

AN ORDINANCE *08-91*

TO PROVIDE FOR THE ISSUANCE BY THE CITY OF SAN ANTONIO, IN THE COUNTY OF BEXAR, STATE OF TEXAS, OF SEVEN MILLION DOLLARS (\$7,000,000) OF BONDS TO PROVIDE FOR THE ACQUISITION, IMPROVING AND EXTENSION OF THE WATER PLANT TO BE PURCHASED FROM NATT. T. WAGNER OF ST. LOUIS, MISSOURI, PRESCRIBING THE FORM OF SAID BONDS AND PROVIDING FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST THEREOF; AUTHORIZING THE EXECUTION OF A MORTGAGE OR DEED OF TRUST UPON SAID WATER-WORKS PLANT AND SYSTEM TO BE ACQUIRED BY THE CITY OF SAN ANTONIO; AND GRANTING A FRANCHISE TO THE PURCHASER OR PURCHASERS OF SAID PROPERTY AT A FORECLOSURE SALE MADE IN PURSUANCE OF SAID MORTGAGE OR DEED OF TRUST.

WHEREAS, at an election duly called, held and conducted in the City of San Antonio, in the County of Bexar, State of Texas, on the 18th day of April, 1925, the following propositions were submitted to a vote of the qualified electors and property tax-payers of said City, to-wit:

FIRST PROPOSITION: Shall the City of San Antonio acquire and construct a municipal water plant and issue obligations or bonds therefor in the sum of Six Million, Five Hundred Thousand (\$6,500,000.00) Dollars, bearing interest at the rate of five and one-half (5½%) per centum per annum, interest payable semi-annually; principal and interest to be paid out of the revenues of such water plant and to be secured by pledge and lien on said plant and the revenues therefrom; said obligations or bonds to mature within a period of forty (40) years, and to be paid serially in such amounts that the total principal and interest payments shall be as nearly equal, as practicable, each year respectively, from one (1) to forty (40) years, both inclusive.

SECOND PROPOSITION: Shall the City of San Antonio as an incident to the acquisition and construction of a municipal water plant, issue obligations or bonds, in the sum of Five Hundred Thousand (\$500,000.00) Dollars, for the purpose of acquiring and constructing permanent additions, improvements and extensions, which are necessary for the public service, said obligations or bonds bearing interest at the rate of five and one-half per centum (5½%) per annum, interest payable semi-annually; principal and interest to be paid out of the revenues of such water plant, and said additions, improvements and extensions, and to be secured in the same manner and by the same instrument as the purchase price, and to be sold and delivered from time to time as the City Commissioners shall determine, and the proceeds used exclusively in said additions, improvements and extensions; said obligations or bonds to mature within a period of forty (40) years, and to be paid serially in such amounts that the total principal and interest payments shall be as nearly equal, as practicable, each year respectively, from one (1) to forty (40) years, both inclusive.

and

WHEREAS, the vote cast at said election was duly canvassed in the manner provided by law on the 18th day of April, 1925, and the vote for and against said propositions was ascertained to be as follows:

Proposition No. 1.	For the proposition	9917
	Against the proposition	2405
Proposition No. 2.	For the proposition	9883
	Against the proposition	2411

and

WHEREAS, a majority of the votes of the qualified electors and property taxpayers cast upon each of said propositions was in favor of said propositions; and

WHEREAS, the City of San Antonio, in the County of Bexar, State of Texas, on the 31st day of January, 1925, entered into a contract with said Natt T. Wagner, for the purchase of the San Antonio Water-works Plant, together with all rights, privileges, easements, franchises and appurtenances thereto; and

WHEREAS, said contract provides for the execution and delivery to said Natt T. Wagner of \$6,500,000 Coupons Gold Bonds of the City of San Antonio, payable solely out of the revenues of said Water-works Plant and System and for the execution and delivery of \$500,000 Coupon Gold Bonds of the City of San Antonio, payable exclusively out of the revenues of said Water-works Plant and System, the proceeds of said last named bonds to be used solely for the purpose of making permanent additions, improvements and extension to said Water-works Plant and System at such times and in such amounts as the Board of Water-works Trustees of said City shall determine; and

WHEREAS, it is necessary to prescribe the form and details of said bonds, and to provide for the payment of the principal and interest thereof at maturity, and secure the payment thereof; THEREFORE,

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

SECTION ONE: That to provide for the payment to said Natt T. Wagner of the purchase price of said Water-works Plant and to provide for the construction of additions, improvements and extensions to said Plant, pursuant to the terms of a contract made between said Natt T. Wagner and the City of San Antonio, on the 31st day of January, 1925, there shall be issued by the City of San Antonio, County of Bexar, State of Texas, \$7,000,000 Water-works Bonds, dated May 1, 1925, numbered from 1 to 7000, inclusive, of the denomination of \$1,000 each, bearing interest at the rate of five and one-half per centum (5½%) per annum, payable semiannually May 1st, and November 1st, maturing serially in numerical order as hereinafter set out, in the Deed of Trust.

SECTION TWO: Said bonds shall be signed by the Mayor and sealed with the corporate seal of said City, attested by the City Clerk, and the interest coupons attached to said bonds shall be executed with the fac-simile signatures of said Mayor and said City Clerk, and said bonds and coupons shall be payable in gold coin of the United States of America of the present standard weight and fineness at the City Treasury of said City, in the City of San Antonio, State of Texas, or at the Chemical National Bank, in the City of New York, State of New York, at the holder's option.

SECTION THREE: Said bonds, together with interest thereon, shall be payable only out of the "Water-works Bonds and Interest Redemption Account" and shall be a valid claim of the holder only against said fund, and the fixed proportion of the income and revenues of said Plant pledged to said fund and the holder or holders thereof shall never have the right to demand payment of said bonds or the interest thereon out of any funds raised or to be raised by taxation.

SECTION FOUR: That the bonds and coupons shall be in substantially the form as hereinafter set out, in the Deed of Trust,

SECTION FIVE: The full amount of the aforesaid bonds, in the sum of \$7,000,000 shall be delivered to Natt T. Wagner or his assigns when said Water-works Plant is conveyed to the City of San Antonio, and the sum of \$500,000 is paid to said City, pursuant to the terms of a

contract made by the City of San Antonio with said Natt T. Wagner on the 31st day of January, 1925, which sum of \$500,000 shall be used to protect and maintain the security pledged for the payment of the principal and interest of the aforesaid bonds, by constructing permanent additions, improvements and extensions to said plant, which may be found by the Board of Water-works Trustees of the City of San Antonio to be necessary for the public service, and the City of San Antonio hereby covenants with the holders of the aforesaid bonds, or any of them, that said Water-works Plant shall be kept in good condition to supply said City of San Antonio and its inhabitants with good potable water and that the proceeds of said \$500,000 of bonds shall be used solely for that purpose in the manner more particularly specified above.

SECTION SIX: That when the title to said Water-works Plant and system have been acquired by the City of San Antonio, the same shall be controlled and operated as set out in the Deed of Trust.

SECTION SEVEN: The said Deed of Trust herein contemplated, shall be formally executed by the City of San Antonio, the St. Louis Union Trust Company and the Water-works Board of Trustees, and when so executed shall be the covenant under which all things contemplated herein shall be done, and the Commissioners of the City of San Antonio, by the enactment of this ordinance, adopts, validates and ratifies each and every thing in said instrument set out, and heretofore done in contemplation thereof; and said Deed of Trust is in words and figures as follows:

THE STATE OF TEXAS,  
COUNTY OF BEXAR.

(1) THIS INDENTURE made and entered into as of the first day of May, in the year One Thousand Nine Hundred and Twenty-five, between the City of San Antonio, in the County of Bexar, State of Texas (hereinafter called the City), party of the first part, and the St. Louis Union Trust Company, a corporation organized and existing under the laws of the State of Missouri, and having its principal office in the City of St. Louis in said State, and authorized by law to accept and to execute trusts (hereinafter called the Trustee), party of the second part, as trustee, WITNESSETH THAT;

(2) WHEREAS, the City of San Antonio has purchased from Natt T. Wagner, a resident of the City of St. Louis, Missouri, the Water-works Plant in the City of San Antonio, Texas, as hereinafter more fully described, and said Wagner, in addition to conveying to the City said Water-works Plant, has paid to the City as a special deposit the sum of Five Hundred Thousand Dollars (\$500,000), and as a part of this entire transaction the said City has agreed to expend the said sum of Five Hundred Thousand Dollars (\$500,000) in additions, improvements and extensions to said plant; which conveyance from the said Wagner to the said City has been executed and delivered and the deposit of the said Five Hundred Thousand Dollars (\$500,000) has been made simultaneously with the delivery of this deed of trust; and in consideration of this conveyance of the Water-works Plant and properties hereinabove described and of the payment of the said sum of Five Hundred Thousand Dollars (\$500,000) to be used by the City for the purpose aforesaid, the said City of San Antonio has this day made, executed and delivered to the said Wagner its seven thousand (7,000) Water-works Gold Bonds of the aggregate par value of Seven Million Dollars (\$7,000,000), all of which bonds, both principal and interest, are payable out of the income and revenue

derived and to be derived by said City from the operation of the plant and properties hereby conveyed and additions and extensions thereto, as hereinafter more fully set out, and in case of default, as further hereinafter set out, the corpus of said plant and certain additions and extensions may be subject to the payment thereof, as hereinafter provided; and

(3) WHEREAS, the Commissioners of the City of San Antonio, in pursuance of authority conferred on them by law and by an election heretofore duly and legally called, held and conducted, have adopted an ordinance authorizing the issuance of said bonds and providing for the securing of the same by a mortgage deed of trust upon said Water-works Plant, and certain additions and extensions, which ordinance is entitled: "AN ORDINANCE TO PROVIDE FOR THE ISSUANCE BY THE CITY OF SAN ANTONIO, IN THE COUNTY OF BEXAR, STATE OF TEXAS, OF SEVEN MILLION DOLLARS (\$7,000,000) OF BONDS TO PROVIDE FOR THE ACQUISITION, IMPROVING AND EXTENSION OF THE WATER PLANT TO BE PURCHASED FROM NATT T. WAGNER OF ST. LOUIS, MISSOURI, PRESCRIBING THE FORM OF SAID BONDS AND PROVIDING FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST THEREOF; AUTHORIZING THE EXECUTION OF A MORTGAGE OR DEED OF TRUST UPON SAID WATER-WORKS PLANT AND SYSTEM TO BE ACQUIRED BY THE CITY OF SAN ANTONIO: AND GRANTING A FRANCHISE TO THE PURCHASER OR PURCHASERS OF SAID PROPERTY AT A FORECLOSURE SALE MADE IN PURSUANCE OF SAID MORTGAGE OR DEED OF TRUST", passed and approved on the 26th day of May, 1925; and

(4) WHEREAS, the form of said bonds and interest coupons is substantially as follows:

UNITED STATES OF AMERICA

THE STATE OF TEXAS

COUNTY OF BEXAR

CITY OF SAN ANTONIO

WATER WORKS GOLD BOND

THE CITY OF SAN ANTONIO, in the County of Bexar, State of Texas, for value received, hereby promises to pay to bearer the sum of

ONE THOUSAND DOLLARS

(\$1,000.00), on the first day of May, 19\_\_\_, together with interest thereon at the rate of five and one-half per centum (5½%) per annum, payable semi-annually on the first day of May and on the first day of November of each year, upon presentation and surrender of the annexed interest coupons as they severally mature, both principal and interest being payable in gold coin of the United States of America of the present standard weight and fineness, at the City Treasury, in the City of San Antonio, State of Texas, or at the Chemical National Bank, in the City of New York, State of New York, at the holder's option.

(5) This bond is issued for the purpose of acquiring a municipal water plant and system in said City, and permanent additions, improvements and extensions thereto, under and in full compliance with the constitution and statutes of the State of Texas, and the charter of the City of San Antonio, and a sufficient proportion of the income and revenues to be derived from the operation of said water plant and system, and the additions, improvements and extensions thereto, has been pledged and set aside as a special fund for the purpose solely of payment of this and the other bonds of the series of seven thousand (7,000) bonds herein described and the interest accruing thereon, and identified as "The Water Works Bond and Interest Redemption Account", created by the Commissioners of the City of San Antonio, in the County of Bexar, State of Texas, by good and sufficient ordinance duly adopted. This bond shall never be a debt of said City but solely a charge upon said water plant and system, and the additions, improvements and extensions thereto, and the income and revenues therefrom. The holder hereof

shall never have the right to demand payment of this obligation out of any funds raised by taxation.

(6) This is one of a series of seven thousand (7,000) bonds, numbered from 1 to 7,000, both inclusive, for the principal sum of One Thousand Dollars (\$1,000.00) each, representing the purchase money for said water plant and system, and permanent additions, improvements and extensions thereto, executed by the City of San Antonio, and is secured by mortgage deed of trust, bearing even date herewith, made by the City of San Antonio to St. Louis Union Trust Company, a corporation, of the City of St. Louis, State of Missouri, as Trustee, and said lien securing this and said other bonds is a first and paramount lien upon such water plant and system, and the additions, improvements and extensions thereof, and the income and revenues therefrom, until the payment in full of this and said other bonds.

(7) IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that all acts, conditions and things required to exist, happen or be performed, precedent to and in the issuance of this bond, have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this bond, together with all other indebtedness of said City, does not exceed any limit prescribed by the constitution or statutes of the State of Texas or the charter of said City of San Antonio, and that a sufficient proportion of the income and revenues of said water plant and system, and additions, improvements and extensions thereto, has been pledged to and will be set aside into a special fund for the payment of the principal and interest of this bond at maturity.

(8) IN WITNESS WHEREOF, the City of San Antonio, in the County of Bexar, State of Texas, has caused this bond to be signed by its Mayor and its corporate seal to be hereto affixed, attested by the City Clerk, and the coupons hereto attached to be executed with the fac-simile signatures of said Mayor and said City Clerk, and this bond to be dated the first day of May, 1925.

\_\_\_\_\_  
Mayor.

ATTEST: \_\_\_\_\_  
City Clerk.

(9) ( C O U P O N )

No. \_\_\_\_\_

\$27.50

On the first day \_\_\_\_\_, 19\_\_\_\_, the City of San Antonio, Texas, will pay to bearer Twenty Seven and 50/100 Dollars (\$27.50), in gold coin of the United States of America, out of the Water Works Bond and Interest Redemption Account, at the City Treasury, in the City of San Antonio, State of Texas, or at the Chemical National Bank, in the City of New York, State of New York, at the holder's option, being six months' interest then due on its Water Works Gold Bond, dated May 1, 1925, No. \_\_\_\_\_.

\_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk.

(10) OFFICE OF THE COMPTROLLER OF THE STATE OF TEXAS

I, S. H. Terrell, Comptroller of Public Accounts, 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 and approved by him, as to form thereof, as required by Section 6 of an Act of the Legislature, approved March 5, 1925, empowering cities having more than 160,000 inhabitants to purchase or otherwise acquire water systems, etc., and this bond has this day been registered by me.

Witness my hand and the seal of my office, this \_\_\_\_\_ day of \_\_\_\_\_, A. D. 1925.

\_\_\_\_\_  
Comptroller.

(11) AND, WHEREAS, the mortgage deed of trust authorized and adopted by the Commissioners of the City of San Antonio to secure the payment of said bond and the interest to accrue thereon is in the form of this indenture as executed; and

(12) WHEREAS, all things necessary to make said bonds the valid, binding and legal obligations of the party of the first part and to make this indenture of trust a valid, binding and legal instrument for the security thereof, have been done and performed and the issue of said bonds as in this indenture of trust provided has in all respects been duly authorized;

(13) NOW, THEREFORE, the party of the first part in consideration of the premises and of the sum of One Dollar (\$1.00) paid by the party of the second part, receipt whereof is hereby acknowledged, and in order to secure due and punctual pro rata payment of said bonds and the interest thereon, has given, granted, bargained, sold, transferred, mortgaged, warranted and conveyed, and by these presents does give, grant, bargain, sell, transfer, mortgage, warrant and convey unto the party of the second part, Trustee as herein provided, and its successors in trust, with full power of succession to and enjoyment of the rights, privileges, patents and franchises of the party of the first part, all the following described property situate, lying and being in the County of Bexar, State of Texas, to-wit:

(14)

TRACT FIRST:

Lots Nos. 14 and 15, New City Block 161, Lot No. 14 having a frontage of fifty-eight and three tenths feet (58.3') on the South side of Market Street, and Lot No. 15 having a frontage of eighty-three and three tenths feet (83.3') on the South side of Market Street, both of said Lots extending South between parallel lines to the San Antonio River for depth, and being the same property conveyed by George W. Brackenridge to the Water Works Company by deed dated April 2, 1890, and recorded in Vol. 154, page 461, of the Deed Records of Bexar County, Texas,

(15)

TRACT SECOND:

Lots Nos. 12 and 13, New City Block 161, each of said lots fronting fifty-eight and three tenths feet (58.3') on the South side of Market Street and extending South between parallel lines to the San Antonio River. Being the same property conveyed by The Casino Association of San Antonio to the San Antonio Water Supply Company by deed dated February 1, 1923, and recorded in Vol. 707, page 233 of the Deed Records of Bexar County, Texas.

(16)

TRACT THIRD:

Lots Nos. 4 and 5, New City Block 160, each of said Lots fronting fifty-five and six tenths feet (55.6') on the West side of Casino Street and extending back between parallel lines seventy-six and sixty-five hundredths feet (76.65') for depth. Being the same property conveyed by A. Sartor and wife Carolina Sartor to Water Works Company by deed dated August 20, 1902, and recorded in Vol. 210, page 337 of the Deed Records of Bexar County, Texas.

(17)

TRACT FOUR:

Lot No. 7, New City Block 142, fronting twenty-four and eight tenths feet (24.8') on the West side of South Alamo Street running back between parallel lines to the San Antonio River. Being a part of the same property conveyed by George W. Brackenridge to Water Works Company by deed dated June 22, 1906, and recorded in Vol. 248, page 230 of the Deed Records of Bexar County, Texas.

(18)

TRACT FIFTH

Lot No. 13, New City Block 142, and more particularly described as follows:

BEGINNING at the Northeast corner of the intersection of Villita Street and Womble Alley, thence South seventy-nine degrees (79°) East along the North side of Villita

Street thirty-two (32) varas, more or less, to the South-west corner of property either now or formerly owned by Mrs. Augustine Morriseth; thence North eleven degrees (11°) East along the West line of said property of the said Mrs. Augustine Morriseth forty (40) varas more or less, to the San Antonio River; thence down said River, along its bank with its meanders to the East side of Womble Alley; thence South eleven degrees (11°) West along the East line of Womble Alley sixty (60) varas, more or less; being the same property conveyed to the Water Works Company by Emil Foutral by deed dated February 2, 1905, and recorded in Vol. 247, page 82 of the Deed Records of Bexar County, Texas.

(19)

TRACT SIXTH:

Twenty (20) acres of land, more or less, near the Mission Concepcion on the East side of the San Antonio River, bounded on the North by the San Antonio River and lands formerly belonging to J. A. Chavez; on the South by the said River and lands of the Catholic Church; on the East by the property of the said Church and lands formerly belonging to J. A. Chavez; on the West by the San Antonio River; and being a part of the same lands conveyed by George W. Brackenridge to Water Works Company by deed dated June 22, 1906, and recorded in Vol. 248, page 230 of the Deed Records of Bexar County, Texas.

(20)

TRACT SEVENTH:

Four (4) acres of land taken out of the Original City Block No. 4, Range 2, District 2, described as follows, to-wit: BEGINNING at a stake set eleven hundred thirteen and four tenths (1113.4) varas South twenty-seven and one eighth degrees (271/8°) East from the North corner of said Original Lot No. 4, Range 2, District 2, and two hundred twenty (220) varas South twenty-seven and one eighth (271/8°) degrees East from the Southwest corner of the J. W. Garrety Survey No. 14, and three hundred sixteen and six tenths (316.6) varas North twenty-seven and one eighth degrees (271/8°) West from the Southwest corner of said Original Lot No. 4, Range 2, District 2, for the Northeast corner of this four (4) acre tract; thence West (var. nine degrees twenty-five minutes (9°25') East) one hundred fifty (150) varas to a stake set for the Southwest corner of this tract; thence South one hundred fifty (150) varas to a stake set for the Southwest corner; thence East one hundred fifty (150) varas to a stake set for its Southeast corner; thence North one hundred fifty (150) varas to the place of beginning. Being the same land conveyed to San Antonio Water Works Company by F. Guilbeau by deed dated September 27, 1878, and recorded in Vol. 9, page 206, of the Deed Records of Bexar County, Texas.

(21)

TRACT EIGHTS:

Twenty-seven (27) acres out of Original City Lot No. 2, Range 2, District 3, lying partly within and partly without the city limits of the City of San Antonio, Texas, and being more particularly described by metes and bounds as follows: BEGINNING at a stake set on the North line of Hildebrandt Avenue at a point one hundred fifty (150) feet West of the Southeast corner of said Original City Lot No. 2, Range 2, District 3, which is also the Northwest intersection of Hildebrandt Avenue and the Jones-Maltzberger Road, thence North one thousand eight-four and five tenths feet (1084.5') parallel with and one hundred fifty feet (150') from the West line of the Jones-Maltzberger Road, thence West and parallel with the North line of Hildebrandt Avenue one thousand eighty-four and five tenths feet (1084.5') to a stake; thence South and parallel with the West line of the Jones-Maltzberger Road one thousand eight-four and five tenths feet (1084.5') to a stake set on the North line of Hildebrandt Avenue, thence East with the North line of Hildebrandt Avenue one thousand eighty-four and five tenths feet (1084.5') to the place of beginning.

(22)

Also all reservoirs, pumps, wells, hydrants, plugs, pipes, mains, conduits, tunnels, man-holes, irrigation canals built or established; all water power and water rights and irrigation facilities; all leaseholds, leasehold interest, easements, right-of-way, privileges and contracts that were conveyed to Matt T. Wagner by the San Antonio Water Supply Company on the \_\_\_\_\_ day of \_\_\_\_\_, 1925 - it being the purpose of this deed to convey to the Trustee all personal property of every kind and character whatever that was con-

veyed to the said Wagner by the San Antonio Water Supply Company and, in fact, all property of every kind and character conveyed to him by said deed except the accounts receivable and the real estate which is not included in the eight (8) tracks above described.

(23) TO HAVE AND TO HOLD the above mentioned property, premises, rights, franchises, easements, privileges, immunities, appurtenances, business and good will hereby conveyed, assigned or intended to be conveyed or assigned, and the tolls, incomes, revenues, rents, issues and profits thereof, to the use of the said party of the second part, as Trustee, and to its successors in trust, according to the nature, tenor and quality thereof respectively, and for the trust and purposes hereinafter expressed of and concerning the same, for the equal pro rata benefit and security of the holders of any of the bonds that shall be issued hereunder and whatever date the same may so be issued and without any privilege, priority or distinction of one bond over another,

(24) The lien of this Deed of Trust shall extend not only to the Water-works Plant and System described herein, but to all the additions and extensions hereafter made and the equipment hereafter acquired, out of the Five Hundred Thousand Dollars mentioned herein; and said lien shall also extend to all the income of the entire Water-works System of the City of San Antonio, described herein, and which may be acquired hereafter, to the full extent permitted under the Constitution and Laws of the State of Texas.

(25) When the additions, improvements, extensions and equipment provided for by the fund of Five Hundred Thousand Dollars shall have been completed or acquired, the City will execute and deliver to the Trustee a Supplement to this Deed of Trust, which shall describe fully such additions, improvements, extensions and equipment, and shall acknowledge and ratify the lien thereon securing pro rata all the bonds described herein.

(26) This indenture further witnesseth, that the trusts, uses, purposes, terms and conditions for and upon which said above described property is conveyed to the Trustee are as follows, to-wit:

ARTICLE 1.

(27) The City covenants and agrees that so long as any one of the bonds herein described remains outstanding and unpaid, the possession, management and control of said mortgaged property and all its income and profits, except as hereinafter provided in case of any default, shall be and is hereby placed in the hands of a board of trustees to be known as "Water-works Board of Trustees" (hereinafter referred to as the Board), consisting of five members who have been selected by the City and who are hereby appointed and named as follows: A. W. Seeligson, Chairman, John W. Tobin, Mayor, and his successors in office, Conrad A. Goeth, S. B. Weller and Otto Wahrmond. All of the members of said Board, except the Mayor, shall be male citizens and residents of San Antonio. Said Board shall possess manage and control and operate said property in accordance with the terms of the Act of the Legislature of the State of Texas, approved March 5, 1925, empowering cities having more than 160,000 inhabitants to purchase or otherwise acquire water systems, and the present Charter of said City, and in accordance with the terms of this deed of trust and such rules and regulations as may be adopted by said Board not inconsistent with this deed of trust until all bonds herein described have been paid.

(28) Said Board shall also have the possession, control and management, of all extensions, additions and equipment hereafter made, or acquired, in addition to the plant, equipment, additions and extension hereinbefore described, from whatever source or funds and in what-

-ever manner, when the same is connected with or attached to said plant or any extension thereof or addition thereto, and all the income and profits thereof; said possession, control and management to continue until all the indebtednesses hereby secured, shall have been paid and satisfied, provided, however, that no lien to secure the indebtednesses hereby secured shall attach to the corpus of said future acquire extensions, additions and equipment, unless as may otherwise be provided in this instrument.

(29) Each member of said Board, except the Mayor, shall receive as compensation for his service hereunder the sum of One Thousand (\$1,000.00) Dollars per annum, payable monthly per annum, payable out of the income of said Water Plant. The Mayor shall receive no salary or compensation. The members of said Board, unless removed as hereinafter provided, shall continue to act as Trustee hereunder until all the bonds hereby secured have been paid.

(30) In the event of a vacancy in the Board, such vacancy shall be filled within fifteen days by remaining members of said Board, other than the Mayor, selecting from the citizenship of San Antonio some male citizen of recognized integrity and business ability to fill the vacancy - one who does not seek the office nor is attracted thereto on account of the salary, but because of civic pride, and the fact that he does receive some compensation, he will conscientiously devote the necessary time and his very best efforts in the interest of the Water-works System and in the event the remaining members of the Board are unable to unanimously agree upon such a man, then the vacancy shall be filled in the following manner: Either one or all members of the Board, other than the Mayor, may nominate a man, and the men so nominated shall be voted upon by the three members of the Board, each member voting his first, second and third choice, same being indicated by the figures 1, 2 and 3, and the total for each candidate shall be added and the man receiving the smallest total shall be declared elected, but in the event two of the candidates receive the same smallest total, then the names of those two men shall be balloted on by the three members of the Board, and the one receiving the majority shall be elected, but in the event three candidates receive the same total, then the three names shall be placed in some suitable receptacle, and one name drawn therefrom and then the members of the Board shall ballot on the remaining two candidates and the one receiving the majority shall be elected. Any member or members, so or as hereinafter selected, shall serve for the full term and have all the powers and authority as if originally selected.

(31) If at any time it shall be necessary to fill two vacancies on the Board at the same time, and the two remaining members of the board cannot agree upon two men to fill such vacancies, then for the purposes of filling the vacancies the two members of the Board shall each submit, within fifteen (15) days from the date of second vacancy, to the Chief Justice of the Court of Civil Appeals of the 4th Supreme Judicial District the names of two men and from the four names so submitted to said Chief Justice shall select two men to fill the vacancies. Should the said Chief Justice refuse to fail for a period of fifteen (15) days after the names are submitted, to act, then four names shall be immediately submitted to the Trustee herein, and from the four names so submitted the said Trustee shall immediately select two men to fill the said vacancies.

(32) If for any reason the Board should be reduced to one member, then for the purpose of filling the vacancies on the Board the remaining member acting, within fifteen (15) days from date of last vacancy, with the Chief Justice of the Court of Civil Appeals of the 4th Supreme Judicial District, sitting at San Antonio, or in event of his refusal or failure, as above

provided, to act, then the remaining member acting immediately with the Trustee hereunder shall fill such vacancies by naming three men to serve on the Board, and if they cannot agree, then the remaining member shall select three men and the Trustee shall select three men, and from these names three shall be drawn by lot and those so drawn shall become members of the Board.

(33) If for any reason the Board should be without any member, then all the vacancies on the Board shall be filled by the said Chief Justice, and in case he shall refuse or fail to act within fifteen (15) days from the occasion of said condition, then all vacancies shall be filled by the Trustee.

(34) When necessary for the Board to select a manager for the Water-works System, and the members present at the meeting held for such purposes, including the Mayor, are unable to agree upon a man, then one or more members, other than the Mayor, may each nominate a man, and they shall be voted on by the members present including the Mayor, such voting to be done by each member of the Board and the Mayor, voting their first, second, third and fourth choices, and the total that each candidate receives shall be added, and the one receiving the lowest total shall be declared elected, but in the event two of the candidates receive the lowest total, then the others shall be eliminated and these two men voted on by the Board other than the Mayor, and the one receiving the majority shall be elected; provided, that if after three ballots be taken, neither candidate receives a majority, then the two names shall be placed in some suitable receptacle, and one name drawn therefrom by the Chairman of the Board; and the man whose name is thus drawn shall be selected.

(35) In the event any member of the Board abandons San Antonio as his residence, he shall thereby cease to be member of said Board. Whenever three members of said Board, other than the Mayor, shall believe that the other member, beside the Mayor, should be removed from said Board, they shall have the right and power to set a date for a hearing and shall file with the City Clerk in writing their charges against said member and furnish him with a copy thereof at least five (5) days before such hearing, and shall have power on such hearing to remove such member by unanimous vote and proceed to elect his successor. The Mayor shall not participate or vote in such hearings and the unanimous decision of such member on said hearing, both as to grounds for removal and existence thereof, shall be final.

(36) The Mayor and City Commissioners shall have the right at any time to have the books and affairs of the Water-works System audited, and such audit to be done at the expense of said System, provided such auditing shall not be done more frequently than once in any two years.

(37) The Board may act by majority vote (except as herein otherwise provided) and may make such rules and regulations with reference to its meetings and the conduct of the affairs of the Water-works System as it may desire, and shall have the right to designate one or more depositories, make all banking arrangements for meeting the current expenses of the operation of said plant and for that purpose borrow money, and execute notes and obligations payable only out of the current revenues of the Water-works System.

(38) Each member of the Board, other than the Mayor, shall execute a bond payable to the City of San Antonio in the sum of \$25,000.00 with some solvent Fidelity Company authorized to do business in the State of Texas, as surety guaranteeing the faithful performance of his duties as a member of said Board, the premium on said bonds to be paid by the Water-works System.

(39) Should said Board at any time during this trust fail to comply with the terms of this

trust or to preserve and properly care for or operate said property or to apply the revenues thereof as hereinprovided, then said City or said Trustee shall have the right either separately or jointly, to apply to any State or Federal Court in Bexar County, Texas, having jurisdiction, to compel the compliance with this trust and the preservation and protection of said property, and said court shall have power to make any order of it deemed necessary to attain said end. The said Board of Trustees hereby joins the City in this deed of Trust insofar as the covenants and obligations relate to the management and control of said property and the application of the revenues thereof, and all and several the covenants, agreements and stipulations and conditions herein undertaken by and the rights conferred upon the City shall be binding upon and inure to the benefit of said Board.

(40) Exclusive venue, in all cases arising under this instrument, is laid in the courts, State or Federal, sitting in Bexar County, having jurisdiction.

ARTICLE 2.

(41) The City hereby covenants and agrees to pay out of the earnings of said System any and all taxes, assessments and levies which shall from time to time be legally imposed, assessed or levied upon the property and franchises hereby conveyed and intended to be conveyed, the lien whereof might be held superior to the lien of these presents, so that the priority of these presents shall at all times be duly maintained and preserved; provided, however, that nothing herein shall be construed to in any manner limit or effect the vendor's lien retained by said Matt T. Wagner in the deed conveying the above described property to the City of San Antonio, which vendor's lien was retained as additional security for the holder or holders of said bonds, but this deed of trust shall be construed as an additional security to the holders of said bonds, or any of them, for the payment of the principal and interest thereof at maturity. The City covenants and agrees to do on demand of the Trustee all acts necessary or proper to keep valid the lien hereby created and intended to be created, and, at any future time and so often as it may be necessary, to execute on demand, reasonably made, of the Trustee, such other assurances, deeds, bills of sale, assignments, mortgages and other instruments of writing in due form and effect as may be proper to the better carrying out of the true meaning of these presents and especially, and at its own cost, to do all things that may be reasonably required by the said Trustee to keep valid the lien hereby intended to be created.

ARTICLE 3.

(42) The City hereby covenants and agrees that having taken possession as aforesaid, it will diligently preserve the rights and franchises now or hereafter created to or conferred upon it by the laws or ordinances of the State of Texas or of any city, town, district or municipality wherein its property is or shall be situated, and that it will at all times keep and maintain its property in thorough repair, working order and condition and fully supplied with attendance and equipment and that it will from time to time make all needful and proper repairs and replacements so that the service of said Water-works Plant shall at all times be properly maintained and conducted.

ARTICLE 4.

(43) The Board shall and will at all times hereafter until the said principal sum of money and interest due thereon, shall be fully paid out of the earnings thereof, keep said Water-works Plant and all other property used in connection therewith, that is usually insured by

private companies operating similar plants, insured, to at least three-fourths (3/4) of the value thereof against loss or damage by fire in some good and responsible insurance company or companies and cause such insurance to be made payable in case of loss, to the Trustee, by proper stipulation inserted in the policies, and deliver to the Trustee such policies of insurance and all the renewal certificates and policies thereof as soon as and whenever such insurance is executed; and in default of so doing the Trustee may at its option execute such insurance in the name of the Trustee and all moneys paid by the Trustee, together with interest thereon at the rate of six (6%) per cent per annum, shall be repaid by the Board out of the earnings of said plant upon demand and shall become so much additional indebtedness secured by this trust deed, and to be paid out of the proceeds of any sale of said property if not otherwise paid by the party of the first part.

(44) In case of loss the Trustee shall allow the insurance money received on any policies of insurance procured by the Board, to be applied toward the replacement of or additions to the property destroyed or injured, if the Board shall in writing so request, and the Trustee shall upon request pay over to the Board for that purpose, on receipt of proper vouchers showing that said property has been replaced by new or additional property, costing as much as the amount of money so paid over, any or all of such insurance received on policies procured by the said Board; but if the Board shall not, within ninety days from the time of such loss, request the Trustee in writing, to so apply such insurance, then the same shall be retained by the Trustee and may used so far as it will go to redeem and retire the next maturing bonds and interest coupons of the City secured hereby.

(45) In case of any loss covered by any policy of insurance any appraisalment or adjustment of such loss and settlement and payment of indemnity therefor that may be agreed upon between the Board and any insurance company may be consented to and accepted by the Trustee and the Trustee shall no way be liable or responsible for the collection of any insurance in the case of any loss.

(46) All expenses necessarily incurred by the City of San Antonio in performing or fulfilling the covenants of this instrument shall be charged upon and payable from the revenues of said Water-works Plant and of any additions thereto and shall not be charged against or payable from the general funds of said municipality or from any funds to be raised by taxation, and such necessary expense shall be paid as a part of the operating costs of said Water-works System in the manner determined by the Board.

#### ARTICLE 5.

(47) The Board agrees at all reasonable times, on request to furnish the Trustee a schedule showing with reasonable details, the items of the estate, property, and things covered by the lien hereof, or intended so to be, and the Trustee shall have full power, in its discretion, upon the written request of the Board to convey by way of release or otherwise, to the parties designated by the Board, any property which, in the judgement of the Board, has become inexpedient to use in connection with said Water-works System when in the Trustee's judgment other property of equal value is substituted therefor and subjected to the lien hereof, so that such release or conveyance shall not injure the security or rights of the bondholders. And default as foresaid, the Board may sell, exchange, or otherwise dispose of such movable property as may have become old, worn out, used up, or undesirable; provided, it renews the same or substitutes therefor other property which, in the judgement of the Trustee, is of equal or greater value or the proceeds from such sale be placed in the Depreciation Reserved Fund; the Trustee's assent to such sale or exchange or other disposition to be expressed in

writing prior thereto, provided such property to be sold is of a value in excess of One Thousand Dollars (\$1,000.00); and all said renewals or new materials and property to be covered by and subject to this mortgage.

ARTICLE 6.

(48) The City hereby irrevocably covenants, binds and obligates itself that if said Water-works System or any part thereof, including any additions or extensions that may be made thereto which are covered or intended to be covered by the lien hereof, should be sold, leased or encumbered or in any manner disposed of, then the purchaser, encumbrances or leasee, or any other person, natural or artificial, acquiring an interest therein by any means, shall take the same subject to all the terms and conditions of this deed of trust, and, so long as any of the bonds hereby secured remain outstanding and unpaid, shall not have the right to in any manner interfere with the said Board in its possession, management or control of said property as herein provided.

ARTICLE 7.

(49) The bonds to be issued hereunder shall be signed in the name of said City of San Antonio by its Mayor and have its corporate seal affixed, duly attested by the City Clerk; all said bonds shall be in denomination of One Thousand Dollars (\$1,000.00) each, shall be dated May 1, 1925, shall bear interest at the rates and shall contain the terms, conditions and provisions which are recited in the form of such bonds and coupons hereinbefore fully set out in this mortgage deed of trust, and shall be numbered and shall mature in the amounts and at the time set forth in the following schedule, to-wit;

Bond Numbers Both Inclusive	Amount of Principal.	When Due.
1 -- 51	\$ 51,000	May 1, 1926
52 -- 105	54,000	May 1, 1927
106 -- 162	57,000	May 1, 1928
163 -- 222	60,000	May 1, 1929
223 -- 286	64,000	May 1, 1930
287 -- 353	67,000	May 1, 1931
354 -- 424	71,000	May 1, 1932
425 -- 499	75,000	May 1, 1933
500 -- 578	79,000	May 1, 1934
579 -- 661	83,000	May 1, 1935
662 -- 749	88,000	May 1, 1936
750 -- 841	92,000	May 1, 1937
842 -- 938	97,000	May 1, 1938
949 -1041	103,000	May 1, 1939
1042 -1149	108,000	May 1, 1940
1150 -1263	114,000	May 1, 1941
1264 -1384	121,000	May 1, 1942
1385 -1511	127,000	May 1, 1943
1512 -1645	134,000	May 1, 1944
1646 -1787	142,000	May 1, 1945
1788 -1937	150,000	May 1, 1946
1938 -2095	158,000	May 1, 1947
2096 -2261	166,000	May 1, 1948
2262 -2437	176,000	May 1, 1949
2438 -2622	185,000	May 1, 1950
2623 -2817	195,000	May 1, 1951
2818 -3023	206,000	May 1, 1952
3024 -3241	218,000	May 1, 1953
3242 -3470	229,000	May 1, 1954
3471 -3712	242,000	May 1, 1955
3713 -3967	255,000	May 1, 1956
3968 -4236	269,000	May 1, 1957
4237 -4520	284,000	May 1, 1958
4521 -4820	300,000	May 1, 1959
4821 -5136	316,000	May 1, 1960
5137 -5470	334,000	May 1, 1961
5471 -5822	352,000	May 1, 1962
5823 -6194	372,000	May 1, 1963
6195 -6586	392,000	May 1, 1964
6587 -7000	414,000	May 1, 1965

2000000  
2095000  
4905000

495,000

(50) All semi-annual interest coupons shall be numbered to correspond to the number of the bond to which they respectively belong and shall be executed by the fac-simile signature of the Mayor and City Clerk.

ARTICLE 8.

(51) In case of said bonds with coupons belonging thereto, prior to payment thereof, shall be mutilated, destroyed or lost, a new bond, including coupons of like tenor and date, bearing the same number, may, at the discretion of the party of the first part and the Trustee, be executed and delivered in exchange, and upon cancellation of any bonds and coupons mutilated or in lieu of any bond or coupon lost or destroyed, upon evidence satisfactory to said party of the first part and the Trustee, of the mutilation, destruction or loss of such bond and coupons and of ownership thereof, and upon indemnity being furnished to said party of the first part and the Trustee satisfactory to them, provided, however, that no such new bonds or coupons shall be issued under the provisions of this Article, nor shall any such bonds or coupons be entitled to the benefit and security of the lien hereby created, until and unless such new bonds shall be authenticated by the Trustee by the endorsement thereon of its certificate of authentication in the following form, to-wit;

(52)

TRUSTEE'S CERTIFICATE.

This certificate that the within bond is issued in lieu of and in substitution for bond Numbered \_\_\_\_\_, described in the within mentioned deed of trust, which said original bond has been lost, mutilated or destroyed.

St. Louis Union Trust Company,  
Trustee.

By \_\_\_\_\_

ARTICLE 9.

(53) If default shall be made by the City in the payment of said bonds, or any of them, at the time they become due and payable, and such default shall continue for a space of thirty days, or if the City shall fail to pay any coupon according to the tenor thereof on presentation of the same, or if the City shall fail faithfully to observe any of the requirements and stipulations of these presents, and such default shall continue for a period of thirty days, then, unless such default shall be waived by the holders of the majority in face/<sup>value</sup> of the bonds then outstanding, the Trustee, in its discretion, may, and upon the written request of the holders of not less than one-fifth in face value of the bonds hereby secured and outstanding shall, serve a written notice upon each member of the Commissioners of the City that such payment has been demanded and default made, or default occurred in the observance of the requirements and stipulations of these presents, which notice shall be served by registered mail, postage and registration fees prepaid and addressed to such Commissioners at the post office in the City of San Antonio, and if said default in the observance of these presents shall not have been remedied or the installments of principal and interest then due shall not have been paid at the expiration of ninety days from the mailing of said notice to the Commissioners of the City of San Antonio, together with interest at the rate of six (6%) per centum per annum from the date of default until the date of default until the date of payment, then and thereupon the Trustee in its discretion may and upon written request of the holders of not less than one-fifth in face value of the bonds hereby secured then outstanding shall, declare the principal of said bonds then outstanding at once due and payable, together with all accrued and unpaid interest thereon, and thereupon the whole of the principal of such bonds, together with all accrued and unpaid interest thereon, shall at once become due and payable, anything in this

indenture or in said bonds to the contrary notwithstanding; and then and in every such case the Trustee may have or take any or all of the following remedies or actions:

(54) (a) Institute suit to foreclose the lien of this deed of trust or of the vendor's lien reserved in the said deed and bill of sale from Wagner to the City of San Antonio, hereinbefore referred to, which said vendor's lien and all rights, titles and equities securing the same have been transferred and conveyed by the said Wagner to the Trustee herein, and which said vendor's lien and transfer thereof are herein and hereby recognised; or to foreclose both of said liens in the same suit; or,

(55) (b) To enforce any other remedy or remedies to which it is entitled under the law by virtue of being the owner and holder of the said vendor's lien and the rights, titles and equities securing same, and should the said Trustee instead of foreclosure elect to rescind said sale and retake said property and the recovery of title and possession of said property, then it shall hold the same as trustee for all the holders of the outstanding bonds in proportion to their respective holdings of said bonds without preference or priority of one bond holder over another for any reason whatever; and after securing or obtaining the title and possession of said property, shall have the right and power to resell the same, and after payment of all costs and expenses that have theretofore been incurred by it in executing this trust or in retaking said property, including reasonable compensation to the Trustee, its agents and attorneys, for services rendered in connection with the trust estate, and after the repayment of all sums advanced as herein authorized with interest thereon at the rate of six (6%) per cent per annum from the date of such advance, to distribute the proceeds among the said bond holders pro rata according to their respective holdings of said bonds. And it is especially agreed that should suit be brought to foreclose either or both of said liens and it be held that said Trustee for any reason is not entitled to such foreclosure, or enforcement of said lien or liens, the Trustee shall not be deprived, by reason of having brought such foreclosure suit, of any other rights or powers given under the law to enforce the vendor's lien, but may sue to retake said property or enforce any other right to which it is entitled by reason of the outstanding bonds hereby secured not having been paid; or should the Trustee undertake to rescind said sale and recover back said property because of such default and it be held for any reason that it is not entitled to said remedy, then it shall not be considered to have waived its right to foreclose the vendor's lien or the lien of this deed of trust, or both of them and in the event it should be so held that it is not entitled to said remedy, then it shall have the right notwithstanding such attempted rescission, to foreclose the vendor's lien or the lien of said deed of trust or both of such liens and shall not be held to have waived such right by such attempted action.

(52) (c) The Trustee may take any other action which it deems advisable and to which it may be entitled, either by court proceedings or otherwise, for the enforcement of such other legal or equitable remedies as may seem to it necessary or proper to protect its rights herein and the rights of the holders of said bonds.

(53) (d) Every remedy provided for in this indenture shall shall be cumulative in its effect and no acceptance or waiver of the performance of any of the the obligations and no delay in enforcing such obligations shall be construed as a waiver of any default, theretofore or thereafter existing in the performance of any other obligation.

ARTICLE 10.

(54) Out of the proceeds arising from any foreclosure sale or sales, the Trustee shall

first defray the expenses thereof, together with its just and lawful charge for services and expenses, including a reasonable allowance for attorney's and counsel fees, and also all advances and expenses reasonably made or incurred by the Trustee in operating and maintaining and managing said Water-works Plant if said plant shall come into the possession of the Trustee during the pendency of said foreclosure proceeding, or at any time after the bonds hereby secured then outstanding are declared due as herein provided, and all payments made by said Trustee for charges or lines of any kind/<sup>prior</sup> to the lien of these presents or for taxes, assessments, insurance and other proper charges upon said premises, together with interest thereon at the rate of six (6%) per cent per annum from date of such advance or expenditure.

(55) The balance of said proceeds shall be paid over ratably to and among the parties holding said bonds and coupons, paying all overdue coupons first, so far as may be necessary to pay the amounts then due upon the said bonds and coupons, including the principal and interest, computed to the time of making payment and if any of said proceeds then remain, the remainder shall be paid over to the City or its assigns.

(56) The Trustee may purchase and hold any bonds or coupons issued hereunder without impairing or restricting in any way its authority to act as Trustee herein and at any sale or sales made foreclosing either the said Vendor's Lien or mortgage lien created by this deed of trust, or both of them, any holder of bonds or coupons may purchase any property sold hereunder, and in the event of such purchase any such holder shall be allowed a credit as <sup>cash paid for so much</sup> so much/ of the purchase money as shall be a proper share or divided to which the bonds and coupons held by said purchaser shall be entitled from the purchase price; and in the event the Trustee shall bid in said property, it shall be entitled to a credit on the purchase price for an amount of an amount equal to the full amount found to be due to the Trustee itself and as the representative of said bond holders by the judgment or decree of foreclosure.

(57) The City hereby waves any and all rights of redemption or of appraisement now or hereafter provided by the statutes of the State of Texas and consents the the property may be sold as a unit and not in parcels.

(58) The purchaser or purchasers of the properties covered by these presents at a foreclosure sale made as aforesaid shall have, and there is hereby granted by said City to said purchaser or purchasers, a franchise to operate said water-works Plant and System and properties, so purchased, for a term of Twenty years from the date of such purchase, subject to all the laws of the State of Texas and the Charter of the City of San Antonio regulating such franchise then in force.

#### ARTICLE 11.

(59) Before proceeding to foreclose this deed of trust or mortgage, or to enforce any other remedy or remedies to which it is entitled, the Trustee shall have the right first to exact from the bond holders reasonable indemnity against all loss, costs, attorney's fees and expenses that may be incurred by it in so doing, and upon the tender by the bondholders, or any of them, of such reasonable indemnity, whether previously requested by them or not, and upon the written request of one-fifth in interest of all holders of all of said bonds then unpaid or not redeemed, it shall be the duty of the Trustee, upon said bonds being lodged with it, in case of any default continuing on the part of the City, and not waived as herein provided, to foreclose said vendor's lien or the lien hereby created, or both of them, or to enforce any other remedy or remedies to which it is entitled, in such lawful manner as the Trustee may deem best. It is hereby made a covenant of this mortgage that upon the filing of such foreclosure

suit, on the application of the Trustee, the court may appoint a receiver of all and singular the property conveyed by this mortgage or intended so to be, in accordance with the law then in force.

ARTICLE 12.

(60) No delay or omission by the Trustee in exercising the rights and powers herein granted shall be held to exhaust such rights and powers, or be constructed as a waiver thereof, but it is hereby mutually agreed that the holders of a majority in amount of the bonds at the time outstanding may by instrument in writing at any time, whether before or after the institution of foreclosure proceedings, and prior to the time of the sale hereunder, and whether before or after the institution of any other action or actions to enforce any other remedy or remedies to which the Trustee is entitled and prior to the time of entry of final judgement or decree herein, waive or instruct the Trustee to waive any default (except that of payment of the principal of said bonds at maturity), provided always that no such action on the part of the bondholders shall extend to or be taken to effect any subsequent default, or impair the rights resulting therefrom. But such waiver of default shall be operative only to the extent of postponing action for the period of time therein named, but in no case exceeding the period of six months and not more than one waiver of any particular default shall be availed of under the terms hereof.

ARTICLE 13.

(61) In case at any time it shall be necessary and proper for the Trustee or its successors to make any investigation respecting any facts preparatory to taking or not taking any action or not doing anything under this instrument, as such Trustee, a certified copy of a resolution or ordinance of the Commissioners of the City shall be sufficient evidence of such fact to protect the Trustee or its successors, in any action that they may take by reason of the supposed existence of such fact.

(62) The Trustee and members of the Board shall be fully protected in acting upon any certificate, statement, report, order, notice, request, consent or other paper or document believed to be genuine and believed to be signed by the proper party, and the Trustee and members of the Board shall not incur any liability on account of any act done or omitted to be done in good faith under the provisions of this deed.

(63) It shall be no part of the duty of the Trustee to see to recording of this indenture as a mortgage or conveyance of real estate or personal estate, or to do any other act which may be suitable and proper to be done for the continuing of the lien of this indenture, or for giving notice of the existence of such lien; nor shall it be any part of its duty to effect insurance against fire or other damage on any portion of the mortgaged property, or to renew any policies of insurance, or to pay any taxes or assessments on any of said properties, or to keep informed or advised as to the existence of insurance or as to the payment of any taxes or assessments that may be imposed upon the property, real or personal, sought to be affected by assessments, but the Trustee may, in its discretion, do any or all of the matters and things in this paragraph set forth, or require the same to be done.

(64) The Trustee and members of the Board shall only be responsible for their own gross negligence in the performance of the trust and the provisions hereof, and shall not be answerable in any case for the act or default of any agent, attorney, or employee selected with reasonable discretion.

ARTICLE 14.

(65) The Trustee shall be under no obligation to recognize any person, firm, or corporation as a holder or owner of one or more of the bonds secured hereby, or to do so refrain from doing any act pursuant to the request or demand of any person, firm or corporation professing or claiming to be such holder or owner until such supposed holder or owner shall produce the said bond and deposit the same with the Trustee, and shall indemnify and save harmless the Trustee to its full satisfaction from any and all costs, expenses, outlays and counsel fees and other reasonable disbursements and damages, for which it may become liable or responsible in proceedings to carry out such request or demand.

ARTICLE 15.

(66) All recitals herein contained are made on behalf of the City, and the Trustee assumes no responsibility as to the correctness of any statement herein contained. The Trustee and its successors shall have no responsibility as to the validity of this trust or mortgage, nor as to the execution, acknowledgment or recording hereof, nor as to the filing or renewal thereof as a chattel mortgage, nor as to the amount or extent of the security afforded by the property covered by this deed of trust or mortgage, and the Trustee shall not be in any way liable for the consequence of any breach on the part of the said City of the covenants herein contained, nor for any other act or thing hereunder except its own gross negligence.

ARTICLE 16

(67) It is hereby declared and agreed as a condition upon which each successive holders of all or any such bonds, and all or any of the coupons for the interest of said bonds, received and holds the same, that no holders of any of said bonds or coupons shall have the right to institute any proceeding either at law or in equity, of any character or kind, for the foreclosure of this indenture, or for the execution of the trust hereof, or for the appointment of a receiver, or for any other remedy under this mortgage or deed of trust, or the lien hereby created, or otherwise, without first giving notice in writing to the Trustee of default having been made and continued as foresaid, and unless the holders of one-fifth of the then outstanding bonds have in writing notified and requested the said Trustee to act as above provided (and a reasonable opportunity has been afforded to the Trustee after receipt of such notice and request, to proceed to exercise the powers hereinafter granted or to institute such action or proceeding in the Trustee's own name), and without also having offered to the Trustee adequate security and indemnity against the cost and expenses and liabilities to be by the Trustee incurred therein and thereby; and such notice, request and offer of indemnity may be required by the Trustee as conditions precedent to the execution of the powers and trusts of this indenture or to the institution of any action either at law or in equity for the foreclosure hereof, for the appointment of a receiver, or for any remedy hereunder, or otherwise in case of such default as aforesaid in the payment of the principal of any of said bonds, in the payment of any semi-annual installment of the interest thereon, or any other default of the City, its successors or assigns, or failure to perform any of the covenants or stipulations hereof, to be kept and performed on its part.

ARTICLE 17.

(68) The books, records and accounts of the Water-works Plant shall be so kept as to show clearly and accurately all additions to capital investment, all capital expended and new improvements made and the source from which all funds so used has been derived; they shall show in itemized and classified form the amount of gross receipts from <sup>the</sup> sale of water and from

all other sources, also its gross operating expenses, its taxes, if any, its losses from uncollectible accounts, accidents and other contingencies; the amount set up to cover amortization, depreciation and replacements and renewals, and the amounts actually used therefor, also all amounts expended on maintenance, also the net profits or losses for each year's business from operations, and an annual report thereof shall be delivered to the Trustee and the to the Mayor of the City of San Antonio; and said Board will, during the month of March of each year, while any of the indebtedness hereby secured remains unpaid, furnish and deliver to the Trustee hereunder, a statement of the obligations of the Water-works Plant and extensions covered by these presents for the preceding twelve months, which statement shall among other things include the gross income and the sources thereof, operating expenses, costs of extensions and improvements made to the property and such other data as may be reasonably necessary to show the earnings of said Water-works Plant and extensions and condition thereof, The Trustee at its expense may, however, from time to time, by its authorized agent, make an examination of said Water-works System and the accounts thereof, and the Board agrees to furnish it all reasonable facilities necessary for such examination.

ARTICLE 18.

(69) Whenever the term "Trustee" occurs in this instrument, it shall be construed to mean Trustee for the time being.

ARTICLE 19.

(70) Any Trustee hereunder may resign or discharged its or himself of and from the trust hereby created, by notice in writing to the City given three months before such resignation is to take effect, or such shorter time as the City may accept as sufficient notice, and in case of a vacancy in the office of the Trustee by resignation or otherwise, a successor or successors may be appointed by the holders of a majority of the bonds then outstanding by an instrument in writing duly signed and acknowledged by them, which instrument shall be recorded in the office of the County Clerk, of Bexar County, Texas, or in whatsoever office, at said time, by the laws of the State of Texas, shall have the lawful custody of the records of said County, or in case said majority do not agree upon the appointing of a new Trustee or Trustee within thirty days after a vacancy shall occur, then the City or the holder or holders of any of said bonds may apply to any Court of original jurisdiction of the State of Texas, in the County of Bexar, for the appointment of a new Trustee or Trustees upon such notice as such court shall prescribe to be given, in such manner and upon or to such party or parties, person or persons, as such court shall direct, or upon such as shall be in accordance with the rules and practice of the court; such Trustee or Trustees so appointed by said majority in interest of said bondholders or by said court shall on its, his or their acceptance of its, his or their appointment, thereby and thereupon become and be vested with all the rights, powers, estates and interests, granted to or conferred upon the party of the second part by these presents, without any further assurance or conveyance whatsoever.

ARTICLE 20.

(71) All the income from the operation of the Water-works System and extensions, shall be and is hereby set aside, and is to be kept separate from other funds of the City, and shall be under the exclusive control of the Board herein created, in a special depository, or depositories, to be selected by said Board in the manner provided by the regulations of said Board, which depository shall give a bond to the City in the amount and in the manner required by the City Charter for City Depositories; and, said funds shall be apportioned, and disposed

of by said Board as follows, to-wit:

(72) (a) Forty-two (42%) per cent of such gross income as the same shall be collected, may be used to pay the actual operating expenses and necessary maintenance of the entire system.

(73) (b) Fifty-six (56%) per cent of such gross income shall be set aside from month to month as the same shall be collected, which sum shall be paid into the account to be identified as the "Water Works Bond and Interest Redemption Account" for the payment of the principal and interest of the bonds hereby secured, as same mature.

(74) (c) Two (2%) per cent of the gross income shall be set aside monthly as a "Depreciation Reserve Fund". Said fund may be invested in such securities as the City is permitted under its Charter, to invest its sinking funds; and if invested, the accumulations thereof shall be carried in the Depreciation Reserve Fund.

(75) (d) Should the Board find that the percentage of gross income set aside to the funds designated in paragraphs (a), (b) and (c) create in any case, a fund greater than is sufficient for the purpose for which any of said funds is intended, then the Board may transfer any excess from any of said funds, to any other fund as may be necessary; and, when an excess exists beyond the sufficient needs of all of said funds, said excess may be transferred from any of said funds to another fund created by this paragraph, which shall be designated as "Surplus Account". The said Surplus Account, or any part thereof, may be used to make improvements, additions or extensions to said Plant, or for the purchase of equipment, which may be necessary; and the lien of this deed of trust shall not extend to such improvements, extensions, additions or equipment; but shall apply to the income therefrom. Funds may be used by the Board out of the Surplus Account to purchase any of the bonds hereby secured, and when so purchased, said bonds shall be cancelled. Whenever any of the Surplus Account is needed by any of the other funds created, then a sub part of the same shall be transferred to any such funds.

#### ARTICLE 21.

(76) The expense of operation and maintenance, including all salaries, labor, materials, and repair necessary to render sufficient service, and every proper item of expense of operating said plant, shall always be paid first out of the revenues thereof, provided, however, that there shall be charged and collected for such services a sufficient rate to pay for all operating, maintenance, depreciation, replacement, extension and betterment<sup>charges</sup> and sufficient to pay the principal and interest of the aforesaid bonds and to make the payments into the respective accounts herein provided for. The rates charged for services furnished by said Water-works Plant and System shall be equal and uniform and no free service shall be allowed except for City public schools or buildings and institutions operated by said City, which free service may be allowed only in the discretion of the Board. No part of the income of said Water-works Plant and System shall ever be used to pay any debt, or other expense or obligation of such City until the bonds and the interest thereon, secured hereby, shall have been finally paid.

#### ARTICLE 22:

(77) It is hereby covenanted and agreed by the City of San Antonio with the Trustee herein and the holder or holders of the bonds herein authorized to be issued, or any of them, that it will faithfully and punctually perform all duties with reference to said Water-works Plant required by the Constitution and Statutes of the State of Texas, and the Charter of the City of San Antonio, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by said Water-works Plant, segregating the income and revenues of said plant and the application of the respective funds hereinabove created,

and said City hereby irrevocably covenants, binds and obligates itself not to sell, lease, or in any manner disposed of said Water-works Plant, including any additions, or extensions that may be made thereto out of the Five Hundred Thousand Dollars (\$500,000), and which is or subject to the indebtednesses and lien secured hereby, except as provided herein; and said City further coveants and agrees with the Trustee herein and the holders of said bonds to maintain in good condition and to operate said Water-works Plant and to charge and collect such rates and charges for services rendered by said Plant within the limitations provided by law, so that fifty-six (56%) per cent of the gross revenues and income of said Water-works Plant will be sufficient to provided for the payment of the bonds herein authorized to be issued and the interest thereon as the same become due and payable,

ARTICLE 23.

(78) If said party of the first part shall well and truly make all payments and perform all the covenants and agreements herein and in all said bonds undertaken to be made or performed by said first party, then these presents and the estate hereby granted shall determine and be void, and upon proof thereof being given to the satisfaction of the Trustee, and upon payment of all costs, charges and expenses incurred by the Trustee in relation thereto, said Trustee shall deliver to the party of the first part, or to whomsoever may then be entitled thereto, all the property in its hands subject to this indenture, and the liens evidenced thereby, and shall cancel and satisfy this indenture, and all liens evidenced thereby, of record, and said Trustee or its successors shall have full power <sup>in</sup> said event to execute and deliver all necessary releases,

(79) In every case of payment of the bonds and coupons hereby secured, said bonds and coupons so paid shall be forthwith surrendered to the Trustee to be by it cancelled and delivered to the City, without cost to said City.

ARTICLE 24.

(80) All the covenants, agreements and stipulations herein undertaken to be performed by and the rights conferred upon the respective parties hereto shall be binding upon and inure to the benefits of not only said parties, respectively but also their respective heirs, devisees, representatives, grantees, successors and assigns.

ARTICLE 25.

(81) The Water-works Board of Trustees and the members thereof hereby accept the trusts and obligations hereby imposed on said Board and in evidence of such acceptance have signed these presents.

(82) IN WITNESS WHEREOF, the City of San Antonio has caused these presents to be signed by its Mayor, sealed with the corporate seal and to be attested by the City Clerk, for and on its behalf; and the said St. Louis Union Trust Company to evidence its acceptance of the Trust hereby created has caused these presents to be signed on its behalf by its President, sealed with its corporate seal and attested by its Secretary, and the said Water-works Board of Trustees has caused its name to be hereunto signed by its Chairman and the individual members thereof have hereunder signed their names on the day and year first above written.

THE CITY OF SAN ANTONIO,  
BY \_\_\_\_\_ Mayor

ATTEST: \_\_\_\_\_  
City Clerk

(Seal)

Water-works Board of Trustees,  
BY \_\_\_\_\_ Chairman

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

ST. LOUIS UNION TRUST COMPANY.

ATTEST: \_\_\_\_\_  
 Secretary.

By \_\_\_\_\_ President.

(Seal)

SECTION NINE: The City of San Antonio hereby expressly recognizes the Vendor's lien retained by said Natt T. Wagner in the deed conveying said Water-works Plant and System to the City of San Antonio as a security to the holder or holders of the bonds herein authorized to be issued for the payment of the principal and interest of said bonds as the same become due and payable; and to further secure the payment of the principal and interest of said bonds, the Mayor of the City of San Antonio is hereby authorized and directed to execute on behalf of said City to the St. Louis Union Trust Company, of St. Louis, Missouri, a deed of trust upon said Water-works Plant in the form hereinabove set out, approved by the Commissioners of the City of San Antonio, and the City Clerk is hereby authorized and directed to affix the corporate seal of said City thereto and to attest the same; and said Water-works Plant shall remain subject to said mortgage or deed of trust until the payment in full of the principal and interest of the bonds herein authorized to be issued. Said mortgage or deed of trust is hereby expressly declared not in any manner to affect the aforesaid Vendor's lien, but to constitute an additional security to the holder or holders of the aforesaid bonds for the payment of the principal and interest thereof at maturity, and to the security afforded by said Vendor's lien and said deed of trust all of the bonds herein authorized to be issued shall rank pari passu regardless of the time or times of delivery of said bonds.

SECTION TEN: Upon delivery to and acceptance by the City of San Antonio of a deed to said Water-works Plant and System, in a form approved by the City Attorney, and the sum of \$500,000, together with an amount of money equal to the accrued interest on said bonds, which money shall be put in the "Water-works Bond and Interest Redemption Account", the City Treasurer of the City of San Antonio is hereby authorized and directed to deliver to said Natt T. Wagner all of the aforesaid bonds, aggregating the sum of \$7,000,000, being the bonds expressly specified herein.

SECTION ELEVEN: That the said Deed of Trust be and it is hereby approved, and the Mayor is hereby authorized and directed to execute said mortgage or deed of trust and the City Clerk to affix thereto the corporate seal of the City of San Antonio, and to take any and all steps necessary for the proper filing and recording of said mortgage or deed of trust.

SECTION TWELVE: That there is hereby granted and conferred upon the purchaser or purchasers of the Water-works Plant and properties, covered by said mortgage or deed of trust, at any foreclosure sale made as provided in said mortgage or deed of trust, a franchise to operate said Water-works Plant and System and property so purchased for a term of twenty years from the date of such purchase subject to all laws of the State of Texas, and the Charter of the City of San Antonio regulating water-works plants and such franchises then in force, and this grant of said franchise shall be irrevocable until all of the bonds secured by said mortgage or deed of trust and the interest thereon shall have been fully paid or provision made for their payment or otherwise cancelled as provided in said mortgage or deed of trust.

SECTION THIRTEEN: All ordinances, resolutions and orders, or parts thereof, in conflict

with the provisions of this ordinance, are hereby repealed to the extent of such conflict.

PASSED AND APPROVED this 26th day of May, A. D. 1925.

Jno. W. Tobin.  
Mayor, City of San Antonio.

ATTEST: Fred Fries.  
City Clerk.

AN ORDINANCE 08-92

APPROVING THE FORM OF THE DEED OF NATT T. WAGNER TO THE PROPERTIES OF THE WATER-WORKS SYSTEM; AND AUTHORIZING ITS ACCEPTANCE, AS THEREIN PROVIDED.

WHEREAS, on the 31st of January, 1925, Natt T. Wagner offered to sell to the City of San Antonio the ~~plant~~ of the San Antonio Water Supply Company, used and useful in the service of supplying water to the City of San Antonio and its environs; and said offer was duly accepted by said City; and

WHEREAS, the said Natt T. Wagner now tenders to the City his certain warranty deed with Vendor's Lien, for its acceptance; NOW THEREFORE,

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

SECTION ONE: That, upon the approval of the title to said property, in that is is fee simple, free from all liens, encumbrances, claims and clouds, except only the Vendor's Lien in said Deed and the Deed of Trust Lien to further secure the payment of the Bonds in the sum of Seven Million Dollars (\$7,000,000.00), and interest; the City of San Antonio will accept the said deed in the following form, to said property situated within and without the limits of said City, for the establishment and maintenance of an efficient water-works system, said deed being in words and figures substantially as follows:

STATE OF TEXAS,

COUNTY OF BEXAR.

KNOW ALL MEN BY THESE PRESENTS: That I, Natt T. Wagner, of St. Louis, Missouri, for the consideration hereinafter stated, have GRANTED, SOLD and CONVEYED, and by these presents do GRANT SELL and CONVEY unto the City of San Antonio, in the County of Bexar, State of Texas, the following described property situate, lying and being in the County of Bexar, State of Texas, to-wit:

TRACT FIRST:

Lots Nos. 14 and 15, New City Block 161, Lot No. 14, having a frontage of fifty-eight and three tenths feet (58.3') on the South side of Market Street, and Lot No. 15 having a frontage of eighty-three and three tenths feet (83.3') on the South side of Market Street, both of said lots extending South between parallel lines to the San Antonio River for depth, and being the same property conveyed by George W. Brackenridge to the Water Works Company by deed dated April 2, 1890, and recorded in Vol. 154, page 461, of the Deed Records of Bexar County, Texas.

TRACT SECOND:

Lots Nos. 12 and 13, New City Block 161, each of said lots fronting fifty-eight and three tenths feet (58.3') on the South side of Market Street and extending South between parallel lines to the San Antonio River. Being the same property conveyed by the Casino Association of San Antonio to the San Antonio Water Supply Company by deed dated February 1, 1923, and recorded in Vol. 707, page 233 of the Deed Records of Bexar County, Texas.

TRACT THIRD:

Lots Nos. 4 and 5, New City Block 160, each of said Lots fronting fifty-five and six tenths (55.6') feet on the West side of Casino Street and extending back between parallel lines seventy-six and sixty-five hundredths feet (76.65') for depth. Being the same property conveyed by A. Sartor and wife Caroline Sartor to Water Works Company by deed dated August 20, 1902, and recorded in Vol. 210, page 337 of the Deed Records of Bexar County, Texas.

TRACT FOURTH:

Lot No. 7, New City Block 142, fronting twenty-four and eight tenths feet (24.8) on the West side of South Alamo Street and running back between parallel lines to the San Antonio River. Being a part of the same property conveyed by George

W. Brackenridge to Water Works Company by deed dated June 22, 1906, and recorded in Vol. 248, page 230 of the Deed Records of Bexar County, Texas.

TRACT FIFTH:

Lot No. 13, New City Block 142, and more particularly described as follows:-

BEGINNING at the Northeast corner of the intersection of Villita Street and Womble Alley, thence South seventy-nine degrees (79°) East along the North side of Villita Street thirty-two (32) varas, more or less, to the Southwest corner of property either now or formerly owned by Mrs. Augustine Morrisseth; thence North eleven degrees (11°) East along the West line of said property of the said Mrs. Augustine Morrisseth forty (40) varas, more or less, to the San Antonio River; thence down said River, along its bank with its meanders to the East side of Womble Alley; thence South eleven degrees (11°) West along the East line of Womble Alley sixty (60) varas, more or less; being the same property conveyed to The Water Works Company by Emil Foutrel by deed dated February 2, 1905, and recorded in Vol. 247, page 82 of the Deed Records of Bexar County, Texas.

TRACT SIXTH:

Twenty (20) acres of land, more or less, near the Mission Concepcion on the East side of the San Antonio River, bounded on the North by the San Antonio River and lands formerly belonging to J. A. Chavez; on the South by the said River and lands of the Catholic Church; on the East by the property of the said Church and lands formerly belonging to J. A. Chavez; on the west by the San Antonio River; and being a part of the same lands conveyed by George W. Brackenridge to Water Works Company by deed dated June 22, 1906, and recorded in Vol. 248, page 230 of the Deed Records of Bexar County, Texas.

TRACT SEVENTH:

Four (4) acres of land taken out of Original City Block No. 4, Range 2, District 2, described as follows, to-wit; -

BEGINNING at a stake set eleven hundred thirteen and four tenths (1113.4) varas South twenty-seven and one eighth degrees (27-1/8°) East from the North corner of said Original Lot No. 4, Range 2, District 2, and two hundred twenty (220) varas South twenty seven and one eighth (27-1/8°) degrees East from the Southwest corner of the J. W. Garrety Survey No. 14, and three hundred sixteen and six tenths (316.6) varas North twenty-seven and one eighth degrees (27-1/8°) West from the Southeast corner of said Original Lot No. 4, Range 2, District 2, for the Northeast corner of this four (4) acre tract; thence West (var. nine degrees twenty-five minutes (9°25) East) one hundred fifty (150) varas to a stake set for the Southwest corner of this tract; thence South one hundred fifty (150) varas to a stake set for the Southwest corner; thence East one hundred fifty (150) varas to a stake set for its Southeast corner; thence North one hundred fifty (150) varas to the place of beginning. Being the same land conveyed to San Antonio Water Works Company by F. Guilbeau by deed dated September 27, 1878, and recorded in Vol. 9, page 206, of the Deed Records of Bexar County, Texas.

TRACT EIGHTH:

Twenty-seven (27) acres out of Original City Lot No. 2, Range 2, District 3, lying partly within and partly without the city limits of the City of San Antonio, Texas, and being more particularly described by metes and bounds as follows:-

BEGINNING at a stake set on the North line of Hildebrandt Avenue at a point one hundred fifty (150) feet West of the Southeast corner of said Original City Lot No. 2, Range 2, District 3, which is also the Northwest intersection of Hildebrandt Avenue and the Jones-Maltzberger Road; thence North one thousand eighty-four and five tenths feet (1084.5') parallel with and one hundred fifty feet (150') from the West line of the Jones-Maltzberger Road; thence West and parallel with the North line of Hildebrandt Avenue one thousand eight four and five tenths feet (1084.5') to a stake; thence South and parallel with the West line of the Jones-Maltzberger Road one thousand eight-four and five tenths feet (1084.5') to a stake set on the North line of Hildebrandt Avenue, thence East with the North line of Hildebrandt Avenue one thousand eight-four and five tenths feet (1084.5') to the place of beginning.

Also all reservoirs, pumps, wells, hydrants, plugs, pipes, mains, conduits, tunnels, man-holes; irrigation canals built or established; all water power and water rights and irrigation facilities; all leaseholds, leasehold interest, easements, right-of-way, privileges and contracts that were conveyed to the grantor herein by the San Antonio Water Supply Company on the \_\_\_\_\_ day of \_\_\_\_\_, 1925 - it being the purpose of this deed to convey to the city all personal property of every kind

and character whatever that was conveyed to the said Wagner by the San Antonio Water Supply Company and, in fact, all property of every kind and character conveyed to him by said deed except the accounts receivable and the real estate which is not included in the eight (8) tracts above described.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto, in anywise belonging, unto the City of San Antonio, in the County of Bexar, State of Texas, and its successors and assigns forever; and I do hereby bind myself, my heirs, executors and administrators to Warrant and Forever Defend all and singular, the said premises unto the said City of San Antonio, in the County of Bexar, State of Texas, and its successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof. The parties hereto, the said grantor and said grantee, have agreed and do hereby agree that the said Wagner furnish to the said City of San Antonio the sum of Five Hundred Thousand Dollars, (\$500,000.00) for the purpose solely of paying for and making extensions, additions and improvements to said Waterworks Plant, which said sum of Five Hundred Thousand Dollars (\$500,000.00) has this day been paid by the said Wagner to the City of San Antonio, the receipt of which is hereby acknowledged, and in consideration of this conveyance of the Waterworks Plant and properties above described and the payment of said sum of Five Hundred Thousand Dollars, (\$500,000.00) to be used by the City for the purpose solely of paying for additions, improvements and extensions to said system made since January 1, 1925, pursuant to agreement heretofore made and the balance to be paid out to acquire or construct further extensions, additions and improvements thereto, the said City of San Antonio has this day made, executed and delivered to the said Wagner its Seven Thousand (7,000) Waterworks Gold Bonds, of the aggregate per value of Seven Million Dollars (\$7,000,000.00), all of which said bonds, both principal and interest, are payable out of the income and revenues derived and to be derived by said City from the operation of the plant and properties hereby conveyed and of the aforesaid extensions, additions and improvements thereto; said bonds being dated as of May 1, 1925, bearing interest at the rate of five and one-half per centum (5½) per annum, payable semi-annually, on the first days of May and November of each year, being of the denomination of One Thousand Dollars (\$1,000.00) each, and being numbered from One to Seven Thousand, both inclusive, and maturing serially in numerical order as follows:

Bond Number Both Inclusive.	Amount of Principal.	When Due.
1 - 51	51,000	May 1, 1926
52 - 105	54,000	May 1, 1927
106 - 162	57,000	May 1, 1928
163 - 222	60,000	May 1, 1929
223 - 288	64,000	May 1, 1930
287 - 353	67,000	May 1, 1931
354 - 424	71,000	May 1, 1932
425 - 499	75,000	May 1, 1933
500 - 578	79,000	May 1, 1934
579 - 661	83,000	May 1, 1935
662 - 749	88,000	May 1, 1936
750 - 841	92,000	May 1, 1937
842 - 938	97,000	May 1, 1938
939 - 1041	103,000	May 1, 1939
1042 - 1149	108,000	May 1, 1940
1150 - 1263	114,000	May 1, 1941
1264 - 1384	121,000	May 1, 1942
1385 - 1511	127,000	May 1, 1943
1512 - 1645	134,000	May 1, 1944
1646 - 1787	142,000	May 1, 1945
1788 - 1937	150,000	May 1, 1946
1938 - 2095	158,000	May 1, 1947
2096 - 2261	166,000	May 1, 1948
2262 - 2437	176,000	May 1, 1949
2438 - 2622	185,000	May 1, 1950
2623 - 2817	195,000	May 1, 1951
2818 - 3023	206,000	May 1, 1952
3024 - 3241	218,000	May 1, 1953
3242 - 3470	229,000	May 1, 1954

3471 - 3712	242,000	May 1, 1955
3713 - 3967	255,000	May 1, 1956
3968 - 4236	269,000	May 1, 1957
4237 - 4520	284,000	May 1, 1958
4521 - 4820	300,000	May 1, 1959
4821 - 5136	316,000	May 1, 1960
5137 - 5470	334,000	May 1, 1961
5471 - 5822	352,000	May 1, 1962
5823 - 6194	372,000	May 1, 1963
6195 - 6586	392,000	May 1, 1964
6587 - 7000	414,000	May 1, 1965

But it is expressly agreed and stipulated that a Vendor's Lien is retained against the above described property, premises, additions, extensions and improvements until the above described bonds and all interest thereon are fully paid according to their face, tenor, effect and reading, when this deed shall become absolute. It has been and is hereby further expressly agreed and stipulated that the Vendor's Lien hereinabove reserved shall apply not only to said plant and properties hereby conveyed, but also to the aforesaid extensions, additions, and improvements thereto, when and as said extensions, additions and improvements are completed, and the grantee herein agrees that as said extensions, additions and improvements are made, it will file instruments fully describing same and recognizing the existence of said lien as applicable thereto. It is hereby covenanted and agreed by the parties hereto that the property hereby conveyed is to be under the control and management of the "Water-Works Board of Trustees" until the bonds above described have been paid, as provided for in the Deed of Trust given by the grantee to the St. Louis Union Trust Company, which is delivered simultaneously with the delivery of this deed. The said Vendor's Lien is retained for the protection of the vendor and his executors, administrators and assigns and for the protection of the holder or holders of the bonds hereinabove described, or any of them, and said Vendor's Lien shall apply to all of said bonds and with respect thereto said bonds shall rank pari passu, regardless of the time or times of the issuance thereof until all of the aforesaid bonds shall have been paid at maturity or otherwise satisfied and cancelled. To further secure the payment of said bonds and interest, the City of San Antonio, in the County of Bexar, State of Texas, has executed a deed of trust on the aforesaid properties to St. Louis Union Trust Company, a corporation, of St. Louis, Missouri, as Trustee for the holders of said bonds, and it is hereby expressly stipulated that the execution of said deed of trust upon said properties and the lien created thereby shall in no wise impair the Vendor's Lien retained in this instrument, but said Trust Deed and said lien therein/<sup>created</sup> are intended as additional security to the holder or holders of the aforesaid bonds for the payment of the principal and interest thereon at maturity.

WITNESS my hand and seal at San Antonio, Texas, this \_\_\_\_\_ day of \_\_\_\_\_, 1925.

SECTION TWO: Upon the delivery to and acceptance by the City of San Antonio of a deed to said Water-works Plant and System, in a form approved by the City Attorney, and the sum of Five Hundred Thousand Dollars (\$500,000.00); together with an amount of money equal to the accrued interest on said bonds, which money shall be put in the "Water-works Bond and Interest Redemption Account", the City Treasurer of the City of San Antonio is hereby authorized and directed to deliver to said Natt T. Wagner all of the aforesaid bonds, aggregating the sum of Seven Million Dollars (\$7,000,000.00), being the bonds expressly specified herein.

SECTION THREE: When said deed is accepted and received, the City Clerk is directed to have it recorded and preserved it in the records of his office; and the Board of Water-works Trustee shall forthwith take possession and control of the Water-works System and the said

Five Hundred Thousand Dollars shall be delivered to said Board, all as provided in the Deed of Trust.

PASSED AND APPROVED, this 26th day of May, A. D. 1925.

Jno. W. Tobin.  
Mayor, City of San Antonio.

ATTEST: Fred Fries.  
City Clerk.