adopted, was approved and signed in open meeting by the Mayor and was ordered recorded by the City Clerk. The Ordinance is as follows:

An Ordinance authorizing the execution of an agreement entitled, "Agreement between the City of San Antonio and Guadalupe-Blanco River Authority and Guadalupe Electric Company" relating to the City of Hondo, Texas:

WHEREAS, the City of San Antonio is about to acquire certain gas and electric properties from San Antonio Public Service Company; and

WHEREAS, certain electric properties of San Antonio Public Service Company located in and adjacent to the City of Hondo, Texas, are about to be conveyed by San Antonio Public Service Company to Guadalupe Electric Company; and

WHEREAS, it is considered that it will be mutually advantageous for the agreement hereinafter described to be entered into:

NOW, THEREFORE, be it Ordained by the Commissioners of the City of San Antonio:

SECTION 1. That the agreement hereto attached and marked Exhibit "E", which agreement is entitled, "Agreement between the City of San Antonio and Guadalupe-Blanco River Authority and Guadalupe Electric Company" relating to the City of Hondo, Texas, is hereby authorized to be executed by the Mayor and City Clerk in behalf of the City of San Antonio:

SECTION 2. That when said agreement shall have been properly executed by the Mayor and City Clerk and by the Chariman and Secretary of Guadalupe- Blanco River Authority and by the President and Secretary of Guadalupe Electric Company, said agreement shall be the valid and binding obligation of the City of San Antonio in accordance with its terms.

SECTION 3. That by reason of the fact that the above described agreement must be executed and must become effective before the City of San Antonio can acquire the gas and electric properties which it is about to acquire and by reason of the fact that if said properties are not acquired by the City by October 24, 1942, they cannot be so acquired, it is necessary to the immediate preservation of the public peace, health and safety of the City of San Antonio that this ordinance shall become effective immediately upon its passage and approval and it is so Ordained.

ADOPTED AND APPROVED October 23rd, 1942.

C. K. Quin
MAYOR

ATTEST:

J. M. Woods,
City Clerk

Thereafter the following ordinance was introduced in writing by Mayor Quin and was read in full. It was then moved by Com. Steffler and seconded by Com. Hein that the ordinance as read be adopted and, after due discussion, the motion was voted upon and carried by the following vote:

Aye: Quin
Steffler
Hein
Anderson

Nay: None

The Ordinance was thereupon declared adopted, was approved and signed in open meeting by the Mayor and was ordered recorded by the City Clerk. The Ordinance is as follows:

An Ordinance authorizing the execution of an agreement entitled, "Agreement between the City of San Antonio and Guadalupe-Blanco River Authority and Guadalupe Electric Company" relating to the City of Boerne, Texas:

WHEREAS, the City of San Antonio is about to acquire certain gas and electric properties from San Antonio Public Service Company; and

WHEREAS, certain electric properties of San Antonio Public Service Company located in and adjacent to the City of Boerne, Texas, are about to be conveyed by San Antonio Public Service Company to Guadalupe Electric Company; and

WHEREAS, it is considered that it will be mutually advantageous for the agreement hereinafter described to be entered into:

NOW, THEREFORE, be it Ordained by the Commissioners of the City of San Antonio:

SECTION 1. That the agreement hereto attached and marked Exhibit "F", which agreement is entitled, "Agreement between the City of San Antonio and Guadalupe-Blanco River Authority and Guadalupe Electric Company" relating to the City of Boerne, Texas, is hereby authorized by the Mayor and City Clerk in behalf of the City of San Antonio:

SECTION 2. That when said agreement shall have been properly executed by the Mayor and City Clerk and by the Chairman and Secretary of Guadalupe-Blanco River Authority and by the President and Secretary of Guadalupe Electric Company, said agreement shall be the valid and binding obligation of the City of San Antonio in accordance with its terms.

SECTION 3. That by reason of the fact that the above described agreement must be executed and must become effective before the City of San Antonio can acquire the gas and electric properties which it is about to acquire and by reason of the fact that if said properties are not acquired by the City by October 24, 1942, they cannot be so acquired, it is necessary to the immediate preservation of the public peace, health and safety of the City of San Antonio that this ordinance shall become effective immediately upon its passage and approval and it is so Ordained.

ADOPTED AND APPROVED October 23rd, 1942.

C. K. QUIN

ATTEST: M A Y O R

J. M. Woods,

City Clerk

Thereafter the following ordinance was introduced in writing by Mayor Quin and was read in full. It was then moved by Com. Steffler and seconded by Com. Hein that the ordinance as read be adopted and, after due discussion, the motion was voted upon and carried by the following vote:

Aye: Quin
Steffler
Hein
Anderson

Nay: None

The ordinance was thereupon declared adopted, was approved and signed in open meeting by the Mayor and was ordered recorded by the City Clerk. The ordinance is as follows:

An Ordinance authorizing the execution of an agreement entitled, "Agreement between the City of San Antonio and Guadalupe-Blanco River Authority and Guadalupe Electric Company" relating to the City of New Braunfels, Texas:

WHEREAS, the City of San Antonio is about to acquire certain gas and electric properties from San Antonio Public Service Company; and

WHEREAS, certain electric properties of San Antonio Public Service Company located in and adjacent to the City of New Braunfels, Texas, are about to be conveyed by San Antonio Public Service Company to Guadalupe Electric Company; and

WHEREAS, it is considered that it will be mutually advantageous for the agreement hereinafter described to be entered into;

NOW, THEREFORE, be it Ordained by the Commissioners of the City of San Antonio:

SECTION 1. That the agreement hereto attached and marked Exhibit "G", which agreement is entitled, "Agreement between the City of San Antonio and Guadalupe-Blanco River Authority and Guadalupe Electric Company" relating to the City of New Braunfels, Texas, is hereby authorized to be executed by the Mayor and City Clerk in behalf of the City of San Antonio:

SECTION 2. That when said agreement shall have been propertly executed by the Mayor and City Clerk and by the Chairman and Secretary of Guadalupe Blanco River Authority and by the President and Secretary of Guadalupe Electric Company said agreement shall be the valid and binding obligation of the City of San Antonio in accordance with its terms.

SECTION 3. That by reason of the fact that the above described agreement must be executed and must become effective before the City of San Antonio can acquire the gas and electric properties which it is about to acquire and by reason of the fact that if said properties are not acquired by the City by October 24, 1942, they cannot be so acquired, it is necessary to the immediate preservation of the public peace, health and safety of the City of San Antonio that this ordinance shall become effective immediately upon its passage and approval and it is so Ordained.

ADOPTED AND APPROVED October 23rd, 1942.

C. K. Quin

ATTEST: M A Y O R

J. M. Woods,

City Clerk

There-after the following ordinance was introduced in writing by Mayor Quin and was read in full. It was then moved by Com. Steffler and seconded by Com. Hein that the ordinance as read be adopted and, after due discussion, the motion was voted upon and carried by the following vote:

Aye: Quin
Steffler
Hein
Anderson

Nay: None

The Ordinance was thereupon declared adopted, was approved and signed in open meeting by the Mayor and was ordered recorded by the City Clerk. The Ordinance is as follows:

An Ordinance authorizing the execution of an agreement, entitled, "Agreement between Guadalupe-Blanco River Authority and Lower Colorado River Authority and City of San Antonio".

WHEREAS, the Commissioners of the City of San Antonio have heretofore authorized the execution of an agreement between the City of San Antonio and Guadalupe-Blanco River Authority which agreement is entitled, "Contract and Agreement between City of San Antonio and Guadalupe-Blanco River Authority": and

WHEREAS, it has been determined to be beneficial to the interests of all parties concerned that said agreement shall be assigned by Guadalupe-Blanco River Authority to Lower Colorado River Authority and it is desired to authorize the execution of an agreement for that purpose:

NOW, THEREFORE, be it Ordained by the Commissioners of the City of San Antonio:

SECTION 1. That the agreement hereto attached and marked, Exhibit "H", which agreement is entitled, "Agreement between Guadalupe-Blanco River Authority, Lower Colorado River Authority and City of San Antonio" is hereby authorized to be executed by the Mayor and City Clerk in behalf of the City of San Antonio:

SECTION 2. That when said agreement shall have been properly executed by the Mayor and City Clerk and by the Chairman and Secretary of Guadalupe- Blanco River Authority and by the Chairman

or General Manager and Secretary of Lower Colorado River Authority, said agreement shall be a valid and binding obligation of the City of San Antonio in accordance with the terms thereof.

SECTION 3. That by reason of the fact that the above described agreement must be executed and must become effective before the City of San Antonio can acquire the gas and electric properties which it is about to acquire and by reason of the fact that if said properties are not acquired by the City by October 24, 1942, they cannot be so acquired, it is necessary to the immediate preservation of the public peace, health and safety of the City of San Antonio that this ordinance shall become effective immediately upon its passage and approval and it is so Ordained.

ADOPTED AND APPROVED October 23rd, 1942.

C. K. Quin
M A Y O R

ATTEST:

J. M. Woods,
City Clerk

Thereafter the following ordinance was introduced in writing by Mayor Quin and was read in full. It was then moved by Com. Steffler and seconded by Com. Hein that the ordinance as read be adopted and, after due discussion, the motion was voted upon and carried by the following vote:

Aye: Quin
Steffler
Hein
Anderson
Nay: None

The Ordinance was thereupon declared adopted, was approved and signed in open meeting by the Mayor and was ordered recorded by the City Clerk. The Ordinance is as follows:

An Ordinance authorizing the execution of an agreement entitled, "Contract between City of San Antonio and Cities of Floresville, Stockdale and Poth":

WHEREAS, the City of San Antonio is about to acquire from San Antonio Public Service Company certain electric and gas properties; and

WHEREAS, as a condition of the acquisition of such properties, the City has agreed to enter into the contract for the sale of part of said properties which is hereinafter set out:

NOW, THEREFORE, be it Ordained by the Commissioners of the City of San Antonio:

SECTION 1. That the agreement hereto attached and marked Exhibit "I", which agreement is entitled "Contract between City of San Antonio and Cities of Floresville, Stockdale and Poth" is hereby authorized to be executed by the Mayor and City Clerk in behalf of the City of San Antonio.

SECTION 2. That when said agreement shall have been properly executed by the Mayor and City Clerk of San Antonio and by the respective Mayors, City Clerks of the Cities of Floresville, Stockdale and Poth, said agreement shall be the valid and binding obligation of the City of San Antonio in accordance with the terms thereof.

SECTION 3. That by reason of the fact that the above described agreement must be executed and become effective before the City of San Antonio can acquire the gas and electric properties which it is about to acquire and by reason of the fact that if said properties are not acquired by the City by October 24, 1942, they cannot be so acquired, it is necessary to the immediate preservation of the public peace, health and safety of the City of San Antonio that this ordinance shall become effective immediately upon its passage and approval and it is so Ordained.

ADOPTED AND APPROVED October 23rd, 1942.

C. K. Quin
M A Y O R

ATTEST: J. M. Woods,
City Clerk

Thereafter the following ordinance was introduced in writing by Mayor Quin and was read in full. It was then moved by Com. Steffler and seconded by Com. Hein that the ordinance as read be adopted and, after due discussion, the motion was voted upon and carried by the following vote:

Aye: Quin
Steffler
Hein
Anderson

Nay: None

The Ordinance was thereupon declared adopted, was approved and signed in open meeting by the Mayor and was ordered recorded by the City Clerk. The Ordinance is as follows:

An Ordinance authorizing the execution of an agreement entitled, "Contract between City of San Antonio and the City of New Braunfels":

WHEREAS, the City of San Antonio is about to acquire certain gas and electric properties from San Antonio Public Service Company; and

WHEREAS, as a condition to such acquisition, the City has agreed to sell part of the properties to be so acquired to the City of New Braunfels and it is desired to enter into an agreement to that end:

NOW, THEREFORE, be it Ordained by the Commissioners of the City of San Antonio:

SECTION 1. That the agreement hereto attached and marked Exhibit "J", which agreement is entitled, "Contract between City of San Antonio and the City of New Braunfels" is hereby authorized to be executed by the Mayor and City Clerk in behalf of the City of San Antonio.

SECTION 2. That when said agreement shall have been properly executed by the Mayor and City Clerk of the City of San Antonio and by the Mayor and City Clerk of the City of New Braunfels, said agreement shall be the valid and binding obligation of the City of San Antonio in accordance with the terms thereof.

SECTION 3. That by reason of the fact that the above described agreement must be executed and must become effective before the City of San Antonio can acquire the gas and electric properties which it is about to acquire and by reason of the fact that if said properties are not acquired by the City by October 24, 1942, they cannot be so acquired, it is necessary to the immediate preservation of the public peace, health and safety of the City of San Antonio that this Ordinance shall become effective immediately upon its passage and approval and it is so Ordained.

ADOPTED AND APPROVED October 23rd, 1942.

C. K. Quin
M A Y O R

ATTEST:

J. M. Woods,
City Clerk

Thereafter the following ordinance was introduced in writing by Mayor Quin and was read in full. It was then moved by Com. Steffler and seconded by Com. Hein that the ordinance as read be adopted and, after due discussion, the motion was voted upon and carried by thefollowing vote:

Aye: Quin
Steffler
Hein
Anderson

Nay: None

The Ordinance was thereupon declared adopted, was approved and signed in open meeting by the Mayor and was ordered recorded by the City Clerk. The Ordinance is as follows:

An Ordinance prescribing the procedure pursuant to which the City of San Antonio is to acquire certain electric and gas properties:

WHEREAS on the 25th day of July, 1942, the Commissioners of the City of San Antonio adopted an ordinance entitled, "An Ordinance authorizing the acquisition by the City of San Antonio of an electric light and power plant and system and a gas distribution system serving the City of San Antonio and its inhabitants and territory adjacent to said city, authorizing the issuance of the revenue bonds of said city for the purpose of paying the cost thereof, fixing the details and providing for the payment and security of such bonds, approving and ratifying the notice of intention to issue such bonds heretofore given, authorizing and providing for the execution of a mortgage on said plant and systems as security for the payment of such bonds, granting a franchise to any purchaser of said properties at any sale which may be held for the enforcement of such mortgage, providing for the management of said plant and systems, entering into certain covenants and agreements in connection with such acquisition and such bonds, and declaring an emergency", which Ordinance as clarified and corrected has today been approved, ratified and confirmed by the Commissioners; and

WHEREAS, it is provided in SECTION 13 of said Ordinance that the procedural details to be followed in the acquisition of the system to be acquired and the issuance of the bonds was to be later prescribed and provided for by ordinance or resolution to be thereafter adopted by the Commissioners of the City of San Antonio; and

WHEREAS, it has been determined advisable and necessary to acquire the properties authorized to be acquired by said ordinance through the purchase of the common stock of San Antonio Public Service Company and through the immediate liquidation of said stock and dissolution of said company in the manner for which provision is hereinafter made; and

WHEREAS, it is now desired to prescribe the manner in which said transaction shall be consummated;

NOW, THEREFORE, be it Ordained by the Commissioners of the City of San Antonio:

SECTION 1. That the gas and electric properties authorized to be acquired by the City of San Antonio under the provisions of the Ordinance described in the preamble hereto, shall be acquired through the purchase of the Common stock of San Antonio Public Service Company for the sum of Ten Million Dollars ($10,000,000.00) and through the liquidation of said company in the manner hereinafter prescribed.

SECTION 2. That the following procedure shall be followed:

(a). Immediately following its purchase, said Common stock shall be transferred to the name of the City of San Antonio

b. Immediately after such trnasfer there shall be made a contribution to the capital of the San Antonio Public Service Company by the City of San Antonio, as its sole stockholder in an amount sufficient to enable said company to retire its bonds, Preferred stock, bank notes and other indebtedness

c. Thereafter there shall be executed by the City of San Antonio, acting through its Mayor, a consent to the dissolution of San Antonio Public Service Company

d. Thereafter the City of San Antonio as the sole stockholder of San Antonio Public Service Company acting through its Mayor shall approve a Plan of Liquidation of San Antonio Public Service Company which plan and approval shall read as follows:

"PLAN OF LIQUIDATION OF SAN ANTONIO PUBLIC SERVICE COMPANY, A TEXAS CORPORATION:

The City of San Antonio Texas, as the sole stockholder, has made a contribution to the capital of San Antonio Public Service Company (herein called the 'Company') in the amount of $ 23,443,907. and

the Company has called for redemption and thus retired its outstanding bonds, its bank notes and its preferred stock, and will have funds in its possession sufficient to pay its outstanding liabilities.

The City of San Antonio, as the sole stockholder of the Company, has executed a consent to dissolution of the Company and the same has been filed in the Office of the Secretary of State of Texas, and the President and the members of the Board of Directors of the Company have, by virtue of the laws of the State of Texas, become Trustees of the property of the Company, with authority to dispose of the property and effect payment and discharge of its liabilities.

In order to effect the complete liquidation of the Company during the present fiscal income tax year of the Company the following steps shall be accomplished and, by the adoption of this Plan of Liquidation, are authorized:

1. The transfer of certain electric properties owned by the Company, consisting of all of the electric properties of the company lying within and immediately contiguous to the Cities of Hondo, Boerne and New Braunfels, Texas, with the exception of the generating plant known as the Comal Plant and all transmission lines, water rights, lands, easements and appurtenances forming a part of said plant, to Guadalupe Electric Company, a Texas corporation, for a cash consideration of $406,000.

11. The transfer of all properties used or held for use by the Company in the operation of its bus transportation business to San Antonio Traction Company, a Texas corporation, for the sum of $1,140,199.

111. The transfer and conveyance of all properties and assets of every kind and nature of the Company (except those described in items 1 and 11 above) to the City of San Antonio, as the sole stockholder of the Company, in order to effect forthwith a complete liquidation of the Company upon the simultaneous cancellation of all of the outstanding common stock of the Company, provided, however, the cash so transferred shall be subject to charge so that the same will be used to the extent necessary to pay the outstanding liabilities of the Company, it being found by the adoption of the Plan of Liquidation that such cash will be more than sufficient to make such payment.

IV. The taking of all steps, the doing of all acts, and the execution and delivery of all instruments necessary or deemed advisable by the President and the members of the Board of Trustees of the Company in order to carry out the acts and transactions herein authorized and in order to forthwith wind up the business and the affairs of the Company so that it may cease to do any business whatsoever."

e. The Mayor of the City of San Antonio is hereby authorized to take all steps by him deemed advisable in order that

1. The Common stock of San Antonio Public Service Company may be acquired by the City of San Antonio;

2. The City of San Antonio may make a contribution to the capital of San Antonio Public Service Company in the amount of $23,443,907;

3. San Antonio Public Service Company may retire its outstanding bonds, preferred stock and bank notes;

4. San Antonio Public Service Company may enter into such contracts with Texas Power Corporation and Texas-Hydro Electric Corporation as the Mayor or the Board of Directors of San Antonio Public Service Company, selected by the Mayor, shall approve;

5. San Antonio Public Service Company may sell the properties above provided to be sold to the Guadalupe Electric Company and may sell its bus properties for a specified consideration and may make such agreements with respect thereto between the City and Guadalupe Electric Company and San Antonio Traction Company and A. C. Allyn and Company and their associates as may be deemed advisable; and

6. All steps may be taken looking to the consummation of all transactions recited or provided for in the above plan of liquidation.

f. The Chief Deputy City Treasurer of the City of San Antonio shall receive the proceeds from the sale of the City's electric and gas revenue bonds and shall deposit such proceeds in a special account to be entitled, "Special Revenue Bond Account of the City of San Antonio", to be deposited in a bank to be approved by the Mayor. The funds in such account shall be subject to checks or orders to be drawn by the City Clerk and countersigned by the Mayor.

SECTION 3. That by reason of the fact that the procedure for which provision is made in this Ordinance must be carried out immediately in order to permit consummation of the transaction within the time limit specified in the City's existing agreement for the sale of its bonds, it is necessary to the immediate preservation of the public peace, health and safety of the City of San Antonio that this Ordinance shall become effective immediately upon its passage and approval and it is so Ordained.

ADOPTED AND APPROVED October 23rd, 1942.

C. K. Quin
Mayor

Attest:

J. M. Woods,
City Clerk

Thereafter the following ordinance was introduced in writing by Mayor Quin and was read in full. It was then moved by Com. Steffler and seconded by Com. Hein that the ordinance as read be adopted and, after due discussion, the motion was voted upon and carried by the following vote:

Aye: Quin
Steffler
Hein
Anderson

Nay: None

The Ordinance was thereupon declared adopted, was approved and signed in open meeting by the Mayor and was ordered recorded by the City Clerk. The Ordinance is as follows:

An Ordinance authorizing the execution of an agreement entitled, "Agreement between City of San Antonio and Lower Colorado River Authority":

WHEREAS, the City of San Antonio is about to acquire from San Antonio Public Service Company certain electric and gas properties, of which certain supplies situated at the Comal Plant are to be sold by the City to Lower Colorado River Authority, and it is desired to authorize a con-

tract providing for such sale:

NOW, THEREFORE, be it Ordained by the Commissioners of the City of San Antonio:

SECTION 1. That the agreement hereto attached and marked Exhibit "K", which agreement is entitled, "Agreement between City of San Antonio and Lower Colorado River Authority", is hereby authorized to be executed by the Mayor and City Clerk in behalf of the City of San Antonio, and when so executed by the Mayor and City Clerk and by the Manager and Secretary of Lower Colorado River Authority, shall be the valid and binding obligation of the City of San Antonio in accordance with the terms thereof.

SECTION 2. That by reason of the fact that the above described agreement must be executed and must become effective before the City of San Antonio can acquire the gas and electric properties which it is about to acquire and by reason of the fact that if said properties are not acquired by the City by October 24, 1942, they cannot be so acquired, it is necessary to the immediate preservation of the public peace, health and safety of the City of San Antonio that this Ordinance shall become effective immediately upon its passage and approval, and it is so Ordained.

ADOPTED AND APPROVED October 23rd, 1942.

C. K. Quin
MAYOR

ATTEST:

J. M. Woods,
City Clerk

PURSUANT TO motion duly made and carried, the meeting was adjourned.

/s/ C. K. Quin
MAYOR

ATTEST:

J. M. Woods,
City Clerk

(THE AGREEMENTS HERETO ATTACHED AND MARKED EXHIBITS A,B,C,D,E,F,G,H,I,J,K, ARE TYPED FOLLOWING THIS ORDINANCE. SEE INDEX BOOK "K", FOR PAGES. LISTED UNDER EXHIBITS.) EXHIBIT "A" STARTS ON PAGE 256, OF THIS BOOK.

- - -

AN ORDINANCE (1774)
GRANTING PETITION OF UNITED STATES ENGINEER OFFICE TO CLOSE CERTAIN STREETS, ON ACCOUNT OF OCCUPANCY BY THE UNITED STATES GOVERNMENT FOR MILITARY PURPOSES.

BE IT ORDAINED BY THE COMMISSIONERS OF THE CITY OF SAN ANTONIO:-

1. That the petition of United States Engineer Office, dated October 17, 1942, attached hereto and made a part hereof, to close Muegge Avenue adjoining Lots 3 and 4 in New City Block 1247 and Lots 9 and 10 in New City Block 1239, for such period as a military need exists, be and the same is hereby granted.

2. That Megge Avenue, adjoining Lots 3 and 4 in New City Block 1247 and Lots 9 and 10 in New City Block 1239, be and the same is hereby closed, for such period of time as a military need exists, and the United States Government is hereby given permission to occupy the territory described for military purposes, as shown in yellow on the attached blue print.

3. PASSED AND APPROVED this 29th day of October, A. D. 1942.

C. K. Quin
MAYOR

ATTEST:

J. M. Woods,
City Clerk

War Department
United States Engineer Office
Southwestern Division
Real Estate Suboffice
316 Moore Building,
San Antonio, Texas

October 17, 1942

Honorable Commissioners
City of San Antonio

City Hall
San Antonio, Texas

Attention: Mr. Steffler

Gentlemen:

On July 30, 1942 an Ordinance was passed by the Commissioners of the City of San Antonio closing certain streets, avenues and public ways abutting the T. & N. O. Railroad Company south of the main track right-of-way and east of Menger Creek which Ordinance is of record in Ordinance Book K, page 158 of the Ordinances of the City of San Antonio.

On September 17, 1942 an amendment was passed and approved by the Commissioners of the City of San Antonio amending paragraph 2 to read as follows:

> "That the following streets, avenues and public ways be and the same are hereby closed, for such period of time as a military need exists, and the United States Government is hereby given permission to occupy the territory described for military purposes: . . ."

This amendment is of record in Ordinance Book K, page 227, of the Ordinances of the City of San Antonio.

It is respectfully requested that an additional Ordinance be granted closing Muegge Avenue adjoining Lots 3 and 4 in New City Block 1247 and Lots 9 and 10 in New City Block 1239 for such period of time as a military need exists.

Yours very truly,

/s/ C. H. Colvin
C. H. Colvin
Head, Division Real Estate
Sub-Office.

\- - -

A RESOLUTION (1775)

ACCEPTING THE OFFER OF THE UNITED STATES OF AMERICA.

WHEREAS, there has been filed with the Federal Works Agency for and in behalf of the City of San Antonio, Texas (herein called the "Owner"), an application for Federal assistance under the Defense Public Works program, and the United States of America, acting by and through the Federal Works Administrator, has transmitted to the Owner an Offer of Federal assistance in connection with the public works referred to in said application and described in said Offer, and

WHEREAS, said Offer has been duly read in open meeting and has been fully considered in every respect in accordance with the pertinent rules of procedure and legal requirements; and

WHEREAS, said Offer has been made a aprt of the public records of the Owner; and

WHEREAS, it is deemed advisable and in the public interest that said Offer be accepted;

NOW THEREFORE, be it Resolved by the Board of Commissioners of the City of San Antonio, Texas that the said Offer of the United States of America, a true and correct copy of which is hereto attached, be and the same hereby is accepted without reservation or qualification.

Passed by the Board of Commissioners on the 29th day of October, 1942.

C. K. Quin,

M A Y O R

After transaction of other business, the meeting was, on motion made, seconded and carried by unanimous vote , adjourned.

(FOR FULL TEXT OF UNITED STATES OF AMERICA FEDERAL WORKS AGENCY, GRANT OFFER. WASHINGTON, D.C. PROJECT NO. TEX. 41-349, UNDER DATE OF OCTOBER 1942, ATTACHED TO ORIGINAL RESOLUTION NO. 1775, UNDER DATE OF 29th day of October, 1942.

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"EXHIBIT A"

ORDINANCE AND INDENTURE

AUTHORIZING ISSUANCE OF

CITY OF SAN ANTONIO

ELECTRIC AND GAS REVENUE BONDS

IN THE SUM OF $35,000,000

ORDINANCE PASSED ON JULY 25, 1942

AS AMENDED ON OCTOBER 23, 1942

INCLUDING INDENTURE AS AMENDED

San Antonio, Texas

July 25, 1942

Pursuant to ordinance adopted on July 10, 1942 the Commissioners of the City of San Antonio met in regular adjourned session at the regular meeting place of the Board in the City Hall, in the City of San Antonio, Texas, at ten o'clock, A. M., on July 25, 1942. There were present Mayor C. K. Quin and the following Commissioners:

Henry F. Hein
Paul E. Steffler
P. L. Anderson
Absent: C. Ray Davis

There were also present James Simpson, City Clerk, and Victor Keller, City Attorney.

After the meeting had been duly called to order and the roll called, the Mayor announced that one of the purposes of the meeting was the adoption of an ordinance authorizing revenue bonds of the city pursuant to notice of intention directed by ordinance adopted on July 10, 1942. The City Clerk presented a publisher's affidavit evidencing publication of the notice of intention prescribed by said ordinance in the San Antonio Light, a newspaper published and having general circulation in the City of San Antonio, on July 10, 1942, and July 17, 1942. The affidavit was approved by the Commissioners and ordered recorded in the minutes of the meeting.

Thereupon, the following ordinance was introduced in writing by C. K. Quin and was read in full. It was then moved by Henry F. Hein and seconded by Paul E. Steffler that the ordinance as read be adopted and, after due discussion, the motion was voted upon and carried by the following vote:

Aye: C. K. Quin
Henry F. Hein
Paul E. Steffler
P. L. Anderson

Nay: None.

The ordinance was thereupon declared adopted, was approved and signed in open meeting by the Mayor and was ordered recorded by the City Clerk. The ordinance is as follows:

"AN ORDINANCE AUTHORIZING THE ACQUISITION BY THE CITY OF SAN ANTONIO OF AN ELECTRIC LIGHT AND POWER PLANT AND SYSTEM AND A GAS DISTRIBUTION SYSTEM SERVING THE CITY OF SAN ANTONIO AND ITS INHABITANTS AND TERRITORY ADJACENT TO SAID CITY, AUTHORIZING THE ISSUANCE OF THE REVENUE BONDS OF SAID CITY FOR THE PURPOSE OF PAYING THE COST THEREOF, FIXING THE DETAILS AND PROVIDING FOR THE PAYMENT AND SECURITY OF SUCH BONDS, APPROVING AND RATIFYING THE NOTICE OF INTENTION TO ISSUE SUCH BONDS HERETOFORE GIVEN, AUTHORIZING AND PROVIDING FOR THE EXECUTION OF A MORTGAGE ON SAID PLANT AND SYSTEMS AS SECURITY FOR THE PAYMENT OF SUCH BONDS, GRANTING A FRANCHISE TO ANY PURCHASER OF SAID PROPERTIES AT ANY SALE WHICH MAY BE HELD FOR THE ENFORCEMENT OF SUCH MORTGAGE, PROVIDING FOR THE MANAGEMENT OF SAID PLANT AND SYSTEMS, ENTERING INTO CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION WITH SUCH ACQUISITION AND SUCH BONDS, AND DECLARING AN EMERGENCY."

WHEREAS, on the 10th day of July, 1942, the Commissioners of the City of San Antonio adopted an ordinance entitled "An Ordinance directing the City Clerk to give notice of intention to purchase gas and electric properties now serving the City of San Antonio and surrounding territory

and to issue electric and gas revenue bonds therefor"; and

WHEREAS, pursuant to the provisions of said ordinance and to the provisions of the "Bond and Warrant Law of 1931," being Article 2368(a) of the Texas Civil Statutes, there was duly published in the San Antonio Light, a newspaper published and having general circulation in the City of San Antonio, on July 10 and 17, 1942, a notice apprising the qualified electors of the city and all other persons interested of the intention of the Commissioners of the City of San Antonio at a meeting to be held at ten o'clock, A.M., on July 25, 1942, to pass such ordinances and take such action as might be deemed necessary to authorize the issuance of Thirty-five Million Dollars ($35,000,000) revenue bonds of said city for the purpose of acquiring an electric light and power plant and system and a gas distribution system serving the City of San Antonio and its inhabitants and territory adjacent to said city; and

WHEREAS, more than fourteen days have expired since the first publication of said notice and no petition has been filed requesting that the question of the issuance of bonds for such purpose be submitted to a referendum vote; and

WHEREAS, it is the opinion of the Commissioners that it is necessary and essential to the welfare of the inhabitants of the city that an electric light and power plant and system and a gas distribution system be acquired by the city immediately in the manner for which provision is hereinafter made, and that the revenue bonds of the city be authorized, sold and issued for the purpose of obtaining funds to pay the cost of such acquisition;

NOW, THEREFORE, Be It Ordained by the Commissioners of the City of San Antonio:

SECTION 1. That the ordinance of July 10, 1942, described in the preamble hereto, and the act of the City Clerk in publishing the notice described in said preamble, be and are hereby ratified, approved and confirmed, and that it is hereby formally found by the Commissioners that said notice was given and published in all respects as required by the Bond and Warrant Law of 1931, and that there has not been filed any petition requesting a referendum vote on the question of the issuance of such bonds.

SECTION 2. That the City of San Antonio shall acquire a complete electric light and power plant and system and gas distribution system serving the City of San Antonio and its inhabitants and territory adjacent to said city, such acquisition to be effected through the acquisition of all of the electric and gas properties owned by San Antonio Public Service Company on the date of the acquisition of such properties by the city, excepting only the electric distribution systems owned by said company and located within the corporate limits of municipal corporations other than the City of San Antonio and such distribution facilities immediately contiguous to such other municipal corporations as form an integral part of such systems, and through the making of repairs, improvements and extensions to such plant and systems. All properties of every nature of San Antonio Public Service Company acquired by the City of San Antonio hereunder, real, personal an incorporeal, including contracts, franchises, leases and choses in action, together with all improvements, additions and extensions which may hereafter be made to said properties while any of the bonds herein authorized remain outstanding, either from the proceeds of such bonds or from any other source, are hereinafter in this ordinance referred to as "the system."

SECTION 3. That in order to pay the cost of acquisition of such electric light and power plant and system and gas distribution system in the manner hereinbefore set out, including the payment of all legal, engineering, accounting, fiscal agents, and other incidental costs and fees incurred in connection with such acquisition and the authorization and issuance of the bonds, there be borrowed upon the credit of the income and revenue of the system the sum of Thirty-five Million Dollars ($35,000,000), and that in evidence thereof there be issued the revenue bonds of the City of San Antonio, under authority of Articles 1111 et seq. of the Texas Revised Civil Statutes, 1925, as amended, which bonds shall be payable as to both

principal and interest solely from the revenues of the system and secured by mortgage on the system, all as more specifically hereinafter provided. Such part of the proceeds of the sale of such bonds, other than accrued interest and premium, as is not used to pay the cost of the acquisition of the properties of San Antonio Public Service Company, including the payment of incidental costs and fees as above provided, and any funds which may be received by the city from other sources simultaneously with or subsequent to the issuance of the bonds and by reason of the issuance thereof, shall be used for the purpose of making repairs, improvements and extensions to such properties, in order that the city may have a complete and effective gas and electric system.

SECTION 4. That such bonds shall be denominated "Electric and Gas Revenue Bonds," shall be dated August 1, 1942, shall be in the denomination of $1,000 each, shall be numbered 1 to 35,000, inclusive, shall bear interest until paid at such rate or rates not greater than three and one-half per cent (3½%) per annum, as may prove to be the lowest rate or rates specified in the bids for the purchase of said bonds pursuant to which said bonds shall hereafter be sold by the Commissioners, which interest shall be payable semi-annually on the first days of February and August of each year, shall be payable as to both principal and interest in lawful money of the United States of America at Chemical Bank & Trust Company in the City of New York, New York, and shall mature serially in numerical order on August 1 of each year as follows:

Year	Amount	Bond Numbers
1944	$ 775,000	1 to 775
1945	800,000	776 to 1575
1946	825,000	1576 to 2400
1947	850,000	2401 to 3250
1948	875,000	3251 to 4125
1949	900,000	4126 to 5025
1950	925,000	5026 to 5950
1951	955,000	5951 to 6905
1952	985,000	6906 to 7890
1953	1,010,000	7891 to 8900
1954	1,040,000	8901 to 9940
1955	1,070,000	9941 to 11010
1956	1,105,000	11011 to 12115
1957	1,140,000	12116 to 13255
1958	1,170,000	13256 to 14425
1959	1,205,000	14426 to 15630
1960	1,240,000	15631 to 16870
1961	1,280,000	16871 to 18150
1962	1,315,000	18151 to 19465
1963	1,355,000	19466 to 20820
1964	1,395,000	20821 to 22215
1965	1,440,000	22216 to 23655
1966	1,480,000	23656 to 25135
1967	1,525,000	25136 to 26660
1968	1,570,000	26661 to 28230
1969	1,620,000	28231 to 29850
1970	1,665,000	29851 to 31515
1971	1,715,000	31516 to 33230
1972	1,770,000	33231 to 35000

Such bonds shall be subject to redemption at the option of the City of San Antonio, to be evidenced by appropriate resolution passed by the Commissioners of the City of San Antonio and approved by the Board of Trustees in charge of the operation of the city's gas and electric properties, either in whole, or in part in inverse numerical order, bonds numbered 33231 to 35000, inclusive, on any interest payment date, and bonds numbered 3251 to 33230, inclusive, on August 1, 1947 and on any interest payment date thereafter, all at the principal amount thereof and accrued interest to the date fixed for redemption, plus such premium not greater than fifty dollars for each bond redeemed as will be equivalent to two dollars fifty cents for each year or fraction thereof intervening between the date fixed for redemption and the stated maturity date of such bond. Notice of redemption is to be given not less than thirty days prior to the date fixed for redemption by registered mail to the registered owner of each bond called for redemption, mailed to the address of such owner shown on the Registrar's registration books. If any bond called for redemption is not at the time registered as to principal, thirty days notice of redemption shall also be given by publication of an appropriate notice at least once in a newspaper published and having general circulation in the City of San Antonio and in a financial newspaper or journal published in the City of New York, New York.

SECTION 5. That each of such bonds shall be signed by the Mayor of the City of San Antonio, shall be attested by the City Clerk, shall have the corporate seal of the city impressed thereon and shall be authenticated by the Trustee in the manner provided in the trust indenture for which provision is hereinafter made. Interest falling due on and prior to maturity shall be represented by appropriate interest coupons to be attached to such bonds, which coupons shall be signed by the facsimile signatures of said Mayor and City Clerk and said officials, by the execution of such bonds, shall adopt as and for their own proper signatures their respective facsimile signatures appearing on said coupons.

SECTION 6. That such bonds shall be registerable as to principal in the manner for which provision is made in the aforesaid trust indenture.

SECTION 7. That such bonds, the coupons to be thereto attached, and the endorsements to appear on the back therof, shall be in substantially the following form:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF TEXAS

COUNTY OF BEXAR

CITY OF SAN ANTONIO

ELECTRIC AND GAS REVENUE BOND

Number---------- $1,000

The City of San Antonio, a lawfully created and existing municipal corporation in Bexar County, Texas, solely from the special fund hereinafter specified and from no other source, for value received hereby promises to pay to bearer, or if this bond be registered as to principal then to the registered owner hereof, on the first day of August, 19--, the principal sum of One Thousand Dollars ($1,000), and to pay, solely from said special fund, interest thereon at the rate of _____ percent (____%) per annum, semi-annually on the first days of February and August in each year until payment of the principal amount hereof. Both principal of and interest on this bond are payable in lawful money of the United States of America at Chemical Bank & Trust Company in the City of New York, New York. Interest falling due on and prior to maturity is payable only upon presentation and surrender of the interest coupons hereto attached as they severally become due.

This bond is one of a duly authorized issue of bonds of like date and tenor, except as to interest rate and maturity, issued or to be issued to provide funds for paying in whole or in

part the cost of the acquisition of a complete electric light and power plant and system and gas distribution system serving the City of San Antonio and the territory adjacent thereto, pursuant to ordinance adopted by the Commissioners of the City of San Antonio on July 25, 1942, and pursuant to a trust indenture of even date herewith by and between the City of San Antonio and Harris Trust and Savings Bank of Chicago, Illinois (hereinafter referred to as the " corporate trustee "), and Harold Eckhart of Evanston, Illinois, as trustees, an original of which indenture is on file in the office of said corporate trustee in the City of Chicago, Illinois, reference to which ordinance and indenture is hereby made for a description of the funds charged with and pledged to the payment of the interest on and the principal of the bonds of said issue, the nature and extent of the security thereof, and a statement of the rights, duties and obligations of the city and the trustees and the rights of the holders of the bonds, to all the provisions of which indenture the holder hereof by the acceptance of this bond assents.

This bond shall not be deemed to constitute a debt of the City of San Antonio or a pledge of its faith and credit, but shall be payable as to principal and interest solely from the net revenues derived from the operation of said electric light and power plant and system and said gas distribution system, including all additions, extensions and improvements thereto which may hereafter be made, and the holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

This bond is issued and the above mentioned indenture was made and entered into under and pursuant to the Constitution and Laws of the State of Texas, including particularly Articles 1111 et seq., Texas Revised Civil Statutes, 1925, as amended, and it is required by said laws, and the City of San Antonio hereby covenants and agrees, that it will make and collect rates and charges for all gas, electricity and services supplied by said plant and systems fully sufficient to pay the expenses of operating and maintaining said plant and systems, to provide an adequate depreciation and replacement fund and to pay principal of and interest on all indebtedness payable from such revenues, including this bond and the series of which it is a part.

The bonds of the issue of which this is one may be redeemed at the option of the City of San Antonio, to be evidenced by appropriate resolution passed by the Commissioners of the City of San Antonio and approved by the Board of Trustees in charge of the operation of the city's gas and electric properties, either in whole, or in part in inverse numerical order, bonds numbered 33231 to 35000, inclusive, on any interest payment date, and bonds numbered 3251 to 33230, inclusive, on August 1, 1947, and on any interest payment date thereafter, all at the principal amount thereof and accrued interest to the date fixed for redemption plus such premium not greater than fifty dollars for each bond redeemed as will be equivalent to two dollars fifty cents for each year or fraction thereof intervening between the date fixed for redemption and the stated maturity date of such bond. Notice of the intended redemption of this bond is to be given not less than thirty days prior to the date fixed for redemption by registered mail to the registered owner hereof, mailed to the address of such owner shown on Registrar's registration books. If this bond is not at the time registered as to principal, thirty days notice of redemption is to be given by publication of an appropriate notice at least once in a newspaper published and having general circulation in the City of San Antonio and in a financial newspaper or journal published in the City of New York, New York. On the date so designated for redemption (unless default shall be made in payment of the redemption price) interest on the bonds so called for redemption shall cease to accrue.

This bond may be registered as to principal in accordance with the provisions endorsed hereon.

Each successive holder of this bond during such time as it is payable to bearer, and each successive holder of each of the coupons hereto attached, is conclusively presumed to forego

and renounce his equities in favor of subsequent holders for value without notice, and to agree that this bond while so payable to bearer, and each of the coupons hereto attached, may be negotiated by delivery by any person having possession thereof, howsoever such possession may have been acquired, and that any holder who shall have taken this bond or any of the coupons from any person for value and without notice, thereby has acquired absolute title thereto, free from any defenses enforceable against any prior holder and free from all equities and claims of ownership of any such prior holder. The City of San Antonio and its officials and the hereinabove referred to paying agent and trustees shall not be affected by any notice to the contrary.

To the extent permitted by the aforesaid indenture, modifications or alterations of the indenture/and any indenture supplemental thereto may be made, with the consent of the Commissioners of the City of San Antonio and the holders of at least seventy-five per cent in principal amount of the bonds then outstanding, but such modification or alteration is not permitted to effect the maturity, amount or rate of interest of any such outstanding bond.

It is hereby certified and recited that all acts and things required by the Constitution and Laws of the State of Texas and the charter of the City of San Antonio to happen, exist and be performed precedent to and in the issuance of this bond and the adoption of said ordinance and the execution of said trust indenture, have happened, exist and have been performed as so required.

This bond shall not be entitled to any benefit under said trust indenture or become valid or obligatory for any purpose until it shall have been authenticated by the execution by the corporate trustee of the certificate hereon endorsed.

IN WITNESS WHEREOF, the City of San Antonio has caused this bond to be signed by its Mayor and attested by its City Clerk and the corporate seal of said city to be impressed hereon, and has caused the coupons hereto attached to be executed with the facsimile signatures of said officials, all as of this first day of August, 1942.

_____

Attest: Mayor

_____

City Clerk

(Form of Coupon)

Number_____ $_____

On_____1, 19__, the City of San Antonio, Bexar County, Texas, will pay to bearer at Chemical Bank & Trust Company in the City of New York, New York, the sum of _____ Dollars ($_____) in lawful money of the United States of America, solely from the special fund referred to in and for the semi-annual interest then due on its Electric and Gas Revenue Bond dated August 1, 1942, and numbered_____, unless said bond shall have been called for previous redemption as therein provided and provision for the redemption thereof made. The holder of this coupon shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation.

_____

Attest: Mayor

_____

City Clerk

(Form of Trustee's Certificate)

This bond is one of the bonds described in the within mentioned trust indenture.

HARRIS TRUST AND SAVINGS BANK

By_____

Authorized Officer

(Form of Registration Endorsement)

This bond may by registered as to principal on books kept by the corporate trustee under the within mentioned trust indenture as Bond Registrar, upon presentation hereof to such Bond Registrar, who shall make notation of such registration in the registration blank below, and this bond may thereafter be transferred only upon a written assignment of the registered owner or his attorney thereunto duly authorized, duly acknowledged or proven, such transfer to be made on such books and endorsed hereon by the Bond Registrar. If so registered this bond may thereafter be transferred to bearer and thereby transferability by delivery shall be restored, but this bond shall again be subject to successive registrations and transfers as before. The principal of this bond, if registered, unless registered to bearer, shall be payable only to the registered owner or his legal representatives. Notwithstanding the registration of this bond as to principal, the coupons shall remain payable to bearer and shall continue to be transferable by delivery:

Date of Registration	Name of Registered Owner	Signature of Bond Registrar

(Form of State Comptroller's Certificate)

Office of Comptroller

State of Texas Register Number_____

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this bond has been examined by him as required by law, and that he finds that it has been issued in conformity with the Constitution and Laws of the State of Texas, and that it is a valid and binding special obligation of the City of San Antonio, Texas, payable from the revenues pledged to its payment by and in the ordinance authorizing same, and said bond has this day been registered by me.

WITNESS my hand and seal of office at Austin, Texas, this_____day of_____, 1942

_____

Comptroller of Public Accounts of the State of Texas.

SECTION 8. That after the acquisition of the system or any part thereof, the system or part thereof, so acquired shall be operated by the City of San Antonio and the revenues thereof shall be applied and the bonds herein authorized shall be paid in the manner set out and provided in the trust indenture (herein sometimes called the " indenture " and sometimes the " trust indenture ") which is hereinafter in this ordinance set out in full, and all of the provisions of said trust indenture shall be effective and shall be applicable to the authorization, issuance and payment of the bonds herein authorized with like force and effect as though all of said provisions were otherwise separately set out in this ordinance.

SECTION 9. That of the bonds herein authorized, there shall be presently sold by the Commissioners of the City of San Antonio bonds to the amount of Thirty-three Million Nine Hundred Fifty Dollars ($33,950,000), of such numbers as may be hereafter fixed by resolution, and after their preparation and execution and approval by the Attorney General and registration by the State Comptroller, the bonds so sold, and sold from time to time hereafter, shall be delivered to the corporate trustee to be authenticated and turned over to the city official who is then performing the duties of City Treasurer, for delivery to the purchaser aforesaid upon

payment therefor to be made in accordance with the terms of sale.

SECTION 10. That as soon as may be after the adoption of this ordinance it shall be the duty of the Mayor and City Attorney to submit a complete transcript of proceedings had in connection with the authorization of said bonds, and to submit the printed bonds, to the Attorney General of the State of Texas for his approval and for registration of such bonds by the State Comptroller after they have been so approved. Thereafter, said bonds shall be delivered to the corporate trustee for authentication, after which they shall be delivered to the purchasers as aforesaid.

SECTION 11. That for the purpose of securing the payment of the bonds herein authorized, and for the purpose of providing for and fixing in more detail the rights of the holders thereof, and of the city and of the trustees, and for the purpose of making effective the mortgage lien on the system and the lien of said bonds on the revenues of the system, a trust indenture in the following form and language is hereby authorized to be executed in behalf of the City of San Antonio by the Mayor and City Clerk, after which said indenture shall be recorded in the mortgage records of each county in which any part of the system is located and authenticated copies shall be filed with the corporate trustee and with the City Clerk:

Trust Indenture

THIS INDENTURE, dated the first day of August, 1942, by and between the City of San Antonio, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Texas (for brevity hereinafter called the " city"), acting through its Mayor and City Clerk thereunto duly authorized, party of the first part, and Harris Trust and Savings Bank, a corporation duly organized and existing under the laws of the State of Illinois, and having its principal office in the City of Chicago, Illinois (hereinafter called the " Trustee "), and Harold Eckhart, of the City of Evanston, Illinois (hereinafter called the " Individual Trustee "), parties of the second part, as trustees (the Trustee and Individual Trustee being hereinafter together refered to as the " trustees "),

WITNESSETH:

WHEREAS the city, in order to obtain funds for the purpose of acquiring an electric light and power plant and system and a gas distribution system serving said city and the territory adjacent thereto, has determined to issue a series of bonds under the authority of the Constitution and Laws of the State of Texas, and particularly Articles 1111 et seq., Texas Revised Civil Statutes, 1925, as amended (which bonds are hereinafter sometimes referred to as the " bonds "); and

WHEREAS the Commissioners of the City of San Antonio, by ordinance duly adopted on July 25, 1942, have provided for the issuance of bonds for said purpose in the total amount of $35,000,000, which bonds are designated as " Electric and Gas Revenue Bonds," are dated August 1, 1942, are in the denomination of $1,000, are numbered 1 to 35000, inclusive, are to bear interest at such rate or rates as may be determined at the time said bonds are sold, which rate or rates shall be specified and made definite by appropriate instrument in writing to be executed by the City Clerk and filed with the Trustee after the sale of said bonds, are payable as to both principal and interest in lawful money of the United States of America at Chemical Bank & Trust Company in the City of New York, New York, are registerable as to principal at the option of the holder, mature serially in numerical order on August 1 of each year as follows:

Amount	Year
$ 775,000	1944
800,000	1945
825,000	1946
850,000	1947

Amount	Year
$ 875,000	1948
900,000	1949
925,000	1950
955,000	1951
985,000	1952
1,010,000	1953
1,040,000	1954
1,070,000	1955
1,105,000	1956
1,140,000	1957
1,170,000	1958
1,205,000	1959
1,240,000	1960
1,280,000	1961
1,315,000	1962
1,355,000	1963
1,395,000	1964
1,440,000	1965
1,480,000	1966
1,525,000	1967
1,570,000	1968
1,620,000	1969
1,665,000	1970
1,715,000	1971
1,770,000	1972

and, together with the endorsements to appear theron, are to be in substantially the following form, and executed as therein indicated:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF TEXAS

COUNTY OF BEXAR

CITY OF SAN ANTONIO

ELECTRIC AND GAS REVENUE BOND

Number_____ $1,000

The City of San Antonio, a lawfully created and existing municipal corporation in Bexar County, Texas, solely from the special fund herinafter specified and from no other source, for value received hereby promises to pay to bearer, or if this bond be registered as to principal then to the registered owner hereof, on the first day of August, 19___, the principal sum of One Thousand Dollars ($1,000), and to pay, solely from said special fund, interest thereon at the rate of _____per cent (____%) per annum, semi-annually on the first days of February and August in each year until payment of the principal amount hereof. Both principal of and interest on this bond are payable in lawful money of the United States of America at Chemical Bank & Trust Company in the City of New York, New York. Interest falling due on and prior to maturity is payable only upon presentation and surrender of the interest coupons hereto attached as they severally become due.

This bond is one of a duly authorized issue of bonds of like date and tenor, except as to interest rate and maturity, issued or to be issued to provide funds for paying in whole or in

part the cost of the acquisition of a complete electric light and power plant and system and gas distribution system serving the City of San Antonio and the territory adjacent thereto, pursuant to ordinance adopted by the Commissioners of the City of San Antonio on July 25, 1942, and pursuant to a trust indenture of even date herewith by and between the City of San Antonio and Harris Trust and Savings Bank of Chicago, Illinois (hereinafter referred to as the " corporate trustee "), and Harold Eckhart of Evanston, Illinois, as trustees, an original of which indenture is on file in the office of said corporate trustee in the City of Chicago, Illinois, reference to which ordinance and indenture is hereby made for a description of the funds charged with and pledged to the payment of the interest on and the principal of the bonds of said issue, the nature and extent of the security thereof, and a statement of the rights, duties and obligations of the city and the trustees and the rights of the holders of the bonds, to all the provisions of which indenture the holder hereof by the acceptance of this bond assents.

This bond shall not be deemed to constitute a debt of the City of San Antonio or a pledge of its faith and credit, but shall be payable as to principal and interest solely from the net revenues derived from the operation of said electric light and power plant and system and said gas distribution system, including all additions, extensions and improvements thereto which may hereafter be made, and the holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

This bond is issued and the above mentioned indenture was made and entered into under and pursuant to the Constitution and Laws of the State of Texas, including particularly Articles 1111 et seq., Texas Revised Civil Statutes, 1925, as amended, and it is required by said laws, and the City of San Antonio hereby covenants and agrees, that it will make and collect rates and charges for all gas, electricity and servvices supplied by said plant and systems fully sufficient to pay the expenses of operating and maintaining said plant and systems, to provide an adequate depreciation and replacement fund and to pay principal of and interest on all indebtedness payable from such revenues, including this bond and the series of which it is a part.

The bonds of the issue of which this is one may be redeemed at the option of the City of San Antonio, to be evidenced by appropriate resolution passed by the Commissioners of the City of San Antonio and approved by the Board of Trustees in charge of the operation of the city's gas and electric properties, either in whole, or in part in inverse numerical order, bonds numbered 33231 to 35000, inclusive, on any interest payment date, and bonds numbered 3251 to 33230, inclusive, on August 1, 1947, and on any interest payment date thereafter, all at the principal amount thereof and accrued interest to the date fixed for redemption plus such premium not greater than fifty dollars for each bond redeemed as will be equivalent to two dollars fifty cents for each year or fraction thereof intervening between the date fixed for redemption and the stated maturity date of such bond. Notice of the intended redemption of this bond is to be given not less than thirty days prior to the date fixed for redemption by registered mail to the registered owner hereof, mailed to the address of such owner shown on Registrar's registration books. If this bond is not at the time registered as to principal, thirty days notice of redemption is to be given by publication of an appropriate notice at least once in a newspaper published and having general circulation in the City of San Antonio and in a financial newspaper or journal published on the City of New York, New York. On the date so designated for redemption (unless default shall be made in payment of the redemption price) interest on the bonds so called for redemption shall cease to accrue.

This bond may be registered as to principal in accordance with the provisions endorsed hereon.

Each successive holder of this bond during such time as it is payable to bearer, and each successive holder of each of the coupons hereto attached, is conclusively presumed to forego and

renounce his equities in favor of subsequent holders for value without notice, and to agree that this bond while so payable to bearer, and each of the coupons hereto attached, may be negotiated by delivery by any person having possession thereof, howsoever such possession may have been acquired, and that any holder who shall have taken this bond or any of the coupons from any person for value and without notice, thereby has acquired absolute title thereto, free from any defenses enforceable against any prior holder and free from all equities and claims of ownership of any such prior holder. The City of San Antonio and its officials and the hereinabove refered to paying agent and trustees shall not be affected by any notice to the contrary.

To the extent permitted by the aforesaid indenture, modifications or alterations of the indenture and any indenture supplemental thereto may be made, with the consent of the Comissioners of the City of San Antonio and the holders of at least seventy-five percent in principal amount of the bonds then outstanding, but such modification or alteration is not permitted to affect the maturity, amount or rate of interest of any such outstanding bond.

It is hereby certified and recited that all acts and things required by the Constitution and Laws of the State of Texas and the charter of the City of San Antonio to happen, exist and be performed precedent to and in the issuance of this bond and the adoption of said ordinance and the execution of said trust indenture, have happen, exist and have been performed as so required.

This bond shall not be entitled to any benefit under said trust indenture or become valid or obligatory for any purpose until it shall have been authenticated by the execution by the corporate trustee of the certificate hereon endorsed.

IN WITNESS WHEREOF, the City of San Antonio has caused this bond to be signed by its Mayor and attested by its City Clerk and the corporate seal of said city to be impressed hereon, and has caused the coupons hereto attached to be executed with the facsimile signatures of said officials, all as of this first day of August, 1942.

Attest:

_____

Mayor

_____

City Clerk

(Form of Coupon)

Number_____ $_____

On_____1, 19___, the City of San Antonio, Bexar County, Texas, will pay to bearer at Chemical Bank & Trust Company in the City of New York, New York, the sum of _____ ____Dollars ($_____) in lawful money of the United States of America, solely from the special fund referred to in and for the semi-annual interest then due on its Electric and Gas Revenue Bond dated August 1, 1942, and numbered_____, unless said bond shall have been called for previous redemption as therein provided and provision for the redemption thereof made. The holder of this coupon shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation.

Attest:

_____ _____

City Clerk Mayor

(Form of Trustee's Certificate)

This bond is one of the bonds described in the within mentioned trust indenture.

HARRIS TRUST AND SAVINGS BANK

By_____

Authorized Officer

(Form of Registration Endorsement)

This bond may be registered as to principal on books kept by the corporate trustee under the within mentioned trust indenture as Bond Registrar, upon presentation hereof to such Bond Registrar, who shall make notation of such registration in the registration blank below, and this bond may thereafter be transferred only upon a written assignment of the registered owner or his attorney thereunto duly authorized, duly acknowledged or proved, such transfer to be made on such books and endorsed hereon by the Bond Registrar. If so registered this bond may thereafter be transferred to bearer and thereby transferability by delivery shall be restored, but this bond shall again be subject to successive registrations and transfers as before. The principal of this bond, if registered, unless registered to bearer, shall be payable only to the registered owner or his legal representatives. Notwithstanding the registration of this bond as to principal, the coupoms shall remain payable to bearer and shall continue to be transferable by delivery:

Date of Registration	Name of Registered Owner	Signature of Bond Registrar

(Form of State Comptroller's Certificate)

Office of Comptroller

State of Texas Register Number_____

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this bond has been examined by him as required by law, and that he finds that it has been issued in conformity with the Constitution and Laws of the State of Texas, and that it is a valid and binding special obligation of the City of San Antonio, Texas, payable from the revenues pledged to its payment by and in the ordinance authorizing the same, and said bond has this day been registered by me.

WITNESS my hand and seal of office at Austin, Texas, this _____day of_____,1942.

_____

Comptroller of Public Accounts of the State of Texas.

and

WHEREAS the execution and delivery of this indenture have been duly authorized by the Commissioners of the City of San Antonio and all acts and things required to be done precedent to and in the execution of this indenture and precedent to and in the execution of said bonds, have been done and preformed in regular and due time, form and manner as required by the Constitution and Laws of the State of Texas, and the ordinance hereinbefore mentioned;

NOW, THEREFORE, in order to secure the payment of principal of and interest on the bonds issued under this indenture according to their tenor and effect and the terms of this indenture, and to secure the performance of the covenants and obligations herein contained, and in consideration of the acceptance by the trustees of the trust hereby created, of the purchase and acceptance of the said bonds by the holders thereof, and of one dollar in hand paid by the trustees to the city upon the execution and delivery of this indenture, the receipt whereof is hereby acknowledged, the city has executed and delivered this indenture and has granted, bargained, sold, conveyed, assigned, transferred, warranted, mortgaged, pledged and set over, and by these presents does grant, bargain, sell convey, assign, transfer, warrant, mortgage, pledge

and set over unto the trustees and their successors in said trust forever, subject to the terms of this indenture, the following property (herein sometimes referred to as the " trust estate "), all and singular, its property rights, privileges, franchises and contracts of every kind and description:

Subject to the exceptions hereinafter set out, all property heretofore owned by San Antonio Public Service Company and now owned by the city, and all property, rights, privileges, franchises and contracts of every kind and description, whether now owned or hereafter acquired by the city, and used or useful in connection with the operation of the city's electric light and power plant and system and the city's gas distribution system, including particularly the following (but reference to or enumeration of any particular kinds, classes or items of property shall not be deemed to exclude, except as otherwise herein expressly provided, from operation of this indenture any kind, class or item not so referred to or enumerated):

ITEM 1.

ELECTRIC LIGHT & POWER PLANT & SYSTEM

All lands, right-of-way, roads, power houses, buildings, dams, waterways, water rights, and other structures, and all office buildings and the contents thereof; all machinery, engines, boilers, turbines, dynamos, electrical machinery, regulators, motors, transformers, generators, meters, electrical and mechanical appliances, condensers, water wheels overhead and underground conduits, cables, pipes, pole and transmission lines, wires, crossarms, insulators, service substations and sub-structures, generating, distrubuting and transmitting equiptment, tools, implements, apparatus, supplies and all of the electric transmission and distribution systems heretofore owned by San Antonio Public Service Company and located in the City of San Antonio, Texas, and the cities, towns, villages and unincorporated areas of Bexas County, Atascosa County, Caldwell County, Comal County, Guadalupe County, Karnes County, Kendall County, Medina County, Uvalde County, Bandera County and Wilson County, all in the State of Texas.

ITEM 11.

Gas System.

All gas plants stationd, sub-stations, offices, repair shops, buildings, structures, substructures, regulators, holders, purifiers, scrubbers, tanks, retorts, boilers, machinery, engines, pumps, fixtures, apparatus, equiptment, dams, instruments, appliances, inplements, overhead and underground construction, pipes, mains, conduits, service meters, supplies and appurtenances, and the gas transmission and distribution systems heretofore owned by the San Antonio Public Service Company, located in the City of San Antonio and the City of Alamo Heights and the suburban areas adjacent to the City of San Antonio and the City of Alamo Heights, all in Bexar County, Texas.

ITEM 111.

REAL ESTATE.

All and singular the real estate heretofore owned by the San Antonio Public Service Company situated in the State of Texas in the counties hereinafter mentioned (except as hereinafter specifically excepted and excluded from the lien hereof) and more particularly described as follows:

MAIN OFFICE BUILDING.

That certain piece or parcel of land, situated in the corporate limits of the City of San Antonio, Bexar County, Texas, fronting on the west side of St. Mary's Street, and more particularly described as follows: Being that portion of what is known as the Twohig Homestead, which was set apart to Columbus Upson, Oscar Bergstrom and Thos. H. Franklin by decree of the District Court of Bexar County, Texas, partitioning the Estate of John Twohig, on the 16th day of February, 1894, in cause No.644, styled Upson and Bergstrom vs. T. L. Johnston, et al., District Court of Bexar County, 37th Judicial District; said decree appearing in the minutes of said Court, Book Q, page 369, et seq., said property being bounded on the north by the portion of the

Twohig Homestead set aside by said decree to J. C. Neraz, Catholic Bishop of San Antonio; east by St. Mary's Street, and south and west by the San Antonio River, 4 feet off the north margin of said property having been dedicated by D. J. Woodward and L. Ward as a permanent alley, as set out and fully described and explained in an agreement between Missionary Society of Oblate Fathers of Texas, and D. J. Woodward and L.Ward, of record in Bexar County, in Volume 274, page 394, Deed Records of said county, filed October 12, 1910.

STATION " A " PLANT.

All that parcel of land situated in the City of San Antonio, County of Bexar, State of Texas, known as Lots Nos. 1, 2, 3, 4, of N. C. B. No. 124; bounded on the north by the San Antonio River; on the east by an alley for a distance of 166 feet 8 inches, more or less; on the south by Villita Street for a distance of 250 feet 4 inches, more or less; on the west by Presa Street for a distance of 171 feet 8 inches, more or less.

STATION " B " PLANT.

(a) A parcel of land containing 8 acres, more or less, situated in the City of San Antonio, County of Bexar, and State of Texas, on the east side of the San Antonio River, more particularly described as follows: Beginning at a point on the east bank of the San Antonio River where an extention of the south line of Survey of Lot No. 3, according to the plat recorded in Volume VI, page 118, of Bexar County Deed Records, intersects with the said east bank of the San Antonio River, said point being also the intersection of the north side of the right-of-way of the S. A. & A. P. Ry. with the San Antonio River; thence in a southeasterly course along the said S. A. & A. P. right-of-way to the west side of Conception Road; thence in a northeasterly course along the west side of the Conception Road to the San Antonio River opposite the Edmonds Homestead where the river changes its course from south to west; thence meandering along the river to the place of beginning.

(b) A parcel of land containing 12 acres, more or less, situated in the City of San Antonio, County of Bexar, State of Texas, on the west side of San Antonio River, more particularly described as follows: Beginning at a point on the west bank of the San Antonio River where the said west bank intersects with the north boundary line of the San Antonio and Aransas Pass Railroad; thence in a northwesterly direction along the boundary line of the said right-of-way to a point where the said boundary line intersects with the south boundary of the land formerly owned by Henry Elmendorf; thence east with the boundary of the said land owned by said Henry Elmendorf to the San Antonio River; thence in a southerly direction with the meanderings of the San Antonio River to the place of beginning.

TENTH STREET MATERIAL STORAGE.

(a) That parcel of land situated in the City of San Antonio, County of Bexar and State of Texas, being a part of Block " C," or N. C. B. No. 516, and described as follows: Beginning on the south line of Tenth Street at a point 294 feet 7 inches from Austin Street; thence 56 degrees, 45 minutes east with Tenth Street for 76 feet and 10 inches; thence south 32 degrees, 50 minutes west for 308 feet and 4 inches; thence north 57 degrees west for 117 feet to the Alamo Ditch; thence in a northeasterly direction along the Alamo Ditch to the back line of Somer's property; thence south 56 degrees, 45 minutes east along the back of F. Somer's property for 60½ feet; thence north 32 degrees, 50 minutes east for 153 feet and 1 inch to point of beginning.

(b) All of portion of Lot No. 4. Block " C," in the City of San Antonio, and more particularly described as follows, viz.: Beginning at a point 121 feet east of the west line of the property formerly belonging to the San Antonio Street Railway Company, where it intersects the northwest corner of Lot No.3; thence east 16 feet to a corner; thence north 16 feet to corner; thence west 16 feet to a corner; thence south 16 feet to the place of beginning.

(c) All that certain tract or parcel of land situated, lying and being in the City limits

of San Antonio, County of Bexar, State of Texas, and being the western part of Lot " C " in Block " C," City Block No. 516, on the north side of Ninth Street, said part having a frontage of about 29 feet, together with all and singular, the rights, hereditaments, and appurtenances to the same in any manner belonging.

(d) All that certain piece, parcel or tract of land lying and being situated within the corporate limits of the City of San Antonio, County of Bexar and State of Texas, and more particularly described as follows: Being the western 29 varas, more or less, of Lots 1 and 2 in Block " C " (or 31) on the north side of Ninth Street, said Block " C " (or 31) being now known as City Block 516. Said land herein conveyed begins at a point 85 varas, more or less, west of southeast corner of Lot 1, corner of Ninth and Austin Streets, being the southwest corner of Mrs. M. Schilling's property; thence west along Ninth Street 29 varas, more or less, to property of Wm. Herpel; thence north along said Wm. Herpel's property line to southwest corner of Lot 3 in said block; thence east along the south line of said Lot 3, 32 varas, more or less; thence south 37 3/4 varas to the place of beginning.

(e) All that certain lot or parcel of land situated in the City of San Antonio, Bexar County, Texas, and described as follows, to-wit: A part of what is known as N. C. B. No 516; beginning at a point in the southern line of Tenth Street north 57 degrees west, 61 varas from the intersection of the western line of Austin Street with the south line of Tenth Street; thence north 57 degrees west, along with the southern line of said Tenth Street, a distance of 18 varas or 50 feet, for northwest corner of this tract; thence south 33 degrees west, a distance of 52 varas or 144 feet and 5 1/3 inches more or less, to reach what is known as the property of Mrs. A. de V. Dane, for the southwest corner of these premises; thence south 57 degrees east, 18 varas or 50 feet, for the southeast corner of this tract; thence north 33 degrees east, 54 varas or 144 feet and 5 1/3 inches, more or less, to the point of beginning in the southern line of Tenth Street, being the same property conveyed by Geo. F. and Anna E. Blesse, by deed as appears of record in Volume 437, page 82, Deed Records of Bexar County, Texas, to which reference is here made for a more complete description of said property.

NINTH STREET SUBSTATION.

All that certain tract or parcel of land lying and being situated within the corporate limits of the City of San Antonio, Bexar County, Texas, and being the eastern 72 feet of Lots Nos. 1 and 2, Block 31, New City Block No, 453, on the north side of Ninth Street, and more particularly described as follows: Beginning at a point on the north side of Ninth Street at a fence located 174 feet and 2 inches from a line between two city monuments located near the northeast corner of the intersection of Ninth Street and Avenue D, and near the southeast corner of the intersection of Ninth Street and Avenue D, said line being approximately 3 feet west of the property line of Avenue D; thence with said fence in a northerly direction 97.3 feet to another fence; thence with said second fence in an easterly direction 42 feet and 7 inches to the west property line of the property of the San Antonio Public Service Company; thence in a southerly direction with the property line of the San Antonio Public Service Company 102 feet and 4 inches to the intersection of said property line with the north property line of Ninth Street; thence westerly along the north property line of Ninth Street a distance of 72 feet to the place of beginning.

BEACON HILL SUBSTATION.

All that certain lot or parcel of land situated in the City of San Antonio, County of Bexar, State of Texas, described as follows, to-wit:

Being all of Lots Nos, 1 and 8 in Block 37 of Laurel Heights Addition, said block being also known as New City Block 1867.

EAST END SUBSTATION.

All that certain tract or parcel of land situated within the corporate limits of the City of San Antonio, County of Bexar, State of Texas, and described as follows, to-wit:

Lots Nos. 1, 2, 3 and 4, in Block No. 3, Rifle Range Addition, and in New City Block No. 2796, fronting on the south side of Wyoming Street.

ELECTRIC DISTRIBUTION OFFICE.

That certain property situated in San Antonio, Bexar County, Texas, bounded as follows:

Commencing at the intersection of Camden Street and Jones Avenue; thence in a northeasterly direction along the southeast line of Camden Street to the San Antonio River; thence down the San Antonio River to its intersection with the northwest line of the tract of land conveyed by the San Antonio Loan and Trust Company to R. W. Morrison and W. S. McCall, recorded in Book 763, page 480, Deed Records of Bexar County, Texas; thence in a southwesterly direction along the northwest boundary of the said property so conveyed to said Morrison and McCall, and continuing along the northwestern line of the property conveyed to said Morrison and McCall by E. A. DuBose, Receiver of the Lone Star Cotton Mills by deed recorded in Volume 702, page 544, Deed Records of Bexar County, Texas, to its intersection with Jones Avenue; thence in a northwesterly direction along Jones Avenue to the place of beginning; said property bounded on the northwest by Camden Street, on the northeast by the San Antonio River, on the southeast by the property conveyed to the said Morrison and McCall, and on the southwest by Jones Avenue; being the same property conveyed by San Antonio Loan and Trust Company to San Antonio Public Service Company, by deed recorded on June 3, 1925, in the records of deeds of said county, in Volume 828, on pages 49-50.

OLMOS SUBSTATION.

All that certain triangular tract or parcel of land lying north of the City of San Antonio, in Bexar County, Texas out of the Herff and Dittmar land, and out of original City Lot No.36 in County Block 5248, and Lot No. 38 in County Block 5250, all in Range 3, District 3, bounded as follows: On the north by the Contour Road along a line at elevation of 728 feet above sea level, on the southeast side by the right-of-way of the I. & G. N. Railway Company, and on the west side by the Herff and Dittmar County Road, containing 6½ acres of land, more or less; being the same property conveyed by F. Herff and Adolph Herff individually and as independent executors of the Estate of Dr. F. Herff, Deceased, Chas. H. Herff, August A. Herff, Wm. L. Herff and John B. Herff, and Emmy Dittmar, a feme sole, individually and as independent executrix of the Estate of Albert Dittmar, Deceased, and San Antonio Loan and Trust Company, a corporation, as trustee, all of the County of Bexar and State of Texas, to San Antonio Public Service Company, by deed recorded November 10, 1926, in the records of Deeds of said county, in Volume 919, on pages 43-44.

CITY VIEW SUBSTATION.

That certain tract of land and parcel of real estate lying and being situate in Bexar County, Texas, and being known, described and designated as Lot or Tract No. 19, Block No.18 of the Lady of the Lake Gardens, per plat and map thereof duly filed and of record in the Deed Records of Bexar County, Texas, in Book 368, page 143, to which said map and plat and the record thereof reference is here specially made for further and more definite description of said property, said lot containing 1 acre; being the same property conveyed by the Lady of the Lake Gardens Company to Standard Trust Company, by deed dated June 29, 1925, and comveyed by Standard Trust Company to San Antonio Public Service Company by deed dated December 13, 1927.

ALAMO HEIGHTS SUBSTATION.

The following described property, lying and being situated in Bexar County, Texas, and being out of the Wm. E. Howth Survey, more particularly described as follows: A plot of land approximately .89 of an acre in size, and bounded as follows: Beginning at a point on the west

side of Broadway, 685 feet and 1 inch south of the intersection of west side of Broadway and east side of Nacogdoches Road; thence south along west side of Broadway 30 feet; thence along a line north 89 degrees, 30 minutes west, 514 feet to east side of Nacogdoches Road; thence northeast along east side of Nacogdoches Road 217 feet; thence along a line south 89 degrees, 30 minutes east, 102 feet and 11 inches; thence along a line south no degrees, 3 minutes east, 160 feet; thence along a line south 89 degrees, 30 minutes east, to starting point on west side of Broadway; being the same property conveyed by Katherine Schuh, a feme sole, to San Antonio Public Service Company, by deed recorded August 19, 1927, in Volume 969, on page 447.

WOODLAWN HILLS SUBSTATION.

One acre of land lying southwest of the Babcock Road, out of a 235-acre tract of land located approximately 5 miles northwest from the center of the City of San Antonio, being a portion of Survey No. 332, Section No. 4, in the name of Cesario Carmona, and being the same tract of land conveyed by deed of L. J. Gembler and Eliza Gembler to A. Fiensilber, October 26, 1903, said deed being recorded in Volume 223, page 126, of the Deed Records of Bexar County, Texas, said 1 acre of land being described by metes and bounds as follows: Beginning at a point on the Callahan Road at the northwest corner of said 235-acre tract of land owned by A. Fiensilber, at a stake; thence north 42 degrees east, 208.71 feet to a stake, turn interior angle 91 degrees; thence south 48 degrees east, 208.71 feet to a stake, turn interior angle 89 degrees; thence south 42 degrees west, 208.71 feet to a stake, turn interior angle 91 degrees; thence north 40 degrees west, 208.71 feet to the place of beginning, and containing 1 acre, less a strip of land approximately 11 feet wide off of the northwest side of said tract, conveyed to Bexar County for roadway by deed dated September 14, 1928; being the same property conveyed by A. Fiensilber and Sophia Fiensilber to San Antonio Public Service Company, by deed recorded on June 28, 1927, in the records of Deeds of Bexar County, in Book 964, page 82.

OLD GRANDVIEW SUBSTATION.

All those certain lots or parcels of land situate partly within and partly without the City of San Antonio, County of Bexar, State of Texas, described as follows, to-wit: Being Lots Nos. 8 to 19, inclusive, and Lots Nos. 21 to 34, inclusive, New City Block 1564, said block being also known as Block 7, Section 2, Grandview Addition.

Plat of said Grandview Addition is recorded in Volume 72, page 519, Bexar County Records; being the same property conveyed by W. C. Sullivan to Standard Trust Company, by deed dated July 8, 1925, and conveyed by Standard Trust Company to San Antonio Public Service Company, by deed dated December 13, 1927.

ELMENDORF SUBSTATION.

That certain tract of land out of a 120-acre tract of land, out of Survey No. 7, Jose de la Garza grant, conveyed to Mrs. Lena Koehler by Fred Hildebrandt, et al., by deed dated November 19, 1896, and recorded in Volume 162, page 331, Deed Records of Bexar County, Texas, being described by metes and bounds as follows: Beginning at a stake at the southeast corner of said 120 acres of land; thence north 67 degrees, 12 minutes east, 204.3 feet along the line dividing the property of the said Lena Koehler from the west property line of the Westfall property, a stake; thence north 53 degrees, 30 minutes west, 244.4 feet to the Elmendorf Road; thence south 4 degrees, 14 minutes, 30 seconds east, 100 feet along the north side of said road to the intersection of said road with the high line of the Comal Power Company; thence south 4 degrees, 14 minutes, 30 seconds east, 131.8 feet to the place of beginning; being the same property conveyed by Oscar Koehler and Lena Koehler, husband and wife, to Comal Power Company, by deed recorded July 13, 1927, in the records of Deeds of said county, in Volume 964, on pages 81 and 82, and conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

GRANDVIEW SUBSTATION NO. 1.

Lots Nos. 1 to 13, inclusive, and 25 to 27, inclusive, Block 8, Section 2, Grandview Addition, said lots comprising the northern part of said block, said Block 8 lying between " I " Street and " J " Street and between Cora Avenue and James Avenue; Lots Nos. 1, 2, 3, 7, 8, 9 and 10, Block 19, Section 5, Grandview Addition, said lots constituting the northern part of said block and said block lying between " I " Street and " J " Street and between James Avenue and Aurelia Avenue; Lots Nos. 1 to 12, inclusive, Block 18, Section 5, Grandview Addition, said lots constituting the northern part of said block, and said

Plat of said Grandview Addition is recorded in Volume 72, page 519, Bexar County Records; being the same property conveyed by W. C. Sullivan to Comal Power Company, by deed recorded July 14, 1925, in the records of Deeds of said county, in Volume 831, on pages 389-90, and conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

GRANDVIEW SUBSTATION NO. 2.

All that certain parcel or tract of land lying in the County of Bexar, Texas, and in Grandview Addition to the City of San Antonio, but wholly outside of the corporate limits of the said city, particularly described as follows: The north 105 feet of Lot 3, in Garden Block 8, of said Grandview Addition, a map and plat of which is of record in the Deed Records of Bexar County, in the County Clerk's office, to which reference is hereby made for further description. The said north 60 feet of said Lot No. 3, in said Garden Block 8, is described by metes and bounds as follows, to-wit: Beginning at the northeast corner of Lot No. 3, Aurelia Avenue and Amanda Avenue. Garden Block 8, which corner is also the southeast corner of Lot No. 1, same Garden Block, and also is the northwest corner block lying between " I " Street and " J " Street and between block lying between " I " Street and " J " Street and between of Lot No. 4, same Garden Block, and also is the southwest corner of Lot No. 2, of said Garden Block 8; thence south along the eastern boundary line of said Lot No. 3, Garden Block 8, 60 feet to a point in said boundary line for the southeast corner of this tract being conveyed; thence west 630 feet to a point in the west boundary of said Lot No. 3, Garden Block 8, for the southwest corner of this tract; thence north along the west boundary line of said Lot No. 3, Garden Block 8, to the northwest corner of said Lot No. 3, for the northwest corner of this tract; thence east along the north boundary line of said Lot No. 3, 630 feet to the place of beginning; being the same property conveyed by John Alexander James to Comal Power Company, by deed recorded September 2, 1925, in the records of Deeds of said county, in Volume 844, on pages 67-68, and conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928, and by deeds recorded in Volume 944, pages 85-86, and Volume 1397, pages 250-251, of the Deed Records of Bexar County, Texas.

LEHR SAND PIT SUBSTATION.

All that certain tract of land described as follows, to-wit: 1,000 square feet of land out of 565.64-acre tract located approximately one mile from the county line between Bexar and Atascosa Counties, on the Pleasanton Road, in Bexar County, Texas, out of Survey No. 1386½, and being the same tract of land conveyed by deed of the Texas State Bank, July 28, 1926, to J. B. Couric, said deed being recorded in Volume 905, page 152, Deed Records of Bexar County, Texas, said 1,000 square feet of land being described by metes and bounds as follows: Beginning at a stake on the property line between Lots Nos. 4 and 5 of the said Couric property, at a point 1126 feet due west of the west side of the Pleasanton Road and 60 feet due east of a point at the intersection of the high line of the Comal Power Company from San Antonio to Pleasanton and the property line between Lots Nos. 4 and 5 of the said Couric property; thence due south 76 feet and 6 inches to a stake; thence due west 60 feet to the said high line of the Comal Power Company; thence due

west 40 feet to a stake; thence due north 76 feet and 6 inches to the property line between Lots Nos. 4 and 5 of the said Couric property; thence due north 23 feet and 6 inches to a stake; thence due east 40 feet to the said high line of the said Comal Power Company; thence due east 60 feet to a stake; thence due south 201 feet and 6 inches, to the place of beginning, and containing 1,000 square feet; being the same property conveyed by J. B. Couric to Comal Power Company and conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

LYTLE SUBSTATION.

All that certain tract or parcel of land lying and being situated in the County of Bexar, State of Texas, and more particularly described as follows, to-wit:

Two and three-hundredths acres of land in Bexar County, Texas, part of John Garner Survey No. 435, described by metes and bounds as follows: Beginning at a point in the north line of a 100-acre tract conveyed by Roy L. Gillette, et al., To C. H. Kearny, Trustee, by deed recorded in Volume A-47, page 462, Deed Records of Medina County, Texas, said point being at the intersection of the east property line of the road on the Bexar-Medina County line and the south property line of the old Frio City Road; thence in a southerly direction along the east property line of the road on the Bexar-Medina County line, 275 feet, more or less, to the intersection with the Bexar-Atascosa County line; Thence south 68 degrees, 18 minutes east, along the Bexar-Atascosa County line, 290.6 feet to a point; thence north 375.15 feet on a line parallel to, and 270 feet east of, the east property line of the road along the Bexar-Medina County Line to a point on the south property line of the old Frio City Road; thence north 88 degrees, 27 minutes west, along the south property line of the old Frio City Road, 270.07 feet, more or less, to the point of beginning; being the same property conveyed by Roy C. Osgood, James D. Armstrong, Charles W. McNear, L. Marquard Forster and George W. Morgan, as Trustees of the Trust known as the " San Antonio Trust, " by deed recorded April 29, 1926, in the records of Deeds of said county, in Volume 889, on pages 182-4, and conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

PLEASANTON SUBSTATION.

Beginning at the point where the west side of the Pleasanton-San Antonio Highway crosses the Bexar County-Atascosa County line; thence along the west side of the said highway 1010 feet to the center of the electric transmission line of said Comal Power Company, where the said transmission line crosses the said west side of said road; thence north 66 degrees west, along the center of said electric transmission line, 409 feet, which last mentioned point is the beginning point to the described land hereby conveyed; thence to the right, at approximately a right angle with said transmission line, 19 feet and 10 inches; thence in approximately a right angle to the left, 22 feet and 10 inches; thence in approximately a right angle to the left, 38 feet and 10 inches; thence in approximately a right angle to the left, 22 feet and 10 inches; thence in approximately a right angle to the left, 19 feet to the center of said transmission line and to the place of beginning of the description of the property hereby conveyed; being part of the same property conveyed by deed recorded in Atascosa County Deed Records in Book E No. 1, pages 477-478, to which reference is hereby made; the land hereby conveyed being inclosed by a fence; being the same property conveyed by T. L. Haiduk to Comal Power Company, by deed recorded October 4, 1926, in the records of Deeds of Bexar County, Texas, in Volume 911, on pages 593-594, and conveyed by Comal Power Company (by Liquidating Trustees) To San Antonio Public Service Company, by deed dated January 1, 1928.

SOMERSET SUBSTATION.

All that certain tract of land described, except the oil and mineral rights therein, out of 4.67-acre tract of land, out of Survey 48, Francisco Rolen grant, conveyed to August F. Ernst

and wife by F. M. Hager, by deed dated December 3, 1917, said deed being recorded in Volume 522, page 310, of the Deed Records of Bexar County, Texas, being described by metes and bounds as follows: Beginning at a stake on the west side of the Somerset Road at a point where the high line of the Comal Power Company crosses the said Somerset Road; thence south 30 degrees, 33 minutes west, 25 feet to a stake on said road; thence south 88 degrees west, 45 feet and 8 inches to a stake;thence north 2 degrees west, 44 feet to a stake; thence north 88 degrees east, 49 feet to the Somerset Road to a stake; thence south 30 degrees, 33 minutes west, 25 feet along the Somerset Road to the place of beginning; provided, however, that all oil and mineral rights in said land are expressly reserved; being the same property conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

ELECTRIC DISTRIBUTION OFFICE ADDITION.

All that certain tract or parcel of land lying and being situated in Bexar County, Texas, and within the corporate limits of the City of San Antonio, and described as follows; to-wit: Beginning at a stake on the east bank of the San Antonio River for the northwest corner of F. Velton's 6-acre tract, where his north fence intersects the San Antonio River; thence east with said fence and on a line parallel with Newell Street at 248 feet, center line of the railroad track of the Texas Transportation Company, at 265 feet to a stake, 38 feet south 15 degrees, 40 minutes west, of the north line of Newell Street, and 1137.2 feet west of the west line of River Avenue; thence south 15 degrees, 40 minutes west, 157.5 feet to a stake on bank of San Antonio River; thence up said river with its meanders north 74 degrees, 20 minutes west, at 140 feet, river, 40 feet to left, at 200 feet, river; thence north 16 degrees, 33 minutes west, 102 feet to place of beginning; being the same property conveyed by Texas Transportation Company to San Antonio Public Service Company, by deed recorded in the record of Deeds of Bexar County, August 14, 1928, in Volume 1045, pages 399-400.

PLEASANTON METER STATION.

All that certain tract or parcel of land situated in Bexar County, Texas, and containing 1 acre, more or less, being described by metes and bounds as follows: Beginning at a point where the east side of the Pleasanton-San Antonio Highway crosses the Bexar County-Atascosa County line; thence along the east side of said highway in a northerly direction, a distance of approximately 1010 feet to the center of the electric transmission line of the San Antonio Public Service Company to a stake, as the beginning point of land to be conveyed; thence north 1 degree, 45 minutes west, 56.2 feet to a corner stake; turn interior angle 67 degrees, 15 minutes; thence south 65 degrees, 30 minutes east, 408.7 feet to a corner stake; turn interior angle 122 degrees, 34 minutes; thence south 8 degrees, 4 minutes east, 123.1 feet to a corner stake; turn interior angle 57 degrees, 26 minutes; thence north 65 degrees, 30 minutes west, 431.7 feet to a corner stake; turn interior angle 112 degrees, 45 minutes; thence north 1 degree, 45 minutes west, 56.2 feet to the electric transmission line and place of beginning, and containing 1 acre, more or less; being part of the same property conveyed by deed recorded in Atascosa County Deed Records, in Book E No. 1, pages 477-478, to which reference is hereby made, and being out of Survey 709, in the name of S. A. Mex. Gulf Ry. Co.; the land hereby conveyed being enclosed by a fence and being located in Bexar County, Texas; being the same property conveyed by T. L. Haiduk to San Antonio Public Service Company by deed recorded in the record of Deeds of Bexar County, August 15, 1927, in Volume 1045, pages 423-424.

SOUTH SAN ANTONIO SUBSTATION NO. 1.

All that certain lot, tract or parcel of land situated in the County of Bexar, State of Texas, and more particularly described as north ½ of Lot No. 41, and the south ½ of Lot No. 40, out of what is known as the Factory Sites of the town of South San Antonio, Bexar County, Texas, as per and as shown on the plat of Fifth Filing of the said town of South San Antonio, Texas, of

record in the office of the County Clerk of said Bexar County, Texas, in Volume 368, page 216, maps and plats records.

Being the same property conveyed by South San Antonio Industrial Company to San Antonio Public Service Company, by deed recorded in the record of Deeds of said Bexar County, on May 23, 1929, in Volume 1121, page 10, and by deed dated August 14, 1923, recorded in Volume 733, pages 314-15, of the Deed Records of Bexar County, Texas.

SOUTH SAN ANTONIO SUBSTATION NO. 2.

All those certain lots, tracts, or parcels of land in Bexar County, Texas, described as follows: Lots Nos. 1, 2, 3 and 4, in Block No. 337, in San Jose Townsite Addition, according to map or plat thereof duly recorded in the records of Deeds and Plats of Bexar County, Texas; being the same property conveyed by Harlandale Properties, Inc., to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Bexar County, on June 14, 1929, in Volume 1117, pages 555-6.

FRATT SUBSTATION.

The following described property: All those certain 2 acres of land out of original Survey No. 309 in the name of Francisco Villereal, approximately 14 miles northeast of the City of San Antonio and being out of a 166.66-acre tract of land conveyed by Oscar Fey and wife Pearly Fey, to Holland B. Lowndes and Lee Jones, Jr., by deed dated December 17, 1927, and recorded in Volume 997, pages 496-7, Deed Records of Bexar County, Texas, to which deed and record reference is hereby made; said 2 acres being described by metes and bounds as follows: Beginning at the northwest corner of this tract at a stake, which stake is south 63 degrees west, 15 feet from a point on the present northeast boundary line of the Miller Road, which said point on the present northeast boundary line of the Miller Road is north 27 degrees west, 75 feet from the point where the center line of the San Antonio-New Braunfels high line No. 1 passes the present northeast boundary line of the Miller Road; from said stake north 63 degrees east, 250 feet to a stake for the northeast corner of this 2-acre tract; thence south 27 degrees east, 348.48 feet to a stake for the southeast corner of this 2-acre tract; thence south 63 degrees west, 250 feet to a stake set for the southwest corner of this 2-acre tract, said southwest corner being situated north 63 degrees east, 15 feet from the present northeast boundary line of the Miller Road; thence north 27 degrees west, parallel to, and 15 feet from the present northeast boundary line of the Miller Road 348.48 feet, to the place of beginning, said tract of land containing 2 acres of land, more or less; being the same property conveyed by Holland B. Lowndes and wife, Evelyn Lowndes, and Lee Jones, Jr., and wife, Nan Jones, to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Bexar County, March 27, 1929, in Volume 1101, pages 83-84.

RANDOLPH FIELD METERING STATION.

That certain tract or parcel of land, lying in the County of Bexar and State of Texas, described as follows, to-wit: Being the east 12 feet of Lot No. 7 and the west 13 feet of Lot No. 8, in Block No.47, of the Universal City Subdivision, as per the map or plat of said Subdivision of record in the Map and Plat Records of Bexar County, Texas; being the same property conveyed by Commercial Loan and Trust Company, Trustee, to San Antonto Public Service Company, by deed recorded in the records of Deeds of said Bexar County, January 26, 1932, in Volume 1287, on pages 513-514.

HIGHLAND PARK SUBSTATION.

All that certain lot or parcel of land situated in the City of San Antonio, County of Bexar, State of Texas, described as follows, to-wit: Lots Nos. 37, 38, 39 and 40, Block No. 3 New City Block No. 6216, in Highland Terrace Addition, in the City of San Antonio, Bexar County, Texas; being the same property conveyed by N. F. S. Vittrup and wife, Bennie Vittrup, to San Antonio

Public Service Company, by deed recorded in the records of Deeds, of said Bexar County, Texas, October 22, 1932, in Volume 1329, on page 336.

JEFFERSON SUBSTATION.

All those certain lots or parcels of land situate in the County of Bexar, State of Texas, described as follows, to-wit: Being Lots Nos. 73, 74, 75 and 76, Block No. 19, in Jefferson Manor Addition to the City of San Antonio, according to plat thereof recorded in Volume 980, page 303, Deed and Plat Records of Bexar County, Texas; being the same property conveyed by Jefferson Manor Company, to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Bexar County, January 26, 1934, in Volume 1381, on pages 140-141.

COMAL PLANT.

That property conveyed by Landa Milling Company, et al., to Comal Power Company, by deed dated August 17, 1925, and therein described as follows: " All those certain lots, tracts or parcels of land out of the Juan Martin Veramendi Two-League grant, Survey No. 1, Abstract No. 2, lying and being situated within the corporate limits of the City of New Braunfels, in Comal County, Texas, more particularly described as follows, to-wit:

"Tract No. 1: Beginning at a stake at the northeast corner of the intersection of the Seguin Road and the Fredericksburg Road; thence north 18 degrees, 1 minute west, 1,112.61 feet to a stake set on the east line of the Fredericksburg Road; thence north 69 degrees, 10 minutes east, 1,000.91 feet to a stake; thence south 29 degrees, 49 minutes east, 150.64 feet to a stake; thence south 44 degrees, 27 minutes east, 146. 63 feet to a stake; thence south 33 degrees, 37 minutes east, 41.54 feet to a stake; thence south 20 degrees, 36 minutes east, 194.82 feet to a stake; thence south 14 degrees, 21 minutes east, 144.79 feet to a stake; thence south 24 degrees 20 minutes east, 202.08 feet to a stake; thence south 20 degrees, 8 minutes east, 245.70 feet to a stake; thence south 35 degrees, 44 minutes east, 30.10 feet to a stake; thence south 35 degrees, 44 minutes east, 45.42 feet to a stake; thence south 25 degrees, 58 minutes east, 62.42 feet to a stake; thence south 3 degrees, 7 minutes east, 128.51 feet to a stake; thence south 7 degrees, 57 minutes east, 169.51 feet to a stake in the north property line of Seguin Street; thence north 89 degrees, 39 minutes west, 1,165.82 feet to the stake at the point of beginning.

"Tract No. 2: Beginning at a stake set on the north line of Seguin Street at the southeast corner of Tract No. I; thence north 7 degrees, 57 minutes west, 169.51 feet to a stake; thence north 3 degrees, 7 minutes west, 128.51 feet to a stake; thence north 25 degrees, 58 minutes west, 62.42 feet to a stake; thence north 35 degrees, 44 minutes west, 45.42 feet to a stake; thence south 83 degrees, 54 minutes east, 94.17 feet to a stake; thence north 6 degrees, 49 minutes east, 244.60 feet to a stake; thence south 83 degrees, 9 minutes west, 404.62 feet to a stake; thence south 22 degrees, 50 minutes east, 140.41 feet to a stake; thence south 24 degrees, 24 minutes east, 161.30 feet to a stake; thence north 83 degrees, 9 minutes west, 150 feet to a stake; thence south 73 degrees, 49 minutes west, 141.18 feet to a stake; thence north 87 degrees, 10 minutes west, 16.54 feet to a stake; thence south 56 degrees, 52 minutes west 35. 28 feet to a stake; thence south 3 degrees, 9 minutes west, 140.46 feet to a stake; thence south 80 degrees, 11 minutes west, 15 feet to a stake; thence south 78 degrees, 14 minutes west, 29.08 feet to a stake; thence south 45 degrees, 10 minutes west, 6.90 feet to a stake; thence south 85 degrees, 30 minutes west, 34.95 feet to a stake; thence south 38 degrees, 13 minutes west, 6.98 feet to a stake; thence south 88 degrees, 57 minutes west, 54.38 feet to a stake; thence north 57 degrees, 15 minutes west, 41.51 feet to a stake; thence north 44 degrees, 4 minutes west, 49. 48 feet to a stake; thence south 7 degrees, 10 minutes east, 155.30 feet to a stake; thence north 86 degrees, 49 minutes west, 20.81 feet to a stake; thence north 98 degrees, 39 minutes west, 11 feet to a stake at the point of beginning.

"Tract No. 3: This tract shall embrace all those parcels of land and property, together with all, except as hereinafter provided, water rights and water flowage incident thereto, described as follows:

" To the extent that the same are situated within the boundaries of all property and lands now owned by Grantors, all islands and the bed, basin and strips of land 15 feet in width from the water's edge along all banks of all parts of the Comal River, its tributaries, and all springs, lakes and mill race connected or incident thereto, lying and situated within the boundaries of the lands now owned by Grantors, and without the limits of the two preceding tracts described above herein. It is the express intention to hereby convey to Comal Power Company, its successors and assigns, absolutely and without exception or reservation, except as hereinafter provided, all water and water rights of any and every nature whatsoever, and the right to divert, use and appropriate the same, except as hereinafter provided, to its own exclusive use."

Said deed from Landa Milling Company, et al., to Comal Power Company further provides:

(1) " A perpetual easement apprutenant to the lands described herein above is hereby granted and conveyed to Comal Power Company, its sucessors and assigns, and all future owners of the land and premises described hereinabove, to enter upon lands, other than those described hereinabove and which are now owned by Grantors, for the purpose of constructing, maintaining, repairing and operating a spur railroad track running from the present M. K. & T. spur railroad track,situated on property of the Grantor, on a tangent from a point north of the Landa Milling Company oil mill hull warehouse to the lands hereinabove described as Tract No. 1; provided, however, said spur track must be so constructed that it will be an extension on a straight line of the present track as it runs north of said hull warehouse, or deflected in a southeast direction from such a straight line, and said spur track shall be constructed in such a way so that where it crosses the main entrance park roadway it shall have the top of its rails on a level with the surface of said roadway, or, if necessary to raise the same above the surface of the existing roadway, then Comal Power Company, its successors and assigns, shall raise and reconstruct the roadway on each side of said crossing so that the approaches to the crossing shall never exceed a grade of 5 per cent. at any place, and so that the base and surface of said roadway shall be of the same construction as the adjoining roadway; provided further, Comal Power Company, its successors and assigns, hereby covenant, bind and abligate themselves to at all times maintain said roadway at said crossing in a smooth and serviceable condition for the full width of said roadway, and said Comal Power Company, its successors and assigns, do hereby likewise covenant, bind and obligate themselves to indemnify and hold harmless Grantors, their heirs, assigns and successors, and all future owners of the land upon which said spur track may be situated, from and against any and all claims or liabilities, of every character, arising by reason of the construction, maintenance and/or out of the use of said spur track, and/or out of the maintenance of said roadway at the crossing of said spur track.

(2) " It is understood that Comal Power Company contemplates the erection of an electric power plant upon the property hereby conveyed, and Grantors, their successors, heirs and assigns, do hereby (and this is hereby made a covenant running with all lands situated in Comal County, Texas, now owned by said Grantors, or either of them) release and forever discharge the Comal Power Company, its successors and assigns, from any and all liability of every nature whatsoever, arising on account of any and all damages or injury that may result to any property or land, or interference with the use of any such property or land or depreciation in the value of any such property or land now owned by Grantors, or either of them, and not conveyed hereby, by reason of the fact of the construction, maintenance or operation of said power plant and the diversion or use of the water from the Comal River, its lakes, springs and tributaries.

(3) " Comal Power Company, its successors and assigns, shall have the right to equal use

of all railroad spur tracks now located upon any lands owned by Grantors for the purpose of getting cars to and from the property hereby conveyed.

(4) " Perpetual easements, rights and privileges appurtenant to the lands hereby conveyed to Comal Power Company are hereby granted to Comal Power Company, its successors and assigns, to enter upon the lands of Grantors which lie between Seguin Street and the main line of the I. & G. N. RR., and to construct, maintain, repair and operate a spur railroad track across said lands of Grantors; said spur to run from the main line of the I. & G. N. RR. to the land hereby conveyed and described as Tract No. 1; provided, however, that Comal Power Company, its successors and assigns, shall fully compensate Grantors, their successors, heirs and assigns, for any and all damages or injury occasioned to any building or structure on the lands of Grantors by reason of the construction of said spur track.

(5) " Perpetual easements, rights and privileges appurtenant to the lands hereby conveyed to Comal Power Company, its successors and assigns, are hereby created and granted to Comal Power Company, its successors and assigns; such easements, rights and privileges shall be upon, against and for the use of that certain tract or parcel of land described as follows, to-wit:

Beginning at a stake set for the most northwest corner of Tract No. 2, hereinabove described; thence south 6 degrees, 49 minutes west, 244.60 feet to a stake; thence north 83 degrees, 54 minutes west, 94.17 feet to a stake set on the east boundary line of Tract No.1 hereinabove described; thence north 35 degrees, 44 minutes west, 30.10 feet to a stake; thence north 20 degrees, 8 minutes west, 245.70 feet; thence on a straight line in an easterly direction to the place of beginning.

Such easements, rights and privileges are to enter, at any and all times, upon the land described above in this paragraph for the purposes of construction, maintaining, operating, repairing, changing, enlarging or removing underground canals, flumes, and pipes and overhead wires, telephone and electric; it is understood that the enjoyment of the easements, rights and privileges granted in this paragraph may interfere with the free use and enjoyment of the property and land described particularly in this paragraph and all claims for damages, by reason of any such interference, are hereby expressly waived by Grantors, their successors, heirs, and assigns.

(6) " Perpetual easements, rights and privileges appurtenant to the land hereby conveyed are hereby created and granted to Comal Power Company, its successors and assigns, for the use of that part of the main entrance park roadway which lies east of any part of Tract No. 1, described hereinabove and hereby conveyed.

(7) " Perpetual easements, rights and privileges appurtenant to the property conveyed to Comal Power Company, its successors and assigns, are hereby created and granted to Comal Power Company, its successors and assigns, to control, operate and maintain all spillways that are now located on lands of Grantors, with full privilege and right to use such spillways for the purpose of carrying off water from all water courses herein referred to, and the Comal Power Company, its successors and assigns, are hereby released by Grantors, their heirs, successors and assigns, from all damages that may be occasioned by the overflow of any lands of Grantors caused by any such water passing through such spillways.

(8) " A perpetual easement, rights and privileges appurtenant to Tract No. 2, hereinabove described and hereby conveyed to Comal Power Company, its successors and assigns, are hereby created and granted to Comal Power Company, its successors and assigns; such easements, rights and privileges, shall be upon, against and for the use of that certain tract or parcel of land described as follows, to-wit:

All that portion of the Juan Martin Veramendi Two-League grant, Comal County, Texas, that is bounded on the north and east by Comal Springs, on the south by Comal Creek and on the west by the main line of the M. K. & T. RR. right-of-way and the Comal Springs.

Such easements, rights and privileges are to enter, at any and all times, upon the land described above in this paragraph for the purpose of constructing, maintaining, operating and repairing such canals, flumes and/or tunnels, and the passage of water through same, as the said Comal Power Company, its successors or assigns, may desire.

(9) " Comal Power Company, its successors and assigns, shall have the right to the equal use of all roadways, as they from time to time exist, on lands now owned by Grantors, and abutting Tract No. 2, hereinabove described.

" To have and to hold, subject to the easements, rights, and privileges hereinafter excepted, retained and provided for, the above granted premises and the easements, appurtenances, rights and privileges hereinbefore described as granted to Comal Power Company, unto the said Comal Power Company, its successors and assigns, forever.

" Grantors do hereby bind themselves, their heirs, assigns, successors, executors and administrators, to warrant and forever defend all and singular the property, premises, easements and rights herein recited above as conveyed to Comal Power Company, unto the said Comal Power Company, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, subject only to such easements, rights and privileges as are herein retained, excepted, and reserved as follows, to-wit:

(10) " A perpetual easement appurtenant to each and every part of all lands now owner by Grantors and in the Veramendi grant, in Comal County, Texas, and not conveyed hereby, is hereby expressly reserved and excepted from this conveyance, and is hereby expressly retained by Grantors, their successors, heirs, and assigns, for the perpetual free, and uninterrupted use of the main entrance park roadway, as it now runs across the lands hereby conveyed and as it now exists, or as it may hereafter be widened as provided for herein. It is agreed and understood that this easement, in addition to being appurtenant to said lands as specified above, shall be for the use and benefit of, and in favor of, the present and future owners of said lands now owned by Grantors, and each part therof, to which the same is appurtenant and, also, in favor of every person rightfully going to or coming from said lands, or any part thereof, Comal Power Company does hereby bind and obligate itself, its successors and assigns, to maintain and keep said roadway, as it now exists or as it may be widened (as herein provided) across the lands hereby conveyed, and all bridges therein, in good repair and in as good a condition as they now are; and, further, to widen and surface said roadway where the same does so cross lands hereby conveyed, to the extent of 6 feet on each side, at such time or times as said roadway is similarly widened and surfaced immediately north of the point where it passes off of the land hereby conveyed and described as Tract No. 2; provided, however, that nothing herein contained shall require the widening of the bridge that crosses the mill race on said road.

(11) " It is agreed and understood that Grantors now own certain lands, other than those hereby conveyed, which abut upon the various parts of the 15-foot strips of land, which are hereby coveyed and described in Track No. 3, along the banks or margin of said Comal River, its springs, lakes and tributaries; and certain easements, privileges and rights appurtenant respectively to each particular part of said abutting lands are hereby excepted and reserved from this conveyance, and are hereby expressly retained by Grantors for the benefit of the present and future respective owners of the various parts of said abutting lands; such easements, rights and privileges shall run against and upon the respective and particular parts of the said 15-foot strips of land, and upon and against the respective and particular parts of the Comal River, its lakes, springs and tributaries adjoining said parts of said strips of land and the bed and basin thereof and all water flowing in or through all of same, wherever and to the extent, the various parts of the lands now owned by Grantors, and not hereby conveyed, do so abut upon said 15-foot strips of land; it is agreed and understood, however, that as to that part of the mill

race and those parts of the 15-foot strips of land on each side therof which lie between the north boundary of Tract No. 1 hereby conveyed and the roadway bridge across the mill race, the easements, privileges and rights provided for in this paragraph shall terminate at such time as Comal Power Company, its successors and assigns, desire to use said particular part of the mill race and said particular parts of the 15-foot strips for spray ponds, but as to all other parts of the Comal River, its lakes, springs and tributaries, and the 15-foot strips of land along the margin or banks therof, the easements, privileges and rights provided for in this paragraph shall be, and are hereby made, in all things perpetual; said easements, rights and privileges shall be for the benefit of the present or future owners of land abutting said strips of land, to the extent hereinbefore defined, and all persons who are permitted by such owners to use the same; said easements, privileges and rights, are as follows:

(a) To enter upon and pass over said 15-foot strips of land to and from the Comal River, its lakes, springs and tributaries.

(b) To freely use said 15-foot strips of land and to fill up gullies and ditches therein and to keep the same smooth, free from brush and weeds; with full right to plant thereon and remove therefrom trees, shade trees, grass, flowers and ornamental shrub and to water, care for and protect the same.

(c) To remove obstructions from said strips of land and to keep the channels of said river its tributaries, lakes and springs, where they now are, and to remove from such channels and beds all brush, weeds, grass, or other obstruction which may grow or accumulate thereon or therein.

(d) The use of the said Comal River, its lakes, tributaries and springs, for fishing, boating, swimming and other water sports or pleasures.

(e) To construct club houses, cottages, boat buildings, warves, spring boards and all structures and appliances commonly used in connection with swimming, and boating pools or pools, lakes and streams.

(f) To keep upon said strips of land and the banks and beds of all streams, lakes, springs or pools, all structures and buildings now thereon.

(g) To use water from said river, its springs, lakes and tributaries for drinking purposes.

(h) To construct, repair, and replace cement or concrete walks along, upon and across said 15-foot strips and steps down to and into the water, and to build, repair, and rebuild retaining walls and rails along the banks of the river, springs and tributaries, and to erect and construct, repair and replace bridges over and across the same.

(i) To run water and gas pipes and mains across said 15-foot strips of land and said river, springs, and tributaries, and repair and replace the same, and to excavate and dig such trenches and tunnels as may be proper for such purpose.

(j) To erect, repair and replace on said 15-foot strips drinking fountains, posts or rocks or concrete structures for lights, and run light wires across or over or under the same.

(k) To repair and replace any of the structures now in, along or adjoining such river, springs and tributaries built in connection with or as a part of, or for the purpose of, the swimming pool and fish pond.

(l) To erect screens across any of the springs or tributaries for the purpose of making fish ponds, but the same must be so constructed as to permit the full flow of the water.

(m) Comal Power Company, its successors or assigns, bind themselves not to raise the level of said 15-foot strips of land and not to erect or construct thereon any fences, buildings or structures of any kind, and not to leave upon the same or any part thereof any holes or ditches dug thereon by them.

" It is the express intention that the beneficiaries of said easements, rights and privile-

ges shall have the full and free use of the said parts of the Comal River, its lakes, springs and tributaries, and of the 15-foot strips of land along the margin or banks thereof, for all park and pleasure purposes; with full power to do such acts and things, with reference to said parts of the Comal River, its lakes, springs and tributaries, and the 15-foot strips of land along the margin or banks thereof, which may be in any way beneficial or instrumental to such use for pleasure and park purposes, and the particular enumeration above of certain acts and things which the beneficiaries of said easements, privileges and rights may do, shall never be construed as limiting the general purpose of the easements, privileges and rights provided for in this paragraph. It is agreed and understood, however, that nothing contained in this paragraph shall ever be construed in such way as to give the beneficiaries of said easements, rights and privileges, the right to use said 15-foot strips of land, the bed and channel of said river, its lakes, springs and tributaries, and the water of same, for any other purpose except that for park and pleasure purposes, as contemplated by the above; it being the express intention that the beneficiaries of said easements, rights and privileges, shall never have the right, except as provided for in this deed of conveyance, to take, pump or divert any of the water of the Comal River, its lakes, springs or tributaries, or to do anything which will affect the natural flow thereof, or to use the same, or any part of the 15-foot strips of land for any business or industrial purposes other than as herein expressly provided. It is agreed and understood, however, that Comal Power Company, its successors and assigns, shall at all times have the right to have their officers, agents and employees to enter in, upon and across all such parts of the Comal River, its lakes, springs and tributaries, and all such 15-foot strips of land, for the purpose of inspecting the same, and doing such things as may be necessary, in their opinion, to maintain the flow of the water, in, through and along all the normal channels of such river, its lakes, springs, and tributaries; so that the same may be available for the uses and purposes of the Comal Power Company, its successors and assigns.

(12) " In addition to the easements, rights and privileges reserved, excepted, and provided for in the preceding paragraph, certain other perpetual easements, rights and privileges, appurtenant exclusively to the following described land, to-wit:

That certain tract or parcel of land, being a part of the Juan Martin Veramendi Two-League grant, situated in Comal County, Texas, and bounded on the west by the Fredericksburg Road, on the north by Comal Springs, on the east by the mill race leading from Comal Springs to Comal Creek, and on the south by the north boundary line of Tract No. 1, hereinabove conveyed to Comal Power Company.

It is further agreed and understood that the easements provided for in this paragraph shall be appurtenant, also, to such other land as may be included in what is known generally as " Landa Park," and which are to be fully described by metes and bounds in a deed from Grantors to J. E. Jarratt, conveying said park.

are hereby expressly excepted and reserved from this conveyance, and are hereby expressly retained by the present and future owners of the land described in this paragraph, their successors, heirs and assigns; said easements, rights, and privileges shall be for the sole and exclusive use and benefit of the present and future owners of the land described above in this paragraph and for the use and benefit of such persons as such owners may permit to enjoy the same; such easements, rights and privileges are as follows:

(a) To have the full and exclusive use, for all the purposes set forth in the preceding paragraph, of the largest island, known generally as " Pecan Island", situated in the Comal Springs; said easements, rights and privileges are for the use and enjoyment of said island for all the purposes, and are, in all things and to the full extent, the same as those provided for in the preceding paragraph with reference to the use of certain parts of the Comal River, its lakes, springs and tributaries, and the 15-foot strips of land

along the banks or margins thereof;

(b) To have the exclusive possession, control, and use of what is known as the " swimming pool " in Landa Park, with full and exclusive right to operate the same and charge for admission thereto, and, also, the perpetual rught, at all times, to take from the Comal River, its springs, lakes and tributaries, at a point above the mill race, such quantity of water as will flow through a 12-inch pipe under a 2-foot head, such flow to be continuous, for use in said swimming pool, and, between the hours of 12 o'clock midnight and 6 o'clock A.M., to take additional water for the purposes of flushing and refilling said swimming pool (the right to so take water for fluching and refilling said swimming pool shall, at all times, be subject to the needs of Comal Power Company, its successors and assigns, which shall be considered, in this connection, paramount).

(c) To operate trains over the I. & G. N. spur track, which is situated near the west boundary line of the property, described as Tract No. 1, hereby conveyed to Comal Power Company, into " Landa Park," provided, however, that cars shall never be stored on said spur track so as to interfere with the use thereof either by the Comal Power Company, its successors and assigns, or by the owners of said park.

(13) " Perpetual easements,rights and privileges appurtenant to the following described land and property, to-wit:

That certain lot, tract or parcel of land, being a part of the Juan Martin Veramendi Two-League grant, and situated in Comal County, Texas, described as follows, to-wit:

Beginning at a point in the north boundary line of Tract No. 1, hereinabove conveyed to Comal Power Company, 15 feet west of the west water's edge of the mill race; thence south 69 degrees, 10 minutes west, along the north boundary line of said Tract No. 1, hereinabove conveyed to Comal Power Company, for a distance of 200 feet to a point; thence north 20 degrees, 50 minutes west, 100 feet to a point; thence north 69 degrees, 10 minutes east, along a straight line to a point 15 feet west of the west water's edge of the mill race; thence in a southeasterly direction along a line parallel and 15 feet from the west water's edge of the mill race to the place of beginning.

are hereby excepted and reserved from this conveyance and are hereby retained by Grantors for the benefit of the present and future owners of the property described above in this paragraph, their heirs, successors, and assigns; such easements, rights and privileges are:

(a) To have the perpetual and continuous right to take or pump from the mill race such water as they may desire for a water works system; provided, however, that the amount of water so taken or pumped shall in no case exceed 3,000,000 gallons of water in any 24-hour period, and not more than 250,000 gallons of water in any 1 hour period.

(b) To have the perpetual and continuous right at all times to enter upon, and to lay, relay, repair, maintain, and remove water mains and pipes across, along and under:

(1) The park roadway, and bridge on same, and all railroad spur tracks, situated on Tract No. 2 and hereby conveyed to Comal Power Company.

(2) All parts of the Comal River, its lakes, springs and tributaries, and the bed and channel thereof, and all 15-foot strips of land along the banks or margins thereof, hereby conveyed, and which are described above herein as Tract No. 3.

(14) " Grantors, their successors, heirs and assigns, shall have the right to equal use of all railroad spur tracks now located upon Tract No. 2, hereby conveyed to Comal Power Company, for the purpose of getting cars to and from all lands and property of Grantors.

(15) " As to all those parts of the two branches of the Comal River, its lakes, springs and tributaries, and the 15-foot strips of land along the margins or banks therof, which lie respectively down-stream and below the present swimming pool in Landa Park and below and down-

stream from the property described as Tract No. 2, and hereby conveyed to Comal Power Company, perpetual easements, rights and privileges appurtenant respectively to the particular parts of the lands of Grantors, wherever and to the extent the same do so abut, which abut said parts of the Comal River, its lakes, springs and tributaries, or upon said 15-foot strips of land along the margins or banks thereof, are hereby excepted and reserved from this conveyance for the benefit of the present and future owners of each such respective part of the lands of Grantors which does so abut; such easements, rights and privileges are:

(a) To freely use and cross over such 15-foot strips of land and the Comal River, its lakes, springs and tributaries, and to retain, construct, reconstruct, maintain and repair thereon pump houses, pipes and all other structures as the owners of such abutting property may desire.

(b) To take such quantity of water from such parts of the Comal River, its lakes, springs and tributaries (that is, from those parts of the two branches which lie respectively below and down-stream from the swimming pool in Landa Park and below and down-stream from the lands described hereinabove as Tract No. 2 hereby conveyed to Comal Power Company), as may be desired for all and/or any purposes. It is expressly agreed and understood, however, that nothing contained in this paragraph shall ever be construed in such a way as to require more water to be run or let through the swimming pool than is expressly provided for in this deed of conveyance."

The aforesaid property is further subject to an agreement dated October 29, 1927, between the City of New Braunfels and Comal Power Company, copy of which is as follows:

" THE STATE OF TEXAS

COUNTY OF COMAL)
)

WHEREAS, a dispute has arisen between the City of New Braunfels and the Comal Power Company, concerning the true location of the Fredericksburg Road and the property line of the Comal Power Company of the properties of said companies abutting on said street, and

WHEREAS, the Comal Power Company has erected a fence on that strip of land claimed by the City of New Braunfels to be part of the Fredericksburg Road, and which said strip of land is also claimed by the Comal Power Company under and by virtue of a deed of Harry Landa conveying said property to said Company, and

WHEREAS, Both parties are desirous of settling amicably said dispute,

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that this agreement made by and between the City of New Braunfels, acting by and through its Mayor thereunto duly authorized, and the Comal Power Company, acting through its Vice-President, witnesseth:

1. That for and in consideration of the forebearance of said parties to this agreement to bring suit to determine the true location of said property line and the line of Fredericksburg Road, the said Comal Power Company agrees to relinquish unto the City of New Braunfels so much of the property now inclosed by them and claimed by them abutting on this street, as the City may demand, whenever the said City of New Braunfels deems it necessary and advisable to obtain said property and has made adequate money appropriations and is ready to begin work for the purpose of widening Fredericksburg Road; but in no event shall the property so relinquished extend beyond 20 feet easterly from the present fence line into the premises of the Comal Power Company. It is further agreed and understood that formal written notice to the effect that said City intends to widen said street and has appropriated adequate funds and is ready to begin work theron shall be deemed sufficient notice to the Company, and upon receipt of said notice the Company hereby agrees to move back their fence to such a distance as may be agreed upon by the parties hereto, not to exceed 20 feet as aforesaid, and said Company will execute and deliver to said City a good and sufficient

deed to the property so relinquished.

Witness our hand this 29th day of October, A.D. 1927.

CITY OF NEW BRAUNFELS.

H.A. TRIESCH,

MAYOR.

COMAL POWER COMPANY.

E.H. KIFER,

VICE-PRESIDENT."

Said property was conveyed, subject to said agreement, by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

DITTLINGER SUBSTATION.

That property in Comal County, Texas, conveyed by John Fenske and wife to Comal Power Company by deed recorded June 10, 1927, in Volume 54 on pages 72-73, and conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928, said property being described in said deed recorded June 10, 1927, as follows: Beginning at a point 998 feet from the center of the I. &.G. N. Ry. Track; thence south 28 degrees east, parallel with the Dittlinger Road, for a distance of 100 feet to a point; thence at a 90 degree turn, north 62 degrees east, 100 feet to a point; thence at a turn of 90 degrees north, 28 degrees west, 100 feet to a point; thence at a turn of 90 degrees south, 62 degrees west, 100 feet to the place of beginning; and being part of the old John Fenske Farm, which was conveyed to John Fenske by W. Fenske, by deed dated the 16th day of April, A.D. 1881, and recorded in Book P, page 359, of the Deed Records of Comal County, Texas.

PENSHORN PROPERTY.

All that certain tract, piece or parcel of land situated within the corporate limits of the City of New Braunfels, in Comal County, Texas, being out of the J. Veramendi Survey No. 1, Abstract No. 2, and being part of the certain tract of land conveyed by Chas. Buehler, et al., to Edmund Penshorn, by deed dated November 6, A.D. 1905 recorded in Volume 27, on pages 547-548, Deed Records of Comal County, Texas, and more particularly described as follows, to-wit: Beginning at a point in the southwest line of the New Braunfels and Blanco Road, same being the north corner of the Hermann Thiele Tract and east corner of the said Edmund Penshorn Tract; thence in a northwesterly direction with the said southwest line of said New Braunfels and Blanco Road, 1, 845 feet to a stake; thence in a southwesterly direction at an angle of 86 degrees, 47 minutes with said southwest line of said road to a point which is 30 feet from said road by a straight line drawn at a right angle to said road; thence in a southeasterly direction parallel with, and 30 feet from, the said southwest line of said New Braunfels and Blanco Road to a point in the Hermann Thiele northwest line; thence in an easterly direction with the said Hermann Thiele northwest line to the place of beginning; being the same property conveyed by Meta Penshorn, a feme sole, to Comal Power Company, by deed recorded November 2, 1925, in the records of Deeds of said county, in Volume 51, on pages 572-573, and conveyed by Comal Power Company, (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

ADDITION TO COMAL PLANT (NOWOTNY).

All that certain tract or parcel of land lying and being situated within the corporate limits of the City of New Braunfels, Comal County, Texas, being a part of the Juan Martin Veramendi Survey No. 1, and described as follows, to-wit: Beginning at a point on the south line of North Street, which point is south 59 degrees, no minutes east, 165.0 feet from the intersection of the south line of North Street and the west line of River Avenue; thence south 16 degrees, 28 minutes east, 168.5 feet; thence south 2 degrees, 57 minutes east, 387.0 feet; thence south 46 degrees, 8 minutes east, 94.8 feet; thence north 69 degrees, 56 minutes east, 103.6 feet; thence

south 72 degrees, 33 minutes east, 139.65 feet to a stake; thence 59 degrees west, to a stake set on the bank of the Comal River; thence up the meanders at the east bank of the Comal River to a point approximately 15 feet from the place of beginning; thence north 59 degrees east, to the place of beginning.

The above described property being all that portion of that tract of land conveyed to E. H. Kifer by Albert Nowotny and Minnie Nowotny, by deed dated December 23, 1926, and recorded in Volume 53, pages 260-261, of the Deed Records of Comal County, Texas, save and except that portion of said tract conveyed by E. H. Kifer to South Texas Ice Company, by deed dated the 28th day of February, 1928, and this conveyance is made subject to the rights and easements granted in the aforesaid deed to South Texas Ice Company; being the same property conveyed by E. H. Kifer to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Comal County, March 19, 1928, in Volume 55, pages 64-65.

KUEHLER POWER STATION SITE.

All those certain tracts or parcels of land lying and being situated in Comal County, Texas, described as follows, to-wit:

First Tract: Thirty acres of land abutting on the Guadalupe River, south of, and adjacent to, the City of New Braunfels, and more particularly described as follows, to-wit: beginning at a concrete monument from which a hackberry 20 inches in diameter bears north 69 degrees east, 54 feet, said monument being 36.8 feet south 39 degrees, 28 minutes east, from the center of the east end of the 30-foot right-of-way this day purchased from W. Kuehler, et al.; thence north 32 degrees, 29 minutes east, 662 feet to a concrete monument; thence north 68 degrees, 9 minutes east, 770 feet to a concrete monument from which a hackberry 6 inches in diameter bears north 72 degrees, 50 minutes east, 63 feet; thence north 6 degrees, 11 minutes west, 1,088 feet to a stake at the water's edge of the Guadalupe River; thence up the river with its meanders 2,000 feet, more or less, to a cypress 8 inches in diameter at the water's edge of the Guadalupe River; thence south 39 degrees, 28 minutes east at 752.2 feet past the center of the east end of the above mentioned 30-foot right-of-way, and in all 789 feet, to the place of beginning.

Three and sixty-two hundredths acres of land, more or less, adjoining the 30 acres of land herein described, being more particularly described as follows, to-wit:

A strip of right-of-way 30 feet wide and 5,259.9 feet long, extending southeasterly from the south line of the city limits of the City of New Braunfels into the Kuehler property, the center line of said strip being described as follows: Beginning at a concrete monument on the south city limit line of the City of New Braunfels, said monument being 1,174.4 feet north 80 degrees, 56 minutes east, from the city monument at the Schumannsville Road, and 1,144 feet south 80 degrees, 56 minutes west, from a new concrete monument established on the city limit line near the Guadalupe River; thence south 29 degrees, 2 minutes east, parallel with, and 165 feet distant from, the southwest line of South Seguin Street, extended, as shown on the plat of the Kuehler Addition as recorded in Volume 46, pages 430-431, of the Deed Records of Comal County, Texas, in all 391.6 feet, to a stake; thence in a southeasterly direction on a line curving to the left with a radius of 1,433 feet, 344.2 feet to a stake, which is south 42 degrees, 48 minutes east, 172.9 feet from a concrete monument established at the point of intersection of this curve; thence south 42 degrees, 48 minutes east, 1,093.8 feet to a stake; thence in a southeasterly direction on a line curving to the left with a radius of 1,433 feet, 405.8 feet to a stake, which is south 59 degrees, 2 minutes east, 204.3 feet from a concrete monument established at the point of intersection of this curve; thence south 59 degrees, 2 minutes east, 622.1 feet to a stake; thence in an easterly direction on a line curving to the left with a radius of 955 feet, 1,189.2 feet to a stake, which is north 49 degrees, 37 minutes east, 685.6 feet from a concrete monument established at the point of intersection of this curve; thence north 49 degrees, 37 minutes east,

812.2 feet to a stake; thence in a northeasterly direction on a line curving to the left with a radius of 1,343 feet, 401 feet to a stake in the southwest line of the 30-acre tract, 36.8 feet north 39 degrees, 28 minutes west from the concrete monument established at the south corner of said 30-acre tract.

The above described property being that property conveyed by Ludgar Kuehler and wife, Hulda Kuehler, et al., to Comal Power Company, by deed dated June 30, 1924, and duly recorded in Book 49, pages 485-487, Deed of Records of Comal County, Texas.

Second Tract: Fourteen and forty-two hundredths acres of land abutting on the Guadalupe River, and being a part of the Wm. Kuehler Tract out of the John Thompson Survey No. 21 in Comal County, Texas, and more particularly described as follows: Beginning at the east corner of the 30-acre tract heretofore conveyed to the Comal Power Company, a concrete monument from which a hackberry 6 inches in diameter bears north 72 degrees, 50 minutes east, 63 feet; thence south 68 degrees, 9 minutes west along the southeast line of said 30-acre tract, 770 feet to a concrete monument; thence continuing along the southeast line of said 30-acre tract south 32 degrees, 29 minutes west, 662 feet to a concrete monument at the south corner of said 30-acre tract; thence south 39 degrees, 28 minutes east, 31.6 feet to a stake; thence north 32 degrees, 29 minutes east, parallel with, and 30 feet distant from, the southeast line of said 30-acre tract, 662.1 feet to a stake; thence north 68 degrees, 9 minutes east, parallel with, and 30 feet distant from, the southeast line of said 30-acre tract, 415 feet to a stake; thence north 82 degrees, 18 minutes east, 356 feet to a stake, which is 117 feet south 21 degrees, 51 minutes east, from the concrete monument at the beginning corner; thence north 78 degrees, 20 minutes east at 577 feet a cottonwood tree 30 inches in diameter, and in all 624 feet to the water's edge of the Guadalupe River; thence up the river with its meanders to the north corner of said 30-acre tract; thence south 6 degrees, 11 minutes east along the east line of said 30-acre tract 1,088 feet to the place of beginning, containing 14.42 acres of land.

The above described property being the same property conveyed by Ludgar Kuehler, et al., to Comal Power Company, by deed dated October 1, 1924, and duly recorded in Volume 50, pages 62-64, Deed Records of Comal County, Texas.

Third Tract: All that certain tract of land situated within the corporate limits of the City of New Braunfels, Comal County, Texas, being known as Lot No. 5 of Subdivision of Acre Lot No. 179, and more particularly described by metes and bounds as follows, to-wit: Beginning at the northeast corner of Lot No.11, said beginning point being on Nacogdoches Road, for a distance of 79 feet to the southeast corner of said Lot No.5; thence north 52 degrees west for a distance of 181 feet to the northeast corner of said Lot No.5; thence south 38 degrees west for a distance of 70 feet to the northwest corner of said Lot No.5; thence south 52 degrees east for a distance of 145 feet to the place of beginning.

The above described property having been conveyed by Willie Kuehler and wife, to Comal Power Company, by deed dated June 30, 1924, and duly recorded in Book 49, pages 477-478, Deed Records of Comal County, Texas, and by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Comal County on July 6, 1928, in Volume 55, on pages 310-314.

ADDITION TO COMAL PLANT SITE (LOCKE).

Being all that certain tract or parcel of land situated within the corporate limits of the City of New Braunfels, Comal County, Texas, and more particularly described as follows: Beginning at a point 30 feet south 75 degrees, 30 minutes west, from the west property line of the Fredericksburg Road and on the south property line of a new street cut through the south end of the Penshorn property, this point being also on the west line of the 30-foot right-of-way now owned by the San Antonio Public Service Company and on the south line of the new street at the south

end of the Penshorn property; thence south 75 degrees, 30 minutes west, 199.34 feet along the south line of the said new street to a stake for the northwest corner of this tract; thence south 14 degrees, 30 minutes east, 1,092.6 feet parallel to, and 199.34 feet distant from, the west line of the 30-foot right-of-way, before mentioned, to a stake for the southwest corner of this tract; thence north 75 degrees, 30 minutes east, 199.34 feet to a stake on the west line of the said 30-foot right-of-way, which point is the southeast corner of this tract; thence along the west line of the said 30-foot right-of-way north 14 degrees, 30 minutes west, 1,092.6 feet to the place of beginning; being 5 acres of land out of the tract of land conveyed to Herman C. Locke by Meta Penshorn, by deed dated April 27, 1926, recorded in the Deed Records of Comal County, Texas, in Volume 52, on pages 375-376, to which deed and record thereof reference is particularly made as part of the description of the property herein conveyed; being the same property conveyed by Herman C. Locke and wife, Thekla Locke, to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Comal County, September 17, 1928, in Volume 55, pages 433-435.

P. & M. MILLS PLANT.

The following described property in Comal County, Texas, to-wit:

1. A part of the 6.14-acre tract out of the A. M. Esnaurizar 11-League grant in Comal County, Texas, described in deed from L. Meyer and wife to the Trustees of the P. & M. Mills, dated August 20, 1921, and recorded in Book 43, pages 619-621, of the Deed Records of Comal County, Texas, said part being more particularly described by metes and bounds as follows: Beginning at a stake on the east bank of Guadalupe River at water's edge, at a point which is 15 feet up-stream from the up-stream face of the water power house of the P. &. M. Mills; thence north 73 degrees, 18 minutes east, parallel with, and 15 feet distant from, the up-stream face of said power house, 24 feet to a stake for north corner, which stake is south 7 degrees, 12 minutes east, 332.5 feet from the center of the I. & G. N. R. R., at the concrete bulkhead face of the east abutment of said railroad's Guadalupe River bridge; thence south 16 degrees, 42 minutes east, parallel with, and 15 feet distant from, the east face of the power house, 68 feet to a stake; thence south 73 degrees, 18 minutes west, parallel with, and 15 feet distant from, the down-stream face of said power house, 20 feet, more or less, to the water's edge of the Guadalupe River; thence in a northerly direction along the water's edge of the Guadalupe River with its meanders, 15 feet, more or less, to the down-stream face of the power house; thence north 73 degrees, 18 minutes east, along the down-stream face of said power house, 6 feet, more or less, to its southeast corner; thence north 16 degrees, 42 minutes west, along the east face of said power house, 38 feet to its north corner; thence south 73 degrees, 18 minutes west, along the up-stream face of said power house, 11 feet, more or less, to the water's edge of the Guadalupe River; thence in a northerly direction along the water's edge of the Guadalupe River with its meanders 15 feet, more or less, to the place of beginning.

2. A part of the 6.14-acre tract out of the A. M. Esnaurizar 11-League grant in Comal County, Texas, described in deed from L. Meyer and wife to the Trustees of the P. & M. Mills, dated August 20, 1921, and recorded in Book 43, pages 619-621, of the Deed Records of Comal County, Texas, said part being more particularly described by metes and bounds as follows: Beginning at a point in the east line of the power house tract, 24.5 feet south 16 degrees, 42 minutes east from the north corner of said tract and being 15 feet from the east face of the power house; thence north 73 degrees, 18 minutes east, 76 feet to a point on concrete walk; thence south 16 degrees, 42 minutes east, 19 feet to a stake; thence south 73 degrees, 18 minutes west, 76 feet to a point in the east line of the power house tract; thence north 16 degrees, 42 minutes west, parallel with, and 15 feet distant from, the east face of the power house, 19 feet to the place of beginning.

3. A part of the John Thompson Survey within the corporate limits of the City of New Braun-

fels, Texas, more particularly described by metes and bounds as follows: Beginning at a stake in the southwest right-of-way line of the P. & M. Mills, same being also the northeast line of Block 1052, of the City of New Braunfels, Texas, said stake being 22.7 feet south 19 degrees, 41 minutes east from the north corner of Lot No. 3, of said Block 1052; thence south 19 degrees, 41 minutes east, along the southwest right-of-way line of the P. &. M. Mills and the northeast line of said Block 1052, 40 feet to a point on rock ledge; thence north 73 degrees, 4 minutes east, 30 feet, more or less, to the water's edge of the Guadalupe River; thence in a northwesterly direction along the water's edge of the Guadalupe River with its meanders, passing around the southwest end of the P. & M. Dam to a point 15 feet up-stream from the up-stream face of said dam; thence south 73 degrees, 4 minutes west, parallel with, and 15 feet distant from, the face of said dam, 25 feet, more or less, to the place of beginning.

Which 3 parcels of land were surveyed on August 17 and 18, 1931, by R. S. Jahn, County Surveyor.

4. The dam formerly owned by Planters and Merchants Mills, Inc., extending across the Guadalupe River from a point which bears south 45 degrees, 34 minutes east, 852 feet from the west corner of A. M. Esnaurizar 11-League grant, on the bank of the Guadalupe River in Comal County, Texas, distant in an easterly direction from New Braunfels, Texas, 1½ miles, erected under original Permit No 590, granted and issued by the Board of Water Engineers to the Planters and Merchants Mills of New Braunfels, Texas, under date of July 31, 1922, together with all riparian rights, rights of flowage, or to back up water by means of said dam or other water rights, all and any easements of any kind formerly owned by Planters and Merchants Mills, Inc., in any lands, or lots or parcels of land in Comal County, Texas, abutting on said Guadalupe and Comal Rivers, across from, above or below the said dam, whether acquired by deed, contract or use, it being the intention herein to convey the complete and entire water and power plant, formerly owned by the Planters and Merchants Mills, Inc., together with all raparian and other rights and appurtenances thereunto in anywise incident or appertaining, and all rights however acquired, to impound and use water by means of said dam, and reference is here made to all deeds and contracts to Planters and Merchants Mills, Inc., in the Deeds Records of Comal County, Texas, conveying riparian or other water rights and easements to the said Planters and Merchants Mills, Inc., or its predecessors in title, and reference is also made to the original Permit No. 590, granted and issued by the Board of Water Engineers to the Planters and Merchants Mills of New Braunfels, Texas, for the appropriation of water from the Guadalupe River in Comal County, Texas, and the amendment thereto, No. 755, granted and issued by the Board of Water Engineers of the State of Texas, and the amendment thereto, No. 755, granted and issued by the Board of Water Engineers of the State of Texas to the Planters and Merchants Mills of New Braunfels, Texas, both of which appear of record in the office of the Board of Water Engineers, at Austin, Texas.

5. An easement right-of-way over, across and upon the present gravel roadway lying between the present west wall of the old Planters and Merchants Mill Building and the Guadalupe River, leading from the Austin-San Antonio Highway to the boiler room of the Old Mill Building, as a permanent and perpetual means of ingress and egress to and from the said power plant and dam site, as hereinabove described; being the same land, property, rights, privileges and easements conveyed by H. A. Wagenfuehr to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Comal County, Texas, November 20, 1931, in Volume 60, pages 248-250.

GUADALUPE POWER SITE.

All those certain tracts or parcels of land lying and being situated in Guadalupe County, Texas, being out of Subdivision No. 88 of the A. M. Esnaurizar Original 11-League grant, which was conveyed by E. J. Laechelin and wife, Hulda Laechelin, to Comal Power Company, by deed dated August 22, 1927, and duly recorded in Book 94, pages 371-373, of the Deed Records of Guadalupe County, Texas, to-wit:

County, Texas, and in which said deed the property hereby conveyed is described as follows:

"First: Beginning at a point on the north fence line of the Southern Pacific Railroad right-of-way, and on the south boundary line of the property of grantors herein, 2,339 feet, from the southeast corner of property of E. J. Laechelin and wife; thence north no degrees, 7 minutes, west, 1,871.5 feet to Young's Ford Road; thence south 89 degrees, 53 minutes west, 297.87 feet; thence north 73 degrees, 52 minutes west, 98.87 feet; thence south 89 degrees, 12 minutes west, 383.67 feet; thence along the line of the property heretofore sold by E. J. Laechelin and wife to the Texas Power Corporation, south 69 degrees, 9 minutes west, 163 feet; north 89 degrees, 40 minutes west, 146 feet; south 58 degrees, 58 minutes west, 72.25 feet to corner; thence leaving the line of the Texas Power Corporation property and going south 14 degrees, 40 minutes east, 349.30 feet; thence south no degrees, 7 minutes west, 1579.79 feet to a point in fence line between the Southern Pacific Railroad right-of-way and the above property, this line being parallel to, and 1048 feet from, the eastern line of this tract; thence following the north fence line of the railroad right-of-way, in an eastern direction, 1056 feet to the place of beginning, containing 45.92 acres of land.

" Second: Beginning at a point on the western boundary of the above tract, 1467.33 feet north from the north property line of the railroad right-of-way; thence south 62 degrees, 41 minutes west, to the corner of the property of the Texas Power Corporation, this being a corner of that property where a dam is to be erected; thence with the northwest line of said property to the boundary line of the property heretofore sold by E. J. Laechelin and wife to the Texas Power Corporation; thence in a northern direction along the Texas Power Corporation property to a point 100 feet distant from, and at right angles to, the northwest boundary of the Texas Power Corporation land; thence in a northeasterly direction, parallel to the first course of this tract, and 100 feet therefrom, to a point on the western boundary of the above 45.92-acre tract, said point being 1579.79 feet from the northern property line of the Southern Pacific Railroad; thence south with the west line of said 45.92-acre tract to the place of beginning.

" This tract or strip of land identified as " Second," is expected to be used by Comal Power Company as and for a canal, and it is agreed that all dirt removed in the digging of the canal by said company shall be by them spread out evenly to a distance of 200 feet from the edge of the canal. It is further agreed that E. J. Laechelin and wife reserve to themselves, and to their heirs and assigns, the right to cross said strip and canal at as many as three places, with the right to construct bridges across and over said canal at as many as three places so selected by him to cross same, and Comal Power Company agrees that it will pay one half the cost of the construction of any one of said bridges as soon as constructed and when requested to contribute by E. J. Laechelin and wife.

" Third: Also a permanent easement for the construction of a tunnel and the construction and operation of not more than two electric transmission lines. This easement is upon and under the following strip of land: Beginning at a point on the western boundary of the above 45.92-acre tract of land, 716.5 feet from the north boundary of the Southern Pacific right-of-way; thence south 62 degrees, 41 minutes west, to the Guadalupe River; thence with the bank of the river a perpendicular distance of 100 feet; thence in a northeastern direction, parallel to the south eastern boundary of this easement and 100 feet therefrom, to a point on the western boundary of the 45.92 acres, 828.96 feet north of the northern property line of the Southern Pacific Raidroad; thence south with the west line of said 45.92-acre tract to the place of beginning.

" It is agreed that no ditch of any kind shall be permanently left open on the above tract for any purpose except the first 250 feet beginning with the river front, and only two transmission lines shall be erected on the easement.

" It is understood that E. J. Laechelin and wife hereby convey to Comal Power Company all

riparian and other rights which they own at the points where the conveyed premises touch the river or the property of the Texas Power Corporation, but that notice is taken of such rights as the Texas Power Corporation may own.

" It is also agreed that E. J. Laechelin and wife reserves to himself, and themselves, an easement for the passage of persons, vehicles and stock along the south side of said 45.92-acre tract above described, so long as they or either of them own land on both sides of said 45.92 acres, said right-of-way not to interfere with the construction and operation of a railroad spur that might be erected across same, but which is to permit a crossing at this point.

" It is further understood and agreed, and there is hereby given and granted to Comal Power Company, an easement for the passage of persons, vehicles and stock from the southwest corner of the 45.92 acres above conveyed, westward along the north boundary of the Southern Pacific railroad to the road going southward under the trestle of the railroad, and thence running with said road under said trestle and to the main road to Seguin, subject, however, to the right of E. J. Laechelin and wife to cross ~~to cross~~ under the right-of-way of the Southern Pacific under said trestle."

The above described property was, as before mentioned, conveyed by E. J. Laechelin and wife, Hulda Laechelin, to Comal Power Company by deed dated August 22, 1927, and recorded in Book 94, pages 371-373, of the Deed Records of said Guadalupe County, and said property was thereafter conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Guadalupe County on July 10, 1928, in Book 98 on pages 361-365.

GERONIMO SUBSTATION.

All that certain tract or parcel of land lying and being situated in the County of Guadalupe, in the State of Texas, described as follows, to-wit: Ten thousand square feet of land, more or less, out of an 124-acre tract located approximately two miles from the town of Geronimo in Guadalupe County, Texas, out of Esnaurizar grant, said 10,000 square feet of land being described by metes and bounds as follows: Beginning at a point at the southeast corner of the A. F. Baese property adjoining the public school; thence north 3 degrees east, 247 feet to a stake set for the southeast corner of the land to be described; thence north 87 degrees west, 100 feet to a stake set for the southwest corner; thence north 3 degrees east, 100 feet to a stake set in the northwest corner; thence south 87 degrees east, 100 feet to the northeast corner to a stake set in the west line of the Geronimo road; thence south 3 degrees west, 50 feet to the Luling high line of the San Antonio Public Service Company; thence continuing south 3 degrees west, 50 feet to the place of beginning, containing 10,000 square feet, more or less.

Being the same property conveyed by A. F. Baese and Paula Baese, husband and wife, to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Guadalupe County, July 14, 1928, in Book 97, page 487.

KINGSBURY SUBSTATION.

All that certain tract or parcel of land lying and being situated in the County of Guadalupe, in the State of Texas, described as follows, to-wit: Twenty-two thousand, five hundred square feet of land, more or less, out of a 213 acre tract located approximately one mile northwest of the Town of Kingsbury in Guadalupe County, Texas, out of the J. H. Kuykendall Survey, said 22, 500 square feet of land, more or less, being described by metes and bounds as follows: Beginning at a stake set in the north corner of John Schmidt's property on the San Marcos and Kingsbury Road, about one mile northwest of the Town of Kingsbury; thence south 37 degrees, 30 minutes east, 253 feet to a stake set for the beginning point of land to be described, said stake being the west corner; thence north 52 degrees, 30 minutes east, 150 feet to a stake set for the north corner; thence south 37 degrees, 30 minutes east, 126 feet 10 inches to Luling high line; thence

continuing south 37 degrees, 30 minutes east, 23 feet 2 inches to a stake set for the east corner; thence south 52 degrees, 30 minutes west, 150 feet to a stake set for the south corner, said stake being on the northeast side of the Kingsbury Road; thence along the northeast side of said road north 37 degrees, 30 minutes west, 100 feet to the Luling high line; and thence continuing north 37 degrees, 30 minutes west, 50 feet to a stake or point of beginning. Said piece of ground containing 22,500 square feet, more or less.

Being the same property conveyed by John Schmidt and wife, Marie Schmidt, to San Antonio Public Service Compnay by deed recorded in the records of Deeds of said Guadalupe County July 16, 1928, in Book 97, pages 489-490.

OIL FIELD SUBSTATION.

The following tract of land in Guadalupe County, Texas, out of the George Blair labor of 177 acres, which said 177 acres was on the 23rd day of November, 1908, conveyed by R. W. Nickell and wife, Emily A. Nickell, by deed to J. L. Mercer, which said deed is recorded in the Deed Records of Guadalupe County, Texas, in Volume 32, page 47, to which Deed Records reference is hereby made, as follows: Beginning at a stake set in the fence line at a south corner of the J. L. Mercer tract of land out of said George Blair labor, said stake being situated north 80 degrees, 55 minutes east, 16 feet north, 3 degrees, 31 minutes east, 89.2 feet from the center stake of structure No. 17/9 on Comal Power Company 60 K. W. McQueeney--Luling high line; thence north 88 degrees, 30 minutes west, 17.2 feet with fence line of said J. L. Mercer tract of land to a stake set at a corner of said fence; thence north 38 degrees, 54 minutes west, 185.6 feet with said fence line to a stake set in fence line for the west corner of this one-acre tract; thence north 57 degrees east, 218.34 feet to a stake set for the north corner of this one-acre tract; thence south 33 degrees east, 209.92 feet to a stake set in the southeast fence line of said J. L. Mercer tract of land for the east corner of this one-acre tract; thence with said fence line south 53 degrees, 26 minutes west, 125.84 feet to a stake set in a corner of said fence line; and thence continuing with said fence line south 78 degrees, 17 minutes west, 63.9 feet to the place of beginning. Said tract of land as described above contains 1 acre of land.

Being the same property conveyed by J. L. Mercer and wife, Laura A. Mercer, to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Guadalupe County, November 5, 1929, in Volume 116, pages 224-225.

SEGUIN SUBSTATION.

All that certain lot or parcel of land situated in Guadalupe County, State of Texas, and a part of the Humphreys Branch League, and being out of the A. Byler tract, containing one acre, and described more particularly as follows: Beinning at the northwest corner of a plot of ground owned by Frank Wilson; thence north, 210 feet; thence east, 197½ feet; thence south 210 feet; thence west 197½ feet to the place of beginning. Being the same property conveyed to Abner Jackson, by Fannie Jackson by deed dated September 10, 1924, as appears of record in Volume 79, on page 401, of the Deed Records of Guadalupe County, to which deed and the record thereof reference is here made.

Being the same property conveyed by G. Wallace Smith to San Antonio Public Service Company by deed recorded in the records of Deeds of said Guadalupe County on May 9, 1929, in Volume 106, pages 264-265.

EASEMENT FOR GUADALUPE POWER SITE.

The permanent easement conveyed by Edgar J. Laechelin and wife, Hulda Laechelin, to San Antonio Public Service Company, by warranty deed recorded in the records of Deed of Guadalupe County on August 26, 1930, in Volume 130 on page 394-395, and therein described as follows:

" A permanent easement and use of that certain parcel and strip of land 40 feet wide, known and designated as lying along the southwestern side of the following tract of land situated about five miles west of Seguin, out of the A. M. Esnaurizar 11-League grant, in Guadalupe County,

Texas, beginning at a stake in the east or southeast boundary of a 2.56-acre tract formerly owned by Aug. H. Koehler, said beginning point being about 388 feet south 46 degrees, 37 minutes west, of the most northern corner of said tract (said point being also in the north line of the highway leading from Seguin to San Antonio); thence north 46 degrees, 37 minutes east, with said road, 80 feet to a stake for corner, said stake being the southwest corner of a tract of land conveyed by Aug. H. Koehler to John P. Stuard by deed dated June 28, 1930; thence north 43 degrees, 11 minutes west, 133.5 feet to a stake set for corner, said stake being the northwest corner of said tract conveyed by Aug. H. Koehler to John P. Stuard, and to the south line of a right-of-way owned by San Antonio Public Service Company; thence 65 degrees, 49 minutes west, 75 feet to a stake for corner; thence south 39 degrees, 55 minutes east, 158½ feet to the place of beginning, and being the western part of a strip of land conveyed to E. J. Laechelin and wife, Hulda Laechelin, by Aug. H. Koehler.

" It is the intention of this instrument to give to the San Antonio Public Service Company the permanent right of use of and over a strip of land 40 feet wide (which use shall at all times permit an open right-of-way), leading from the Seguin-San Antonio highway (immediately east of the McQueeney Bridge over the Guadalupe River) in a northerly direction to a right-of-way owned by San Antonio Public Service Company; along the south side of the Southern Pacific Railroad right-of-way, conveyed by deed from E. J. Laechelin and wife, Hulda Laechelin, to the Comal Power Company, dated August 22, 1927, of record in Volume 94, page 371, of the Deed Records of Guadalupe County, Texas, to which reference is here made. It is understood and agreed that the easement and right-of-way granted in that deed of conveyance for the passage of persons, vehicles and stock from the southwest corner of the 45.92-acre tract therein described, westward along the north boundary line of the Southern Pacific Railroad, to the road going southward under the trestle of the railroad; thence along the road under said trestle to the main road to Seguin, Texas, which easement and right-of-way is and shall be over a strip of land 30 feet wide along its entire course, extending from the boundary line of the Southern Pacific Railroad right-of-way."

Being as foresaid the same permanent easement conveyed by Edgar J. Laechelin and wife, Hulda Laechelin, to San Antonio Public Service Company by warranty deed, recorded in the records of Deeds of said Guadalupe County on August 26, 1930, in Volume 130, pages 394-395.

SEGUIN OFFICE BUILDING.

All of that certain lot and parcel of land situated in Seguin, Guadalupe County, Texas, described as follows, to-wit:

Being part of original Inner or Building Block No. 25, now known as New City Block No. 163, and being all of Lots Nos. 5 and 6, and a small part of Lot No. 7, in said Block, so as to include the brick and rock or gravel and concrete building on the northeast corner of said Block: Beginning at the northwest corner of said Block; thence east with the south line of East Center Street, 106 feet to the northeast corner of the brick portion of the said building thereon; thence south 66 2/3 feet to a stake; thence west 106 feet to a stake in the east line of South River Street; thence north 66 2/3 feet to the place of beginning.

Being the same property conveyed by the South Texas Ice Company to San Antonio Public Service Company by deed recorded in the records of Deeds of said Guadalupe County on February 15, 1930, in Volume 121, page 457.

D'HANIS SUBSTATION.

All that certain piece of land in the town of D'Hanis, in Medina County, Texas, conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company by deed dated January 1, 1928, and recorded in the records of Deeds of said County in Volume 97, at page 574, and which is described in said deed as follows:

All that certain piece, parcel and block of land lying and being situated in the town of

D'Hanis, in Medina County, Texas, Abstract No. 49, Certificate No. 296, Survey No. 441, Burnett D. G., being out of a 15-acre homestead tract owned by Chas. Boog and wife, Helena Boog, the part hereby conveyed being described by metes and bounds as follows, to-wit: Beginning at the southeast corner of said Boog 15-acre tract for the southeast corner of this piece; thence north along the Boog east line for a distance of 100 feet, turn interior angle of 89 degrees; thence due west for 100 feet, a stake for the northwest corner of this piece, turn interior angle of 91 degrees; thence due south for 100 feet, a stake, set for the southwest corner, interior angle 89 degrees; thence east for 100 feet along Boog south line to place of beginning; being the same land conveyed by Charles Boog and wife, Helena Boog, to Comal Power Company by deed dated November 22, 1927, and recorded in Volume 85, pages 467 and 468, of the Deed Records of Medina County, Texas.

FLORESVILLE PLANT SITE.

The following described property situated in Wilson County, Texas, and within the corporate limits of the City of Floresville, more particularly described as follows, to-wit:

The east half of Lot No. 11, and all of Lots Nos. 12, 13 and 14, Block C of the Railroad Addition to the City of Floresville, as shown by map or plat of said City, of record in the office of the County Clerk in Wilson County, Texas.

Being the same property conveyed by the Lone Star State Power Company to the South Texas Public Service Company, recorded on the 4th day of November, 1927, in Deed Records Book 144, page 3 to 6, Wilson County, Texas, and by the said South Texas Public Service Company conveyed to the South Texas Ice Company by deed dated the 1st day of February, A.D. 1928, and recorded in Deed Records Book 144, pages 419-421, of Wilson County, Texas, said property being known as the Floresville Power and Ice Plant site, Wilson County, Texas.

Being the same property conveyed by South Texas Ice Company to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Wilson County, January 9, 1930, in Volume 163, pages 167-168.

FENTRESS PLANT AND SYSTEM

All that land, property, property rights, franchises, privileges and easements conveyed by G. Wallace Smith to San Antonio Public Service Company by deed recorded in the records of Deeds of Caldwell County, Texas, in Volume 137, page 601 (and in Guadalupe County in Volume 106, pages 338-340), wherein said land, property, rights, franchises, privileges and easements are described as follows:---

" No.1. All that certain tract or parcel of land lying and being situated in Caldwell County, Texas, more particularly described as follows, to-wit:

Beginning at an iron pin set at the northeast corner of the property owned by the Fentress Gin and Power Company, located on the east side of the San Marcos River, said northeast corner of said property being located approximately as follows: Beginning at a cypress tree on the north bank of the San Marcos River, at the upper northwest corner of the M. Gillan League; thence north 50 degrees east 4162 feet along said league line; thence south 40 degrees east, 5428 feet to the aforementioned iron pin set in the northeast corner of the property of the Fentress Gin and Power Company; thence south 3 degrees, 30 minutes east, 50 feet to a stake for a corner of this tract; thence south 86 degrees, 30 minutes west, 50 feet to a corner of this tract; thence north 3 degrees, 30 minutes west, 50 feet to a corner of this tract; thence north 86 degrees, 30 minutes east, 50 feet to the place of beginning.

" No. 2. All that certain tract or parcel of land lying and being situated in Caldwell County, Texas, on the east side of the San Marcos River, described as follows, to-wit: Beginning at an iron pin set in the property of the Fentress Gin and Power Company, on the east bank of the San Marcos River, the location of said iron pin being determined approximately as follows: Beginning at the iron pin set as the beginning point of Tract No. 1, above described; thence

south 86 degrees, 30 minutes west, 103 feet and 10 inches; thence south 3 degrees, 30 minutes east, 296 feet; thence north 73 degrees, 30 minutes west, 94 feet 10 inches to a point where said iron pin is set for the beginning point of this tract; thence from said beginning point, south 73 degrees, 30 minutes east, 64 feet 2 inches to a point for a corner of this tract; thence south 15 degrees, 30 minutes west, 30 feet to a corner of this tract; thence south 52 degrees, 30 minutes west, 28 feet 6 inches to a corner of this tract; thence south 10 degrees, 30 minutes west, 27 feet to a corner of this tract; thence south 68 degrees, west, 5 feet 9 inches to a corner of this tract; thence south 79 degrees, 30 minutes west, 19 feet 3 inches to an iron pin driven in the east bank of the San Marcos River; thence north, along the east bank of the San Marcos River with its meanders, to the place of beginning.

" No. 3. All that certain tract or parcel of land lying and being situated in Guadalupe County, Texas, more particularly described as follows, to-wit:

Beginning at an iron pin set in the property of the Fentress Gin and Power Company on the west bank of the San Marcos River, the location of said iron pin so set as a beginning point of this tract being determined approximately as follows, to-wit: Beginning at the extreme southwest corner of Tract No. 2, above described, which said extreme southwest corner is located on the east bank of the San Marcos River; thence north 79 degrees, 30 minutes east, 19 feet 3 inches; thence south 16 degrees, 30 minutes west, 112 feet 6 inches to a cross-cut in a wooden bridge; thence due west approximately 200 feet, crossing the San Marcos River to said iron pin set on the west bank of the San Marcos River as the beginning point of this tract; from said beginning point so located, thence west 165 feet to a point, a corner of this tract, which said point is on the west bank of a slough; thence along the west bank of said slough, north 10 degrees west, 175 feet to a stake; thence north 15 degrees west, 200 feet to a stake; thence north 44 degrees west, 100 feet to a stake set for a corner of this tract, said point being on the J. H. Fleming southeast line; thence north 50 degrees east, along the said J. H. Fleming line to the west bank of the San Marcos River; thence south, along the west bank of the San Marcos River with the meanders of said river, to the place of beginning.

" No.4. That certain concrete dam crossing the San Marcos River at a point between and abutting Tracts Nos. 2 and 3, above described, together with a forebay, two water wheels and the gates located at the east end of said dam.

" No. 5. All rights, privileges and easements of every nature whatsoever, with reference to the right of G. Wallace Smith to maintain said dam, forebay, water wheels and gates, and to operate same.

"No.6. All improvements of any and every nature whatsoever located upon the above three tracts of land, together with all generators, machinery, tools and equipment of any and every nature located in and on the above described tracts.

" No. 7. The entire electric distribution system radiating from the power plant located on Tract No. 2 and serving the towns of Fentress, Prairie Lea and intermediate and adjacent territory, together with all rights privileges and franchises of any and every nature whatsoever, owned and possessed by G. Wallace Smith in connection with the construction and maintenance of said electric distribution system, together with all tools, appliances and equipment of any and every nature whatsoever used and useful in connection with said electric distribution system.

" No. 8. A perpetual easement appurtenant to, and running in favor of, the title of Tracts Nos. 2 and 3, above described; said easement being of such nature as to at all times give to the said San Antonio Public Service Company, its successors and assigns, complete, free and uninterrupted ingress and egress for all purposes to the aforesaid Tracts Nos. 2 and 3, above described, and for the maintenance of such pole lines as are this day purchased by said San Antonio Public Service Company from G. Wallace Smith, and such additional pole lines as San Antonio Public Ser-

vice Company, its successors or assigns, may hereafter, from time to time, desire to construct; all such easements to be on, over and along property now owned by the Fentress Gin and Power Company that is not covered by this conveyance; it being understood, however, that insofar as the same is practicable to the said San Antonio Public Service Company, its successors or assigns, such easements will coincide with the present driveways which are at this time maintained by said G. Wallace Smith, but in the event the same are not found to be practicable to the said San Antonio Public Service Company, its successors or assigns, then said easements shall run in such manner as to give to the said San Antonio Public Service Company, its successors or assigns, a direct line from the aforesaid Tracts Nos. 2 and 3, to the nearest public highway and also to Tract No. 1, and in addition to the aforementioned easements, as easement is also hereby given unto the said San Antonio Public Service Company, its successors and assigns, over and along the north end of the property owned by the Fentress Gin and Power Company on both the east and west sides of the San Marcos River, so as to enable the said San Antonio Public Service Company, its successors and assigns, to connect Tract No. 1, above described, with a transmission or power line now running between Luling and McQueeney, Texas.

" All of which property is more fully described in a deed of conveyance executed by the Fentress Gin & Power Company, a corporation, joined by its stockholders, individually, in favor of G. Wallace Smith, under date of December 31, 1928, which deed appears of record in the Deed Records of Caldwell County, Texas, in Volume 135, at page 591; it being the intention of G. Wallace Smith to convey and transfer to the San Antonio Public Service Company, its successors and assigns, all the right, title and interest to all properties of whatsoever nature and description acquired and held under that deed of conveyance, which deed and the record thereof is hereby referred to for all purposes. Said deed is also recorded in Guadalupe County in Volume 139, pages 561-565."

Being as aforesaid, the same land, property, rights, franchises, privileges and easements conveyed by G. Wallace Smith to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Caldwell County on May 14, 1929, in Volume 106, pages 338-340.

McQUEENEY SUBSTATION

The following parcel of land situated in the County of Guadalupe, State of Texas, vis.:

All that certain tract of land and parcel of real estate lying, being and situated in the County of Guadalupe, State of Texas, known and described as follows, to-wit: Beginning at a point 94 feet 4 inches south 45 degrees west, of a point in the south boundary line of the right-of-way belonging to the Galveston, Harrisburg & San Antonio Railway Company, said beginning point being 94 feet 4 inches south 45 degrees west of the northwest corner of a tract of land conveyed to Ed. W. Wuest by August Blumberg and wife, Anna Blumberg, by deed dated the 6th day of March, A.D. 1909; thence east 180 feet along the O. S. T. highway to a point; thence south 49 degrees, 52 minutes west, 251 feet 9 inches to a point on the south boundary line of said tract of land; thence west 45 degrees north, 125 feet 5 inches to a point; thence north 45 degrees east, 115 feet to the place of beginning.

Being the same property conveyed by Ed. W. Wuest and wife, Julia Wuest, to the Comal Power Company by deed recorded August 6, 1925, in Guadalupe County records of Deeds Book 86, pages 18-19, and conveyed by Comal Power Company by(Liquidating Trustees) to San Antonio Public Service Company by deed dated January 1,1928.

BOERNE SUBSTATION (KAUFMAN).

All that certain tract of land described as follows, to-wit: Lot No. 11 in Block No. 2 Sunrise Addition, in the City of Boerne, Kendall County, Texas.

Being the same property conveyed by Nathan Kaufman and L. Kaufman to Comal Power Company by deed recorded May 17, 1927, in Deed Records of said County, in Volume 42 on pages 455-456,

and conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company by deed dated January 1, 1928.

BOERNE SUBSTATION SITE (WALKER).

All that certain tract or parcel of land out of Survey 180, conveyed to L. Walker and wife by Emil P. Stegner by deed recorded in Volume 30, page 298, situated and lying in Kendall County, Texas, and described as follows: Beginning at the southeast corner of L. Walker tract; thence north along the east fence line 392 feet to a stake placed for the southeast corner of said land to be used for a substation site; thence north along the east fence line for a distance of 100 feet to a stake; thence west by describing an interior angle of 90 degrees a distance of 75 feet to a stake, thence south by describing an interior angle of 90 degrees 100 feet to a stake; thence east 75 feet by describing an interior angle of 90 degrees to the place of beginning.

Being the same property conveyed by L. Walker and wife, to Comal Power Company by deed recorded June 7, 1926, in the Deed Records of said County in Volume 41 on pages 547-548, and conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company by deed dated January 1, 1928.

HONDO SUBSTATION.

That property conveyed by J. W. Heath, et at., to Comal Power Company by deed recorded June 25, 1926, in Deed Records of Medina County in Volume A-79, on pages 425-427, and therein described as follows:

All that certain piece, parcel and tract of land lying and being situated in Medina County, Texas, described as follows, to-wit: Being out of the east half of Survey No. 183, originally granted to Francios Sybelle, beginning at the southwest corner of the J. W. Heath 35 acres out of said Survey No. 183; thence in a northerly direction along the east side of a proposed road for a distance of 439 feet to a stake for the place of beginning of this substation site; thence along the same road in a northerly direction for a distance of 75 feet; thence in an easterly direction by describing an exterior angle of 90 degrees, a distance of 130 feet; thence in a southerly direction by describing an exterior angle of 90 degrees, a distance of 75 feet; thence in a westerly direction by describing an exterior angle of 90 degrees, a distance of 130 feet, to the place of beginning. The property hereby conveyed appears more fully on the plat of same hereto attached and made a part of this instrument. Reference is also made to deed from Jack Fusselman, et al., to J. W. Heath, bearing date of November 8, 1911, duly recorded in the Deed Records of Medina County, Texas in Volume A-46, pages 443-444, which conveyance is made a part hereof; being same property conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

That property conveyed by James W. Heath and wife to Comal Power Company, by deed recorded April 28, 1927, in the Deed Records of Medina County, in Volume 83, on pages 264-265, and therein described as follows:

All that certain piece, parcel and strip of land, lying and being situated in Medina County, Texas, out of the east half of Survey No. 183, originally granted to Francios Sybelle, and being further described as follows: Beginning at the southwest corner of the J. W. Heath 35 acres out of Survey No. 183; thence in a northerly direction along the east side of a proposed road for a distance of 439 feet to a stake for the place of beginning, said point being the southwest corner of a substation site purchased by Comal Power Company from James W. Heath and wife, by deed dated June 19, 1926, and duly recorded in the Deed Records of Medina County, Texas, in Volume A-79, pages 425 to 427, to which deed reference is made for all purposes; thence east along the south line of said substation site for a distance of 130 feet for the northeast corner of the strip hereby conveyed, and being the southeast corner of said substation site; thence south for a distance of 25 feet to a stake for the southeast corner of this strip; thence west for a dis-

tance of 130 feet to the east line of said proposed road for the southwest corner of this strip; said south line to run parallel with the north line; thence north to the place of beginning, the strip of land hereby conveyed being 130 feet in length by 130 feet wide or east to west; being same property conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

FLORESVILLE SUBSTATION.

All that certain tract or parcel of land out of the S. and J. Arosha grant, in Wilson County, Texas, containing 2 acres of land and described by metes and bounds as follows, to-wit: Beginning at a stake on the northwest side of the elongation of A. Street of the town of Floresville, south 48 3/4 degrees west, 64 ½ varas from the southwest corner of the Fairgrounds, the southwest corner of the upper or northeast one-half of said 4-acre tract for Konrad Lux and the northeast corner of this survey; thence with the center line of said 4-acre tract, north 41¼ degrees west, 164 varas to the northwest corner of the 2-acre tract for Konrad Lux; thence south 48 3/4 degrees west, 64½ varas to the northwest corner of said 4-acre tract; thence south 41¼ degrees east, 164 varas to its southwest corner on the northwest side of elongation of A. Street; and thence with said street north 48 3/4 degrees east, 64½ varas to the place of beginning; being the same property conveyed by Mrs. M. V. Franklin to the Comal Power Company, by deed recorded on September 22, 1927, in Deed Records Book, Volume 143, pages 212-214, and conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

CIBOLO SUBSTATION.

That property conveyed by Henry Uhr and wife to South Texas Public Service Company, by deed recorded January 16, 1926 in Deed Records Book, Volume 87, on pages 601-603, and therein described as follows:

" All that certain parcel of real estate lying, being and situated in the County of Guadalupe, State of Texas, out of Survey No. 65 in the name of W. Bracken, our entire tract containing 66 acres of land, and being the same land conveyed to Henry Uhr and wife by Hy Schueler, said deed being of record in Volume 63, page 367, of the Deed Records of Guadalupe County, Texas, to which said deed and the record thereof reference is here had for all pertinent purposes, and more particularly described as follows, to-wit: Beginning at a point in the southwest corner of land of Henry Uhr and wife, same being on the north side of the old Seguin Public Road; thence north 30 degrees 30 minutes west, 463 feet to a point, for the southwest corner of the tract of land herein conveyed; thence north 30 degrees 30 minutes west, 60 feet to a point for corner of the tract of land herein conveyed; thence, after making interior angle of 90 degrees to the right, 50 feet to a corner of the tract of land herein conveyed; thence after making interior angle of 90 degrees to the right, 60 feet to a corner of the tract of land herein conveyed; and thence, after making interior angle of 90 degrees, 50 feet to the place of beginning."

The tract of land therein conveyed being a rectangular tract 50 feet by 60 feet in size, a blue print of said tract of land being attached to deed of Henry Uhr, and wife, recorded January 6, 1926, in Deed Records Book, Volume 87, on pages 601-603, being designated " Cibolo Substation Site, " and made a part thereof for the purpose of aiding in the location and description of the tract of land therein conveyed.

Being the same property conveyed by South Texas Public Service Company (by Liquidating Trustees), to San Antonio Public Service Company, by deed dated January 1, 1928.

MARION SUBSTATION.

That property conveyed by Herman Bulgerin and wife to South Texas Public Service Company, by deed recorded January 16, 1926, in Deed Records Book, Volume 87, on pages 600-601, and therein described as follows, to-wit: " All that certain parcel of real estate, lying and being sit-

uated in the County of Guadalupe, State of Texas, out of Survey No..... in the name of C. Rector, the entire tract containing 105 acres of land, and being the same land conveyed to Herman Bulgerin and wife by Elword G. Bulgerin, said deed being of record in Volume 35 at pages 478-9-10, and Volume 65 at page 28, of the Deed Records of Guadalupe County, Texas, to which said deed and the record thereof reference is here had for all pertinent purposes, and more particularly described as follows, to-wit: Beginning at a point in the southwest corner of land of Herman Bulgerin and wife; thence north 11 degrees, 5 minutes west, 141 feet 7 inches to the southwest corner of the tract of land herein conveyed; thence north 11 degrees, 6 minutes west, 50 feet to corner of the tract of land herein described; thence, after making an interior angle to the right of 90 degrees, 50 feet to a point for corner of the tract herein conveyed; thence, after making an interior angle of 90 degrees, 50 feet to a point for corner of the tract of land herein conveyed; and thence, after making an interior angle of 90 degrees, 50 feet to the place of beginning."

The parcel of land therein conveyed being a body of land 50 feet square, a blue-print of which is attached to deed of Herman Bulgerin, and wife, recorded January 16, 1926, in Deed Records, Volume 87, at pages 600-601, and designated " Marion Substation Site," and made part thereof for the purpose of aiding in the location and description of the tract of land therein conveyed; being the same property conveyed by South Texas Public Service Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

SCHERTZ SUBSTATION.

That property conveyed by Mrs. Elizabeth Schneider, a feme sole, to South Texas Public Service Company, by deed recorded January 15, 1926, in Deed Records Book, Volume 87, at pages 598-599, and therein described as follows:

" All that certain parcel of real estate, lying, being and situated in the County of Guadalupe, State of Texas, out of Survey No. 67, in the name of G. Malpoz, the entire tract containing 243-3/5 acres of land, and being the same land conveyed to W. A. Schneider by Chris Schneider, said deed being of record in Volume 21, page 201, Deed Records of Guadalupe County, Texas, to which said deed and the record thereof reference is here had for all pertinent purposes, and more particularly described as follows, to-wit: Being a rectangular tract of land, 150 feet long and 50 feet wide out of the property belonging to Elizabeth Schneider, and lying immediately northeast from the point where First Street in Schertz, Guadalupe County, Texas, abuts against the property of Elizabeth Schneider "; being the same property conveyed by South Texas Public Service Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

BOERNE SUBSTATION (DALY).

All that certain tract or parcel of land lying and being situated in the Town of Boerne, Kendall County, Tex., in the Wendler and Shrader Addition to said Town, and known and described as Lot No. 4, according to a plat of said addition recorded in the office of the County Clerk of Kendall County, Texas, in Volume 24, page 405; being a part of the property conveyed by Richard E. Daly to South Texas Public Service Company, by deed recorded June 3, 1926, in Deed Records of said County, in Volume 41, at pages 543-544, and being the same property conveyed by South Texas Public Service Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

LOS ANGELES HEIGHTS SUBSTATION.

All that certain tract or parcel of land located in the City of San Antonio, Bexar County, Texas, and being more fully described as follows, to-wit:

Lot No. 11 of a resubdivision of Lots Nos. 5 and 6, Block No. 1, City Block No 6172, out of the southern portion of old City Lot No. 1, Range No. 6, District No. 3 of Old City Tract; being

the same premises conveyed to San Antonio Public Service Company by William Bollier (unmarried), by deed dated May 11, 1937, and recorded May 13, 1937, in the records of Deeds of Bexar County, in Volume 1577, page 626.

CASTROVILLE POWER PLANT.

That certain tract and parcel of land situated in the town of Castroville, Medina County, Texas, hereinafter referred to as the power plant site, described and bounded as follows: Beginning at a point 247.7 feet south 45 degrees east, from southeast corner of Florence and Main Streets, in the Town of Castroville, south 45 degrees west, 143 feet to a concrete monument; thence south 45 degrees east, 279 feet to the edge of the Medina River; thence from a concrete monument 42 feet from the river's edge along survey line north 69 degrees east, 156.2 feet to concrete monument; and thence along a line north 45 degrees west from the Medina River's edge 332.5 feet to the place of beginning; being the same property conveyed by Jordan T. Lawler to San Antonio Public Service Company, by deed recorded in the record of Deeds of said Medina County, on August 10, 1936, in Volume 106, at pages 309-310.

BERG'S MILL GENERATING STATION.

First: 2.25 acres of land, more or less, out of the Juan Francisco Gomez Suerte, being on the south side of the South Loop Road situated in Bexar County, Texas, conveyed to H. B. Tennant by deed dated November 21, 1933, from Robert Wensley, Bertha Hattenbach and V. L. Hattenbach, said deed being recorded in the record of Deeds of Bexar County in Volume 1379, pages 173-174, said 2.25 acres of land, more or less, being more particularly described as follows:

Beginning at the intersection of the southerly line of the South Loop Road with the center line of the San Antonio River, running thence north 72 degrees 15 minutes west, 320 feet along the southerly line of said road to corner of a fence, said corner being 67 feet from the center of the Espada Ditch; thence south 8½ degrees west, 290 feet along a fence to corner of a fence; thence south 72 degrees 45 minutes east, 386 feet along a fence to the bank of the San Antonio River, and continuing the same course to the center of said River; thence up the center line of said River, north 8½ degrees west, 165 feet; and thence north 1½ degrees east, 140 feet to the place of beginning; according to a survey and plat made by Louis Polk, County Surveyor of Bexar County, Texas, on November 16, 1933, and being all lying south of said Road, of the land described in deed from Sarah Dickenson et al., to F. F. Collins, dated May 18, 1900, recorded in the record of Deeds of Bexar County in Volume 192, page 175.

Second: Also all rights and privileges mentioned in said deed as having been reserved to the grantors therein by deed from Frank Ashley, dated July 15, 1898, and recorded in the record of Deeds of Bexar County in Volume 177, page 415; also all rights reserved in deed from F. F. Collins to Frank Ashley et al., dated April 16, 1906, and recorded in the record of Deeds of Bexar County in Volune 242, page 617; also all rights established, created or acquired by that certain instrument executed by F. F. Collins, dated June 27, 1914, and recorded Water Right Records of Bexar County in Volume 1, page 225. It being understood that this conveyance shall include all and every right, privilege, easement and title of whatever nature at any time owned or acquired by the said J. J. Wensley, R. Wensley or Bertha Hattenbach in connection with, or appurtenant to, the land conveyed hereby.

Third: All land, real estate, improvements, hydro-electric plants, riparian and water rights, easements, highway permits, franchises, rights, privileges, things of value, poles, wires, generators, water wheels, water dams, and property of every kind and character now on the premises, whether real, personal or mixed, heretofore conveyed to D. F. Youngblood by deed executed by Herbert B. Tennant and wife Esther Tennant, and Berg's Mill Utilities Company, a corporation, which deed is dated July 23, 1936, and recorded in the deed Records of the County Clerk of Bexar County, Texas.

GAS PLANT PROPERTY.

1. All that portion of land situated in the City of San Antonio, County of Bexar, State of Texas, known as New City Block No. 229. This block is bounded on the north by Matamoras Street; on the south by Durango Street; on the east by Salado Street; on the west by Comal Street. There are 333.6 feet from east to west, and 337.4 feet from north to south.

2. All that portion of land situated in the City of San Antonio, County of Bexar, State of Texas, known as New City Block No. 230. This block is bounded on the north by Durango Street, on the east by Salado Street, on the south by San Luis Street, and on the west by Comal Street.

COLLINS GARDENS RIGHT-OF-WAY.

A right-of-way fo construct, maintain and operate pipe lines and underground appurtenances thereto on and along a strip of land 15 feet in width, situated in what is known as " Collins Gardens, " in the City of San Antonio, Bexar County, Texas, described as follows, to-wit: Beginning at a stake set on the west side of Marian Street at the southeast corner of Lot No.2, Block No. 41, City Block No. 6284; thence in an easterly direction 15 feet; thence in a northerly direction, parallel to and 15 feet from, the west line of Marian Street, along Marian Street, and through Lots Nos. 10 and 4, Block No. 11, City Block No. 6254, to a stake set on the southeast line of the right-of-way of the I. & G. N. Railway Company; thence in a southwesterly direction along the southeast line of the said right-of-way of the I. & G. N. Railway Company to the west line of Lot No. 4, Block No. 11, City Block No. 6254; and thence in a southerly direction parallel to, and 15 feet distant from , the line running in a northerly direction, hereinbefore mentioned, to the place of beginning; said Marian Street being the street over which the said San Antonio Public Service Company now operates a line of street railway; being the same property conveyed to San Antonio Public Service Company by San Antonio Loan and Trust Company, acting as Trustee for F. F. Collins and by F. F. Collins, by deed signed and recorded December 11, 1922, in the records of Deeds of Bexar County, Texas, in Volume 697, at pages 540-542.

WALKER AVENUE METER STATION.

All that certain property situated in the County of Bexar, State of Texas, described as follows, to-wit: Being a part of Lots Nos. 18 and 19, Block No. 4, in Artesian Gardens, an addition to the City of San Antonio, lying west of the right-of-way of the S. A. U. & G. R. R. Co., fully described as follows: Beginning at a stake set 4,256 feet east of the west line of Artisian Gardens Subdivision; thence north 290.4 feet to a stake; thence east 83 feet along the north line of Lot No. 18 to a stake at its intersection with the west line of the right-of-way of the S.A.U.& G.R.R. Co.; thence in a southerly direction 296.4 feet along the west line of said right-of-way to a stake, at its intersection with the north line of Walker Avenue; thence west 140 feet along the north line of Walker Avenue to the place of beginning, and being the same property as that conveyed by J. N. Bradley and wife, Artie Bradley, to Hart W. Donnell, by deed dated September 25, 1928, and recorded in Volume 1053, pages 608-609, of the Deed Records of Bexar County, Texas; being the same property conveyed by Hart W. Donnell and wife Hortense Donnell, to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Bexar County, November 14, 1928, in Volume 1051, pages 615-16.

AVONDALE REGULATOR STATION.

All that certain tract, lot and parcel of land situated in the Temple Hill Addition to the City of San Antonio, Bexar County, Texas, and described as follows: Being all of Lot No. 22, Block No. 1, of said addition, County Block No. 5575, and also that part of Lot No. 21, Block No. 1, of said addition, described as follows: Beginning at a stake set for the northeast corner of the intersection of South Presa Street and Avondale Street; thence northwest along South Presa Street 67 feet to a stake set for the dividing line between the J. A. McDaniel tract and the tract of land herein conveyed; thence in an easterly direction 63.1 feet along the dividing line between the said J. A. McDaniel tract and the tract of land herein conveyed, to a stake set

on the property line between Lots Nos. 21 and 22, which said stake is situated 50 feet south of the northwest corner of Lot No. 22; thence south along the boundary line between Lots Nos. 21 and 22, to Avondale Street, to a stake; and thence west along the north boundary of Avondale Street, 23.5 feet to the place of beginning; being the same property conveyed by Jas. A. McDaniel and wife Alice B. McDaniel, to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Bexar County on June 13, 1929, in Vol. 1113, pages 519-520.

CAMP BULLIS SUBSTATION SITE.

All that certain tract or parcel of land situated approximately three and one-half miles southeast of Leon Springs Railroad Station, Bexar County, Texas, being more particularly described as follows:

Beginning at a point known as the S.W. corner of the John B. Muesser tract, which point is 46 feet from east rail of the San Antonio & Aransas Pass Railroad; thence N 16° 33' W for a distance of 5.8 feet; thence N 65° 51' E for a distance of 45.0 feet; thence N 82° 52' E for a distance of 113.0 feet; thence S. 25° 45' E for a distance of 38.5 feet; thence S 89° 25' W for a distance of approximately 155 feet to the place of beginning.

Being the same property conveyed by James F. Jackson, and wife, Virginia A. Jackson, to San Antonio Public Service Company by deed dated October 31, 1938, recorded November 15, 1938, in the deed records of Bexar County, in book Volume 1667, page 56.

UNDERGROUND RIGHT-OF-WAY ---STATION "B" TO
GRANDVIEW SUBSTATION.

All of the following described real estate lying and being situate in San Antonio, the County of Bexar, State of Texas, to-wit:

Being part of Lot Six (6), New City Block Three Thousand and Fifty-seven (3057), Roberts Subdivision, according to plat thereof recorded in Vol. 368, page 175, Deed and Plat Records of Bexar County, Texas, being more fully described as follows:

Beginning at a point on the West line of Roosevelt Avenue 165 feet South from the Southwest intersection of Roosevelt Avenue and Fairplay Avenue; Thence West along the South line of Lot 6, New City Block 3057 to the Southwest corner of said Lot 6; Thence north along the West line of said Lot 6, 4 feet to a point; Thence East along a line parallel to the South line of Lot 6 to a point in the West line of Roosevelt Avenue, same being the east line of said Lot 6; Thence in a southeasterly direction along the East line of Lot 6 to the place of beginning.

Being the same property conveyed by William Buchholtz to San Antonio Public Service Company by deed dated July 31, 1939, recorded August 16, 1939, in the deed records of Bexar County, in book volume 1711, pages 166-67.

MARKET STREET -COMMERCE STREET PROPERTY.

The following described real estate, situated in the County of Bexar and the State of Texas, to-wit:

Beginning at a point in the south line of Commerce Street at the intersection of the south line of Commerce Street with the west line of the cut-off river channel, said point being the northeast corner of this tract of land; thence south along east line of concrete wall forming the western boundary line of said cut-off river channel, the entire length thereof, to a point where the western boundary line of said cut-off river channel intersects the north line of Market Street for the southeast corner of this tract of land; thence in a westerly direction along the north line of Market Street, a distance of 27.61 feet to a point in the east line of an alley for the most southerly southwest corner of this tract of land; thence in a northerly direction along the east line of said alley, a distance of 63.5 feet to a corner; thence in a northeasterly direction approximately 21 feet to the southeast corner of Lot 23 and the southwest corner of Lot A-25 in said City Block; thence in a northeasterly direction along the ex-

terior face of a rock wall, a distance of 27.01 feet to a point for corner; thence turning from left to right at an angle of 87 deg. 8 min. and continuing a distance of 3.9 feet along the exterior face of a rock wall to a point for corner; thence in a northeasterly direction along the outside face of a rock wall a distance of 44.3 feet to a point in the south line of West Commerce Street for the most northerly northwest corner of this tract; thence east along the south line of West Commerce Street, a distance of 18.66 feet to the place of beginning; said tract of land comprising Lots 4, A-25 and A-27 and a strip of land lying between Lots A-25 and A-27, all in City Block 101 as shown on the block map of the city assessor of the City of San Antonio, Bexar County, Texas.

Being the same property conveyed by the City of San Antonio to San Antonio Public Service Company by deed dated March 30, 1940, recorded April 3, 1940, in the deed records of Bexar County, in book Volume 1759, pages 37-38.

WEST COMMERCE STREET PROPERTY.

The following described real estate, situated in the County of Bexar and the State of Texas, to-wit:

Beginning at the intersection of the west line of stone wall along the east line of cut-off river channel with the north line of West Commerce Street; thence in a northerly direction along the west line of said stone wall, forming the east line of said cut-off river channel, the full length thereof,to the intersection with the north line of retaining wall on south bank of the San Antonio River; thence in an easterly direction along the north line of said retaining wall on the south bank of the San Antonio River, a distance of 16.9 feet to a lead point on the line of party wall as agreed on February 7, 1873, for the northeast corner; thence in a southerly direction with party wall as per agreement February 7, 1873, to the north line of West Commerce Street; thence in a westerly direction along West Commerce Street a distance of 15.9 feet to the place of beginning; said tract of land being all that tract of land owned by the City of San Antonio and lying between the cut-off river channel and the George Witte property; subject, however, to party wall agreement between Charles F. Fischer and George Witte, dated February 10, 1873, duly recorded in Volume X-1, page 259 of the Deed Records of Bexar County, Texas, but including all of the right, title and interest of the City of San Antonio in the Witte building wall; and subject, however, to a perpetual right of the City of San Antonio to attach to and abut on the west side of said stone wall of said property a cantilever sidewalk for public use, together with the right and privilege, at its own cost, to maintain and repair the same is such manner as said city may from time to time see fit.

This conveyance is made subject to the terms and stipulations of a certain party wall agreement between Charles F. Fischer and George Witte, dated February 10, 1873, recorded in Volume X-1, page 259 of the Deed Records of Bexar County, Texas, but it is expressly intended that all right, title and interest owned by the City of San Antonio in and to said party wall be and the same is hereby conveyed to the Grantee herein.

The City of San Antonio expressly reserves a perpetual right to attach to and abut on the west side of said stone wall of said property a cantilever sidewalk for public use, together with the right and privilege, at its own cost, to maintain and repair the same in such manner as said city may from time to time see fit, which said perpetual right and easement is hereby expressly reserved in this conveyance by the City of San Antonio.

Being the same property conveyed by the City of San Antonio to San Antonio Public Service Company by deed dated March 30, 1940, recorded April 3, 1940, in the deed records of Bexar County, in book volume 1749, pages 569-70.

CAMP TRAVIS HIGHLINE RIGHT-OF-WAY.

The following described and situated real estate, to-wit:

Lot Six (6) and Twenty-three (23), and the East ten (E 10) feet of Lot Five (5), and the East ten (E 10) feet of Lot Twenty-two (22), in Block Two (2), City Block Fifteen Hundred Fifty-eight (1558), in GRANDVIEW ADDITION, Section Two (2), situated just outside of the city limits of San Antonio, in Bexar County,Texas.

Being the same property conveyed by John Cottor Sullivan, to San Antonio Public Service Company by deed dated April 4, 1940, recorded April 9, 1940, in the deed records of Bexar County, in book volume 1753, pages 212-13.

CLEVELAND COURTS SUBSTATION SITE.

All that certain property located in the City of Alamo Heights, Bexar County, Texas, described as follows, to-wit:

The southwest 17 feet, more or less, of Lot 19, and all of Lot 20, and the northeast 33 feet, more or less, of Lot 21, (excluding a certain parcel or strip of land 10 feet in width off the entire southwest side of said northeast 33 feet of lot 21) in block 8 of the Madeliane Terrace Subdivision in said City of Alamo Heights, Bexar County, Texas, said property fronting on Cleveland Court, being the property conveyed by the living heirs of Sam Maverick, deceased, to San Antonio Public Service Company by deed dated April 3rd, 1940, recorded May 29th, 1940, in the deed records of Bexar County in book volume 1759, pages 622-624.

GAS DISTRIBUTION PARCEL.

Beginning at the intersection of the south line in Durango Street with the west line of South Salado Street, same being the northeast corner of City Block 230 situated within the corporate limits of the City of San Antonio, in Bexar County, Texas;

Thence westerly along the north line of said City Block 230, the full length thereof, same being the south line of Durango Street to the northwest corner of said City Block 230, same being at the intersection of the south line of Durango Street with the east line of South Comal Street;

Thence northerly along the east line of South Comal Street (extended) to the intersection of the east line of South Comal Street with the north line of Durango Street, same being the southwest corner of City Block 229 situated within the corporate limits of the City of San Antonio, in Bexar County, Texas;

Thence easterly along the south line of said City Block 229, the full length thereof, the same being the north line of Durango Street to the southeast corner of said City Block 229, same being at the intersection of the north line of Durango Street with the west line of South Salado Street;

Thence in a southerly direction along the west line of South Salado Street (extended) to the place of beginning; and comprising that portion of Durango Street lying between said City Blocks 229 and 230, and extending from the west line of South Salado Street to the east line of South Comal Street within the corporate limits of the City of San Antonio, in Bexar County, Texas.

Being the same property conveyed by the City of San Antonio to San Antonio Public Service Company by deed dated March 30th, 1940, recorded April 3rd, 1940, in the deed records of Bexar County, in book volume 1759, pages 38-39.

SOUTH SAN ANTONIO SUBSTATION SITE.

All that certain tract of land described as follows: Lots Nos. twenty-seven (27) and twenty-eight (28) Block No. eight (8) in Columbia Heights, a subdivision in Bexar County, Texas, as shown by the map or plat of said subdivision of record in the records of Deeds and Plats of Bexar County, Texas, in Volume 105, pages 14 and 15.

All the following described land, to-wit: Lots One (1) to Eight (8), inclusive, and Lot Eleven (11) in Block Eight (8) County Block 4028, Columbia Heights Addition to the City of San Antonio, Bexar County, Texas, as shown by plat recorded in Volume 105, page 14, of the Plat Re-

cords of Bexar County, Texas,

All that certain tract or parcel of land more particularly described as follows: to-wit: All of Lots 24, 25 and 26, in Block 8 in Columbia Heights Addition, in Bexar County, Texas, according to Plat Recorded in Volume 105, pages 14 and 15, of the Plat Records of said County, except the south 75-feet of said lots 24, 25 and 26.

HARLANDALE SUBSTATION SITE

All that certain property known as lot 10 of Block 36 in Harlandale Gardens Addition to the City of San Antonio (third filing), said lot being situated in the County of Bexar and State of Texas.

That certain strip and parcel of land out of Tract E of the Harlandale Gardens, a subdivision in Bexar County, Texas, as shown by the map and plat therof of record in Volume 642, page 192 of the Map and Plat Records of Bexar County, Texas, lying between the south line of Lot 10, Block 36, of said subdivision and the Pyron Road, being a portion of said Tract E. as would be cut off and included between an extention of the East and West line of said Lot 10, to an intersection with the said Pyron Road, said strip and parcel of land being in Bexar County, Texas.

HOT WELLS SUBSTATION SITE.

All that certain tract or parcel of land described as follows, to-wit:

Lot Ten (10), Block One (1), in Temple Hills Addition to the City of San Antonio, according to plat recorded in Volume 368, page 180, Plat Records of Bexar County, Texas, being situated in County Block 5575.

All that certain tract or parcel of land described as follows, to-wit:

Lot Eleven (11), Block One (1) in Temple Hills Addition to the City of San Antonio, according to Plat Recorded in Vol. 368, page 180, Plat Records of Bexar County, Texas, being situated in County Block 5575.

RIGHT-OF-WAY---GRANDVIEW SUBSTATION TO SOUTH SAN ANTONIO

All the following tracts of land in Bexar County, Texas, to-wit:

FIRST TRACT:

A tract of land 50 feet in width in City Block 1568, being on the southeast side of property owned by the San Antonio Belt & Terminal Railroad Company and having a frontage of 50.3 feet on Roland or Ogden Street and a frontage of 66.6 feet on K. Street.

SECOND TRACT:

A triangular tract of land out of Lots 1 and 2, City Block 1571, within the corporate limits of the City of San Antonio, beginning at the southeast intersection of Hallie Street and K. Street; thence east 78.25 feet; thence in a southwesterly direction 117.4 feet to a point on the east side of Hallie Street 90.0 feet from the place of beginning; thence 90.0 feet from Hallie Street to the place of beginning.

THIRD TRACT:

A portion of Lots 1,2 and 3 in City Block 1573, beginning at a point on the east side of Clark Avenue 3.96 feet north of the southwest corner of said Lot 1; thence north along the east side of Clark Avenue 146.04 feet to the southeast intersection of Clark Avenue and Swanee Street; thence east along Swanee Street 128.6 feet; thence in a southwesterly direction 192.9 feet to the place of beginning.

All that certain strip and parcel of land out of City Block No. 1572 in the City of San Antonio, Bexar County, Texas, particularly described as follows:

A strip of land running in a southwesterly direction through Block 1572 cutting Lots 10, 9, 8 and 7, the south line of this strip beginning on west P. L. Hallie Street at a point 142.9' north of the S. E. Corner of Block 1572 and ending at a point on the north P. L. of Swanee at a point 127.8' west of the S. E. corner of Block 1572, and being more fully described as follows:

Beginning at a point in the west property line of Hallie Street at a distance of 142.9' north of the S. E. corner of Block 1572. Thence in a southwesterly direction 191.7' to a point on the north property line of Swanee Street 127.8' west of the S. E. corner of Block 1572.

Thence contunuing west along the north property line of Swanee Street a distance of 66.6' to a point which is 115.6' east of the southwest corner of Block 1572.

Thence in a northeasterly direction parallel to and 50' distance from the first mentioned line a distance of 180.6' to intersect the S. E. property line of the S. A. B. & T. Co. property. This intersection point being 86.6 in a southwesterly direction from the intersection of the S. A. B. & T. Co's S. E. line and the west property line of Hallie Street.

Thence in a northeasterly direction 86.6 feet along the S. E. property line of the S. A. B. & T. Co's property to the intersection of this line with the west property line of Hallie Street.

Thence south along the west property line of Hallie Street 76.7' to the place of beginning; together with all rights and incidents thereunto appertaining.

RIGHT-OF-WAY -- SAN ANTONIO TO NEW BRAUNFELS

All the following described land, to-wit:

Out of the R. Patton Survey No. 1, Bexar County Block No. 5011, and being 35 feet in width along the west line of a tract of land containing 44.44 acres of land conveyed by Deborah B. Talcott, et al, to Albert Grona by deed dated December 20th, 1935, recorded in the Deed Records of Bexar County, Texas, in Volume 1507, at page 501, said tract of land being described as follows:

Beginning at a point on the south side of the Sommers Road in Bexar County, Texas, (which said Sommers Road is also known as the North Loop Road) where the west boundary line of said tract of 44.44 acres meets the south line of said Sommers Road; Thence south 48° 35' east 36.65 feet with the south boundary line of said Sommers Road; Thence south 24° 10' west, approximately 1,892 feet to the south line of said 44.44 acre tract of land; Thence south 89° 30' west 385 feet with the south property line of said 44.44 acre tract to its southwest corner; Thence north 24° 10' east 1892 feet to the place of beginning and containing 1.50387 acres of land.

LAUREL HEIGHTS TERRACE PROPERTY.

All that certain tract or parcel of land more particularly described as follows, to-wit:

The north 100 feet of Lots Twenty (20) twenty-one (21)and twenty-two (22) in block twelve (12) in New City Block Three Thousand Ninety-six (3096) in Laurel Heights Terrace, situated in the City of San Antonio, in Bexar County, Texas, according to plat recorded in Vol. 105, pages 170-171 of the deed and plat records of said County; the line dividing the north 100 feet of said lots from the remaining portion of said lots runs parallel with the north line of Lot 19 in said City Block.

CITY VIEW PROPERTY.

All the following described property, to-wit: Lot Twelve (12) Block Nineteen (19), City Block 4026, in City View Addition to the City of San Antonio, Bexar County, Texas.

ITEM IV.

GENERAL.

Also all other physical property of whatsoever kind or character and all appurtenances thereto, now owned or which may hereafter be acquired by the city and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing or of any general description contained in this Indenture):

(1) All lands, right-of-ways, roads, power houses, buildings, dams, waterways, water rights, and other structures, and all offices, buildings and the contents thereof; all machinery, engines, boilers, turbines, condensers, water wheels, dynamos, electrical machinery, regulators, motors, transformers, generators, meters, electrical and mechanical appliances, conduits, cables, pole and transmission lines, wires, cross-arms, insulators, services, substations and substructures,

generating, distributing and transmitting equipment, tools, implements, apparatus and supplies, now owned or hereafter acquired by the city;

(2) Also all gas plants, stations, substations, offices, repair shops, buildings, structures, substructures, regulators, holders, purifiers, scrubbers, tanks, retorts, boilers, machinery, engines, pumps, fixtures, apparatus, equipment, tools, instruments, appliances, implements, overhead and underground construction, pipes, mains, conduits, services, meters, supplies and appurtenances; whether appertaining to any existing or future system of the city or otherwise, and including all other property now used or provided for use or hereafter acquired for use in the construction, repair, maintenance and operation of the electric and gas systems of the city, both those now owned and those which may hereafter be acquired by the city.

(3) Also all contracts between the San Antonio Public Service Company and the suppliers of electricity and of gas which were in force on the date hereof and which have been or may hereafter be assigned to or acquired by the city.

(4) Also, to the full extent permitted by law and by their terms, the city hereby mortgages and pledges all corporate, municipal and other franchises, grants, rights, permits, consents, privileges, easements, licenses, ordinances, rights-of-way, and immunities of the city of every kind, description and character, howsoever conferred or acquired and whether now owned or hereafter acquired; provided, however, that as to any and all franchises which by their terms may be assigned only upon some consent or special condition, given or met at the time of assignment, and not in advance thereof, the city.

(a) Hereby mortgages all such franchises, subject to the terms of this indenture;

(b) Intends hereby to assign such franchises to the trustees hereunder only to the extent that it may legally assign the same, without forfeiture or other penatly;

(c) Covenants that if and whenever under the terms hereof the trustees, or any purchaser or purchasers at any sale of the mortgaged property, made under the terms of this indenture or in any proceeding for the foreclosure of the lien of this indenture, shall be entitled to possession of or to title to the mortgaged property, the city will request such consent or will attempt in good faith to meet such condition, and, subject to the procurement of such consent or the meeting of such condition the city will by proper instrument convey, transfer and assign such franchise to the trustees, or to their nominee or to such purchasers, as the case may be;

(5) Also all real property, interests in real property, lands, rights-of-way, easements, licenses, leaseholds, consents, permits, and all power and gas contracts, street lighting contracts, and other rights with respect to the construction, maintenance, repair and operation of any system now owned or hereafter acquired by the city, and any additions thereto or extensions thereof;

(6) And also all property which at any time hereafter, by delivery or by an indenture supplemental hereto, may be expressly conveyed, mortgaged or pledged to the trustees or either of them hereunder by the city or by a successor thereto, or by anyone in its behalf or with its written consent as and for additional security hereunder; the trustees and each of them being hereby authorized at any and all times to receive any such conveyance, mortgage, pledge or delivery and to hold and apply any such property upon and subject to the terms and provisions hereof or of any such supplemental indenture; and

(7) Together with all and singular the buildings, improvements, additions, accretions, ways, alleys, passages, rights-of-way, waters, water-courses, easements, rights, liberties, privileges, licenses, tenements, hereditaments and appurtenances, whatsoever belonging or in anywise appertaining, or hereafter to belong or appertain, unto any and all of the premises hereby granted or intended so to be; and the reversion and reversions, remainder and remainders, and the incomes, rents, issues and profits thereof, and of every part and parcel thereof; and all of the estate, right, title, interest, property, claim and demand of every nature and kind whatsoever of the

city at law, in equity or otherwise howsoever, of, in and to the same and to the same and every part and parcel thereof.

ITEM V

EXCEPTED PROPERTY.

Expressly excepting and excluding, however, from this indenture and from the lien and operation thereof the following property (herein called " Excepted Property ")

(A) All shares of stock and certificates or evidences of interest therein, all bonds, notes, and other evidences of indebtedness or certificates of interest therein, all other securities, all bills, notes, accounts receivable, cash on hand or in banks, choses in action and all contracts (other than leases and agreements connected with leases) now owned or hereafter acquired or possessed by the city and not hereby or hereafter specifically mortgaged and pledged hereunder or required so to be.

(B) All property and franchises of any other corporation of whatever character, securities whereof, or obligations secured by lien upon which the properties and franchises whereof may be now owned or hereafter acquired or possessed by the city, notwithstanding the fact that the city may own or hereafter acquire all or substantially all of the securities issued by or secured by lien upon property of any such corporation or that any such corporation may be incorporated or organized at the instance of, or for the account of, the city.

(C) Materials and merchandise acquired for the purpose of resale in the ordinary course and conduct of business, and consumable supplies.

(D) All gas in manufacture, mains, pipes, holders or elsewhere.

(E) All bus transportation properties formerly owned by the San Antonio Public Service Company.

(F) All of the electric distribution properties formerly owned by the San Antonio Public Service Company comprising 4,000 volt and 2,400 volt primary pole lines and circuits and appurtenant secondary pole lines and secondary circuits, conduits, cables, wires, distribution transformers, services, meters and street lighting systems located within the limits of the Cities of Alamo Heights, Olmos Park and Terrell Hills, Bexar County, Texas.

(G) All of the electric distrubution properties formerly owned by the San Antonio Public Service Company comprising 2,400 volt primary pole lines and circuits and appurtenant secondary pole lines and circuits, conduits, cables, wires, distribution transformers, services, meters and street lighting systems in the City of Boerne, Kendall County, Texas, and adjacent territory included within the following bounds:

Beginning at a point north on Sisterdale Road, 14 spans north of the S.A.A.P.R.R. (Southern Pacific System) including B. B. Smith Service, thence to northeast corner of city limits, thence southeast to School Street, 6 spans east to Plant Street, being the pole serving C. Phfeiffer, thence southeast to northeast corner of Fair Grounds, thence south to pole 2/8 on the Boerne-old San Antonio Highway (this pole serving Ferdinand Herff and Borchers) thence west to Russ street, 7 spans south off Bandera Road and serving L. Lamm, thence northwest to Bandera Road, 7 spans west to Russ Street and including services to (1) Dr. Noce, (2) Rad Spencer (3) W. Simpson, thence northwest to private property of Bill Vogt, 3 spans west of San Antonio Avenue, including service to Bill Vogt, thence north to High Street, 11 spans west off Russ Street and including 3 spans to serve Schuchard, thence northeast to northwest corner of city limits, thence east along city limits to pole 1/1 of the Boerne-Popo Line located on Fredericksburg Road, thence north to point of beginning.

(H) All of the distribution properties formerly owned by the San Antonio Public Service Company comprising 2,400 volt primary pole lines and circuits and appurtenant secondary pole lines and circuits, conduits, cables, wires, distribution transformers, services, meters and

street lighting system in the City of Floresville, Wilson County, Texas, and adjacent territory included in the following bounds:

From a point 8 spans northwest of city limits line on San Antonio Highway No. 181 on the San Antonio side of customer Victor Zuniger, thence northeast to the north corner of old Fair Grounds property now owned by Floresville Independent School District, thence southeast to the intersection of a line parallel with the streets of Floresville and the Sunnyside-Floresville Road to include customers H. Ridoudt, Joe Donaho and Gus Hill, thence south by west to a point twelve spans southeast of city limits line on State Highway No. 181 to Poth to include all customers served from transformer set eight spans southeast of city limits on Highway No.181, thence west to the intersection of such westerly line with the Northwest-Southwest city limits line, thence northwest to the west corner of city sewage plant property, thence north by east to the point of beginning.

(I) All of the distribution properties formerly owned by San Antonio Public Service Company comprising 13,000 volt and 2,400 volt primary pole lines and circuits and appurtenant secondary pole lines and circuits, conduits, cables, wires, distribution transformers, services, meters and street lighting systems in the City of Hondo, Medina County, Texas, and adjacent territory included in the following bounds:

The new city limits of the City of Hondo, and in addition thereto: (1) the pole line extending 4 spans from the 66,000 volt Hondo High Line Substation to the city limits, 360' south of old D'Hanis Road, (2) an extension eastward of approximately 17 spans, principally on U. S. Highway No. 90 serving Dr. W. H. Smith, (3) an extension westward on U. S. Highway No. 90, thence along Taylor Road and Batot Lane, approximately 51 spans, serving rural customers including W. O. Scott and Henry Batot and Hugh Batot.

(J) All of the electric distribution properties formerly owned by the San Antonio Public Service Company, comprising 2,400 volt primary pole lines and circuits and appurtenant secondary pole lines and circuits, conduits, cables, wires, distribution transformers, services, meters and street lighting system in the City of Poth, Wilson County, Texas, and adjacent territory included in the following bounds:

All property in city limits, including 2,300 volt line extending approximately 4 spans south by east to and including the C. V. Ploch residence and including the Catholic Church line on road to Schneider Gin to the southwest to and including the Catholic Church, and also including 13 KV to 120 volt transformer serving customers Anton Stevenoga and son's residences.

(K) All of the electric distribution properties formerly owned by San Antonio Public Service Company, comprising 2,400 volt primary pole lines and circuits, appurtenant secondary lines and circuits, conduits, cables, wires, distribution transformers, services and meters extending from the 2,400 volt terminals of the transformers at the Marion substation to and through the corporate limits of the City of Marion, Guadalupe County, Texas and adjacent territory.

(L) All of the electric distribution properties formerly owned by the San Antonio Public Service Company, comprising 13,000 volt, 4,000 volt and 2,400 volt primary pole lines and circuits and appurtenant secondary pole lines and circuits, conduits, cables, wires, distribution transformers, services, meters and street lighting system in the City of New Braunfels, Comal County, Texas, and adjacent territory included in the following bounds:

Beginning at Pole 3/5, Comal Creek and Sipple Farm, thence air line south to distribution pole at end of line on Old Marion Road opposite residence of Emil Neuse, thence east by north to end of line at L. Kuehler on Koehler Road near City Disposal Plant, thence northeast to the intersection of center line of Guadalupe River and the south boundary line of Dr. M. C. Hagler's camp property, thence north to the intersection of north boundary line of Lake Front Addition with East bank of Guadalupe River, thence northeast to pole 1/1 on Highway No. 46, south of New

Braunfels, thence northeast to end of line on Highway No. 81, five spans northeast of junction with Highway No. 46, to residence Wm. H. Weil, thence southwest on U. S. Highway No. 81 to pole on northwest corner of junction of Highways No. 81 and No. 46, thence north by west to intersection of the Guadalupe River and the boundary line between city blocks 5011 and 5012, thence up Guadalupe River to pole 1/13 on New Braunfels-Gruene 13 KV line, thence up Guadalupe River to M. K. T. R. R. Bridge over the Guadalupe River, thence northwest to intersection of California Boulevard and Ohio Avenue in Landa Highlands, No. 2, thence south of west to pole 2/2 on Highway No. 46, Smithson Valley 2,400 volt line, thence southwest to McQueeney hi-line structure 2/9 on Wald Road near crossing of Missouri Pacific R. R. thence along hi-line south by east to point of beginning. From hi-line structure 2/13 a dairy customer is served and is to be included within the New Braunfels boundaries.

(M) All of the electric distribution properties formerly owned by San Antonio Public Service Company comprising 2,400 volt primary poles and circuits and appurtenant secondary poles and circuits, conduits, cables, wires, distribution transformers, services, meters, located within the corporate limits of the City of Stockdale, Wilson County, Texas, and including transformers services and meters serving customers located along the Bandera Road as far east and including service to Leroy R. Smith's residence and also including transformers, services and meters along the 13,000 volt transmission lines of the City of San Antonio serving Otto Webber, Burk Carr and Mrs. Stoudt near intersection of old Floresville-Stockdale Road and the highway to San Antonio and also including the so-called Smith line running north from the city limits for about one mile to and including the services to George Johnson chicken farm and Joe Taller residence.

(N) All that certain tract, piece or parcel of land situated within the corporate limits of the City of New Braunfels, Comal County, Texas, and being the northwest portion of Lot No.36 in Block No. 1005 more particularly described by metes and bounds as follows, to-wit: Beginning at the west corner of Lot 36 at the intersection of the southwest line of East San Antonio Street and the northeast line of the Main Plaza; thence north 38 degrees, 42 minutes east along the southeast line of East San Antonio Street 95.7 feet to the north corner of said Lot No. 36; thence south 52 degrees east, along the division line between Lot No. 36 and Lot No. 37, 65 feet to a stake; thence south 38 degrees, 42 minutes west 95.7 feet to a stake in the northeast line of the Main Plaza; thence north 52 degrees west along the northeast line of the Main Plaza 65 feet to the place of beginning; being the same property conveyed by Eiband and Fischer, Inc., to San Antonio Public Service Company be deed recorded in the records of deeds of said Comal County on December 2, 1929, in Volume 57, pages 307-309, and the building and contents thereof located thereon.

(O) All furniture and fixtures located in the electric distribution offices in the Cities of Boerne, Hondo, Floresville, Stockdale, Poth, Marion and New Braunfels, Texas.

(P) All of the right, title and interest of the City of San Antonio in and to the bridge across the Comal Canal in the extension of Seguin Street in the City of New Braunfels, Comal County, Texas, together with the abutments and adjacent roadway areas described as follows:

Beginning at a stake " W" on the north property line of Seguin Street at point of its intersection by a line running along the east side of the stone base of fence along the division line of Tract No. 1 and Tract No.2 (approximately); thence N 5° 36'W 174.69 feet to a stake "N" located 15.0 feet south of the water's edge; thence S 56° 07' E 38.0 feet to a monument "P" near the east end of the south abutment of the bridge crossing the Comal and 15.0 feet south of the water's edge. This monument is one in the original survey of Tract No. 2 and is N 7° 10' W 155.3 feet from north property line of Seguin Street; thence S 7° 10' E 155.3 feet to a stake "Q" in the north property line of Seguin Street; thence N 86° 49' W 20.81 feet along the north property line of Seguin Street to a stake "R"; thence N 89° 39' W 13.05 feet to the point of beginning.

Beginning at monument "A" on the most westerly corner of Tract No. 2 described in the deed from Landa Milling Company, et al., to Comal Power Company dated August 17th, 1925, this monument being also in the east line of Tract No. 1 described in said deed near the east end of the suspension foot bridge across the canal; thence S 35° 44' E 45.42 feet to a stake " B "; thence S 25° 58' E 62.42 feet to a stake " C " on the north bank of the canal 1 foot from the water's edge; thence S 55° 42' E 45.75 feet to a stake " D " set 15.0 feet from the water's edge on the north bank of the Comal; thence N 4° 58' W 36.02 feet to stake " E " at the intersection of this line with a line running N 25° 58' W parallel to and 35.0 feet distant from the line " BC "; thence N 25° 58' W 72.0 feet on the line parallel to and 35.0 feet distant from line " BC " to stake " F " at the intersection of this line with a line running N 35° 44' W parallel to and 35.0 feet distant from the line " AB "; thence N 35° 44' W 17.12 feet on the line parallel to and 35.0 feet distant from line " AB " to stake " G " at the point of intersection of this line with a line running S 83° 54' E from the monument " A "; thence N 83° 54' W 46.95 feet to monument " A " the point of beginning

together with all and singular the tenements, hereditaments and appurtenances belonging or in any wise appertaining to the aforesaid properties or any part thereof, and with the revision or revisions, remainder or remainders, rents, income and profits of all such properties, and all of the estate, right, title, interest and claim whatsoever, at law, as well as in equity, which the city acquired in and to the aforesaid properties and every part thereof under and by virtue of the conveyance thereof to the city by San Antonio Public Service Company, it being understood and provided, however, that the cash on hand and bills and accounts receivable included in Items I and II above are not to be delivered to the trustees but are to be delivered to the Board of Trustees hereinafter created and that the Board of Trustees and not the trustees shall be accountable for the proper use and application of said cash, bills and accounts receivable under the terms and provisions of this indenture.

TO HAVE AND TO HOLD all and singular the said premises and property, real, personal and mixed, with all and singular their revenues, rents, issues, profits, privileges and appurtenances, and all the estate, right, title and interest of the city therein and thereto, unto the trustees and their successors in trust forever;

INTRUST NEVERTHELESS, subject to the provisions of this indenture, for the equal and proportionate benefit, security and protection of all holders of the bonds and interest coupons issued or to be issued under and secured by this indenture, without preference, priority or distinction as to lien or otherwise of any bond over any other bond of the series by reason of priority in the issuance or negotiation thereof or by reason of the date or dates of maturity thereof, or for any other reason whatsoever, so that each and all of said bonds shall have the same rights, lien and privileges under this indenture; PROVIDED HOWEVER, and these presents are upon the express condition, that if the city, its successors and assigns shall well and truly pay or cause to be paid unto the holders of said bonds the principal and interest due thereon at the times and in the manner stipulated therein and shall well and truly keep, perform and observe all the covenants and conditions in said bonds and in this indenture expressed to be kept, performed and observed by the city and shall pay to the trustees all sums of money due or to become due to them in accordance with the terms and provisions hereof, then this indenture and the rights and estate hereby granted shall cease, determine and be void, and the trustees in such case on demand of the city, upon payment by the city to the trustees of their reasonable fees, costs and expenses, shall execute and deliver to the city such deeds as shall be requisite to discharge the lien hereof

and to reconvey or revest in the city the properties hereby conveyed or intended to be conveyed; OTHERWISE this indenture is to be and shall remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH that the city has agreed and convenanted and does hereby agree and covenant with the trustees and respective holders from time to time of such bonds and coupons that is to say:

ARTICLE I

FORM, AUTHENTICATION, REGISTRATION AND ISSUANCE OF BONDS

SECTION 1. The bonds and the coupoms attached thereto shall be in substantially the forms hereinabove recited, and shall be limited to the aggregate principal amount of Thirty-five Million Dollars ($35,000,000). All bonds to be secured hereby shall be signed by the Mayor of the city, shall be attested by the City Clerk, shall have the corporate seal of the city impressed thereon, and when so signed and sealed, the bonds shall be submitted to the Attorney General of the State of Texas for approval and to the State Comptroller for registration. After the said bonds have been approved by the Attorney General and registered by the State Comptroller, they shall be delivered to the Trustees for signature and authentication as herein provided.

In case any officer or officers who shall have signed any of the bonds shall cease to be such officer or officers of the city after delivery of such bonds to the Trustee, but before the bonds so signed shall have been actually authenticated and delivered to the purchasers thereof, such bonds may nevertheless be authenticated and delivered as though the person or persons who signed and sealed such bonds had not ceased to be such officer or officers of the city.

The coupons to be attached to the bonds shall be signed by the facsimile signatures of the Mayor and City Clerk in office at the time of the preparation of the bonds, and delivery of such bonds thereafter shall be valid for all purposes even though one or both of said officials shall have ceased to hold office at the time of delivery.

Prior to the authentication of bonds under this indenture all matured coupons thereto attached shall be detached and cancelled and such cancelled coupons shall be delivered to the City Auditor.

SECTION 2. Only such of the bonds as shall have endorsed thereon the duly executed certificate of the Trustee substantially in the form hereinabove set forth shall be entitled to any lien or benefit hereunder, but such certificate of the Trustee upon any bond shall be conclusive evidence that such bond has been duly authenticated and delivered hereunder and that the holder is entitled to the benefit of the trust hereby created.

SECTION 3. The bonds shall be transferable by delivery unless registered as to principal by the Trustee as Bond Registrar. The Trustee shall maintain at its office a registration book in which shall be entered the name and address of any owner of a bond or bonds who shall present his bond or bonds with a request that such bond or bonds be registered as to principal, and such registration shall also be noted on such bond or bonds by the Trustee. On presentation to the Trustee of any bond registered pursuant to the provisions of this section, accompanied by a written instrument of transfer in form approved by the Trustee and executed by the registered owner in person or by his attorney thereunto duly authorized, transfer thereof shall be made on the registration book and noted on such bond by the Trustee, and after registration of any bond as aforesaid no transfer shall be valid unless nade as above provided. The registered owner of any bond so registered as to principal shall be entitled to have such bond discharged from registration by being in like manner transfered to bearer and thereupon transferability by delivery shall be restored, but any such bond shall continue subject to successive registrations and transfers as before. Registration of any bond as to principal shall not affect the negotiability of the coupons appertaining to such bond and all coupons shall continue to be transferable by delivery merely and shall remain payable to bearer.

SECTION 4. In case any bond issued hereunder with the coupons appertaining shall become mutilated or be lost, stolen or destroyed prior to the payment thereof, a new bond, including coupons, of like tenor and date and bearing the same number may at the discretion of the city and the Trustee be executed, certified and delivered either in exchange for and upon cancellation of the mutilated bond and its coupons, or in substitution for the bond or coupons lost, stolen or destroyed, but such exchange or substitution shall be make only upon receipt of satisfactory evidence of the loss, theft, or destruction of such bond and its coupons, proof of ownership thereof, satisfactory indeminity to the Trustee and the city, and payment of the cost of preparing such bond and coupons.

ARTICLE II.

SPECIAL COVENANTS

The city hereby covenants as follows:

SECTION 1. The city is duly authorized under the laws of the State of Texas to create and issue the bonds and to execute and deliver this indenture and to mortgage and pledge the property conveyed and mortgaged hereunder and to pledge the revenues pledged hereunder, and all necessary action on the part of the city and its Commissioners for the creation and issue of the bonds and the execution and delivery of this indenture has been duly and effectively taken, and the bonds in the hands of the holders thereof are and will be valid and enforceable obligations of the city in accordance with their terms.

SECTION 2. The city is lawfully seized and possessed of the trust estate, free and clear of all liens or encumbrances; it has a good right and lawful authority to mortgage and pledge the trust estate as provided in this indenture; and it will warrant and defend unto the trustees, their respective successors and assigns, for the benefit of the holders for the time being of the bonds, the trust estate and the lien and interest of the trustees thereon and therein under this indenture, against all claims and demands of any persons whomsoever.

SECTION 3. At any and all times the city will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, deeds, conceyances, mortgages, transfers and assurances in law as the Trustee shall reasonably require for the better conveying, transferring, mortgaging and pledging and confirming unto the trustees, all and singular the hereditaments, premises, estates and property hereby conveyed, transferred, mortgaged, pledged or assigned, or intended so to be.

SECTION 4. The city will not avail itself of the provisions of the Federal Bankruptcy Act or avail itself of the provisions of any similar federal or state bankruptcy or debt readjustment act, now or hereafter existing, in such manner that the liability of the city to pay the bonds secured hereby in accordance with their terms and in accordance with the terms of this indenture will be in anywise affected or impaired.

SECTION 5. The city will not create or voluntarily permit to be created any debt, lien or charge which would be on a parity with or prior to the lien of this indenture on the trust estate or any part thereof or on the income to be derived from the trust estate and from the operation of the city's complete electric light and power system and gas distribution system or any part thereof; and will not do or omit to do or suffer to be done or omitted to be done any matter ot thing whatsoever whereby the lien of this indenture or the priority of such lien or the bonds hereby secured might or could be lost or impaired; and that it will pay or cause to be paid or will make adequate provision for the satisfaction and discharge of all lawful claims and demands for labor, materials, supplies or other objects which if unpaid might by law be given precedence to or an equality with this indenture as a lien or charge upon the trust estate or any part thereof or the income and profits thereof; provided that nothing in this section shall require the city to pay, discharge or make provision for any such lien, charge, claim or demand so long as

the validity thereof shall be by it in good faith contested, unless thereby, in the opinion of the Trustee, the trust estate or some material part thereof will be lost, forfeited or materially endangered.

The provisions of this section are subject to the exception that the Board of Trustees may borrow from time to time on a purely temporary basis, such sums as would ordinarily be borrowed by private companies engaged in similar business in connection with current operations, and expected to be paid and retired from current revenues received during the operating year in which such sums are borrowed, and are subject to the further exception that if, prior to the payment of all of the bonds, it shall be found desirable to refund part of said bonds under the provisions of any law then available, said bonds may be refunded (with the consent of the holders thereof, unless the bonds so refunded are then optional for redemption and provision for the call and redemption thereof is duly made) and the refunding bonds so issued shall enjoy complete equality of lien with the portion of the bonds which is not refunded, and the refunding bonds in like principal amount shall continue to enjoy in all respects the lien and right to security under this indenture enjoyed by the bonds refunded thereby, including the priorities enjoyed by such refunded bonds; provided, however, that if such bonds are refunded in such manner that the interest rate of the bonds is increased or the refunding bonds mature at a date earlier than the maturity date of any of the bonds not refunded, then such bonds may not be refunded without the consent of the holders of the unrefunded portion of the bonds, to be evidenced as provided in Section 1 of Article XI hereof. The Trustee shall, subject to the provisions of this section, authenticate and deliver any refunding bonds so authorized, upon the written order of the Mayor of the city and upon receipt by the Trustee of:

(a) A certified copy of the ordinance of the Commissioners of the City of San Antonio authorizing the issuance of such refunding bonds;

(b) A copy of an opinion of the Attorney General of the State of Texas approving the validity of such refunding bonds, if such opinion shall then be required by the laws of Texas;

(c) A certificate by the State Comptroller evidencing registration of such refunding bonds in his office, if such registration shall then be required by the laws of Texas;

(d) The outstanding bonds authorized to be refunded thereby, in principal amount equal to that of the bonds to be authenticated, which outstanding bonds shall be presented to the Trustee to be delivered, either by the Trustee or through the State Comptroller, in exchange for the refunding bonds and simultaneous cancellation and retirement, provided however, that in lieu of outstanding bonds properly called for redemption or then matured it shall be sufficient if the proceeds of the sale of the refunding bonds, together with other funds available for such purpose, in an amount sufficient to redeem or pay a like principal amount of such outstanding bonds so called for redemption or matured, including all accrued interest and redemption premiums, shall have been deposited with the Trustee, or deposited to the Trustee's satisfaction with the paying agent for such outstanding bonds, to be held solely for the payment of such bonds, accrued interest and redemption premiums;

(e) If required by the Trustee, an opinion by counsel acceptable to the Trustee that such refunding bonds have been legally authorized and, upon delivery thereof pursuant to the terms of this section, will have become effectively subrogated to the rights of the bonds refunded thereby and entitled to be secured by the lien of this indenture.

All bonds received by the Trustee in exchange for refunding bonds and all bonds redeemed and paid under the provisions of this section shall be by the Trustee cancelled and delivered to the City Auditor of said city.

SECTION 6. The city will cause this indenture and any and all supplemental indentures and

instruments of further assurance at all times to be recorded and filed in such manner and in such places as may in the opinion of counsel for the Trustee be required by law in order fully to preserve and protect the rights of the bondholders and the Trustee hereunder, and upon the request of the Trustee it will furnish to the Trustee promptly after the execution and delivery of this indenture an opinion of counsel satisfactory to the Trustee stating that in the opinion of such counsel this indenture has been properly recorded and filed so as to make effective the lien intended to be created thereby, and reciting the details of such action, or stating that in the opinion of such counsel no such action is necessary to make such lien effective.

SECTION 7. The city will from time to time promptly pay and discharge all taxes, assessments and other governmental charges, the lien whereof would be prior to the lien hereof, lawfully imposed upon the trust estate or any part thereof upon the income and proceeds thereof, so that the lien of this indenture and the priority of such lien shall at all times be wholly preserved at the cost of the city and without expense to the trustees or the holders of the bonds, provided however, that nothing in this section contained shall require the city to pay or discharge any such tax, assessment or governmental charge so long as the validity thereof be by it in good faith contested, unless thereby in the opinion of the Trustee or its counsel the trust estate or some material part thereof will be lost, forfeited or materially endangered.

SECTION 8. The city will maintain, preserve and keep the trust estate in a state of good repair, working order and condition and will not dispose of the trust estate in whole or in part except in the manner and upon the terms provided in Sections 2 and 3 of Article VII hereof.

SECTION 9. The city will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, cotained in this indenture, and will punctually perform all duties with reference to the trust estate required by the Constitution and Laws of the State of Texas, including particularly the making and collecting of such reasonable and sufficient rates and charges for electricity, gas and services supplied by its electric light and power plant and system and gas distribution system, to the city and to all other consumers, as will be fully sufficient to meet all the requirements of this indenture, and including the proper segregation and application of the revenues of said plant and systems, it being expressly hereby covenanted and agreed that such rates and charges will be so fixed that the revenues derived therefrom will be sufficient at all times to pay for all operating, maintenance, depreciation, replacement, betterment, and interest charges and to provide an interest and sinking fund sufficient to pay all indebtedness outstanding against the trust estate and fully to carry out all of the agreements contained in this indenture.

SECTION 10. The city will not grant a franchise for the operation of any competing electric system or gas system in the City of San Antonio until all bonds issued hereunder shall have been retired.

ARTICLE III.

ACCOUNTS AND RECORDS.

SECTION 1. The Board of Trustees hereinafter created shall be required to keep full and proper books of record and account, in which full, true and proper entries will be make of all dealings, business and affairs of the city which in any way affect or pertain to the operation of the trust estate and the city's electric light and power plant and system and gas distribution system, and will furnish to the Trustee and to such bondholders as may request such statement, at least once every six months and at such other times as the Trustee may reasonably request, statements in reasonable detail showing the earnings and expenditures of the City's electric light and power plant and system and gas distribution system, including the trust estate, and the application of funds in the Revenue Fund hereinafter established, for the preceding six months period. Said board will also furnish to the Trustee form time to time such other data as to the plants,

properties and equipment comprising a part of the trust estate, as the Trustee shall resonably request.

As soon after the close of each operating year as may reasonably be done, said board will furnish to the Trustee and to all bondholders who may so request full audits and reports covering the operations of the city's electric light and power plant and system and gas distribution system, including the trust estate, for the preceding operating year, and showing the earnings and expenses of the properties and the disposition made of all revenues for said operating year, the amounts available for the purposes set forth in Article V hereof, and, in such detail as the Trustee may request, the assets, liabilities and financial condition of the city's electric light and power plant and system and gas distribution system at the close of such operating year. The Board of Trustees at the same time shall furnish to the Trustee an estimate of cash receipts and disbursements for the ensuing year in sufficient detail to indicate the probable total net income from operations and amounts available for the several fund accounts established herein. If any such audit discloses any discrepancies or misapplication of funds, the Board of Trustees shall be charged with the duty of rectifying such misapplications as far as possible and of remedying any deficiencies in payments hereunder from the first funds available for such purpose.

The Board of Trustees will at the expense of the Board of Trustees, upon written request of the City Commissioners or the Trustee, permit the City Commissioners and the Trustee at all reasonable times, by their agents, engineers, accountants and attorneys, to examine and inspect the plants, property, books of account, records, reports and other data relating to the trust estate and to take copies and extracts therefrom, and will afford a reasonable opportunity to make any such examination and inspection and will furnish the Trustee and the City Commissioners any and all such other information as they may reasonably request. The Trustee shall be under no duty to make any such examination unless requested so to do by the holders of twenty-five per cent in principal amount of the bonds at the time outstanding and unless such holders shall have offered the Trustee security and indemnity satisfactory to it against any costs, expenses and liabilities which might be incurred thereby.

The Board of Trustees shall as nearly as possible keep its books and records in the manner prescribed in the Uniform System of Accounts for Electric Utilities adopted by the National Association of Railroad and Utitities Commissioners on November 10, 1936, and in the Uniform System of Accounts for Gas Utilities adopted by said Association on November 10, 1936.

ARTILCE IV.

INSURANCE.

SECTION 1. The city covenants and agrees that at all times it will insure and keep insured through the Board of Trustees all properties subject to the lien hereof which are of a character usually insured by companies operating like properties, in good and responsible insurance companies, against risks customarily insured against by companies engaged in a simular business, and in the same manner and to the same extent, all loss therefrom (except any single loss which does not exceed $25,000) being payable to the trustees as their interests shall appear, by the customary mortgagee or trustee clauses to be attached to or inserted in the policies. The Board of Trustees shall furnish to the Trustee a list of such policies, showing the character of the insurance, the property and risk covered, the name of the insurance company, and other pertinent details, and shall keep the Trustee fully informed of any change in or addition to such list. Upon the written request of the Trustee such policies will be deposited with it. The Trustee, subject to the provisions of Article IX hereof, shall be under no obligation or duty to obtain any such schedule and shall have no duty or responsibility with respect to the sufficiency or effect of any of such policies of insurance, the renewal thereof, or the responsibility of the insurers, or with respect to any such schedule or the matters shown therein, except to display any such schedule to any holder of bonds desiring to inspect the same.

In case of loss or damage to any of the insured property, the proceeds of any such insurance on any one loss amounting to not more than $25,000 shall either be promptly applied by the Board of Trustees to the repair or replacement of the property destroyed or damaged, or otherwise to the improvement of the mortgaged property, or if not so applied within one year of the date of receipt thereof by the Board of Trustees, such proceeds shall be deposited in the Reserve Account created by Article V hereof. In any case where the proceeds of any such insurance shall amount to a sum in excess of $25,000 on account of any one loss, all such moneys shall be promptly deposited with the Trustee and shall be paid out from time to time to the Board of Trustees upon written request of the board, signed by its Chairman and Secretary, and accompanied by a certified copy of the resolution of the board directing such request, and specifying that certain expenditures have been made or incurred in repairing or replacing the property so impaired or destroyed, and the amount thereof, and requesting the payment by the Trustee to the Board of Trustees of an amount not in excess of the amount of such expenditures. If in the judgement of the Board of Trustees and of a recognized public utility engineer selected by the Board of Trustees and approved by the Trustee, the interests of the Board of Trustees and the bondholders will be best served through the aplication of all or part of such insurance proceeds to improvements to the mortgaged property which do not constitute the repair or replacement of the property for the destruction or impairment of which the insurance proceeds are so paid, the amount of such proceeds may be applied by the Board of Trustees to the making of such improvements, and payment thereof shall be made to the Board of Trustees by the Trustee as expended in the manner provided in the last preceding sentence hereof. The Trustee may in its discretion require such additional proof of the matters certified in such resolution as it may consider necessary or desirable. Any insurance proceeds not so paid out by the Trustee within a period of two years from the date of the receipt thereof shall be used for the redemption of as many bonds as may be redeemed with the amount available and the city agrees that it will take such steps as may be necessary to call such bonds for redemption pursuant to the procedure therefor herein established.

Any adjustment of any loss under any policy of insurance made by the Board of Trustees may be consented to by the Trustee without investigation as to the fairness thereof. The payments of premiums for all insurance policies required under the provisions of this section shall be considered to be a maintenance and operation expense within the provisions of Article V hereof.

ARTICLE V.

APPLICATION OF REVENUES.

SECTION 1. From and after the issuance of any of the bonds all of the city's gas and electric facilities and properties, including the trust estate and including all additions and extensions to such properties which may be made while any of the bonds remain outstanding (all of which properties and facilities are in this and the following sections of this indenture sometimes referred to as " the system " shall be operated on the basis of an operating year commencing on August 2 of each year and ending on August 1 of the following year.

SECTION 2. All revenues of every nature received through the operation of the system shall be deposited as received in a special fund or account to be known as " City of San Antonio Electric and Gas Systems Revenue Fund " and which is hereinafter in this indenture referred to as the " Revenue Fund." The Revenue Fund shall be deposited from time to time in such bank or banks as may be selected for such purpose by the Board of Trustees, and such bank or banks are hereinafter collectively referred to as the " depositary. " The bank or banks in which the Revenue Fund is kept on deposit shall always be a bank or banks located in the City of San Antonio unless there is no bank in the City of San Antonio qualified and willing to serve as depositary, in which case the depositary may be any bank or banks in the State of Texas. The Board of Trustees shall advise the Trustee of the names of the bank or banks initially selected as depositary and shall

thereafter promptly advise the Trustee of all changes which are made in the depositary banks. If for any reason, in its sole discretion, the Trustee shall disapprove the appointment of any bank for such purpose and shall so advise the Board of Trustees, the Board of Trustees shall promptly appoint some other bank or banks which meet with the approval of the Trustee.

SECTION 3. The money in the Revenue Fund shall be used first from day to day and month to month to pay the current expenses of operating, maintaining and repairing the system, including the cost of insurance, the purchase of supplies, the purchase or manufacture of gas and the purchase and production of electricity for distribution and resale, the payment of salaries and the payment of all other expenses properly incurred in operating and maintaining the system and keeping it in good repair and operating condition. In determining whether any particular expenditure represents a proper maintenance and operating expense as distinguished from a capital expenditure for improvements and extensions to the system, the accounting classifications provided to be followed in Article III hereof shall be accepted for such determination. In the event that at any time hereafter taxes of any nature shall be lawfully imposed on the system or any part thereof or any income or revenues thereof by the United States of America or any governmental body or taxing subdivision other than the City of San Antonio, and such taxes are paid under the provisions of Section 7, Article II hereof, all such payments shall be made from the Revenue Fund as an expense of maintenance and operation under the provisions of this section.

SECTION 4. After the costs of maintenance and operation have been paid from the Revenue Fund as provided in the last preceding section of this article, the next available money therein shall be used for, and are hereby pledged to the payment of principal of and interest on the bonds and the accumulation of a reserve fund for such purpose, and the Board of Trustees shall cause to be paid to the Trustee in due season in each year such amounts as will be fully sufficient promptly to pay all principal of and interest on the bonds which will become due during such year.

The payments which are made to the Trustee for current principal and interest shall be increased in each year by an amount equivalent to twenty per cent (20%) of the total payments so otherwise to be made to the Trustee in such year. Such additional payments shall be held by the Trustee in an account to be known as the " San Antonio Electric and Gas Revenue Bonds Reserve Account " (hereinafter referred to as the " Reserve Account") and shall be used by the Trustee solely for the payment of principal of and interest on the bonds falling due at any time as to which there would be a default if money in the Reserve Account were not used for such purpose. The additional payments shall continue to be made into the Reserve Account until such time as there shall be in that account (as distinguished from the fund held by the Trustee for the payment of principal and interest falling due during the current year) money fully sufficient to pay all principal of and interest on the bonds which will become due during the eighteen (18) months immediately succeeding the close of the current operating year,and shall be thereafter made into the Reserve Account at all times when it shall be necessary in order to keep the money in the Reserve Account up to such minimum.

The payments required to be made to the Trustee in this section shall be made as nearly as possible in equal monthly installments in each year and shall be made on the tenth day of each month, except that when the tenth day of any month shall be a Sunday or a holiday the payment shall be made on the next preceding secular day.

The first operating year shall consist of the period elapsing between the date of the delivery of the first of the bonds delivered hereunder and August 2 next succeeding, and the payments herein required to be made to the various funds during such operating year shall be made proportionately in such manner as to place therein the full amounts required for such year. All money received by the city as accrued interest on the bonds at the date of delivery shall be paid to the Trustee under the provisions of this paragraph, to be used for the payment of interest

first falling due on the bonds.

SECTION 5. From the next available money in the Revenue Fund after all payments contemplated by Sections 3 and 4 of this article have been made, there shall be paid to the bank which is at the time acting as depositary of general city funds, to be used for such general city purposes as may from time to time be approved by the Commissioners of the City of San Antonio, the annual sum of $210,300, and there shall also be paid to the treasurer of the Independent School District of the City of San Antonio, subject to approval as to allocation by the Commissioners of the City of San Antonio, the annual sum of $113,750, both sums to be paid as reimbursement to the City of San Antonio and Independent School District for the loss of taxes which would have been imposed on the properties of the system had the system remained under private ownership. To the extent that such remaining revenues are sufficient such payments shall be made in equal monthly installments. The obligation to pay such annual sums to the city and to the Independent School District shall be cumulative and if in any year the money in the Revenue Fund after making the payments required by Sections 3 and 4 of this article shall be insufficient to pay in full the sums so due for such year, so much thereof as possible shall be so paid and the deficiency shall be paid from the first revenues available in the succeeding year or years after the payments required by Sections 3 and 4 of this article shall have been made in such year or years.

SECTION 6. From the next available money in the Revenue Fund after the payments contemplated by Sections 3, 4 and 5 of this article have been made, there shall be paid into a separate fund to be held by the depositary and to be known as the " San Antonio Electric and Gas Systems Renewal and Replacement Fund " (hereinafter referred to as the " Renewal and Replacement Fund ") an annual sum equal to not less than twelve and one-half per cent (12½%) of the receipts from the sale of electricity during the previous operating year and ten per cent (10%) of the receipts from the sale of gas during the previous operating year. The sums to be paid into such fund during the partial operating year ending on August 1, 1943, shall be in such proportion as is borne by the length of the partial operating year to that of a full operating year, and shall be computed on the basis of the gross revenues received by San Antonio Public Service Company from such sources during the last complete twelve-month period prior to acquisition of the system by the city. The money in such fund shall be used solely for the making of such improvements and extensions to the system not properly classified as maintenance and operation expenses as may be from time to time directed to be made by the Board of Trustees. To the extent that the money in the Revenue Fund is sufficient after the making of the payments required by Sections 3, 4 and 5 of this article, the payments into the Renewal and Replacement Fund shall be made in approximately equal monthly installments. If any payment herein required to be made into the Renewal and Replacement Fund shall at any time cause that fund to exceed the sum of Three Million Dollars ($3,000,000), any such payment shall be regarded and used as surplus for the purposes of the next succeeding section of this article.

SECTION 7. The money remaining in the Revenue Fund in each year after all payments required by the preceding sections of this article, including all payments necessary to be made by reason of deficiencies carried over from any preceding year or years, have been made, shall be regarded as surplus. There shall first be paid from such surplus existing at the end of each operating year, to the bank which is then acting as depositary of general city funds, a sum sufficient to reimburse the city for all money which has been paid to the Board of Trustees during such operating year for gas, electricity and the services of the system used by the city during such year. If the surplus which then remains in any year shall exceed $1,250,000, the money so in excess of $1,250,000 shall be applied to the redemption prior to maturity of as many bonds as can be retired with the sum so available. There shall next be taken from such

remaining surplus (whether or not the surplus so remaining is in the amount of $1,250,000) the sum of $500,000, or if less than $500,000 remains, then all of the sum which so remains, and such sum of $500,000 or lesser remaining sum shall be placed by the Roard of Trustees in a special fund to be known as a " Contingencies Fund " until the money in such fund shall equal $3,000,000. The money in the Contingencies Fund may be used from time to time pursuant to the direction of the Board of Trustees, either for the payment of principal of or interest on the bonds for which no money is available in the Reserve Account and as to which there would otherwise be a default, or for the making of such renewals or replacements to the properties of the system as are made necessary by reason of some unexpected calamity or act of God and for the making of which there is no money available either from the proceeds of insurance or in the Renewal and Replacement Fund. After the expenditure of any money from the Contingencies Fund reimbursement therefor shall be made from the first surplus money thereafter available for such purpose under the provisions of this section. In any year in which the Contingencies Fund is in its full specified amount, then such $500,000 sum, or such smaller remaining sum if the surplus available in such year is less than $500,000, or so much of such $500,000 sum or smaller sum as may not be needed to bring the money in the Contingencies Fund to its full $3,000,000 amount, shall be used by the Board of Trustees for the redemption of bonds prior to maturity as above provided for the use of surplus in excess of $1,250,000. Any surplus money remaining at the end of each operating year after all payments from surplus hereinabove in this section required have been made, shall be paid to the bank which is at the time acting as depositary of general city funds, to be used for such lawful purpose or purposes as may be prescribed by the Board of Commissioners, provided, however, that the Board of Commissioners may, by proper resolution adopted prior to the making of such payment, require the Board of Trustees to use such money in the reduction of rates for the ensuing operating year.

SECTION 8. All money held in the Revenue Rund, the Reserve Account, the Renewal and Replacement Fund and the Contingencies Fund shall be held as trust accounts for the benefit of the holders of the bonds and shall at all times be adequately secured by or, as to money in the Reserve Account, invested in, United States Government bonds or other marketable securities eligible as security for the deposit of trust funds under regulations of the Board of Governors of the Federal Reserve System, or by indemnity bonds of surety companies qualified as surety for United States Government deposits. All securities and indemnity bonds so standing as security for the money in such funds shall be approved by the Board of Trustees. The Board of Trustees shall make a monthly report to the Trustee specifying the amounts held in each of the two funds on deposit in the depositary and listing the securities and indemnity bonds standing as security for such deposits and the Trustee may, but need not, require such additions and substitutions to be made in such securities and indemnity bonds as in its opinion is necessary to protect the interests of the holders of the bonds. The money at any time held in the Renewal and replacement Fund and Contingencies Fund may, at the discretion of the Board of Trustees, be invested in securities which are either direct obligations of the United States of America or direct obligations of any state or municipality thereof which are eligible for the investment of trust funds under the laws of the State of New York then in force, or which are direct obligations of Bexar County, Texas, the City of San Antonio, Texas, or the Independent School District of the City of San Antonio, Texas.

ARTICLE VI.

MANAGEMENT

SECTION 1. Pursuant to authority contained in Article 1115, Texas Revised Civil Statutes of 1925, the complete management and control of the system during such time as any of the bonds herein authorized are outstanding and unpaid, shall be in the hands of a Board of Trustees to

consist of five citizens of the United States of America permanently residing in Bexar County, Texas, to be known as the " Board of Trustees of the San Antonio Electric and Gas System." Said board is hereinafter and hereinbefore in this indenture referred to as the " Board of Trustees." The Mayor of the City of San Antonio shall ex-officio be one member of the Board of Trustees and the remaining members of the Board of Trustees shall consist of D. F. Youngblood, to serve for a term ending December 31, 1944, W. B. Tuttle to serve for a term ending December 31, 1946, Franz C. Groos to serve for a term ending December 31, 1948, and Walter P. Napier to serve for a term ending December 31, 1950, each term of office to commence on the date of this indenture. After the expiration of each of the above prescribed terms of office, each member of the Board of Trustees, other than the Mayor, shall serve for a term of five years. All vacancies in membership, whether occasioned by expiration of office or otherwise, shall be filled by a majority vote of the members of the Board of Trustees. Permanent removal of any member of the Board from Bexar County shall vacate his membership. Members shall be eligible to be re-elected for one additional term, and one only. If there shall hereafter be enacted by the Legislature of Texas an act making legal a seven person membership for the Board of Trustees, two additional members shall be elected for regular five year terms by the Board of Trustees in the manner hereinabove provided for filling vacancies.

Subject to the provisions and restrictions contained in this indenture, all of which shall be be binding upon the Board of Trustees, the Board of Trustees shall have complete authority and control of the management and operation of the system and the expenditure and application of the revenues of the system.

The members of the Board of Trustees shall meet for the purpose of organization as soon as may be after the execution of this indenture and shall organize through the election of one of its members as Chariman and one as Vice-Chairman and through the appointment of a Secretary and a Treasurer or a Secretary-Treasurer, who may, but need not be, a member or members. If a member of the Board of Trustees is not appointed as Secretary or Treasurer, or Secretary-Treasurer, then the employee of the Board of Trustees whose duties in the operation of the system require him to perform similar duties may be appointed as such Secretary or such Treasurer or such Secretary-Treasurer. The Board of Trustees may make such regulations and by-laws for the orderly handling of its affairs as it may in its discretion see fit and shall thereafter operate and manage the system with the same freedom and in the same manner as are ordinarily enjoyed and followed by the Board of Directors of a private corporation operating properties of a similar nature.

The Board of Trustees shall obtain and keep continually in force an employees' fidelity and indemnity bond of the so-called " blanket " type, written by a solvent and recognized indemnity company and covering losses to the amount of not less than One Hundred Thousand Dollars ($100,000).

The Board of Trustees shall elect and appoint all officers and employees which it may consider desirable, including a general manager of the system and an attorney or attorneys. No officer or employee may be employed by the Board or Trustees who shall be related within the second degree of consanguinity to any member of the Board of Trustees,nor shall the Board of Trustees be permitted to fill a vacancy in its membership by any person so related to any member of the Board, or by any person who shall have been so related within a period of five years prior to his election. The members of the Board other than the Mayor of the city shall receive an annual compensation of Two Thousand Dollars ($2,000), except that the Chairman of the Board shall receive an annual compensation of Two Thousand Five Hundred ($2,500). With the consent of all remaining members of the Board, one member of the Board may be made general manager of the system, and in such event the member so acting as general manager may receive an annual compensation not

in excess of Twelve Thousand Dollars ($12,000). The members of the Board of Trustees, either singly or collectively, shall not be personally liable for any act or omission not wilfully fraudulent or mala fide. Any member of the Board of Trustees other than the Mayor of the city who shall be continuously absent from all meetings of the Board for a period of four consecutive months shall, unless he shall have been granted leave of absence by the unanimous vote of the remaining members of the Board, be considered to have vacated his office. Any member of the Board other than the Mayor of the city may, by unanimous vote of the remaining members of the Board, be removed from office, but only for adequate cause.

ARTICLE VII.

POSSESSION OF MORTGAGED PROPERTY.

SECTION 1. While not in default in the payment of principal of or interest on any of the bonds secured hereby, or in respect of any of the covenants, agreements or conditions in this indenture contained, the city through the Board of Trustees shall be permitted and suffer to possess, use and enjoy the trust estate and all property and appurtenances, franchises and rights conveyed by this indenture (except money or property, if any, expressly required to be deposited with the Trustee) and to receive and use the revenues, rents, issues, income, produce and profits thereof with power in the ordinary course of business freely and without let or hindrance on the part of the Trustee or of the holders of the bonds, to use and consume supplies; to alter, repair, dismantle and change the position of any of its buildings and structures, plants, mains, pipe lines, poles, wires, conduits or other property whatsoever (provided that no such change shall impair the lien of this indenture upon any such building, structure, plant, main, pipe line, pole, wire, conduit, or other property); to replace and renew any of its equipment, machinery or other property; and to acquire any and all rights under choses in action and contracts.

SECTION 2. The city from time to time, through the Board of Trustees, while in possession of the trust estate shall be suffered and permitted without any release from or action by the trustees or either of them to sell, exchange or otherwise dispose of, free from the lien of this indenture, (1) any of its equipment, machinery, fixtures, apparatus, appliances, tools, implements, or other chattels at any time subject to the lien hereof which may have become worn out or unserviceable, disused, undesirable or unnecessary for use in the conduct of its business, replacing the same by, or substituting for the same, other property of equal value to the city, which shall forthwith become, without further action, subject to the lien of this indenture, and (2) any materials, merchandise, equipment and supplies in the ordinary course and conduct of its business; provided however, that upon the sale or other disposition of such property to the value of $10,000 or more in any one calendar month, the Board of Trustees shall cause to be filed with the Trustee a certificate describing such property, stating that such property has become worn out, unserviceable, undesirable or unnecessary for use in the conduct of its properties and that such disposition thereof will not impair the operating integrity of the properties, and stating also the consideration received from such sale or other disposition thereof and the use made of such consideration.

SECTION 3. So long as the city is not in default hereunder to the knowledge of the Trustee, the city may sell or otherwise dispose of any property mortgaged hereunder not exceeding in the period ending December 31, 1942, the sum of $200,000, in the two-year period ending December 31, 1944, the sum of $1,150,000 (of which any amount over $400,000 must represent the sale of electric distribution systems and transmission lines lying outside of Bexar County, Texas), and in any calendar year thereafter the sum of $200,000, all in aggregate sale price or fair value (whichever is greater), without deduction for any liens on such property, and obtain the release of, and the trustees shall release from the lien hereof, such property, but only upon the receipt by the

Trustee of a certificate signed by a majority of the Board of Trustees and by a licensed engineer stating in substance:

(1) The then fair value, in the opinion of the signers, of the property to be released, which property shall be described in such certificate in reasonable detail;

(2) That the aggregate sale price or fair value (whichever is greater) of such property, and of all property theretofore released by the trustees pursuant to the provisions hereof during the period in which the request for the release is made, does not exceed the amount hereinabove authorized to be realesed during such period, and, if such release is requested after the expiration of the third year from the date of this indenture, that all property released hereunder by the trustees from the date of this indenture to the date of the request of said additional release does not exceed ten per cent (10%) of the bonds of the issue secured hereby theretofore paid or otherwise retired; and

(3) That the city is not, to the knowledge of the signers, in default in the performance of any of the terms or covenants of this indenture or of the bonds secured hereby, and that such release will not be, in the opinion of the signers, prejudicial to the interest of the bondholders, and that the property to be released is not, in the opinion of the signers, necessary to the proper and economical operation of the electric and gas systems.

The money received from the sale of such released property shall be held by the Board of Trustees as a special fund for the purchase of additional property deemed by them necessary or advantageous to the system, and unless such money is used in such purchase of property within eighteen months of the time received, the same shall be used in the redemption prior to maturity of as many of the bonds as may be redeemed with such money in the manner provided in Section 7, Article V, above, for the redemption of bonds with surplus funds. All additional property purchased or acquired under the provisions of this section shall immediately upon such purchase or acquisition become subject to the lien of this indenture.

ARTICLE VIII.

DEFAULTS AND REMEDIES

SECTION 1. For the purpose of this indenture the following events are hereby defined as and are declared to be " events of default ":

(a) Default in the due and punctual payment of any interest on any of the bonds and the continuance thereof for a period of ninty (90) days after written notice thereof by the Trustee to each member of the Board of Commissioners of the city of San Antonio and to each member of the Board of Trustees, stating that payment has been demanded and default made.

(b) Default in the due and punctual payment of the principal of any of the bonds at maturity thereof and the continuance thereof for a period of ninety (90) days after written notice thereof by the Trustee to each member of the Board of Commissioners of the City of San Antonio and to each member of the Board of Trustees, stating that payment has been demanded and default made.

(c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the city and the Board of Trustees to be kept, observed and performed contained in this indenture or in the bonds , and continuation of such default for a period of nineth (90) days after written notice thereof by the Trustee to each member of the Board of Commissioners of the City of San Antonio and to each member of the Board of Trustees.

(d) The institution of bankruptcy proceedings, either voluntary or involuntary, under any state or federal statute, whereby the city's duty to carry out all of the covenants and agreements in this indenture contained might be in anywise affected.

Any notice herein provided to be given to a member of the Board of Commissioners and the City Clerk and to a member of or the Secretary of the Board of Trustees shall be deemed sufficiently given if sent by registered mail with postage prepaid to the person to be notified, addressed to him at the post office in the City of San Antonio. The Trustee may give any such notice in its discretion and shall give such notice if requested so to do by the holders of not less than twenty per cent (20%) in principal amount of the bonds at the time outstanding.

Wherever " bonds " are referred to in this article and in Article XI hereof, the term shall be understood to mean not only all outstanding bonds of the issue of $35,000,000 originally secured hereby, but also all outstanding refunding bonds which may be issued under the provisions of this indenture in such manner as to be entitled to the security of this indenture on an equality with the bonds of said original issue.

SECTION 2. Upon the happening of any event of default as defined in Section 1 of this article, the Trustee shall, but only upon the written request of the holders of not less than sixty per cent (60%) in principal amount of the bonds then outstanding hereunder, and upon being indemnified to its satisfaction, by notice in writing to the Secretary of the Board of Trustees and to the City Clerk to be sent as provided in Section 1 hereof, declare the principal of all bonds then outstanding hereunder to be due and payable immediately, and upon any such declaration the said principal shall become and be due and payable immediately, anything in this indenture or in the said bonds to the contrary notwithstanding. This provision, however, is subject to the condition that if at any time after the principal of said bonds shall have been declared due and payable and before any sale of the trust estate shall have been made, all arrears of interest upon all such bonds, with interest upon all past due installments of interest at the rate borne by the bonds, and all past due principal of the bonds, together with the reasonable charges and expenses of the trustees, their agents, attorneys and counsel, shall be paid by the city and after all other defaults which may have occurred shall have been remedied or cured to the satisfaction of the Trustee, then and in every such case, the holders of sixty per cent (60%) in principal amount of the bonds then outstanding may, by notice in writing given to the Trustee, and to the City Clerk and the Secretary of the Board of Trustees in the manner provided in Section 1 of this article, waive such default and its consequences, and rescind such declaration, but no such waiver or rescission shall extend to or affect any subsequent default or impair or exaust any right or power consequent thereon.

SECTION 3. Upon the happening of any event of default as defined in Section 1 of this article, the trustees or either of them, personally or by their attorneys or agents, may to the extent permitted by law enter into and upon and take possession of all the trust estate and each and every part thereof and exclude the city or its agents,servants and employees wholly therefrom, and have, hold, use, operate, manage and control the same and each and every part thereof, and in the name of the city or otherwise, as they shall deem best, conduct the business thereof and exercise the franchises pertaining thereto and all the rights and powers of the city and use all of the then existing property, materials, current supplies, stores, and other assets for that purpose, and at the expense of the trust estate from time to time maintain, restore, insure and keep insured, the properties, plants, equipment and apparatus provided or required for use in connection with such business, and likewise from time to time, at the expense of the trust estate, make all such necessary or proper repairs, renewals, and replacements and all such useful alterations, additions, betterments and improvements as to them may seem judicious, and collect and receive all tolls, earnings, income, rents, issues, profits and revenues of the same and of every part thereof, and after deducting therefrom the expenses of operation and all expenses incurred hereunder and all other proper outlays herein authorized, and all payments which may be made as just and reasonable compensation for their own services, and for the services of their

attoneys, agents, and assistants, the Trustee shall apply the rest and residue of the moneys received by the trustees or either of them as follows:

(a) In case the principal of none of the bonds shall have become due, to the payment of the interest in default, in order of the maturity of the installments of such interest, with interest on the overdue installments thereof at the same rates, respectively, as were borne by the bonds on which such interest shall be in default, such payments to be made ratably to the parties entitled thereto without discrimination or preference.

(b) In case the principal of any of the bonds shall have become due by declaration or otherwise, first to the payment of the interest in default, in the order of the maturity of the installments thereof, with interest on overdue installments thereof at the same rates, respectively, as were borne by the bonds on which such interest shall be in default, and next to the payment of the principal of all bonds then due, such payments to be made ratably to the parties entitled thereto without discrimination or preference.

In case all of such payments, and payment of whatever may be payable for any other purpose required by any provision of this indenture, shall have been made in full and no suit to foreclose or enforce this indenture shall have been begun or sale made as hereinafter provided, and upon compliance with all other provisions of this indenture as to which the city shall be in default, the trustees after making such provision as to them may seem advisable for the payment of the next maturing installment of interest to fall due upon the bonds, shall restore the possession of the trust estate (other than any cash at the time required to be held by the Trustee hereunder) to the city.

SECTION 4. Upon the happening of any event of default as defined in Section 1 of this article, if the principal of all of the bonds outstanding hereunder shall have been properly declared due and payable as provided in Section 2 of this article, and whether or not the remedies authorized by Section 3 of this article shall have been pursued in whole or in part, the trustees, or either of them, may cause this indenture to be foreclosed and the trust estate to be sold, and may proceed to protect and enforce the rights of the trustees and the bondholders hereunder in such manner as counsel for the trustees shall advise, whether for the specific performance of any covenant, condition, agreement or undertaking herein contained, or in aid of the execution of any power herein granted, or for the enforcement of such other appropriate legal or equitable remedies as may in the opinion of such counsel be more effectual to protect and enforce the rights aforesaid. The Trustee shall take any such action or actions if requested so to do by the holders of at least sixty per cent (60%) in principal amount of the bonds then outstanding hereunder.

SECTION 5. Upon the happening of any event of default as defined in Section 1 of this article, and if the principal of all of the outstanding bonds shall have been declared due and payable as provided in Section 2 of this article, then and in every such case, and whether or not the remedies authorized by Section 3 of this article shall have been pursued in whole or in part, the trustees, or either of them, shall, but only upon the written request of the holders of not less than sixty per cent (60%) in principal amount of the bonds then outstanding hereunder, with or without entry, sell to the highest bidder the trust estate and all right, title, interest, claim and demand thereto and the right or redemption thereof, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may fix and specify and as may be required by law. In case of such sale of any of the property subject to this indenture, notice of such sale shall first be given by publication in at least one daily newspaper published in the city in which the sale is to be made, at least once a week for four successive weeks next preceding such sale, and by like publication in at least one daily newspaper published in the City of New York, New York, and by the giving of any other notices which may be required by law, and upon such sale the trustees may make and deliver to the purchaser or purchasers a good and suffic-

ient deed or deeds for the same, which sale shall be a perpetual bar both at law and in equity against the city and all persons and corporations lawfully claiming or to claim by, through or under it. No purchaser at any such sale shall be bound to see to the application of the purchase money or to inquire as to the authorization, necessity, expediency or regularity of any such sale. Nevertheless, the city if so requested by the Trustee, shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or in the judgement of the Trustee proper for the purposes which may be designated in such request.

Such notice of sale shall state that the city has granted to the purchaser of the mortgaged property a franchise for the operation thereof for a period of twenty years dating from such purchase.

SECTION 6. In the event of any sale, whether made under the power of sale hereby granted and conferred or under or by virtue of judicial proceedings or of a judgement or decree of foreclosure and sale, the whole of the trust estate shall be sold in one lot and as an entirety, unless such sale as an entirety is impossible or impracticable by reason of some statute or otherwise.

SECTION 7. The trustees may from time to time adjourn any sale to be made by them hereunder by announcement at the time and place of such adjourned sale, and without further notice or publication except as otherwise required by law may make such sale at the time and place to which the same may be so adjourned.

SECTION 8. In case an event of default as defined in Section 1 of this article occurs, and if all of the bonds outstanding hereunder shall have been declared due and payable as provided in Section 2 hereof, and in case a bill in equity shall be filed or any other judicial proceeding commenced to enforce any right of the trustees or of the bondholders under this indenture or otherwise, then as a matter of right, the Trustee shall be entitled to the appointment of a receiver of the trust estate and of the earnings, income or revenues, rents, issues and profits thereof with such powers as the court making such appointment may confer.

SECTION 9. In case the trustees or either of them shall have proceeded to enforce any rights under this indenture by foreclosure, sale, or otherwise, and such proceedings shall have been discontinued or appealed, or shall have been determined adversely to the trustees, then and in every such case, the city and the trustees shall be restored to their former respective positions and rights hereunder in respect of the trust estate, and all rights, remedies and powers of the trustees and the bondholders shall continue as though no such proceedings had been taken.

SECTION 10. In case of any such sale of the trust estate, any bondholder or bondholders or committee of bondholders, or either trustee, may bid for and purchase such property and upon compliance with the terms of sale may hold, retain possession and dispose of such property as the absolute right of the purchaser or purchasers without further accountability and shall be entitled, for the purposes of making settlement or payment for the property purchased, to use and apply any bonds hereby secured and any interest thereon due and unpaid, whether or not such interest be evidenced by coupons, by presenting such bonds and coupons in order that there may be credited thereon the sum apportionable and applicable thereto out of the net proceeds of such sale, and thereupon such purchaser or purchasers shall be credited on account of such purchase price payable by him or them with the sum apportionable and applicable out of net proceeds to the payment of or as credit on the bonds and coupons so presented.

SECTION 11. The proceeds of any judicial or other sale of the trust estate, together with any funds at the time held by the Trustee and not otherwise appropriated, shall be applied by the Trustee as follows.

First: To the payment of the costs, expenses, fees and other charges of such sale and a reasonable compensation to the trustees, their agents and attorneys, and to the discharge of all expenses and liabilities incurred and advances or disbursements made by the trustees hereunder.

Second: Any surplus then remaining to the payment of the whole amount then due or unpaid upon the bonds issued hereunder and then outstanding for principal and interest, with interest on overdue principal and overdue installments of interest at the same rates, respectively, as were borne by the bonds whereof the principal or installments of interest may be overdue, and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid, then to the payment of such principal and interest ratably according to the aggregate amount due on all bonds then outstanding without preference or priority of principal over interest or of interest over principal.

Third: Any surplus then remaining to the city or whomsoever shall be lawfully entitled thereto.

SECTION 12. In case of a sale under any of the foregoing provisions of this article, whether made under the power of sale herein granted, or under or by virtue of judicial proceedings, the principal of all bonds issued hereunder and then outstanding, if not previously due, shall immediately thereupon become due and payable, anything in said bonds or in this indenture to the contrary notwithstanding.

SECTION 13. The remedies herein conferred upon or reserved to the trustees or to the holders of bonds hereby secured are not intended to be exclusive of any other remedy, but each remedy herein provided shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, and every power and remedy hereby given to the trustees or to the holders of bonds issued hereunder may be exercised from time to time as often as may be deemed expedient. No delay or omission of the trustees or of any holder of bonds issued hereunder to exercise any power or right arising from any default hereunder shall impair any such right or power (unless the exercise of such right or power shall become barred by law) or shall be construed to be a waiver of any such default or to be acquiescence therein.

SECTION 14. Anything in this indenture contained notwithstanding, the holders of sixty per cent (60%) in principal amount of the bonds hereby secured and then outstanding, shall have the right by an instrument or instruments in writing delivered to the Trustee to direct and control the trustees as to the method of taking any and all proceedings for any sale or any or all of the trust estate, or for the foreclosure of this indenture, or for the appointment of a receiver, and may at any time cause any proceedings authorized by the terms hereof to be so taken or to be discontinued or delayed, provided however, that such holders shall not be entitled to cause the Trustee to take any proceedings which in its opinion would be unjustly prejudicial to non-assenting bondholders.

SECTION 15. No holder of any bond or coupon issued hereunder shall have any right as such holder to institute any suit, action or proceeding for the foreclosure of this indenture or for the execution of any trust hereunder or for the appointment of a receiver or for any other remedy hereunder, all rights of action hereunder being vested exclusively in the trustees, unless and until such holder shall have previously given to the Trustee written notice of a default hereunder and of the continuance thereof, and also unless the holders of the requisite principal amount of the bonds then outstanding shall have made written request upon the Trustee and shall have afforded it a reasonable oportunity to institute such action, suit or proceeding in its own name, and unless the trustees shall have been offered reasonable indemnity satisfactory to them against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for thirty (30) days after receipt of such notification, request or offer of indemnity shall have failed to institute any such action, suit or proceeding, it being understood and intended

that no one or more holders of the bonds shall have the right in any manner whatever by his or their action to affect, disturb or prejudice the lien of this indenture or to enforce any right hereunder except in the manner herein provided and for the equal benefit of all holders of such outstanding bonds.

SECTION 16. In any suit or action by the trustees, or either of them, arising under this indenture or on all or any of the bonds or coupons issued hereunder, the Trustee or trustees shall not be required to produce such bonds or coupons, but shall be entitled in all things to maintain any such suit or action without their production.

SECTION 17. If any covenant, agreement, waiver or part thereof in this article or elsewhere in this indenture contained be forbidden by any pertinent law, or under any pertinent law be effective to render this indenture invalid or unenforceable or to impair the lien hereof, then each such covenant, agreement, waiver or part thereof shall itself be and is hereby declared to be wholly ineffective and this indenture shall be construed as if the same were not included herein.

ARTICLE IX.

THE TRUSTEES

SECTION 1. The trustees accept the trust herein created, but only upon the terms and conditions set forth in this Article IX.

SECTION 2. The recitals of fact herein and in said bonds contained shall be taken as the statements of the city and the trustees assume no responsibility for the correctness of the same. The trustees make no representations as to the value of the mortgaged and pledges property or any part thereof, or as to the title of the city thereto, or as to the security afforded thereby and hereby, or as to the validity of this indenture or of the bonds or coupons issued hereunder, and the trustees shall incur no responsibility in respect to such matters.

SECTION 3. The trustees shall be under no duty to file or record or cause to (?) filed or recorded this indenture or any instrument supplemental thereto as a mortgage, conveyance or transfer of real or personal property or otherwise, or to re-file or re-record or renew the same, or to procure any further, other or additional instruments of further assurance, or to see to the delivery to them of any personal property intended to be mortgaged or pledged hereunder, or to do any act which may be suitable to be done for the better maintenance or continuance of the lien or security hereof, or for giving notice of the existence of such lien, or for extending or supplementing the same or to see that any property intended now or hereafter to be conveyed in trust hereunder is subjected to the lien hereof. The trustees shall not be liable for failure of the Board of Trustees to insure or renew insurance or for responsibilities of insurers, or for the amount of insurance carried by the Board of Trustees on any part of the trust estate, or for the failure of the city to pay any tax or taxes in respect of the mortgaged and pledged property, or any part thereof, or the income therefrom or otherwise, nor shall the trustees be under any duty in respect of any tax which may be assessed against them or the owners of the bonds in respect of the mortgaged and pledged property.

SECTION 4. The trustees may execute any of the trusts or powers hereof and perform any duty hereunder, either themselves or by or through their attorneys, agents, or employees, and they shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys, agents or employees, if reasonable care has been exercised in the appointment and retention thereof, nor shall the trustees be otherwise answerable or accountable under any circumstances whatsoever, except for their own gross negligence or bad faith.

SECTION 5. The trustees shall be under no obligation or duty to perform any act hereunder or to institute or defend any suit in respect hereof, unless properly indemnified to their satisfaction. The trustees shall not be required to take notice, or be deemed to have knowledge,

of any default of the city or the Board of Trustees hereunder and may conclusively assume that there has been no such default unless and until they shall have been specifically notified in writing of such default by the holders of the percentages in principal amount of the bonds then outstanding hereinabove specified.

SECTION 6. Neither of the trustees shall be bound to recognize any person as the holder of a bond unless and until his bond is submitted to such trustee for inspection, if required, and his title thereto satisfactorily established, if disputed, or unless his bond is registered.

SECTION 7. The trustees shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, appraisal, opinion, bond, or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties. The trustees may consult with counsel (who may be of counsel for the city or for a bondholder), and with other experts, and the opinion of such counsel or other experts shall be full and complete authorization and protection in respect of any action taken or suffered and in respect of any determination made by them hereunder in good faith and in accordance with the opinion of such counsel.

SECTION 8. The Trustee shall not be obligated or liable to allow to the city interest on any moneys received by it hereunder, except that the Trustee shall pay the Board of Trustees interest on money in the Reserve Account at the rate or rates it is currently paying its depositors on checking account balances of similar amounts, if interest on balances is then being so paid.

SECTION 9. The Board of Trustees shall pay to the trustees from time to time a reasonable compensation for all services rendered by them hereunder, and also all their reasonable expenses, charges and other disbursements and those of their attorneys, agents, and employees, incurred in and about the administration and execution of the trusts hereby created. All payments so made to the trustees by way of compensation, expenses, charges and other disbursements shall be regarded as a maintenance and operation expense and paid from the Revenue Fund accordingly. In default of such payments by the city or the Board of Trustees, and as security for such payment, the trustees shall have a lien therefor on the trust estate and the proceeds thereof prior to any rights of the holders of the bonds and coupons.

SECTION 10. Any trustee hereunder may become the owner of bonds and coupons with the same rights he or it would have if not a trustee. The Trustee may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity in respect of any committee formed to protect the rights of the holders of bonds or to effect or aid in any reorganization growing out of the enforcement of the said bonds or of this indenture, whether or not any such committee shall represent the holders of more than fifty per cent (50%) in principal amount of the bonds.

SECTION 11. The Trustee and any successor to the Trustee may resign and be discharged from the trust created by this indenture by giving to the City Clerk and to the Secretary of the Board of Trustees notice in writing and by giving the bondholders notice through publication thereof at least once a week for three successive calendar weeks, the first publication to be not less than thirty and not more than sixty days prior to the effective date of such resignation, in one newspaper published and having general circulation in the City of San Antonio and in a financial newspaper or journal published in the City of New York, New York. Each of such notices shall specify the date on which such resignation is to take effect. Such resignation shall take effect on the day specified in such notice, unless previously a successor trustee shall have been appointed, either by the bondholders or by the city as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Trustee. The Individual Trustee and any successor to the Individual Trustee may resign at any time and be

discharged from the trusts created by this indenture by giving the City Clerk, the Secretary of the Board of Trustees and the Trustee notice in writing of such resignation, specifying a date when such resignation shall take effect, which shall be at least thirty days after the giving of such notice.

SECTION 12. Either of the trustees or any successor trustee may be removed at any time by the holders of a majority in principal amount of the bonds secured hereby and at the time outstanding, upon payment to the trustee so removed of all moneys then due to it or him hereunder, by an instrument or concurrent instruments in writing in duplicate by such holders. One copy shall be filed with the Secretary of the Board of Trustees and the other with the trustee so removed.

The Individual Trustee and any successor to the Individual Trustee may be removed at any time upon payment to him of all moneys then due to him hereunder by an instrument in writing signed in duplicate by the Trustee, one copy of which shall be filed with Secretary of the Board of Trustees and the other delivered to the Individual Trustee so removed.

SECTION 13. In case at any time either of the trustees or any successor trustee shall resign, die, be dissolved, or be removed, or otherwise shall become disqualified to act or incapable of acting, or in case control of the Trustee or of any successor Trustee or of its officers shall be taken over by any public officer or officers, a successor trustee may be appointed by the holders of a majority in principal amount of the bonds secured hereby and at the time outstanding, by an instrument or concurrent insruments in writing signed and duly acknowledged by such bondholders or by their attorneys-in-fact duly authorized, and filed, one copy with the retiring trustee, and the other with the successor trustee, notification thereof being given to the Secretary of the Board of Trustees by such successor trustee; but until a successor trustee shall be so appointed by the bondholders as herein authorized the Board of Trustees by an instrument in writing duly authorized by resolution shall in such case appoint a successor to the Trustee and the Trustee shall by an instrument in writing in any such case appoint a successor to the Individual Trustee. In the case of any such appointment by the Board of Trustees of a successor to the Trustee, the board shall forthwith cause notice to be published once in each week for two consecutive calendar weeks in one newspaper published and having general circulation in the City of San Antonio and in one financial newspaper or journal published in the City of New York, New York. Every such successor Trustee so appointed by the bondholders, by a court of competent jurisdiction, or by the Board of Trustees shall be a bank or trust company in good standing, organized and doing business under the laws of the United States or of any state, and having its principal office in the Borough of Manhattan, the City of New York, New York, or in the City of Chicago, Illinois, and having a combined capital and surplus of not less than $5,000,000, which is authorized under the laws of the jurisdiction of incorporation to exercise corporate trust powers and is subject to supervision or examination by a Federal or State authority. Every successor trustee appointed by the bondholders or by the Trustee in succession to the Individual Trustee, shall always be an individual, a citizen of the United States of America, unless otherwise required by law.

If in a proper case no appointment of a successor Trustee or of a successor Individual Trustee shall be made pursuant to the foregoing provisions of this article within six months after a vacancy shall have occured in the office of trustee, the holder of any bond or the retiring Trustee or Individual Trustee may apply to any court of competent jurisdiction to appoint a successor trustee. Said court may thereupon after such notice, if any, as such court may deed proper and prescribe, appoint a successor Trustee or Individual Trustee as the case may be.

SECTION 14. Any successor trustee appointed hereunder shall execute, acknowledge and de-

liver to its or his predecessor trustee, and also to the city, an instrument accepting such appointment hereunder, and thereupon such successor trustee, without further act, deed or conveyance shall become fully vested with all the estate, properties, rights, powers, trusts, duties and obligations of its or his predecessor in trust hereunder, with like effect as if originally named as trustee herein; but the trustee ceasing to act, shall nevertheless, on the written request of the city, or of the successor trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor trustee all the right, title and interest of the trustee which it or he suceeds, in and to the mortgaged and pledged property and such rights, powers, trusts, duties and obligations, and the trustee ceasing to act shall also, upon like request, pay over, assign and deliver to the successor trustee any money or other property subject to the lien of this indenture, including any pledged securities which may then be in its possession. Should any deed, conveyance or instrument in writing from the city be required by the new trustee for more fully and certainly vesting in and confirming to such new trustee such estate, properties, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the city.

In case any of the bonds to be issued hereunder shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of the Trustee or of any successor to the Trustee; and in case any of the bonds shall not have been authenticated any successor to the Trustee may authenticate such bonds in its own name; and in all such cases such certificate shall have the full force which it is anywhere in the bonds or in this indenture provided that the certificate of the Trustee shall have.

SECTION 15. Any notice, request or other instrument required by this indenture to be served on the city or sent to the city shall, unless otherwise expressly provided, be considered to have been sufficiently given when sent by registered mail to the Secretary of the Board of Trustees addressed to the office of said board in the City of San Antonio and to the City Clerk addressed to the City Hall in the City of San Antonio. Any notice, request or other writing by or in behalf of the city or any of the bondholders delivered solely to the Trustee shall be deemed to have been delivered to both of the trustees hereunder as effectually as if delivered to each of them.

SECTION 16. All the estate, right, title and interest in and to the trust estate by this indenture conveyed or assigned or transferred to the trustees is conveyed, assigned and transfered to them as joint tenants and not as tenants in common.

SECTION 17. The Trustee shall authenticate and turn over to the city official then performing the duties of City Treasurer for delivery, bonds in an aggregate principal amount not to exceed $35,000,000 when and as directed to do so upon written order of the city signed by its Mayor and its Clerk, which order shall specify the official to whom the bonds are to be so delivered.

SECTION 18. The Secretary of the Board of Trustees shall file with the Trustee annually a certificate showing the names of the then members of the Board of Commissioners of the City of San Antonio and the then members of the Board of Trustees and the names of the City Clerk and of the Secretary of the Board of Trustees. The Trustee shall be entitled for all purposes of this indenture to assume that the persons whose names appear on the latest list filed with it continue to hold their offices until it is notified to the contrary by the Secretary of the Board of Trustees.

SECTION 19. The trustees shall not be accountable or responsible in any manner whatsoever for any action of the Board of Trustees, or of the depositary of funds of such Board of Trustees

or for application of revenues from the trust estate by the Board of Trustees, and shall have no duty to make any inquiry into disposition of the Revenue Fund.

SECTION 20. All cash collected by, or payable to, the trustees or either of them shall be paid to, and deposited with, and all bonds and other obligations or securities shall be held by the Trustee, except as otherwise required by law. Any moneys at any time coming into the hands of the Individual Trustee shall be at once paid over to the Trustee.

Whenever any moneys, bonds, or other obligations or securities are, under any provision of this indenture, paid or delivered to, or deposited with, the Trustee, title to the same shall be deemed to be vested in both trustees hereunder, but nothing in this section contained shall be deemed to affect or inpair any power or right conferred by any provision of this indenture upon the Trustee to apply, disburse or otherwise act or deal with respect to amy moneys, bonds or other obligations or securities received or held by it as aforesaid.

Any request in writing by the Trustee to the Individual Trustee shall be a sufficient warrant for the Individual Trustee to take such action as may be requested.

The Individual Trustee or any successor, so far as permitted by law, may delegate to the Trustee or any successor the right to exercise any and all power, discretionary or otherwise, conferred by any of the provisions of this Indenture.

Said Harold Eckhart has been joined as Individual Trustee in order to comply with any legal requirements respecting trustees under deeds of trust to property in the State of Texas, and shall as such trustee possess such powers, and such powers only, as may be necessary to comply with such requirements. In the event of the incapacity or lack of authority of the Trustee by reason of any present or future law of the State of Texas to exercise any of the powers, rights or remedies herein granted to the Trustee, or to hold title to the mortgaged property in trust as herein granted, or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, right, title, interest, and lien expressed or intended by this indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto, shall be exercisable by and vest in the Individual Trustee to the extent necessary to enable the Individual Trustee to exercise such powers, rights, and remedies, and every conveyance and obligation necessary to the exercise thereof by the Individual Trustee shall run to and be enforceable by the Individual Trustee and the Individual Trustee shall take such action in respect thereof as may be directed in writing by the Trustee. Any such direction in writing by the Trustee shall be full protection to the Individual Trustee for any action taken by him pursuant thereto, and shall be competent evidence, and the only necessary evidence of the necessity for the taking of such action by the Individual Trustee. Except to the extent that, under any law of the State of Texas, the Trustee shall be incompetent or unqualified to perform any particular act or acts, the rights, powers, duties, and obligations conferred or imposed upon the trustees or either of them, shall be conferred or imposed upon and exercised or performed by the Trustee.

In the event that it may be necessary for the Trustee to enforce any of the provisions of this indenture in the State of Texas or in any other state, by court proceedings or in any other manner, the Trustee may, in writing, authorize the Individual Trustee in his name as trustee to take such action or institute such proceedings as may be appropriate under the provisions of the indenture, without joining the Trustee as a party thereto, and in such event the Individual Trustee shall be vested with all the rights, powers, and duties of the Trustee hereunder, and may enforce the same in his name as Individual Trustee in the manner provided in the indenture without joinder of the Trustee in any action or proceeding so taken.

Any and all rights, powers or duties by any provisions of this indenture conferred or imposed upon the trustees may be exercised and performed by the Trustee alone without reference

to the Individual Trustee in so far as permitted by law, and the Individual Trustee hereby irrevocably constitutes and appoints the Trustee his true and lawful attorney-in-fact with full power and authority, in so far as permitted by law, either in the name and on behalf of the Individual Trustee alone, or of the trustees jointly, to exercise any and all rights or powers conferred upon the Individual Trustee alone, or upon the trustees jointly, by any of the provisions of this indenture, but subject to the duties hereby imposed upon the Individual Trustee, with full power of substitution and revocation, hereby ratifying and confirming all and singular the act and things lawfully done by the Trustee or any substitute by virtue of this power of attorney. Any and all rights, powers or duties by any provisions of this indenture conferred or imposed upon the trustees or the Trustee which may not be exercised and performed by the Trustee alone, or by the Individual Trustee and the Trustee jointly, may and shall be exercised and performed by the Individual Trustee without reference to the Trustee, in so far as permitted by law.

ARTICLE X.

FRANCHISE

SECTION 1. In the event that any sale of the trust estate shall be made under any of the provisions of this indenture for the enforcement of the lien of this indenture, the City of San Antonio hereby grants to the purchaser or purchasers of such sale a franchise to operate the property so purchased for a term of twenty years dating from such purchase, subject to all laws regulating same then in force. The properties so purchased, in the event they are operated by the purchaser pursuant to such franchise, shall be operated, conducted and maintained to such manner as to be a benefit to the City of San Antonio and its inhabitants, and such purchaser shall be pledged to render efficient public service.

ARTICLE XI.

MODIFICATION OF THIS INDENTURE

SECTION 1. The holders of seventy-five per cent (75%) in principal amount of the bonds at any time outstanding (not including in any case any bonds which may then be held or owned by or for the account of the city, but including such refunding bonds as are specified in Section 1 of Article VIII hereof and are not owned by the city) shall have the right from time to time to consent to and approve the extention by the city and the trustees of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the city for the purpose of modifying or amending any of the terms or provisions contained in this indenture or in any indenture or indentures supplemental thereto or contained in the ordinance authorizing the bonds secured by this indenture, provided however, that nothing herein contained shall permit or be construed as permitting the modification or amendment of the terms and conditions contained in this indenture or in said ordinance or in the bonds so as to:

(a) Make any change in the maturity of the bonds.

(b) Reduce the rate of interest borne by any of the bonds.

(c) Reduce the amount of the principal or premium, if any, payable on the bonds.

(d) Modify the terms of payment of principal or of interest or premium upon the bonds or any of them or impose any conditions with respect to such payment.

(e) Affect the rights of the holders of less than all of the bonds then outstanding.

If at any time the city shall request the trustees to enter into such supplemental indenture, the trustees, unless they shall deem that such proposed supplemental indenture shall contain provisions which affect their rights or obligations and to which they are unwilling to assent, shall, at the expense of the Board of Trustees, cause notice of the proposed execution of such supplemental indenture to be published in a financial newspaper or journal published in the City of New York, New York, and in a newspaper of general circulation published in the City of

San Antonio, once during each calendar week for at least four successive calendar weeks, and on or before the date of the first publication of such notice, the Trustee shall also mail a copy thereof to each registered owner of bonds at his address appearing on the Trustee's registry books, but failure to mail such notice or any defect therein shall not affect the validity of the proceedings for obtaining consents to the execution and delivery of such supplemental indenture. Such notice shall briefly set forth the nature of such proposed supplemental indenture and shall state that a copy thereof is on file at the principal office of the Trustee for inspection by all holders of bonds.

Whenever at any time within one year from the date of the first publication of said notice, the city shall deliver to the Trustee an instrument or instruments executed by the holders of at least seventy-five percent (75%) in aggregate principal amount of the bonds then outstanding as in this section defined, which instrument or instruments shall refer to the proposed supplemental indenture described in said notice and shall specifically consent and approve the execution thereof in substantially the form of the copy thereof on file with the Trustee, thereupon, but not otherwise, the trustees shall execute the said supplemental indenture in substantially the said form without liability or responsibility to any holder of any bond, whether or not such holder shall have consented thereto.

If the holders of at least seventy-five per cent (75%) in aggregate principal amount of the bonds outstanding as in this section defined at the time of execution of any such supplemental indenture, or the predecessors in title of such holders, shall have consented to and approved the execution thereof as herein provided, no holder of any bond, whether or not such holder shall have consented to or shall have revoked any consent as in this section provided, shall have any right or interest to object to the execution of such supplemental indenture or to object to any of the terms or provisions therein contained, or to the operation thereof, or to enjoin or restrain the trustees or the city from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any supplemental indenture pursuant to the provisions of this section, this indenture and the ordinance authorizing the bonds shall be and be deemed to be modified and amended in accordance with such supplemental indenture, and the respective rights, duties and obligations under this indenture of the city, the trustees and all the holders of outstanding bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Any consent given by the holder of a bond pursuant to the provisions of this section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this section, and shall be conclusive and binding upon all future holders of the same bond during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the holder who gave such consent, or by a successor in title, by filing notice with the trustees in form satisfactory to them of such revocation of consent, but such revocation shall not be effective if the holders of seventy-five per cent (75%) aggregate principal amount of the bonds outstanding as in this section defined have, prior to the attempted revocation, consented to and approved the supplemental indenture referred to in such revocation. For the purposes of this section, ownership of bonds shall be established in the manner provided in Section 1 of Article XII of this indenture.

Any supplemental indenture executed in accordance with the provisions of this article shall thereafter form a part of this indenture and all the terms and conditions in any such supplemental indenture as to any provision authorized to be contained therein shall be and be deemed to be part of the terms and conditions of this indenture for any and all purposes.

ARTICLE XII.

MISCELLANEOUS.

SECTION 1. Any notice, request or other instrument required by this indenture to be signed or executed by bondholders may be executed by the execution of any number of concurren instruments of similar tenor, and may be signed or executed by such bondholders in person or by agent appointed in writing. As a condition for acting thereunder the trustees may demand proof of the execution of any such instrument and of the fact that any person claiming to be the owner of any of said bonds is such owner and may further require the actual deposit of such bond or bonds with the Trustee. The fact and date of the execution of such instrument may be proven by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgements of deeds within such jurisdiction, that the person signing such instrument acknowledged before him the execution thereof, or may be proven by any affidavit of a witness to such execution sworn to before such officer.

The amount of bonds transferable by delivery held by any person executing such instrument as a bondholder and the fact,amount and numbers of the bonds held by such person and the date of his holding the same may be proven by a certificate executed by any responsible trust company, bank, bankers, or other depositary in a form approved by the Trustee, showing that at the date therein mentioned such person had on deposit with such depositary the bonds described in such certificate; provided, however, that at all times the Trustee may require the actual deposit of such bond or bonds with the Trustee.

SECTION 2. The covenants, agreements, conditions, promises and undertakings in this indenture shall extend to and be binding upon the successors and assigns of the city and all of the covenants hereof shall bind such successors and assigns, and each of them, jointly and severally. All the covenants, conditions and provisions hereof shall be held to be for the sole and exclusive benefit of the parties hereto and their successors and assigns and of the holders from time to time of said bonds and coupons.

No transfer of the trust estate, or any part thereof, by the city and no extension of the time of payment of any of said bonds or coupons after such transfer shall operate to release or discharge the city, it being agreed that the liability of the city shall continue as principal until all of said bonds and coupons are paid in full, notwithstanding any transfer of said property or subsequent extension of time to the then owner, or other act which might serve as a legal or equitable discharge of a surety.

SECTION 3. This indenture shall operate effectually as a lien on all property conveyed, mortgaged or pledged hereby, whether real, personal or mixed. Failure to file said instrument in the office of the County Clerk of any county in which part of the trust estate is situated shall in nowise invalidate such lien, but this instrument may be filed and recorded in the records of each county in which part of the trust estate is situated in the manner in which a deed of trust on real estate is filed and recorded, and it may also be recorded in the office of the County Clerk of each such county and may remain in his office on file as a chattel mortgage covering the personal property encumbered hereby. The city covenants and agrees that this indemture will be so filed as a deed of trust and as a chattel mortgage in every county in which any part of the trust estate is situated.

SECTION 4. If the lien of this indenture shall be or shall ever become ineffectual, invalid or unenforceable against any property hereby mortgaged or pledged because of want of power or title in the city, the inclusion of any such property described herein shall not in amy way effect or invalidate the mortgage or lien hereof against such property as the city had the right to mortgage or pledge.

SECTION 5. No holder of bonds issued under this indenture nor of any coupons representing

interest on such bonds shall ever have the right to demand payment of such bonds or coupons out of funds raised or to be raised by taxation.

SECTION 6. Any request or consent of the holder of any bonds secured hereby given for any of the purposes of this indenture shall bind all future holders of the same bond or any bonds issued in exchange therefor or in substitution thereof in respect of anything done or suffered by the city or the trustees in pursuance of such request or consent.

SECTION 7. Although this indenture for convenience and for the purpose of reference is dated as of August 1, 1942, the actual dates of execution by the city and by the trustees are as indicated by their respective acknowledgements hereto annexed.

SECTION 8. If deemed necessary or expedient by the city and the purchasers of the bonds secured hereby, interim certificates in such form as may be mutually satisfactory to the city and to such purchasers may be issued in anticipation of the bonds, and until such interim certificates are surrendered in exchange for the definitive bonds they shall be secured in every respect as the definitive bonds are secured by the provisions of this indenture and the holders of such interim certificates shall be entitled to all rights and privileges herein provided for the holders of the definitive bonds.

SECTION 9. To the extent permitted by laws presently existing or hereafter enacted, the Board of Trustees shall be considered authorized to make such provision for a Pension Fund for its employees as it may in its discretion determine, and if so determined, may continue in existence the Pension Fund which has heretofore been established by San Antonio Public Service Company for its employees.

ARTICLE XIII.

DEFEASANCE

SECTION 1. When all of the bonds and coupons hereby secured shall have been paid or redeemed, or, all of the bonds having become due by reason of maturity or proper call for redemption, the city shall have provided for such payment or redemption by depositing in cash with the Trustee the amount necessary for such payment or redemption and shall also have paid, or caused to be paid, all sums accrued and payable hereunder by the city, then and in that case the city shall be entitled to have all of the trust estate revert to it and to have the estate, right, title and interest of the trustees in respect thereof cease, determine and become void. Then, if the city shall so request in writing, the trustees upon the cancellation of all bonds and coupons for the payment of which money shall not have been deposited in accordance with the provisions of this indenture, shall at the cost and expense of the city execute and deliver to the city proper instruments acknowledging satisfaction of this indenture. Money deposited for the payment of bonds and coupons under the provisions hereof shall be held by the Trustee as a special trust fund for the account of the holder or holders of such bonds and coupons and so far as necessary for such purposes shall be applied to the payment of such bonds and coupons upon presentation and surrender thereof.

IN WITNESS WHEREOF the City of San Antonio, Texas, acting through and being duly authorized thereunto by its governing body, the Commissioners of the City of San Antonio, has caused this indenture if four originals to be signed in its name by C. K. Quin, its Mayor, and its corporate seal to be hereunto affixed, and to be attested by J. M. Woods, its City Clerk, and said Harris Trust and Savings Bank, to evidence its acceptance of the trusts hereby created, has caused its corporate name and seal to be hereunto affixed and this indenture to be signed by Donald C. Miller, its Vice President, and to be countersigned and said seal to be attested by G. A. Glow, its Assistant Secretary, andsaid Harold Eckhart, to evidence his acceptance of the trust hereby created and in him reposed, has hereunto subscribed his name and affixed his seal, all as of the day and year first above written.

CITY OF SAN ANTONIO, TEXAS

By C. K. Quin

Mayor

Attest:

J. M. Woods

City Clerk

(SEAL)

Witnesses as to City of San Antonio:

E. J. Allison

Mrs. Kathryn Robbins

HARRIS TRUST AND SAVINGS BANK

By Donald C. Miller

Its Vice President

Attest:

G. A. Glow

Its Assistant Secretary

Harold Eckhart (SEAL)

Witnesses as to Harris Trust and Savings Bank and Harold Eckhart:

H. O. Palm

G. H. Askew

STATE OF TEXAS)
) SS
COUNTY OF BEXAR)

Before me, the undersigned authority in and for Bexar County, Texas, on this day personally appeared C. K. Quin, Mayor, and J. M. Woods, City Clerk, respectively, of the City of San Antonio, Texas, known to me to be the persons whose names are subscribed to the foregoing instrument and known to me to be, respectively, the Mayor and City Clerk of the City of San Antonio, a municipal corporation, and each acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity thereinstated as the act and deed of said City of San Antonio, Texas.

GIVEN under my hand and seal of office this 9th day of October, 1942.

E. J. Allison

Notary Public in and for Bexar County, Texas.

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

Before me, the undersigned authority in and for Cook County, Illinois, on this day personally appeared Donald C. Miller, Vice President, and G. A. Glow, Assistant Secretary, respectively, of Harris Trust and Savings Bank, known to me to be the persons whose names are subscribed to the foregoing instrument and known to me to be, respectively, the Vice President and Assistant Secretary of Harris Trust and Savings Bank, a corporation, and each acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated as the act and deed of said Harris Trust and Savings Bank.

GIVEN under my hand and seal of office this 13th day of October, 1942.

Grant M. Dryer

Notary Public in and for Cook County, Illinois.
My Commission Expires March 19, 1943.

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

Before me, the undersigned authority in and for Cook County, Illinois, on this day personally appeared Harold Eckhart, known to me to be the identical person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act for the purposes and consideration therein expressed and set forth.

GIVEN under my hand and seal of office this 13th day of October, 1942.

Grant M. Dryer

Notary Public in and for Cook County, Illinois.

(SEAL) My Commission Expires March 19, 1943

SECTION 12. That in the event of judicial sale or other sale of the properties encumbered by the indenture which is set out in the preceeding section hereof in order to enforce the payment of the bonds secured thereby, the City of San Antonio herein and hereby grants to the purchaser or purchasers at any such sale which may be so held under the provisions of such indenture the exclusive right, privilege and franchise to operate the properties and facilities so purchased for a term of twenty years dating from such purchase, subject to all laws regulating same then in force, as is provided in Article 1111, Texas Revised Civil Statutes of 1925, as amended, it being the intent hereof to grant a franchise which shall become operative and effective only in the event that said mortgaged properties are sold under the provisions of said indenture.

In addition to the consideration expressed in said indenture and which is the basis for this franchise, the grantee of such franchise shall pay annually to the City of San Antonio the sum of Five Dollars ($5.00) for each year such franchise shall be operative.

If the grantee during the life of this franchise shall fail to furnish efficient public service or to maintain the properties in good order, such failure or refusal shall subject the franchise and all rights thereunder to forfeiture at the suit of the city upon judicial ascertainment of such facts, provided the city shall give the grantee sixty days notice of the intention to institute such proceedings.

When this franchise becomes effective by reason of sale as hereinabove provided, if the grantee desires to accept and operate under this franchise it shall file a written acceptance thereof with the City Clerk of the City of San Antonio.

SECTION 13. That the procedural details to be followed in the acquisition of the system and the issuance of the bonds, to the extent that further and more specific provision for such procedural details may prove to be needed, shall be prescribed and provided for by ordinance or ordinances or resolution or resolutions to be hereafter adopted by the Commissioners of the City of San Antonio, and in that connection, it is hereby expressly provided that such ordinances or resolutions may, if considered necessary or desirable by the Commissioners, provide that the proceeds of the bonds herein authorized may be utilized in such manner not inconsistent with the provisions of this ordinance as is necessary to the accomplishment of the purposes of this ordinance, provided always that the properties to which title is acquired by the city by virtue

of the proceeds of the sale of the bonds herein authorized shall be the property hereinabove described for the acquisition of which the bonds are herein authorized.

SECTION 14. That all ordinances, resolutions and orders or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

SECTION 15. That if any section, provision or part hereof shall be held to be invalid or ineffective for any reason, the remainder hereof shall nevertheless remain in full force and effect.

SECTION 16. That by reason of the fact that the properties herein authorized to be acquired by the City of San Antonio can be acquired only within a limited period and that the consummation of such acquisition can be effected within such period only if this ordinance becomes immediately effective, it is necessary to the immediate preservation of the public peace, health and safety of the City of San Antonio that this ordinance shall become effective immediately upon its passage and approval, and four of the five Commissioners having voted in favor thereof, it is so ordained.

ADOPTED AND APPROVED July 25, 1942.

C. K. Quin
Mayor

Attest:

James Simpson
City Clerk

(Other proceedings not pertinent to the above appear in the minutes.)

Pursuant to motion duly made and carried, the Commissioners adjourned.

C. K. Quin
Mayor

ATTEST:

James Simpson
City Clerk

AMENDMENT OF OCTOBER 23, 1942

San Antonio, Texas
October 23rd, 1942

The Commissioners of the City of San Antonio met in Special session at the regular meeting place of the Commissioners in the City Hall in the City of San Antonio, Texas, at 8:00 o'clock, P.M., on October 23, 1942. There were present Mayor C. K. Quin and the following Commissioners:

HENRY F. HEIN
PAUL E. STEFFLER
P. L. ANDERSON
Absent: C. RAY DAVIS

There was also present James M. Woods, City Clerk.

After the meeting had been duly called to order, the roll called, and the minutes of the preceding meeting approved, the following ordinance was introduced in writing by Mayor Quin, and was read in full. It was then moved by Com. Steffler and seconded by Com. Hein that the ordinance as read be adopted and, after due discussion, the motion was voted upon and carried by the following votes:

Aye: QUINN HEIN
STEFFLER ANDERSON

Nay: NONE

The ordinance was thereupon declared adopted, was approved and signed in open meeting by the Mayor and was ordered recorded by the City Clerk. The ordinance is as follows:

" An ORDINANCE confirming, ratifying, approving, and declaring effective an ordinance entitled " An ordinance authorizing the acquisition by the City of San Antonio of an electric light and power plant and system and a gas distribution system serving the City of San Antonio and its inhabitants and territory adjacent to said city, authorizing the issuance of the revenue bonds of said City for the purpose of paying the cost thereof, fixing the details and providing for the payment and security of such bonds, approving and ratifying the notice of intention to issue such bonds heretofore given, authorizing and providing for the execution of a mortgage on said plant and systems as security for the payment of such bonds, granting a franchise to any purchaser of said properties at any sale which may be held for the enforcement of such mortgage, providing for the management of said plant and systems, entering into certain covenants and agreements in connection with such acquisition and such bonds, and declaring an emergency," confirming the sale and fixing the interest rates of bonds authorized by said ordinance to the amount of $33,950,000, approving changes in the form provided for such bonds, and declaring an emergency. "

WHEREAS, on the 25th day of July, 1942, the Commissioners of the City of San Antonio adopted an ordinance entitled " An Ordinance authorizing the acquisition by the City of San Antonio of an electric light and power plant and system and a gas distribution system serving the City of San Antonio and its inhabitants and territory adjacent to said city, authorizing the issuance of the revenue bonds of said city for the purpose of paying the cost thereof, fixing the details and providing for the payment and security of such bonds, approving and ratifying the notice of intention to issue such bonds heretofore given, authorizing and providing for the execution of a mortgage on said plant and systems as security for the payment of such bonds, granting a franchise to any purchaser of said properties at any sale which may be held for the enforcement of such mortgage, providing for the management of said plant and system, entering into certain covenants and agreements in connection with such acquisition and such bonds, and declaring an emergency"; and

WHEREAS, it has been ascertained that certain changes in the language of said ordinance are desireable in order to correct certain typographical errors which apepar in the ordinance as it was adopted, and in order to clarify and make more certain the actual intent of said ordinance; and

WHEREAS, it is desired to amend one section of said ordinance in order to provide for the release of certain properties to be encumbered under the terms of the indenture which is set forth in said ordinance; and

WHEREAS, in printing the bonds authorized by said ordinance two changes have been made in the bond form in order to clarify and make more certain the intention of said ordinance, and it is desired to ratify and approve the changes so made; and

WHEREAS, on the 24th day of August, 1942, bonds authorized by said ordinance to the amount of $33,950,000 were by the Commissioners of the City of San Antonio sold to A. C. Allyn and Company of Chicago, Illinois, and associates, at the price of par plus accrued interest to the date of delivery plus a premium of $3,157.00, and it is desired to confirm said sale and provide for the delivery of the bonds to said purchasers;

NOW, THEREFORE, Be It Ordained by the Commissioners of the City of San Antonio:

SECTION 1. That Section 3 of Article VII of the form of indenture set out in Section 11 of the ordinance described in the preamble hereto shall read as follows:

SECTION 3. So long as the city is not in default hereunder to the knowledge of the Trustee, the city may sell or otherwise dispose of any property mortgaged hereunder not exceeding in the period ending December 31, 1942, the sum of $200,000, in the two-year period ending December 31, 1944, the sum of $1,150,000 (of which any amount over $400,000 must represent the sale of electric distribution systems and transmission lines lying outside of Bexar County, Texas), and in any calendar year thereafter the sum of $200,000, all in aggregate sale price or fair value (whichever is greater), without deduction for any liens on such property, and obtain the release of, and the trustees shall release from the lien hereof, such property, but only upon the receipt by the Trustee of a certificate signed by a majority of the Board of Trustees and by a licensed engineer stating in substance:

(1) The then fair value, in the opinion of the signers, of the property to be released, which property shall be described in such certificate in reasonable detail;

(2) That the aggregate sale price or fair value (whichever is greater) of such property, and of all property theretofore released by the trustees pursuant to the provisions hereof during the period in which the request for the release is made, does not exceed the amount hereinabove authorized to be released during such period, and, if such release is requested after the expiration of the third year from the date of this indenture, that all property released hereunder by the trustees from the date of this indenture to the date of the request of said additional release does not exceed ten percent (10%) of the bonds of the issue secured hereby theretofore paid or otherwise retired; and

(3) That the City is not, to the knowledge of the signers, in default in the performance of any of the terms or covenants of this indenture or of the bonds secured hereby, and that such release will not be, in the opinion of the signers, prejudicial to the interest of the bondholders, and that the property to be released is not, in the opinion of the signers, necessary to the proper and economical operation of the electric and gas systems.

The money received from the sale of such released property shall be held by the Board of Trustees as a special fund for the purchase of additional property deemed by them necessary or advantageous to the system, and unless such money is used in such purchase of property within eighteen months of the time received, the same shall be used in the redemption prior to maturity of as many of the bonds as may be redeemed with such money in the manner provided in Section 7 Article V, above, for the redemption of bonds with surplus funds. All additional property purchased or acquired under the provisions of this section shall immediately upon such purchase or acquisition become subject to the lien of this indenture.

SECTION 2. That bonds authorized by said ordinance to the amount of Thirty Three Million Nine Hundred Fifty Thousand Dollars ($33,950,000.00) of the following numbers shall bear interest at the following rates:

BOND NUMBERS	MATURITY DATE	INTEREST RATE
1 to 750	1944	3%
776 to 1550	1945	3%
1576 to 2375	1946	3%
2401 to 3225	1947	3%
3251 to 4100	1948	3%
4126 to 5000	1949	3%
5026 to 5925	1950	3%
5951 to 6875	1951	3%
6906 to 7860	1952	3%
7891 to 8870	1953	3%
8901 to 9910	1954	3%

BOND NUMBERS	MATURITY DATE	INTEREST RATE
9941 to 10980	1955	2 3/4%
11011 to 12080	1956	2 3/4%
12116 to 13215	1957	2 3/4%
13256 to 14390	1958	2 3/4%
14426 to 15595	1959	2½%
15631 to 16835	1960	2½%
16871 to 18110	1961	2 3/4%
18151 to 19425	1962	2 3/4%
19466 to 20780	1963	2 3/4%
20821 to 22175	1964	2 3/4%
22216 to 23610	1965	3%
23656 to 25090	1966	3%
25136 to 26615	1967	3%
26661 to 28185	1968	3%
28231 to 29800	1969	3%
29851 to 31465	1970	3%
31516 to 33180	1971	3%
33231 to 34945	1972	2½%

SECTION 3. That the sale of the bonds described in Section 2 hereof to A. C. Allyn and Company, of Chicago, Illinois, and associates, at the price of par and accrued interest to the date of delivery, plus a premium of Three Thousand One Hundred Fifty-seven Dollars ($3,157.00) is hereby ratified and confirmed and said bonds shall be delivered to said purchasers in accordance with the terms of sale and the provisions of the above described ordinance.

SECTION 4. That the printed copy of the ordinance described in the preamble hereto which is attached hereto and marked " Exhibit A, " and which copy contains the corrections described in the preamble hereto and contains the change authorized in Section 1 hereof, is hereby approved and ratified and declared to be fully effective, all with like force and effect as though said copy were herein set out in full, and the action of the Mayor and Clerk of the City of San Antonio in executing the indenture in the form set out in said " Exhibit A " is hereby confirmed, ratified and approved.

SECTION 5. That two variations which appear in the above described bonds as they have been printed and executed and which variations were made in order to make more certain the original intention of the above described ordinance, which changes consist of the insertion of the parenthetical expression " except as otherwise provided in the above mentioned indenture " after the word " solely " in the third paragraph of the bond, and substitution of the words " Bonds numbered 3251 to 35000 " for the words " The Bonds " in the first line of paragraph 5 of the bond, are hereby ratified and approved.

SECTION 6. That if any section, provision, or part hereof shall be held to be invalid or ineffective for any reason, the remainder hereof shall, nevertheless, remain in full force and effect.

SECTION 7. That by reason of the fact that the sale of the bonds authorized by the above mentioned ordinance is effective only until October 24, 1942, and that the purchasers of said bonds can be compelled to take delivery of said bonds only if the bonds are delivered on or prior to that date, and that the Commissioners are of the opinion that it would be impossible to find other purchasers for said bonds at the very favorable interest rates which are specified in the existing sales contract, it is necessary to the immediate preservation of the public peace, health and safety of the City of San Antonio that this ordinance shall become effective immediately

upon its passage and approval and it is so ordained.

ADOPTED AND APPROVED October 23rd, 1942.

C. K. Quin
Mayor

ATTEST:

J. M. Woods,
City Clerk

AMENDMENT OF OCTOBER 23, 1942

The form of indenture set out in the Ordinance of July 25, 1942, has in this printed copy been conformed to the amendments provided for in the foregoing ordinance of October 23, 1942, and the indenture, as printed herein, has been conformed to show its execution.

CERTIFICATION

THE STATE OF TEXAS

COUNTY OF BEXAR

CITY OF SAN ANTONIO.

I, J. M. Woods, City Clerk of the City of San Antonio in the State and County aforesaid, do hereby certify that the " Ordinance and Indenture, Authorizing Issuance of City of San Antonio Electric and Gas Revenue Bonds, in the sum of $35,000,000, San Antonio, Texas, July 25, 1942 " and Amendment of October 23, 1942, is a true and correct copy of papers, books and records of the City of San Antonio.

And that I am the lawful possessor and custodian of such papers, books and records.

GIVEN under my hand and seal of the City of San Antonio, this_____day of____, A.D.___

(SEAL)

J.M. Woods,
City Clerk

CONTINUATION OF EXHIBIT "B", PAGE 348

CONTINUATION OF EXHIBIT "A", PAGE "348"

CONTINUATION OF EXHIBIT "B", PAGE 348.

CONTINUATION OF EXHIBIT "B" 348.

CONTINUATION OF EXHIBIT "B", Page 348.

EXHIBIT "B"

OPERATING AGREEMENT BETWEEN THE
GUADALUPE ELECTRIC COMPANY AND
THE CITY OF SAN ANTONIO, TEXAS.

THIS AGREEMENT, dated as of the _____day of October, 1942, by and between Guadalupe Electric Company, a corporation organized under the laws of the State of Texas (hereinafter referred to as Guadalupe), and the City of San Antonio, a municipal corporation organized and existing under and by virtue of the laws of the State of Texas, situated in Bexar County, Texas (hereinafter referred to as the City), WITNESSETH:

1. The Guadalupe Electric Company has acquired certain electric distribution systems situated in and adjacent to the Cities of Boerne, Hondo and New Braunfels, Texas, same being the porperties acquired by said Guadalupe Electric Company from San Antonio Public Service Company, a Texas corporation (which properties are herein referred to as the Guadalupe properties), and it is hereby agreed between Guadalupe and the said City that for the period hereinafter specified the City shall, through its organization used in the operation of electric and gas properties acquired by the City, acting through the Board of Trustees set up by the City for the operation of its said electric and gas properties, as lessee, take possession of all of the Guadalupe properties and operate the same as such lessee, and that the City, during the period of such operation, shall be entitled to receive all of the gross revenues derived from the operation of the Guadalupe properties and shall be obligated to pay all operating and other expenses. The City, however, shall be obligated to indemnify Guadalupe and save Guadalupe harmless from all tax liabilities and all other liabilities of every kind and character which may arise out of the ownership or operation of the Guadalupe properties by the City, shall pay to Guadalupe an amount equal to taxes on such property accrued during operation thereof by the City computed in accordance with sound accounting practices, and shall pay to Guadalupe from net profits the sum of $1,000.00 as reimbursement for expenses incurred by it.

2. Guadalupe shall, at any time while this agreement shall be in effect, have the right to sell and dispose of any part or all of the Guadalupe properties, and when and as any part of the Guadalupe properties shall be sold and transferred, this agreement shall thereupon become ineffective with respect to such properties, but shall continue in effect with respect to the remainder of the properties owned by Guadalupe.

3. This agreement shall terminate when and as Guadalupe shall sell and dispose of all of the Guadalupe properties and may be terminated at any time after the lapse of sixty (60) days from the date hereof by Guadalupe upon not less than thirty (30) days written notice delivered to the City advising of the election by Guadalupe to terminate this agreement and the date fixed for such termination, and may be terminated by the said City on like notice to Guadalupe, The City agrees that on the termination of this agreement by Guadalupe, it will surrender all of the properties then held under this agreement to Guadalupe and that it will, from time to time as any of the Guadalupe properties shall be sold, deliver possession of such properties to Guadalupe or to the purchaser of such properties from the Guadalupe.

IN WITNESS WHEREOF, Guadalupe Electric Company has executed this instrument by its President, attested with its seal by its Secretary; and the City of San Antonio, Texas, has executed this instrument by its Mayor, attested with its City seal by the Clerk of said City.

GUADALUPE ELECTRIC COMPANY

BY_____
PRESIDENT

ATTEST:

_____
SECRETARY

CITY OF SAN ANTONIO

BY_____
MAYOR

ATTEST:_____
CITY CLERK

EXHIBIT "C"

CONTRACT AND AGREEMENT

BETWEEN

CITY OF SAN ANTONIO

AND

GUADALUPE-BLANCO RIVER AUTHORITY

THIS CONTRACT AND AGREEMENT, dated as of the 24th day of October, 1942, by and between the CITY OF SAN ANTONIO (hereinafter for convenience sometimes referred to as the "CITY"), a municipal corporation situated in Bexar County, State of Texas, duly organized, existing, enjoying and exercising the privileges of a municipality by virtue of a Charter duly adopted by the citizens thereof under the "Home Rule Amendment" of the Constitution of the State of Texas, acting under authority of an ordinance duly adopted by its City Commissioners, and GUADALUPE-BLANCO RIVER AUTHORITY (hereinafter for convenience sometimes referred to as the "Authority"), a conservation and reclamation district and governmental agency of the State of Texas, created and existing by virtue of an Act of the Legislature of the State of Texas, with its domicile at New Braunfels, in Comal County, Texas, acting by virtue of a resolution duly adopted by its Board of Directors, W I T N E S S E T H;

ARTICLE I

RECITATIONS

Sec. 1. Each of the parties has heretofore indicated its desire to acquire and operate certain properties constituting the electric system of San Antonio Public Service Company and serving electric light and power to consumers located in San Antonio, Texas, and to the public generally in Bexar County and in portions of Comal, Guadalupe, Caldwell, Wilson, Karnes, Atascosa, Medina, Uvalde, Bandera and Kendall Counties, in the State of Texas, which property is generally described as follows:

(a) Two steam-electric generating stations, Station "B" in San Antonio rated at 36,500 kw., and Comal Plant at New Braunfels, rated at 60,000 kw.

(b) Two hydro-electric stations rated at 1,100 Kw.

(c) One internal combustion engine station rated at 200 Kw.

(d) 61 - 66,000 volt step-up and step-down transformers, with an aggregate capacity of 170,817 Kva.

(e) 200 - 13,000, 4,000 - 2,400 volt step-up and step-down transformers, with an aggregate capacity of 90,937 - 1/2 Kva.

(f) 270 pole miles of 66 Kv. transmission lines connecting the two steam-electric power plants with the principal substations and with points of interconnection with other systems; namely, Central Power & Light Company, Lower Colorado River Authority, Texas Hydro-Electric Corporation and Texas Power Corporation.

(g) 2,244 pole miles of primary distribution and rural lines operated at 13, 4 and 2.4 Kv.

(h) Accompanying secondary lines, services, meters and devices for serving approximately 86,000 customers.

(i) Street lighting systems.

The City of San Antonio has entered into a contract and has formulated a plan under which it proposes immediately to acquire all of said electric properties, except electric distribution properties serving the Cities of New Braunfels, Hondo and Boerne and territory immediately adjacent thereto, subject to the rights, privileges and agreements conferred on the Authority under the terms and provisions of this contract. The Authority plans to acquire and construct hydro-electric generating plants on the Guadalupe River in Comal and Kendall Counties and the counties downstream therefrom and has entered into an agreement with the Lower Colorado River Authority (hereafter sometimes referred to as LCRA) a conservation and reclamation district which owns and

operates large hydro-electric stations on the Colorado River in Burnet, Llano and Travis Counties in the State of Texas with total installed generating capacity of approximately 127,500 Kw.

Sec. 2. The City and the Authority have determined that the operation of the Comal Plant located in the City of New Braunfels in Comal County, Texas, which is immediately to be acquired by the City, in conjunction with the hydro-electric plants which the Authority expects to operate on the Guadalupe River and with the Hydro-electric plants on the Colorado River which are to be operated pursuant to said contract between the Authority and LCRA, will result in substantial savings in the cost of electric energy for distribution to the people of the City of San Antonio, and will result in substantial improvements in operating conditions and in increasing substantially the amount of "firm" or usable power from said hydro-electric developments, thus mutually benefiting the Authority and the City.

It has also been determined by the City that it will be undersirable for it to operate certain electric generation, transmission and distribution properties located outside of the City's Service Area, hereinafter defined, which is principally in Bexar County, Texas, whereas, due to the proximity of a substantial part of such transmission and distribution properties to the system of the Authority, the same may be advantageously operated by it.

Sec. 3. The City's Service Area is hereby defined to comprise the territory lying within the boundary line shown on the map attached to this Agreement and identified as "City's Service Area Boundary Line," said line being drawn through and encompassing the following points and areas;

Starting with a point on the southeast side of the Elmendorf substation, running east to the Bexar-Wilson line, following said line to the northeast and including the Elmendorf Substation-Harper-Balsam line; thence north across the Cibolo-Zuehl-Sayers line at a point known as "Smith's Corner" on the San Antonio-Stockdale Highway, at Pole No. S 30/12, where the line is open at a dead end; thence generally north to include within the City's Service Area Randolph Field, the Universal City distribution system and the Trailer - Haile Road line, and crossing the McQueeney-Converse 13 Kv. line at airbreak switch No. A44 in the Shertz Substation; thence northwest along the Bexar-Guadalupe County line to include the 13 Kv. line from Fratt Substation to Randolph Field; thence northeast along the San Antonio-Comal 66 Kv. line No. 1 and 3, approximately four miles; thence north to include the substation at Servtex Material Company's plant at Ogden; thence west to the Bexar-Comal County line; thence along said line to the Junction at the Kendall County line, but including the 2.3 Kv. Line to Bulverde and the distribution system located there, and a section of rural line approximately two miles in length along and off of Highway 66 north, extending approximately two miles in Comal County; thence southeast to exclude the properties serving Van Raub and immediately surrounding territory, to a point on the 13 Kv. Fredericksburg Road line, at Pole No. 20/1A, on which airbreak switch is installed; thence generally northwest to include the Leon Springs-Scenic Loop-Beauregard Road Line but to exclude the old Boerne-San Antonio Highway line; thence southwest to the junction of Kendall-Bexar-Bandera County lines; thence southwest along the Bandera County line to include that portion of the Bandera Road line which extends into Medina and Bandera Counties; thence southeast to the Bexar-Medina County line; thence south along the Bexar-Medina County line but including the 13 Kv. and 2.3 Kv. lines in the Cliff Section; thence south along the Bexar-Medina County line to a point approximately one mile north of San Antonio-Castroville Highway; thence west to the Castroville Substation but excluding that substation; thence south to Pole No. 41/1, on the 66 Kv. Lytle-Hondo line; thence southeast to and including the distribution system in the town of Lytle; thence to the Bexar-Atascosa County line, then along that line to the Junction of the Bexar-Wilson-Atascosa County lines, but including the rural lines serving the community known as "Old Somerset," and the 13 Kv. line along the Palo Alto Road serving the Monterrey sandpits and the Stockhaven Dairy Farms; thence along the Bexar-

Wilson County line to a point approximately two miles southwest of the San Antonio-Floresville Highway but including the Boreggo Road 2.3 Kv. line extending approximately six miles into Wilson County; thence approximately north to the point of beginning.

Sec. 4. Within the City's Service Area the City proposes to operate the steam-electric generating station located within the City of San Antonio known as Station "B", together with all transmission and distribution lines, sub-stations, services, meters and other equipment to serve all customers of electric power and energy within this area. The City will also own, operate and maintain the 66 Kv. hi-lines numbers 1, 2 and 3 extending from its Grand View and Olmos Sub-stations located within the City's Service Area to the steam-electric generating station located in the City of New Braunfels known as the Comal Plant, and the 66 Kv. hi-line extending from Lytle to Sabinal.

Sec. 5. The City agrees that the property to be acquired and operated by it will be taken and held, and that the management and control thereof by the City's Board of Trustees of the San Antonio Electric and Gas System shall be subject to all the terms and provisions of this contract, and that all of the acts herein required to be done and duties required to be performed by the City shall be done and performed by said Board of Trustees, and that the obligation to do such acts and perform such duties is hereby imposed on said Board of Trustees as a part of its function in controlling and operating said property.

ARTICLE II

SCOPE OF AGREEMENT

Sec. 1. In consideration of the premises and of the mutual agreements, conditions, covenants and terms hereinafter contained, the City has and hereby does lease to the Authority, and the Authority hereby takes and hires from the City, according to the terms and stipulations of this Agreement, the property set out and described in Exhibit "A" attached to and by reference made a part hereof. There is included (whether specifically mentioned or not) in the properties herein leased to the Authority, all hereditaments and appurtenances thereto belonging or in anywise appertaining, and the structures and improvements thereon erected, together with the right of free and uninterrupted use, and the non-exclusive privilege of entering upon and passing over and along and occupying each and every part of any adjacent lands of the City, roads, rights of way, railroad and spur tracks, and other property necessary or convenient to the operation and use of said properties.

The City covenants that the Authority shall have and quietly enjoy all of the property rights and privileges leased to the Authority by the Agreement and warrants the free and uninterrupted use, possession and enjoyment thereof, all for the terms and on the conditions in this Agreement set out.

Sec. 2. The provisions of this Agreement are recognized and declared to be subject to all of the terms of that certain indenture dated August 1, 1942, by and between the City of San Antonio and Harris Trust and Savings Bank and Harold Eckhart, as trustees, in all respects with like force as though the bonds secured by said indenture had been delivered and outstanding on the date of the execution of this Agreement, and if any provision or provisions hereof or the obligations of the City hereunder shall be determined by any court of competent jurisdiction to be in conflict with any terms which may appear in said indenture, the trustees under such indenture may enforce the provisions thereof as if the conflicting provision or provisions of this contract were void. All rights and remedies given bondholders by said indenture shall be fully enforceable against the leased properties, and if default shall ever occur in the payment of either principal or interest on any of the bonds secured by said indenture, all rights and remedies provided in said indenture may be enforced as if this Agreement had automatically terminated and become void.

As between the parties hereto, it is understood and agreed that the City shall promptly perform all covenants, agreements and obligations imposed on it by the terms of the aforesaid indenture (except such as are specifically assumed herein by the Authority), and that the City will promptly pay off and discharge, as it becomes due and payable, all indebtedness secured by said indenture. In the event of default on the part of the City, the Authority may, at its own expense, remedy such default or defaults and shall thereupon, to the extent of its performance of the City's obligations under said indenture, be subrogated to the rights and remedies of the trustees or bondholders growing out of such default, without limitation of the Authority's right to any other remedies.

The City covenants and agrees that with the exception of the bonds authorized to be issued by the aforesaid Indenture, and any bonds which may be issued for the purpose of refunding or in lieu of such bonds, it will not hereafter create any indebtedness constituting a lien on the property herein leased or payable from the revenues of the property, herein leased unless such indebtedness is authorized and incurred in such manner that it will be subordinated in all respects to the provisions of this Agreement.

Sec. 3. The term of the Authority's use and occupancy of said leased property shall be for that period commencing at 12 o'clock Noon on the 1st day of November, 1942, and ending at 12 o'clock Noon on the 31st day of December, 1972, unless sooner terminated under the provisions of this Agreement.

Sec. 4. The City hereby binds and obligates itself, at the expiration of the above term, or any extension thereof, to convey to the Authority, at its request, but only if the Authority shall have given the City written notice of its intention not less than three (3) years prior to the expiration of above term, all of the property and premises and improvements described in the said Exhibit "A" hereto attached, upon payment by the Authority to the City of a sum equal to the cost of said property to the City, less accrued depreciation as hereinafter set out. If prior to the expiration of this Agreement any of the units of leased property set out in the following table other than the Comal Plant, Landa Plant, P & M Mills Plant, and Comal Switch Yard, including the land on which they are located, which shall be considered as a single unit of property, designated the "Comal Plant Group", shall be sold to the Authority by the City, the annual payments to be made by the Authority to the City for the use of the remaining property shall be reduced proportionately. The separate items of property, the cost thereof to the City, the annual payments to be made by the Authority to the City for the use thereof, and the annual depreciation accruals being agreed upon are set out in the following table, to-wit:

Properties	Cost to City	Annual Payments for Use and Occupancy	Annual Depreciation Accruals
Comal Plant) Landa Plant) P & M Plant) Comal Switch Yard)	*$6 648 864	*$ 231 413	*$ 115 619
McQueeney System **	316 161	12 576	7 076
McQueeney-Luling Line	157 000	6 264	3 526
Hunter Line	46 660	1 861	1 049
Boerne-Spanish Pass Line	262 900	10 467	5 892
	7 431 585	262 581	133 162

* Does not include any amount for the new #4 boiler.
** Does not include any amount for the extension of the McQueeney line.

In addition to the right of the Authority to purchase the leased property as a whole, as above, described, it is agreed by the City that upon the giving of three months' written notice of its intention, the Authority may at any time when the City has disposed of the Guadalupe System, defined in Exhibit "B" hereto attached, purchase the McQueeney System and the McQueeney-Luling Line for the amounts above listed as "Cost to City" plus any additions at cost to City and less depreciation at the usual rate above set out. In like manner and at prices so computed, if the City shall have disposed of the properties described as the Comal System in

Exhibit "B" the Authority may acquire the Hunter Line, and if the City shall have disposed of the property described as the Kendall System in Exhibit "B" the Authority may acquire the Boerne-Spanish Pass Line.

Whenever the Authority shall have given the City written notice of its intention to purchase any of the properties for the purchase of which provision is above made, the City shall promptly furnish the Authority such Abstracts of Title as it may have in its possession covering the City's title to the properties to be so purchased. In the event that after the expiration of the prescribed period the Authority requests conveyance of any property to be so purchased and tenders payment therefor in the prescribed amount, and the City fails or refuses to convey to the Authority by warranty deed good and merchantable title thereto, free and clear of all liens and encumbrances in accordance with the foregoing provisions hereof, the Authority shall have the right to occupy and use such property upon the payment to the City of the sum if $1.00 per annum for the use thereof until the City complies with its agreement to convey said property. It is understood that the provisions of this section are subject to the provisions of the Indenture referred to in Sec. 2 of Article II hereof, and that the Authority shall have the right to purchase any property under the provisions of this section only when and to the extent that the City may sell such property without violating the provisions of said Indenture.

Sec. 5. The amount to be paid annually by the Authority to the City for the use of the property leased in Section 1 of this Article is $262,581 (to be adjusted to give effect to the additions hereinafter provided to be made by the City and subject to reduction on account of purchases by the Authority, as hereinbefore provided), which sum shall be payable in equal monthly installments on the 15th day of each month for the preceding calendar month.

The amount to be so paid annually shall be increased or decreased pursuant to the provisions of Section 11 of Article V.

In consideration of the Authority's agreement (hereinafter set forth) to assume and to make the payments which would otherwise be required to be made by the City by reason of the contracts described as items (a) and (b) in Sec. 1 of Article IV hereof, the City agrees to allow as a credit or deduction from the amount to be paid annually by the Authority to the City, adjusted as aforesaid, the sum of $9,166.00 per month for each calendar month commencing with the month of November, 1942 and ending with and including the month of December, 1957, except that for the month of October, 1943, the credit shall be only $2,166.00.

If the Authority shall fail to make any payments required by said contracts described as items (a) and (b) in said Sec. 1 of Article IV hereof, and by reason of such failure the City shall be required to make any such payments, the sums so paid by the City shall be deducted from the amount required to be paid by the City to the Authority under the provisions of this contract.

ARTICLE III

TERMS OF OPERATING AGREEMENT

Sec. 1. The Authority agrees that it will maintain all of the properties used and occupied by it during the entire term of its use and occupancy thereof in first-class operating condition, to the end that at the expiration of this contract such properties will be in as good condition as at the beginning hereof, ordinary wear and tear excepted, and to the end that power and energy may be efficiently generated and delivered, in accordance with the terms of this contract. The Authority agrees that it will employ competent persons to operate said properties and will promptly pay all operating expenses and maintenance, including wages, salaries, fuel, lubricants, supplies, expenses, repair parts and all other expenses incurred and necessary to be incurred in the generation of electric power and energy and the transmission thereof by means of said facili-

ties. It is agreed that s uch property and facilities shall be insured by the Authority against such risks and in such amounts as may be reasonable and customary so as to protect the City a-gaist risks incident to the ownership and operation of said property and facilities. The form of the policies, the amount of coverage and the financial stability of the insurer companies shall be subject to approval by the City. In the event the Authority fails or refuses promptly to comply with its agreements as to insurance the City may take out such insurance at the expense and cost of the Authority. Such policies of insurance taken out by the Authority shall be payable to and held by the parties designated in, and the proceeds thereof shall be expended and applied in the manner provided by the Indenture referred to in Section 2 of Article II.

Sec. 2. If in any one year during its use and occupancy of the property, the Authority expends for maintenance of the Comal Plant (exclusive of the Comal Switch Yard) less than $26,000 per year, plus fourteen-hundredths of one mill (0.014 mills) per net Kwh generated at the Comal Plant during the said year, the deficiency shall be deposited in a special account designated as "Comal Plant Maintenance Account." If the amount which the Authority expends in any year for maintenance of the Comal Plant exceeds said amount, the excess may be withdrawn from any balance then or thereafter deposited in said "Comal Plant Maintenance Account." Any balance remaining in the account at the expiration of the use and occupancy of the premises by the Authority will be and become the property of the party acquiring or retaining title to the Comal Plant.

Sec. 3. The Authority agrees that it will renew, replace, expand, extend and add to the facilities occupied and used by it to the extent necessary to enable it to efficiently operate such facilities and generate electric current and energy up to the present capacity of the plant, and the Authority may, with the approval of the City, or without such approval as provided in Sec. 4 of this Art. III, make such other renewals, replacements, expansions, extensions and additions as it may deem necessary to increase the plant capacity and meet its power requirements and the City's requirements as herein provided. Such renewals, replacements, expansions, extensions and additions shall be classified as "additions" only if included in the list of Retirement Units for Electric Utilities prepared by the Committee on Statistics and Accounts of Public Utility Companies of the National Association of Railroad and Utilities Commissioners dated December 18, 1936, and shall be distinguished from all other items not so listed, which shall be treated as maintenance and an operating cost of the Authority as herein provided.

It is provided, however, that replacement of any unit costing less than $10,000, including the cost of installation, whether or not included in said list of Retirement Units, and any unit which is replaced because of negligence or fault of the Authority or its employees, shall not be considered as an "addition" under the provisions of this contract, and the Authority shall not be entitled to any credit by reason thereof. Authority agrees that it will make no removals unless the property and equipment removed is forthwith replaced by other property or equipment of similar character and of equal capacity or efficiency, and that no unit, the replacement cost of which is more than $10,000, may be removed without the written consent of the City. In the event the Authority does not purchase said property, as provided in Section 4 of Article II hereof, the City shall, before taking possession of the property, reimburse the Authority for the cost of such additions, less depreciation, as herein after provided, and the Authority shall be entitled to continue its use and occupancy of said property without payment of a use and occupancy charge until it is reimbursed for the cost of such additions by the application of the sum otherwise payable as a use and occupancy charge as a credit against the cost of such additions.

Sec. 4. It is agreed, however, that if the consent of the City is not obtained to the making of any particular addition, and same is made by the Authority without such consent, the City shall be under no obligation to pay the cost of such addition (less depreciation) as set out a-

bove upon the termination of this Agreement, and further provided that if the City does not so pay the cost of such particular addition or additions, the Authority shall have the right and privilege to remove such particular addition or additions provided such removal can be accomplished without injury to any of the remaining realty, the possession of which is being taken by the City under the provisions of this Agreement, and such addition or additions, when so removed, shall be the property of and belong to the Authority without any claim or right thereto on the part of the City.

Sec. 5. Depreciation on items shall be computed at an amount equal to the number of years from date of installation to the expiration of this contract, times the following percentages of the cost to the Authority of additions:

0% on land
1% on steel, brick or concrete buildings
7½% on furniture, fixtures, laboratory equipment
20% on automobiles, tractors, trailers
2% on all other equipment

Sec. 6. Before making additions to the properties, the Authority shall give to the City written notice of its intention to make such additions, giving its reason therefor, and a brief description of the additions to be made and the estimated cost thereof. In the event the City has any objections to the making and installation of such additions, it shall, within ten days from the giving of such notice by the Authority, give written notice to the Authority of its objections, stating the reasons therefor. In the event the parties are unable to compose their differences over the making or installation of such additions, the same shall be submitted to arbitration, as provided in Article VII hereof, and the award of the arbitrators shall be conclusive and binding on the parties. If the City fails to give written notice of any objections to the making or installation of additions, after having been given notice of the Authority's intention to make the same as hereinbefore provided, it will be conclusively presumed that the Authority has the right to make and install such additions. The cost to the Authority of making and installing additions, shall include the construction, reconstruction and installation of any additional machinery and equipment, additions or extensions to the power house or other structures, together with all replacements, extensions and additions thereto (but not including any items paid for as "maintenance" or any items specifically excepted under Section 3 of this Article). Said amount shall include the cost of labor and materials, amounts paid under construction contracts in connection with such improvements, cost of all machinery and equipment installed on the premises, including cost of delivery and installation, actual cost of fire insurance, public liability and Workmens' Compensation Insurance, and all benefits or damages paid by the Authority or claims originating on the work, and all other expenses incurred in connection with the work. There shall be deducted from the total of the cost as hereinbefore defined a sum equal to the amounts realized by the Authority as the salvage value, if any, of the City's property or equipment removed. During the progress of any construction of additions, the City shall have the right to have its representatives on the premises, who shall be given access to the work at all reasonable times, and representatives of the City shall also have access at all reasonable times to the records of the Authority pertaining to such construction, including pay rolls, purchase orders for materials, vouchers and other pertinent records necessary to audit all costs of such construction. Upon completion of any construction, the Authority shall, within thirty (30) days thereafter, deliver to the City a certificate describing the construction, together with a statement of the costs thereof. Unless the City shall, within thirty (30) days after the receipt of such statement, give written notice to the Authority that it disagrees with the Authority on the amount so stated by the Authority to be the cost of said construction, and in such written notice points out any

items of cost to which it objects, then the sum so stated by the Authority in its written notice to the City shall be conclusively accepted by both parties as correct. In the event the City should give written notice of its objections, as herein provided, to the cost stated by the Authority, and the parties shall fail within three months thereafter to adjust the difference between them by agreement, the matter shall be arbitrated as provided in Article VII of this agreement.

Sec. 7. If, in the opinion of the City, any of the properties are at any time not being properly maintained by the Authority, it shall give written notice to the Authority, describing the portions of such properties which, in the opinion of the City, are not being properly maintained and describing the work necessary to be done to properly maintain the same. Unless the Authority shall within ten (10) days after the giving of such notice, make objection to the demand of the City, it will be conclusively presumed that the maintenance work pointed out in the City's notice is proper, and the Authority shall promptly proceed to perform such work and complete the same within a reasonable time. In the event the Authority fails or refuses to promptly proceed with such maintenance work and to complete it within a reasonable time, the City may perform such work, at the cost and expense of the Authority, and deduct such cost and expense from the amount thereafter accruing as due by the City to the Authority for power delivered. In the event the Authority objects to the maintenance demanded by the City, it shall, within ten (10) days after such demand, point out in writing to the City its objections thereto, and if the parties are unable to adjust their differences by agreement within thirty (30) days thereafter, the matter shall be submitted to arbitration, as provided in Article VII hereof, and the award of the arbitrators shall be final and binding upon the parties. In the event the City provides any such maintenance, the cost thereof shall be determined as provided in Sec. 5 of this Article III and the Authority shall have the same right to inspect the City's records of the work, the progress of the work, object to the cost thereof, and have the cost determined by arbitration, as provided in Sec. 5 of this Article III. The City, in the same manner, may provide and install, at its cost, additions to the property by like procedure as herein set out for maintenance by the City. In this connection, it is agreed that the City will complete the installation of the additional boiler now on order for the Comal Plant, and complete the extension of the McQueeney Line to the Comal Switch Yard, and install necessary connecting and protective equipment, at its own cost and expense, the cost thereof to be determined in the manner set out in Sec. 5 of this Article III. Upon the completion of the installation of said boiler and said connecting line, the use and occupancy charge to be paid by the Authority to the City shall be increased by a sum equal to the Cost of installation times 3.74%, and the annual depreciation accruals on the Comal Plant shall be increased by a sum equal to such cost times 2%. In the event the City makes other additions, the use and occupancy charge to be paid by the Authority to the City shall be increased from the date of installation thereof, by a sum equal to the cost of such additions times 1.74% on land, 2.74% on steel, brick and concrete buildings, 9.24% on furniture, fixtures and laboratory equipment, 21.74% on automobiles, tractors and trailers, and 3.74% on all other additions, and the annual depreciation accruals shall be computed at the rate applicable to additions made by the Authority, as set out in Sec. 4 of this Article III.

Sec. 8. Properly authorized employees of the parties shall be given access at all reasonable times to the facilities of both parties to facilitate coordinated operations and to expedite repairs in emergencies. The employees of each party shall be permitted, at reasonable times, to examine all original records of the other party relating to the operation of the Comal Plant and Station "B", including, but not limited to, records of fuel consumption, output, demand, original records of dispatchers with respect to the transmission of energy over said facilities, records

relating to the amounts spent for maintenance of the facilities.

The parties hereto agree that each will properly maintain and operate their respective facilities so that the purposes and terms of this Agreement shall be fulfilled, and that each will fully cooperate w ith the other to this end.

ARTICLE IV

SERVICE CONTRACTS AND TRANSMISSION LINES

Sec. 1. Subject to the consent of the other parties, if required by the contract, and the assumption of the obligation of the same by the Authority, the City has, and by these presents does assign, transfer and convey to the Authority, but only for such period or periods and so long as the Authority is in possession of and operating the leased property under the provisions of this agreement, the following contracts and agreements and all rights thereunder transferred and assigned to it, or otherwise acquired by it from San Antonio Public Service Company, to-wit:

(a) That certain contract dated July 28, 1926, between San Antonio Public Service Company and Guadalupe Power Company (now Texas Power Corporation), as supplemented by contract dated October 24, 1942.

(b) That certain contract dated April 16, 1930, between San Antonio Public Service Company and Texas Hydro Electric Corporation, supplemented by contract dated October 24, 1942.

(c) That certain contract dated October 1, 1941, between San Antonio Public Service Company and the City of Seguin, Guadalupe County, Texas.

(d) That certain contract dated July 9, 1942, between San Antonio Public Service Company and Central Power and Light Company.

(e) Such contracts and agreements as may have been heretofore or may hereafter be entered into by and between City and any entity or corporation which may acquire the electric distribution systems serving the incorporated cities of Boerne, Hondo and New Braunfels, and adjacent territory, whereby City undertakes to sell electric power and energy at wholesale for resale to such cities and to the inhabitants thereof, and to the public in the vicinity of said cities.

(f) Those two certain contracts dated February 21, 1941 , and May 28, 1942, between San Antonio Public Service Company and LCRA.

Formal and separate assignments of said contracts shall be executed by the City subject to the lien of the above described Indenture, and the full performance thereof, in each case, assumed by the Authority.

Sec. 2. It is agreed that the Authority shall have the right to purchase natural gas for use as fuel at the Comal Plant under the terms and conditions of and at the prices required to be paid by the City under that certain agreement dated April 19, 1929, between San Antonio Public Service Company and United Gas Pipe Line Company, as subsequently amended and supplemented and Authority agrees it will abide by all such terms and conditions as they relate to use of gas for fuel at the Comal Plant and that it will promptly pay for all gas so used at the rates specified.

Sec. 3. The City will permit the Authority to make use of the surplus capacity of its transmission lines, to the extent that such capacity may exist in excess of the requirements of the City's System for transmission of energy generated at Station "B" and purchased from Authority.

Sec. 4. The City agrees that its generation, transmission and distribution facilities will not be used to supply customers located outside the City's Service Area, as defined in this contract, provided City shall continue to furnish power and energy to such facilities outside City's Service Area as may continue to be owned by City and to whatever extent may be necessary to fulfill obligations under contracts now in existence to the extent that such obligations are not performed by the Authority, and Authority agrees that its facilities will not, during the term of this Agreement (except through facilities of the City) be used to supply customers located within the City's Service Area.

ARTICLE V

POWER AGREEMENT

Sec. 1. The Authority agrees to supply and the City agrees to take and pay for all of the power and energy requirements of the City up to a maximum requirement of 66,000 kilowatts over and above that supplied by its Station "B", and such additional power and energy as the City may require and the Authority may have available.

Sec. 2. It is the intent of the City to operate Station "B" to carry the base load of its system and to purchase all of the remainder of its power requirements up to 66,000 Kilowatts and corresponding energy requirements from the Authority, to the end that full and economical utilization shall be made of hydro-electric power available to the Authority, provided, however, that City shall be the sole judge of the limits of safe, reliable and economical operation of any turbo-generator unit or units in Station "B", and Authority shall be the sole judge of the limits of safe, reliable, and economical operation of any of its units. City in its sole discretion shall determine the amount of load to be carried at Station "B" for maximum efficiency of operation and in order to maintain satisfactory voltage regulation and to control power factor and line losses on its system. Nothing in this Section 2 contained shall limit the capacity of turbo-generators which shall be operated from time to time at Station "B" to protect service to the City's system during periods of emergency arising from failures of equipment, line faults and threatened interruptions due to unfavorable weather conditions and other causes affecting either the City's or the Authority's operations.

Sec. 3. On or before the first day of the month following the effective date hereof, and at one (1) year intervals thereafter, the City will furnish to Authority for its guidance, a schedule of estimated maximum one (1) hour peak load requirements in kilowatts to be furnished to the City by the Authority during each of the ensuing three (3) years. The City estimates its initial peak power requirements to be approximately 45,000 kilowatts and agrees that its actual peak load requirements will increase only as needed to supply increased requirements of its customers or temporarily by reason of an emergency. In order that the Authority may be advised of changes in requirements of the City, it is agreed that the City will promptly notify the Authority as soon as the City has notice of prospective loss or gain of a load of any customer whose demand is or may be 1,000 kilowatts or more, or may be increased or decreased by that amount.

Sec. 4. City at this time proposes to install in Station "B" an additional high pressure turbo-generator unit having a name plate rated capacity of twenty-five thousand (25,000) kilowatts, at eighty-seven and one half percent (87½) % power factor, at s uch time as delivery of such equipment can be secured and may install additional units as it deems necessary from time to time, and locate same at such place or places as it may desire.

Sec. 5. If the City should at any time during the term of this contract contemplate a reduction of its peak load requirements by reason of the installation of additional capacity at its Station "B" in excess of the twenty-five thousand (25,000) kilowatt unit provided in Section 4 of this Article V, it shall give written notice to the Authority not less than two (2) years prior to the estimated date of the completion of such installation, stating the capacity of the unit to be installed, the estimated date when the City will begin the operation thereof, and the amount of the reduction of the one hour peak load requirements to be furnished to the City by the Authority to become effective when the new unit is put in operation; and thereafter the City's peak load requirements will be increased only as provided in Section 3 of this Article V.

Sec. 6. The electric power and energy to be delivered hereunder shall be in the form of three (3) phase, three (3) wire alternating current, at a frequency of sixty (60) cycles per second and at voltages hereinafter specified at the several points of delivery. The electric power

and energy delivered at the Comal Switch Yard in the form of primary alternating current shall not vary as to frequency more than one (1) cycle per second above or below a standard of sixty (60) cycles, nor more than two per cent (2%) above or below sixty-eight thousand (68,000) volts as to voltage. The electric power and energy delivered hereunder at the Mc-Queeney Substation and Geronomo, Kingsbury and Luling Oil Field Breakoffs in the form of alternating current shall not vary as to frequency more than one (1) cycle per second above or below a standard of sixty (60) cycles, nor more than two per cent (2%) up or down as to voltage.

Sec. 7. Subject to the minimum provisions of Sec. 12 of this Article V, the "Monthly Billing Demand" for any month is defined as the highest integrated simultaneous load at the point or points of delivery during any sixty (60) consecutive minute period during the month for which determination is made. Measurement shall be made by suitable instrument at the points of delivery. It is the intent hereof to totalize or combine the load at all points of delivery during the maximum sixty (60) consecutive minute period in the determination of "Monthly Billing Demand."

In determining the "Monthly Billing Demand" for any month, no account shall be taken of:

(a) Such temporary inadvertent swings in load taken by City as are unavoidable in the operation of two or more systems in parallel at several points of interconnection remote from each other and the points of load control, or

(b) Temporary excess load resulting from disturbed operating conditions in the interconnected systems, or

(c) Any excess load which might be taken by City as a result of a tendency toward higher than normal frequency in Authority's system or correction of lower than normal power factor in Authority's system.

Sec. 8. The charge to be made to the City for power and energy purchased by City from Authority shall be determined monthly and bills therefor shall be computed in the following manner:

Subject to the provisions of Sec. 12 of this Article V, the amount to be charged to the City for electric power during each month shall be at the rate of Ninety Cents ($0.90) per kilowatt of "Monthly Billing Demand" as defined in Section 7 of this Article V.

The amount to be charged to City for electric energy, determined and metered as hereinafter provided, shall be at the following rates:

Four mills ($0.004) per kilowatt-hour for the first one hundred thousand (100,000) kilowatt hours delivered per month by Authority to City.

Three mills ($0.003) per kilowatt-hour for the next two hundred thousand (200,000) kilowatt hours delivered per month by Authority to City.

Two and one-half mills ($0.0025) per kilowatt-hour for all energy delivered by Authority to City in excess of the above.

For all energy delivered at point or points other than Comal Plant point of delivery, the City will pay the Authority 2 mills per kwh in addition to the above energy charges.

When available, and at the sole option of Authority, it may tender to the City surplus energy for use by City in substitution of energy normally generated at Station "B". If accepted by City, the rate which City shall pay for such surplus energy shall be as follows:

First 500,000 kwh. of surplus energy per month delivered by Authority to City at two mills ($0.002) per kwh.

All surplus energy in excess of 500,000 kwh. of surplus energy per month delivered by Authority to City at one mill ($0.001) per kwh.

Authorized representative of Authority shall be granted access to the operating log of Station "B" for the purpose of verifying the substitution of surplus energy as provided for herein.

and authorized representatives of the City shall be granted access to the operating log of the Comal Plant for the purpose of verifying the amount of surplus energy delivered and then demand necessary adjustment in the billing.

If at any time during the term of this Agreement the Authority should supply electricity of the kind and character herein provided to be supplied to the City to any other municipality at a lower rate schedule for primary or firm power and energy than that set forth in this Section 8 of Article V of this Agreement, conditions pertaining to demand, delivery, load factor and consumption being the same, and all other conditions of service being equal, such lower rate shall be made available to the City as long as such lower rate schedule shall be given to any such other municipality while this Agreement is in force.

Sec. 9. For the purpose of determining the total power taken by the City from the Authority or by the Authority from the City at any point of delivery, the demand in each case whenever the normal load power factor is less than 85% shall be determined upon the basis of 85% power factor; that is, whenever said normal power factor is less than 85%, the demand in kilowatts shall be taken to be 85% of the kilovolt amperes as determined by the meters.

Sec. 10. Under the contract dated April 19, 1929, as amended, between San Antonio Public Service Company and United Gas Pipe Line Company, natural gas used for fuel in the Comal Plant is delivered at a base price of fourteen and one-half cents ($0.145) per thousand (1,000) cubic feet of natural gas having a heating value of not less than nine hundred twenty-five (925) Btu. per cubic foot, and not more than nine hundred seventy-five (975) Btu. per cubic foot. Said basic price is subject to an increase of one (1) percent for each increase of nine and threefourths (9-3/4ths) Btu. per cubic foot above nine hundred seventy-five (975) Btu. per cubic foot, and a decrease of one (1) percent for each nine and one-fourth (9-1/4th) Btu. per cubic foot below nine hundred twenty-five (925) Btu. per cubic foot, the cost of fuel per one million (1,000,000) Btu. thus varying from fourteen and eighty-seven hundredths ($0.1487) cents to fifteen and sixty-eight one hundredths ($0.1568) cents. Said base price of fourteen and one-half cents ($0.145) may be changed to sixteen and one-quarter cents ($0.1625) at any time on sixty (60) days written notice by either party.

Sec. 11. City and Authority agree that the amount paid to City for use and occupancy of the properties leased to the Authority by the City shall vary in accordance w ith the actual cost of natural gas, coal or oil fuel delivered at the Comal Plant. Such amount paid to the City shall be increased by an amount equal to one hundred sixty-six thousandths of a mill (.166 of a mill) per kilowatt hour or "steam energy," as hereinafter defined, delivered to the City by the Authority for each one cent (1¢) per million Btu. decrease below fourteen and eighty-seven one hundredths cents ($0.1487) per million Btu. in the cost of natural gas, coal or oil fuel delivered to said plant, and such amount paid to the City shall be decreased one hundred sixty-six thousandths of a mill (.166 of a mill) per kw hour of steam energy delivered to the City by the Authority for each one cent (1¢) per million Btu. increase above fifteen and sixtyeight one hundredths cents ($0.1568) per million Btu. in the cost of natural gas, coal or oil fuel delivered to said plant. The maximum adjustment shall be three-tenths of a mill (.3 of a mill) per kilowatt hour of steam energy delivered.

"Steam Energy" is defined for purposes of this section 11 of Article V as being all of the energy delivered by the Authority to the City in a month less the sum of

(a) 3,600,000 kwh

(b) Any surplus energy tendered by the Authority and accepted by the City in accordance with the provisions of Sec. 8 of Article V hereof.

(c) Any energy delivered by the Authority to the City applicable to a demand in

excess of 66,000 kw.

Sec. 12. The minimum "Monthly Billing Demand" for which the City shall pay Authority shall, in no event, be less than the greater of the following:

(a) Sixty percent (60%) of the "Monthly Billing Demand" which was a maximum during any of the immediately preceding twenty-four (24) months, excluding any maximum "Monthly Billing Demand" established by virtue of an emergency, but including the month for which the said charge is computed, or

(b) 25,000 kilowatts.

It is understood and agreed, however, that such maximum "Monthly Billing Demand" referred to in sub-paragraph (a) of this Section 12 shall be reduced by twelve thousand five hundred (12,500) kilowatts in the month in which the City certifies to the Authority in writing that the installation of the new twenty-five thousand (25,000) kilowatt turbo-generator at Station "B" has been completed. It is further agreed that such maximum "Monthly Billing Demand" shall also be reduced in the month or months in which Authority or other buyer purchases from the City any of the systems or properties outside of Bexar County to the extent of the maximum demand of such systems or properties recorded during the period from the date hereof to the date of purchase by the Authority.

Sec. 13. For energy transmitted by the City for the Authority over the City's transmission lines, as provided in Sec. 3 of Article IV of this Agreement, the Authority will pay to the City a transmission charge equal to one mill per kilowatt-hour of energy so transmitted.

Sec. 14. City agrees that it will cooperate with Authority during the period of any emergency arising in connection with the generation and transmission of electric power and energy in and over the systems of the parties hereto by extending the hours of operation of any and all available high pressure turbo-generator units in Station "B", or by placing stand-by low pressure turbo-generator units into operation, when requested so to do by Authority. Authority shall pay City for such emergency operation an amount equal to the cost of operating and maintaining said unit or units during the period of emergency operation, plus one mill ($0.001) per kilowatt-hour of electric energy produced for and delivered to Authority during such period of emergency, cost to include the entire expense of starting up or shutting down stand-by low pressure units when such units are used for emergency services.

Sec. 15. (a) The electric power and energy delivered by the parties hereto in accordance with the terms of this Agreement shall be metered by meters located at each point of delivery and shall be operated and maintained by Authority. City may at its option install duplicate meters operated from the same current and potential transformers if of adequate capacity. If such transformers or any of them are not of adequate capacity, City at its own expense may make such changes in them as to render them of adequate capacity.

(b) The electric power delivered hereunder shall be metered by demand meters of standard type recording the hourly demand at each point of delivery.

(c) The electric energy delivered hereunder shall be metered by integrating watt hour meters of standard type, registering the kilowatthours of energy at each point of delivery.

(d) The maximum sum of the coincident indications of all demand meters at all points of delivery shall be used to determine the hourly demand in kilowatts as herein provided and the sum of the indications of all watt-hour meters at points of delivery shall be used to determine the number of kilowatt-hours of electric energy delivered by Authority to City. In the event that duplicate meters are installed at points of delivery, as in sub-paragraph 14(a) of this Article V, then the average indication of pairs of meters shall be used to determine the

kilowatts of demand and the kilowatt-hours of electric energy provided such indications and registrations do not differ one from the other by an amount exceeding two (2%) per cent of the meter showing the highest registration. Whenever indications of duplicate meters differ one from the other by an amount exceeding two (2%) per cent of the indication of the meter showing the highest registration, then the demand in kilowatts or the electric energy in kilowatt hours shall be determined according to the most accurate estimate which can be made from the available evidence.

(e) The power factor at each point of delivery shall be determined by meters designed to record hourly reactive kilovolt-amperes.

(f) All meters shall be read as nearly as practicable at midnight on the last day of each calendar month.

(g) City shall have access at all reasonable times to the meters of Authority which measure power and energy at all points of delivery and Authority shall have access at all reasonable times to meters which register the output of Station "B" delivered to Authority under the provisions of Section 14 of this Article V.

Sec. 16. Bills for electric power and energy delivered hereunder by either party to the other shall be rendered on or before the fifth day of the month following that in which deliveries were made. The party to which bills are presented shall make payment on or before the fifteenth day of the month following that in which deliveries were made.

Sec. 17. City will endeavor to take and use electric power and energy purchased from Authority in s uch manner that the current corresponding thereto shall be approximately equal in each of the three (3) phases at each point of delivery. Whenever the difference in current between the three (3) phases at any point of delivery shall exceed ten (10%) percent of the total current so taken at the time of maximum demand, City agrees to rearrange its load and circuits in such manner that the unbalanced condition shall not exceed ten (10%) percent.

Sec. 18. City agrees to permit Authority to use jointly with itself such portions of its radio communications system as are required by Authority in connection with operation of its production and transmission facilities and the facilities of City used by Authority. Such use shall not interfere unduly with the City's use of the communications system.

Sec. 19. It is agreed by the parties hereto that in order to secure the maximum benefit from the use of their respective properties to produce the minimum cost of power to the parties hereto, severally and collectively, the closest cooperation will be required and to that end, City and Authority will authorize their respective representatives to develop such program of load dispatching and such use of load dispatching personnel as will accomplish these aims.

Sec. 20. Each of the parties hereto agrees to use due diligence in restoring any interruption to service occurring in their respective systems and at all times to so operate and maintain their systems as to result in adequate and reliable service.

Sec. 21. If for any cause whatsoever the Authority shall, at any time, be unable to supply the power and emergy requirements of all of its customers, including the City, the City is to be entitled to receive, to the extent of its requirements, as specified in this Article V, the entire output of the Comal Plant not in excess of 66,000 kilowatts, and failure of the Authority to make available to the City such output shall constitute a default within the meaning of Section 1 of Article VII hereof.

ARTICLE VI

DEFAULTS

Sec. 1. The City shall have the right to re-enter and take possession of any of the property described in "Exhibit A" attached to this Agreement and occupied and used by the Authority

(which has not then been purchased by and conveyed to the Authority), upon the happening of any of the following events:

(a) If any of the leased properties are not adequately maintained, as provided in Article III of this Agreement, and the Authority fails or refuses to perform the necessary maintenance work with due diligence and within a reasonable time after having been given notice by the City, or, in case of resort to arbitration, it having been determined by arbitration that such maintenance work is necessary, all as provided in Sec. 6 of Article III of this Agreement; and

(b) If during the term of this contract the Authority, except for causes set out in Sec. 3 of Article VIII of this contract, fails or refuses to deliver to the City electric power and energy, as provided in Article V hereof.

In case the City shall take possession of any of said property, as herein provided, it shall be its duty to operate said property in the manner provided by and in furtherance of the purposes of this contract, but without assuming any obligations of the Authority to others. Possession of the property taken by the City under the terms hereof shall, unless it voluntarily relinquishes the same, which it may at any time do, continue only so long as any of the defaults aforesaid, or the exercise of such right of possession, shall continue or exist. Such right of possession may be exercised successively by the City and as frequently as the provisions of this contract and the existing circumstances warrant. During any period of possession by the City it shall credit to the Authority all sums received by it from the operation of said property, after payment of operating costs, including rent, and the expenses of remedying the default or defaults.

Sec. 2a. It is agreed that in the event the City does exercise its right to take possession as set out hereinabove, the Authority shall have the privilege and right during the time the City exercises such possession to remedy the default or defaults which existed and which constituted the basis for the taking of possession by the City, provided that upon same being remedied the right of the City to continue in possession shall cease for that particular default or defaults, and provided further that the right of the Authority to regain possession after same has been taken by the City as set out hereinabove shall cease to exist in the event the default or defaults which are the basis of the taking of possession are not remedied in the manner set out in this Agreement within one year from the date on which it is finally determined, as provided in this Agreement, that such default does exist.

Sec. 2. If the City shall make default in the payment for electrical energy, as hereinbefore provided, the Authority, by continuing to pay rentals as herein provided, may suspend or terminate service, provided that the Authority shall not have the right to suspend or terminate service, under the provisions of this paragraph until it shall have given written notice to the City of its alleged default and the City shall have failed to remedy the same with due diligence and within a reasonable time after the receipt of such notice, or after the decision by arbitration, in the event there is a dispute and the matter is submitted to arbitration.

Sec. 3. The remedies herein provided shall be cumulative, and there is expressly reserved to each party any and all other remedies provided by the terms of this Agreement and available to it at law or in equity.

ARTICLE VII

ARBITRATION

Any matter herein specifically made subject to arbitration, or any dispute as to the interpretation of any provision hereof or as to the facts determining the application of any provision hereof or as to any claim or demand hereunder, shall, upon demand of either party, be referred to arbitration. An offer of such reference to arbitration shall be a condition precedent to any proceeding at law or in equity concerning such matter or dispute, provided that either party may

without arbitration bring a proceeding to enjoin breach of this Agreement.

Either party may serve notice of demand for arbitration, naming one arbitrator and setting forth specifically the matter in dispute. The party served with such notice shall appoint one arbitrator and the two so appointed shall appoint a third. In case of failure of the party served with notice to appoint a second arbitrator within ten days, or of failure of the two first appointed to appoint a third within ten days after the appointment of the second, then the party demanding arbitration may, after five days notice to the other party, apply for appointment of the second or third arbitrator, as the case may be, to any person who is a Judge of the United States District Court for the Western District of Texas.

The arbitrators shall hear such evidence as is submitted by the parties and may proceed to make a determination, provided, however, that the arbitrators shall be entitled to call upon either party for additional information. The decision of a majority of the arbitrators shall be binding upon the parties with respect to the matter submitted. All expenses of arbitration shall be paid equally by the parties except that the compensation, if any, of the first and second members of the board of arbitration shall be paid by the respective party by or for whom they are named.

ARTICLE VIII

GENERAL

Sec. 1. As between City and Authority each assumes responsibility on its own side of the points of delivery for the power and energy to be delivered hereunder, as well as for the wires, apparatus and appurtenances, including dams, reservoirs, and power plants, used in connection therewith located on its own side of the points of delivery. As between City and Authority each shall protect and save the other harmless against any loss or damage to persons or property occasioned on its own side of the points of delivery or by such wires, apparatus or appurtenances, including dams, reservoirs and power plants, on its own side of the points of delivery, unless it be proven that such loss or damage was caused by the sole negligence of the other party, its agents, servants or employees, and except as to injury to or death of employees of the other party.

As between City and Authority, each shall assume and discharge any loss, liability or expense resulting from injury to or death of its own employees, occurring while such employees are engaged in the line of their duties, whether or not such employees be harmed on the property of or on or adjacent to the wires, apparatus or appurtenances of City or Authority, and as between the parties hereto, each shall protect and save each other harmless against any such loss, liability or expense.

Sec. 2. Any waiver at any time by either party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or matter.

Sec. 3. In the event either party hereto is prevented by an Act of God, public enemy, inevitable accidents, fire, strikes, riots, war,delays in receiving shipment of required materials, order of any court granted in any bona fide adverse proceedings or actions, or by order of any commission or tribunal having jurisdiction, or by any other act or thing reasonably beyond the control of such party, from performing any of its agreements or undertakings hereunder, such failure to perform shall not be deemed a breach of this contract and performance in such cases shall be waived, provided the party whose performance is interrupted from such causes shall resume performance with all due diligence upon termination of the cause of such interruption.

Sec. 4. If any one or more phrases, sentences, clauses or paragraphs of this contract or the application thereof to any circumstances shall be held invalid, the invalidity of such phrase,

sentence, clause or paragraph, or the application thereof to such circumstance, shall not affect any of the remaining portions of this contract, or the application t hereof to any other circumstance.

Sec. 5. The City represents that it proposes to follow the accounting practices with reference both to capital accounts and operating accounts prescribed in the Uniform System of Accounts for Electric Utilities adopted by the National Association of Railroad and Utilities Commissioners on November 10, 1936. The Authority represents that it proposes to follow the accounting classification and practices for Electric Utilities adopted by Federal Power Commission and effective January 1, 1938.

Sec. 6. Any demand, request, bill statement or payment required or authorized by this Agreement shall be deemed properly delivered or made if it be in writing and, to the City, if mailed to the Board of Trustees of the San Antonio Electric and Gas System, at the office of said Board, 201 N. St. Mary's Street, San Antonio, Texas, and, to the Authority, if mailed to the General Manager of the Guadalupe-Blanco River Authority, New Braunfels, Texas. The designation of the address of either party may be changed by the respective party at any time, and from time to time by similar notice.

Sec. 7. All the covenants, stipulations, promises, undertakings and agreements herein contained by or on behalf of either party hereto shall bind its successors and assigns, whether so expressed or not. It is provided, however, that neigher party shall have the right to assign this contract, or any part hereof, without the consent of the other party.

Sec. 8. The Authority intends to retain the employees of the San Antonio Public Service Company engaged in operating the leased properties but the Authority may in its sole discretion and judgment retain only those employees as it determines to be in every respect qualified and necessary to the efficient and economical operation of the properties. So far as it may legally do so, it will protect theinterest of employees retained by it in the pension fund established by San Antonio Public Service Company for the benefit of said employees, the Authority to be the sole judge of the legality and method of procedure in respect to such benefits.

Sec. 9. Notwithstanding any other provision of this Agreement, it is understood that the liability of either party for the performance of any of its agreements or obligations under this Contract shall extend only to the revenues derived by it from the operation of its respective properties and that any demand, liability or obligation payable or dischargeable in money shall be paid and discharged out of the revenues derived from the operation of the properties by the parties respectively and shall be a charge against the operating expenses of such properties.

Sec. 10. It is understood and agreed by the City that during the term of its Agreement it will retain title to and will operate its 66 Kv transmission line running from Lytle to Sabinal, together with all equipment appurtenant thereto.

Sec. 11. It is understood and agreed between the parties hereto that if any original records for the use of which provision is hereinbefore made for the purpose of determing any rights or liabilities of the parties, shall become lost or destroyed, such rights and liabilities shall be determined jointly between the parties on the basis of the best estimates obtainable of the contents of the lost records, and that if the parties are unable to agree, the matter shall be submitted to arbitration in the manner for which provision is made in Article VII hereof.

Sec. 12. This contract may be simultaneously executed in any number of counterparts, each executed counterpart to have all the force and validity of an original.

IN TESTIMONY whereof the City has executed these presents by its Mayor, attested with the City seal by the City Clerk, and the Authority has executed the same by its Chairman, attested with its seal by its Secretary, all as of the 24 day of October, A.D. 1942.

ATTEST:

/s/ J. M. Woods
City Clerk

CITY OF SAN ANTONIO

BY /s/ C. K. Quin
MAYOR

ATTEST:

/s/ H. A. Wagenfuehr,

GUADALUPE-BLANCO RIVER AUTHORITY

BY: /s/ E. M. Cape
Chairman

THE STATE OF TEXAS }
COUNTY OF BEXAR }

BEFORE ME, the undersigned Notary Public in and for Bexar County, Texas, on this day personally appeared C. K. Quin and J. M. Woods, known to me to be the persons whose names are subscribed to the foregoing instrument as Mayor and City Clerk, respectively, of the City of San Antonio, and acknowledged to me that they executed the same for the purposes and consideration therein expressed, and in the respective capacities therein stated, as the act and deed of the City of San Antonio,

Given under my hand and seal of office this 24th day of October, 1942.

/s/ Georgina W. Roberts
Notary Public in and for
Bexar County, Texas

THE STATE OF TEXAS }
COUNTY OF BEXAR }

BEFORE ME, the undersigned Notary Public in and for Bexar County, Texas, on this day personally appeared E. M. Cape and H. A. Wagenfuehr, known to me to be the persons whose names are subscribed to the foregoing instrument as Chairman of the Board of Directors and Secretary, respectively, of the Guadalupe-Blanco River Authority, and acknowledged to me that they executed the same for the purposes and consideration therein expressed, and in the respective capacities therein stated, as the act and deed of the Guadalupe-Blanco River Authority.

Given under my hand and seal of office this 24th day of October, 1942.

/s/ Georgina W. Roberts
Notary Public in and for
Bexar County, Texas

EXHIBIT "A"

(a) The 60,000 Kw. steam-electric generating station, including the new No. 4 boiler now in process of installation, at New Braunfels, hereinafter known as "Comal Plant".

(b) The two hydro-electric generating stations with a combined rated capacity of 1100 Kw. and known as the "Landa" and "P & M Mills" plants.

(c) The substation, switching and regulating station, including metering and all appurtant equipment, adjacent to the Comal Plant and hereinafter called the "Comal Switch Yard".

Included with (a), (b) and (c) above is the following described real estate:

COMAL PLANT.

That property conveyed by Landa Milling Company, et al,, to Comal Power Company, by deed dated August 17, 1925, and therein described as follows: "All those certain lots, tracts or parcels of land out of the Juan Martin Veramendi Two-League grant, Survey No. 1, Abstract No. 2, lying and being situated within the corporate limits of the City of New Braunfels, in Comal County, Texas, more particularly described as follows, to-wit:

"Tract No. 1: Beginning at a stake at the northeast corner of the intersection of the Seguin Road and the Fredericksburg Road; thence north 18 degrees, 1 minute west, 1,112.61 feet to a stake set on the east line of the Fredericksburg Road; thence north 69 degrees, 10 minutes east,

1,000.91 feet to a stake; thence south 29 degrees, 49 minutes east, 150.64 to a stake; thence south 44 degrees, 27 minutes east, 146.63 feet to a stake; thence south 33 degrees, 37 minutes east, 41.54 feet to a stake; thence south 20 degrees, 36 minutes east, 194.82 feet to a stake; thence south 14 degrees, 21 minutes east, 144.79 feet to a stake; thence south 24 degrees 20 minutes east, 202.08 feet to a stake; thence south 20 degrees, 8 minutes east, 245.70 feet to a stake; thence wouth 35 degrees, 44 minutes east, 30.10 feet to a stake; thence south 35 degrees, 44 minutes east, 45.42 feet to a stake; thence south 25 degrees, 58 minutes east, 62.42 feet to a stake; thence south 3 degrees, 7 minutes east, 128.51 feet to a stake; thence south 7 degrees, 57 minutes east, 169.51 feet to a stake in the north property line of Seguin Street; thence north 89 degrees, 39 minutes west, 1,165.82 feet to the stake at the point of beginning.

"Tract No. 2: Beginning at a stake set on the north line of Seguin Street at the southeast corner of Tract No. 1; thence north 7 degrees, 57 minutes west, 169.51 feet to a stake; thence north 3 degrees, 7 minutes west, 128.51 feet to a stake; thence north 25 degrees, 58 minutes west, 62.42 feet to a stake; thence north 35 degrees, 44 minutes west, 45.42 feet to a stake; thence south 83 degrees, 54 minutes east, 94.17 feet to a stake; thence north 6 degrees, 49 minutes east, 244.60 feet to a stake; thence south 83 degrees, 9 minutes west, 404.62 feet to a stake; thence south 22 degrees, 50 minutes east, 140.41 feet to a stake; thence south 24 degrees, 24 minutes east, 161.30 feet to a stake; thence north 83 degrees, 9 minutes west, 150 feet to a stake; thence south 73 degrees, 49 minutes west, 141.18 feet to a stake; thence north 87 degrees, 10 minutes west, 16.54 feet to a stake; thence south 56 degrees, 52 minutes west, 35.28 feet to a stake; thence south 3 degrees, 9 minutes west, 140.46 feet to a stake; thence south 80 degrees, 11 minutes west, 15 feet to a stake; thence south 78 degrees, 14 minutes west, 29.08 feet to a stake; thence south 45 degrees, 10 minutes west, 6.90 feet to a stake; thence south 85 degrees, 30 minutes west, 34.95 feet to a stake; thence south 38 degrees, 13 minutes west, 6.98 feet to a stake; thence south 88 degrees, 57 minutes west, 54.38 feet to a stake; thence north 57 degrees, 15 minutes west, 41.51 feet to a stake; thence north 44 degrees, 4 minutes west, 49.48 feet to a stake; thence south 7 degrees, 10 minutes east, 155.30 feet to a stake; thence north 86 degrees, 49 minutes west, 20.81 feet to a stake; thence north 98 degrees, 39 minutes west, 11 feet to a stake at the point of beginning.

"Tract No. 3: This tract shall embrace all those parcels of land and property, together with all, except as hereinafter provided, water rights and water flowage incident thereto, described as follows:

"To the extent that the same are situated within the boundaries of all property and lands now owned by Grantors, all islands and the bed, basin and strips of land 15 feet in width from the water's edge along all banks of all parts of the Comal River, its tributaries, and all springs, lakes and mill race connected or incident thereto, lying and situated within the boundaries of the lands now owned by Grantors, and without the limits of the two preceding tracts described above herein. It is the express intention to hereby convey to Comal Power Company, its successors and assigns, absolutely and without exception or reservation, except as hereinafter provided, all water and water rights of any and every nature whatsoever, and the right to divert, use and appropriate the same, except as hereinafter provided, to its own exclusive use."

Said deed from Landa Milling Company, et al., to Comal Power Company further provides:

(1) "A perpetual easement appurtenant to the lands described hereinabove is hereby granted and conveyed to Comal Power Company, its successors and assigns, and all future owners of the land and premises described hereinabove, to enter upon lands, other than those described hereinabove and which are now owned by Grantors, for the purpose of constructing, maintaining, repairing and operating a spur railroad track running from the present M. K. & T. spur railroad track, situated on property of the Grantor, on a tangent from a point north of the Landa Milling Company

oil mill hull warehouse to the lands hereinabove described as Tract No. 1; provided, however, said spur track must be so constructed that it will be an extension on a straight line of the present track as it runs north of said hull warehouse, or deflected in a southeast direction from such a straight line, and said spur track shall be constructed in such a way so that where it crosses the main entrance park roadway it shall have the top of its rails on a level with the surface of said roadway, or, if necessary to raise the same above the surface of the existing roadway, then Comal Power Company, its successors and assigns, shall raise and reconstruct the roadway on each side of said crossing so that the approaches to the crossing shall never exceed a grade of 5 per cent. at any place, and so that the base and surface of said roadway shall be of the same construction as the adjoining roadway; provided further, Comal Power Company, its successors and assigns, hereby covenant, bind and obligate themselves to at all times maintain said roadway at said crossing in a smooth and serviceable condition for the full width of said roadway, and said Comal Power Company, its successors and assigns, do hereby likewise covenant, bind and obligate themselves to indemnify and hold harmless Grantors, their heirs, assigns and successors, and all future owners of the lands upon which said spur track may be situated, from and against any and all claims or liabilities, of every character, arising by reason of the construction, maintenance and/or out of the use of said spur track, and/or out of the maintenance of said roadway at the crossing of said spur track.

(2) "It is understood that Comal Power Company contemplates the erection of an electric power plant upon the property hereby conveyed, and Grantors, their successors, heirs and assigns do hereby (and this is hereby made a covenant running with all lands situated in Comal County, Texas, now owned by said Grantors, or either of them) release and forever discharge the Comal Power Company, its successors and assigns, from any and all liability of every nature whatsoever, arising on account of any and all damages or injury that may result to any property or land, or interference with the use of any such property or land or depreciation in the value of any such property or land now owned by Grantors, or either of them, and not conveyed hereby, by reason of the fact of the consturction, maintenance or operation of said power plant and the diversion or use of the water from the Comal River, its lakes, springs and tributaries.

(3) "Comal Power Company, its successors and assigns, shall have the right to equal use of all railroad spur tracks now located upon any lands owned by Grantors for the purpose of getting cars to and from the property hereby conveyed.

(4) "Perpetual easements, rights and privileges appurtenant to the lands hereby conveyed to Comal Power Company are hereby granted to Comal Power Company, its successors and assigns, to enter upon the lands of Grantors which lie between Seguin Street and the main line of the I. & G. N. RR., and to construct, maintain, repair and operate a spur railroad track across said lands of Grantors; said spur to run from the main line of the I. & G. N. RR. to the land hereby conveyed and described as Tract No. 1; provided, however, that Comal Power Company, its successors and assigns, shall fully compensate Grantors, their successors, heirs and assigns, for any and all damages or injury occasioned to any building or structure on the lands of Grantors by reason of the construction of said spur track.

(5) "Perpetual easements, rights and privileges appurtenant to the lands hereby conveyed to Comal Power Company, its successors and assigns, are hereby created and granted to Comal Power Company, its successors and assigns; such easements, rights and privileges shall be upon, against and for the use of that certain tract or parcel of land described as follows, to-wit:

Beginning at a stake set for the most northwest corner of Tract No. 2, hereinabove described; thence south 6 degrees, 49 minutes west, 244.60 feet to a stake; thence north 83 degrees, 54 minutes west, 94.17 feet to a stake set on the east boundary line of Tract No. 1 hereinabove described; thence north 35 degrees, 44 minutes west, 30.10 feet to a stake; thence north 20 degrees, 8 min-

utes west, 245.70 feet; thence on a straight line in an easterly direction to the place of beginning.

Such easements, rights and privileges are to enter, at any and all times, upon the land described above in this paragraph for the purposes of constructing, maintaining, operating, repairing, changing, enlarging or removing underground canals, flumes, and pipes and overhead wires, telephone and electric; it is understood that the enjoyment of the easements, rights and privileges granted in this paragraph may interfere with the free use and enjoyment of the property and land described particularly in this paragraph and all claims for damages, by reason of any such interference, are hereby expressly waived by Grantors, their successors, heirs, and assigns.

(6) "Perpetual easements, rights and privileges appurtenant to the land hereby conveyed are hereby created and granted to Comal Power Company, its successors and assigns, for the use of that part of the main entrance park roadway which lies east of any part of Tract No. 1, described hereinabove and hereby conveyed.

(7) "Perpetual easements, rights and privileges appurtenant to the property conveyed to Comal Power Company, its successors and assigns, are hereby created and granted to Comal Power Company, its successors and assigns, to control, operate and maintain all spillways that are now located on lands of Grantors, with full privilege and right to use such spillways for the purpose of carrying off water from all water courses herein referred to, and the Comal Power Company, its successors and assigns, are hereby released by Grantors, their heirs, successors and assigns, from all damages that may be occasioned by the overflow of any lands of Grantors caused by any such water passing through such spillways.

(8) "A perpetual easement, rights and privileges appurtenant to Tract No. 2, hereinabove described and hereby conveyed to Comal Power Company, its successors and assigns are hereby created and granted to Comal Power Company, its successors and assigns; such easement, rights and privileges, shall be upon, against and for the use of that certain tract or parcel of land described as follows, to-wit:

All that portion of the Juan Martin Veramendi Two-League grant, Comal County, Texas, that is bounded on the north and east by Comal Springs, on the south by Comal Creek and on the west by the main line of the M. K. & T. RR. right-of-way and the Comal Springs.

Such easements, rights and privilebes are to enter, at any and all times, upon the land described above in this paragraph for the purpose of constructing, maintaining, operating and repairing such canals, flumes and/or tunnels, and the passage of water through same, as the said Comal Power Company, its successors or assigns, may desire.

(9) "Comal Power Company, its successors and assigns, shall have the right to the equal use of all roadways, as they from time to time exist, on lands now owned by Grantors, and abutting Tract No. 2, hereinabove described.

"To have and to hold, subject to the easements, rights, and privileges hereinafter excepted, retained and provided for, the above granted premises and the easements, appurtenances, rights and privileges hereinbefore described as granted to Comal Power Company, unto the said Comal Power Company, its successors and assigns, forever.

"Grantors do hereby bind themselves, their heirs, assigns, successors executors and administrators to warrant and forever defend all and singular the property, premises, easements and rights herein recited above as conveyed to Comal Power Company, unto the said Comal Power Company, unto the said Comal Power Company, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, subject only to such easements, rights and privileges as are herein retained, excepted, and reserved as follows, to-wit:

(10) "A perpetual easement appurtenant to each and every part of all lands now owned by Grantors and in the Veramendi grant, in Comal County, Texas, and not conveyed hereby, is hereby

expressly reserved and excepted from this conveyance, and is hereby expressly retained by Grantors, their successors, heirs, and assigns, for the perpetual free, and uninterrupted use of the main entrance park roadway, as it now runs across the lands hereby conveyed and as it now exists, or as it may hereafter be widened as provided for herein. It is agreed and understood that this easement, in addition to being appurtenant to said lands as specified above, shall be for the use and benefit of, and in favor of, the present and future owners of said lands now owned by Grantors, and each part thereof, to which the same is appurtenant and, also, in favor of every person rightfully going to or coming from said lands, or any part thereof, Comal Power Company does hereby bind and obligate itself, its successors and assigns, to maintain and keep said roadway, as it now exists or as it may be widened (as herein provided) across the lands hereby conveyed, and all bridges therein, in good repair and in as good a condition as they now are; and, further, to widen and surface said roadway where the same does so cross lands hereby conveyed, to the extent of 6 feet on each side, at such time or times as said roadway is similarly widened and surfaced immediately north of the point where it passes off of the land hereby conveyed and described as Tract No. 2; provided, however, that nothing herein contained shall require the widening of the bridge that crosses the mill race on said road.

(11) "It is agreed and understood that Grantors now own certain lands, other than those hereby conveyed, which abut upon the various parts of the 15-foot strips of land, which are hereby conveyed and described in Tract No. 3, along the banks or margin of said Comal River, its springs, lakes and tributaries; and certain easements, privileges and rights appurtenant respectively to each particular part of said abutting lands are hereby excepted and reserved from this conveyance, and are hereby expressly retained by Grantors for the benefit of the present and future respective owners of the various parts of said abutting lands; such easements, rights and privileges shall run against and upon the respective and particular parts of the said 15-foot strips of land, and upon and against the respective and particular parts of the Comal River, its lakes, springs and tributaries adjoining said parts of said strips of land and the bed and basin thereof and all water flowing in or through all of same, wherever and to the extent, the various parts of the lands now owned by Grantors, and not hereby conveyed, do so abut upon said 15-foot strips of land; it is agreed and understood, however, that as to that part of the mill race and those parts of the 15-foot strips of land on each side thereof which lie between the north boundary of Tract No. 1 hereby conveyed and the roadway bridge across the mill race, the easements, privileges and rights provided for in this paragraph shall terminate at such time as Comal Power Company, its successors and assigns, desire to use said particular part of the mill race and said particular parts of the 15-foot strips for spray ponds, but as to all other parts of the Comal River, its lakes, springs and tributaries, and the 15-foot strips of land along the margin or banks thereof, the easements, privileges and rights provided for in this paragraph shall be, and are hereby made in all things perpetual; said easements, rights and privileges shall be for the benefit of the present or future owners of land abutting said strips of land, to the extent hereinbefore defined, and all persons who are permitted by such owners to use the same; said easements, privileges and rights, are as follows:

(a) To enter upon and pass over said 15-foot strips of land to and from the Comal River, its lakes, springs and tributaries.

(b) To freely use said 15-foot strips of land and to fill up gullies and ditches therein and to keep the same smooth, free from brush and weeds, with full right to plant thereon and remove therefrom trees, shade trees, grass, flowers and ornamental shrub and to water, care for and protect the same.

(c) To remove obstructions from said strips of land and to keep the channels of said river, its tributaries, lakes and springs, where they now are, and to remove from such channels

and beds all brush, weeds, grass, or other obstruction which may grow or accumulate thereon or therein.

(d) The use of the said Comal River, its lakes, tributaries and springs, for fishing, boating, swimming and other water sports or pleaseures.

(e) To construct club houses, cottages, boat buildings, wharves, spring boards and all structures and appliances commonly used in connection with swimming, and boating pools or pools, lakes and streams.

(f) To keep upon said strips of land and the banks and beds of all streams, lakes, springs or pools, all structures and buildings now thereon.

(g) To use water from said river, its springs, lakes and tributaries for drinking purposes.

(h) To construct, repair, and replace cement or concrete walks along upon and across said 15-foot strips and steps down to and into the water, and to build, repair, and rebuild retaining walls and rails along the banks of the river, springs and tributaries, and to erect and construct, repair and replace bridges over and across the same.

(i) To run water and gas pipes and mains across said 15-foot strips of land and said river, springs, and tributaries, and repair and replace the same, and to excavate and dig such trenches and tunnels as may be proper for such purpose.

(j) To erect, repair and replace on said 15-foot strips drinking fountains, posts or rocks or concrete structures for lights, and run light wires across or over or under the same.

(k) To repair and replace any of the structures now in, along or adjoining such river, springs and tributaries built in connection with or as a part of, or for the purpose of, the swimming pool and fish pond.

(l) To erect screens across any of the springs or tributaries for the purpose of making fish ponds, but the same must be so constructed as to permit the full flow of the water.

(m) Comal Power Company, its successors or assigns, bind themselves not to raise the level of said 15-foot strips of land and not to erect or construct thereon any fences, buildings or structures of any kind, and not to leave upon the same or any part thereof any holes or ditches dug thereon by them.

"It is the express intention that the beneficiaries of said easements, rights and privileges shall have the full and free use of the said parts of the Comal River, its lakes, springs and tributaties, and of the 15-foot strips of land along the margin or banks thereof, for all park and pleasure purposes; with full power to do such acts and things, with reference to said parts of the Comal River, its lakes, springs and tributaries, and the 15-foot strips of land along the margin or banks thereof, which may be in any way beneficial or instrumental to such use for pleasure and park purposes, and the particular enumeration above of certain acts and things which the beneficiaries of said easements, privileges and rights may do, shall never be construed as limiting the general purpose of the easements, privileges and rights provided for in this paragraph. It is agreed and understood, however, that nothing contained in this paragraph shall ever be construed in such way as to give the beneficiaries of said easements, rights and privileges, the right to use said 15-foot strips of land, the bed and channel of said river, its lakes, springs and tributaries, and the water of same, for any other purpose except that for park and pleasure purposes, as contemplated by the above; it being the express intention that the beneficiaries of said easements, rights and privileges, shall never have the right, except as provided for in this deed of conveyance, to take, pump or divert any of the water of the Comal River, its lakes, springs or tributaries, or to do anything which will affect the natural flow thereof, or to use the same, or any part of the 15-foot strips of land for any business or industrial

purposes other than as herein expressly provided. It is agreed and understood, however, that Comal Power Company, its successors and assigns, shall at all times have the right to have their officers, agents and employees to enter in, upon and across all such parts of the Comal River, its lakes, springs and tributaries, and all such 15-foot strips of land, for the purpose of inspecting the same, and doing such things as may be necessary, in their opinion, to maintain the flow of the water, in, through and along all the normal channels of such river, its lakes, springs, and tributaries; so that the same may be available for the uses and purposes of the Comal Power Company, its successors and assigns.

(12) "In addition to the easements, rights and privileges reserved, excepted, and provided for in the preceding paragraph, certain other perpetual easements, rights and privileges, appurtenant exclusively to the following described land, to-wit:

That certain tract or parcel of land, being a part of the Juan Martin Veramendi Two-League grant, situated in Comal County, Texas, and bounded on the west by the Fredericksburg Road, on the north by Comal Springs, on the east by the mill race leading from Comal Springs to Comal Creek, and on the south by the north boundary line of Tract No. 1, hereinabove conveyed to Comal Power Company.

It is further agreed and understood that the easements provided for in this paragraph shall be appurtenant, also, to such other land as may be included in what is known generally as 'Landa Park,' and which are to be fully described by metes and bounds in a deed from Grantors to J. E. Jarratt, conveying said park.

are hereby expressly excepted and reserved from this conveyance, and are hereby expressly retained by the present and future owners of the land described in this paragraph, their successors, heirs and assigns; said easements, rights, and privileges shall be for the sole and exclusive use and benefit of the present and future owners of the land described above in this paragraph and for the use and benefit of such persons as such owners may permit to enjoy the same; such easements, rights and privileges are as follows:

(a) To have the full and exclusive use, for all the purposes set forth in the preceding paragraph, of the largest island, known generally as 'Pecan Island,' situated in the Comal Springs; said easements, rights and privileges are for the use and enjoyment of said island for all the purposes, and are, in all things and to the full extent, the same as those provided for in the preceding paragraph with reference to the use of certain parts of the Comal River, its lakes, springs and tributaries, and the 15-foot strips of land along the banks or margins thereof.

(b) To have the exclusive possession, control, and use of what is known as the 'swimming pool' in Landa Park, with full and exclusive right to operate the same and charge for admission thereto, and, also, the perpetual right, at all times, to take from the Comal River, its springs, lakes and tributaries, at a point above the mill race, such quantity of water as will flow through a 12-inch pipe under a 2-foot head, such flow to be continuous, for use in said swimming pool, and, between the hours of 12 o'clock midnight and 6 o'clock A.M., to take additional water for the purposes of flushing and refilling said swimming pool (the right to so take water for flushing and refilling said swimming pool shall, at all times, be subject to the needs of Comal Power Company, its successors and assigns, which shall be considered, in this connection, paramount).

(c) To operate trains over the I. & G. N. spur track, which is situated near the west boundary line of the property, described as Tract No. 1, hereby conveyed to Comal Power Company, into 'Landa Park', provided, however, that cars shall never be stored on said spur track so as to interfere with the use thereof either by the Comal Power Company, its successors and assigns, or by the owners of said park.

(13) "Perpetual easements, rights and privileges appurtenant to the following described land and property, to-wit:

That certain lot, tract or parcel of land, being a part of the Juan Martin Veramendi Two-League grant, and situated in Comal County, Texas, described as follows, to-wit:

Beginning at a point in the north boundary line of Tract No. 1, hereinabove conveyed to Comal Power Company, 15 feet west of the west water's edge of the mill race; thence south 69 degrees, 10 minutes west, along the north boundary line of said Tract No. 1, hereinabove conveyed to Comal Power Company, for a distance of 200 feet to a point; thence north 20 degrees, 50 minutes west, 100 feet to a point; thence north 69 degrees, 10 minutes east, along a straight line to a point 15 feet west of the west water's edge of the mill race; thence in a southeasterly direction along a line parallel and 15 feet from the west water's edge of the mill race to the place of beginning.

are hereby excepted and reserved from this conveyance and are hereby retained by Grantors for the benefit of the present and future owners of the property described above in this paragraph, their heirs, successors, and assigns; such easements, rights and privileges are:

(a) To have the perpetual and continuous right to take or pump from the mill race such water as they may desire for a water works system; provided, however, that the amount of water so taken or pumped shall in no case exceed 3,000,000 gallons of water in any 24-hour period, and not more than 250,000 gallons of water in any 1 hour period.

(b) To have the perpetual and continuous right at all times to enter upon, and to lay, relay, repair, maintain, and remove water mains and pipes across, along and under;

(1) The park roadway, and bridge on same, and all railroad spur tracks, situated on Tract No. 2 and hereby conveyed to Comal Power Company.

(2) All parts of the Comal River, its lakes, springs and tributaries, and the bed and channel thereof, and all 15-foot strips of land along the banks or margins thereof, hereby conveyed, and which are described above herein as Tract No. 3.

(14) "Grantors, their successors, heirs and assigns, shall have the right to equal use of all railroad spur tracks now located upon Tract No. 2, hereby conveyed to Comal Power Company, for the purpose of getting cars to and from all lands and property of Grantors.

(15) "As to all those parts of the two branches of the Comal River, its lakes, springs and tributaries, and the 15-foot strips of land along the margins or banks thereof, which lie respectively down-stream and below the present swimming pool in Landa Park and below and down-stream from the property described as Tract No. 2, and hereby conveyed to Comal Power Company, perpetual easements, rights and privileges appurtenant respectively to the particular parts of the lands of Grantors, wherever and to the extent the same do so abut, which abut said parts of the Comal River, its lakes, springs and tributaries, or upon said 15-foot strips of land along the margins or banks thereof, are hereby excepted and reserved from this conveyance for the benefit of the present and future owners of each such respective part of the lands of Grantors which does so abut; such easements, rights and privileges are:

(a) To freely use and cross over such 15-foot strips of land and the Comal River its lakes, springs and tributaries, and to retain, construct, reconstruct, maintain and repair thereon pump houses, pipes and all other structures as the owners of such abutting property may desire.

(b) To take such quantity of water from such parts of the Comal River, its lakes springs and tributaries (that is, from those parts of the two branches which lie respectively below and down-stream from the swimming pool in Landa Park and below and down-stream from the lands described hereinabove as Tract No. 2 hereby conveyed to Comal Power Company), as may be desired

for all and/or any purposes. It is expressly agreed and understood, however, that nothing contained in this paragraph shall ever be construed in such a way as to require more water to be run or let through the swimming pool than is expressly provided for in this deed of conveyance."

The aforesaid property is further subject to an agreement dated October 29, 1927, between the City of New Braunfels and Comal Power Company, copy of which is as follows:

"THE STATE OF TEXAS)
COUNTY OF COMAL)

WHEREAS, a dispute has arisen between the City of New Braunfels and the Comal Power Company, concerning the true location of the Fredericksburg Road and the property line of the Comal Power Company of the properties of said companies abutting on said street, and

WHEREAS, the Comal Power Company has erected a fence on that stip of land claimed by the City of New Braunfels to be part of the Fredericksburg Road, and which said strip of land is also claimed by the Comal Power Company under and by virtue of a deed of Harry Landa conveying said property to said Company, and

WHEREAS, both parties are desirous of settling amicably said dispute,

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that this agreement made by and between the City of New Braunfels, acting by and through its Mayor thereunto duly authorized, and the Comal Power Company, acting through its Vice-President, witnesseth:

1. That for and in consideration of the forebearance of said parties to this agreement to bring suit to determine the true location of said property line and the line of Fredericksburg Road, the said Comal Power Company agrees to relinquish unto the City of New Braunfels so much of the property now inclosed by them and claimed by them abutting on this street, as the City may demand, whenever the said City of New Braunfels deems it necessary and advisable to obtain said property and has made adequate money appropriations and is ready to begin work for the purpose of widening Fredericksburg Road; but in no event shall the property so relinquished extend beyond 20 feet easterly from the present fence line into the premises of the Comal Power Company. It is further agreed and understood that formal written notice to the effect that said City intends to widen said street and has appropriated adequate funds and is ready to begin work thereon shall be deemed sufficient notice to the Company, and upon receipt of said notice the Company hereby agrees to move back their fence to such a distance as may be agreed upon by the parties hereto, not to exceed 20 feet as aforesaid, and said Company will execute and deliver to said City a good and sufficient deed to the property so relinquished.

Witness our hand this 29th day of October, A.D. 1927.

CITY OF NEW BRAUNFELS.
H. A. TRIESCH,
MAYOR.
COMAL POWER COMPANY.
E. H. KIFER,
VICE-PRESIDENT."

Said property was conveyed, subject to said agreement, by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

PENSHORN PROPERTY.

All that certain tract, piece or parcel of land situated within the corporate limits of the City of New Braunfels, in Comal County, Texas, being out of the J. Veramendi Survey No. 1, Abstract No. 2, and being part of the certain tract of land conveyed by Chas. Buehler, et al., to Edmund Penshorn, by deed dated November 6, A.D. 1905 recorded in Volume 27, on pages 547-548, Deed Records of Comal County, Texas, and more particularly described as follows, to-wit: Beginning at a point in the southwest line of the New Braunfels and Blanco Road, same being the north

corner of the Hermann Thiele Tract and east corner of the said Edmund Penshorn Tract; thence in a northwesterly direction with the said southwest line of said New Braunfels and Blanco Road, 1,845 feet to a stake; thence in a southwesterly direction at an angle of 86 degrees, 47 minutes with said southwest line of said road to a point which is 30 feet from said road by a straight line drawn at a right angle to said road; thence in a southeasterly direction parallel with, and 30 feet from, the said southwest line of said New Braunfels and Blanco Road to a point in the Hermann Thiele northwest line; thence in an easterly direction with the said Hermann Thiele northwest line to the place of beginning; being the same property conveyed by Meta Penshorn, a feme sole, to Comal Power Company, by deed recorded November 2, 1925, in the records of Deeds of said county, in Volume 51, on pages 572-573, and conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

ADDITION TO COMAL PLANT (NOWOTNY).

All that certain tract or parcel of land lying and being situated within the corporate limits of the City of New Braunfels, Comal County, Texas, being a part of the Juan Martin Veramendi Survey No. 1, and described as follows, to-wit: Beginning at a point on the south line of North Street, which point is south 59 degrees, no minutes east, 165.0 feet from the intersection of the south line of North Street and the west line of River Avenue; thence south 16 degrees, 28 minutes east, 168.5 feet; thence south 2 degrees, 57 minutes east, 387.0 feet; thence south 46 degrees, 8 minutes east, 94.8 feet; thence north 69 degrees, 56 minutes east, 103.6 feet; thence south 72 degrees, 33 minutes east, 139.65 feet to a stake; thence 59 degrees west, to a stake set on the bank of the Comal River; thence up the meanders at the east bank of the Comal River to a point approximately 15 feet from the place of beginning; thence north 59 degrees east, to the place beginning.

The above described property being all that portion of that tract of land conveyed to E. H. Kifer by Albert Nowotny and Minnie Nowotny, by deed dated December 23, 1926, and recorded in Volume 53, pages 260-261, of the Deed Records of Comal County, Texas, save and except that portion of said tract conveyed by E. H. Kifer to South Texas Ice Company, by deed dated the 28th day of February, 1928, and this conveyance is made subject to the rights and easements granted in the aforesaid deed to South Texas Ice Company; being the same property conveyed by E. H. Kifer to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Comal County, March 19, 1928, in Volume 55, pages 64-65.

KUEHLER POWER STATION SITE.

All those certain tracts or parcels of land lying and being situated in Comal County, Texas, described as follows, to-wit:

First Tract: Thirty acres of land abutting on the Guadalupe River, south of, and adjacent to, the City of New Braunfels, and more particularly described as follows, to-wit: beginning at a concrete monument from which a hackberry 20 inches in diameter bears north 69 degrees east, 54 feet, said monument being 36.8 feet south 39 degrees, 28 minutes east, from the center of the east end of the 30-foot right-of-way this day purchased from W. Kuehler, et al.; thence north 32 degrees, 29 minutes east, 662 feet to a concrete monument; thence north 68 degrees, 9 minutes east, 770 feet to a concrete monument from which a hackberry 6 inches in diameter bears north 72 degrees, 50 minutes east, 63 feet; thence north 6 degrees, 11 minutes west, 1,088 feet to a stake at the water's edge of the Guadalupe River; thence up the river with its meanders 2,000 feet, more or less, to a cypress 8 inches in diameter at the water's edge of the Guadalupe River; thence south 39 degrees, 28 minutes east at 752.2 feet past the center of the east end of the above mentioned 30-foot right-of-way, and in all 789 feet, to the place of beginning.

Three and sixty-two hundredths acres of land, more or less, adjoining the 30 acres of land herein described, being more particularly described as follows, to-wit:

A strip of right-of-way 30 feet wide and 5,259.9 feet long, extending southeasterly from the south line of the city limits of the City of New Braunfels into the Kuehler property, the center line of said strip being described as follows: Beginning at a concrete monument on the south city limit line of the City of New Braunfesl, said monument being 1,174.4 feet north 80 degrees, 56 minutes east, from the city monument at the Schumannsville Road, and 1,144 feet south 80 degrees, 56 minutes west, from a new concrete monument established on the city limit line near the Guadalupe River; thence south 29 degrees, 2 minutes east, parallel with, and 165 feet distant from, the southwest line of South Seguin Street, extended, as shown on the plat of the Kuehler Addition as recorded in Volume 46, pages 430-431, of the Deed Records of Comal County, Texas, in all 391.6 feet, to a stake; thence in a southeasterly direction on a line curving to the left with a radius of 1,433 feet, 344.2 feet to a stake, which is south 42 degrees, 48 minutes east, 172.9 feet from a concrete monument established at the point of intersection of this curve; thence south 42 degrees, 48 minutes east, 1,093.8 feet to a stake; thence in a southeasterly direction on a line curving to the left with a radius of 1,433 feet, 405.8 feet to a stake, which is south 59 degrees, 2 minutes east, 204.3 feet from a concrete monument established at the point of intersection of this curve; thence south 59 degrees, 2 minutes east 622.1 feet to a stake; thence in an easterly direction on a line curving to the left with a radius of 955 feet, 1,189.2 feet to a stake, which is north 49 degrees, 37 minutes east, 685.6 feet from a concrete monument established at the point of intersection of this curve; thence north 49 degrees, 37 minutes east, 812.2 feet to a stake; thence in a northeasterly direction on a line curving to the left with a radius of 1,343 feet, 401 feet to a stake in the southwest line of the 30-acre tract, 36.8 feet north 39 degrees, 28 minutes west from the concrete monument established at the south corner of said 30-acre tract.

The above described property being that property conveyed by Ludgar Kuehler and wife, Hulda Kuehler, et al., to Comal Power Company, by deed dated June 30, 1924, and duly recorded in Book 49, pages 485-487, Deed of Records of Comal County, Texas.

Second Tract: Fourteen and forty-two hundredths acres of land abutting on the Guadalupe River, and being a part of the Wm. Kuehler Tract out of the John Thompson Survey No. 21 in Comal County, Texas, and more particularly described as follows: Beginning at the east corner of the 30-acre tract heretofore conveyed to the Comal Power Company, a concrete monument from which a hackberry 6 inches in diameter bears north 72 degrees, 50 minutes east, 63 feet; thence south 68 degrees, 9 minutes west along the southeast line of said 30-acre tract, 770 feet to a concrete monument; thence continuing along the southeast line of said 30-acre tract south 32 degrees, 29 minutes west, 662 feet to a concrete monument at the south corner of said 30-acre tract; thence south 39 degrees, 28 minutes east, 31.6 feet to a stake; thence north 32 degrees, 29 minutes east, paralell with, and 30 feet distant from, the southeast line of said 30-acre tract, 662.1 feet to a stake; thence north 68 degrees, 9 minutes east, paralell with, and 30 feet distant from, the southeast line of said 30-acre tract, 415 feet to a stake; thence north 82 degrees, 18 minutes east, 356 feet to a stake, which is 117 feet south 21 degrees, 51 minutes east, from the concrete monument at the beginning corner; thence north 78 degrees, 20 minutes east at 577 feet a cottonwood tree 30 inches in diameter, and in all 624 feet to the water's edge of the Guadalupe River; thence up the river with its meanders to the north corner of said 30-acre tract; thence south 6 degrees, 11 minutes east along the east line of said 30-acre tract 1,088 feet to the place of beginning, containing 14.42 acres of land.

The above described property being the same property conveyed by Ludgar Kuehler, et al., to Comal Power Company, by deed dated October 1, 1924, and duly recorded in Volume 50, pages 62-64, Deed Records of Comal County, Texas.

Third Tract: All that certain tract of land situated within the corporate limits of the

City of New Braunfels, Comal County, Texas, being known as Lot No. 5 of Subdivision of Acre Lot No. 179, and more particularly described by metes and bounds as follows, to-wit: Beginning at the northeast corner of Lot No. 11, said beginning point being on Nacogdoches Road, for a distance of 79 feet to the southeast corner of said Lot No. 5; thence north 52 degrees west for a distance of 181 feet to the northeast corner of said Lot No. 5; thence south 38 degrees west for a distance of 70 feet to the northwest corner of said Lot No. 5; thence south 52 degrees east for a distance of 145 feet to the place of beginning.

The above described property having been conveyed by Willie Kuehler and wife, to Comal Power Company, by deed dated June 30, 1924, and duly recorded in Book 49, pages 477-478, Deed Records of Comal County, Texas, and by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Comal County on July 6, 1928, in Volume 55, on pages 310-314.

ADDITION TO COMAL PLANT SITE (LOCKE).

Being all that certain tract or parcel of land situated within the corporate limits of the City of New Braunfels, Comal County, Texas, and more particularly described as follows: Beginning at a point 30 feet south 75 degrees, 30 minutes west, from the west property line of the Fredericksburg Road and on the south property line of a new street cut through the south end of the Penshorn property, this point being also on the west line of the 30-foot right-of-way now owned by the San Antonio Public Service Company and on the south line of the new street at the south end of the Penshorn property; thence south 75 degrees, 30 minutes west, 199.34 feet along the south line of the said new street to a stake for the northwest corner of this tract; thence south 14 degrees, 30 minutes east, 1,092.6 feet parallel to, and 199.34 feet distant from, the west line of the 30- foot right-of-way, before mentioned, to a stake for the southwest corner of this tract; thence north 75 degrees, 30 minutes east, 199.34 feet to a stake on the west line of the said 30-foot right-of-way, which point is the southeast corner of this tract; thence along the west line of the said 30-foot right-of-way north 14 degrees, 30 minutes west, 1,092.6 feet to the place of beginning; being 5 acres of land out of the tract of land conveyed to Herman C. Locke by Meta Penshorn, by deed dated April 27, 1926, recorded in the Deed Records of Comal County, Texas, in Volume 52, on pages 375-376, to which deed and record thereof reference is particularly made as part of the description of the property herein conveyed; being the same property conveyed by Herman C. Locke and wife, Thekla Locke, to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Comal County, September 17, 1928, in Volume 55, pages 433-435.

P. & M. MILLS PLANT.

The following described property in Comal County, Texas, to-wit:

1. A part of the 6.14-acre tract out of the A. M. Esnaurizar 11-League grant in Comal County, Texas, described in deed from L. Meyer and wife to the Trustees of the P. & M. Mills, dated August, 20, 1921, and recorded in Book 43, pages 619-621, of the Deed Records of Comal County, Texas, said part being more particularly described by metes and bounds as follows: Beginning at a stake on the east bank of Guadalupe River at water's edge, at a point which is 15 feet up-stream from the up-stream face of the water power house of the P. & M. Mills; thence north 73 degrees, 18 minutes east, parallel with, and 15 feet distant from, the up-stream face of said power house, 24 feet to a stake for north corner, which stake is south 7 degrees, 12 minutes east, 332.5 feet from the center of the I. & G. N. R. R., at the concrete bulkhead face of the east abutment of said railroad's Guadalupe River bridge; thence south 16 degrees, 42 minutes east, paralell with, and 15 feet distant from, the east face of the power house, 68 feet to a stake; thence south 73 degrees, 18 minutes west, paralell with and 15 feet distant from, the down-stream face of said power house, 20 feet, more or less, to the water's edge of the Guadalupe River;

thence in a northerly direction along the water's edge of the Guadalupe River with its meanders, 15 feet, more or less, to the down-stream face of the power house; thence north 73 degrees, 18 minutes east, along the down-stream face of said power house, 6 feet, more or less, to its southeast corner; thence north 16 degrees, 42 minutes west, along the east face of said power house, 38 feet to its north corner; thence south 73 degrees, 18 minutes west, along the up-stream face of said power house, 11 feet, more or less, to the water's edge of the Guadalupe River; thence in a northerly direction along the water's edge of the Guadalupe River with its meanders 15 feet, more or less, to the place of beginning.

2. A part of the 6.14-acre tract out of the A. M. Esnaurizar 11-League grant in Comal County, Texas, described in deed from L. Meyer and wife to the Trustees of the P. & M. Mills, dated August 20, 1921, and recorded in Book 43, pages 619-621, of the Deed Records of Comal County, Texas, said part being more particularly described by metes and bounds as follows: Beginning at a point in the east line of the power house tract, 24.5 feet south 16 degrees, 42 minutes east from the north corner of said tract and being 15 feet from the east face of the power house; thence north 73 degrees, 18 minutes east, 76 feet to a point on concrete walk; thence south 16 degrees, 42 minutes east, 19 feet to a stake; thence south 73 degrees, 18 minutes west, 76 feet to a point in the east line of the power house tract; thence north 16 degrees, 42 minutes west, paralell with, and 15 feet distant from, the east face of the power house, 19 feet to the place of beginning.

3. A part of the John Thompson Survey within the corporate limits of the City of New Braunfels, Texas, more particularly described by metes and bounds as follows: Beginning at a stake in the southwest right-of-way line of the P. & M. Mills, same being also the northeast line of Block 1052, of the City of New Braunfels, Texas, said stake being 22.7 feet south 19 degrees, 41 minutes east from north corner of Lot No. 3, of said Block 1052; thence south 19 degrees, 41 minutes east, along the southwest right-of-way line of the P. & M. Mills and the northeast line of said Block 1052, 40 feet to a point on rock ledge; thence north 73 degrees, 4 minutes east, 30 feet, more or less, to the water's edge of the Guadalupe River; thence in a northwesterly direction along the water's edge of the Guadalupe River with its meanders, passing around the southwest end of the P. & M. Dam to a point 15 feet up-stream from the up-stream face of said dam; thence south 73 degrees, 4 minutes west, paralell with, and 15 feet distant from, the face of said dam, 25 feet, more or less, to the place of beginning.

Which 3 parcels of land were surveyed on August 17 and 18, 1931, by R. S. Jahn, County Surveyor.

4. The dam formerly owned by Planters and Merchants Mills, Inc., extending across the Guadalupe River from a point which bears south 45 degrees, 34 minutes east, 852 feet from the west corner of A. M. Esnaurizar 11-League grant, on the bank of the Guadalupe River in Comal County, Texas, distant in an easterly direction from New Braunfels, Texas, 1½ miles, erected under original Permit No. 590, granted and issued by the Board of Water Engineers to the Planters and Merchants Mills of New Braunfels, Texas under date of July 31, 1922, together with all riparian rights, rights of flowage, or to back up water by means of said dam or other water rights, all and any easements of any kind formerly owned by Planters and Merchants Mills, Inc., in any lands, or lots or parcels of land in Comal County, Texas, abutting on said Guadalupe and Comal Rivers, across from, above or below the said dam, whether acquired by deed, contract or use, it being the intention herein to convey the complete and entire water and power plant, formerly owned by the Planters and Merchants Mills, Inc., together with all riparian and other rights and appurtenances thereunto in anywise incident or appertaining, and all rights, however acquired, to impound and use water by means of said dam, and reference is here made to all deeds and contracts to Planters and Merchants Mills, Inc., in the Deed Records of Comal County, Texas,

conveying riparian or other water rights and easements to the said Planters and Merchants Mills, Inc., or its predecessors in title, and reference is also made to the original Permit No. 590, granted and issued by the Board of Water Engineers to the Planters and Merchants Mills of New Braunfels, Texas, for the appropriation of water from the Guadalupe River in Comal County, Texas and the amendment thereto, No. 755, granted and issued by the Board of Water Engineers of the State of Texas, and the amendment thereto, No. 755, granted and issued by the Board of Water Engineers of the State of Texas to the Planters and Merchants Mills of New Braunfels, Texas, both of which appear of record in the office of the Board of Water Engineers, at Austin, Texas.

5. An easement right-of-way over, across and upon the present gravel roadway lying between the present west wall of the old Planters and Merchants Mill Building and the Guadalupe River, leading from the Austin-San Antonio Highway to the boiler room of the Old Mill Building, as a permanent and perpetual means of ingress and egress to and from the said power plant and dam site, as hereinabove described; being the same land, property, rights privileges and easements conveyed by H. A. Wagenfuehr to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Comal County, Texas, November 20, 1931, in Volume 60, pages 248-250.

(d) The 13 Kv. lines known as

Dam #1 Line
Dam #3 - #5 Line
Dam #4 - #5 Line
Dam #5 Line
Dam #5 Hatchery Line
Dam #5 McQueeney Line
McQueeney-Seguin Line

and the 66 Kv. line extending from McQueeney to the Junction of #3-66 Kv. hi-line from Comal Switch Yard to San Antonio, to be extended by the City as provided in the Agreement to which this Exhibit is attached, and all 13 Kv. and 66 Kv. substations and transformers, regulating, switching and metering equipment installed on these lines, all of these facilities being hereinafter known as the " McQueeney System ".

Included with (d) above is the following described real estate:

SEGUIN SUBSTATION.

All that certain lot or parcel of land situated in Guadalupe County, State of Texas, and a part of the Humphreys Branch League, and being out of the A. Byler tract, containing one acre, and described more particularly as follows: Beginning at the northwest corner of a plot of ground owned by Frank Wilson; thence north, 210 feet; thence east, 197½ feet; thence south, 210 feet; thence west 197½ feet to the place of beginning. Being the same property conveyed to Abner Jackson by Fannie Jackson, by deed dated September 10, 1924, as appears of record in Volume 79, on page 401, of the Deed Records of Guadalupe County, to which deed and the record thereof is here made.

Being the same property conveyed by G. Wallace Smith to San Antonio Public Service Company by deed recorded in the records of Deeds of said Guadalupe County on May 9, 1929, in Volume 106, pages 264-265.

McQUEENEY SUBSTATION.

The following parcel of land situated in the County of Guadalupe, State of Texas, viz.:

All that certain tract of land and parcel of real estate lying, being and situated in the County of Guadalupe, State of Texas, known and described as follows, to-wit: Beginning at a point 94 feet 4 inches south 45 degrees west, of a point in the south boundary line of the right-of-way belonging to the Galveston, Harrisburg & San Antonio Railway Company, said beginning point being 94 feet 4 inches south 45 degrees west of the northwest corner of a tract of land

conveyed to Ed. W. Wuest by August Blumberg and wife, Anna Blumberg, by deed dated the 6th day of March, A.D. 1909; thence east 180 feet along the O.S.T. highway to a point; thence south 49 degrees, 52 minutes west, 251 feet 9 inches to a point on the south boundary line of said tract of land; thence west 45 degrees north, 125 feet 5 inches to a point; thence north 45 degrees east, 115 feet to the place of beginning.

Being the same property conveyed by Ed. W. Wuest and wife, Julia Wuest, to the Comal Power Company by deed recorded August 6, 1925, in Guadalupe County records of Deeds Book 86, pages 18-19, and conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company by deed dated January 1, 1928.

(e) The 66 Kv. line extending from McQueeney to the inter-connections with LCRA and with Central Power & Light Company near Luling, and the 66 kv. transformers substations switching, regulating and metering equipment installed thereon, hereinafter called the " McQueeney-Luling Line ".

Included with (e) above is the following described real estate:

GERONIMO SUBSTATION.

All that certain tract or parcel of land lying and being situated in the County of Guadalupe, in the State of Texas, described as follows, to wit: Ten thousand square feet of land,,more or less, out of an 124-acre tract located approximately two miles from the town of Geronimo in Guadalupe County, Texas, out of Esnaurizar grant, said 10,000 square feet of land being described by metes and bounds as follows: Beginning at a point at the southeast corner of the A. F. Baese property adjoining the public school; thence north 3 degrees east, 247 feet to a stake set for the southeast corner of the land to be described; thence north 87 degrees west, 100 feet to a stake set for the southwest corner; thence north 3 degrees east, 100 feet to a stake set in the northwest corner; thence south 87 degrees east, 100 feet to the northeast corner to a stake set in the west line of the Geronimo road; thence south 3 degrees west, 50 feet to the Luling high line of the San Antonio Public Service Company; thence continuing south 3 degrees west, 50 feet to the place of beginning, containing 10,000 square feet, more or less.

Being the same property conveyed by A. F. Baese and Paula Baese, husband and wife, to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Guadalupe County, July 14, 1928, in Book 97, page 487.

KINGSBURY SUBSTATION.

All that certain tract or parcel of land lying and being situated in the County of Guadalupe, in the State of Texas, described as follows, to-wit; Twenty-two thousand, five hundred square feet of land, more or less, out of a 213 acre tract located approximately one mile northwest of the Town of Kingsbury in Guadalupe County, Texas, out of the J. H. Kuykendall Survey, said 22,-500 square feet of land, more or less, being described by metes and bounds as follows: Beginning at a stake set in the north corner of John Schmidt's property on the San Marcos and Kingsbury Road, about one mile northwest of the Town of Kingsbury; thence south 37 degrees, 30 minutes east, 253 feet to a stake set for the beginning point of land to be described, said stake being the west corner; thence north 52 degrees, 30 minutes east, 150 feet to a stake set for the north corner; thence south 37 degrees, 30 minutes east, 126 feet 10 inches to Luling high line; thence continuing south 37 degrees, 30 minutes east, 23 feet 2 inches to a stake set for the east corner; thence south 52 degrees, 30 minutes west, 150 feet to a stake set for the south corner, said stake being on the northeast side of the Kingsbury Road; thence along the northeast side of said road north 37 degrees, 30 minutes west, 100 feet to the Luling high line; and thence continuing north 37 degrees, 30 minutes west, 50 feet to a stake or point of beginning. Said piece of ground containing 22,500 square feet,more or less.

Being the same property conveyed by John Schmidt and wife, Marie Schmidt, to San Antonio

Public Service Company by deed recorded in the records of Deeds of said Guadalupe County July 16, 1928, in Book 97, pages 489-490.

OIL FIELD SUBSTATION.

The following tract of land in Guadalupe County, Texas, out of the George Blair labor of 177 acres, which said 177 acres was on the 23rd day of November, 1908, conveyed by R. W. Nickell and wife, Emily A. Nichell, by deed to J. L. Mercer, which said deed is recorded in the Deed Records of Guadalupe County, Texas, in Volume 32, page 47, to which Deed Records reference is hereby made, as follows: Beginning at a stake set in the fence line at a south corner of the J. L. Mercer tract of land out of said George Blair labor, said stake being situated north 80 degrees, 55 minutes east, 16 feet north, 3 degrees, 31 minutes east, 89.2 feet from the center stake of structure No. 17/9 on Comal Power Company 60 K. W. McQueeney--Luling high line; thence north 88 degrees, 30 minutes west, 17.2 feet with fence line of said J. L. Mercer tract of land to a stake set at corner of said fence; thence north 38 degrees, 54 minutes west, 185.6 feet with said fence line to a stake set in fence line for the west corner of this one-acre tract; thence north 57 degrees east, 218.34 feet to a stake set for the north corner of this one-acre tract; thence south 33 degrees east, 209.92 feet to a stake set in the southeast fence line of said J. L Mercer tract of land for the east corner of this one-acre tract; thence with said fence line south 53 degrees, 26 minutes west, 125.84 feet to a stake set in a corner of said fence line; and thence continuing with said fence line south 78 degrees, 17 minutes west, 63.9 feet to the place of beginning. Said tract of land as described above contains 1 acre of land.

Being the same property conveyed by J. L. Mercer and wife, Laura A. Mercer, to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Guadalupe County, November 5, 1929, in Volume 116, pages 224-225.

(f) The 66 Kv. line extending from the Comal Switch Yard to the interconnection with LCRA near Hunter, together with any and all transformers, substations, switching, regulating, and metering equipment installed thereon, hereinafter called the " Hunter Line ".

(g) The 66 Kv. line extending from the Comal Switch Yard to Boerne, and the interconnection with LCRA near Spanish Pass, together with any and all transformers, substations, switching, regulating and metering equipment installed thereon, hereinafter called the " Boerne-Spanish Pass Line ".

Included in (g) above is the following described real estate:

BOERNE SUBSTATION (KAUFMAN).

All that certain tract of land described as follows, to-wit: Lot No. 11 in Block No. 2 Sunrise Addition, in the City of Boerne, Kendall County, Texas.

Being the same property conveyed by Nathan Kaufman and L. Kaufman to Comal Power Company by deed recorded May 17, 1927, in Deed Records of said County, in Volume 42 on pages 455-456, and conveyed by Comal Power Company (by Liquidating Trustee) to San Antonio Public Service Company by deed dated January 1, 1928.

BOERNE SUBSTATION SITE (WALKER).

All that certain tract or parcel of land out of Survey 180, conveyed to L. Walker and wife by Emil P. Stegner by deed recorded in Volume 30, page 298, situated and lying in Kendall County, Texas, and described as follows: Beginning at the southeast corner of L. Walker tract; thence north along the east fence line 392 feet to a stake placed for the southeast corner of said land to be used for a substation site; thence north along the east fence line for a distance of 100 feet; to a stake thence west by describing an interior angle of 90 degrees a distance of 75 feet to a stake, thence south by describing an interior angle of 90 degrees 100 feet to a stake; thence east 75 feet by describing an interior angle of 90 degrees to the place of beginning.

Being the same property conveyed by L. Walker and wife, to Comal Power Company by deed re-

corded June 7, 1926, in the Deed Records of said County in Volume 41 on pages 547-548, and conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company by deed dated January 1, 1928.

BOERNE SUBSTATION (DALY).

All that certain tract or parcel of land lying and being situated in the Town of Boerne, Kendall County, Tex., in the Wendler and Shrader Addition to said Town, and known and described as Lot No. 4, according to a plat of said addition recorded in the office of the County Clerk of Kendall County, Texas, in Volume 24, page 405; being a part of the property conveyed by Richard E. Laly to South Texas Public Service Company, by deed recorded June 3, 1926, in Deed Records of said County, in Volume 41, at pages 543-544, and being the same property conveyed by South Texas Public Service Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

EXHIBIT " B "

(a) All of the 13 Kv. 2.3 Kv. distribution lines, together with accompanying substations, transformers, secondary lines, services, meters and devices for serving approximately 1177 electric consumers outside City's Service Area and principally within Guadalupe County, excluding, however, the lines and equipment included in the McQueeney System and the McQueeney-Luling Line described in " d " and " e " Exhibit A attached to this agreement, and hereinafter called the " Guadalupe System ".

Included in (a) above is the following described real estate:

SEGUIN OFFICE BUILDING.

All of that certain lot and parcel of land situated in Seguin, Guadalupe County, Texas, described as follows, to-wit:

Being part of original Inner or Building Block No. 25, now known as New City Block No. 163, and being all of Lots Nos. 5 and 6, and a small part of Lot No. 7, in said Block, so as to include the brick and rock or gravel and concrete building on the northeast corner of said Block: Beginning at the northwest corner of said Block; thence east with the south line of East Center Street, 106 feet to the northeast corner of the brick portion of the said building thereon; thence south 66 2/3 feet to a stake; thence west 106 feet to a stake in the east line of South River Street; thence north 66 2/3 feet to the place of beginning.

Being the same property conveyed by the South Texas Ice Company to San Antonio Public Service Company by deed recorded in the records of Deeds of said Guadalupe County on February 15, 1930, in Volume 121, page 457.

FENTRESS PLANT AND SYSTEM.

All that land, property, property rights, franchises, privileges and easements conveyed by G. Wallace Smith to San Antonio Public Service Company by deed recorded in the records of Deeds of Caldwell County, Texas, in Volume 137, page 601 (and in Guadalupe County Volume 106, pages 338-340), wherein said land, property, property rights, franchises, privileges and easements are described as follows:---

" No. 1. All that certain tract or parcel of land lying and being situated in Caldwell County, Texas, more particularly described as follows, to-wit:

Beginning at an iron pin set at the northeast corner of the property owned by the Fentress Gin and Power Company, located on the east side of the San Marcos River, said northeast corner of said property being located approximately as follows: Beginning at a cypress tree on the north bank of the San Marcos River, at the upper northwest corner of the M. Gillan League; thence north 50 degrees east 4162 feet along said league line; thence south 40 degrees east, 5428 feet to the aforementioned iron pin set in the northeast corner of the property of the Fentress Gin and Power Company; thence south 3 degrees, 30 minutes east, 50 feet to a stake for a corner of

this tract; thence south 86 degrees, 30 minutes west, 50 feet to a corner of this tract; thence north 3 degrees, 30 minutes west, 50 feet to a corner of this tract; thence north 86 degrees, 30 minutes east, 50 feet to the place of beginning.

"No. 2. All that certain tract or parcel of land lying and being situated in Caldwell County, Texas, on the east side of the San Marcos River, described as follows, to-wit: Beginning at an iron pin set in the property of the Fentress Gin and Power Company, on the east bank of the San Marcos River, the location of said iron pin being determined approximately as follows: Beginning at the iron pin set as the beginning point of Tract No. 1, above described; thence south 86 degrees, 30 minutes west, 103 feet and 10 inches; thence south 3 degrees, 30 minutes east, 296 feet; thence north 73 degrees, 30 minutes west, 94 feet 10 inches to a point where said iron pin is set for the beginning point of this tract; thence from said beginning point, south 73 degrees, 30 minutes east, 64 feet 2 inches to a point for a corner of this tract; thence south 15 degrees, 30 minutes west, 30 feet to a corner of this tract; thence south 52 degrees, 30 minutes west, 28 feet 6 inches to a corner of this tract; thence south 10 degrees, 30 minutes west, 27 feet to a corner of this tract; thence south 68 degrees, west, 5 feet 9 inches to a corner of this tract; thence south 79 degrees, 30 minutes west, 19 feet 3 inches to an iron pin driven in the east bank of the San Marcos River; thence north, along the east bank of the San Marcos River with its meanders, to the place of beginning.

"No. 3. All that certain tract or parcel of land lying and being situated in Guadalupe County, Texas, more particularly described as follows, to-wit:

Beginning at an iron pin set in the property of the Fentress Gin and Power Company on the west bank of the San Marcos River, the location of said iron pin so set as a beginning point of this tract being determined approximately as follows, to-wit: Beginning at the extreme southwest corner of Tract No. 2, above described, which said extreme southwest corner is located on the east bank of the San Marcos River; thence north 79 degrees, 30 minutes east, 19 feet 3 inches; thence south 16 degrees, 30 minutes west, 112 feet 6 inches to a cross-cut in a wooden bridge; thence due west approximately 200 feet, crossing the San Marcos River to said iron pin set on the west bank of the San Marcos River as the beginning point of this tract; from said beginning point so located, thence west 165 feet to a point, a corner of this tract, which said point is on the west bank of a slough; thence along the west bank of said slough, north 10 degrees west, 175 feet to a stake; thence north 15 degrees west, 200 feet to a stake; thence north 44 degrees west, 100 feet to a stake set for a corner of this tract, said point being on the J. H. Fleming southeast line; thence north 50 degrees east, along the said J. H. Fleming line to the west bank of the San Marcos River; thence south, along the west bank of the San Marcos River with the meanders of said river, to the place of beginning.

" No. 4. That certain concrete dam crossing the San Marcos River at a point between and abutting Tracts Nos. 2 and 3, above described, together with a forebay, two water wheels and the gates located at the east end of said dam.

" No. 5. All rights, privileges and easements of every nature whatsoever, with reference to the right of G. Wallace Smith to maintain said dam, forebay, water wheels and gates, and to operate same.

" No. 6. All improvements of any and every nature whatsoever located upon the above three tracts of land, together with all generators, machinery, tools and equipment of any and every nature located in and on the above described tracts.

" No. 7. The entire electric distribution system radiating from the power plant located on Tract No. 2 and serving the towns of Fentress, Prairie Lea and intermediate and adjacent territory, together with all rights, privileges and franchises of any and every nature whatsoever, owned and possessed by G. Wallace Smith in connection with the construction and

maintenance of said electric distribution system, together with all tools, appliances and equipment of any and every nature whatsoever used and useful in connection with said electric distribution system.

" No. 8. A pertetual easement appurtenant to, and running in favor of, the title to Tracts Nos. 2 and 3, above descrived; said easement being of such nature as to at all times give to the said San Antonio Public Service Company, its successors and assigns, complete, free and uninterrupted ingress and egress for all purposes to the aforesaid Tracts Nos. 2 and 3, above described, and for the maintenance of such pole lines as are this day purchased by said San Antonio Public Service Company from G. Wallace Smith, and such additional pole lines as San Antonio Public Service Company, its successors or assigns, may hereafter, from time to time, desire to construct; all such easements to be on, over and along property now owned by the Fentress Gin and Power Company that is not covered by this conveyance; it being understood, however, that insofar as the same is practicable to the said San Antonio Public Service Company, its successors or assigns, such easements will coincide with the present driveways which are at this time maintained by said G. Wallace Smith, but in the event the same are not found to be practicable to the said San Antonio Public Service Company, its successors or assigns, then said easements shall run in such manner as to give to the said San Antonio Public Service Company, its successors or assigns, a direct line from the aforesaid Tracts Nos. 2 and 3, to the nearest public highway and also to Tract No. 1, and in addition to the aforementioned easements, an easement is also hereby given unto the said San Antonio Public Service Company, its successors and assigns, over and along the north end of the property owned by the Fentress Gin and Power Company on both the east and west sides of the San Marcos River, so as to enable the said San Antonio Public Service Company, its successors and assigns, to connect Tract No. 1, above described, with a transmission or power line running between Luling and McQueeney, Texas."

All of which property is more fully described in a deed of conveyance executed by the Fentress Gin & Power Company, a corporation, joined by its stockholders, individually, in favor of G. Wallace Smith, under date of December 31, 1928, which deed appears of record in the Deed Records of Caldwell County, Texas, in Volume 135, at page 591; it being the intention of G. Wallace Smith to convey and transfer to the San Antonio Public Service Company, its successors and assigns, all the right, title and interest to all properties of whatsoever nature and description acquired and held under that deed of conveyance, which deed and the record thereof is hereby referred to for all purposes. Said deed is also recorded in Guadalupe County in Volume 139, pages 561-565.

Being as aforesaid, the same land, property, rights, franchises, privileges and easements conveyed by G. Wallace Smith to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Caldwell County on May 14, 1929, in Volume 106, pages 338-340.

CIBOLO SUBSTATION.

That property conveyed by Henry Uhr and wife to South Texas Public Service Company, by deed recorded January 16, 1926 in Deed Records Book, Volume 87, on pages 601-603, and therein described as follows:

All that certain parcel of real estate lying, being and situated in the County of Guadalupe, State of Texas, out of Survey No. 65 in the name of W. Bracken, our entire tract containing 66 acres of land, and being the same land conveyed to Henry Uhr and wife by Hy Schueler, said deed being of record in Volume 63, page 367, of the Deed Records of Guadalupe County, Texas, to which said deed and the record thereof reference is here had for all pertinent purposes, and more particularly described as follows, to-wit: Beginning at a point in the southwest corner of land of Henry Uhr and wife, same being on the north side of the old Seguin Public Road; thence north 30 degrees 30 minutes west, 463 feet to a point, for the southwest corner of the tract of land here-

in conveyed; thence north 30 degrees 30 minutes west, 60 feet to a point for corner of the tract of land herein conveyed; thence, after making interior angle of 90 degrees to the right, 50 feet to a corner of the tract of land herein conveyed; thence, after making interior angle of 90 degrees to the right, 60 feet to a corner of the tract of land herein conveyed; and thence, after making interior angle of 90 degrees, 50 feet to the place of beginning.

The tract of land therein conveyed being a rectangular tract 50 feet by 60 feet in size, a blue print of said tract of land being attached to deed of Henry Uhr, and wife, recorded January 6, 1926, in Deed Records Book, Volume 87, on pages 601-603, being designated " Cibolo Substation Site," and made a part thereof for the purpose of aiding in the location and description of the tract of land therein conveyed.

Being the same property conveyed by South Texas Public Service Company (by Liquidating Trustees), to San Antonio Public Service Company, by deed dated January 1, 1928.

MARION SUBSTATION.

That property conveyed by Herman Bulgerin and wife to South Texas Public Service Company by deed recorded January 16, 1926, in Deed Records Book, Volume 87, on pages 600-601, and therein described as follows, to-wit: All that certain parcel of real estate, lying, being and situated in the County of Guadalupe, State of Texas, out of Survey No. ___ in the name of C. Rector, the entire tract containing 105 acres of land, and being the same land conveyed to Herman Bulgerin and wife by Elword G. Bulgerin, said deed being of record in Volume 35 at pages 478-9-10, and Volume 65 at page 28, of the Deed Records of Guadalupe County, Texas, to which said deed and the record thereof reference is here had for all pertinent purposes, and more particularly described as follows, to-wit: Beginning at a point in the southwest corner of land of Herman Bulgerin and wife; thence north 11 degrees, 5 minutes west, 141 feet 7 inches to the southwest corner of the tract of land herein conveyed; thence north 11 degrees, 6 minutes west, 50 feet to corner of the tract of land herein described; thence, after making an interior angle to the right of 90 degrees, 50 feet to a point for corner of the tract herein conveyed; thence, after making an interior angle of 90 degrees, 50 feet to a point for corner of the tract of land herein conveyed; and thence, after making an interior angle of 90 degrees, 50 feet to the place of beginning.

The parcel of land therein conveyed being a body of land 50 feet square, a blue-print of which is attached to deed of Herman Bulgerin, and wife, recorded January 16, 1926, in Deed Records, Volume 87, at pages 600-601, and designated " Marion Substation Site," and made part thereof for the purpose of aiding in the location and description of the tract of land therein conveyed; being the same property conveyed by South Texas Public Service Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

SCHERTZ SUBSTATION.

That property conveyed by Mrs. Elizabeth Schneider, a feme sole, to South Texas Public Service Company, by deed recorded January 15, 1926, in Deed Records Book, Volume 87, at pages 598-599, and therein described as follows:

All that certain parcel of real estate, lying, being and situated in the County of Guadalupe, State of Texas, out of Survey No. 67, in the name of G. Malpoz, the entire tract containing 243-3/5 acres of land, and being the same land conveyed to W. A. Schneider by Chris Schneider, said deed being of record in Volume 21, page 201, Deed Records of Guadalupe County, Texas, to which said deed and the record thereof reference is here had for all pertinent purposes, and more particularly described as follows, to-wit: Being a rectangular tract of land, 150 feet long and 50 feet wide out of the property belonging to Elizabeth Schneider, and lying immediately northeast from the point where First Street in Schertz, Guadalupe County, Texas, abuts against the property of Elizabeth Schneider; being the same property conveyed by South Texas Public Service Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

(b) All of the 13 kv. 2.3 Kv. distribution lines, together with all accompanying substations, transformers, secondary lines, services meters and devices for serving approximately 303 electric consumers outside City's Service Area and principally in Comal County, hereinafter called the " Comal System".

Included in (b) is the following described real estate:

DITTLINGER SUBSTATION.

That property in Comal County, Texas, conveyed by John Fenske and wife to Comal Power Company by deed recorded June 10, 1927, in Volume 54 on pages 72-73, and conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928, said property being described in said deed recorded June 10, 1927, as follows: Beginning at a point 998 feet from the center of the I.&G.N.Ry. Track; thence south 28 degrees east, paralell with the Dittlinger Road, for a distance of 100 feet to a point; thence at a 90 degree turn, north 62 degrees east, 100 feet to a point; thence at a turn of 90 degrees north, 28 degrees west, 100 feet to a point; thence at a turn of 90 degrees south, 62 degrees west, 100 feet to the place of beginning; and being part of the old John Fenske Farm, which was conveyed to John Fenske by W. Fenske, by deed dated the 16th day of April, A.D. 1881, and recorded in Book P, page 359, of the Deed Records of Comal County, Texas.

(c) The 13 Kv. 2.3 Kv distribution lines, together with all accompanying substations, transformers secondary lines, services, meters and devices for serving approximately 155 electric consumers outside City's Service Area and principally within Kendall County, hereinafter called the " Kendall System."

(Here follows a photo-static copy of original Plat filed with the foregoing instrument)

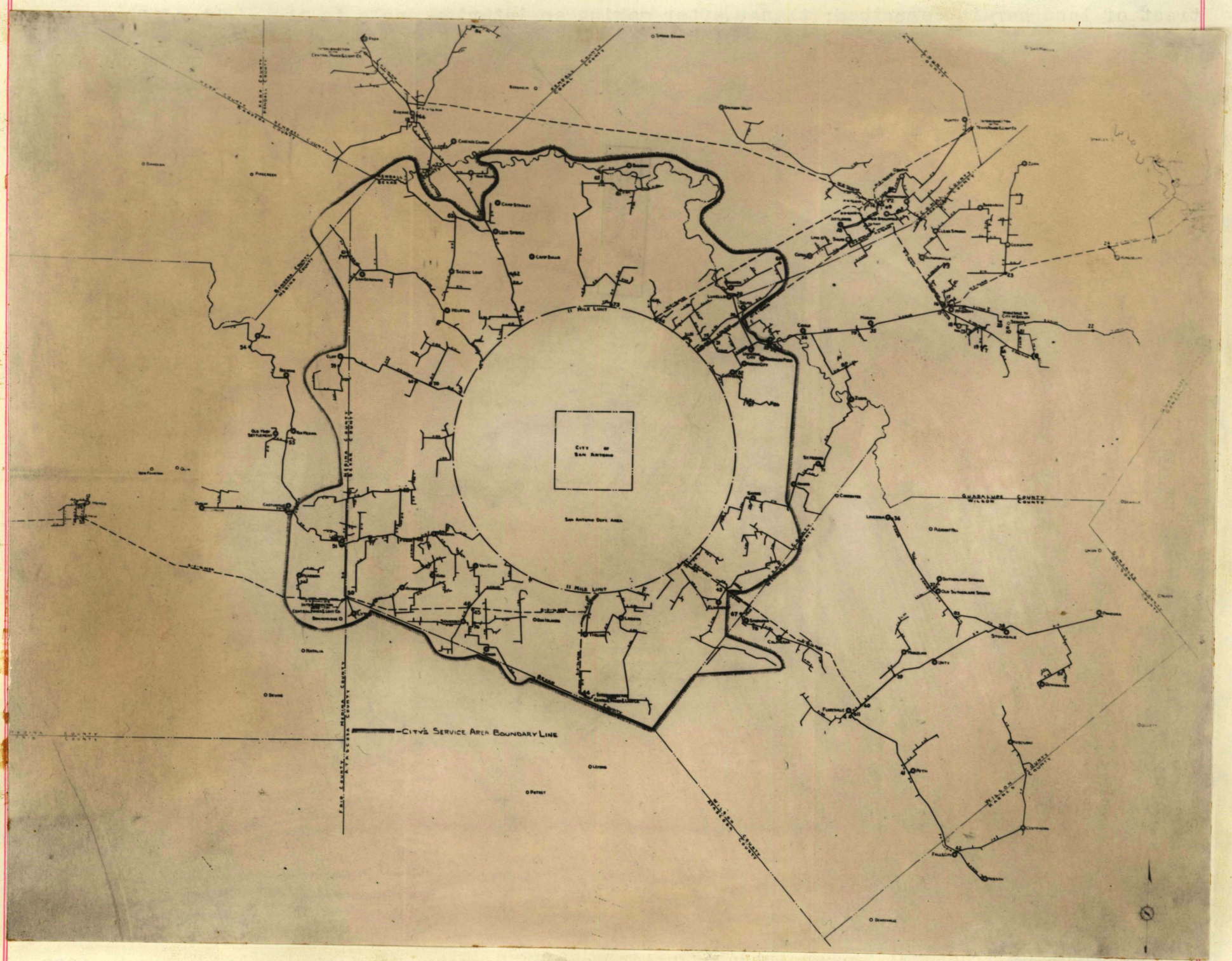

EXHIBIT " D "

CONTRACT BETWEEN

CITY OF SAN ANTONIO

AND

GUADALUPE-BLANCO RIVER AUTHORITY

THIS CONTRACT AND AGREEMENT, dated as of the 24 day of October, 1942, by and between the CITY OF SAN ANTONIO (hereinafter for convenience sometimes referred to as the " City "), a municipal corporation situated in Bexar County, State of Texas, duly organized, existing, enjoying and exercising the privileges of a municipality by virtue of a Charter duly adopted by the citizens thereof under the " Home Rule Amendment " of the Constitution of the State of Texas, acting under authority of an ordinance duly adopted by its City Commissioners, and GUADALUPE-BLANCO RIVER AUTHORITY (hereinafter for convenience sometimes referred to as the " Authority ") a conservation and reclamation district and governmental agency of the State of Texas, created and existing by virtue of an Act of the Legislature of the State of Texas, with its domicile at New Braunfels, in Comal County, Texas, acting by virtue of a resolution duly adopted by its Board of Directors, WITNESSETH:

ARTICLE I

The City agrees to sell and convey to the Authority or its nominee and the Authority agrees to buy from the City and to pay for the properties and facilities described as follows:

(a) All of the 13 Kv., 2.3 Kv. distribution lines, together with accompanying substations, transformers, secondary lines, services, meters and devices for serving approximately 1177 electric consumers outside City's Service Area and principally within Guadalupe County, excluding, however, the lines and equipment included in the McQueeney System and the McQueeney-Luling Line described in " d " and " e " Exhibit A attached to this agreement, and hereinafter called the " Guadalupe System."

Included in (a) above is the following described real estate:

SEGUIN OFFICE BUILDING.

All of that certain lot and parcel of land situated in Seguin, Guadalupe County, Texas, described as follows, to-wit:

Being part of original Inner or Building Block No. 25, now known as New City Block No. 163, and being all of Lots Nos. 5 and 6, and a small part of Lot No. 7, in said Block, so as to include the brick and rock or gravel and concrete building on the northeast corner of said Block: Beginning at the northwest corner of said Block; thence east with the south line of East Center Street, 106 feet to the northeast corner of the brick portion of the said building thereon; thence south 66 2/3 feet to a stake; thence west 106 feet to a stake in the east line of South River Street; thence north 66 2/3 feet to the place of beginning.

Being the same property conveyed by the South Texas Ice Company to San Antonio Public Service Company by deed recorded in the records of Deeds of said Guadalupe County on February 15, 1930, in Volume 121, page 457.

FENTRESS PLANT AND SYSTEM.

All that land, property, property rights, francises, privileges and easements conveyed by G. Wallace Smith to San Antonio Public Service Company by deed recorded in the records of Deeds of Caldwell County, Texas, in Volume 137, page 601 (and in Guadalupe County in Volume 106, pages 338-340), wherein said land, property, rights, franchises, privileges and easements are described as follows:--

" No. 1. All that certain tract or parcel of land lying and being situated in Caldwell County, Texas, more particularly described as follows, to-wit:

Beginning at an iron pin set at the northeast corner of the property owned by the Fentress

Gin and Power Company, located on the east side of the San Marcos River, said northeast corner of said property being located approximately as follows: Beginning at a cypress tree on the north bank of the San Marcos River, at the upper northwest corner of the M. Gillan League; thence north 50 degrees east 4162 feet along said league line; thence south 40 degrees east, 5428 feet to the aforementioned iron pin set in the northeast corner of the property of the Fentress Gin and Power Company; thence south 3 degrees, 30 minutes east, 50 feet to a stake for a corner of this tract; thence south 86 degrees, 30 minutes west, 50 feet to a corner of this tract; thence north 3 degrees, 30 minutes west, 50 feet to a corner of this tract; thence north 86 degrees, 30 minutes east, 50 feet to the place of beginning.

" No. 2. All that certain tract or parcel of land lying and being situated in Caldwell County, Texas, on the east side of the San Marcos River, described as follows, to-wit: Beginning at an iron pin set in the property of the Fentress Gin and Power Company, on the east bank of the San Marcos River, the location of said iron pin being determined approximately as follows: Beginning at the iron pin set as the beginning point of Tract No.1, above described; thence south 86 degrees, 30 minutes west, 103 feet and 10 inches; thence south 3 degrees, 30 minutes east, 296 feet; thence north 73 degrees, 30 minutes west, 94 feet 10 inches to a point where said iron pin is set for the beginning point of this tract; thence from said beginning point, south 73 degrees, 30 minutes east, 64 feet 2 inches to a point for a corner of this tract; thence south 15 degrees, 30 minutes west, 30 feet to a corner of this tract; thence south 52 degrees, 30 minutes west, 28 feet 6 inches to a corner of this tract; thence south 10 degrees, 30 minutes west, 27 feet to a corner of this tract; thence south 68 degrees, west, 5 feet 9 inches to a corner of this tract; thence south 79 degrees, 30 minutes west, 19 feet 3 inches to an iron pin driven in the east bank of the San Marcos River; thence north, along the east bank of the San Marcos River with its meanders, to the place of beginning.

" No. 3. All that certain tract or parcel of land lying and being situated in Guadalupe County, Texas, more particularly described as follows, to-wit:

Beginning at an iron pin set in the property of the Fentress Gin and Power Company on the west bank of the San Marcos River, the location of said iron pin so set as a beginning point of this tract being determined approximately as follows, to-wit: Beginning at the extreme southwest corner of Tract No. 2, above described, which said extreme southwest corner is located on the east bank of the San Marcos River; thence north 79 degrees, 30 minutes, east, 19 feet 3 inches; thence south 16 degrees, 30 minutes west, 112 feet 6 inches to a cross-cut in a wooden bridge; thence due west approximately 200 feet, crossing the San Marcos River to said iron pin set on the west bank of the San Marcos River as the beginning point of this tract; from said beginning point so located, thence west 165 feet to a point, a corner of this tract, which said point is on the west bank of a slough; thence along the west bank of said slough, north 10 degrees west, 175 feet to a stake; thence north 15 degrees west, 200 feet to a stake; thence north 44 degrees west, 100 feet to a stake set for a corner of this tract, said point being on the J. H. Fleming southeast line; thence north 50 degrees east, along the said J. H. Fleming line to the west bank of the San Marcos River; thence south, along the west bank of the San Marcos River with the meanders of said river, to the place of beginning.

" No. 4. That certain concrete dam crossing the San Marcos River at a point between and abutting Tracts Nos. 2 and 3, above described, together with a forebay, two water wheels and the gates located at the east end of said dam.

"No. 5. All rights, privileges and easements of every nature whatsoever, with reference to the right of G. Wallace Smith to maintain said dam, forebay, water wheels and gates and to operate same.

" No. 6. All improvements of any and every nature whatsoever located upon the

above three tracts of land, together with all generators, machinery, tools and equipment of any and every nature located in and on the above described tracts.

" No. 7. The entire electric distribution system radiating from the power plant located on Tract No. 2 and serving the towns of Fentress, Prarie Lea and intermediate and adjacent territory, together with all rights, privileges and franchises of any and every nature whatsoever, owned and possessed by G. Wallace Smith in connection with the construction and maintenance of said electric distribution system, together with all tools, appliances and equipment of any and every nature whatsoever used and useful in connection with said electric distribution system.

" No. 8. A perpetual easement appurtenant to, and running in favor of, the title to Tracts Nos. 2 and 3, above described; said easement being of such nature as to at all times give to the said San Antonio Public Service Company, its successors and assigns, complete, free and uninterrupted ingress and egress for all purposes to the aforesaid Tracts Nos. 2 and 3, above described, and for the maintenance of such pole lines as are this day purchased by said San Antonio Public Service Company from G. Wallace Smith, and such additional pole lines as San Antonio Public Service Company, its successors or assigns, may hereafter, from time to time, desire to construct; all such easements to be on, over and along property now owned by the Fentress Gin and Power Company that is not covered by this conveyance; it being understood, however, that insofar as the same is practicable to the said San Antonio Public Service Company, its successors or assigns, such easements will coincide with the present driveways which are at this time maintained by said G. Wallace Smith, but in the event the same are not found to be practicable to the said San Antonio Public Service Company, its successors or assigns, then said easements shall run in such manner as to give to the said San Antonio Public Service Company, its successors or assigns, a direct line from the aforesaid Tracts Nos. 2 and 3, to the nearest public highway and also to Tract No. 1, and in addition to the aforementioned easements, an easement is also hereby given unto the said San Antonio Public Service Company, its successors and assigns, over and along the north end of the property owned by the Fentress Gin and Power Company on both the east and west sides of the San Marcos River, so as to enable the said San Antonio Public Service Company, its successors and assigns, to connect Tract No. 1, above described, with a transmission or power line now running between Luling and Mcqueeney, Texas.

All of which property is more fully described in a deed of conveyance executed by the Fentress Gin & Power Company, a corporation, joined by its stockholders, individually, in favor of G. Wallace Smith, under date of December 31, 1928, which deed appears of record in the Deed Records of Caldwell County, Texas, in Volume 135, at page 591; it being the intention of G. Wallace Smith to convey and transfer to the San Antonio Public Service Company, its successors and assigns, all the right, title and interest to all properties of whatsoever nature and description acquired and held under that deed of conveyance, which deed and the record thereof is hereby referred to for all purposes. Said deed is also recorded in Guadalupe County in Volume 139, pages 561-565.

Being as aforesaid, the same land, property, rights franchises, privileges and easements conveyed by G. Wallace Smith to San Antonio Public Service Company, by deed recorded in the records of Deeds of said Caldwell County on May 14, 1929, in Volume 106, pages 338-340.

CIBOLO SUBSTATION.

That property conveyed by Henry Uhr and wife to South Texas Public Service Company, by deed recorded January 16, 1926 in Deed Records Book , Volume 87, on pages 601-603, and therein described as follows:

All that certain parcel of real estate lying, being and situated in the County of Guadalupe, State of Texas, out of Survey No. 65 in the name of W. Bracken, our entire tract containing 66

acres of land, and being the same land conveyed to Henry Uhr and wife by Hy Schueler, said deed being of record in Volume 63, page 367, of the Deed Records of Guadalupe County, Texas, to which said deed and the record thereof reference is here had for all pertinent purposes, and more particularly described as follows, to-wit: Beginning at a point in the southwest corner of land of Henry Uhr and wife, same being on the north side of the old Seguin Public Road; thence north 30 degrees 30 minutes west, 463 feet to a point, for the southwest corner of the tract of land herein conveyed; thence north 30 degrees 30 minutes west, 60 feet to a point for corner of the tract of land herein conveyed; thence, after making interior angle of 90 degrees to the right, 50 feet to a corner of the tract of land herein conveyed; thence, after making interior angle of 90 degrees to the right, 60 feet to a corner of the tract of land herein conveyed; and thence, after making interior angle of 90 degrees, 50 feet to the place of beginning.

The tract of land therein conveyed being a rectangular tract 50 feet by 60 feet in size, a blue print of said tract of land being attached to deed of Henry Uhr, and wife, recorded January 6, 1926, in Deed Records Book, Volume 87, on pages 601-603, being designated " Cibolo Substation Site," and made a part thereof for the purpose of aiding in the location and description of the tract of land therein conveyed.

Being the same property conveyed by South Texas Public Service Company (by Liquidating Trustees), to San Antonio Public Service Company, by deed dated January 1, 1928.

MARION SUBSTATION.

That property conveyed by Herman Bulgerin and wife to South Texas Public Service Company by deed recorded January 16, 1926, in Deed Records Book, Volume 87, on pages 600-601, and therein described as follows, to-wit: All that certain parcel of real estate, lying, being and situated in the County of Guadalupe, State of Texas, out of Survey No____ in the name of C. Rector, the entire tract containing 105 acres of land, and being the same land conveyed to Herman Bulgerin and wife by Elword G. Bulgerin, said deed being of record in Volume 35 at pages 478-9-10, and Volume 65 at page 28, of the Deed Records of Guadalupe County, Texas, to which said deed and the record thereof reference is here had for all pertinent purposes, and more particularly described as follows, to-wit: Beginning at a point in the southwest corner of land of Herman Bulgerin and wife; thence north 11 degrees, 5 minutes west, 141 feet 7 inches to the southwest corner of the tract of land herein conveyed; thence north 11 degrees, 6 minutes west, 50 feet to corner of the tract of land herein described; thence, after making an interior angle to the right of 90 degrees, 50 feet to a point for corner of the tract herein conveyed; thence, after making an interior angle of 90 degrees, 50 feet to a point for corner of the tract of land herein conveyed; and thence, after making an interior angle of 90 degrees, 50 feet to the place of beginning.

The parcel of land therein conveyed being a body of land 50 feet square, a blue-print of which is attached to deed of Herman Bulgerin, and wife, recorded January 16, 1926, in Deed Records, Volume 87, at pages 600-601, and designated " Marion Substation Site," and made part thereof for the purpose of aiding in the location and description of the tract of land therein conveyed; being the same property conveyed by South Texas Public Service Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

SCHERTZ SUBSTATION.

That property conveyed by Mrs, Elizabeth Schneider, a feme sole, to South Texas Service Company, by deed recorded January 15, 1926, in Deed Records Book, Volume 87, at pages 598-599, and therein described as follows:

All that certain parcel of real estate, lying, being and situated in the County of Guadalupe, State of Texas, out of Survey No. 67, in the name of G. Malpoz, the entire tract containing 243-3/5 acres of land, and being the same land conveyed to W. A. Schneider by Chris Schneider, said deed being of record in Volume 21, page 201, Deed Records of Guadalupe County, Texas, to which

said deed and the record thereof reference is here had for all pertinent purposes, and more particularly described as follows, to-wit: Being a rectangular tract of land 150 feet long and 50 feet wide out of the property belonging to Elizabeth Schneider, and lying immediately northeast from the point where First Street in Schertz, Guadalupe County, Texas, abuts against the property of Elizabeth Schneider; being the same property conveyed by South Texas Public Service Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928.

(b) The 13 Kv. 2.3 Kv. distribution lines, together with all accompanying substations, transformers, secondary lines, services, meters and devices for serving approximately 155 electric consumers outside City's Service Area and principally within Kendall County, hereinafter called " the Kendall System."

(c) The 13Ky,2.3 Kv., transmission and distribution lines, together with all accompanying substations, transformers, secondary lines, service, meters and devices for serving approximately 511 electric consumers outside City's Service Area, principally within Medina County, hereinafter called the " Medina System."

Included in (c) above is the following described real estate:

CASTROVILLE POWER PLANT.

That certain tract and parcel of land situated in the town of Castroville, Medina County, Texas, hereinafter referred to as the power plant site, described and bounded as follows: Beginning at a point 247.7 feet south 45 degrees east, from southeast corner of Florence and Main Streets,in the Town of Castroville, south 45 degrees west, 143 feet to a concrete monument; thence south 45 degrees east, 279 feet to the edge of the Medina River; thence from a concrete monument 42 feet from the river's edge along survey line north 69 degrees east, 156.2 feet to concrete monument; and thence along a line north 45 degrees west from the Medina River's edge 332.5 feet to the place of beginning; being the same property conveyed by Jordan T. Lawler to San Antonio Public Service Company, by deed recorded in the record of Deeds of said Medina County, on August 10, 1936, in Volume 106, at pages 309-310.

BERG'S MILL GENERATING STATION.

First: 2.25 acres of land, more or less, out of the Juan Francisco Gomez Suerte, being on the south side of the South Loop Road situated in Bexar County, Texas, conveyed to H. B. Tennant by deed dated November 21, 1933, from Robert Wensley, Bertha Hattenbach and V. L. Hattenbach, said deed being recorded in the record of Deeds of Bexar County in Volume 1379, pages 173-174, said 2.25 acres of land, nore or less, being more particularly described as follows:

Beginning at the intersection of the southerly line of the South Loop Road with the center line of the San Antonio River, running thence north 72 degrees 15 minutes west, 320 feet along the southerly line of said road to corner of a fence, said corner being 67 feet from the center of the Espada Ditch; thence south 8½ degrees west, 290 feet along a fence to a corner of a fence; thence south 72 degrees 45 minutes east, 386 feet along a fence to the bank of the San Antonio River, and continuing the same course to the center of said River; thence up the center line of said River, north 8½ degrees west, 165 feet; and thence north 1½ degrees east, 140 feet to the place of beginning; according to a survey and plat made by Louis Polk, County Surveyor of Bexar County, Texas, on November 16, 1933, and being all lying south of said Road, of the land described in deed from Sarah Dickenson et al., to F. F. Collins, dated May 18, 1900, recorded in the record of Deeds of Bexar County in Volume 192, page 175.

Second: Also all rights and privileges mentioned in said deed as having been reserved to the grantors therein by deed from Frank Ashley, dated July 15, 1898, and recorded in the record of Deeds of Bexar County in Volume 177, page 415; also all rights reserved in deed from F. F. Collins to Frank Ashley et al., dated April 16, 1906, and recorded in the record of Deeds of Bexar County in Volume 242, page 617; also all rights established, created or acquired by that

certain instrument executed by F. F. Collins, dated June 27, 1914, and recorded Water Right Records of Bexar County in Volume 1, page 225. It being understood that this conveyance shall include all and every right, privilege, and easement and title of whatever nature at any time owned or acquired by the said J. J. Wensley, R. Wensley, or Bertha Hattenbach in connection with, or appurtenant to, the land conveyed hereby.

Third: All land real estate, improvements, hydro-electric plants, riparian and water rights, easements, highway permits, franchises, rights privileges, things of value, poles, wires, generators, water wheels, water dams, and property of every kind and character now on the premises, whether real, personal or mixed, heretofore conveyed to D. F. Youngblood by deed executed by Herbert B. Tennant and wife, Esther Tennant, and Berg's Mill Utilities Company, a corporation, which deed is dated July 23, 1936, and recorded in the deed Records of the County Clerk of Bexar County, Texas.

ARTICLE II

The Prices to be paid to the City by the Authority for the property described in Article I hereof are as follows:

SYSTEM	DISTRIBUTION	GENERAL	TOTAL
Guadalupe	$ 336.786	$ 4 000	$ 340 786
Kendall	62 233	4 000	66 233
Medina	76 007	4 000	80 007
Total	475 026	12 000	487 026

The Authority may purchase one or more of the systems above listed.

ARTICLE III

Whenever the Authority shall be in readiness to accept conveyance of and to pay for any unit of property to be purchased as above provided, it shall give the City fifteem (15) days' written notice of its readiness, and thereupon the City shall promptly furnish the Authority such abstracts of title as it may have in its possession covering the City's title to the properties to be so purchased. If, thereafter, the Authority requests conveyance of the property to be so purchased and tenders payment therefor in the prescribed amount, the City shall thereupon convey to the Authority by warranty deed good and merchantable title thereto free and clear of all liens and encumbrances.

ARTICLE IV

It is understood that the provisions of this agreement are subject to the provisions of that certain Indenture dated August 1, 1942, by and between the City of San Antonio and Harris Trust & Savings Bank and Harold Eckhart as Trustees, and that the Authority shall have the right to purchase any property under the provisions of this agreement only when and to the extent that the City may sell such property without violating the provisions of said Indenture.

ARTICLE V

It is understood that the cities of Floresville, Stockdale, Poth and New Braunfels have contracts with the City giving them the right to purchase certain properties acquired by the City from the San Antonio Public Service Company. In the event any of them do not exercise such right, the Authority shall have the right, within six months after the expiration of the term provided for the exercise of such rights by said cities, to purchase such property at the same price and on the same consideration at which such cities, or either of them can purchase, and in accordance with all other terms and provisions of this Agreement.

ARTICLE VI

This agreement shall terminate six months from the date hereof, if on the date of such termination any of the property subject to this agreement has not been purchases by the Authority,

the City's obligation to convey and the Authority's obligation to accept and pay for such property as shall not have been requested to be conveyed by the Authority and the payment therefor tendered shall become void and ineffective without liability to either of the parties hereto.

IN TESTIMONY whereof the City has executed these presents by its Mayor, attested with the City Seal by the City Clerk, and the Authority has executed the same by its Chairman, attested with its seal by its Secretary, all as of the 24 day of October, A. D. 1924.

CITY OF SAN ANTONIO

BY_____
Mayor

ATTEST:

_____
City Clerk

GUADALUPE-BLANCO RIVER AUTHORITY

BY_____
Chairman

ATTEST:

_____
Secretary

EXHIBIT " E "

AGREEMENT BETWEEN

CITY OF SAN ANTONIO

AND

GUADALUPE-BLANCO RIVER AUTHORITY

AND

GUADALUPE ELECTRIC COMPANY

THIS CONTRACT AND AGREEMENT (hereinafter for convenience sometimes referred to as " Agreement "), dated as of the_____day of October, 1942, by and between the City of San Antonio (hereinafter for convenience sometimes referred to as the " City "), a municipal corporation organized and existing under and by virtue of the laws of the State of Texas, situated in Bexar County, Texas, the Guadalupe-Blanco River Authority (hereinafter for convenience sometimes referred to as " Authority "), a conservation and reclamation district and governmental agency of the State of Texas, created and existing by virtue of and Act of the Legislature of the State of Texas, with its domicile in New Braunfels, Comal County, Texas, and Guadalupe Electric Company (hereinafter for convenience sometimes referred to as the " Company "), a private corporation organized and existing under and by virtue of the laws of the State of Texas, with its principal place of business located at San Antonio in Bexar County, Texas, WITNESSETH:

I.

The Guadalupe Electric Company has acquired the electric distribution system serving the incorporated City of Hondo and contiguous area thereto, in Medina County, Texas.

II.

The Guadalupe Electric Company shall sell the above described electric distribution system to the City of Hondo for the sum of $ 81,000.00 plus the cost of net additions to said system from the date hereof to the date of transfer, provided Hondo shall elect to purchase and shall pay for the same at the price hereinbefore specified.

It is agreed that the Authority will sell and deliver, and the Company will take and pay for all electric power and energy supplied to consumers now connected or hereafter connected to

said system. Subject to provisions for increase or decrease hereinafter set forth, the Company shall be obligated to purchase from the Authority and the Authority shall be obligated to supply up to 250 kilowatts of power, which however may be increased or decreased from time to time at the option of the Company by delivery of a written notice from the Company to the Authority at least twelve (12) months prior to the effective date of such increase or decrease. Such number of kilowatts as the same shall be adjusted from time to time shall constitute the contract load.

The electric power and energy will be delivered and metered at Hondo Substation near the City of Hondo, Medina County, Texas. For such power and energy the Company will pay to the Authority in accordance with the provisions of Exhibit " A ", attached hereto and made a part hereof, entitled " Schedule of Rates and Charges".

Company agrees that it will promptly pay for all power and energy delivered from time to time by the Authority in accordance with this Agreement, and all payments shall be made within five (5) days after receipt of statement thereof at the office of the Authority in New Braunfels, Texas.

III.

It is agreed and understood that the Authority contemplates assigning all of its rights under and by virtue of this Agreement to the Lower Colorado River Authority, a governmental agency organized and existing under and by virtue of the laws of the State of Texas, and the City and Company hereby specifically assent to such assignment. In the event of any such assignment and the assumption by the Lower Colorado River Authority of the obligations of the Authority hereunder, the Authority shall be released from further liability hereunder.

IV.

The Company agrees that it will not sell or otherwise dispose of said electric distribution system (except to the Authority or the Lower Colorado River Authority) unless that as a condition to such sale and as a part of the consideration thereof it will require the purchaser to enter into a contract with the Authority substantially in accordance with the form of contract for the sale of electric power and energy heretofore made between Lower Colorado River Authority and municipalities purchasing from the Lower Colorado River Authority all of the electric power and energy needed to serve the system of said municipalities.

With respect to said contract to be entered into in accordance with the above, the Authority hereby agrees that upon request from the Company it will execute such a contract with any purchaser of said system.

V.

It is further agreed that the electric power and energy to be delivered by Authority under this Agreement shall be made available by and delivered over facilities described in a contract of even date herewith between Guadalupe-Blanco River Authority and the City of San Antonio, which facilities have heretofore been utilized to serve said distribution system, and that the power and energy will be delivered during the term of this Agreement under terms and conditions similar to those under which power and energy have been delivered in the past over the same facilities for said distribution system, except as modified by this Agreement.

VI.

(a) In the event the Company shall not sell and transfer said electric distribution system to Hondo within five months from the date hereof, it agrees that it will at any time during a period of four months after the expiration of said six months period, sell and transfer the same to the Authority, and the Authority shall and hereby agrees that it will, during such period, purchase the same and shall, during such period, make payment to the Company

as the purchase price of said system, the sum of $81, 000.00, plus an amount equal to the cost of net additions made to said system, between the date hereof and the date of transfer.

(b) Nothing herein contained shall prohibit or restrict the Company from mortgaging said electric distribution system or pledging as security for indebtedness, its rights under this contract, provided that under the terms of any such mortgage or pledge the Company can and will obtain a release thereof upon payment to the Company of the amount of $ 81,000.00 by either Hondo or the Authority or Lower Colorado River Authority as set out in this contract.

(c) The provisions of this contract shall not be severable and in the event of any default in any of the provisions hereof this contract may be canceled by the party not in default.

VII.

The Company assumes all responsibility for the electric power and energy purchased by it hereunder, after delivery by the Authority to the Company at the designated point of delivery, and agrees to protect and save the Authority harmless from all liability growing out of any injury or damages to person or property occuring on the system herein described.

VIII.

If at any time during the term of this Agreement the Authority should supply electricity to any municipality, at a lower rate schedule than that as set forth in Schedule of Rates and Charges hereto attached as Exhibit "A", for equal demand and consumption, for transmitted and coverted energy and other conditions of service being equal, such lower rate shall be made available to the Company so long as such lower rate schedule shall be given to such municipality while this contract is in force.

IX.

Any waiver at any time by either party of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in connection with this contract, or any term or provision hereof, shall not be considered a waiver with respect to any subsequent default, matter or provision.

X.

In the event the Authority is delayed in the delivery of electric energy herein contracted for by injunction, strike, riot, invasion, fire, flood, explosion, breakdown, act of God or the public enemy, or any cause beyond its control, the time fixed for the commencement of delivery of electric energy hereunder shall be correspondingly extended. The Authority shall not be liable to the Company, nor shall the Company be liable to the Authority hereunder, by reason of failure of the Authority to deliver, or the Company to receive, electric energy as the result of fire, strike, riot, explosion, flood, accident, breakdown, act of God or the public enemy, or other acts beyond the control of the party affected, it being the intention of said party to relieve the other of the obligation to supply energy or to receive and pay for energy when, as a result of any of the above mentioned causes, either party may be unable to deliver or use in whole or in part the electric energy herein contracted to be delivered or received. Both parties shall be prompt and diligent in removing and overcoming the cause or causes of said interruption, but nothing herein contained shall be construed as permitting the Authority to refuse to deliver, or the Company to refuse to receive, electric energy after the cause of interruption has been removed.

The Authority does not guarantee that the supply of electric energy hereunder will be free from interruption, and it is agreed that interruption of the Authority's service, occasioned by any of the causes mentioned in the foregoing paragraph, shall not constitute a breach of this contract on the part of the Authority, and the Authority shall not be liable to the Company or to any of the Company's customers for damages resulting therefrom. In the event of interruption to

service, the Authority will restore the service as soon as it can reasonably do so, and will at all times exert itself toward the end of supplying as nearly constant service as is reasonably practicable. In case of impaired or defective service the Company shall immediately give notice to the nearest office of the Authority by telephone, confirming such notice in writing.

IN WITNESS WHEREOF the parties hereto have executed this instrument this the _____day of October, 1942.

ATTEST: CITY OF SAN ANTONIO

_____ Clerk BY: _____ Mayor

ATTEST: GUADALUPE-BLANCO RIVER AUTHORITY

_____ Secretary BY: _____ General Manager

ATTEST: GUADALUPE ELECTRIC COMPANY

_____ Secretary BY: _____ President

EXHIBIT " A "

SCHEDULE OF RATES AND CHARGES

WHOLESALE POWER RATE

SCHEDULE A - 1

Demand Charge: Ninety cents per kilowatt of demand per month

Energy Charge: First 100,000 kilowatt-hours consumed per month at 6 mills per Kilowatt-hour; next 200,000 kilowatt-hours consumed per month at 5 mills per kilowatt-hour; excess over 300,000 kilowatt-hours consumed per month at 4.5 mills per kilowatt-hour.

Ceiling Rate: In the event the application of rates and charges as set out in Wholesale Power Rate, Schedule A-1, results in a net cost to Company per kilowatt-hour in excess of nine (9) mills per kilowatt-hour, Authority agrees to bill Company contracting for entire energy requirements at the rate of nine (9) mills per kilowatt-hour and Company agrees to pay Authority at this rate, subject to the normal use of contracted capacity by the Company.

Determination of Demand: Demand measurement shall be made by suitable instruments at the point or points of delivery. Demand for any month shall be defined as the highest integrated simultaneous load during any thirty (30) minute period during the month for which determination is made.

Adjustment of Demand Charge for Power Factor: Demand charge may be adjusted if and when Authority deems necessary to correct for power factors lower than eighty-five percent (85%). Such adjustments will be made in such manner as to bring the demand charge to the equivalent of eighty-five percent (85%) power factor.

Minimun Monthly Bill : The minimum charge per month for service under this agreement shall be fifty percent (50%) of the contract load as specified in Paragraph II of the contract to which this is attached, computed at ninety cents (90¢) per kilowatt.

EXHIBIT " F "

AGREEMENT BETWEEN

CITY OF SAN ANTONIO

AND

GUADALUPE-BLANCO RIVER AUTHORITY

AND

GUADALUPE ELECTRIC COMPANY

THIS CONTRACT AND AGREEMENT (rereinafter for convenience sometimes referred to as " Agreement "), dated as of the _____day of October, 1942, by and between the City of San Antonio (hereinafter for convenience sometimes referred to as the " City "), a municipal corporation organized and existing under and by virtue of the laws of the State of Texas, situated in Bexar County, Texas, the Guadalupe-Blanco River Authority (hereinafter for convenience sometimes referred to as " Authority "), a conservation and reclamation district and governmental agency of the State of Texas, created and existing by virtue of an Act of the Legislature of the State of Texas, with its domicile in New Braunfels, Comal County, Texas, and the Guadalupe Electric Company (hereinafter for convenience sometimes referred to as the " Company "), a private corporation organized and existing under and by virtue of the laws of the State of Texas, with its principal place of business located at San Antonio in Bexar County, Texas, WITNESSETH:

I.

The Guadalupe Electric Company has acquired the electric distribution system serving the incorporated City of Boerne and contiguous area thereto, in Kendall County, Texas.

II.

The Guadalupe Electric Company shall sell the above described electric distribution system to the City of Boerne for the sum of $75,000.00 plus the cost of net additions to said system from the date hereof to the date of transfer, provided Boerne shall elect to purchase and shall pay for the same at the price hereinbefore specified.

It is agreed that the Authority will sell and deliver, and the Company will take and pay for all electric power and energy supplied to consumers now connected or hereafter connected to said system. Subject to provisions for increase or decrease hereinafter set forth, the Company shall be obligated to supply up to 280 kilowatts of power, which however may be increased or decreased from time to time at the option of the Company by delivery of a written notice from the Company to the Authority at least twelve (12) months prior to the effective date of such increase or decrease, Such number of kilowatts as the same shall be adjusted from time to time shall constitute the contract load.

The electric power and energy will be delivered and metered at Boerne Substation, in Boerne, Kendall County, Texas. For such power and energy the Company will pay to the Authority in accordance with the provisions of Exhibit " A ", attached hereto and made a part hereof, entitled " Schedule of rates and Charges."

Company agrees that it will promptly pay for all power and energy delivered from time to time by the Authority in accordance with this Agreement, and all payments shall be made within five (5) days after receipt of statement thereof at the office of the Authority in New Braunfels, Texas.

III.

It is agreed and understood that the Authority contemplates assigning all of its rights under and by virtue of this Agreement to the Lower Colorado River Authority, a governmental agency organized and existing under and by virtue of the laws of the State of Texas, and the City and Company hereby specifically assent to such assignment. In the event of any such assignment and the assumption by the Lower Colorado River Authority of the obligations of the Authority hereunder, the Authority shall be released from further liability hereunder.

IV.

The Company agrees that it will not sell or otherwise dispose of said electric

distribution system (except to the Authority or the Lower Colorado River Authority) unless that as a condition to such sale and as a part of the consideration thereof it will require the pruchaser to enter into a contract with the Authority substantially in accordance with the form of contract for the sale of electric power and energy heretofore made between Lower Colorado River Authority and municipalities purchasing from the Lower Colorado River Authority all of the electric power and energy needed to serve the system of said municipalities.

With respect to said contract to be entered into in accordance with the above, the Authority hereby agrees that upon request from the Company it will execute such a contract with any purchaser of said system.

V.

It is further agreed that the electric power and energy to be delivered by Authority under this Agreement shall be made available by and delivered over facilities described in a contract of even date herewith between Guadalupe-Blanco River Authority and the City of San Antonio, which facilities have heretofore been utilized to serve said distribution system, and that the power and energy will be delivered during the term of this Agreement under terms and conditions similar to those under which power and energy have been delivered in the past over the same facilities for said distribution system, except as modified by this Agreement.

VI.

(a) In the event the Company shall not sell and transfer said electric distribution system to Boerne within five months from the date hereof, it agrees that it will at any time during a period of four months after the expiration of said five months period, sell and transfer the same to the Authority, and the Authority shall and hereby agrees that it will, during such period, purchase the same and shall, during such period, make payment to the Company as the purchase price of said system, the sum of $75,000.00, plus an amount equal to the cost of net additions made to said system, between the date hereof and the date of transfer.

(b) Nothing herein contained shall prohibit or restrict the Company from mortgaging said electric distribution system or pledging as security for indebtedness, its rights under this contract, provided that under the terms of any such mortgage or pledge the Company can and will obtain a release thereof upon payment to the Company of the amount of $75,000.00 by either Boerne or the Authority or Lower Colorado River Authority as set out in this contract.

(c) The provisions of this Contract shall not be severable and in the event of any default in any of the provisions hereof this Contract may be canceled by the party not in default.

(d) So long as the City shall be the owner of certain rural electric distribution lines serving the rural areas surrounding Boerne, the Company agrees to deliver to the City at the points listed below electric power and energy required by the City to serve its rural customers connected to said rural electric distribution lines. The City agrees to purchase such electric power and energy and to pay to the Company therefor each month at

1. The northeast corner of city limits on the 2400 volt Boerne-Alzafar line at pole 1/16.
2. Pole 2/8 on the Boerne-Old San Antonio Highway 2400 vole line called Boerne-San Antonio Line.
3. A point on Bandera Road 7 spans west of Russ Street on the Morrow 2400 volt Line.
4. Pole 1/1 on Fredericksburg Road on the Boerne-Pope 2400 vole line.

at a rate per kwh equal to the average cost per kwh paid by the Company for all energy purchased by it from the Authority during such months, including in the consumption of such cost all demand charges.

The Authority hereby consents to the resale of electric power and energy as above provided.

VII.

The Company assumes all responsibility for the electric power and energy purchased by it hereunder, after delivery by the Authority to the Company at the designated point of delivery, and agrees to protect and save the Authority harmless from all liability growing out of any injury or damages to person or property occuring on the system here in described.

VIII.

If at any time during the term of this Agreement the Authority should supply electricity to any municipality, at a lower rate schedule than that as set forth in Schedule of Rates and Charges hereto attached as Exhibit " A ", for equal demand and consumption, for transmitted and converted energy and other conditions of service being equal, such lower rate shall be made available to the Company as long as such lower rate schedule shall be given to such municipality while this contract is in force.

IX.

Any waiver at any time by either party of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in connection with this contract or any term or provision hereof, shall not be considered a waiver with respect to any subsequent default, matter or provision.

X.

In the event the Authority is delayed in the delivery of electric energy herein contracted for by injunction, strike, riot, invasion, fire, flood, explosion, breakdown, act of God or the public enemy, or any cause beyond its control, the time fixed for the commencement of delivery of electric energy hereunder shall be correspondingly extended. The Authority shall not be liable to the Company, nor shall the Company be liable to the Authority hereunder, by reason of failure of the Authority to deliver, or the Company to receive, electric energy as the result of fire, strike, riot, explosion, flood, accident, breakdown, act of God or the public enemy, or other acts beyond the control of the party affected, it being the intention of said party to relieve the other of the obligation to supply energy or to receive and pay for energy when, as a result of any of the above mentioned causes, either party may be unable to deliver or use in whole or in part the electric energy herein contracted to be delivered or received. Both parties shall be prompt and diligent in removing and overcoming the cause or causes of said interruption, but nothing herein contained shall be construed as permitting the Authority to refuse to deliver, or the Company to refuse to receive, electric energy after the cause of interruption has been removed.

The Authority does not guarantee that the supply of electric energy hereunder will be free from interruption, and it is agreed that interruption of the Authority's service, occasioned by any of the causes mentioned in the foregoing paragraph, shall not constitute a breach of this contract on the part of the Authority, and the Authority shall not be liable to the Company or to any of the Company's customers for damages resulting therefrom. In the event of interruption to service, the Authority will restore the service as soon as it can reasonably do so, and will at all times exert itself toward the end of supplying as nearly constant service as is reasonably practicable. In case of impaired or defective service the Company shall immediately give notice to the nearest office of the Authority by telephone, confirming such notice in writing.

IN WITNESS WHEREOF the parties hereto have executed this instrument this ____day of October, 1942.

ATTEST:

CITY OF SAN ANTONIO

_____ Clerk

BY_____ Mayor

ATTEST:

_____
Secretary

GUADALUPE-BLANCO RIVER AUTHORITY

BY_____
General Manager

ATTEST:

_____
Secretary

GUADALUPE ELECTRIC COMAPNY

BY_____
President

EXHIBIT " A "

SCHEDULE OF RATES AND CHARGES

WHOLESALE POWER RATE

SCHEDULE A - 1

Demand Charge: Ninety cents per kilowatt of damand per month.

Energy Charge: First 100,000 kilowatt-hours consumed per month at 6 mills per kilowatt-hour; next 200,000 kilowatt-hours consumed per month at 5 mills per kilowatt-hour; excess over 300,000 kilowatt-hours consumed per month at 4.5 mills per kilowatt-hour.

Ceiling Rate: In the event the application of rates and charges as set out in Wholesale Power Rate, Schedule A-1, results in a net cost to company per kilowatt-hour in excess of nine (9) mills per kilowatt-hour, Authority agrees to bill Company contracting for entire energy requirements at the rate of nine (9) mills per kilowatt-hour and Company agrees to pay Authority at this rate, subject to the normal use of contracted capacity by the Company.

Determination of Demand: Demand measurement shall be made by suitable instruments at the point or points of delivery. Demand for any month shall be defined as the highest integrated simultaneous load during any thirty (30) minute period during the month for which determination is made.

Adjustment of Demand Charge for Power Factor: Demand charge may be adjusted if and when Authority deems necessary to correct for power factors lower than eighty-five percent (85%). Such adjustments will be made in such manner as to bring the demand charge to the equivalent of eighty-five percent (85%) power factor.

Minimun Monthly Bill: The minimum charge per month for service under this agreement shall be fifty percent (50%) of the contract load as specified in Paragraph II of the contract to which this is attached, computed at nineth cents (90¢) per kilowatt.

EXHIBIT " G "

AGREEMENT BETWEEN

CITY OF SAN ANTONIO

AND

GUADALUPE-BLANCO RIVER AUTHORITY

AND

GUADALUPE ELECTRIC COMPANY

THIS CONTRACT AND AGREEMENT (hereinafter for convenience sometimes referred to as " Agreement"), dated as of the ____ day of October, 1942, by and between the City of San Antonio (hereinafter for convenience sometimes referred to as the " City "), a municipal corporation organized and existing under and by virtue of the laws of the State of Texas, situated in Bexar County, Texas, the Guadalupe-Blanco River Authority (hereinafter for convenience sometimes referred to as " Authority "), a conservation and reclamation district and governmental agency of the State of Texas, created and existing by virtue of an Act of the Legislature of the State of Texas, with its domicile in New Braunfels, Comal County, Texas, and the Guadalupe Electric Comp-

any (hereinafter for convenience sometimes referred to as the " Company "), a private corporation organized and existing under and by virtue of the laws of the State of Texas, with its principal place of business located at San Antonio in Bexar County, Texas, WITNESSTH:

I.

The Guadalupe Electric Company has acquired the electric distribution system serving the incorporated City of New Braunfels and contiguous area thereto, in Comal County, Texas.

II.

The Guadalupe Electric Company shall sell the above described electric distrubution system to the City of New Braunfels for the sum of $250,000.00 plus the cost of net additions to said system from the date hereof to the date of transfer, provided New Braunfels shall elect to purchase and shall pay for the same at the price hereinbefore specified.

It is agreed that the Authority will sell and deliver, and the Company will take and pay for all electric power and energy supplied to consumers now connected or hereafter connected to said system. Subject to provisions for increase or decrease hereinafter set forth, the Company shall be obligated to supply up to 2300 kilowatts of power, which may be increased or decreased from time to time at the option of the Company by delivery of a written notice from the Company to the Authority at least twelve (12) months prior to the effective date of such increase or decrease. Such number of kilowatts as the same shall be adjusted from time to time shall constitute the contract load.

The electric power and energy will be delivered and metered at the Comal Plant, in the City of New Braunfels, Comal County, Texas. For such power and energy the Company will pay to the Authority in accordance with the provisions of Exhibit " A ", attached hereto and made a part hereof, entitled " Schedule of Rates and Changes".

Company agrees that it will promptly pay for all power and energy delivered from time to time by the Authority in accordance with this Agreement, and all payments shall be made within five (5) days after receipt of statement thereof at the office of the Authority in New Braunfels, Texas.

III.

It is agreed and understood that the Authority contemplates assigning all of its rights under and by virtue of this Agreement to the Lower Colorado River Authority, a governmental agency organized and existing under and by virtue of the laws of the State of Texas, and the City and Company hereby specifically assent to such assignment. In the event of any such assignment and the assumption by the Lower Colorado River Authority of the obligations of the Authority hereunder, the Authority shall be released from further liability hereunder.

IV.

The Company agrees that it will not sell or otherwise dispose of said electric distribution system (except to the Authority or the Lower Colorado River Authority) unless that as a condition to such sale as a part of the consideration thereof it will require the purchaser to enter into a contract with the Authority substantially in accordance with the form of contract for the sale of electric power and energy heretofore made between Lower Colorado River Authority and municipalities purchasing from the Lower Colorado River Authority all of the electric power and energy needed to serve the system of said municipalities.

With respect to said contract to be entered into in accordance with the above, the Authority hereby agrees that upon request from the Company it will execute such a contract with any purchaser of said system.

V.

It is further agreed that the electric power and energy to be delivered by Authority under this Agreement shall be made available by and delivered over facilities described in a contract of even date herewith between Guadalupe-Blanco River Authority and the City of San Antonio,

which facilities have heretofore been utilized to serve said distribution system, and that the power and energy will be delivered during the term of this Agreement under terms and conditions similar to those under which power and energy have been delivered in the past over the same facilities for said distribution system, except as modified by this Agreement.

VI.

(a) In the event the Company shall not sell and transfer said electric distribution system to New Braunfels within five months from the date hereof, it agrees that it will at any time during a period of four months after the expiration of said five months period, sell and transfer the same to the Authority, and the Authority shall and hereby agrees that it will, during such period, purchase the same and shall, during such period, make payment to the Company as the purchase price of said system, the sum of $250,000.00,plus an amount equal to the cost of net additions made to said system, between the date hereof and the date of transfer.

(b) Nothing herein contained shall prohibit or restrict the Company from mortgaging said electric distribution system or pledging as security for indebtedness, its rights under this contract, provided that under the terms of any such mortgage or pledge the Company can and will obtain a release thereof upon payment to the Company of the amount of $250,000.00 by either New Braunfels or the Authority or Lower Colorado River Authority as set out in this Contract.

(c) The provisions of this contract shall not be severable and in the event of any default in any of the provisions hereof this Contract may be canceled by the party not in default.

(d) So long as the City shall be the owner of certain rural electric distribution lines serving the rural areas surrounding New Braunfels, the Company agrees to deliver to the City at the points listed below electric power and energy required by the City to serve its rural customers connected to said rural electric distribution lines. The City agrees to purchase such electric power and energy and to pay to the Company therefor delivered each month at

1. Pole 3/5 on 13 kv. line to Dittlinger at Comal Creek and Sippel Farm.
2. Pole 1/1 on Highway #46 south of New Braunfels on the New Braunfels-Clear Springs 2400 volt line.
3. Pole 1/13 on New Braunfels-Gruene 13 kv. line
4. Pole 2/2 on Highway #46 on the Smithson Valley 2400 volt line.

at a rate per kwh equal to the average cost per kwh paid by the Company for all energy purchased by it from the Authority during such months, including in the computation of such cost all demand charges.

The Authority hereby consents to the resale of electric power and energy as above provided.

VII.

The Company assumes all responsibility for the electric power and energy purchased by it hereunder, after delivery by the Authority to the Company at the designated point of delivery, and agrees to protect and save the Authority harmless from all liability growing out of any injury or damages to person or property occurring on the system herein described.

VIII.

If at any time during the term of this Agreement the Authority should supply electricity to any municipality, at a lower rate schedule than that as set forth in Schedule of Rates and Charges hereto attached as Exhibit " A ", for equal demand and consumption, for transmitted and converted energy and other conditions of service being equal, such lower rate shall be made available to the Company so long as such lower rate schedule shall be given to such municipality while this contract is in force.

IX.

Any waiver at any time by either party of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in connection with this contract, or any term or provision hereof, shall not be considered a waiver with respect to any subsequent default, matter or provision.

X.

In the event the Authority is delayed in the delivery of electric energy herein contracted for by injunction, strike, riot, invasion, fire, flood, explosion, breakdown, act of God or the public enemy, or any cause beyond its control, the time fixed for the commencement of delivery of electric energy hereunder shall be correspondingly extended. The Authority shall not be liable to the Company, nor shall the Company be liable to the Authority hereunder, by reason of failure of the Authority to deliver, or the Company to receive, electric energy as the result of fire, strike, riot, explosion, flood, accident, breakdown, act of God or the public enemy, or other acts beyond the control of the party affected, it being the intention of said party to relieve the other of the obligation to supply energy or to receive and pay for energy when, as a result of any of the above mentioned causes, either party may be unable to deliver or use in whole or in part the electric energy herein contracted to be delivered or received. Both parties shall be prompt and diligent in removing and overcoming the cause or causes of said interruption, but nothing herein contained shall be construed as permitting the Authority to refuse to deliver, or the Company to refuse to receive, electric energy after the cause of interruption has been removed.

The Authority does not guarantee that the supply of electric energy hereunder will be free from interruption, and it is agreed that interruption of the Authority's service, occasioned by any of the causes mentioned in the foregoing paragraph, shall not constitute a breach of this contract on the part of the Authority, and the Authority shall not be liable to the Company or to any of the Company's customers for damages resulting therefrom. In the event of interruption to service, the Authority will restore the service as soon as it can reasonably do so, and will at all times exert itself toward the end of supplying as nearly constant service as is reasonably practicable. In case of impaired or defective service the Company shall immediately give notice to the nearest office of the Authority by telephone, confirming such notice in writing.

IN WITNESS WHEREOF the parties hereto have executed this instrument this the_____ day of October, 1942.

ATTEST:

_____
Clerk

CITY OF SAN ANTONIO

BY_____
Mayor

ATTEST:

_____
Secretary

GUADALUPE-BLANCO RIVER AUTHORITY

BY_____
General Manager

ATTEST:

_____
Secretary

GUADALUPE ELECTRIC COMPANY

BY_____
President

EXHIBIT " A "

SCHEDULE OF RATES AND CHARGES

WHOLESALE POWER RATE

SCHEDULE A - 1

Demand Charge: Ninety cents per kilowatt of demand per month

Energy Charge: First 100,000 kilowatt-hours consumed per month at 6 mills per kilowatt-hour; next 200,000 kilowatt-hours consumed per month at 5 mills per kilowatt-hour; excess over 300,000 kilowatt-hours consumed per month at 4.5 mills per kilowatt-hour.

Ceiling Rate: In the event the application of rates and charges as set out in Wholesale Power Rate, Schedule A-1, results in a net cost to Company per kilowatt-hour in excess of nine (9) mills per kilowatt-hour, Authority agrees to bill Company contracting for entire energy requirements at the rate of nine (9) mills per kilowatt-hour and Company agrees to pay Authority at this rate, subject to the normal use of contracted capacity by the Company.

Determination of Demand: Demand measurement shall be made by suitable instruments at the point or points of delivery. Demand for any month shall be defined as the highest integrated simultaneous load during any thirty (30) minute period during the month for which determination is made.

Adjustment of Demand Charge for Power Factor: Demand charge may be adjusted if and when Authority deems necessary to correct for power factors lower than eighty-five percent (85%). Such adjustments will be made in such manner as to bring the demand charge to the equivalent of eighty-five percent (85%) power factor.

Minimum Monthly Bill: The minimum charge per month for service under this agreement shall be fifty percent (50%) of the contract load as specified in Paragraph II of the contract to which this is attached, computed at ninety cents (90¢) per kilowatt.

EXHIBIT " H "

AGREEMENT BETWEEN

GUADALUPE-BLANCO RIVER AUTHORITY,

LOWER COLORADO RIVER AUTHORITY

AND

CITY OF SAN ANTONIO

THIS AGREEMENT, dated as of the____day of October, 1942, by and between GUADALUPE-BLANCO RIVER AUTHORITY (hereinafter for convenience sometimes referred to as the " Guadalupe Authority "), a conservation and reclamation district and governmental agency of the State of Texas, created and existing by virtue of an Act of the Legislature of the State of Texas, with its domicile at New Braunfels, in Comal County, Texas, acting by virtue of a resolution duly adopted by its Board of Directors, LOWER COLORADO RIVER AUTHORITY (hereinafter for convenience sometimes referred to as the " Colorado Authority "), a conservation and reclamation district and governmental agency of the State of Texas, created and existing by virtue of an Act of the Legislature of the State of Texas, with its domicile at Austin, in Travis County, Texas, acting by virtue of a resolution duly adopted by its Board of Directors, and the CITY OF SAN ANTONIO (hereinafter for convenience sometimes referred to as the " City ", a municipal corporation situated in Bexar County, State of Texas, duly organized, existing, enjoying and exercising the privileges of a municipality by virtue of a Charter duly adopted by the citizens hereof under the " Home Rule Amendment " of the Constitution of the State of Texas, acting under authority of an ordinance duly adopted by its City Commissioners, WITNESSETH:

I.

For and in consideration of the mutual agreements hereinafter set forth, the Guadalupe Authority does hereby transfer, assign and convey unto the Colorado Authority all of the rights, estates, privileges, agreements and benefits conferred upon and accruing to the Guadalupe Authority under and by virtue of the lease and purchase contract entered into between

said Guadalupe Authority and the City of San Antonio and dated as of the____day of October, 1942, which is made a part hereof by reference, save and except/ing and reserving to the Guadalupe Authority, however, the right to purchase and acquire the properties which it is given the right to purchase under the terms of said contract, which right may be exercised only by it, or its nominee.

II.

In consideration of said assignment, the Colorado Authority assumes and agrees to perform all of the obligations, agreements and covenants to be kept and performed by the Guadalupe Authority under the terms of said contract.

III.

The City hereby consents to the foregoing assignment, upon the condition that no further assignments of said contract shall be made without the consent of the City.

IN TESTIMONY WHEREOF, the Guadalupe Authority has executed these presents by its Chairman, attested with its seal by its Secretary, the Colorado Authority has executed the same by its General Manager, attested with its seal by its Secretary, and the City has executed the same by its Mayor, attested with the City seal by the City Clerk.

GUADALUPE-BLANCO RIVER AUTHORITY

BY_____
Chairman

ATTEST:

_____
Secretary

LOWER COLORADO RIVER AUTHORITY

BY_____
General Manager

ATTEST:

_____
Secretary

CITY OF SAN ANTONIO

BY_____
Mayor

ATTEST:

_____
City Clerk

EXHIBIT " I "

CONTRACT BETWEEN

CITY OF SAN ANTONIO

AND

CITIES OF FLORESVILLE, STOCKDALE AND POTH

THIS CONTRACT AND AGREEMENT, dated as of the____day of October, 1942, by and between the CITY OF SAN ANTONIO, a municipal corporation situated in Bexar County, State of Texas, duly organized, existing, enjoying and exercising the privileges of a municipality by virtue of a Charter duly adopted by the citizens thereof under the " Home Rule Amendment " of the Constitution of the State of Texas, acting under authority of an ordinance duly adopted by its City Commissioners, and the Cities of FLORESVILLE, STOCKDALE AND POTH, municipal corporations located in Wilson County, Texas, acting under ordinances adopted by their respective governing bodies, (hereinafter referred to as " the Cities), WITNESSETH:

ARTICLE I

The City of San Antonio agrees to sell and convey to the Cities or their nominee, and the Cities agree to buy from the City of San Antonio and to pay for the properties and facilities described as follows:

> Except for the Boreggo Road 2.3 Kv. Line extending approximately six miles into WilsonCounty, all the 13 Kv. and 2.3 Kv transmission and distribution lines together with accompanying substations, transformers secondary lines, services, meters and devices for serving approximately 1440 customers in Wilson and Karnes Counties,

Texas, heretofore owned by San Antonio Public Service Company, including furniture and fixtures, tools and miscellaneous equipment located at the Floresville office of San Antonio Public Service Company and including the 200 Kw, internal combustion engine generating station and the land on which it is located in Floresville and in addition an easement giving the Cities of Floresville, Stockdale and Poth the right to attach their 13 Kv lines to the City of San Antonio's 66 Kv poles south of the Elmendorf Substation to the extent that such 13 Kv. lines are now so attached.

ARTICLE II

The price to be paid to the City of San Antonio by the Cities for said property shall be Three Hundred Twenty-eight Thousand Eight Hundred Ten and no/100 ($328,810.00) Dollars.

Each of said cities shall have the right separately and without reference to the action of the others to purchase the portion of the above described property located within its corporate limits and the portion thereof lying within five miles of its corporate limits as it may select, at a total price based upon a segregation to be made by Loeb & Eames, Inc., the engineers who prepared the said valuation.

ARTICLE III

Whenever the Cities shall be in readiness to accept conveyance of and to pay for the property to be purchased as above provided, they shall give the City of San Antonio fifteen (15) days' written notice of their readiness, and thereupon the City of San Antonio shall promptly furnish the Cities such abstracts of title as it may have in its possession covering its title to the property to be purchased. If, thereafter, the Cities request conveyance of the property to be so purchased and tender payment therefor in the prescribed amount, the City of San Antonio shall thereupon convey to the Cities by warranty deed good and merchantable title thereto free and clear of all liens and encumbrances.

ARTICLE IV

It is understood that the provisions of this agreement are subject to the provisions of that certain Indenture dated August 1, 1942, by and between the City of San Antonio and Harris Trust & Savings Bank and Harold Eckhart, as Trustees, and that the Cities shall have the right to purchase any property under the provisions of this agreement only when and to the extent that the City of San Antonio may sell such property without violating the provisions of said Indenture.

ARTICLE V

This agreement shall terminate six months from the date hereof, and if on the date of such termination the property subject to this agreement has not been conveyed to the Cities, the obligation of the City of San Antonio to convey and the Cities' obligation to accept and pay for such property shall become void and ineffective without liability to any of the parties hereto.

IN TESTIMONY WHEREOF the City of San Antonio has executed these presents by its Mayor, attested with the City Seal by the City Clerk, and the Cities have executed the same by their respective Mayors, attested with their seals by their City Clerks, all as of the ____day of October, A.D., 1942.

CITY OF SAN ANTONIO

ATTEST:

BY_____
Mayor

_____
City Clerk

CITY OF FLORESVILLE

ATTEST:

BY_____
Mayor

_____
City Clerk

CITY OF STOCKDALE

ATTEST:

BY_____
Mayor

_____
City Clerk

CITY OF POTH

ATTEST:

BY_____
Mayor

_____ City Clerk

EXHIBIT " J "

CONTRACT BETWEEN

CITY OF SAN ANTONIO

AND THE

CITY OF NEW BRAUNFELS

THIS CONTRACT AND AGREEMENT dated as of the_____day of October, 1942, by and between the City of San Antonio, a municipal corporation situated in Bexar County, State of Texas, duly organized, existing, enjoying and exercising the privileges of a municipality acting under authority of an Ordinance duly adopted by its City Commissioners (hereinafter referred to as " San Antonio) " and the City of New Braunfels, a municipal corporation situated in Comal County, State of Texas, duly organized, existing, enjoying and exercising the privileges of a municipality acting under authority of an Ordinance duly adopted by its City Commission (hereinafter referred to as " New Braunfels "); WITNESSETH:

ARTICLE I

San Antonio agrees to sell and convey to New Braunfels or its nominee and New Braunfels agrees to by from San Antonio and to pay for the properties and facilities described as follows:

> The 13 Kv. 2.3 Kv distribution lines, together with all accompanying substations, transformers, secondary lines, services, meters and devices for serving approximately 303 electric consumers outside the area served by San Antonio, principally in Comal County, therebeing included in said property real estate described as,
>
> > " That property in Comal County, Texas, conveyed by John Fenske and wife to Comal Power Company by deed recorded June 10, 1927, in Volume 54 on pages 72-73, and conveyed by Comal Power Company (by Liquidating Trustees) to San Antonio Public Service Company, by deed dated January 1, 1928, said property being described in said deed recorded June 10, 1927, as follows: Beginning at a point 998 feet from the center of the I.& G.N. Ry. Track; thence south 28 degrees east, paralell with the Bittlinger Road, for a distance of 100 feet to a point; thence at a 90 degree turn, north 62 degrees east, 100 feet to a point; thence at a turn of 90 degrees north, 28 degrees west, 100 feet to a point; thence at a turn of 90 degrees south, 62 degrees west 100 feet to the place of beginning; and being part of the old John Fenske Farm, which was conveyed to John Fenske by W. Fenske, by deed dated the 16th day of April, A.D. 1881, and recorded in Book P, page 359, of the Deed Records of Comal County, Texas. "

ARTICLE II

The price to be paid to San Antonio by New Braunfels for said property shall be Nineth-six Thousand Nine Hundred Seventy-seven and no/100 ($96,977.00) Dollars.

ARTICLE III

Whenever New Braunfels shall be in readiness to accept conveyance of and to pay for the property to be purchased as above provided, it shall give San Antonio fifteen (15) days written notice of its readiness and thereupon San Antonio shall promptly furnish New Braunfels with such abstracts of title as it may have in its possession covering its title to the property to be so purchased. If thereafter New Braunfels requests conveyance of the property to be so purchased and tenders payment therefor in the prescribed amount, San Antonio shall thereupon convey to New Braunfels by warranty deed good and merchantable title thereto free and clear of all liens and encumbrances.

ARTICLE IV

It is understood that the provisions of this agreement are subject to the provisions of that certain Indenture dated August 1, 1942 by and between the City of San Antonio and Harris Trust and Savings Bank and Harold Eckhart, and that New Braunfels shall have the right to purchase the above described property only when and to the extent that San Antonio may

sell such property without violating the provisions of said Indenture.

ARTICLE V

This agreement shall terminate six (6) months from the date hereof and if on the date of such termination, the property subject to this agreement has not been conveyed to New Braunfels, the obligation of San Antonio to convey and the obligation of New Braunfels to accept and pay for such property shall become void and ineffective without liability to either of the parties hereto.

IN TESTIMONY WHEREOF, the City of San Antonio has executed these presents by its Mayor, attested with the City Seal by the City Clerk and the City of New Braunfels has executed the same by its Mayor, attested with its City Seal by its City Clerk, all as of the____ day of October, 1942

CITY OF SAN ANTONIO

ATTEST: BY_____
Mayor

_____
City Clerk

CITY OF NEW BRAUNFELS

ATTEST: BY_____
Mayor

_____
City Clerk

EXHIBIT " K "

AGREEMENT BETWEEN

CITY OF SAN ANTONIO

AND

LOWER COLORADO RIVER AUTHORITY

THIS CONTRACT AND AGREEMENT, dated as of the ____ day of October, 1942, by and between the CITY OF SAN ANTONIO (hereinafter for convenience sometimes referred to as the "City"), a municipal corporation situated in Bexar County, State of Texas, duly organized, existing, enjoying and exercising the privileges of a municipality by virtue of a Charter duly adopted by the citizens thereof under the " Home Rule Amendment " of the Constitution of the State of Texas, acting under authority of an ordinance duly adopted by its City Commissioners, and LOWER COLORADO RIVER AUTHORITY (hereinafter for convenience sometimes referred to as the " Authority "), a conservation and reclamation district and governmental agency of the State of Texas, created and existing by virtue of an Act of the Legislature of the State of Texas, with its domicile at Austin, in Travis County, Texas, acting by virtue of a resolution duly adopted by its Board of Directors,

WITNESSETH:

1. The City has this day pruchased from the San Antonio Public Service Company stores and materials situated at the Comal Steam Plant located in New Braunfels, Comal County, Texas, which stores and materials are necessary and useful in the continued operation and maintenance of such Comal Steam Plant.

2. The City has this day entered into a contract with Guadalupe-Blanco River Authority whereby such Comal Steam Plant has been leased to such Authority and such Authority has agreed to operate and maintain such plant, all as is more particularly set out in said Contract and Agreement, to which reference is made.

3. The Guadalupe-Blanco River Authority has, with the consent of the City, assigned the Contract mentioned in paragraph 2 above to the Lower Colorado River Authority, and the Lower Colorado River Authority, has assumed all of the obligations of the Guadalupe-Blanco River Authority, including the obligation to maintain and operate such plant, and therefore it

is necessary and desirable that the Lower Colorado River Authority acquire from the City the stores and materials referred to in paragraph 1 hereinabove.

4. The City hereby agrees to sell and the Authority hereby agrees to purchase the stores and materials now situated at the Comal Steam Plant at the inventory price thereof, such inventory to be completed within ninety days from the date of this Contract, and the payment on the part of the Authority to the City to be due and payable ninety days from the date of this Contract.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their respective duly authorized officials this the_____day of October, 1942.

CITY OF SAN ANTONIO

ATTEST:

BY_____
Mayor

_____
City Clerk

LOWER COLORADO RIVER AUTHORITY

ATTEST:

BY_____
Manager

_____
Secretary

AN ORDINANCE (1893)

REGULATING THE SALE, OFFERING FOR SALE, EXHIBITING FOR SALE OR EXHIBITING FOR THE PURPOSE OF TAKING ORDERS FOR THE SALE OF GOODS, WARES AND MERCHANDISE IN THE CITY OF SAN ANTONIO, TEXAS, BY PEDDLERS, SOLICITORS AND AGENTS NOT PROCURING SUCH GOODS OR SUPPLYING SUCH ORDERS FROM A STOCK OF GOODS, WARES AND MERCHANDISE UPON WHICH THE OWNER IS PAYING AN OCCUPATION TAX IN THE CITY OF SAN ANTONIO, TEXAS; LICENSING PEDDLERS, SOLICITORS AND AGENTS; PROVIDING A PENALTY; ADOPTING THE NECESSARY PROVISIONS INCIDENT TO THE OBJECT AND PURPOSE OF THIS ORDINANCE, WHETHER MENTIONED IN DETAIL IN THE CAPTION OR NOT; REPEALING AN ORDINANCE PASSED AND APPROVED DECEMBER 2, 1915, RECORDED IN ORDINANCE BOOK "F", PAGE 14, AND AMENDMENTS THERETO, AND REPEALING ALL OTHER ORDINANCES IN CONFLICT HEREWITH: AND CONTAINING A SAVING CLAUSE.

BE IT ORDAINED BY THE COMMISSIONERS OF THE CITY OF SAN ANTONIO;-

SECTION 1. There shall be collected from every person engaged in the pursuit of peddling, selling or soliciting orders for goods, wares and merchandise, by sample or otherwise, in retail lots, within the corporate limits of the City of San Antonio, where such goods, wares and merchandise so sold and vended, or the orders for which are not procured from or to be delivered, filled or supplied by the owner thereof then doing business in the City of San Antonio, Texas, who is paying to the City of San Antonio an occupation tax on said account to the City of San Antonio, license permit fees as follows:

Foot peddlers, Two Dollars and Fifty Cents ($2.50)

2-horse wagon or automobile peddlers, Five Dollars ($5.00)

1-horse wagon peddler, Three Dollars and Seventy-five Cents ($3.75)

That said fees shall be paid to the License and Dues Collector of the City of San Antonio, in the City Hall, San Antonio, Texas, and upon payment of which said fees the License and Dues Collector shall issue a license permit, dating it from the day of such issuance and expiring the following May 31st, to the person entitled thereto.

SECTION 2. That for the purpose of this ordinance, and the issuance of permit or license by the License and Dues Collector, the term "peddler", "solicitor" and "agent" means and shall be construed as intended to embrace an itinerant hawker, retail dealer, or vendor of goods, wares and merchandise who carries with him, offers for sale, sells and delivers, from place to place, or from house to house, the identical goods carried with him.

SECTION 3. That upon the payment of said license fee there shall be issued to the person entitled thereto a receipt showing payment, and a gummed sticker, or metal tag, having thereon a number, which shall be carried or displayed by the person to whom it belongs.

SECTION 4. That the ordinance passed and approved on December 2, 1915, and duly recorded in Ordinance Book "F", on page 14, and all amendments thereto, and any and all other ordinances or parts of ordinances in conflict herewith shall be and are hereby repealed.

SECTION 5. That the license when issued shall not be transferrable, and transfer thereof is hereby prohibited.

SECTION 6. Any individual, firm, corporation, association, partnership or society violating any provision of this ordinance shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine of not less than Five Dollars ($5.00) nor more than One Hundred Dollars ($100.00), and every day such violation continues shall constitute a separate offense.

SECTION 7. If any section or provision of any section of this ordinance shall be held to be void, ineffective or unconstitutional, the holding of any such section or provision of any such section to be void, ineffective or unconstitutional for any cause whatsoever, shall not affect the validity of the remaining sections and provisions of this ordinance.

SECTION 8. This ordinance shall be cumulative of all ordinances of the City of San Antonio, and of the laws of the State of Texas.