

AN ORDINANCE AUTHORIZING CERTAIN ACTIONS RELATING TO OUTSTANDING OBLIGATIONS DESIGNATED AS CITY OF SAN ANTONIO, TEXAS WATER SYSTEM SUBORDINATE LIEN REVENUE AND REFUNDING BONDS, SERIES 2003-A AND 2003-B; ENACTING OTHER PROVISIONS INCIDENT AND RELATED TO THE SUBJECT AND PURPOSE OF THIS ORDINANCE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of San Antonio, Texas (the *City*) is a home rule municipality, a political subdivision of, and is duly organized and existing pursuant to the Constitution and laws of the State of Texas (the *State*);

WHEREAS, pursuant to State law, the City Council (the *City Council*) of the City has heretofore issued, and there are currently outstanding, revenue bonds designated as “City of San Antonio, Texas Water System Subordinate Lien Revenue and Refunding Bonds, Series 2003-A and 2003-B” (herein referred to as the *Series 2003 Bonds*); and

WHEREAS, the Series 2003 Bonds bear interest at rates determined weekly in accordance with current market conditions, and, in order to provide certain liquidity support for the Series 2003 Bonds, the City previously entered into a standby bond purchase agreement, as amended (the *Standby Bond Purchase Agreement*) with JPMorgan Chase Bank (the *Liquidity Bank*) in connection with the issuance of the Series 2003 Bonds; and

WHEREAS, the authorized representatives of the San Antonio Water System (the *System*) have provided written notice for an amendment to the Standby Bond Purchase Agreement; and

WHEREAS, the City Council may authorize an amendment to the terms of, and any necessary modifications to, the Standby Bond Purchase Agreement pursuant to the ordinance authorizing the Series 2003 Bonds (the *2003 Ordinance*); and

WHEREAS, the 2003 Ordinance authorizing the issuance of the Series 2003 Bonds provides that the Series 2003 Bonds bear interest at variable rates and the authorized representatives of the System, in consultation with its co-financial advisors and co-bond counsel, have made the determination to update the City and System disclosure information contained in the offering document previously approved by the City Council in connection with the issuance of the Series 2003 Bonds; and

WHEREAS, the authorized representatives of the System have requested that the City Council approve the updated offering document; and

WHEREAS, the City Council may authorize the updated offering document pursuant to the ordinance authorizing the issuance of the Series 2003 Bonds; and

WHEREAS, the City Council hereby finds and determines the adoption of this ordinance is in the best interests of the citizens of the City Council; NOW, THEREFORE,

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

SECTION 1. Authorization of an Amendment to the Standby Bond Purchase Agreement for the Series 2003 Bonds. An amendment to the Standby Bond Purchase Agreement, originally entered into with JPMorgan Chase Bank as the Liquidity Bank and U.S Bank National Association (as the successor to Wachovia Bank, National Association) as the Paying Agent/Registrar, for the Series 2003 Bonds, is hereby authorized to be executed. Any Designated Financial Officer is hereby authorized and directed to execute the necessary documents for this amendment to the Standby Bond Purchase Agreement in substantially the form set forth in Exhibit A hereto.

SECTION 2: Authorization of Offering Document for the Series 2003 Bonds. The City Council hereby approves the updated offering document with respect to the Series 2003 Bonds substantially in the form attached hereto as Exhibit B.

SECTION 3: 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 ordained herein.

SECTION 4: 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 5: 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 6: Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals and other statements therein 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.

SECTION 7: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 8: Further Proceedings. The officers and employees of the City are hereby authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and, upon execution and delivery thereof, the amendments and extensions to the standby bond purchase agreements. In case any officer of the City whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature

shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 9. Effective Date. The effective date of this Ordinance shall be governed by the provisions of Section 1-15 of the City Code of San Antonio, Texas. This Ordinance shall take effect immediately if passed by the affirmative vote of at least eight members of the City Council, otherwise the same shall take effect on the tenth day after the date of its passage by the City Council.

[The remainder of this page intentionally left blank]

PASSED AND ADOPTED by an affirmative vote of _____ members of the City Council of the City of San Antonio, Texas, this the 6th day of March, 2008.

CITY OF SAN ANTONIO

Mayor

ATTEST:

City Clerk

(CITY SEAL)

I, the undersigned, City Attorney of the City of San Antonio, Texas, hereby certify that I read, passed upon, and approved as to form the foregoing Ordinance prior to its adoption and passage as aforesaid.

Michael D. Bernard, City Attorney,
City of San Antonio, Texas

EXHIBIT A
AMENDMENT TO
STANDBY BOND PURCHASE AGREEMENT

EXHIBIT B
UPDATED OFFERING DOCUMENT