

ORDINANCE NO. 100558

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF APPROXIMATELY \$60,000,000 "CITY OF SAN ANTONIO, TEXAS MUNICIPAL DRAINAGE UTILITY SYSTEM REVENUE BONDS, SERIES 2005"; PLEDGING THE REVENUES OF THE DRAINAGE UTILITY SYSTEM TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; ENACTING PROVISIONS INCIDENT AND RELATED TO THE ISSUANCE, PAYMENT, SECURITY AND DELIVERY OF SUCH BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A BOND PURCHASE CONTRACT; PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE UPON PASSAGE BY EIGHT AFFIRMATIVE VOTES.**

WHEREAS, pursuant to authority conferred by Subchapter C of Chapter 402 of the Texas Local Government Code, as amended (the *Act*) the City Council (the *City Council*) of the City of San Antonio, Texas (the *City*) held public hearings on the creation of a municipal drainage utility system and adopted Ordinance No. 86711 on September 25, 1997 establishing and declaring the creation of the City of San Antonio Municipal Drainage Utility (the *Municipal Drainage Utility System* or *System*) within the municipal boundaries and unincorporated extraterritorial jurisdiction of the City;

WHEREAS, the initial establishment of the System pursuant to the ordinance adopted by the City on September 25, 1997 has been validated pursuant to the provisions of Section 51.003, as amended, Texas Local Government Code because three years have passed, no lawsuit to annul or invalidate this Ordinance has been filed as of the date hereof, and Section 51.003(b), as amended, Texas Local Government Code is not applicable; and

WHEREAS, the City has previously issued its "CITY OF SAN ANTONIO, TEXAS MUNICIPAL DRAINAGE UTILITY SYSTEM REVENUE BONDS, SERIES 2003" in the aggregate principal amount of \$44,150,000 (the *Series 2003 Bonds*); and

WHEREAS, the City Council of the City has determined that revenue bonds (the *Bonds*) payable from and equally and ratably secured solely by a first and prior lien on and pledge of the Revenues (hereinafter defined) of the City's System should be issued for the purposes disclosed in Section 1 hereof; and

WHEREAS, the City is empowered by the provisions of the Act and the City's Home Rule Charter to issue the Bonds; and

WHEREAS, the City Council hereby finds and determines that all of the Bonds should be issued and sold at this time; now, therefore,

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

SECTION 1: Authorization - Designation - Principal Amount - Purpose. Revenue bonds of the City shall be and are hereby authorized to be issued in the aggregate principal amount of \$61,060,000 to be designated and bear the title "CITY OF SAN ANTONIO, TEXAS MUNICIPAL DRAINAGE UTILITY SYSTEM REVENUE BONDS, SERIES 2005" (hereinafter referred to as the *Bonds*), to finance the costs of drainage improvements, including the acquisition, construction and repair of structures, equipment and facilities for the System, in conformity with the Constitution and laws of the State of Texas, including Section 402.051, Texas Local Government Code, as amended.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates - Date. The Bonds shall be issued in fully registered form only; shall be dated April 1, 2005 (the *Bond Date*); shall be in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity); and shall become due and payable on February 1 in each of the years and in principal amounts (the *Stated Maturities*) and bear interest on the unpaid principal amounts from the Bond Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, at the per annum rates, while Outstanding (hereafter defined) in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2006	1,310,000	3.500
2007	1,355,000	3.500
2008	1,405,000	3.500
2009	1,455,000	4.000
2010	1,515,000	4.000
2011	1,580,000	4.000
2012	1,655,000	5.250
2013	1,740,000	5.250
2014	1,835,000	5.250
2015	1,935,000	5.250
2016	2,040,000	5.250
2017	2,150,000	5.250
2018	2,265,000	5.250
2019	2,385,000	5.250
2020	2,515,000	5.250
2021	2,650,000	5.250
2022	2,795,000	5.250
2023	2,945,000	5.250
2024	3,105,000	5.250
2025	3,270,000	5.250
2026	3,450,000	5.250
2027	3,635,000	5.250

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2030	12,070,000	5.000

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

The Bonds shall bear interest on the unpaid principal amount thereof at the per annum rates established in Section 2, computed on the basis of a 360-day year of twelve 30-day months, and interest thereon shall be payable on February 1 and August 1 of each year (the *Interest Payment Date*) commencing August 1, 2005, while the Bonds are Outstanding.

The selection and appointment of The Bank of New York Trust Company, N.A., Jacksonville, Florida to serve as the initial Paying Agent/Registrar (the *Paying Agent/Registrar*) for the Bonds is hereby approved and confirmed, and the City agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment, and transfer of the Bonds, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached hereto in substantially final form as Exhibit A, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The City covenants to maintain and provide a Paying Agent/Registrar at all times while the Bonds 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 shall be 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 Bonds by United States mail, first-class postage prepaid, which notice shall also give the address of the corporate office of the successor Paying Agent/Registrar.

Principal of, premium, if any, and interest on the Bonds, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable only to the registered owner of the Bonds (the *Holder* or *Holder*s) appearing on the Security Register maintained on behalf of the City by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (hereinafter defined) for purposes of paying interest thereon, (ii) on the date of surrender of the Bonds for purposes of receiving payment of principal thereof upon redemption of the Bonds or at the Bonds' Stated Maturity, and (iii) on any date for any other purpose. The City and the Paying

Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Bond 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 Bonds shall be payable only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its corporate trust office. Interest on the Bonds 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 Bonds (the *Record Date*) and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register, or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

If the date for the payment of the principal of, premium, if any, or interest on the Bonds shall be a Saturday, 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 Bonds 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 Bonds stated to mature on February 1, 2030 are referred to herein as the "Term Bonds". The Term Bonds are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Bond 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 February 1 in each of the years as set forth below:

Term Bonds  
Stated to Mature  
on February 1, 2030

<u>Year</u>	<u>Principal Amount (\$)</u>
2028	3,825,000
2029	4,020,000
2030	4,225,000*

\*Payable at Stated Maturity

The principal amount of a Term Bond 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 Bonds 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 canceled by the Paying Agent/Registrar at the request of the City with money in the Bond 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.

B. Optional Redemption. The Bonds having Stated Maturities on and after February 1, 2016 shall be subject to redemption prior to Stated Maturity, at the option of the City, on February 1, 2015, or on any date thereafter, as a 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 date of redemption.

C. Exercise of Redemption Option. At least forty-five (45) days prior to a date for the redemption of Bonds (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 Bonds, 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 Bonds shall be entered in the minutes of the governing body of the City.

D. Selection of Bonds for Redemption. If less than all Outstanding Bonds 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 Bonds to be redeemed, provided that if less than the entire principal amount of a Bond is to be redeemed, the Paying Agent/Registrar shall treat such Bond then subject to redemption as representing the number of Bonds outstanding which is obtained by dividing the principal amount of such Bond by \$5,000.

E. Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall 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 Bond to be redeemed in whole or in part at the address of the Holder appearing on

the Security Register at the close of business on the business day next preceding the date of mailing such notice, 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 Bonds, (ii) identify the Bonds 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 Bonds, 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 Bonds, or the principal amount thereof to be redeemed, shall be made at the 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 circulation 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 Bond is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Bond (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 Bonds (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 Bonds (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Bonds shall not be deemed to be Outstanding hereunder.

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

SECTION 5: Execution - Registration. The Bonds shall be executed on behalf of the City by its Mayor under the seal of the City reproduced or impressed thereon and attested by its City Clerk (or Acting City Clerk as appropriate). The signature of either officer on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who were, at the time of the Bond 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 Bonds to the Purchasers (hereinafter defined), all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond 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 Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified or registered and delivered.

**SECTION 6: Registration - Transfer - Exchange of Bonds - Predecessor Bonds.** A Security Register relating to the registration, payment, transfer, or exchange of the Bonds shall at all times be kept and maintained by the City at the corporate trust office of the Paying Agent/Registrar, and the Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each Holder, or, if appropriate, the nominee thereof, of the Bonds issued under and pursuant to the provisions of this Ordinance. Any Bond may, in accordance with its terms and the terms hereof, be transferred or exchanged for Bonds of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond 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 Bond at the corporate trust office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds executed on behalf of, and furnished by, the City of authorized denominations and having the same Stated Maturity and of a like interest rate and aggregate principal amount as the Bond or Bonds surrendered for transfer.

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

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

All transfers or exchanges of Bonds 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.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds", evidencing all or a portion, as the case may be, of the same obligation evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Bonds shall include any Bond registered

and delivered pursuant to Section 21 in lieu of a mutilated, lost, destroyed, or stolen Bond which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

SECTION 7: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a fully registered bond in the total principal amount of \$61,060,000 with principal installments to become due and payable as provided in Section 2 hereof and numbered I-1, or (ii) as one (1) fully registered Bond for each year of Stated Maturity in the applicable principal amount, interest rate, and denomination and to be numbered consecutively from R-1 and upward (hereinafter called the *Initial Bond(s)*) and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bonds 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 Bond(s) to the initial purchaser(s), the Paying Agent/Registrar, upon written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds 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 Bonds, 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 Bonds, 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 insurance legends in the event the Bonds are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistent herewith, be established by the City or determined by the officers executing the Bonds as evidenced by their execution thereof. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

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

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B. Form of Definitive Bond.

REGISTERED  
NO. \_\_\_\_\_

REGISTERED PRINCIPAL  
AMOUNT  
\$ \_\_\_\_\_

United States of America  
State of Texas  
County of Bexar  
CITY OF SAN ANTONIO, TEXAS  
MUNICIPAL DRAINAGE UTILITY SYSTEM  
REVENUE BOND,  
SERIES 2005

Bond Date:                      Interest Rate:                      Stated Maturity:                      CUSIP No.  
  
April 1, 2005

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of San Antonio, Texas (hereinafter referred to as the *City*), a body corporate and municipal corporation in Bexar County, State of Texas, for value received hereby promises to pay to the order of the Registered Owner named above (the *Holder*), or the registered assigns thereof, solely from the revenues hereinafter identified, on the Stated Maturity date specified above the Principal Amount stated above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof (computed on the basis of a 360-day year of twelve 30-day months) from the Bond Date specified above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, at the per annum rate of interest specified above; such interest being payable on February 1 and August 1 of each year (the *Interest Payment Date*), commencing August 1, 2005.

Principal and premium, if any, of this Bond is payable at its Stated Maturity or redemption to the registered owner hereof, upon its presentation and surrender at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest shall be payable to the Holder of this Bond (or one or more Predecessor Bonds, 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 the Interest Payment Date and interest shall be paid by the Paying Agent/ Registrar by check sent United States mail, first class postage prepaid, to the address of the registered owner recorded 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 registered owner. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and 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.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$61,060,000 (herein referred to as the *Bonds*) to finance the costs of drainage improvements, including the acquisition, construction and repair of structures, equipment and facilities for the City's Municipal Drainage Utility System, under and in strict conformity with the Constitution and laws of the State of Texas, including Section 402.051, as amended, Texas Local Government Code, and pursuant to an Ordinance adopted by the governing body of the City (herein referred to as the *Ordinance*).

The Bonds stated to mature on February 1, 2030 are referred to herein as the "Term Bonds". The Term Bonds are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Bond 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 February 1 in each of the years as set forth below:

Term Bonds  
Stated to Mature  
on February 1, 2030

<u>Year</u>	<u>Principal Amount (\$)</u>
2028	3,825,000
2029	4,020,000
2030	4,225,000*

\*Payable at Stated Maturity

The principal amount of a Term Bond 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 Bonds 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 canceled by the Paying Agent/Registrar at the request of the City with money in the Bond 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.

The Bonds stated to mature on and after February 1, 2016 may be redeemed prior to their Stated Maturities, at the option of the City, on February 1, 2015, 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, together with accrued interest to the date of redemption, and upon thirty (30) days

prior written notice being given by United States mail, first-class postage prepaid, to Holders of the Bonds to be redeemed, and subject to the terms and provisions relating thereto contained in the Ordinance. If this Bond is subject to redemption prior to stated maturity and 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 Bond to the Paying Agent/Registrar at its corporate trust office, a new Bond or Bonds 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 Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption has been duly given, then upon such redemption date this Bond (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 Bond 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 Bond 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 Bonds, together with the Bonds Similarly Secured, are special obligations of the City payable solely from and equally and ratably secured by a first lien on and pledge of the Revenues (as defined in the Ordinance) of the City's Municipal Drainage Utility System (as defined in the Ordinance and hereinafter referred to as the *System*). The Bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any property of the City or the System, except with respect to the Revenues. The Holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

Subject to satisfying the terms and conditions prescribed therefor, the City has reserved the right to issue additional revenue obligations payable from and equally and ratably secured by a parity lien on and pledge of the Revenues of the System, in the same manner and to the same extent as the Bonds.

Reference is hereby made to the Ordinance, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by the acceptance hereof hereby assents, for definitions of terms; a description of and the nature and extent of the security for the Bonds, including the Revenues pledged to the payment of the Bonds and the lien and pledge securing the payment of the Bonds; conditions for the issuance of additional revenue obligations; rights and conditions relating to transferability or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; provisions relating to the defeasance and discharge of the liens, pledges, charges and covenants contained in the Ordinance at or prior to the maturity or redemption of this Bond; and for other terms and provisions contained therein. Capitalized terms used herein have the same meanings assigned in the Ordinance.

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

The City and the Paying Agent/Registrar, and any agent of either, may treat the registered owner hereof whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to 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 for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of 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 (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and covenanted that the City is a duly organized and legally existing municipal corporation under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid special obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by a pledge of and lien on the Revenues of the System as aforesated. In case any provision in this Bond or any application thereof shall be 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 Bond 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 Bond to be duly executed under the official seal of the City.

CITY OF SAN ANTONIO, TEXAS



\_\_\_\_\_  
Mayor

ATTESTED:



\_\_\_\_\_  
City Clerk

(SEAL)

# Agenda Voting Results

**Name:** 4. 1:30 P.M. Ordinance - Texas Municipal Drainage Utility System Bonds

**Date:** 03/24/05

**Time:** 01:50:02 PM

**Vote Type:** Multiple selection

**Description:** 1:30 P.M. - Consideration of an Ordinance authorizing the issuance of approximately \$60,000,000.00 "City of San Antonio, Texas Municipal Drainage Utility System Bonds, Series 2005"; pledging the revenues of the Drainage Utility System to the payment of the principal of and interest on such bonds; enacting provisions incident and related to the issuance, payment, security and delivery of such bonds, including the approval and distribution of an official statement; authorizing the execution of a paying agent/registrars agreement and a bond purchase contract; providing for an immediate effective date upon passage by eight affirmative votes. [Presented by Milo D. Nitschke, Director, Finance; Melissa Byrne Vossmer, Assistant City Manager]

Voter	Group	Status	Yes	No	Abstain
ROGER O. FLORES	DISTRICT 1	Not present			
JOEL WILLIAMS	DISTRICT 2		x		
RON H. SEGOVIA	DISTRICT 3		x		
RICHARD PEREZ	DISTRICT 4		x		
PATTI RADLE	DISTRICT 5		x		
ENRIQUE M. BARRERA	DISTRICT 6		x		
JULIAN CASTRO	DISTRICT 7		x		
ART A. HALL	DISTRICT 8		x		
CARROLL SCHUBERT	DISTRICT 9		x		
CHIP HAASS	DISTRICT_10		x		
MAYOR ED GARZA	MAYOR		x		