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AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$19,390,000 "CITY OF SAN ANTONIO, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 1992"; PROVIDING FOR THE PAYMENT OF THE CERTIFICATES BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND FURTHER SECURING THE CERTIFICATES BY A LIEN ON AND PLEDGE OF THE PLEDGED REVENUES; PROVIDING THE TERMS AND CONDITIONS OF THE CERTIFICATES AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF THE CERTIFICATES, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A PURCHASE CONTRACT AND A PAYING AGENT/REGISTRAR AGREEMENT; AND DECLARING AN EMERGENCY

WHEREAS, the City Council of the City of San Antonio, Texas (the *City*) has caused notice to be given of its intention to issue certificates of obligation in the maximum principal amount of \$20,000,000 for the purpose of providing funds for the payment of contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, including (1) the construction of public works: constructing, renovating, and improving a regional economic development facility, including, but not limited to, the Alamodome (the *Alamodome*), (2) the purchase of materials, supplies, equipment, and machinery for authorized needs and purposes relating to the Alamodome, (3) the construction of public works: acquiring, improving, renovating, and constructing a municipal facility or facilities, including, but not limited to, a police substation and a baseball stadium (the *Facilities*), (4) the purchase of land, materials, supplies, rights-of-way, and equipment for authorized needs and purposes relating to the Facilities (5) construction of public works: acquiring, constructing, and improving an existing parking facility, and (6) the payment for professional services; and

WHEREAS, no petition protesting the issuance of the certificates of obligation described in this notice, signed by at least 5% of the qualified electors of the City, has been presented to or filed with the City Clerk prior to the date tentatively set in such notice for the passage of this ordinance; and

WHEREAS, the City Council hereby finds and defines that the certificates of obligation (in the principal amount of \$19,390,000) described in such notice should be issued and sold at this time;

WHEREAS, the City Council hereby finds and defines that the issuance of the certificates of obligation and the adoption of this Ordinance as an emergency measure are in the best interests of the citizens of the City; now, therefore,

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

SECTION 1: Authorization - Designation - Principal Amount - Purpose. The certificates of obligation of the City shall be and are hereby authorized to be issued in the aggregate principal amount of NINETEEN MILLION THREE HUNDRED NINETY THOUSAND AND NO/100 DOLLARS (\$19,390,000), to be designated and bear the title of "CITY OF SAN ANTONIO, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 1992" (the *Certificates*), for the purpose of paying contractual obligations to be incurred for making permanent public improvements and for other public purposes, including (1) the construction of public works: constructing, renovating, and improving a regional economic development facility, including, but not limited to, the Alamodome (the *Alamodome*), (2) the purchase of materials, supplies, equipment, and machinery for authorized needs and purposes relating to the Alamodome, (3) the construction of public works: acquiring, improving, renovating, and constructing a municipal facility or facilities, including, but not limited to, a police substation and a baseball stadium (the *Facilities*), (4) the purchase of land, materials, supplies, rights-of-way, and equipment for authorized needs and purposes relating to the Facilities (5) construction of public works: acquiring, constructing, and improving an existing parking facility, and (6) the payment for professional services. The Certificates are being issued pursuant to the authority conferred by and in conformity with the laws of the State of Texas, particularly Texas Revised Civil Statutes Annotated Article 1175, as amended, Texas Revised Civil Statutes Annotated Articles 1111 through 1118, as amended, the Certificate of Obligation Act of 1971, as amended, Local Government Code Section 271.041 through 271.063, and Section 102 of the Home Rule Charter of the City.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates - Date. The Certificates are issuable in fully registered form only; shall be dated July 15, 1992 (the *Certificate Date*) and shall be in denominations of \$5,000 or any integral multiple thereof, and the Certificates shall become due and payable on August 1 in each of the years and in principal amount (the *Stated Maturities*) and bear interest on the unpaid principal amounts from the Certificate Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates, while Outstanding, in accordance with the following schedule:

<u>Year of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
1994	1,140,000	3.500
1995	1,180,000	3.875
1996	1,220,000	4.200
1997	1,275,000	4.500
1998	1,330,000	4.700
1999	1,390,000	4.875
2000	1,460,000	5.000
2001	1,530,000	5.125
2002	1,610,000	5.200
2003	495,000	5.300
2004	525,000	5.400
2005	550,000	5.500
2006	580,000	5.600
2007	615,000	5.625
2009	1,330,000	5.750
2013	3,160,000	5.750

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

The Certificates shall bear interest at the per annum rates shown above in Section 2, and interest thereon shall be payable semiannually on February 1 and August 1 of each year (the *Interest Payment Date*) commencing February 1, 1993, while the Certificates are Outstanding.

The selection and appointment of THE FROST NATIONAL BANK OF SAN ANTONIO, San Antonio, Texas, to serve as the initial Paying Agent/Registrar for the Certificates is hereby approved and confirmed, and the City agrees and covenants to cause to be kept and maintained at the principal corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment and transfer of the Certificates, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit A hereto, and such reasonable rules and regulations as the Paying Agent/Registrar and City may prescribe. The

City covenants to maintain and provide a Paying Agent/Registrar at all times while the Certificates are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution or (ii) an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers. Such Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and authorized by law to serve as a Paying Agent/Registrar.

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

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

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

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

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

SECTION 4: Redemption.

A. Mandatory Redemption. The Certificates stated to mature on August 1, 2009 and August 1, 2013 are referred to herein as the "Term Certificates". The Term Certificates are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Certificate Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on August 1 in each of the years as set forth below:

Certificates Stated to Mature <u>on August 1, 2009</u>		Certificates Stated to Mature <u>on August 1, 2013</u>	
<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Year</u>	<u>Principal Amount (\$)</u>
2008	645,000	2010	725,000
2009*	685,000	2011	770,000
		2012	810,000
		2013*	855,000

* Payable at Stated Maturity.

The principal amount of a Term Certificate required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Certificates of such Stated Maturity which, at least 50 days prior to the mandatory redemption date (1) shall have been defeased or acquired by the City and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and cancelled by the Paying Agent/Registrar at the request of the City with money in the Certificate Fund, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

C. Optional Redemption of Certificates. The Certificates having Stated Maturities on and after August 1, 2003 shall be subject to redemption prior to Stated Maturity, at the option of the City, on August 1, 2002, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar) at the redemption price of par plus accrued interest to the redemption date.

D. Exercise of Redemption Option. At least forty-five (45) days prior to a date set for the optional redemption of the Certificates (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem the Certificates, the principal amount of each Stated Maturity to be redeemed, and the date set for the redemption thereof. The decision of the City to exercise the right to redeem the Certificates shall be entered in the minutes of the governing body of the City.

E. Selection of Certificates for Redemption. If less than all Outstanding Certificates of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall select at random and by lot the Certificates to be redeemed, provided that if less than the entire principal amount of a Certificate is to be redeemed, the Paying Agent/Registrar shall treat such Certificate then subject to redemption as representing the number of Certificates Outstanding which is obtained by dividing the principal amount of such Certificate by \$5,000.

F. Notice of Redemption. Not less than thirty (30) days prior to an optional or mandatory redemption date for the Certificates, the Paying Agent/Registrar shall cause a notice of redemption to be sent by United States mail, first-class postage prepaid, in the name of the City and at the City's expense, by the Paying Agent/Registrar to each Holder of a Certificate to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the time such notice of redemption is mailed, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Certificates, (ii) identify the Certificates to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Certificates, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Certificates, or the principal amount thereof to be redeemed, shall be made at the principal corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. This notice may also be published once in a financial publication, journal, or reporter of general

circulations among securities dealers in the City of New York, New York (including, but not limited to, *The Bond Buyer* and *The Wall Street Journal*), or in the State of Texas (including, but not limited to, *The Texas Bond Reporter*). Additionally, this notice may also be sent by the City to any registered securities depository and to any national information service that disseminates redemption notices.

If a Certificate is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Certificate (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Certificate (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on the Certificate (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Certificates shall not be deemed to be Outstanding.

G. Transfer/Exchange of Certificates. Neither the City nor the Paying Agent/Registrar shall be required (1) to transfer or exchange any Certificates during a period beginning forty-five (45) days prior to the redemption date or (2) to transfer or exchange any Certificates selected for redemption provided; however, such limitation shall not be applicable to an exchange by the Holder of the unredeemed balance of a Certificate which is subject to partial redemption.

SECTION 5: Execution - Registration. The Certificates shall be executed on behalf of the City by its Mayor or Mayor Pro Tem under its seal reproduced or impressed thereon and attested by its City Clerk. The signature of either of said officers on the Certificates may be manual or facsimile. Certificates bearing the manual or facsimile signatures of individuals who were, at the time of the Certificate Date, the proper officers of the City shall bind the City, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Certificates to the initial purchaser(s), all as authorized and provided in the Bond Procedures Act of 1981, Texas Revised Civil Statutes Annotated Article 717k-6, as amended.

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

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

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

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

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

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

Certificates cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be Predecessor Certificates, evidencing all or a portion, as the case may be, of the same debt evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer therefor. Additionally, the Predecessor Certificates shall

include any Certificate registered and delivered pursuant to Section 22 in lieu of a mutilated, lost, destroyed, or stolen Certificate which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

SECTION 7: Initial Certificate(s). The Certificates herein authorized shall be issued initially either (i) as a single fully registered certificate in the total principal amount of \$19,390,000 with principal installments to become due and payable as provided in Section 2 and numbered T-1, or (ii) as one (1) fully registered Certificate for each year of Stated Maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (the *Initial Certificate(s)*) and, in either case, the Initial Certificate(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Certificate(s) shall be the Certificates submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Certificate(s), the Paying Agent/ Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Certificate(s) delivered hereunder and exchange therefor definitive Certificates of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8: FORMS.

A. Forms Generally. The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of Registration, and the form of Assignment to be printed on each of the Certificates shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as may, consistent herewith, be established by the City or defined by the officers executing the Certificates as evidenced by their execution thereof. Any portion of the text of any Certificate may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate.

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

B. Form of Definitive Certificate.

REGISTERED
NO.

REGISTERED
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United States of America
State of Texas
County of Bexar
CITY OF SAN ANTONIO, TEXAS
COMBINATION TAX AND REVENUE
CERTIFICATE OF OBLIGATION,
SERIES 1992

Interest Rate: Certificate Date: Stated Maturity: CUSIP NO:
..... July 15, 1992

REGISTERED OWNER:

PRINCIPAL AMOUNT:DOLLARS

The City of San Antonio, Texas (the *City*), a body corporate and municipal corporation in the County of Bexar, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above (or so much thereof as shall not have been paid upon prior redemption) or the registered assigns thereof, on the Stated Maturity date specified above, the principal amount specified above and to pay interest on the unpaid principal amount hereof from the Certificate Date specified above, or from the most recent interest payment date to which interest has been paid or duly provided for until such principal sum has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 of each year commencing February 1, 1993.

Principal of and redemption premium, if any, on this Certificate shall be payable to the Registered Owner hereof (the *Holder*), upon presentation and surrender, at the principal corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon or a successor thereof. Interest shall be payable to the Holder of this Certificate (or one or more Predecessor Certificates, as defined in the Ordinance hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the

month next preceding each interest payment date. All payments of principal of redemption premium, if any, and interest on this Certificate shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder's risk and expense.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$19,390,000 (the *Certificates*) pursuant to an Ordinance adopted by the governing body of the City (the *Ordinance*), for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, including (1) the construction of public works: constructing, renovating, and improving a regional economic development facility, including, but not limited to, the Alamodome (the *Alamodome*), (2) the purchase of materials, supplies, equipment, and machinery for authorized needs and purposes relating to the Alamodome, (3) the construction of public works: acquiring, improving, renovating, and constructing a municipal facility or facilities, including, but not limited to, a police substation and a baseball stadium (the *Facilities*), (4) the purchase of land, materials, supplies, rights-of-way, and equipment for authorized needs and purposes relating to the Facilities (5) construction of public works: acquiring, constructing, and improving an existing parking facility, and (6) the payment for professional services. The Certificates are being issued under and in strict conformity with the laws of the State of Texas, particularly Texas Revised Civil Statutes Annotated Article 1175, as amended, Texas Revised Civil Statutes Annotated Articles 1111 through 1118, as amended, the Certificate of Obligation Act of 1971, as amended, Local Government Code Section 271.041 through 271.063, and Section 102 of the City's Home Rule Charter.

The Certificates stated to mature on August 1, 2009 and August 1, 2013 are referred to herein as the " Term Certificates". The Term Certificates are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Certificate Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on August 1 in each of the years as set forth below:

Certificates
Stated to Mature
on August 1, 2009

Certificates
Stated to Mature
on August 1, 2013

<u>Year</u>	<u>Principal Amount (\$)</u>
2008	645,000
2009*	685,000

<u>Year</u>	<u>Principal Amount (\$)</u>
2010	725,000
2011	770,000
2012	810,000
2013*	855,000

* Payable at Stated Maturity.

The principal amount of a Term Certificate required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Certificates of such Stated Maturity which, at least 50 days prior to the mandatory redemption date (1) shall have been defeased or acquired by the City and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and cancelled by the Paying Agent/Registrar at the request of the City with money in the Certificate Fund, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

As specified in the Ordinance, the Certificates stated to mature on and after August, 2003 may be redeemed prior to their Stated Maturities, at the option of the City, on August, 2002, or on any date thereafter, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar) at the redemption price of par plus accrued interest to the redemption date.

At least thirty (30) days prior to the date of optional or mandatory redemption, the Paying Agent/Registrar shall cause written notice to be given by United States mail, first-class postage prepaid, to Holders of the Certificates to be redeemed, all in accordance with and subject to the terms and provisions relating thereto contained in the Ordinance. If this Certificate is in a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Certificate to the Paying Agent/ Registrar at its principal corporate trust office, a new Certificate or Certificates of like Stated Maturity and interest rate in any authorized denominations provided in the Ordinance for the then unredeemed balance of the principal sum hereof.

If this Certificate (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Certificate (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Certificate is called for redemption, in whole or in part, the City or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Certificate within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

The Certificates of this series are payable from the proceeds of an ad valorem tax levied upon all taxable property within the City within the limitations prescribed by law and are further payable from and secured by a lien on and limited pledge of revenues (the *Pledged Revenues*) received by the City from its municipally owned parks. In the Ordinance, the City reserves and retains the right to issue Additional Revenue Obligations and Additional Limited Pledge Revenue Obligations (all as identified and defined in the Ordinance), while the Certificates are Outstanding payable, in whole or in part, from the revenues of the City's municipally owned parks, without limitation as to principal amount but subject to any terms, conditions or restrictions as may be applicable thereto under law or otherwise.

Reference is hereby made to the Ordinance, copies of which are on file in the principal corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied and the revenues pledged for the payment of the Certificates; the terms and conditions under which the City may issue Additional Revenue Obligations and Additional Limited Pledge Revenue Obligations; the terms and conditions relating to the transfer or exchange of the Certificates; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holder; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Certificate may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Ordinance. Capitalized terms used herein have the same meanings assigned in the Ordinance.

This Certificate, subject to certain limitations contained in the Ordinance, may be transferred at the principal corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Holder hereof, or his duly authorized agent, and thereupon one or more new fully registered Certificates of the same Stated Maturity, of authorized

denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the Holder hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Certificate as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity, or its redemption, in whole or in part, and (iii) on any other date as the owner hereof for all other purposes, and neither the City nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States airmail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

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

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

CITY OF SAN ANTONIO, TEXAS

(CITY SEAL)

By

Mayor

ATTEST:

.....
City Clerk

C. *Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Certificate(s) Only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

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

WITNESS my signature and seal of office this

.....
Comptroller of Public Accounts
of the State of Texas

(SEAL)

* Note to Printer: Not to appear on printed Certificates

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

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

THE FROST NATIONAL BANK OF
SAN ANTONIO, San Antonio, Texas
as Paying Agent/Registrar

Registered this date:

.....

By
Authorized Officer

E. Form of Assignment.

ASSIGNMENT

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

.....
.....(Social Security or other identifying number:
.....) the within Certificate and all rights thereunder, and hereby
irrevocably constitutes and appoints
attorney to transfer the within Certificate on the books kept for registration thereof, with full
power of substitution in the premises.

DATED:

Signature guaranteed:
.....

NOTICE: The signature on this
assignment must correspond
with the name of the regis-
tered owner as it appears
on the face of the within
Certificate in every particular.

F. The Initial Certificate(s) shall be in the form set forth in paragraph B of
this Section, except that the form of a single fully registered Initial
Certificate shall be modified as follows:

- (i) immediately under the name of the Certificate(s) the headings
"Interest Rate ____" and "Stated Maturity ____" shall both be
completed "as shown below";
- (ii) the first two paragraphs shall read as follows:

Registered Owner:

Principal Amount:

The City of San Antonio, Texas, a body corporate and municipal corporation in
the County of Bexar, State of Texas, for value received, acknowledges itself indebted to and
hereby promises to pay to the order of the Registered Owner named above, or the registered

assigns thereof, the principal amount hereinabove stated on the first day of August in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
---	-----------------------------------	-------------------------------

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

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amounts hereof from the Certificate Date specified above, or from the most recent interest payment date to which interest has been paid or duly provided for until the principal amounts have become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 of each year, commencing February 1, 1993.

Principal of and redemption premium, if any, on this Certificate shall be payable to the Registered Owner hereof (the *Holder*), upon its presentation and surrender, at the principal corporate trust office of THE FROST NATIONAL BANK OF SAN ANTONIO, San Antonio, Texas (the *Paying Agent/Registrar*). Interest shall be payable to the Holder of this Certificate whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each interest payment date. All payments of principal of and, redemption premium, if any, interest on this Certificate shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

G. Insurance Legend. If bond insurance is obtained by the Purchaser (hereinafter defined), the Definitive Certificates and the Initial Certificate(s) shall bear an appropriate legend as provided by the insurer.

SECTION 9: Definitions. For all purposes of this Ordinance (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Section 24 of this Ordinance have the meanings assigned to them in Section 24 of this Ordinance, and all such terms, include the plural as well as the singular; (ii) all

references in this Ordinance to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of this Ordinance as originally adopted; and (iii) the words "herein", "hereof", and "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision.

(a) The term *Additional Limited Pledge Revenue Obligations* shall mean (i) obligations hereafter issued by the City payable wholly or in part from and secured by a lien on and pledge of the Pledged Revenues as provided in Section 18 of this Ordinance, and (ii) obligations hereafter issued to refund any of the foregoing as determined by the City Council in accordance with any applicable law.

(b) The term *Additional Revenue Obligations* shall mean (i) bonds or other obligations payable from and secured by a lien on and pledge of the Net Revenues not limited to a pledge of the Pledged Revenues as provided in Section 18 of this Ordinance, and (ii) obligations hereafter issued to refund any of the foregoing as determined by the City Council in accordance with any applicable law.

(c) The term *Certificates* shall mean the \$19,390,000, "CITY OF SAN ANTONIO, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 1992" authorized by this Ordinance.

(d) The term *Certificate Fund* shall mean the special Fund created and established by the provisions of Section 10 of this Ordinance.

(e) The term *City* shall mean the City of San Antonio, Texas, and where appropriate, the City Council of the City.

(f) The term *Closing Date* shall mean the date of physical delivery of the Initial Certificates in exchange for the payment of the agreed purchase price for the Certificates.

(g) The term *Collection Date* shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.

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

(i) The term *Depository* shall mean an official depository bank of the City.

(j) The term *Fiscal Year* shall mean the annual financial accounting period for the City now ending on September 30th of each year; provided, however, the City Council may change such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes or is required by applicable law.

(k) The term *Government Securities*, as used herein, shall mean direct obligations of, including obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, which are non-callable prior to the respective Stated Maturities of the Certificates and may be United States Treasury Obligations such as the State and Local Government Series and may be in book-entry form.

(l) The term *Gross Revenues* for any period shall mean all income and revenue received by the City by virtue of the operation of municipally owned parks, including concessions, rentals, admission fees, recreation fees, permits, and other revenue sources.

(m) The term *Holder* or *Holder*s shall mean the registered owner, whose name appears in the Security Register, for any Certificate.

(n) The term *Interest Payment Date* shall mean the date semi-annual interest is payable on the Certificates, being February 1 and August 1 of each year, commencing February 1, 1993, while any of the Certificates remain Outstanding.

(o) The term *Limited Pledge Obligations* shall mean the Series 1986 Certificates, Series 1986-A Certificates, Series 1988 Certificates, Series 1988-A Certificates, Series 1988-B Certificates, Taxable Series 1988-C Certificates, Series 1989 Certificates, and Series 1991 Certificates.

(p) The term *Net Revenues* for any period shall mean the Gross Revenues less the expenses of operation and maintenance, including all salaries, labor, materials, repairs and improvements necessary to maintain and operate the City's municipally owned parks; provided, however, that only such repairs and improvements as in the judgment of the City Council, reasonably and fairly exercised, are necessary to keep the City's parks in operation and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical action or condition which would otherwise impair the security of any bonds or other obligations payable from and secured by a lien on the Net Revenues derived from the ownership and operation of the parks shall be deducted in determining Net Revenues.

(q) The term *Ordinance* shall mean this ordinance adopted by the City Council of the City on July 30, 1992.

(r) The term *Outstanding* when used in this Ordinance with respect to Certificates shall mean, as of the date of determination, all Certificates issued and delivered under this Ordinance, except:

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

(2) those Certificates for which payment has been duly provided by the City in accordance with the provisions of Section 26 of this Ordinance; and

(3) those Certificates that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 22 of this Ordinance.

(s) The term *Pledged Revenues* during the entire period the Certificates or interest thereon remain Outstanding and unpaid, shall mean an amount of Net Revenues not in excess of \$1,000.

(t) The term *Pledged Revenue Amount* shall mean the total amount, not to exceed \$1,000 while the Certificates are Outstanding, of Net Revenues that are deposited into the Revenue Fund pursuant to Section 13 of this Ordinance and that may be transferred by the City, in any given Fiscal Year, to the Certificate Fund.

(u) The term *Purchasers* shall mean the initial purchaser or purchasers of the Certificates named in Section 23 of this Ordinance.

(v) The term *Series 1986 Certificates* shall mean (i) the currently outstanding and unpaid certificates of obligation payable from ad valorem taxes and additionally payable from and secured by a lien on and pledge of the Pledged Revenues (as defined in the ordinance authorizing the issuance of the Series 1986 Certificates), more particularly described as the "City of San Antonio, Texas Combination Tax and Revenue Certificates of Obligation, Series 1986", dated August 1, 1986, originally issued in the aggregate principal amount of \$16,960,000, and (ii) obligations hereafter issued to refund the foregoing as determined by the City Council in accordance with any applicable law.

(w) The term *Series 1986-A Certificates* shall mean (i) the currently outstanding and unpaid certificates of obligation payable from ad valorem taxes and additionally payable from and secured by a lien on and pledge of the Pledged Revenues (as defined in the ordinance authorizing the issuance of the Series 1986-A Certificates), more particularly described as the "City of San Antonio, Texas Combination Tax and Revenue Certificates of Obligation, Series 1986-A", dated December 1, 1986, originally issued in the aggregate principal amount of \$26,000,000 and (ii) obligations hereafter issued to refund the foregoing as determined by the City Council in accordance with any applicable law.

(x) The term *Series 1988 Certificates* shall mean (i) the currently outstanding and unpaid certificates of obligation payable from ad valorem taxes

and additionally payable from and secured by a lien on and pledge of the Pledged Revenues (as defined in the ordinance authorizing the issuance of the Series 1988 Certificates), more particularly described as the "City of San Antonio, Texas Combination Tax and Revenue Certificates of Obligation, Series 1988", dated February 1, 1988, originally issued in the aggregate principal amount of \$4,400,000, and (ii) obligations hereafter issued to refund the foregoing as determined by the City Council in accordance with any applicable law.

(y) The term *Series 1988-A Certificates* shall mean (i) the currently outstanding and unpaid certificates of obligation payable from ad valorem taxes and additionally payable from and secured by a lien on and pledge of the Pledged Revenues (as defined in the ordinance authorizing the issuance of the Series 1988-A Certificates), more particularly described as the "City of San Antonio, Texas Combination Tax and Revenue Certificates of Obligation, Series 1988-A", dated June 1, 1988, originally issued in the aggregate principal amount of \$16,200,000, and (ii) obligations hereafter issued to refund the foregoing as determined by the City Council in accordance with any applicable law.

(z) The term *Series 1988-B Certificates* shall mean (i) the currently outstanding and unpaid certificates of obligation payable from ad valorem taxes and additionally payable from and secured by a lien on and pledge of the Pledged Revenues (as defined in the ordinance authorizing the issuance of the Series 1988-B Certificates), more particularly described as the "City of San Antonio, Texas Combination Tax and Revenue Certificates of Obligation, Series 1989-B", dated October 15, 1988, originally issued in the aggregate principal amount of \$11,200,000, and (ii) obligations hereafter issued to refund the foregoing as determined by the City Council in accordance with any applicable law.

(aa) The term *Taxable Series 1988-C Certificates* shall mean (i) the currently outstanding and unpaid certificates of obligation payable from ad valorem taxes and additionally payable from and secured by a lien on and pledge of the Pledged Revenues (as defined in the ordinance authorizing the issuance of the Taxable Series 1988-C Certificates), more particularly described as the "City of San Antonio, Texas Taxable Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 1988-C", dated October 15, 1988, originally issued in the aggregate principal amount of \$3,850,000, and (ii) obligations hereafter issued to refund the foregoing as determined by the City Council in accordance with any applicable law.

(bb) The term *Series 1989 Certificates* shall mean (i) the currently outstanding and unpaid certificates of obligation payable from ad valorem taxes and additionally payable from and secured by a lien on and pledge of the Pledged

Revenues (as defined in the ordinance authorizing the issuance of the Series 1989 Certificates), more particularly described as the "City of San Antonio, Texas Combination Tax and Revenue Certificates of Obligation, Series 1989", dated July 15, 1989, originally issued in the aggregate principal amount of \$7,295,000, and (ii) obligations hereafter issued to refund the foregoing as determined by the City Council in accordance with any applicable law.

(cc) The term *Series 1991 Certificates* shall mean (i) the currently outstanding and unpaid certificates of obligation payable from ad valorem taxes and additionally payable from and secured by a lien on and pledge of the Pledged Revenues (as defined in the ordinance authorizing the issuance of the Series 1991 Certificates), more particularly described as the "City of San Antonio, Texas Combination Tax and Revenue Certificates of Obligation, Series 1991", dated February 1, 1991, originally issued in the aggregate principal amount of \$10,075,000, and (ii) obligations hereafter issued to refund the foregoing as determined by the City Council in accordance with any applicable law.

SECTION 10: Certificate Fund; Investments. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Certificates, there shall be and is hereby created a special Fund to be designated "SPECIAL COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 1992, INTEREST AND SINKING FUND" (the *Certificate Fund*), which Fund shall be kept and maintained at the Depository, and money deposited in such Fund shall be used for no other purpose and shall be maintained as provided in Section 24. Authorized officials of the City are hereby authorized and directed to make withdrawals from said Fund sufficient to pay the principal of and interest on the Certificates as the same become due and payable and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest falling due on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Certificates.

The City, at its sole discretion, may appropriate the Pledged Revenue Amount and deposit it into the Certificate Fund as provided in Section 13 hereof. The Pledged Revenue Amount, if deposited into the Certificate Fund, shall be expended annually to pay principal of and interest on the Certificates as the same become due and payable. This Pledged Revenue Amount shall be accounted for and transferred to the Paying Agent/Registrar in accordance with the provisions of the previous paragraph of this Section.

Pending the transfer of funds to the Paying Agent/Registrar, money deposited in any Fund established pursuant to the provisions of this Ordinance may, at the option of the

City, be placed in time deposits or certificates of deposit, as permitted by the provisions of the Public Funds Investment Act of 1987, as amended, Texas Revised Civil Statutes Annotated Article 842a-2, secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or be invested, as authorized by any law, including investments held in book-entry form, in securities including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from such Fund will be available at the proper time or times. Except as provided in Section 13 hereof, all interest and income derived from deposits and investments in any fund established pursuant to the provisions of this Ordinance shall be credited to, and any losses debited to, such fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

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

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

A. Prior to the date the City Council establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the City Council shall determine:

(1) the amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year;

(2) the amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (b) adding thereto the amount of the Pledged Revenue Amount, if any, to be appropriated and allocated during such year to pay such Debt Service Requirements, if any, prior to the Collection Date for the ad valorem taxes to be levied; and

(3) the amount of Pledged Revenue Amount, if any, to be appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding Fiscal Year.

B. The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (1) above less the sum total of the amounts established in paragraphs (2) and (3), after taking into consideration delinquencies and costs of collecting such annual taxes.

SECTION 12: Pledge of Pledged Revenues. The City hereby covenants and agrees that (i) the Pledged Revenue Amount is (within the limitation of a total amount not to exceed \$1,000 during the time the Certificates or interest thereon remain Outstanding and unpaid), hereby irrevocably pledged to the payment of the principal of and interest on the Certificates (subject to the provisions of Section 10), and (ii) the pledge of Pledged Revenue Amount herein made for the payment of the Certificates shall constitute a lien on and pledge of the Pledged Revenue Amount in accordance with the terms and provisions hereof and be valid and binding without any physical delivery thereof or further act by the City. The City has previously authorized the issuance of the Limited Pledge Obligations that are payable from and secured, in part, by a lien on and pledge of the Pledged Revenue Amount as defined in the ordinances authorizing the issuance of the Limited Pledge Obligations.

SECTION 13: Revenue Fund. The City covenants and agrees that there shall be deposited on the Closing Date into a special fund or account designated as "City of San Antonio, Texas, Pledged Revenue Fund" (the *Revenue Fund*) previously created, established, and maintained by the City an amount equal to \$1,000 which shall constitute the Pledged Revenue Amount. The amounts on deposit in the Revenue Fund shall be pledged and

appropriated to the extent required to the payment of the amounts required to be deposited in the Certificate Fund.

Pledged Revenues, and income earned thereon, in the Revenue Fund in excess of the amounts required to fully discharge and satisfy the foregoing requirements may be used for any lawful purpose.

SECTION 14: Deposits to Certificate Fund; Excess Certificate Proceeds. The City covenants and agrees to cause to be deposited in the Certificate Fund prior to a principal and interest payment date for the Certificates, from the Pledged Revenues in the Revenue Fund, any Pledged Revenue Amount appropriated during any Fiscal Year.

Accrued interest and premium, if any, received from the Purchasers of the Certificates shall be deposited to the Certificate Fund and ad valorem taxes levied and collected shall be deposited to the Certificate Fund. In addition, any surplus proceeds, along with any investment income thereon, from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sum otherwise required to be deposited in the Certificate Fund from ad valorem taxes or Pledged Revenues.

SECTION 15: Security of Funds. All money on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

SECTION 16: Records and Accounts - Annual Audit. The City further covenants and agrees that so long as any of the Certificates remain Outstanding it will keep and maintain separate and complete records and accounts pertaining to the receipts and disbursements of the Pledged Revenues. The Holders of the Certificates or any duly authorized agent or agents of the Holders shall have the right to inspect these records and accounts. The City further agrees that, following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of certified public accountants. Copies of each annual audit shall be furnished to the Executive Director of the Municipal Advisory Council of Texas at his office in Austin, Texas, and, upon written request, to the Purchasers of the Certificates and any subsequent holder thereof.

SECTION 17: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (a) defaults in the payments to be made to the Certificate Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, the Holders of any of the Certificates shall be entitled

to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

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

SECTION 18: Additional Obligations. The City expressly reserves the right to hereafter issue Additional Revenue Obligations and Additional Limited Pledge Revenue Obligations, without limitation as to principal amount, but subject to any terms, conditions or restrictions applicable thereto under law or otherwise.

Additional Limited Pledge Revenue Obligations and Additional Revenue Obligations, if issued, may be payable, in whole or in part, from Net Revenues (without impairment of the obligation of contract with the Holders of the Limited Pledge Obligations or the Certificates) upon such terms and conditions as the City Council may determine. Additional Limited Pledge Revenue Obligations, if issued and payable, in whole or in part from Pledged Revenues (as defined in the same or similar terms as the term Pledged Revenues is defined in this Ordinance), shall not, in any event, be construed as payable from the Pledged Revenues required by this Ordinance to be budgeted and appropriated for the payment of the Certificates and interest thereon.

SECTION 19: Special Covenants. The City hereby further covenants that:

A. it has the lawful power to pledge the Pledged Revenues supporting the Certificates and has lawfully exercised this power under the laws of the State of Texas, including power existing under Texas Revised Civil Statutes Annotated Article 1175, as amended, Texas Revised Civil Statutes Annotated Articles 1111 through 1118, as amended, Certificate of Obligation Act of 1971, as amended, Local Government Code Section 271.041 through Section 271.063, and Section 102 of the City's Home Rule Charter; and

B. other than for the payment of the currently outstanding Limited Pledge Obligations and the Certificates, the Net Revenues have not in any manner been pledged to the payment of any debt or obligation of the City.

SECTION 20: Notices to Holders; Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise

herein expressly provided) if in writing and mailed, first-class postage prepaid, to the address of each Holder as it appears in the Security Register.

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

SECTION 21: Cancellation. All Certificates surrendered for payment, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/ Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly cancelled by the Paying Agent/ Registrar. All cancelled Certificates held by the Paying Agent/Registrar shall be destroyed as directed by the City.

SECTION 22: Mutilated, Destroyed, Lost, and Stolen Certificates. If (1) any mutilated Certificate is surrendered to the Paying Agent/Registrar, or the City and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Certificate, and (2) there is delivered to the City and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the City or the Paying Agent/Registrar that such Certificate has been acquired by a bona fide purchaser, the City shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Certificate, a new Certificate of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

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

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

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

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

SECTION 23: Sale of the Certificates; Approval of Purchase Contract and Official Statement; Use of Proceeds.

The Certificates authorized by this Ordinance are hereby sold by the City to PaineWebber Incorporated, as the authorized representative of a group of underwriters (the *Purchasers*) in accordance with the provisions of a Purchase Contract dated July 30, 1992 (the *Purchase Contract*), attached hereto as Exhibit B and incorporated herein by reference as a part of this Ordinance for all purposes. The Mayor and City Clerk are hereby authorized and directed to execute the Purchase Contract for and on behalf of the City and as the act and deed of the City Council, and in regard to the approval and execution of the Purchase Contract, the City Council hereby finds, determines, and declares that the representations, warranties, and agreements of the City contained in the Purchase Contract are true and correct in all material respects and shall be honored and performed by the City.

Furthermore, the use of the Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Certificates is hereby ratified, confirmed and approved in all respects. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale, attached as Exhibit B to the Purchase Contract (together with such changes approved by the Mayor), shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute the final Official Statement, dated July 30, 1992, in the reoffering, sale and delivery of the Certificates to the public. The Mayor and City Clerk are further authorized and directed to manually execute and deliver for and on behalf of the City copies of the Official Statement in final form as may be required by the Purchasers, and such final Official Statement in the form and content manually executed by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Purchasers.

Delivery of the Certificates shall be made to the Purchasers as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of the Purchase Contract.

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

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

(2) The balance of the proceeds derived from the sale of the Certificates (after paying costs of issuance) shall be deposited into the special construction account or accounts created for the projects to be constructed with the proceeds of the Certificates. This special construction account shall be established and maintained at the Depository and invested in accordance with the provisions of Section 10 of this Ordinance. Interest earned on the proceeds of the Certificates pending completion of the projects financed with such proceeds shall be accounted for, maintained, deposited, and expended as permitted by the provisions of Texas Revised Civil Statutes Annotated Article 717k-9, as amended, or as required by any other applicable law. Thereafter, such amount shall be expended in accordance with Section 14 of this Ordinance.

SECTION 24: Covenants to Maintain Tax-Exempt Status.

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

"Bonds" mean the City's General Improvement Refunding Bonds, Series 1992.

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

"Computation Date" has the meaning set forth in Regulation Section 1.148-8(b)(1).

"Gross Proceeds" when used with respect to the Certificates or any other issue of obligations of the City, means original proceeds, amounts received (including repayments of principal) as a result of investing the original proceeds of the issue, transferred proceeds, sinking fund proceeds, amounts invested in a reasonably required reserve or replacement fund, securities or obligations pledged by the City as security for payment of debt service on the Certificates or such other issue, and any other amounts used to pay debt service on the Certificates or such other issue, together with earnings from the investment of the foregoing.

"Investment Property" means

(1) a share of stock in a corporation or a right to subscribe for or to receive such a share,

(2) any indebtedness, evidence thereof, or obligation, including without limitation United States Treasury bonds, notes, and bills (whether or not of State and Local Government Series) and bank deposits, (whether or not certificated or interest bearing or made pursuant to a depository contract),

(3) any annuity contract, or any other deferred payment contract acquired to fund an obligation of the City, or

(4) any other property held for investment,

but excluding Tax-Exempt Obligations.

"Issue Price" means the aggregate initial offering price of each Stated Maturity of the Certificates to the public, at or below which a substantial amount of each Stated Maturity of the Certificates were sold to the public, including accrued interest and premium or discount, if any. For purposes of this definition, the term "public" does not include (a) the Purchaser, (b) members of the syndicate, if any, managed by the Purchaser, or (c) any bondhouses, brokers, dealers, and similar persons or organizations acting in the capacity of underwriters or wholesalers.

"Nonpurpose Investment" means any Investment Property in which Gross Proceeds of the Certificates are invested and which is not acquired to carry out the governmental purposes of the Certificates.

"Purchase Price" of any Investment Property means

(1) if a United States Treasury obligation acquired directly from the United States Treasury, the amount paid therefor,

(2) if a certificate of deposit issued by a commercial bank, the bona fide bid price quoted by a dealer who maintains an active secondary market in such certificates of deposit, and

(3) otherwise, generally the mean of the bid price and the offered price therefor on an established market on the day on which such Investment Property is purchased or contracted for or, if there are no bid prices and offered prices on such date, on the first day preceding such date for which there are bid prices and offered prices.

"Rebatable Arbitrage" has the meaning set forth in Regulation Section 1.148-2.

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

"Tax-Exempt Obligations" mean (i), except as otherwise defined in the Regulations, obligations the interest on which is excludable from the gross income of any owner thereof under section 103 of the Code and is not an item of tax preference under section 57 of the Code, including any beneficial interest in a trust, the assets of which consist exclusively of such obligations, but excluding shares in any mutual fund which is invested in such obligations, unless such fund is described in Regulation Section 1.148-8(e)(3)(iii), and (ii) one-day certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series Program.

"Yield" of

(1) any Investment Property has the meaning set forth in Regulation Section 1.103-13(c) as supplemented by Regulation Section 1.148-9, and

(2) the Certificates has the meaning set forth in Regulation Sections 1.148-3 and 1.148-9.

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

C. No Private Use or Private Payments. Except as permitted by section 141 of the Code and the regulations and rulings thereunder, the City shall, at all times prior to the last Stated Maturity of the Certificates,

(1) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds and not use or permit the use of Gross Proceeds or any property acquired, constructed, or improved with Gross Proceeds in any activity carried on by any person or entity other than a state or local government, *unless* such use is solely as a member of the general public, or

(2) not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds or any property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds, other than a charge or other payment merely as a member of the general public or interest earned on investments acquired with Gross Proceeds pending application for their intended purposes, either or both.

Not more than five percent (5%) of the combined proceeds of the Certificates and the Bonds may be used to provide facilities that will be used in a manner not described in clause (1) of this Subsection.

D. No Private Loan. Except to the extent permitted by section 141 of the Code and the regulations and rulings thereunder, the City shall not use Gross Proceeds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be "loaned" to a person or entity if (1) property acquired, constructed, or improved with Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of Gross Proceeds or any property acquired, constructed, or improved with Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

E. Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the regulations and rulings thereunder, the City shall not, at any time prior to the final Stated Maturity of the Certificates, directly or indirectly invest Gross Proceeds in any Investment Property (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investment Property acquired with Gross Proceeds (or with money replaced thereby) whether then held or previously disposed of, exceeds the Yield of the Certificates.

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

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

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

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

(2) Not less frequently than each Computation Date, the City shall calculate or cause to be calculated by a nationally recognized accounting, financial advisory firm, or financial institution, in accordance with rules set forth in section 148(f) of the Code and the regulations, Temporary Regulations, and rulings thereunder, the Rebateable Arbitrage. The City shall maintain such calculations with the official transcript of the proceedings relating to the issuance of the Certificates until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Certificates by the Purchaser and the loan of the money represented thereby, and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States out of the Certificate Fund or its general fund, as permitted by applicable statute, regulation, or opinion of the Attorney General of the State of Texas, the amount described in paragraph (2) above, at the times, in the installments, to the place, in the manner, and accompanied by such forms or other information as is or may be required by section 148(f) of the Code and the regulations and rulings thereunder.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (2) and, if such error is made,

to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any Correction Amount as described in Regulation Section 1.148-1(c)(2), including any penalty related thereto.

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

J. Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Secretary, City Manager, City Attorney, or Director of Finance, either or any combination of the foregoing, to make such elections in the Certificate as to Tax Exemption or similar or other appropriate certificate, form, or document permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Certificates. Such elections shall deemed to be made on the Closing Date.

SECTION 25: Control and Custody of Certificates. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas and shall take and have charge and control of the Certificates pending their approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery of the Certificates to the Purchaser.

Furthermore, the Mayor, Mayor Pro Tem, City Clerk, City Manager, City Attorney or Director of Finance, either or all, are hereby authorized and directed to furnish and execute such documents relating to the City and its financial affairs as may be necessary for the issuance of the Certificates, the approval of the Attorney General and their registration by the Comptroller of Public Accounts and, together with the City's co-financial advisors, Co-Bond Counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Certificates to the Purchasers and the initial exchange thereof for definitive Certificates.

SECTION 26: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Certificates, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied and the lien on and pledge of the Pledged Revenues under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Certificates, or any principal amount(s) thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Certificates or the principal amount(s) thereof at Stated Maturity, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any money deposited therewith, if any, to pay when due the principal of and interest on such Certificates, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof. The City covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Certificates to be treated as arbitrage bonds within the meaning of section 148 of the Code (as defined in Section 24 hereof).

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

SECTION 27: Printed Opinion. The Purchaser's obligation to accept delivery of the Certificates is subject to its being furnished a final opinion of Akin, Gump, Hauer & Feld, L.L.P., Law Offices of William T. Avila, and Fulbright & Jaworski, Attorneys at Law, approving certain legal matters as to the Certificates, said opinion to be dated and delivered as of the date of initial delivery and payment for such Certificates. Printing of a true and correct copy of said opinion on the reverse side of each of said Certificates, with appropriate certificate pertaining thereto executed by facsimile signature of the City Clerk of the City is hereby approved and authorized.

SECTION 28: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Certificates shall be of no significance or effect as regards the legality thereof, and neither the City nor attorneys approving said Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Certificates.

SECTION 29: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 30: Ordinance a Contract; Amendments - Outstanding Certificates. The City acknowledges that the covenants and obligations of the City herein contained are a material inducement to the purchase of the Certificates. This Ordinance shall constitute a contract with the Holders from time to time, binding on the City and its successors and assigns, and it shall not be amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of Holders holding a majority in aggregate principal amount of the Certificates then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Certificates, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount thereof or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required for consent to any such amendment, addition, or rescission.

SECTION 31: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, Co-Bond Counsel, the Paying Agent/Registrar, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, Co-Bond Counsel, the Paying Agent/Registrar, and the Holders.

SECTION 32: Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 33: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 34: Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 35: Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council of the City.

SECTION 36: Authorization of Paying Agent/Registrar Agreement. The City Council of the City hereby finds and determines that it is in the best interest of the City to authorize the execution of a Paying Agent/Registrar Agreement in order to properly manage and supervise the flow of funds mandated by the provisions of this Ordinance. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated by reference to the provisions of this Ordinance.

SECTION 37. Book-Entry Only System.

It is intended that the Certificates initially be registered so as to participate in a securities depository system (the *DTC System*) with DTC, as set forth herein. Each Stated Maturity of the Certificates shall be issued (following cancellation of the Initial Certificates described in Section 7) in the form of a separate single definitive Certificate. Upon issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Certificates shall be registered in the name of Cede & Co., as the nominee of DTC. The City and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representation attached hereto as Exhibit E (the *Representation Letter*).

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

to interest checks or drafts being mailed to the Holder, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

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

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

SECTION 38: Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the City or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

SECTION 39: No Recourse Against City. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Bond or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Certificate.

SECTION 40: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

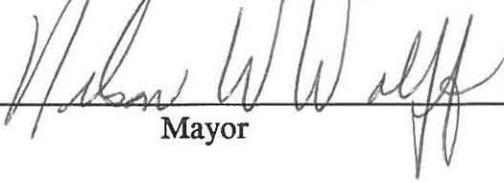
SECTION 41: Effective Date. The effective date of this ordinance shall be governed by the provisions of Section 42 hereof if this ordinance is adopted by the affirmative vote of at least eight members of the City Council, otherwise, the same shall take effect on the eleventh day after the date of its adoption by the City Council.

SECTION 42: Emergency. By reason of the urgent necessity to issue the Certificates as soon as possible to enable the City to proceed with needed public improvements, an emergency is hereby declared to exist making it necessary to the preservation of the public peace, property, health and safety that this ordinance become effective immediately upon its passage, and it is so enacted.

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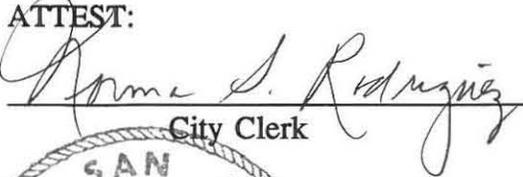
PASSED AND ADOPTED by an affirmative vote of 9 members of the City Council of the City of San Antonio, Texas, this the 30th day of July, 1992.

CITY OF SAN ANTONIO, TEXAS



Mayor

ATTEST:



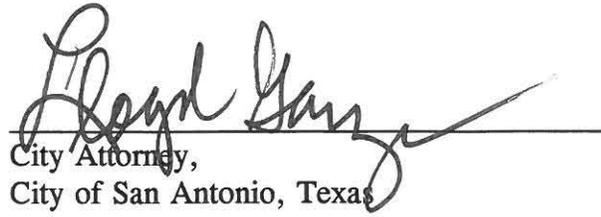
City Clerk



Exhibit A - Paying Agent/Registrar Agreement
Exhibit B - Purchase Contract

[The remainder of this page intentionally left blank.]

The foregoing ordinance is hereby approved as to form by me this, the 30th day of July, 1992.



City Attorney,
City of San Antonio, Texas

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Exhibit A

Paying Agent/Registrar Agreement

[See Tab No. ____]

Exhibit B

Purchase Contract

[See Tab No. ____]

was introduced and submitted to the Council for passage and adoption. After presentation and due consideration of the Ordinance, a motion was made by Councilmember Bill Burke that the Ordinance be finally passed and adopted as an emergency measure for the reasons set forth in Section 42 of the Ordinance. The motion was seconded by Councilmember Perez and carried by the following vote:

9 voted "For" 1 voted "Against" 0 abstained

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

2. The attached Ordinance is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council of the City on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Council was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Ordinance would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Ordinance, was posted and given in advance thereof in compliance with the provisions of Texas Revised Civil Statutes Annotated Article 6252-17, as amended.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 30th day of July, 1992.

Norma S. Rodriguez
City Clerk, City of San Antonio, Texas



CERTIFICATE AS TO OFFICIAL STATEMENT

THE STATE OF TEXAS	§
	§
COUNTY OF BEXAR	§
	§
CITY OF SAN ANTONIO	§

THE UNDERSIGNED HEREBY CERTIFY to the best of our knowledge and belief that:

1. The descriptions and statements of or pertaining to the City of San Antonio, Texas (the *City*) contained in its Official Statement dated July 30, 1992, and any addenda, supplement, or amendment thereto relating to the "CITY OF SAN ANTONIO, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 1992", dated July 15, 1992, in the aggregate principal amount of \$19,390,000 (the *Certificates*), on the date of such Official Statement and on the date of delivery of the Certificates, were and are true and correct in all material respects.

2. Insofar as the City and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

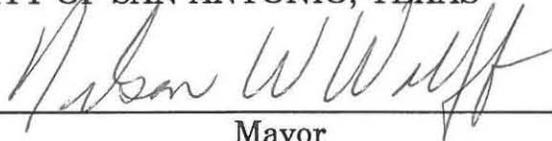
3. Insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the City, and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable, and the City has no reason to believe that they are untrue in any material respect.

4. There has been no material adverse change in the financial condition of the City since September 30, 1991, the date of the last financial statements of the City appearing in the Official Statement.

[The Remainder of this Page Intentionally Left Blank.]

WITNESS OUR HANDS AND THE SEAL OF THE CITY OF SAN ANTONIO,
TEXAS, on this _____.

CITY OF SAN ANTONIO, TEXAS



Mayor

ATTEST:



City Clerk



GENERAL CERTIFICATE

THE STATE OF TEXAS	§
	§
COUNTY OF BEXAR	§
	§
CITY OF SAN ANTONIO	§

THE UNDERSIGNED HEREBY CERTIFY that:

1. The City Council of the City of San Antonio, Texas (the *City*) has authorized the issuance of the "CITY OF SAN ANTONIO, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 1992", dated July 15, 1992, in the aggregate principal amount of \$19,100,000 (the *Certificates*), authorized by an ordinance passed and adopted on the 30th day of July, 1992 (the *Ordinance*).

2. The total principal amount of outstanding indebtedness of the City, payable, in whole or in part, from taxes levied under and pursuant to Article XI, Section 5 of the Texas Constitution, including the Certificates, is as follows:

OUTSTANDING TAX OBLIGATIONS, (excludes the Refunded Obligations)	\$ 668,557,532
THE CERTIFICATES	<u>19,390,000</u>
 TOTAL INDEBTEDNESS	 <u>\$ 687,947,532</u>

A schedule of indebtedness of the City payable, in whole or in part, from taxes is attached hereto as Exhibit A and made a part of this certificate for all purposes.

3. A debt service requirement schedule for the City's outstanding tax indebtedness attached hereto as Exhibit B and made a part of this certificate for all purposes.

4. The City is a duly incorporated home rule city, having more than 5,000 inhabitants, operating and existing under the laws of the State of Texas and the duly incorporated Home Rule Charter of the City, which charter has not been amended since the last issuance of bonds or other obligations of the City, being "City of San Antonio, Texas Airport Lease Special Project Revenue Bonds (Hedrick Beechcraft, Inc. Project) Series 1992".

5. The members of the City Council of the City are as follows:

Nelson W. Wolff	Mayor
William E. Thornton	Mayor Pro Tem
Helen Ayala	Councilmember
Lynda Billa Burke	Councilmember
Weir Labatt	Councilmember
Lyle T. Larson	Councilmember
Roger A. Perez	Councilmember
Frank P. Pierce	Councilmember
Juan F. Solis, III	Councilmember
Yolanda Vera	Councilmember
Frank D. Wing	Councilmember

6. Alexander E. Briseno is the duly appointed, qualified, and acting City Manager of the City.

7. Norma S. Rodriguez is the duly appointed, qualified, and acting City Clerk of the City.

8. Nora W. Chavez is the duly appointed, qualified, and acting Director of Finance of the City.

9. Lloyd Garza is the duly appointed, qualified, and acting City Attorney of the City.

10. The assessed value of all taxable property (net of exemptions) in the City, as shown by the tax rolls for the year 1991, which have been duly approved and are the latest official assessment of taxable property in the City, is as follows:

TOTAL ASSESSED TAXABLE VALUES OF
REAL AND PERSONAL PROPERTY \$22,542,780,133

11. A schedule of the Gross Revenues of the City's municipally-owned parks (as shown by the records of the City) for the last five Fiscal Years is attached as Exhibit C and made a part of this certificate for all purposes.

12. No Pledged Revenues are pledged or encumbered to the payment of any debt or obligation of the City, except in connection with the currently outstanding Limited Pledge Obligations and the Certificates.

13. The City is not in default as to any covenant, condition, or obligation in connection with the currently outstanding Limited Pledge Obligations or the ordinances authorizing their issuance, and each of the special funds or accounts, if any, established by these ordinances contains the amount now required to be on deposit in such fund or account.

14. All of the meetings held by the City Council pursuant to which any proceedings were passed, adopted, and approved in connection with the Certificates were meetings open to the public for which public notice had been given, all as required by law and particularly Texas Revised Civil Statutes Annotated Article 6252-17, as amended.

15. No petition signed by at least 5% of the qualified electors of the City has been filed with the Mayor, the City Clerk, any member of the City Council of the City, or any other officer of the City protesting the issuance of the Certificates or requesting a referendum election on the question of their issuance and sale.

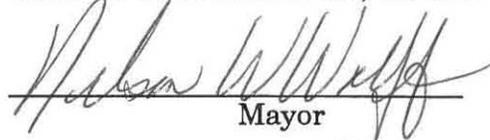
16. The terms *Fiscal Year*, *Gross Revenues*, *Limited Pledge Obligations*, and *Pledged Revenues*, as used in this certificate, have the same meanings as in the Ordinance.

17. Capitalized terms not defined in this Certificate shall have the meanings ascribed to them in the Ordinance.

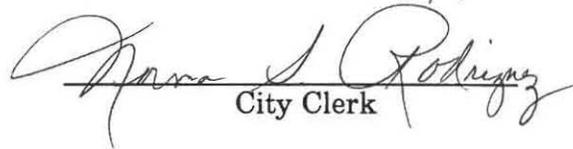
18. This certificate is made for the benefit of the persons involved in this transaction and the Attorney General of The State of Texas in connection with his examination into and the approval of the Certificates.

WITNESS OUR HANDS AND THE SEAL OF THE CITY OF SAN ANTONIO, TEXAS,
this 30th day of July, 1992.

CITY OF SAN ANTONIO, TEXAS



Mayor



City Clerk



EXHIBIT A

CURRENTLY OUTSTANDING INDEBTEDNESS
PAYABLE FROM TAXES

Description

Amount

TOTAL

\$

EXHIBIT B

DEBT SERVICE SCHEDULE

EXHIBIT C

GROSS REVENUES RECEIVED FROM THE
CITY'S MUNICIPALLY-OWNED PARKS

ARTS & CULTURAL AFFAIRS
AVIATION
BUILDING INSPECTIONS
BUILDING INSPECTIONS HOUSE NUMBER
CITY ATTORNEY
MUNICIPAL COURT (HOLLIS YOUNG)
REAL ESTATE (FASSNIDGE)
REAL ESTATE (HUBBARD)
REAL ESTATE (WOOD)
TRIAL SECTION
CITY MANAGER
TRAVIS BISHOP, ASST. TO MGR.
CODE COMPLIANCE
INTERGOVERNMENTAL RELATIONS
CITY PUBLIC SERVICE-GENERAL MGR.
CITY PUBLIC SERVICE-MAPS/RECORDS
CITY WATER BOARD-GENERAL MGR.
COMMERCIAL RECORDER
COMMUNITY DEVELOPMENT (BASEMENT)
COMMUNITY INITIATIVES
CONVENTION & VISITORS BUREAU
CONVENTION FACILITIES
DOME DEVELOPMENT OFFICE
ECONOMIC DEVELOPMENT
FINANCE DIRECTOR
ASSESSOR
CONTROLLER
GRANTS
RISK MANAGEMENT
TREASURY
FIRE DEPARTMENT
HOUSING TRUST
INFORMATION RESOURCES
INTERNATIONAL RELATIONS
LIBRARY
MANAGEMENT SERVICES (BUDGET)
MANAGEMENT SERVICES (PERSONNEL)
MARKET SQUARE
METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORP. (PUBLICATION)
MUNICIPAL COURTS
PARKS & RECREATION
PLANNING
LAND DEVELOPMENT SERVICES
POLICE DEPARTMENT
POLICE DEPT.-GROUND TRANSPORTATION
PUBLIC INFORMATION OFFICE
PUBLIC UTILITIES
PUBLIC WORKS
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
PARKING DIVISION
REAL ESTATE (BILL TOUDOUZE)
SOLID WASTE
TRAFFIC ENGINEERING
PURCHASING & GENERAL SERVICES
WASTEWATER MANAGEMENT

ITEM NO. 31
 DATE: JUL 30 1992

MEETING OF THE CITY COUNCIL

MOTION BY: Billa Burke SECONDED BY: Perez

ORD. NO. 76230 ZONING CASE _____

RESOL. _____ PETITION _____

	ROLL CALL	AYES	NAYS
ROGER PEREZ PLACE 1		✓	
FRANK PIERCE PLACE 2		✓	
LYNDA BILLA BURKE PLACE 3		✓	
FRANK D. WING PLACE 4		✓	
JUAN F. SOLIS III PLACE 5		✓	
HELEN AYALA PLACE 6		ABSENT	
YOLANDA VERA PLACE 7			X
BILL THORNTON PLACE 8		✓	
WEIR LABATT PLACE 9		✓	
LYLE LARSON PLACE 10		✓	
NELSON WOLFF PLACE 11 (MAYOR)		✓	

92-32

ARTS & CULTURAL AFFAIRS
 AVIATION
 BUILDING INSPECTIONS
 BUILDING INSPECTIONS HOUSE NUMBER
 CITY ATTORNEY
 MUNICIPAL COURT (HOLLIS YOUNG)
 REAL ESTATE (FASSNIDGE)
 REAL ESTATE (HUBBARD)
 REAL ESTATE (WOOD)
 TRIAL SECTION
 CITY MANAGER
 TRAVIS BISHOP, ASST. TO MGR.
 CODE COMPLIANCE
 INTERGOVERNMENTAL RELATIONS
 CITY PUBLIC SERVICE-GENERAL MGR.
 CITY PUBLIC SERVICE-MAPS/RECORDS
 CITY WATER BOARD-GENERAL MGR.
 COMMERCIAL RECORDER
 COMMUNITY DEVELOPMENT (P...)
 COMMUNITY INITI...
 CONVEN...
 CONVEN...
 DOME D...
 ECONOMI...
 FINANCE
 AS...
 COM...
 GRA...
 RIS...
 TREA...
 FIRE DEPA...
 HOUSING T...
 INFORMATI...
 INTERNATIO...
 LIBRARY
 MANAGEMENT
 MANAGEMENT
 MARKET SQUA...
 METROPOLITAN HEALTH DISTRICT
 MUNICIPAL CODE CORP. (PUBLICATION)
 MUNICIPAL COURTS
 PARKS & RECREATION
 PLANNING
 LAND DEVELOPMENT SERVICES
 POLICE DEPARTMENT
 POLICE DEPT.-GROUND TRANSPORTATION
 PUBLIC INFORMATION OFFICE
 PUBLIC UTILITIES
 PUBLIC WORKS
 CAPITAL PROJECTS
 CENTRAL MAPPING
 ENGINEERING
 PARKING DIVISION
 REAL ESTATE (BILL TOUDOUZE)
 SOLID WASTE
 TRAFFIC ENGINEERING
 PURCHASING & GENERAL SERVICES
 WASTEWATER MANAGEMENT

ITEM NO. 31
 DATE: JUL 30 1992

MEETING OF THE CITY COUNCIL DATE: _____

MOTION BY: Billa Burke SECONDED BY: Perez

ORD. NO. 76230 ZONING CASE _____

RESOL. _____ PETITION _____

**EMERGENCY
 & VOTES NEEDED**

	ROLL CALL	AYES	NAYS
ROGER PEREZ PLACE 1		✓	
FRANK PIERCE PLACE 2		✓	
NANDA BILLA BURKE PLACE 3		✓	
FRANK D. WING PLACE 4		✓	
F. SOLIS III PLACE 5		✓	
AYALA PLACE 6			ABSENT
YOLANDA VERA PLACE 7			X
BILL THORNTON PLACE 8		✓	
WEIR LABATT PLACE 9		✓	
LYLE LARSON PLACE 10		✓	
NELSON WOLFF PLACE 11 (MAYOR)		✓	

92-32