$350,000
City of Helotes, Texas
General Obligation Bonds
Series 1993

FULBRIGHT & JAWORSKI

300 CONVENT STREET, SUITE 2200
SAN ANTONIO, TEXAS 78205

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WRITER'S DIRECT DIAL NUMBER:
512/270-7131

June 18, 1993

Re: City of Helotes, Texas General Obligation Bonds, Series 1993

Mr. L.J. Cott
City Administrator
City of Helotes, Texas
13438 Bandera Road
Helotes, Texas 78023

Dear Mr. Cott:

I enclose your copy of the Transcript of Proceedings relating to the captioned financing.

If I can be of any further assistance concerning this matter, please do not hesitate to contact me.

Very truly yours,

W. Jeffrey Kuhn

WJK/gls
Enclosure

cc: Michael L. Spain (Firm)

0064841

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City of Helotes, Texas
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CERTIFICATE OF CITY SECRETARY

THE STATE OF TEXAS	§
	§
COUNTY OF BEXAR	§
	§
CITY OF HELOTES	§

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 3rd day of December, 1992, the City Council (the *Council*) of the City of Helotes, Texas (the *City*) convened in regular session at its regular meeting place in the City Hall of the City (the *Meeting*), the duly constituted members of the Council being as follows:

Vivian Hultz	Mayor
Verna Thompson	Mayor Pro Tem, Place 5
Robert Prats	Councilmember, Place 3
Tom Hopper	Councilmember, Place 4
Joe Herrera	Councilmember, Place 1
Marilyn Page	Councilmember, Place 2

and all of such persons were present at the Meeting, except the following: _____ Tom Hopper_____, thus constituting a quorum. Among other business considered at the Meeting, the attached ordinance (the *Ordinance*) entitled:

> AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF HELOTES, TEXAS AUTHORIZING THE ISSUANCE OF $350,000 "CITY OF HELOTES, TEXAS GENERAL OBLIGATION BONDS, SERIES 1993"; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF THE BONDS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF THE BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT; AND PROVIDING FOR AN EFFECTIVE DATE

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 Prats_____ that the Ordinance be finally passed and adopted. The motion was seconded by Councilmember Herrera_____ and carried by the following vote:

All voted "For" 0 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 3rd day of December, 1992.

City Secretary,
City of Helotes, Texas

(SEAL)

0037147

FINAL

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF HELOTES, TEXAS AUTHORIZING THE ISSUANCE OF $350,000 "CITY OF HELOTES, TEXAS GENERAL OBLIGATION BONDS, SERIES 1993"; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF THE BONDS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF THE BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City Council of the City of Helotes, Texas (the *City*) hereby finds and determines that general obligation bonds of the City in the total principal amount of $350,000 should be issued and sold at this time, being all of the general obligation bonds approved and authorized to be issued at an election held on September 19, 1992 in the City, the respective authorized purposes and amounts authorized to be issued therefor, amounts previously issued, amounts being issued pursuant to this ordinance, and amounts remaining to be issued from such voted authorization subsequent to the date hereof being as follows:

Purpose	Amounts Authorized	Amounts Previously Issued	Amounts Sold this Sale	Unissued Bonds
Municipal Complex	$350,000	$0	$350,000	$-0-

; and

WHEREAS, the City Council hereby finds and determines that the issuance of the general obligation bonds is in the best interests of the citizens of the City, now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HELOTES, TEXAS THAT:

SECTION 1: Authorization - Designation - Principal Amount - Purpose. General obligation bonds of the City shall be and are hereby authorized to be issued in the aggregate principal amount of $350,000 (THREE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS), to be designated and bear the title "City of Helotes, Texas

General Obligation Bonds, Series 1993" (the *Bonds*), for the purpose of making permanent public improvements within the City limits, including, building, constructing, improving, or renovating a public building or buildings for municipal purposes that will be utilized as a municipal complex, in conformity with the laws of the State of Texas, particularly Texas Revised Civil Statutes Annotated Article 823, as amended, an election held in the City on September 19, 1992, and pursuant to the provisions of a bond ordinance (the *Ordinance*) adopted on December 3, 1992 by the City Council.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates - Date. The Bonds are issuable in fully registered form only; shall be dated January 1, 1993 (the *Bond Date*) and shall be in denominations of $5,000 or any integral multiple thereof (within a Stated Maturity); and the Bonds 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 per annum rates, while Outstanding, in accordance with the following schedule:

Year of Stated Maturity	Principal Amount ($)	Interest Rate (%)
1994	10,000	7.50
1995	15,000	7.50
1996	15,000	7.50
1997	15,000	7.50
1998	15,000	7.50
1999	20,000	7.00
2000	20,000	5.50
2001	20,000	5.50
2002	20,000	5.75
2003	25,000	6.00
2004	25,000	6.00
2005	25,000	6.20
2006	30,000	6.25
2007	30,000	6.40
2008	30,000	6.50
2009	35,000	6.50

SECTION 3: Payment of Bonds - Paying Agent/Registrar. The principal of, premium, if any, and 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.

The Bonds shall bear interest at the per annum rates established in Section 2, and interest thereon shall be payable on February 1 and August 1 of each year (the *Interest Payment Date*) commencing August 1, 1993.

The selection and appointment of New First City, Texas--Austin, N.A., Austin, Texas 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 principal 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 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 order terminating such agency. Additionally, the City agrees to promptly cause a written notice of this substitution to be sent to each Holder by United States Mail, first-class postage prepaid, which notice shall also give the address of the principal corporate office of the successor Paying Agent/Registrar.

Both 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 *Holders*) appearing on the Security Register (i) on the Record Date (hereinafter defined) for purposes of paying interest thereon, and (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. 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 principal 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 the 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. Optional Redemption. The Bonds having Stated Maturities on and after February 1, 2004 shall be subject to redemption prior to Stated Maturity, at the option of the City, on February 1, 2003, or on any Interest Payment 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 at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption.

B. Exercise of Redemption Option. At least forty-five (45) days prior to a date set 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.

C. 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.

D. 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, 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 principal corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. 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 in accordance with the provisions of this Ordinance.

E. 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: 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 principal 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 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 principal 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 principal 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 principal corporate trust office of the Paying Agent/Registrar, or 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 debt, and entitled to the same benefits under this Ordinance, as the Bonds surrendered in 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 debt 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 15 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 6: Execution - Registration. The Bonds shall be executed on behalf of the City by the Mayor, or Mayor Pro Tem, under its seal reproduced or impressed thereon, and attested by the City Secretary. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Bond Date shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in the Bond Procedures Act of 1981, Texas Revised Civil Statutes Annotated Article 717k-6, as amended.

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 7: Initial Bond(s). The Bonds herein authorized shall be issued initially either (i) as a fully registered bond in the total principal amount of $350,000 with principal installments to become due and payable as provided in Section 2 and numbered T-1, or (ii) as one (1) fully registered Bond for each year of Stated Maturity in the applicable principal amount, interest rate, and denomination and to be numbered consecutively from T-1 and upward (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 and certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas. At any time after the delivery of the Initial Bond(s) to the initial purchaser(s), the Paying Agent/Registrar, upon written instructions from the purchaser(s), or his or their designee, 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 and at the addresses identified therefor; all in accordance with and pursuant to such written instructions from the initial purchaser(s), or his or their designee, 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 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 Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive 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.

B. Form of Bond.

REGISTERED
NO. _____

REGISTERED
$_____

United States of America
State of Texas
County of Bexar
CITY OF HELOTES, TEXAS
GENERAL OBLIGATION BOND,
SERIES 1993

Interest Rate:	Bond Date:	Stated Maturity:	CUSIP NO:
_____	January 1, 1993	_____	_____

REGISTERED OWNER: . . . . . .

PRINCIPAL AMOUNT: . . . . . DOLLARS

The City of Helotes, 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 named above (the

Holder), or the registered assigns thereof, 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 specified above; such interest being payable on February 1 and August 1 of each year (the *Interest Payment Date*) commencing August 1, 1993.

Principal and premium, if any, of this Bond shall be payable to the Holder hereof, upon presentation and surrender, at the principal 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. All payments of principal of, premium, if any, and interest on this Bond 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 the Holder hereof at the Holder's risk and expense.

This Bond is one of the series specified in its title issued in the aggregate principal amount of $350,000 (the *Bonds*) pursuant to the authority conferred at an election held within the City on September 19, 1992 and by an ordinance adopted by the governing body of the City (the *Ordinance*), for the purpose of making permanent public improvements within the City limits, including, building, constructing, improving, or renovating a public building or buildings for municipal purposes that will be utilized as a municipal complex, in conformity with the laws of the State of Texas, particularly Texas Revised Civil Statutes Annotated Article 823, as amended.

The Bonds stated to mature on and after February 1, 2004 may be redeemed prior to their Stated Maturities, at the option of the City, on February 1, 2003, or on any Interest Payment Date thereafter, in whole or in part in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity 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 of 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 principal 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 are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property within the City.

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 for the payment of the Bonds; the terms and conditions relating to the transfer 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; the terms and provisions upon which this Bond may be discharged at or prior to its Stated Maturity or redemption and deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the same meanings assigned in the Ordinance.

As provided in the Ordinance and subject to certain limitations contained therein, this Bond is transferable on the Security Register of the City, upon surrender of this Bond for transfer 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 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 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 Bond 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 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 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, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Bond 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 the issuance of this Bond does not exceed any constitutional or statutory limitation. 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 its official seal.

CITY OF HELOTES, TEXAS

_____

Mayor

ATTEST:

_____

City Secretary

(CITY SEAL)

0037161

C. * Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Bond only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

I HEREBY CERTIFY that this Bond 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. Do not print on definitive bonds.

D. * Form of Certificate of Paying Agent/Registrar to Appear on Definitive Bonds only.

This Bond has been duly issued under the provisions of the within-mentioned Ordinance; the bond or bonds 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.

NEW FIRST CITY, TEXAS--AUSTIN, N.A.,
Austin, Texas,
as Paying Agent/Registrar

Registered this date:

By _____
Authorized Officer

_____

* NOTE TO PRINTER: Do not print on the Initial Bond.

0037161

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 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints . . . . . .
. . . . . .
attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: ..... NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

Signature guaranteed:

.....

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

(i) immediately under the name of the bond the headings "Interest Rate _____" and "Stated Maturity ____" shall both be completed "as shown below";

(ii) the first two paragraphs shall read as follows:

The City of Helotes, 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 named above (the *Holder*), or the registered assigns thereof, on the first day of February in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

YEARS OF STATED MATURITY	PRINCIPAL AMOUNTS ($)	INTEREST RATES (%)

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

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(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 Bond Date 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 (the *Interest Payment Date*) commencing August 1, 1993.

Principal of this Bond shall be payable to the Holder hereof, upon presentation and surrender, at the principal corporate trust office of New First City, Texas--Austin, N.A., Austin, Texas (the *Paying Agent/Registrar*). Interest shall be payable to the Holder of this Bond 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. All payments of principal of, premium, if any, and interest on this Bond 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 the Holder hereof at the Holder's risk and expense.

G. Insurance Legend. If bond insurance is obtained by the City or the Purchaser (hereinafter defined), the Definitive Bonds and the Initial Bond(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, certain terms used in Section 16 of this Ordinance have the meanings assigned to them such Section, 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.

Bonds shall mean the "City of Helotes, Texas General Obligation Bonds, Series 1993", dated January 1, 1993, authorized by this Ordinance.

City shall mean the City of Helotes, located in the County of Bexar, Texas.

Closing Date shall mean the date of physical delivery of the Initial Bonds in exchange for the payment in full by the Purchaser thereof.

Depository shall mean an official depository bank of the City.

Government Securities shall mean direct obligations of the United States of America, including obligations the payment of principal of and interest on which is unconditionally guaranteed by the United States of America, and United States Treasury obligations such as its State and Local Government Series in book-entry form.

Holder or *Holders* shall mean the registered owner, whose name appears in the Security Register, for any Bond.

Interest Payment Date shall mean the date semi-annual interest is payable on the Bonds, being February 1 and August 1 of each year, commencing August 1, 1993 while any of the Bonds remain outstanding.

Ordinance shall mean the ordinance adopted by the City Council on December 3, 1992 authorizing the issuance of the bonds.

Outstanding shall mean, as of the date of determination, all Bonds issued and delivered under this Ordinance, except:

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

(2) those Bonds for which payment has been duly provided by the City in accordance with the provisions of Section 17 of this Ordinance by the irrevocable deposit with the Paying Agent/ Registrar, or an authorized escrow agent, of money or Government Securities, or both, in the amount necessary to fully pay the principal of, premium, if any, and interest thereon to Stated Maturity or redemption, as the case may be, provided that, if such Bonds are to be redeemed, notice of redemption thereof shall have been duly given pursuant to this Ordinance or irrevocably provided to be given to the satisfaction of the Paying Agent/Registrar, or waived; and

(3) those Bonds that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 15 of this Ordinance.

Purchaser shall mean the initial purchaser of the Bonds named in Section 19 of this Ordinance.

Stated Maturity shall mean the annual principal payments of the Bonds payable on February 1 of each year the Bonds are Outstanding as set forth in Section 2 of this Ordinance.

SECTION 10: Bond Fund; Investments. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the

Bonds, there shall be and is hereby created a special Fund to be designated "GENERAL OBLIGATION BONDS, SERIES 1993, INTEREST AND SINKING FUND" (the *Bond Fund*), which Fund shall be kept and maintained at the City's Depository, and money deposited in such Fund shall be used for no other purpose and shall be maintained as provided in Section 16. Authorized officials of the City are hereby authorized and directed to make withdrawals from the Bond Fund sufficient to pay the principal of and interest on the Bonds as the same become due and payable and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Bond Fund an amount sufficient to pay the amount of principal and/or interest stated to mature on the Bonds, 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 Bonds.

Pending the transfer of funds to the Paying Agent/Registrar, money in any Fund established by 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, 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 the any Fund will be available at the proper time or times. All interest and income derived from deposits and investments in any Fund 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 Bonds.

SECTION 11: Levy of Taxes; Excess Bond Proceeds. To provide for the payment of the debt service requirements on the Bonds being (i) the interest on the Bonds, 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 Bonds 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 Bond 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.

Accrued interest and premium, if any, received from the Purchaser of the Bonds shall be deposited to the Bond Fund and ad valorem taxes levied and collected shall be deposited to the Bond Fund. In addition, any surplus proceeds from the sale of the Bonds, including investment income thereon, not expended for authorized purposes shall be deposited in the Bond Fund, and such amounts so deposited shall reduce the sum otherwise required to be deposited in the Bond Fund from ad valorem taxes.

SECTION 12: Security for 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 the State 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 13: 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 sent by United States Mail, first-class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

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 Bonds or 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 14: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all

Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the City.

SECTION 15: Mutilated - Destroyed - Lost and Stolen Bonds. If (i) any mutilated Bond 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 Bond, and (ii) 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 Bond has been acquired by a bona fide purchaser, the City shall execute and, upon the City's request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond 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 Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond.

Upon the issuance of any new Bond, 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 and charges (including attorney's fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost, or stolen Bond 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 Bonds.

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 Bonds.

SECTION 16: Covenants to Maintain Tax-Exempt Status.

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

"*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 Bonds 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 Bonds or such other issue, and any other amounts used to pay debt service on the Bonds 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 Bonds to the public, at or below which a substantial amount of each Stated Maturity of the Bonds 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 Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"*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 Bonds. 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 Bonds 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 Bond 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 Bond, 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 Bonds,

(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.

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 Bonds, 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 Bonds.

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 Bonds 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 or except to the extent the City complies with Subsection J. of this Section:

(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 Bond is discharged. The City may, however, to the extent permitted by law, commingle Gross Proceeds of the Bonds 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 Rebatable Arbitrage. The City shall maintain such calculations with the official transcript of the proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds 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 Bond 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 Bonds

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 Bonds not been relevant to either party.

J. No Rebate Required. The City need not comply with the covenants and duties imposed by the provisions of Subsection H. of this Section if

(1) the City is a governmental unit with general taxing powers;

(2) 95% of the Net Proceeds of the Bonds and all income from the investment thereof will be used for the governmental activities of the City;

(3) the aggregate face amount of all debt obligations issued or expected to be issued by the City or any subordinate entity in the calendar year in which the Bonds are issued (including the Bonds but excluding obligations to be redeemed with proceeds of the Bonds within 90 days after the date on which the Bonds are to be issued) is not reasonably expected to exceed $5,000,000; and

(4) the City otherwise satisfies the requirements of paragraph (4)(c) of section 148(f) of the Code and the regulations and rulings thereunder.

K. Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, or City Attorney, 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 Bonds. Such elections shall be deemed to be made on the Closing Date.

L. Qualified Tax-Exempt Obligations. The City hereby designates the Bonds as *qualified tax-exempt obligations* for purposes of section 265(b) of the Code.

SECTION 17: 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 Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds, 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 Bonds or the principal amount(s) thereof at Stated Maturity or to the redemption date therefor, 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 Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date 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 Bonds to be treated as arbitrage bonds within the meaning of section 148 of the Code (as defined in Section 16).

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 Bonds, 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 Bonds and remaining unclaimed for a period of four (4) years after the Stated Maturity, or applicable redemption date, of the Bonds 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 18: Ordinance a Contract - Amendments - Outstanding Bonds. The City acknowledges that the covenants and obligations of the City herein contained are a material inducement to the purchase of the Bonds. This Ordinance shall constitute a contract with the Holders from time to time, shall be binding on the City, and shall not be amended or repealed by the City so long as any Bond 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 Bonds 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 Bonds, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price

therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition, or rescission.

SECTION 19: Sale of the Bonds; Use of Bond Proceeds. The sale of the Bonds to Rauscher Pierce Refsnes, Inc. (the *Purchaser* and having all the rights, benefits, and obligations of a Holder) at the price of par, plus a premium of $58.40, plus accrued interest to the date of delivery, is hereby confirmed. Delivery of the Bonds to the Purchaser shall occur as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of sale.

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

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

(2) The balance of the proceeds derived from the sale of the Bonds (after paying costs of issuance) shall be deposited into the special construction account or accounts created for the projects to be constructed with the bond proceeds. This special construction account shall be established and maintained at the City's Depository and shall be invested in accordance with the provisions of Section 10 of this Ordinance. Interest earned on the proceeds of the Bonds 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 amounts shall be expended in accordance with Section 11.

SECTION 20: Control and Custody of Bonds. 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 including the printing and supply of definitive Bonds and shall take and have charge and control of the Initial Bond(s) pending its approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchaser.

Furthermore, the Mayor, Mayor Pro Tem, City Attorney, or City Manager, 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 Bonds, the approval of the Attorney General, and their registration by the Comptroller of Public Accounts and, together with the City's financial advisor, bond counsel, and the Paying Agent/Registrar, to make the necessary arrangements for the delivery of the Initial Bond to the Purchaser and the initial exchange thereof for definitive Bonds.

SECTION 21: 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 Bond 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 Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the City Council 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 22: Official Statement. The City Council ratifies and confirms its prior approval of the form and content of the Official Statement prepared in the initial offering and sale of the Bonds and hereby approves the form and content of any addenda, supplement, or amendment thereto. The use of such Official Statement in the reoffering of the Bonds by the Purchaser is hereby approved and authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

SECTION 23: Printed Opinion. The Purchaser's obligation to accept delivery of the Bonds is subject to its being furnished a final opinion of Fulbright & Jaworski, Attorneys at Law, approving certain legal matters as to the Bonds, said opinion to be dated and delivered as of the date of initial delivery and payment for the Bonds. Printing of a true and correct copy of said opinion on the reverse side of each of the Bonds with appropriate certificate pertaining thereto executed by facsimile signature of the City Secretary of the City is hereby approved and authorized.

SECTION 24: CUSIP Numbers. CUSIP numbers may be printed or typed on the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof, and neither the City nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the Bonds.

SECTION 25: 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, the Paying Agent/Registrar, bond counsel, 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, the Paying Agent/Registrar, bond counsel, and the Holders.

SECTION 26: Inconsistent Provisions. All ordinances, orders, or 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 27: 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 28: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 29: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and this City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 30: 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 Texas Revised Civil Statutes Annotated Article 6252-17, as amended.

SECTION 31: 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 concerning the payment, exchange, and transferability of the Bonds. A copy of the Paying Agent/Registrar Agreement is attached hereto as Exhibit A and is incorporated herein by reference as fully as if recopied in its entirety in this Ordinance.

SECTION 32: Incorporation of Preamble Recitals. The recitals contained in the preamble to this Ordinance 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.

SECTION 33: 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 34: 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 35: 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 Bond.

SECTION 36: Effective Date. This Ordinance shall be in force and effect from and after its final passage and it is so ordained.

[The remainder of this page intentionally left blank.]

PASSED AND ADOPTED on the 3rd day of December, 1992.

CITY OF HELOTES, TEXAS

Mayor

ATTEST:

City Secretary

(CITY SEAL)

Exhibit A - Paying Agent/Registrar Agreement

0037161

Exhibit A

Paying Agent/Registrar Agreement

See Tab No. 3

UNITED STATES OF AMERICA

REGISTERED

NUMBER

STATE OF TEXAS
COUNTY OF BEXAR

City of Helotes, Texas
General Obligation Bond

SERIES 1993

Interest Rate:

Bond Date:
January 1, 1993

Stated Maturity:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

D (

The City of Helotes, 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 named above (the *Holder*), or the registered assigns thereof, 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 yea from the Bond Date specified above, or from the most recent Interest Payment Date to v or duly provided for, at the per annum rate specified above; such interest being payable of each year (the *Interest Payment Date*) commencing August 1, 1993.

IN WITNESS WHEREOF, the City has caused this Bond to be duly exe

CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued under the provisions of the within-mentioned Ordinance; the bond or bonds 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.

Registered this date:

NEW FIRST CITY, TEXAS—AUSTIN, N.A.
Austin, Texas,
as Paying Agent/Registrar

By _____
Authorized Officer

CITY OF HELOTES, TEXAS

M

ATTEST:

City Secretar

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of January 5, 1993 (this *Agreement*) is between the City of Helotes, Texas (the *Issuer*) and New First City, Texas--Austin, N.A., Austin, Texas, a national banking association duly organized and existing under the laws of the United States of America (the *Bank*).

RECITALS OF THE ISSUER

The Issuer has duly authorized and provided for the issuance of its "CITY OF HELOTES, TEXAS GENERAL OBLIGATION BONDS, SERIES 1993" (the *Securities*) in the aggregate principal amount of $350,000 to be issued as registered securities without coupons;

All things necessary to make the Securities the valid obligations of the Issuer, in accordance with their terms, will be taken upon the issuance and delivery thereof;

The Issuer is desirous that the Bank act as the Paying Agent of the Issuer in paying the principal, premium (if any) and interest on the Securities, in accordance with the terms thereof, and that the Bank act as Registrar for the Securities;

The Issuer has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement the valid agreement of the Issuer, in accordance with its terms, have been done.

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE
APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointment.

The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Securities, in order to pay, when due, the principal, premium (if any), and interest on all or any of the Securities to the Holders of the Securities.

The Issuer hereby appoints the Bank as Registrar with respect to the Securities.

The Bank hereby accepts its appointment, and agrees to act as, the Paying Agent and the Registrar.

Section 1.02. Compensation.

As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Annex A hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the Issuer on or before ninety (90) days prior to the close of the Fiscal Year of the Issuer and which shall be effective upon the first day of the following Fiscal Year.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO
DEFINITIONS

Section 2.01. Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms, whenever the same appears herein without qualifying language, are defined to mean as follows:

Acceleration Date of any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

Bank Office means the principal corporate trust office of the Bank set forth on the signature page of this agreement. The Bank will notify the Issuer, in writing, of any change in location of the Bank Office.

Bond Resolution means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, certified by the Secretary or any other officer of the Issuer, and delivered to the Bank.

Fiscal Year means the fiscal year of the Issuer.

Holder and *Security Holder* each means a Person in whose name a Security is registered in the Security Register.

Issuer Request and *Issuer Order* means a written request or order signed in the name of the Issuer by the Mayor or the City Secretary of the City Council of the Issuer and delivered to the Bank.

Legal Holiday means a day on which the Bank is required or authorized to be closed.

Person means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

Redemption Date when used with respect to any Security to be redeemed means the date fixed for such redemption pursuant to the terms of the Bond Resolution.

Responsible Officer when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

Security Register means a register maintained by the Bank on behalf of the Issuer providing for the registration of Securities and of transfers of Securities.

Stated Maturity means the date specified in the Bond Resolution as the fixed date on which the principal of a Security is scheduled to be due and payable.

Section 2.02. Other Definitions.

The terms "Bank", "Issuer", and "Security" have the meanings assigned to them in the opening paragraph of this Agreement or in the Recitals of the Issuer.

The term "Paying Agent/Registrar" refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE
PAYING AGENT

Section 3.01. Duties of Paying Agent.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date, if any, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the Bank Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder, preparing the checks and mailing the checks on the payment date, to the Holders of the Securities on the Record Date, addressed to their address appearing on the Security Register.

Section 3.02. Payment Dates.

The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities at the dates specified in the Bond Resolution.

ARTICLE FOUR
REGISTRAR

Section 4.01. Transfer and Exchange.

The Issuer shall keep at the Bank Office a register (the *Security Register*) in which, subject to such reasonable written regulations as the Issuer may prescribe (which regulations shall be furnished the Bank herewith or subsequent hereto by Issuer Order), the Issuer shall provide for the registration of the Securities and for transfers of Securities. The Bank is hereby appointed *Registrar* for the purpose of registering Securities and transfers of Securities as herein provided. The Bank agrees to maintain the Security Register while it is Registrar.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, in form satisfactory to the Bank, duly executed by the Holder thereof, or his agent, duly authorized in writing.

Registrar may request any supporting documentation it feels necessary to effect a re-registration.

Section 4.02. Form of Security Register.

The Bank as Registrar will maintain the records of the Security Register in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Securities Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.03. List of Security Holders.

The Bank will provide the Issuer at any time requested by the Issuer, upon payment of any required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the content of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a subpoena, court order, or as required by law. Upon receipt of a subpoena or court order the Bank will notify the Issuer so that the Issuer may contest the subpoena or court order.

Section 4.04. Return of Cancelled Securities.

The Bank will, at such reasonable intervals as it determines, surrender to the Issuer Securities in lieu of which or in exchange for which other Securities have been issued or which have been paid.

Section 4.05. Transaction Information to Issuer.

The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01 and Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01.

ARTICLE FIVE
THE BANK

Section 5.01. Duties of Bank

The Bank undertakes to perform the duties set forth herein and in the Bond Resolution and agrees to use reasonable care in the performance thereof.

Section 5.02. Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.03. Recitals of Issuer.

The recitals contained herein and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04. May Hold Securities.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar or any other agent.

Section 5.05. Money Held by Bank.

A fiduciary account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of money received from the Issuer hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under the laws of the State of Texas to secure and be pledged as collateral for fiduciary accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation.

The Bank shall be under no liability for interest on any money received by it hereunder.

Any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for four years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Property Code (Unclaimed Property).

The Bank will comply with the reporting provisions of Chapter 74 of the Property Code with respect to property that is presumed abandoned under Chapter 72 or Chapter 75 of the Property Code or inactive under Chapter 73 of the Property Code.

Section 5.06. Indemnification.

The Issuer agrees, to the extent it legally may, to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07. Interpleader.

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demands or controversy over its persons as well as funds on deposit, in either the District Court of Bexar County, Texas, or the United States Federal District Court for the Western District of Texas, waive personal service of any process, and agree that service of process by certified or registered mail, return receipt requested, to the address set forth in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction to determine the rights of any Person claiming interest herein.

Section 5.08. Depository Trust Company.

It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements", promulgated from time to time by The Depository Trust Company, which establishes requirements for securities to be eligible for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX
MISCELLANEOUS PROVISIONS

Section 6.01. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereof.

Section 6.02. Assignment.

This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

Section 6.04. Effect of Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns.

All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06. Separability.

In case any provision herein, or application thereof, shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions or applications shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement.

Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.08. Entire Agreement.

This Agreement and the Bond Resolution constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar for the Securities, and if any conflict exists between this Agreement and the Bond Resolution, the Bond Resolution shall govern.

Section 6.09. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Termination.

This Agreement will terminate on the date of final payment by the Bank issuing its checks for the final payment of principal of and interest on the Securities.

This Agreement may be earlier terminated upon 60 days written notice by either party; provided, however, that this Agreement may not be terminated (i) by the Bank until a successor Paying Agent/Registrar that is a national or state banking institution and a corporation or association organized and existing under the laws of the United States of America or of any state which possesses trust powers and is subject to

supervision or examination by a federal or state regulatory agency has been appointed by the Issuer and has accepted such appointment, or (ii) at any time during which such termination might, in the judgment of the Issuer, disrupt, delay, or otherwise adversely affect the payment of the principal, premium, if any, or interest on the Securities. Prior to terminating this Agreement, the Issuer may reasonably require the Bank to show that such termination will not occur during a period described in (ii) above.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11. Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of Texas and the United States of America.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CITY OF HELOTES, TEXAS

By: [signature]
Title: Mayor
Address: Post Office Box 507
Helotes, Texas 78023

[SEAL]

Attest:

[signature]
Title: City Secretary

NEW FIRST CITY, TEXAS--AUSTIN, N.A.
Austin, Texas

By: Kris Walsh
Title: AVP + TO
Address: 816 Congress Avenue
Austin, Texas 78701

[SEAL]

Attest:

Mary M Dyer
Title: [illegible]
CORPORATE TRUST ADMINISTRATOR

Annex A - Fee Schedule

0037150

EXHIBIT A

FULLY REGISTERED BOND SERVICES SCHEDULE OF CHARGES EFFECTIVE JULY 1, 1985

First Year Annual Minimum Charge	550.00
Registrar and Paying Agencies	
Acceptance Fee	None
Annual Minimum Charge	450.00
	or
Bond/Debenture Registrar	
First 100 registrations (minimum per year)	150.00
Each registration in excess of 100	1.00
Registrations requiring special attention	
Reviewing legal transfers (each transaction)	10.00
Replacement of lost, stolen or destroyed securities (each transaction)	25.00
Bondholder/Debentureholder Account Maintenance	
First 100 accounts (minimum per year)	150.00
Each account in excess of 100	.85
Conversion of Bonds/Debentures	
1/10 of 1% of principal amount converted	
Retirement of Bonds/Debentures	
For retirement at maturity, or by call as a whole:	
First 100 Bonds/Debentures (each)	4.80
Next 400 Bonds/Debentures (each)	1.00
Excess over 500 Bonds/Debentures (each)	.50
For retirement by partial call, tender offer or by purchase:	
First 100 Bonds/Debentures (each)	4.80
Next 400 Bonds/Debentures (each)	1.50
Excess over 500 Bonds/Debentures (each)	1.00
Registered Interest Disbursement	
Each check	.30
Minimum charge (per interest payment)	50.00

FIRSTCITY, TEXAS.

Destruction of Bonds

Sorting, listing and destroying (per registered bond)	.15
Minimum charge (per destruction)	25.00

Miscellaneous Services

Bondholder/Debentureholder list preparation (per account)	.04
Bondholder/Debetureholder mailing (per account)	.05
I.R.S. Form 1099 preparation and filing (per account)	.10
Minimum Fee	25.00

Additional Charges

The fees shown in this schedule are intended to be minimum fees, and accordingly, are subject to increase if the circumstances attending a particular issue or account so warrant.

CITY OF

HELOTES, TEXAS
(Bexar County)

OFFICIAL STATEMENT
DATED: NOVEMBER 19, 1992

$350,000

GENERAL OBLIGATION BONDS
SERIES 1993

SELLING:
THURSDAY, DECEMBER 3, 1992
7:00 P.M., C.S.T.

RPR
RAUSCHER PIERCE REFSNES, INC.

OFFICIAL STATEMENT DATED NOVEMBER 19, 1992

NEW ISSUE

In the opinion of Fulbright & Jaworski, Bond Counsel, assuming continuing compliance by the City after the date of initial delivery of the Bonds with certain covenants described in the ordinance authorizing the Bonds and subject to the matters described under "TAX EXEMPTION" herein, interest on the Bonds under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income of the owners thereof for federal income tax purposes under section 103 of the Internal Revenue Code, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals or, except as described herein, corporations. (See "TAX EXEMPTION" herein.)

$350,000
CITY OF HELOTES, TEXAS
(Bexar County)

GENERAL OBLIGATION BONDS
SERIES 1993

The City will designate the Bonds as "Qualified Tax-Exempt Obligations for Financial Institutions."

Dated: January 1, 1993 **Due: February 1, as shown below**

The $350,000 City of Helotes, Texas General Obligation Bonds, Series 1993 (the "Bonds") are being issued by the City of Helotes, Texas (the "City") pursuant to the provisions of Texas Revised Civil Statutes Annotated Article 823, as amended, an election held within the City on September 19, 1992, and an ordinance adopted by the City Council (the "Council"). (See "Bond Information - Authority for Issuance" herein.)

The Bonds constitute a total amount of $350,000 authorized for the purpose of making permanent public improvements within the City limits, including: building, constructing, improving, or renovating a public building or buildings for municipal purposes to be utilized as a municipal complex at an election held within the City on September 19, 1992, by a vote of 256 "for" and 88 "against". The Bonds will constitute direct and general obligations of the City, payable from ad valorem taxes levied against all taxable property therein, within the limits prescribed by law. (See "Bond Information - Security for the Bonds" herein.)

Interest on the Bonds will accrue from the dated date as shown above and will be payable on February 1 and August 1 of each year, commencing August 1, 1993, and will be calculated on the basis of a 360-day year of twelve 30-day months. The definitive Bonds will be issued only as fully registered Bonds in the denomination of $5,000 or any integral multiple thereof within a stated maturity and of like interest rate. The initial Paying Agent/ Registrar shall be New First City, Texas--Austin, N.A., Austin, Texas (the "Paying Agent/ Registrar"). (See "Bond Information - Paying Agent/ Registrar" herein.)

Proceeds from the sale of the Bonds will be used for the purpose of making permanent public improvements within the City limits, including: building, constructing, improving, or renovating a public building or buildings for municipal purposes to be utilized as a municipal complex and to pay the costs of issuing the Bonds. (See "Bond Information - Use of Bond Proceeds" herein.)

STATED MATURITY SCHEDULE
(Due February 1)

Principal Amount	Rate	Stated Maturity	Yield	Principal Amount	Rate	Stated Maturity	Yield
$10,000	7.50	1994	4.25	$20,000	5.75	2002	5.80
15,000	7.50	1995	4.50	25,000	6.00	2003	6.00
15,000	7.50	1996	4.75	25,000	6.00	2004*	6.10
15,000	7.50	1997	4.90	25,000	6.20	2005*	6.25
15,000	7.50	1998	5.10	30,000	6.25	2006*	6.40
20,000	7.00	1999	5.20	30,000	6.40	2007*	6.50
20,000	5.50	2000	5.40	30,000	6.50	2008*	6.50
20,000	5.50	2001	5.60	35,000	6.50	2009*	6.50

**REDEMPTION OF BONDS: The City reserves the right, at its sole option, to redeem Bonds stated to mature February 1, 2004 through February 1, 2009, inclusive, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof on February 1, 2003, or any interest payment date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. The election of the City to redeem Bonds, identifying the stated maturity or maturities and the amount thereof to be redeemed, shall be entered in the minutes of the City Council, and a copy thereof shall be supplied to the Paying Agent/Registrar. If less than all of the Bonds within a stated maturity are to be redeemed, the particular Bonds to be redeemed shall be selected at random and by lot by the Paying Agent/Registrar. (See "Bond Information - Redemption Provision of Bonds" herein.)*

The Bonds are offered for delivery, when, as and if issued and payment is received from the purchaser and subject to the approving opinion of the Attorney General of the State of Texas and the approval of certain legal matters by Fulbright & Jaworski, Bond Counsel, San Antonio, Texas. The legal opinion of Bond Counsel will be printed on the Bonds. (See "Legal Opinions and No-Litigation Certificate" herein.) It is expected that the Bonds will be available for delivery on or about January 5, 1993.

This Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

No dealer, broker, salesman, or other person has been authorized by the City to give any information or to make any representation with respect to the Bonds, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information set forth herein has been obtained from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the City. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the information or opinions set forth herein after the date of this Official Statement.

The Bonds are exempt from registration with the Securities and Exchange Commission and consequently have not been registered therewith. The registration, qualification, or exemption of the Bonds in accordance with applicable securities law provisions of the jurisdictions in which these securities have been registered, qualified, or exempted should not be regarded as a recommendation thereof.

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CITY OF HELOTES, TEXAS
Post Office Box 507
Helotes, Texas 78023

CITY COUNCIL:

Name	Years Served	Term Expires (May)	Occupation
Vivian Hultz Mayor	8	1993	Business Owner
Verna Thompson Mayor Pro Tem, Place 5	12	1993	Supervisor of Contract Negotiations
Robert Prats Councilmember, Place 3	2	1993	Retired Navy
Tom Hopper Councilmember, Place 4	6	1994	Retired Educator
Joe Herrera Councilmember, Place 1	1	1994	Industrial Engineer
Marilyn Page Councilmember, Place 2	1	1994	Homemaker

ADMINISTRATIVE OFFICIALS:

Name	Position	Years With the City
L.J. Cott	City Manager	4
Vicki Graham	City Secretary	7 months
Susan Wootton	City Treasurer	7
Harvey Hardy	City Attorney	8
Barbara Galland	City Judge	11

CONSULTANTS AND ADVISORS:

Bond Counsel — Fulbright & Jaworski, San Antonio, Texas

Certified Public Accountant — Thompson, Williams, Biediger, Kastor & Young, San Antonio, Texas

Financial Advisor — Rauscher Pierce Refsnes, Inc., San Antonio, Texas

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Legal Opinion of Fulbright & Jaworski, San Antonio, Texas, Bond Counsel	Appendix "A"
The City's Annual Financial Report for Fiscal Year Ended 9/30/91	Available Upon Request
The City's 1993 Budget	Available Upon Request

The Cover Page, this page and the Appendix attached hereto are part of the Official Statement.

SELECTED DATA FROM THE OFFICIAL STATEMENT

The selected data is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this page from this Official Statement or to otherwise use it without the entire Official Statement.

The Issuer	The City of Helotes, Texas (the "City") was incorporated in 1981. The City is located approximately 20 miles from downtown San Antonio approximately 2 miles outside of Loop 1604 and has an estimated 1992 population of 1,600. The City is organized under the general laws of the State of Texas utilizes the Mayor-Alderman form of government, with a mayor and five city council members elected by place.
The Bonds	The Bonds are being issued in the principal amount of $350,000 pursuant to the provisions of Texas Revised Civil Statutes Annotated Article 823, as amended, an election held within the City on September 19, 1992, and an ordinance adopted by the City Council (the "Council"). (See "Bond Information - Security for the Bonds" herein.)
Security for the Bonds	The Bonds will constitute direct and general obligations of the City, payable from ad valorem taxes levied against all taxable property therein, within the limits prescribed by law. (See "Bond Information - Security for the Bonds" herein.)
Redemption Provision of the Bonds	The City reserves the right, at its sole option, to redeem the Bonds stated to mature February 1, 2004 through February 1, 2009, inclusive, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof on February 1, 2003, or any interest payment date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. The election of the City to redeem the Bonds, identifying the stated maturity or maturities and the amount thereof to be redeemed, shall be entered in the minutes of the City Council, and a copy thereof shall be supplied to the Paying Agent/ Registrar. If less than all of the Bonds within a stated maturity are to be redeemed, the particular Bonds to be redeemed shall be selected at random and by lot by the Paying Agent/ Registrar. (See "Bond Information - Redemption Provision of Bonds" herein.)
Qualified Tax-Exempt Obligations	The City will designate the Bonds as "Qualified Tax-Exempt Obligations" for financial institutions. (See "Qualified Tax-Exempt Obligations" herein.)
Tax Exemption	In the opinion of Bond Counsel, the interest on the Bonds will be excludable from the gross income of the owners thereof for purposes of federal income taxation under existing law subject to matters discussed herein under "Tax Exemption". (See "Tax Exemption" and Appendix A -"Preliminary Legal Opinion of Fulbright & Jaworski, San Antonio, Texas, Bond Counsel" herein.)
Use of Bond Proceeds	Proceeds from the sale of the Bonds will be used for the purpose of making permanent public improvements within the City limits, including: building, constructing, improving, or renovating a public building or buildings for municipal purposes to be utilized as a municipal complex and to pay the costs of issuing the Bonds. (See "Bond Information - Use of Bond Proceeds" herein.)
Payment Record	The City has never defaulted.

BOND INFORMATION

Authority for Issuance

The Bonds constitute a total amount of $350,000 authorized for the purpose of making permanent public improvements within the City limits, including: building, constructing, improving, or renovating a public building or buildings for municipal purposes to be utilized as a municipal complex at an election held within the City on September 19, 1992, by a vote of 256 "for" and 88 "against". The Bonds are being issued pursuant to the provisions of Texas Revised Civil Statutes Annotated Article 823, as amended, the aforementioned election, and an ordinance adopted by the City Council (the "Council") on the date of sale of the Bonds.

Security for the Bonds

The Bonds will constitute direct and general obligations of the City, payable from ad valorem taxes levied against all taxable property therein, within the limits prescribed by law.

Redemption Provision of Bonds

The City reserves the right, at its sole option, to redeem Bonds stated to mature February 1, 2004 through February 1, 2009, inclusive, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof on February 1, 2003, or any interest payment date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. The election of the City to redeem the Bonds, identifying the stated maturity or maturities and the amount thereof to be redeemed, shall be entered in the minutes of the Council, and a copy thereof shall be supplied to the Paying Agent/ Registrar. If less than all of the Bonds within a stated maturity are to be redeemed, the particular Bonds to be redeemed shall be selected at random and by lot by the Paying Agent/ Registrar.

Paying Agent/Registrar

The initial Paying Agent/ Registrar is New First City, Texas--Austin, N.A., Austin, Texas. In the ordinance, the City retains the right to replace the Paying Agent/ Registrar. If the Paying Agent/ Registrar is replaced by the City, the new Paying Agent/ Registrar shall accept the previous Paying Agent/ Registrar's records and act in the same capacity as the previous Paying Agent/ Registrar. Any successor Paying Agent/ Registrar, selected at the sole discretion of the City, shall be a national or state banking institution, shall be 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, 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. Upon a change in the Paying Agent/ Registrar for the Bonds, the City agrees to promptly cause written notice thereof to be sent to each registered owner of the Bonds by United States mail, first-class, postage prepaid.

The Bonds will be issued in fully registered form in multiples of $5,000 for any one stated maturity, and principal and semiannual interest will be paid by the Paying Agent/ Registrar. Interest will be paid by check or draft mailed on each interest payment date by the Paying Agent/ Registrar to the registered owner at the last known address as it appears on the Paying Agent/ Registrar's books or by such other method, acceptable to the Paying Agent/ Registrar, requested by and at the risk and expense of the registered owner. Principal will be paid to the registered owner at stated maturity or earlier redemption upon presentation to the Paying Agent/ Registrar. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the Paying Agent/ Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

Transfer, Exchange and Registration

The Bonds may be transferred, registered, and assigned on the registration books of the Paying Agent/ Registrar only upon presentation and surrender thereof to the Paying Agent/ Registrar, and such registration and transfer shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Bond may be assigned by the execution of an assignment

form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/ Registrar. A new Bond or Bonds will be delivered by the Paying Agent/ Registrar in lieu of the Bonds being transferred or exchanged at the principal corporate trust office of the Paying Agent/ Registrar, or sent by United States registered mail to the new registered owner at the registered owner's request, risk and expense. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three (3) business days after the receipt of the Bonds to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/ Registrar. New Bonds registered and delivered in an exchange or transfer shall be in denominations of $5,000 for any one stated maturity or any integral multiple thereof and for a like aggregate principal amount and rate of interest as the Bond or Bonds surrendered for exchange or transfer.

Record Date for Interest Payment

The record date ("Record Date") for the semiannual interest payable on any interest payment date is the fifteenth (15th) day of the month next preceding such interest payment date, as specified in the ordinance authorizing the issuance of the Bonds.

Payment Record

The City has never defaulted.

Use of Bond Proceeds

Proceeds from the sale of the Bonds will be used for the purpose of making permanent public improvements within the City limits, including: building, constructing, improving, or renovating a public building or buildings for municipal purposes to be utilized as a municipal complex and to pay the costs of issuing the Bonds.

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FINANCIAL STATEMENT
(As of November 1, 1992)

1992 Actual Value of Taxable Property		$83,819,361
1992 Assessed Valuation (100% of Actual as of 10/17/92)		82,427,767*

*This Assessed Valuation figure is net of the following:

Optional Over-65 or Disabled Homestead Exemptions	$ 670,000
Disabled and Deceased Veterans' Exemptions	119,500
Productive Valuation of Open-Space Land and Timberland under Tex. Const. Art. 8, Sec. 1-d-1	602,094
Total	$1,391,594

General Obligation Bonded Debt

Outstanding Debt	$ -0-
The Bonds	350,000

TOTAL GENERAL OBLIGATION BONDED DEBT	$ 350,000
General Obligation Interest & Sinking Fund Balance as of 9-30-92	-0-
Ratio of Gross General Obligation Bonded Debt to 1992 Assessed Valuation	.42%
Ratio of Gross General Obligation Bonded Debt to 1992 Actual Value	.42%

1981 - 1,200; 1990 - 1,535 (U.S. Census Bureau); 1992 (Est.) - 1,600
Per Capita 1992 Assessed Valuation - $51,517.35
Per Capita Gross General Obligation Bonded Debt - $218.75

AD VALOREM TAXATION

The Bonds are payable from ad valorem taxes levied, within the limitations prescribed by law, upon all taxable property within the City. The "Property Tax Code" (Texas Tax Code), contains provisions relating to property subject to taxation; property exempt from taxation and other exemptions granted and allowed, if claimed; the appraisal of property for purposes of taxation and the procedures to be followed and limitations applicable to the levy and collection of ad valorem taxes. Among other features, the Property Tax Code, as amended, provides as follows with respect to the City:

1. The Bexar Appraisal District (the "Appraisal District") is responsible for appraising property in the City, as well as in the other taxing units within Bexar County. The Appraisal District is governed by a separate board of directors appointed by the governing bodies of the various governmental units within the county.

2. All property in the City shall be assessed at 100% of its appraised value and assessment of property for taxation on the basis of a percentage of its appraised value is prohibited.

3. By each August 1, or as soon as possible thereafter, the City is required to adopt a tax rate for the current year. If the tax rate exceeds the rollback rate, 10% of the qualified voters of the City may petition for an election to determine whether to reduce the tax rate the City may adopt to the rollback tax rate. The rollback tax is generally equal to 1.08 times the tax rate for the previous year, excluding tax rates for bonds, contractual obligations and other debt obligations of the City and adjusted for new improvements, lost property and exemptions.

4. An increase in the City's tax rate above the lower of the rollback tax rate (as defined by the Property Tax Code) or 103 percent of the effective tax rate will require a public hearing.

5. Penalties for delinquent taxes are as follows:

   a. 6% - First month
      1% - Additional penalty each month through June
      12% - All delinquencies on July 1 regardless of delinquency period;

   b. The City, as permitted, has adopted an additional penalty to a maximum of 15% of taxes, penalty and interests due in order to defray costs of collection.

6. Interest charged on delinquent taxes are:

   a. 1% - First month; and

   b. An additional 1% increase each month thereafter.

7. Property within the Appraisal District must be reappraised at least once every 3 years.

8. Uniform discovery and appraisal procedures are provided for all types of business inventories without regard to the nature of the property comprising the inventory.

9. Local governments have the option of granting homestead exemptions of up to 20% of market value. The minimum exemption for cities is $3,000. Taxes may continue to be levied against the value of the homestead exempted where ad valorem taxes have been previously pledged for the payment of debt, if cessation of the levy would impair the obligation of the contract by which the debt was created. The City does not levy its Interest and Sinking Fund Tax Rate against the value of residence homesteads exempted from ad valorem taxes as permitted on a local option basis by the "Tax Relief Amendments". The City has not voted to grant an additional exemption.

10. A recent constitutional amendment (Article VIII, Section 1-j) exempts from taxation goods, wares, merchandise, other tangible personal property, and ores (other than oil, natural gas, and other petroleum products) acquired or imported by a person for assembling, storing, manufacturing, processing or fabricating by the person that acquired or imported the property while such property is being detained in the State of Texas, and such property is transported outside the State of Texas within 175 days after the date of its acquisition or importation by such person. Notwithstanding such exemption, counties, school districts, junior college districts and municipalities (including home-rule cities) may continue to tax such tangible personal property provided official action to tax was taken before January 1, 1990. The official action to tax such property can subsequently be rescinded and, if rescinded, such property shall thereafter be exempt from taxation. The City took official action before January 1, 1990 to tax Article VIII, Section 1-j exempt property.

FLOATING DEBT
(As of November 1, 1992)

-None-

Source: The City's annual financial report for the fiscal year ended 9/30/91 and information obtained from City officials.

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TAX DATA

Taxes are due October 1 and become delinquent after January 31. No split payments or discounts are allowed. Penalties and Interest: (a) a delinquent tax incurs a penalty of six percent of the amount of the tax for the first calendar month it is delinquent plus one percent for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, a tax delinquent on July 1 incurs a total penalty of twelve percent of the amount of the delinquent tax without regard to the number of months the tax has been delinquent; (b) a delinquent tax accrues interest at a rate of one percent for each month or portion of a month the tax remains unpaid; and an additional penalty up to a maximum of 15% of taxes, penalty and interest may be imposed to defray costs of collection for taxes delinquent after July 1. All percentage of collections set forth below exclude penalties and interest.

Tax Year	Assessed Valuation	Tax Rate	% Collections Current	% Collections Total	Year Ended
1986	$ 78,601,586	$0.15126	97.77	101.83	9-30-87
1987	88,314,720	0.14327	92.07	96.16	9-30-88
1988	89,209,914	0.22000	94.19	95.85	9-30-89
1989	86,136,024	0.24161	97.50	100.04	9-30-90
1990	83,504,687	0.26175	96.00	98.57	9-30-91
1991	82,310,722	0.27592	92.69	99.01	9-30-92
1992[1]	82,427,767	0.28222	[In the process of collection]		

[1] Assessed Valuation as of 10/17/92 obtained from Bexar Appraisal District.

TAX RATE LIMITATIONS

Article XI, Section 4 of Texas Constitution, applicable to cities of 5,000 or less - $1.50 per $100 assessed valuation for all purposes. The Attorney General has adopted policies which generally limit general law cities, such as the City, from issuing debt in excess of $1.00 per $100 assessed valuation assuming a 90% collection rate.

TAX RATE DISTRIBUTION

	1992	1991	1990	1989	1988	1987	1986
General Fund	$0.28222	$0.27592	$0.26175	$0.24161	$0.22000	$0.14327	$0.15126
I & S Fund	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total	$0.28222	$0.27592	$0.26175	$0.24161	$0.22000	$0.14327	$0.15126

MUNICIPAL SALES TAXES

The City has adopted the provisions of Chapter 321, as amended, Texas Tax Code. In addition, some cities are subject to a property tax relief and/ or an economic and industrial development tax. Net collections on calendar year basis are as follows:

Calendar Year	Total Collected	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	
1986	85,656	72.04	.11	
1987	84,081	57.23	.10	
1988	72,418	36.90	.08	
1989	70,602	33.92	.08	
1990	75,370	34.48	.09	
1991	82,817	36.47	.10	
1992	81,071	34.60	.10	(as of 10/9/92)

PRINCIPAL TAXPAYERS

Name	Type of Property	1992 Assessed Valuation
Joella and John Bitter	Shopping Center	$1,650,112
Stanley Rosenberg (Bank of Leon Springs)	Bank	789,660
Handy Andy Supermarkets	Grocery Store	623,210
Bob Cage Builder	Office Complex	558,100
Loyd Evans	Longhorn Pipe	516,450
Southwestern Bell Telephone	Telephone Utility	485,250
Helotes Family Practice	Health Clinic	462,750
Frank Thompson	Real Estate	430,100
Phil & Laura Aelvoet	Horse Ranch	339,140
Guy Williams Masonry, Inc.	Masonry Contractor	268,280
Total (7.43% of 1992 Assessed Valuation)		$6,123,052

CLASSIFICATION OF ASSESSED VALUATION

	1991	1990	1989
Real, Residential, Single-Family	$66,000,165	$65,238,397	$67,531,862
Real, Residential, Multifamily	93,270	93,270	74,100
Real, Vacant Lots/Tracts	5,075,260	4,992,520	5,868,530
Real, Acreage (Land Only)	2,072,699	1,908,330	1,852,670
Real, Farm and Ranch Improvements	329,600	305,160	329,900
Real, Commercial	7,108,850	7,430,600	7,403,170
Real, Industrial	-0-	-0-	-0-
Real & Tangible, Personal Utilities	609,550	686,890	657,360
Tangible Personal, Commercial	2,284,010	2,294,250	2,469,740
Tangible Personal, Industrial	-0-	-0-	-0-
Tangible Personal, Mobile Homes	6,800	6,600	9,700
Tangible Personal, Other	-0-	-0-	-0-
Real Property, Inventory	25,280	25,280	48,030
Total Appraised Value	$83,605,484	$82,981,297	$86,245,062
Less:			
Local, Optional Over-65 or Disabled Homestead Exemptions	$ 640,000	$ 630,000	$ 565,000
Disabled and Deceased Veterans' Exemptions	120,000	126,000	114,500
Productive Valuation of Open-Space Land and Timberland under Tex. Const. Art. 8, Sec. 1-d-1	673,050	3,016,534	3,140,948
Net Taxable Assessed Valuation	$82,172,434	$79,208,763	$82,424,614

Note: The above figures were taken from the State Property Tax Board City Property Report Value which is compiled during the initial phase of the tax year. Actual value of taxable property and assessed valuation figures shown elsewhere in this Official Statement represent final year-end figures. The 1992 Property Tax Report was not available at the time of this Official Statement.

TAXABLE ASSESSED VALUATION FOR TAX YEARS 1986 - 1992

		Increase Over Preceding Year	
Year	Taxable Assessed Valuation	Amount ($)	Percent (%)
1986-87	$ 78,601,586	--	--
1987-88	88,314,720	9,713,134	12.36
1988-89	89,209,914	895,194	1.01
1989-90	86,136,024[1]	(3,073,890)	(3.45)
1990-91	83,504,687[1]	(2,631,337)	(3.05)
1991-92	82,310,722[1]	(1,193,965)	(1.43)
1992-93[2]	82,427,767	117,045	.14

[1] Decrease due to general economic decline.

[2] Assessed Valuation as of 10/17/92 obtained from Bexar Appraisal District.