

10/17/19
Item # _____

DRAFT DATE: OCTOBER 7, 2019

ORDINANCE NO. 2019-10-17-_____

SIXTEENTH SUPPLEMENTAL ORDINANCE TO THE MASTER ORDINANCE RELATING TO THE ISSUANCE OF OBLIGATIONS SECURED WITH GROSS REVENUES OF THE CITY'S AIRPORT SYSTEM FOR THE PURPOSE OF AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF UP TO \$110,000,000 IN PRINCIPAL AMOUNT OF *CITY OF SAN ANTONIO, TEXAS AIRPORT SYSTEM REVENUE REFUNDING BONDS, SERIES 2019A (AMT) AND TAXABLE SERIES 2019B* (COLLECTIVELY, THE "SERIES 2019 BONDS"); DELEGATING AUTHORITY TO CERTAIN CITY OFFICIALS TO APPROVE ALL FINAL TERMS OF THE SERIES 2019 BONDS; APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO INCLUDING A PURCHASE CONTRACT, AN ESCROW AGREEMENT, AND A PAYING AGENT/REGISTRAR AGREEMENT; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE

DATE OF APPROVAL: OCTOBER 17, 2019

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ORDINANCE NO. 2019-10-17-_____

SIXTEENTH SUPPLEMENTAL ORDINANCE TO THE MASTER ORDINANCE RELATING TO THE ISSUANCE OF OBLIGATIONS SECURED WITH GROSS REVENUES OF THE CITY'S AIRPORT SYSTEM FOR THE PURPOSE OF AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF UP TO \$110,000,000 IN PRINCIPAL AMOUNT OF CITY OF SAN ANTONIO, TEXAS AIRPORT SYSTEM REVENUE REFUNDING BONDS, SERIES 2019A (AMT) AND TAXABLE SERIES 2019B (COLLECTIVELY, THE "SERIES 2019 BONDS"); DELEGATING AUTHORITY TO CERTAIN CITY OFFICIALS TO APPROVE ALL FINAL TERMS OF THE SERIES 2019 BONDS; APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO INCLUDING A PURCHASE CONTRACT, AN ESCROW AGREEMENT, AND A PAYING AGENT/REGISTRAR AGREEMENT; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE

* * * * *

WHEREAS, the CITY OF SAN ANTONIO, TEXAS (the "*City*") is a political subdivision of the State of Texas operating as a home-rule municipality pursuant to the Texas Local Government Code and its City Charter which was initially approved by the qualified voters of the City on October 2, 1951, and which has been amended from time to time, with the most recent amendments being approved by the qualified voters of the City on May 4, 2019; and

WHEREAS, the City owns and operates the San Antonio International Airport (the "*San Antonio International Airport*" or the "*Airport*"); and

WHEREAS, beginning in 2001, the City undertook a major construction program to renovate and expand the Airport, which was funded by a combination of federal grants, proceeds derived from revenue bonds secured with Airport-related revenues, and other available revenues; and

WHEREAS, on April 19, 2001, the City Council of the City (the "*City Council*") adopted Ordinance No. 93789 entitled or generally described as the "*Master Ordinance Establishing the Airport System Revenue Bond Financing Program With Respect to the Issuance of Obligations by the City of San Antonio, Texas Secured by Gross Revenues of the Airport System*," which was amended by Ordinance No. 2012-03-29-0237 adopted by the City Council on March 29, 2012 (referred to collectively herein as the "*Master Ordinance*"); and

WHEREAS, unless otherwise defined herein (including *Exhibit A* attached hereto), terms used herein shall have the meaning given in the Master Ordinance; and

WHEREAS, the Master Ordinance establishes the program under which revenue supported indebtedness attributable to the Airport System can be incurred, and pledges the Gross Revenues to the payment of Parity Obligations to be outstanding under the Master Ordinance; and

WHEREAS, on April 19, 2001, the City Council approved Ordinance No. 93790 (which is the First Supplement to the Master Ordinance) which authorized the issuance of \$50,230,000 in principal amount of "*City of San Antonio, Texas Airport System Forward Refunding Revenue Bonds, Series 2003*," dated as of April 15, 2001 (the "**Series 2003 Forward Refunding Bonds**"), which were delivered on April 8, 2003; and

WHEREAS, on August 30, 2001, the City Council approved Ordinance No. 94463 (which is the Second Supplement to the Master Ordinance) which authorized the issuance of \$17,795,000 in principal amount of "*City of San Antonio, Texas Airport System Improvement Revenue Bonds, Series 2001*," dated as of August 15, 2001 (the "**Series 2001 Bonds**"), which were delivered on September 20, 2001; and

WHEREAS, on March 7, 2002, the City Council approved Ordinance No. 95388 (which is the Third Supplement to the Master Ordinance) which authorized the issuance of \$92,470,000 in principal amount of "*City of San Antonio, Texas Airport System Revenue Improvement Bonds, Series 2002*," dated as of March 1, 2002 (the "**Series 2002 Bonds**"), which were delivered on March 21, 2002; and

WHEREAS, on March 7, 2002, the City Council approved Ordinance No. 95390 (which acted as the Fourth Supplement to the Master Ordinance) which granted a subordinate lien on the Gross Revenues of the Airport System to secure \$37,575,000 in principal amount of "*City of San Antonio, Texas Passenger Facility Charge and Subordinate Lien Airport System Revenue Improvement Bonds, Series 2002*," dated as of March 1, 2002 (the "**Series 2002 PFC Bonds**"), which were delivered on March 21, 2002; and

WHEREAS, on March 20, 2003, the City Council approved Ordinance No. 97347 (which is the Fifth Supplement to the Master Ordinance) which authorized the issuance of \$8,175,000 in principal amount of "*City of San Antonio, Texas Airport System Revenue Refunding Bonds, Series 2003-A*," dated as of April 1, 2003 (the "**Series 2003-A Bonds**"), which were delivered on May 1, 2003; and

WHEREAS, on March 20, 2003, the City Council approved Ordinance No. 97348 (which is the Sixth Supplement to the Master Ordinance) which authorized the issuance of \$3,255,000 in principal amount of "*City of San Antonio, Texas Airport System Revenue Refunding Bonds, Series 2003-B*," dated as of April 1, 2003 (the "**Series 2003-B Bonds**"), which were delivered on May 1, 2003; and

WHEREAS, on May 5, 2005, the City Council approved Ordinance No. 100782 (which acted as the Seventh Supplement to the Master Ordinance) which granted a subordinate lien on the Gross Revenues of the Airport System to secure \$38,085,000 in principal amount of "*City of San Antonio, Texas Passenger Facility Charge and Subordinate Lien Airport System Revenue Improvement Bonds, Series 2005*," dated as of April 15, 2005 (the "**Series 2005 PFC Bonds**"), which were delivered on May 24, 2005; and

WHEREAS, on November 16, 2006, the City Council approved Ordinance No. 2006-11-16-1298 (which is the Eighth Supplement to the Master Ordinance) which authorized the issuance of \$17,850,000 in principal amount of "*City of San Antonio, Texas Airport System Revenue Refunding Bonds, Series 2006*," dated as of November 1, 2006 (the "**Series 2006 Bonds**"), which were delivered on December 13, 2006; and

WHEREAS, on November 29, 2007, the City Council approved Ordinance No. 2007-11-29-1188 (which is the Ninth Supplement to the Master Ordinance) which authorized the issuance of \$82,400,000 in principal amount of "*City of San Antonio, Texas Airport System Revenue Improvement Bonds, Series 2007*," dated as of November 1, 2007 (the "**Series 2007 Bonds**"), which were delivered on December 19, 2007; and

WHEREAS, on November 29, 2007, the City Council approved Ordinance No. 2007-11-29-1189 (which acted as the Tenth Supplement to the Master Ordinance) which granted a subordinate lien on the Gross Revenues of the Airport System to secure \$74,860,000 in principal amount of "*City of San Antonio, Texas Passenger Facility Charge and Subordinate Lien Airport System Revenue Improvement Bonds, Series 2007*," dated as of November 1, 2007 (the "**Series 2007 PFC Bonds**"), which were delivered on December 19, 2007; and

WHEREAS, on December 9, 2010, the City Council approved Ordinance No. 2010-12-09-1037 (which is the Eleventh Supplement to the Master Ordinance) which authorized the issuance of \$42,220,000 in principal amount of "*City of San Antonio, Texas Airport System Revenue Improvement and Refunding Bonds, Series 2010A*" (the "**Series 2010A Bonds**"), and \$20,885,000 in principal amount of "*City of San Antonio, Texas Airport System Revenue Refunding Bonds, Taxable Series 2010B*" (the "**Taxable Series 2010B Bonds**" and collectively with the Series 2010A Bonds, the "**Series 2010 Bonds**"), dated as of December 1, 2010, which were delivered on December 21, 2010; and

WHEREAS, on December 9, 2010, the City Council approved Ordinance No. 2010-12-09-1038 (which acted as the Twelfth Supplement to the Master Ordinance) which granted a subordinate lien on the Gross Revenues of the Airport System to secure \$37,335,000 in principal amount of "*City of San Antonio, Texas Passenger Facility Charge and Subordinate Lien Airport System Revenue Improvement and Refunding Bonds, Series 2010*," dated as of December 1, 2010 (the "**Series 2010 PFC Bonds**"), which were delivered on December 21, 2010; and

WHEREAS, on March 29, 2012, the City Council approved Ordinance No. 2012-03-29-0235 (which is the Thirteenth Supplement to the Master Ordinance) which authorized the issuance of \$70,135,000 in principal amount of "*City of San Antonio, Texas Airport System Revenue Refunding Bonds, Series 2012 (AMT)*," dated as of April 15, 2012 (the "**Series 2012 Bonds**"), which were delivered on May 30, 2012; and

WHEREAS, on March 29, 2012, the City Council approved Ordinance No. 2012-03-29-0236 (which acted as the Fourteenth Supplement to the Master Ordinance) which granted a subordinate lien on the Gross Revenues of the Airport System to secure \$25,790,000 in principal amount of "*City of San Antonio, Texas Passenger Facility Charge and Subordinate Lien Airport System Revenue Refunding Bonds, Series 2012*", dated as of April 15, 2012 (the "**Series 2012 PFC Bonds**"), which were delivered on May 30, 2012; and

WHEREAS, on July 15, 2015, the City Council approved Ordinance No. 2015-06-18-0595 (which is the Fifteenth Supplement to the Master Ordinance) which authorized the issuance of \$38,805,000 in principal amount of "*City of San Antonio, Texas Airport System Revenue Improvement Bonds, Series 2015 (AMT)*", dated as of July 1, 2015 (the "**Series 2015 Bonds**"), which were delivered on July 29, 2015; and

WHEREAS, pursuant to the ordinance which authorized the Series 2007 Bonds, all currently outstanding Series 2007 Bonds, *other than such Bonds maturing in the years 2024 and 2025*, are subject to redemption at the option of the City on any date at the redemption price of par plus accrued interest to the redemption date; and

WHEREAS, pursuant to the ordinance which authorized the Series 2010A Bonds, all Series 2010A Bonds maturing on and after July 1, 2021, are subject to redemption at the option of the City on July 1, 2020 and on any date thereafter at the redemption price of par plus accrued interest to the redemption date; and

WHEREAS, the City now deems it desirable to issue one or two series of additional Parity Obligations pursuant to this Sixteenth Supplement to the Master Ordinance (defined below as the "**Series 2019A Bonds**" and the "**Taxable Series 2019B Bonds**," with the understanding that the letter designations, i.e., "A" and "B," would be deleted if only one series of additional Parity Obligations ultimately is issued and delivered pursuant to this Ordinance), for the purpose of refunding all or a portion of the Series 2007 Bonds and the Series 2010A Bonds that are subject to optional redemption as described in the preceding two recitals, which are more fully described as follows:

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SERIES 2007 BONDS ELIGIBLE TO BE REFUNDED

| MATURITY (JULY 1) | PRINCIPAL AMOUNT MATURING IN YEAR (\$) | PRINCIPAL AMOUNT ELIGIBLE TO BE REFUNDED (\$) | STATED INTEREST RATE (%) | CUSIP No. (796242) |
|------------------------------|---|--|---|-------------------------------|
| 2020 | 3,215,000 | 3,215,000 | 5.250 | MU6 |
| 2021 | 3,385,000 | 3,385,000 | 5.250 | MV4 |
| 2022 | 3,565,000 | 3,565,000 | 5.250 | MW2 |
| 2023 | 3,750,000 | 3,750,000 | 5.250 | MX0 |
| *** | *** | *** | *** | *** |
| 2027 | 8,925,000 | 8,925,000 | 5.250 | NA9 |
| *** | *** | *** | *** | *** |
| 2032 | <u>26,745,000</u> | <u>26,745,000</u> | 5.250 | NB7 |
| Totals | <u>49,585,000</u> | <u>49,585,000</u> | | |

SERIES 2010A BONDS ELIGIBLE TO BE REFUNDED

| MATURITY (JULY 1) | PRINCIPAL AMOUNT MATURING IN YEAR (\$) | PRINCIPAL AMOUNT ELIGIBLE TO BE REFUNDED (\$) | STATED INTEREST RATE (%) | CUSIP No. (796242) |
|------------------------------|---|--|---|-------------------------------|
| 2021 | 940,000 | 940,000 | 4.000 | PK5 |
| 2022 | 975,000 | 975,000 | 4.250 | PL3 |
| 2023 | 1,015,000 | 1,015,000 | 4.250 | PM1 |
| 2024 | 1,060,000 | 1,060,000 | 4.375 | PN9 |
| 2025 | 1,105,000 | 1,105,000 | 4.500 | PP4 |
| 2026 | 1,155,000 | 1,155,000 | 5.000 | PQ2 |
| 2027 | 1,205,000 | 1,205,000 | 5.000 | PR0 |
| 2028 | 1,265,000 | 1,265,000 | 5.000 | PS8 |
| 2029 | 1,330,000 | 1,330,000 | 5.000 | PT6 |
| 2030 | 1,395,000 | 1,395,000 | 5.000 | PU3 |
| *** | *** | *** | *** | *** |
| 2035 | 12,120,000 | 12,120,000 | 5.250 | PV1 |
| *** | *** | *** | *** | *** |
| 2040 | <u>12,080,000</u> | <u>12,080,000</u> | 5.250 | PW9 |
| Totals | <u>35,645,000</u> | <u>35,645,000</u> | *** | *** |

WHEREAS, the Series 2019A Bonds and the Taxable Series 2019B Bonds in are referred to collectively herein as the "**Series 2019 Bonds**"; and

WHEREAS, pursuant to the provisions of Section 1207.007(a)(4), Texas Government Code, the City now desires to delegate to a "Designated Officer" (as defined in Section 2(a) below) the authority, individually or collectively, to select the specific maturities and principal amounts of the Series 2007 Bonds and the Series 2010A Bonds described in the preceding recitals to be refunded with proceeds of the Series 2019 Bonds authorized pursuant to this Sixteenth Supplement and effect the sale of such Series 2019 Bonds; and

WHEREAS, the Series 2007 Bonds selected by a Designated Officer to be refunded with proceeds of the Series 2019A Bonds (or with the Taxable Series 2019B Bonds if the Designated Officer determines not to approve the issuance of a separate, tax-exempt series of bonds to refund the Series 2007 Bonds) as authorized by Section 2(d) of this Sixteenth Supplement are hereafter referred to as the "**Current Refunded Bonds**"; and

WHEREAS, the Series 2010A Bonds selected by a Designated Officer to be refunded with proceeds of the Taxable Series 2019B Bonds as authorized by Section 2(e) of this Sixteenth Supplement are hereafter referred to as the "**Advanced Refunded Bonds**"; and

WHEREAS, the Current Refunded Bonds and the Advanced Refunded Bonds are referred to collectively herein as the "**Refunded Bonds**"; and

WHEREAS, the Series 2019A Bonds are intended to be issued as Tax-Exempt Debt; accordingly, the proceeds of the Series 2019A Bonds may only be used to refund the Current Refunded Bonds and **in no event shall the proceeds of any Series 2019A Bonds be used to refund any Advanced Refunded Bonds**;

WHEREAS, the Taxable Series 2019B Bonds are ***not*** intended to be issued as Tax-Exempt Debt; accordingly, the proceeds thereof may be used to refund all or any portion of the Current Refunded Bonds and/or the Advanced Refunded Bonds; and

WHEREAS, Chapter 1207, Texas Government Code, as amended ("**Chapter 1207**"), authorizes the City to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with a place of payment (paying agent) for the Refunded Bonds, or with another trust company or commercial bank that does not act as a depository for the City, in an amount sufficient to provide for the payment and/or redemption of the Refunded Bonds, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Bonds; and

WHEREAS, Chapter 1207 (specifically Section 1207.062, Texas Government Code) further authorizes the City to enter into an escrow agreement with any paying agent for the Refunded Bonds, or with another trust company or commercial bank that does not act as a depository for the City, with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the City and such paying agent may agree; provided that such deposits may be invested and reinvested in:

(i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States,

(ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City Council of the City adopts or approves this Sixteenth Supplement, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and

(iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the City Council of the City adopts or approves this Sixteenth Supplement, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent,

and all of which must mature and bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment or redemption of the Refunded Bonds; and

WHEREAS, U.S. BANK NATIONAL ASSOCIATION currently serves as the paying agent for the Series 2007 Bonds and the Series 2010A Bonds, and, pursuant to Section 1207.062, Texas Government Code, is eligible to serve as the "Escrow Agent" under the "Escrow Agreement" herein authorized in connection with refunding the Refunded Bonds; [however, the City Council desires to appoint _____, which is a trust company or commercial bank that does not act as a depository for the City, to serve as the Escrow Agent for the Refunded Bonds]; and

WHEREAS, the Escrow Agreement hereinafter authorized, under which _____ will serve as the Escrow Agent, constitutes an escrow agreement of the kind authorized and permitted by Chapter 1207; and

WHEREAS, the City Council of the City hereby finds and declares a public purpose and deems it advisable and in the best interests of the City to issue the Series 2019 Bonds, the proceeds of which will be used to pay costs of issuance and refund the Refunded Bonds in order to achieve a gross debt service savings and a net present value debt service savings for the benefit of the City; provided, however, in no event shall the Series 2019A Bonds be issued unless the City is able to achieve a net present value debt service savings of at least ____% of the principal of the Current

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Refunded Bonds, and in no event shall the Taxable Series 2019B Bonds be issued unless the City is able to achieve a net present value debt service savings of at least ___% of the principal of the Advanced Refunded Bonds (and the Current Refunded Bonds if the Designated Officer determines to only issue the Taxable Series 2019B Bonds to refund both Advance Refunded Bonds and Current Refunded Bonds); and

WHEREAS, at the time the Master Ordinance was adopted, there were outstanding several series of revenue bonds which were secured by an irrevocable first lien on and pledge of the Gross Revenues (defined in the Master Ordinance as the "**Pre-2001 Parity Obligations**") and which were on parity with all Parity Obligations issued in accordance with the Master Ordinance, including certain of the obligations described in the preceding recitals; and

WHEREAS, upon the delivery of the Series 2006 Bonds and the simultaneous refunding and defeasance of all then-outstanding Pre-2001 Parity Obligations that was accomplished with the issuance of the Series 2006 Bonds, no Pre-2001 Parity Obligations remained outstanding; therefore, in accordance with the terms of the Master Ordinance, the "**Second Automatic Amendment Date**" has occurred and all terms of the Master Ordinance which would become effective only upon the occurrence of the Second Automatic Amendment Date automatically became effective on and as of the date of delivery of the Series 2006 Bonds; and

WHEREAS, the Series 2019 Bonds are to be issued and delivered pursuant to laws of the State of Texas, including particularly Chapter 22, Texas Transportation Code, and Chapters 1207 and 1503, Texas Government Code; and

WHEREAS, on October [16], 2019, a public hearing relating to the issuance of the Series 2019A Bonds and the projects being refinanced therewith was held in compliance with the provisions of section 147(f) of the Internal Revenue Code; and

WHEREAS, the City Council hereby finds, determines and declares that this Sixteenth Supplement, the financing contemplated herein, the approval thereof and the authority therefor are necessary and proper to provide for the preservation of public property, and further finds, determines and declares that it is, therefore, necessary and proper that this Sixteenth Supplement be passed as an emergency measure, to be effective immediately upon approval by at least eight affirmative votes; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Sixteenth Supplement was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; **NOW THEREFORE**,

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

SECTION 1. DEFINITIONS. In addition to the definitions set forth in the preamble of this Sixteenth Supplement, the terms used in this Sixteenth Supplement (except in the FORM OF SERIES 2019A BONDS and the FORM OF TAXABLE SERIES 2019B BONDS) and not otherwise defined shall have the meanings given in the Master Ordinance or in *Exhibit A* to this Sixteenth Supplement attached hereto and made a part hereof.

SECTION 2. AMOUNT AND PURPOSE OF THE SERIES 2019 BONDS; DELEGATION OF AUTHORITY TO CERTAIN CITY OFFICIALS.

(a) ***Authorization to Issue Series 2019A Bonds.*** Revenue bonds of the City, the interest on which is intended to be excludable from federal income taxation (except for certain circumstances relating to "private activity bonds") and which are further described in Section 3(a) of this Sixteenth Supplement (the "***Series 2019A Bonds***"), are hereby authorized to be issued and delivered in the aggregate principal amount as designated by the City Manager, the Chief Financial Officer or the Deputy Chief Financial Officer of the City (each a "***Designated Officer***") pursuant to the provisions of Section 2(c) of this Sixteenth Supplement ***FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND A PORTION OF THE CITY'S OUTSTANDING AIRPORT SYSTEM REVENUE BONDS AND TO PAY FOR COSTS OF ISSUANCE.***

(b) ***Authorization to Issue Taxable 2019B Bonds.*** Revenue bonds of the City, the interest on which is intended to be included in federal income taxes for all holders thereof and which are further described in Section 3(b) of this Sixteenth Supplement (the "***Taxable Series 2019B Bonds***"), are hereby authorized to be issued and delivered in the aggregate principal amount as designated by a Designated Officer pursuant to the provisions of Section 2(d) of this Sixteenth Supplement ***FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND A PORTION OF THE CITY'S OUTSTANDING AIRPORT SYSTEM REVENUE BONDS AND TO PAY FOR COSTS OF ISSUANCE.***

(c) ***Delegation of Final Terms.*** As authorized by Section 1207.007, Texas Government Code, each Designated Officer, acting individually or in combination with another Designated Officer, is hereby authorized, appointed, and designated as an officer of the City authorized to act on behalf of the City to effect the sale of the Series 2019 Bonds and to establish the terms and details related to the issuance and sale of the Series 2019 Bonds including (i) whether to issue (A) only Series 2019A Bonds (to refund only the Current Refunded Bonds), (B) only Taxable Series 2019B Bonds (to refund the Current Refunded Bonds and/or the Advanced Refunded Bonds), or (C) both Series 2019A Bonds and Taxable Series 2019B Bonds (to refund the Current Refunded Bonds and the Advanced Refunded Bonds, respectively), (ii) the total aggregate principal amount of the Series 2019A Bonds and the Taxable Series 2019B Bonds to be issued (but in no event to exceed \$110,000,000 in aggregate principal amount), (iii) the price at which the Series 2019A Bonds and the Taxable Series 2019B Bonds will be sold (but in no event shall the Series 2019A Bonds be sold at a price which would result in a net present value savings of less than ____% of the principal amount of the Current Refunded Bonds and in no event shall the Taxable Series 2019B Bonds be sold at a price which would result in a net present value savings of less than ____% of the principal amount of the Advanced Refunded Bonds [and the Current Refunded Bonds if the Designated Officer

determines to only issue the Taxable Series 2019B Bonds to refund both Advance Refunded Bonds and Current Refunded Bonds]), (iv) the date of the Series 2019 Bonds, (v) the aggregate principal amount of each maturity thereof, (vi) the due date of each maturity (but in no event later than *July 1, 2032* with respect to the Series 2019A Bonds and in no event later than *July 1, 2040* with respect to the Taxable Series 2019B Bonds), (vii) the rate of interest to be borne on the principal amount of each such maturity (but in no event to exceed a true interest cost rate for all Series 2019A Bonds of _____% per annum and in no event to exceed a true interest cost rate for all Taxable Series 2019B Bonds of _____% per annum), (viii) the interest payment periods, (ix) the dates, price and terms upon and at which the Series 2019 Bonds shall be subject to any optional or mandatory sinking fund redemption provisions for any maturity, and (x) all other matters relating to the issuance, sale and delivery of the Series 2019 Bonds. Each Designated Officer, acting individually or in combination with another Designated Officer for and on behalf of the City, is further authorized to (i) complete and attach *Exhibit B* of this Sixteenth Supplement, and (ii) revise and complete the FORM OF SERIES 2019A BOND set forth in *Exhibit D-1* of this Sixteenth Supplement and the FORM OF TAXABLE SERIES 2019B BOND set forth in *Exhibit D-2* of this Sixteenth Supplement, with the final terms of the respective Series 2019 Bonds approved pursuant to the authority granted herein and to enter into, execute and carry out an agreement to purchase the Series 2019 Bonds (the "**Purchase Contract**") with the Underwriters named in Section 19 herein.

(d) ***Delegation of Authority to Select Series 2007 Bonds and Series 2010A Bonds for Refunding.*** As authorized by Section 1207.007(a)(4), Texas Government Code, each Designated Officer, acting individually or in combination with another Designated Officer for and on behalf of the City, is hereby authorized to select all or any portion of (i) the Series 2007 Bonds maturing on and after July 1, 2020 (exclusive of the Series 2007 Bonds maturing in the years 2024 and 2025) to be refunded with proceeds of the Series 2019A Bonds or the Taxable Series 2019B Bonds, and (ii) the Series 2010A Bonds maturing on and after July 1, 2021 to be refunded only with proceeds of the Taxable Series 2019B Bonds. A Designated Officer shall evidence the selection of such Series 2007 Bonds and/or Series 2010A Bonds by executing and attaching to this Sixteenth Supplement as *Exhibit C* a certificate describing (i) the maturities and the principal amount of such maturities of the Series 2007 Bonds to be refunded with the proceeds of the Series 2019A Bonds or the Taxable Series 2019B Bonds, and (ii) the maturities and the principal amount of such maturities of the Series 2010A Bonds to be refunded only with the proceeds of the Taxable Series 2019B Bonds.

(e) ***Determination Required by Section 1201.022(a)(3), Texas Government Code.*** In satisfaction of Section 1201.022(a)(3), Texas Government Code, the City Council hereby determines that the delegation of the authority to each Designated Officer to approve the final terms of the Series 2019 Bonds set forth in this Sixteenth Supplement is, and the decisions made by a Designated Officer pursuant to such delegated authority and incorporated in *Exhibit B* will be, in the City's best interests, and each Designated Officer is hereby authorized to make and include in *Exhibit B* an appropriate finding to that effect.

(f) ***Expiration of Delegation Authority.*** The authority delegated to a Designated Officer pursuant to Sections 1(c) - (e) above shall expire on April 16, 2020.

SECTION 3. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, MATURITIES AND OTHER TERMS OF SERIES 2019 BONDS.

(a) **Series 2019A Bonds.** Each Series 2019A Bond issued pursuant Section 2(a) to this Sixteenth Supplement shall be designated **CITY OF SAN ANTONIO, TEXAS AIRPORT SYSTEM REVENUE REFUNDING BOND, SERIES 2019A (AMT)**, and initially there shall be issued, sold and delivered hereunder one fully registered bond, numbered T-1 (the "**Initial Series 2019A Bond**"), without interest coupons, dated as of the date determined by a Designated Officer and set forth in *Exhibit B*, and payable on the dates and in the principal amounts, and subject to prior redemption, as determined by a Designated Officer and set forth in *Exhibit B*, with Series 2019A Bonds issued and delivered in substitution for the Initial Series 2019A Bond being in the denomination of \$5,000 or any integral multiple thereof, being numbered consecutively from R-1 upward, and being payable to the initial registered owner designated in Section 19 hereof, or to the registered assignee or assignees of said Series 2019A Bonds or any portion or portions thereof (the "**Registered Owner**"). The form of the Series 2019A Bonds, including the form of the Initial Series 2019A Bond, the form of the Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas (which shall be attached only to the Initial Series 2019A Bond), shall be, respectively, substantially as set forth in *Exhibit D-1*, with such appropriate variations, omissions, or insertions as are permitted or required by this Sixteenth Supplement.

(b) **Taxable Series 2019B Bonds.** Each Taxable Series 2019B Bond issued pursuant to this Sixteenth Supplement shall be designated **CITY OF SAN ANTONIO, TEXAS AIRPORT SYSTEM REVENUE REFUNDING BOND, TAXABLE SERIES 2019B**, and initially there shall be issued, sold and delivered hereunder one fully registered bond, numbered T-1 (the "**Initial Taxable Series 2019B Bond**"), without interest coupons, dated as of the date determined by a Designated Officer and set forth in *Exhibit B*, and payable on the dates and in the principal amounts, and subject to prior redemption, as determined by a Designated Officer and set forth in *Exhibit B*, with Taxable Series 2019B Bonds issued and delivered in substitution for the Initial Taxable Series 2019B Bond being in the denomination of \$5,000 or any integral multiple thereof, being numbered consecutively from R-1 upward, and being payable to the initial registered owner designated in Section 19 hereof, or to the registered assignee or assignees of said Series 2019A Bonds or any portion or portions thereof (the "**Registered Owner**"). The form of the Taxable Series 2019B Bonds, including the form of the Initial Series 2019B Bond, the form of the Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas (which shall be attached only to the Initial Taxable Series 2019B Bond), shall be, respectively, substantially as set forth in *Exhibit D-2*, with such appropriate variations, omissions, or insertions as are permitted or required by this Sixteenth Supplement.

(c) **Revision of Series Title.** In the event a Designated Officer determines to approve the issuance of only a single Series of revenue bonds pursuant to this Sixteenth Supplement (i.e., only Tax-Exempt Debt generally described in Sections 2(a) and 3(a) hereof or taxable bonds generally

described Sections 2(b) and 3(b) hereof), the title of such bonds described in Sections 3(a) or 3(b), as applicable, shall be revised by deleting the letter "A" or "B," as applicable, in such title.

SECTION 4. INTEREST.

(a) **Series 2019A Bonds.** The Series 2019A Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF SERIES 2019A BONDS set forth in Exhibit D-1 of this Sixteenth Supplement to their respective dates of maturity at the rates per annum determined by a Designated Officer as set forth in *Exhibit B* attached hereto. Said interest shall be payable in the manner provided and on the dates stated in the FORM OF SERIES 2019A BONDS set forth in Exhibit D-1 of this Sixteenth Supplement.

(b) **Taxable Series 2019B Bonds.** The Taxable Series 2019B Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF TAXABLE SERIES 2019B BONDS set forth in Exhibit D-2 of this Sixteenth Supplement to their respective dates of maturity at the rates per annum determined by a Designated Officer as set forth in *Exhibit B* attached hereto. Said interest shall be payable in the manner provided and on the dates stated in the FORM OF TAXABLE SERIES 2019B BONDS set forth in Exhibit D-2 of this Sixteenth Supplement.

SECTION 5. REGISTRATION, TRANSFER, AND EXCHANGE; AUTHENTICATION; BOOK-ENTRY-ONLY SYSTEM. (a) **Registration, Transfer, Conversion and Exchange; Authentication.** The City shall keep or cause to be kept at the Designated Trust Office (currently located in _____, Texas) of _____ (the "**Paying Agent/Registrar**"), books or records for the registration of the transfer, conversion and exchange of the Series 2019 Bonds (the "**Registration Books**"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe, and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The execution of a Paying Agent/Registrar Agreement in substantially the form attached hereto as *Exhibit E* is hereby authorized. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Series 2019 Bond to which payments with respect to the Series 2019 Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The City shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The City shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Series 2019 Bond or Series 2019 Bonds. Registration of assignments, transfers, conversions and exchanges of Series 2019 Bonds shall be

made in the manner provided and with the effect stated in the FORM OF SERIES 2019A BONDS and the FORM OF TAXABLE SERIES 2019B BONDS set forth respectively in *Exhibit D-1* and *Exhibit D-2* to this Sixteenth Supplement. Each substitute Series 2019 Bond shall bear a letter and/or number to distinguish it from each other Series 2019 Bond.

On each substitute bond issued in exchange for or replacement of any Series 2019 Bond issued under this Sixteenth Supplement there shall be printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form hereinafter set forth in the FORM OF SERIES 2019A BONDS and the FORM OF TAXABLE SERIES 2019B BONDS respectively set forth in *Exhibit D-1* and *Exhibit D-2* to this Sixteenth Supplement (the "**Authentication Certificate**"). It is specifically provided, however, that any Series 2019 Bond delivered in exchange for or replacement of another Series 2019 Bond prior to the first scheduled interest payment date on the Series 2019 Bonds (as stated on the face thereof) shall be dated the same date as such Series 2019 Bond, but each substitute bond so delivered on or after such first scheduled interest payment date shall be dated as of the interest payment date preceding the date on which such substitute bond is delivered, unless such substitute bond is delivered on an interest payment date, in which case it shall be dated as of such date of delivery; provided, however, that if at the time of delivery of any substitute bond the interest on the Series 2019 Bond for which it is being exchanged has not been paid, then such substitute bond shall be dated as of the date to which such interest has been paid in full. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such substitute bond, date such substitute bond in the manner set forth above, and manually sign and date the Authentication Certificate, and no such substitute bond shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed.

The Paying Agent/Registrar promptly shall cancel all paid Series 2019 Bonds and Series 2019 Bonds surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the City or any other Person so as to accomplish the foregoing conversion and exchange of any Series 2019 Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Series 2019 Bonds in the manner prescribed herein. Pursuant to Chapter 1206, and particularly Subchapter B thereof, the duty of conversion and exchange of Series 2019 Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the converted and exchanged Series 2019 Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Series 2019 Bonds which initially were issued and delivered pursuant to this Sixteenth Supplement, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) **Payment of Series 2019 Bonds and Interest.** The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of, premium, if any, and interest on the Series 2019 Bonds, all as provided in this Sixteenth Supplement. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Series 2019 Bonds.

(c) ***In General.*** The Series 2019 Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Series 2019 Bonds to be payable only to the registered owners thereof, (ii) may be transferred and assigned, (iii) may be converted and exchanged for other Series 2019 Bonds, (iv) shall have the characteristics, (v) shall be signed, sealed, executed and authenticated, (vi) shall be payable as to principal and interest, (vii) shall be subject to redemption prior to stated maturity, and (viii) shall be administered and the Paying Agent/Registrar, and the City shall have certain duties and responsibilities with respect to the Series 2019 Bonds, all as respectively provided, and in the manner and to the effect as required or indicated, in the FORM OF SERIES 2019A BONDS and the FORM OF TAXABLE SERIES 2019B BONDS set forth in *Exhibit D-1* and *Exhibit D-2*, respectively, to this Sixteenth Supplement. The Initial Series 2019A Bond and the Initial Taxable Series 2019B Bond initially issued and delivered pursuant to this Sixteenth Supplement are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Series 2019A Bond and Taxable Series 2019B Bonds issued in conversion of and exchange for the Initial Series 2019A Bond and the Initial Taxable Series 2019B Bond, respectively, or any or Series 2019A Bond or Taxable Series 2019B Bond issued under this Sixteenth Supplement the Paying Agent/Registrar shall execute the Authentication Certificate, in the manner hereinabove described. In lieu of the executed Authentication Certificate described above, the Initial Series 2019A Bond and the Initial Taxable Series 2019B Bond delivered on the closing date (as further described in subparagraph (i) below) shall have attached thereto the Comptroller's Registration Certificate substantially in the form set forth in the FORM OF SERIES 2019A BONDS and the FORM OF TAXABLE SERIES 2019B BONDS attached as *Exhibit D-1* and *Exhibit D-2*, respectively, executed by the Comptroller of Public Accounts of the State of Texas or by his duly authorized agent, which certificate shall be evidence that the Initial Series 2019A Bond or the Initial Taxable Series 2019B Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts.

(d) ***Substitute Paying Agent/Registrar.*** The City covenants with the registered owners of the Series 2019 Bonds that at all times while the Series 2019 Bonds are outstanding a competent and legally qualified entity shall act as and perform the services of Paying Agent/Registrar for the Series 2019 Bonds under this Sixteenth Supplement, and that the Paying Agent/Registrar will be one entity. Such entity may be the City, to the extent permitted by law, or a bank, trust company, financial institution, or other agency, as selected by the City. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar, to be effective not later than 30 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified entity to act as Paying Agent/Registrar under this Sixteenth Supplement. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Series 2019 Bonds, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof

to be sent by the new Paying Agent/Registrar to each registered owner of the Series 2019 Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Sixteenth Supplement, and a certified copy of this Sixteenth Supplement shall be delivered to each Paying Agent/Registrar.

(e) ***Book-Entry-Only-System.*** The Series 2019A Bonds and the Taxable Series 2019B Bonds issued on the Issuance Date in exchange for the Initial Series 2019A Bond and the Initial Taxable Series 2019B Bonds initially issued to the Underwriters shall be in the form of a separate single fully registered Series 2019A Bond or Taxable Series 2019B Bond, as applicable, for each of the maturities thereof. Upon initial issuance, the ownership of each such Series 2019 Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("***DTC***"), and except as provided in subsection (f) hereof, all of the outstanding Series 2019 Bonds shall be registered in the name of Cede & Co., as nominee of DTC. The City heretofore has executed and delivered to DTC a "Blanket Letter of Representations" with respect to the utilization by the City of DTC's book-entry-only system. Notwithstanding any other provision of this Sixteenth Supplement to the contrary, so long as any Series 2019 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Series 2019 Bond and all notices with respect to such Series 2019 Bond shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

With respect to Series 2019 Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("***DTC Participant***") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any Person on behalf of whom such a DTC Participant holds an interest in the Series 2019 Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2019 Bonds, (ii) the delivery to any DTC Participant or any other Person, other than a registered owner of Series 2019 Bonds, as shown on the Registration Books, of any notice with respect to the Series 2019 Bonds, or (iii) the payment to any DTC Participant or any other Person, other than a registered owner of Series 2019 Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Series 2019 Bonds. Notwithstanding any other provision of this Sixteenth Supplement to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Series 2019 Bond is registered in the Registration Books as the absolute owner of such Series 2019 Bond for the purpose of payment of principal and interest with respect to such Series 2019 Bond, for the purpose of registering transfers with respect to such Series 2019 Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Series 2019 Bonds only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Sixteenth Supplement, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with

respect to payment of principal of and interest on the Series 2019 Bonds to the extent of the sum or sums so paid. No Person other than a registered owner, as shown in the Registration Books, shall receive a Series 2019 Bond evidencing the obligation of the City to make payments of principal and interest pursuant to this Sixteenth Supplement. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Sixteenth Supplement with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Sixteenth Supplement shall refer to such new nominee of DTC.

(f) ***Successor Securities Depository.*** In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC or that it is in the best interest of the beneficial owners of the Series 2019 Bonds that they be able to obtain certificated Series 2019 Bonds, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Series 2019 Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Series 2019 Bonds and transfer one or more separate Series 2019 Bonds to DTC Participants having Series 2019 Bonds credited to their DTC accounts. In such event, the Series 2019 Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Series 2019 Bonds shall designate, in accordance with the provisions of this Sixteenth Supplement.

SECTION 6. ESTABLISHMENT OF REVENUE BOND FINANCING PROGRAM AND ISSUANCE OF PARITY OBLIGATIONS. By adoption of the Master Ordinance the City has provided a revised financing structure for revenue supported indebtedness to be issued or incurred for the Airport System. The Master Ordinance is intended to establish a revised master program under which revenue supported indebtedness attributable to the Airport System and payable from Gross Revenues can be incurred and which will be on a parity with all other Parity Obligations. This Sixteenth Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment, and security of the Series 2019 Bonds, which will be on a parity with all Parity Obligations issued in accordance with the Master Ordinance and any Supplement. The Series 2019 Bonds are being issued as Additional Parity Obligations in accordance with the requirements of Section 17 of the Master Ordinance. The Master Ordinance is incorporated herein by reference and as such made a part hereof for all purposes, except to the extent modified and supplemented hereby. The Series 2019 Bonds are hereby declared to be Parity Obligations under the Master Ordinance.

SECTION 7. SECURITY. (a) ***Gross Revenues.*** The Series 2019 Bonds are special obligations of the City payable from and secured solely by the Gross Revenues pursuant to the Master Ordinance and this Sixteenth Supplement. The Gross Revenues are hereby pledged to the payment

of the principal of, premium, if any, and interest on the Series 2019 Bonds as the same shall become due and payable.

(b) ***Bond Reserve Fund.***

(i) The Series 2019 Bonds are to be secured by the Bond Reserve Fund. The City certifies that the amount that will be on deposit in the Bond Reserve Fund on the date of issuance of the Series 2019 Bonds will be not less than *\$13,592,935.10*, which was the balance in such Fund as of February 29, 2012, and is at least equal to the Required Reserve Amount relating to the Outstanding Parity Obligations (i.e., *\$13,139,459.47* calculated as of September 30, 2011). Such amount was funded from the following sources:

(A) *Series 2001 Bonds:* The Required Reserve Amount upon the issuance of the Series 2001 Bonds was equal to *\$10,831,733*. The amount on deposit in the Bond Reserve Fund upon the issuance of the Series 2001 Bonds was at least equal to such Required Reserve Amount; consequently, pursuant to Ordinance No. 94463, no additional deposits were made to the Bond Reserve Fund at such time.

(B) *Series 2002 Bonds:* The Required Reserve Amount upon the issuance of the Series 2002 Bonds increased to an amount equal to *\$13,116,139*. Pursuant to Ordinance No. 95388, upon the issuance of the Series 2002 Bonds, the City deposited *\$2,500,000.00* of proceeds of the Series 2002 Bonds into the Bond Reserve Fund in order to fund the Bond Reserve Fund to not less than the Required Reserve Amount.

(C) *Series 2003 Forward Refunding Bonds:* The Required Reserve Amount upon the issuance of the Series 2003 Forward Refunding Bonds decreased to an amount equal to *\$10,903,176*. The amount on deposit in the Bond Reserve Fund upon the issuance of the Series 2003 Forward Refunding Bonds was at least equal to such Required Reserve Amount; consequently, pursuant to Ordinance No. 93790, no additional deposits were made to the Bond Reserve Fund at such time.

(D) *Series 2003-A Bonds and Series 2003-B Bonds:* The Required Reserve Amount upon the issuance of the Series 2003-A Bonds and the Series 2003-B Bonds increased to an amount equal to *\$12,668,496*. The amount on deposit in the Bond Reserve Fund upon the issuance of the Series 2003-A Bonds and the Series 2003-B Bonds was at least equal to such Required Reserve Amount; consequently, pursuant to Ordinance Nos. 97347 and 97348, no additional deposits were made to the Bond Reserve Fund at such time.

(E) *Series 2006 Bonds:* The Required Reserve Amount upon the issuance of the Series 2006 Bonds decreased to an amount equal to *\$12,126,409*, and the amount then on deposit therein was at least equal to such amount. Pursuant to Ordinance No. 2006-11-16-1298, upon the issuance of the Series 2006 Bonds, the

City used proceeds of the Series 2006 Bonds to purchase and deposit into the Bond Reserve Fund a Credit Facility in the form of a debt service reserve fund surety policy provided by Assured Guaranty Municipal Corp. (as the legal successor in interest to Financial Security Assurance Inc. which originally provided such surety policy) with a maximum amount available to be drawn thereon equal to \$600,000 (which was issued to replace a surety policy previously provided by Financial Security Assurance Inc. in connection with certain Parity Obligations that were refunded by the Series 2006 Bonds).

(F) Series 2007 Bonds: The Required Reserve Amount upon the issuance of the Series 2007 Bonds increased to an amount equal to \$15,809,118.92, and the amount then on deposit therein was equal to \$15,115,585.00. Pursuant to Ordinance No. 2007-11-29-1188, upon the issuance of the Series 2007 Bonds, the City deposited \$657,533.92 of available funds of the City (not bond proceeds) into the Bond Reserve Fund in order to fund the Bond Reserve Fund to not less than the Required Reserve Amount.

(G) Series 2010 Bonds. The Required Reserve Amount upon the issuance of the Series 2010 Bonds decreased to an amount equal to \$13,463,467.57 due in part to providing for the amortization of the Series 2010 Bonds over 30 years. Consequently, the Average Annual Debt Service Requirements did not increase, and no additional funds were required to be deposited into the Bond Reserve Fund, upon the issuance and delivery of the Series 2010 Bonds.

(H) Series 2012 Bonds. The Required Reserve Amount upon the issuance of the Series 2012 Bonds decreased to an amount equal to \$13,139,459.47. Consequently, the Average Annual Debt Service Requirements did not increase, and no additional funds were required to be deposited into the Bond Reserve Fund, upon the issuance and delivery of the Series 2012 Bonds.

(I) Series 2015 Bonds. The Required Reserve Amount following the issuance and delivery of the Series 2015 Bonds increased to \$14,014,550.68 (which amount was calculated to equal the Average Annual Debt Service Requirements on the Outstanding Parity Obligations (other than the Series 2015 Bonds) plus an amount equal to the maximum Annual Debt Service Requirements on the Series 2015 Bonds due to the fact that the City expected to use certain available revenues other than Gross Revenues of the Airport System to pay debt service on the Series 2015 Bonds). The amount on deposit in the Bond Reserve Fund immediately prior to the issuance of the Series 2015 Bonds was \$11,312,800.68, which was less than the new Required Reserve Amount; accordingly, on the date of delivery of the Series 2015 Bonds the City deposited into the Bond Reserve Fund proceeds of the Series 2015 Bonds in the amount of \$2,701,750.00 in order to bring the total amount on deposit therein equal to the new Required Reserve Amount.

(ii) Upon the issuance of the Series 2019 Bonds, the Required Reserve Amount for all Parity Obligations then Outstanding (including the Series 2019 Bonds) is expected to *decrease* upon delivery of the Series 2019 Bonds to an amount less than the current Required Reserve Amount (i.e., \$12,043,997.32, calculated as of September 30, 2019 as the amount equal to the Average Annual Debt Service Requirements on all Outstanding Parity Obligations [other than the Series 2015 Bonds], plus the maximum Annual Debt Service Requirements on the Series 2015 Bonds) due to achieving an interest cost savings resulting from the refunding of the Refunded Bonds. Consequently, the Required Reserve Amount is not expected to increase, and no additional funds are expected to be required to be deposited into the Bond Reserve Fund, upon the issuance and delivery of the Series 2019 Bonds; however, in the event the Average Annual Debt Service Requirements actually will increase upon delivery of the Series 2019 Bonds to an amount in excess of \$12,043,997.32, the City Manager, the Chief Financial Officer and the Deputy Chief Financial Officer are authorized to utilize a portion of the proceeds of the Series 2019 Bonds or other available funds of the City on the date of delivery of the Series 2019 Bonds to increase the amount on deposit in the Bond Reserve Fund to the new Required Reserve Amount (and such determination shall be incorporated into *Exhibit B* to be completed by a Designated Financial Officer). In addition, in the event the amount on deposit in the Bond Reserve Fund on the date of issuance of the Series 2019 Bonds exceeds the new Required Reserve Amount, all or a portion of the such excess amount held in cash or investments, as determined by Co-Bond Counsel to the City relating to the Series 2019 Bonds, shall be withdrawn and deposited into the Escrow Fund established under the Escrow Agreement to provide a portion of the funds required to refund the Refunded Bonds (and such action shall be incorporated into *Exhibit B* to be completed by a Designated Financial Officer).

(c) **Security Interest.** Chapter 1208, Texas Government Code, applies to the issuance of the Series 2019 Bonds and the pledge of Gross Revenues by the City under the Master Ordinance and this Sixteenth Supplement, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Series 2019 Bonds are outstanding and unpaid such that the pledge of the Gross Revenues by the City under the Master Ordinance and this Sixteenth Supplement is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Series 2019 Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 8. PAYMENTS; BOND FUND. (a) **Money Made Available to Paying Agent.** The City agrees to pay the principal of, premium, if any, and the interest on the Series 2019 Bonds when due. The City shall make available to the Paying Agent/Registrar, on or before such principal or interest payment date, money sufficient to pay such interest on and such principal of the Series

2019 Bonds as will accrue or mature. The Paying Agent/Registrar shall cancel all paid Series 2019 Bonds and shall furnish the City with an appropriate certificate of cancellation.

(b) **Bond Fund.** Pursuant to Section 7 of the Master Ordinance, money in the Revenue Fund shall be applied by the City on the dates and in the amounts, and in the order of priority with respect to the Funds and Accounts that such applications are described in the Master Ordinance, including making monthly deposits into the Bond Fund to provide sufficient funds to pay all principal of and interest on all Parity Obligations, including the Series 2019 Bonds.

SECTION 9. REBATE FUND. There is hereby created and there shall be established and maintained on the books of the City, and accounted for separate and apart from all other funds of the City, a separate fund designated as the Series 2019 Rebate Fund (the "**Rebate Fund**"). The Rebate Fund shall be for the sole benefit of the United States of America and shall not be subject to the lien created by this Sixteenth Supplement or to the claim of any other Person, including the Holders of the Series 2019 Bonds. Amounts deposited to the Rebate Fund, together with any investment earnings thereon, shall be held in trust and applied solely as provided in section 148 of the Code.

SECTION 10. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED SERIES 2019 BONDS. (a) **Replacement Series 2019 Bonds.** In the event any outstanding Series 2019 Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same series, principal amount, maturity, and interest rate, and in the same form, as the damaged, mutilated, lost, stolen, or destroyed Series 2019 Bond, in replacement for such Series 2019 Bond in the manner hereinafter provided.

(b) **Application for Replacement Series 2019 Bonds.** Application for replacement of damaged, mutilated, lost, stolen, or destroyed Series 2019 Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Series 2019 Bond, the applicant for a replacement bond shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Series 2019 Bond, the applicant shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Series 2019 Bond, as the case may be. In every case of damage or mutilation of a Series 2019 Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Series 2019 Bond so damaged or mutilated.

(c) **Payment in Lieu of Replacement.** Notwithstanding the foregoing provisions of this Section, in the event any such Series 2019 Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of or interest on the Series 2019 Bond, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Series 2019 Bond) instead of issuing a replacement Series 2019 Bond, provided security or indemnity is furnished as above provided in this Section.

(d) ***Charge for Issuing Replacement Series 2019 Bonds.*** Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the owner of such Series 2019 Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Series 2019 Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Series 2019 Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Sixteenth Supplement equally and proportionately with any and all other Series 2019 Bonds duly issued under this Sixteenth Supplement.

(e) ***Authority for Issuing Replacement Series 2019 Bonds.*** In accordance with Chapter 1206, this Section shall constitute authority for the issuance of any such replacement bond without the necessity of further action by the City or any Person, and the duty of the replacement of such Series 2019 Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Series 2019 Bonds in the form and manner and with the effect, as provided in Section 5 of this Sixteenth Supplement for Series 2019 Bonds issued in exchange and replacement for other Series 2019 Bonds.

SECTION 11. AMENDMENT OF SUPPLEMENT. (a) ***Amendments Without Consent.*** This Sixteenth Supplement and the rights and obligations of the City and of the owners of the Series 2019 Bonds may be modified or amended at any time without notice to or the consent of any owner of the Series 2019 Bonds or any other Parity Obligations (but with prior notice to the Insurer), solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the City contained in this Sixteenth Supplement, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the City in this Sixteenth Supplement;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Sixteenth Supplement, upon receipt by the City of an opinion of Co-Bond Counsel, that the same is needed for such purpose, and will more clearly express the intent of this Sixteenth Supplement;

(iii) To supplement the security for the Series 2019 Bonds, replace or provide additional credit facilities, or change the form of the Series 2019 Bonds or make such other changes in the provisions hereof as the City may deem necessary or desirable and which shall not, in the judgment of the City, materially adversely affect the interests of the owners of the Outstanding Series 2019 Bonds;

(iv) To make any changes or amendments (A) requested by any Credit Rating Agency then rating or requested by the City to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, or (B) as may be necessary or desirable in order to obtain the approval of the Series 2019 Bonds by the Office of the Attorney General of the State of

Texas, which changes or amendments do not, in the judgment of the City, materially adversely affect the interests of the owners of the Outstanding Parity Obligations;

(v) To make such changes, modifications or amendments as are permitted by the last paragraph of Section 17(d) of this Sixteenth Supplement;

(vi) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Outstanding Parity Obligations, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to the Parity Obligations; or

(vii) To make such other changes in the provisions hereof as the City may deem necessary or desirable and which shall not, in the judgment of the City, materially adversely affect the interests of the owners of Outstanding Parity Obligations.

Notice of any such amendment may be published by the City in the manner described in subsection (c) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory ordinance and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory ordinance.

(b) ***Amendments With Consent.*** Subject to the other provisions of this Sixteenth Supplement, the Insurer and the owners of Outstanding Series 2019 Bonds aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described in subsection (a) of this Section, to this Sixteenth Supplement which may be deemed necessary or desirable by the City; provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the owners of all of the Outstanding Series 2019 Bonds, the amendment of the terms and conditions in this Sixteenth Supplement or in the Series 2019 Bonds so as to:

- (i) Make any change in the maturity of the Outstanding Series 2019 Bonds;
- (ii) Reduce the rate of interest borne by Outstanding Series 2019 Bonds;
- (iii) Reduce the amount of the principal payable on Outstanding Series 2019 Bonds;
- (iv) Modify the terms of payment of principal of or interest on the Outstanding Series 2019 Bonds, or impose any conditions with respect to such payment;
- (v) Affect the rights of the owners of less than all Series 2019 Bonds then Outstanding; or

- (vi) Change the minimum percentage of the Outstanding Principal Amount of Series 2019 Bonds necessary for consent to such amendment.

(c) **Notice.** If at any time the City shall desire to amend this Sixteenth Supplement other than pursuant to subsection (a) of this Section, the City shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in The City of New York, New York, and a newspaper of general circulation in the City, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Registrar for inspection by all owners of Series 2019 Bonds. Such publication is not required, however, if the City gives or causes to be given such notice in writing to each owner of Series 2019 Bonds.

(d) **Receipt of Consents.** Whenever at any time not less than thirty days, and within one year, from the date of the first publication of said notice or other service of written notice of the proposed amendment the City shall receive an instrument or instruments executed by the Insurer and all of the owners or the owners of at least a majority in Outstanding Principal Amount of Series 2019 Bonds, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the City may adopt the amendatory ordinance in substantially the same form.

(e) **Effect of Amendments.** Upon the adoption by the City of any ordinance to amend this Sixteenth Supplement pursuant to the provisions of this Section, this Sixteenth Supplement shall be deemed to be amended in accordance with the amendatory ordinance, and the respective rights, duties, and obligations of the City and all the owners of then Outstanding Series 2019 Bonds and all future owners of the Series 2019 Bonds shall thereafter be determined, exercised, and enforced under the Master Ordinance and this Sixteenth Supplement, as amended.

(f) **Consent Irrevocable.** Any consent given by any owner of Series 2019 Bonds pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Series 2019 Bonds during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Registrar and the City, but such revocation shall not be effective if the owners of a majority in Outstanding Principal Amount of Series 2019 Bonds, prior to the attempted revocation, consented to and approved the amendment.

(g) **Ownership.** For the purpose of this Section, the ownership and other matters relating to all Series 2019 Bonds registered as to ownership shall be determined from the Registration Books. The Registrar may conclusively assume that such ownership continues until written notice to the contrary is served upon the Registrar.

SECTION 12. COVENANTS REGARDING TAX-EXEMPTION RELATING TO SERIES 2019A BONDS.

(a) *Covenants.* The City intends to issue the Series 2019A Bonds as Tax-Exempt Debt, and to that end hereby covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Series 2019A Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take such action or refrain from such action which would result in the Series 2019A Bonds not being "exempt facility bonds" as the term is defined in section 142 of the Code; in particular, which would result in less than 95 percent of the net proceeds being used to provide an "airport" within the meaning of section 142(a)(1) of the Code;

(2) to take such action to assure at all times while the Series 2019A Bonds remain outstanding, that the facilities, directly or indirectly, financed or refinanced with the proceeds thereof will be owned by a governmental unit;

(3) that no part of the facilities, directly or indirectly, financed or refinanced with the proceeds of the Series 2019A Bonds will constitute (A) any lodging facility, (B) any retail facility (including food or beverage facilities) in excess of a size necessary to serve passengers and employees at the exempt facility, (C) any retail facility (other than parking) for passengers or the general public located outside the exempt facility terminal, (D) any office building for individuals who are not employees of a governmental unit or of the operating authority for the exempt facility, or (E) any industrial park or manufacturing facility;

(4) that the maturity of the Series 2019A Bonds does not exceed 120 percent of the economic life of the facilities, directly or indirectly, financed or refinanced with the proceeds of the Series 2019A Bonds, as more specifically set forth in section 147(b) of the Code;

(5) that fewer than 25 percent of the proceeds of the Series 2019A Bonds will be used to refinance the acquisition of land or an interest therein, unless such land was acquired for noise abatement or wetland preservation or the future use of the Airport, and there was no other significant use of such land;

(6) that any property acquired, directly or indirectly, with the proceeds of the Current Refunded Bonds was not placed-in-service prior to such acquisition unless the provisions of section 147(d) of the Code, relating to rehabilitation, were satisfied;

(7) that the costs of issuance to be financed with the proceeds of the Series 2019A Bonds do not exceed two (2) percent of the proceeds of the Series 2019A Bonds;

(8) to refrain from taking any action that would result in the Series 2019A Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(9) to refrain from using any portion of the proceeds of the Series 2019A Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Series 2019A Bonds, other than investment property acquired with:

- (A) proceeds of the Series 2019A Bonds invested for a reasonable temporary period, within the meaning of Section 148 of the Code, of 90 days or less until such proceeds are needed for the purpose for which the Series 2019A Bonds are issued,
- (B) proceeds or amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations,
- (C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Series 2019A Bonds;

(10) to refrain from using the proceeds of the Series 2019A Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Series 2019A Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);

(11) to otherwise restrict the use of the proceeds of the Series 2019A Bonds or amounts treated as proceeds of the Series 2019A Bonds, as may be necessary, to satisfy the requirements of section 148 of the Code (relating to arbitrage);

(12) to create and maintain a Rebate Fund, as required below, to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Series 2019A Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Series 2019A Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(13) to maintain such records as will enable the City to fulfill its responsibilities under this section and section 148 of the Code and to retain such records for at least six years following the final payment of principal and interest on the Series 2019A Bonds.

(b) **Rebate Fund.** In order to facilitate the requirements of subsection (a)(12) of this Section, the Rebate Fund shall be established and maintained by the City, for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other Person, including Holders and Credit Providers. Amounts on deposit in the Rebate Fund in accordance with section 148 of the Code shall be paid periodically to the United States of America in such amounts and at such times as are required by said section.

(c) **Proceeds.** The City understands that the term "proceeds" includes "disposition proceeds," as defined in the Treasury Regulations, and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the Current Refunded Bonds expended prior to the date of issuance of the Series 2019A Bonds. It is the understanding of the City that the covenants contained in this Supplement are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify, or expand provisions of the Code, as applicable to the Series 2019A Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of Co-Bond Counsel, will not adversely affect the exemption from federal income taxation of interest on the Series 2019A Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Series 2019A Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of Co-Bond Counsel, to preserve the exemption from federal income taxation of interest on the Series 2019A Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor, the City Manager, any Deputy or Assistant City Manager, the Chief Financial Officer or the Deputy Chief Financial Officer of the City to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Series 2019A Bonds.

(d) **Disposition of Project.** The City covenants that the property constituting the projects financed or refinanced with the proceeds of the Series 2019A Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of Co-Bond Counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Series 2019A Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest on the Series 2019A Bonds.

(e) *Approval for Purposes of Section 147(f) of the Code.* The City hereby approves the issuance of the Series 2019A Bonds and the Projects to be refinanced with proceeds of the Series 2019A Bonds for the purposes of section 147(f) of the Code.

SECTION 13. SIXTEENTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the acceptance of the Series 2019 Bonds, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Sixteenth Supplement shall be deemed to be and shall constitute a contract between the City and the Holders from time to time of the Series 2019 Bonds and the pledge made in this Sixteenth Supplement by the City and the covenants and agreements set forth in this Sixteenth Supplement to be performed by the City shall be for the equal and proportionate benefit, security, and protection of all Holders, without preference, priority, or distinction as to security or otherwise of any of the Series 2019 Bonds authorized hereunder over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Sixteenth Supplement.

SECTION 14. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. Except as provided to the contrary in the FORM OF SERIES 2019A BONDS or the FORM OF TAXABLE SERIES 2019B BONDS, whenever under the terms of this Sixteenth Supplement or the Series 2019 Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Series 2019 Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Series 2019 Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

SECTION 15. LIMITATION OF BENEFITS WITH RESPECT TO THE SIXTEENTH SUPPLEMENT. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Sixteenth Supplement or the Series 2019 Bonds is intended or should be construed to confer upon or give to any Person other than the City, the Holders, the Insurer and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Sixteenth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Sixteenth Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Holders, the Insurer and the Paying Agent/Registrar as herein and therein provided.

SECTION 16. CUSTODY, APPROVAL, CO-BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE AND INSURANCE. The Designated Financial Officer is hereby authorized to have control of the Series 2019 Bonds issued hereunder and all necessary records and proceedings pertaining to the Series 2019 Bonds pending their delivery and approval by the Attorney General of the State of Texas. In accordance with the provisions of Chapter 1202, the Designated

Financial Officer is hereby authorized to request that the Attorney General approve the Series 2019 Bonds, in which case the Designated Financial Officer also is authorized to request that the Comptroller of Public Accounts register the Series 2019 Bonds and to cause an appropriate legend reflecting such approval and registration to appear on the Series 2019 Bonds. The approving legal opinion of Co-Bond Counsel and the assigned CUSIP numbers may, at the option of the City, be printed on the Series 2019 Bonds and on any Series 2019 Bonds issued and delivered in exchange or replacement of any Series 2019 Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Series 2019 Bonds. The preamble to this Sixteenth Supplement is hereby adopted and made a part of this Sixteenth Supplement for all purposes. If insurance is obtained on any of the Series 2019 Bonds, the Series 2019 Bonds shall bear, as appropriate and applicable, a legend concerning insurance as provided by the municipal bond insurance company issuing any such insurance.

SECTION 17. COMPLIANCE WITH RULE 15c2-12.

(a) *Definitions.* As used in this Section, the following terms have the meanings ascribed to such terms below:

"*EMMA*" means the Electronic Municipal Market Access system being established by the MSRB.

"*Financial Obligation*" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Rule*" means SEC Rule 15c2-12, as amended from time to time.

"*SEC*" means the United States Securities and Exchange Commission.

"*Undertaking*" means the City's continuing disclosure undertaking, described in subsections (b) through (e) below, hereunder accepted and entered into by the City for the purpose of compliance with the Rule.

(b) *Annual Reports.* The City shall provide annually to the MSRB through EMMA financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by this Sixteenth Supplement, being the information described in Exhibit F hereto. Any financial statements so to be provided shall be (1) prepared in accordance with

the accounting principles described in *Exhibit F* hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide (1) unaudited financial statements for such fiscal year within such required time, and (2) audited financial statements for the applicable fiscal year to the MSRB through EMMA when and if the audit report on such statements become available.

If the City changes its fiscal year, it will notify the MSRB through EMMA of the date of the new fiscal year end prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this paragraph (b).

The financial information and operating data to be provided pursuant to this paragraph (b) may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB through EMMA or filed with the SEC.

(c) Notice of Certain Events.

The City shall file notice of the following events with respect to the Notes to the MSRB through EMMA in a timely manner and not more than 10 business days after occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Series 2019 Bonds, or other material events affecting the tax status of the Series 2019 Bonds;
7. Modifications to rights of the holders of the Series 2019 Bonds;
8. Bond calls, if material, and tender offers;
9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Series 2019 Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the City.
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee;
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in the immediately preceding paragraphs 15 and 16 and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The City shall file notice with the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) ***Limitations, Disclaimers, and Amendments.*** The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Series 2019 Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Section 18 of this Sixteenth Supplement that causes Series 2019 Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Series 2019 Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Series 2019 Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY SERIES 2019 BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Sixteenth Supplement for purposes of any other provision of this Sixteenth Supplement.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Series 2019 Bonds in the primary offering of the Series 2019 Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of the Master Ordinance or this Sixteenth Supplement that authorizes such an amendment) of the outstanding Series 2019 Bonds consent to such

amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the holders and beneficial owners of the Series 2019 Bonds. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Series 2019 Bonds in the primary offering of the Series 2019 Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

(e) ***Format, Identifying Information, and Incorporation by Reference.*** All financial information, operating data, financial statements, and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

Financial information and operating data to be provided pursuant to subsection (b) of this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

(f) ***General Policies and Procedures Concerning Compliance with the Rule.*** Because the issuance of the Series 2019 Bonds is subject to the provisions of the Rule and because the potential "underwriters" in a negotiated sale of the Series 2019 Bonds or the initial purchasers in a competitive sale of the Series 2019 Bonds may be subject to MSRB rules and regulations with respect to such sale (including certain due diligence and suitability requirements, among others), the City hereby adopts the *General Policies and Procedures Concerning Compliance with the Rule* (the "***Policies and Procedures***"), attached hereto as *Exhibit I*, with which the City shall follow to assure compliance with the Undertaking. The Issuer has developed these Policies and Procedures for the purpose of meeting its requirements of the Undertaking and, in connection therewith, has sought the guidance from its internal staff charged with administering the City's financial affairs, its co-municipal or financial advisors, its legal counsel (including its Co-Bond Counsel), and its independent accountants (to the extent determined to be necessary or advisable). The Policies and Procedures can be amended at the sole discretion of the City and any such amendment will not be deemed to be an amendment to the Undertaking. Each Designated Officer is hereby authorized to amend the Policies and Procedures as a result of a change in law, a future issuance of indebtedness subject to the Rule, or another purpose determined by the Designated Officer to be necessary or desirable for or with respect to future compliance with the Undertaking.

SECTION 18. DEFEASANCE OF SERIES 2019 BONDS. (a) *Defeased Series 2019 Bonds.* Any Series 2019 Bond and the interest thereon shall be deemed to be paid, retired and no longer Outstanding (a "*Defeased Series 2019 Bond*"), except to the extent provided in subsection (d) of this Section, when payment of the principal of such Series 2019 Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar (or another entity permitted by Section 1207.061, Texas Government Code, or other applicable law, which entity, together with the Paying Agent/Registrar, is referred to collectively in this Section as the "*Defeasance Agent*"), in accordance with the requirements of Chapter 1207, or other applicable law (which may include the use of an escrow agreement or other similar instrument - the "*Future Escrow Agreement*"): (1) lawful money of the United States of America sufficient to make such payment and/or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Defeasance Agent for the payment of its services until all Defeased Series 2019 Bonds shall have become due and payable. At such time as a Series 2019 Bond shall be deemed to be a Defeased Series 2019 Bond hereunder, as aforesaid, such Series 2019 Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Gross Revenues, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) *Investment in Defeasance Securities.* Any money so deposited with the Defeasance Agent may at the written direction of the City be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Defeasance Agent that is not required for the payment of the Series 2019 Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any account or Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Series 2019 Bonds may contain provisions permitting the investment or reinvestment of such money in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsections (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Defeasance Agent which is not required for the payment of the Defeased Series 2019 Bonds, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City.

(c) *Paying Agent/Registrar Services.* Until all Defeased Series 2019 Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Series 2019 Bonds the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Sixteenth Supplement.

(d) ***Selection of Series 2019 Bonds for Defeasance.*** In the event that the City elects to defease less than all of the principal amount of Series 2019 Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Series 2019 Bonds by such random method as it deems fair and appropriate.

SECTION 19. SALE OF SERIES 2019 BONDS; APPROVAL OF OFFICIAL STATEMENT.

(a) ***Sale of Series 2019 Bonds.*** The Series 2019A Bonds and the Taxable Series 2019B Bonds are hereby authorized to be sold and shall be delivered to **JEFFERIES LLC**, as representative of the underwriters (collectively, the "***Underwriters***") of the Series 2019 Bonds at the respective prices determined by a Designated Officer as set forth in *Exhibit B* attached hereto, and pursuant to the terms and provisions of a Purchase Contract in the form approved by a Designated Officer, which each Designated Officer is hereby authorized and directed to execute and deliver. The City will initially deliver to the Underwriters the Initial Series 201A Bond and the Initial Taxable Series 2019B Bond described in Section 3(a) and Section 3(b) hereof, respectively, which shall be registered in the name of **JEFFERIES LLC**.

(b) ***Approval of Official Statement.*** The City hereby authorizes the Mayor, the City Manager, the Chief Financial Officer or the Deputy Chief Financial Officer of the City to approve the form and content of an Official Statement relating to the Series 2019 Bonds and any addenda, supplement, or amendment thereto, and to approve the distribution of the Official Statement in the reoffering of the Series 2019 Bonds by the Underwriters in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The preparation, distribution and use of a Preliminary Official Statement for the Series 2019 Bonds have previously been approved.

SECTION 20. APPROVAL OF ESCROW AGREEMENT; REFUNDING OF REFUNDED BONDS. Concurrently with the initial delivery of the Series 2019 Bonds the City shall deposit an amount from the proceeds from the sale of the Series 2019 Bonds and other available funds of the City, if required, with _____ (the "***Escrow Agent***"), sufficient to provide for the refunding of the Refunded Bonds, all in accordance with Chapter 1207. Attached hereto as *Exhibit G* is an Escrow Agreement between the City and the Escrow Agent, which is hereby approved in substantially final form, and the Mayor or Mayor Pro-Tem and City Clerk of the City are hereby authorized, for and on behalf of the City, to approve any changes in the Escrow Agreement from the form attached hereto and to execute the Escrow Agreement in final form.

SECTION 21. REDEMPTION OF REFUNDED BONDS. There are attached to this Sixteenth Supplement as *Exhibit H-1* and *Exhibit H-2*, and made a part hereof for all purposes, a ***NOTICE OF DEFEASANCE AND REDEMPTION*** for the Current Refunded Bonds (i.e., the Series 2007 Bonds) and the Advanced Refunded Bonds (i.e., the Series 2010A Bonds), respectively. (Each Designated Officer and the City Clerk are authorized to substitute a revised *Exhibit H-1* and/or *Exhibit H-2* to reflect the actual maturities and principal amount of such maturities of the Current Refunded Bonds and the Advanced Refunded Bonds that are selected by a Designated Officer to be

refunded.) The City hereby exercises its option to redeem prior to maturity the Current Refunded Bonds and the Advanced Refunded Bonds described in the respective *NOTICE OF DEFEASANCE AND REDEMPTION*, and the Current Refunded Bonds and the Advanced Refunded Bonds are hereby called for redemption, and shall be redeemed, prior to maturity, on the date, at the place, and at the price set forth therein.

As soon as practicable after the delivery of the Series 2019 Bonds, and in no event less than 30 days prior to the date set for redemption, a copy of the appropriate *NOTICE OF DEFEASANCE AND REDEMPTION* shall be sent to all registered owners of the respective Current Refunded Bonds and the Advanced Refunded Bonds by first class mail postage prepaid, addressed to such registered owners at their respective addresses shown on the registration books of the paying agent/registrars for such Refunded Bonds. In addition, as soon as practicable after the issuance and delivery of the Series 2019 Bonds, a copy of the appropriate *NOTICE OF DEFEASANCE AND REDEMPTION* shall be filed with the MSRB through EMMA in order to comply with the City's requirements under the Rule to provide notice of the occurrence of certain material events.

SECTION 22. FURTHER PROCEDURES. The Mayor, City Manager, any Deputy City Manager, any Assistant City Manager, any Designated Financial Officer, and all other officers, employees, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Sixteenth Supplement, the Series 2019 Bonds, the sale and delivery of the Series 2019 Bonds and fixing all details in connection therewith, and to approve any Official Statement, or supplements thereto, in connection with the Series 2019 Bonds. Specifically, but not by way of limitation, the Designated Financial Officer shall execute a certificate detailing the use of the proceeds of the Series 2019 Bonds. The Designated Financial Officer is further authorized to pay to the Attorney General of Texas prior to the delivery of the Series 2019 Bonds, for the Attorney General's review of the transcript of proceedings related to the Series 2019 Bonds, the amount required pursuant to Section 1202.004, Texas Government Code.

SECTION 23. BOND INSURANCE POLICY. On the date of delivery of the Series 2019 Bonds, the City may obtain from the insurer approved by a Designated Officer and identified in *Exhibit B* attached hereto (the "*Insurer*") a municipal bond insurance policy in support of the Series 2019 Bonds. To that end, for so long as said policy is in effect, the ordinance requirements of the Insurer, as a condition to the issuance of said policy, to be attached hereto as *Exhibit J*, are incorporated by reference into this Sixteenth Supplement and made a part hereof for all purposes, notwithstanding any other provision of this Sixteenth Supplement to the contrary. The City is authorized to use proceeds of the Series 2019 Bonds to purchase such policy, and the Mayor, City Manager, any Deputy or Assistant City Manager, the Chief Financial Officer and the Deputy Chief Financial Officer of the City are each authorized to execute any documents and agreements required by the Insurer in connection with obtaining a municipal bond insurance policy.

SECTION 24. RULES OF CONSTRUCTION. For all purposes of this Sixteenth Supplement, unless the context requires otherwise, all references to designated Sections and other subdivisions are to the Sections and other subdivisions of this Sixteenth Supplement. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Sixteenth Supplement as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Sixteenth Supplement to impart the singular number shall be considered to include the plural number and vice versa. References to any named Person means that party and its successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Sixteenth Supplement is adopted by the City and any future amendments thereto or successor provisions thereof.

SECTION 25. FINANCIAL ALLOCATIONS. The financial allocations in this Sixteenth Supplement are subject to approval by the Chief Financial Officer, City of San Antonio. The Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Sixteenth Supplement.

SECTION 26. INTERPRETATIONS. The titles and headings of the Sections and subsections of this Sixteenth Supplement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof.

SECTION 27. INCORPORATION OF RECITALS. The City hereby finds that the statements set forth in the recitals of this Sixteenth Supplement are true and correct, and the City hereby incorporates such recitals as a part of this Sixteenth Supplement.

SECTION 28. SEVERABILITY. If any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Series 2019 Bonds issued hereunder.

SECTION 29. REPEAL OF CONFLICTING ORDINANCES. All ordinances and all parts of any ordinances (other than the Master Ordinance) which are in conflict or inconsistent with this Sixteenth Supplement are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

SECTION 30. EFFECTIVE DATE. Pursuant to Section 1201.028, Texas Government Code, this Sixteenth Supplement shall be effective immediately upon adoption.

10/17/19
Item # _____

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS AT A REGULAR MEETING ON THIS 17TH DAY OF OCTOBER, 2019.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

City Attorney

(City Seal)

** ** * * **

Signature Page to Sixteenth Supplemental Ordinance to
Master Ordinance for Airport System Revenue Bonds

EXHIBIT A DEFINITIONS

All capitalized terms not herein defined shall have the meanings given to said terms by the Master Ordinance or as otherwise defined in this Sixteenth Supplement. As used in this Sixteenth Supplement the following terms and expressions shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"Authentication Certificate" means the Authentication Certificate as defined in Section 5(a) of the Sixteenth Supplement.

"Authorized Denomination" means \$5,000 or any integral multiple thereof.

"Bond Date" means, when used with respect to the Series 2019 Bonds, December 1, 2019.

"Chapter 1202" means Chapter 1202, Texas Government Code.

"Chapter 1206" means Chapter 1206, Texas Government Code.

"Code" means the Internal Revenue Code of 1986, as amended.

"Defeasance Securities" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (iv) any other then authorized securities or obligations under applicable state law that may be used to defease obligations such as the Series 2019 Bonds.

"Designated Trust Office" means the office for payment and transfer of Series 2019 Bonds as designated by the Paying Agent/Registrar in the Paying Agent/Registrar Agreement.

"DTC" means The Depository Trust Company, New York, New York, or any successor securities depository.

"DTC Participant" means securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

"**EMMA**" means the Electronic Municipal Market Access system established and operated by the MSRB.

"**Insurer**" means, with respect to the Series 2019 Bonds, the company identified in *Exhibit B* that will provide a municipal bond insurance policy to further secure payment of debt service on the Series 2019 Bonds, if any, or any successor thereto or assignee.

"**Issuance Date**" means the date of delivery the Series 2019 Bonds to the Underwriters against payment therefor.

"**Master Ordinance**" means the "*Master Ordinance Establishing the Airport System Revenue Bond Financing Program With Respect to the Issuance of Obligations by the City of San Antonio, Texas Secured by Gross Revenues of the Airport System,*" adopted by the City on April 19, 2001, as amended by Ordinance No. 2012-03-29-0237 adopted by the City Council on March 29, 2012.

"**Maturity**" means the date on which the principal of a Series 2019 Bond becomes due and payable as therein and herein provided, whether at Stated Maturity, by redemption, declaration of acceleration, or otherwise.

"**MSRB**" means the Municipal Securities Rulemaking Board.

"**Paying Agent**," "**Registrar**" or "**Paying Agent/Registrar**" means the agent appointed pursuant to Section 5(a) of the Sixteenth Supplement, or any successor to such agent.

"**Paying Agent/Registrar Agreement**" means the agreement between the City and the Paying Agent/Registrar pertaining to the duties and responsibilities of the Paying Agent/Registrar for the Series 2019 Bonds.

"**Purchase Contract**" means the bond purchase contract between the City and the Underwriters pertaining to the purchase of the Series 2019 Bonds.

"**Rebate Fund**" means the "*City of San Antonio, Texas Series 2019A Airport System Revenue Refunding Bonds Rebate Fund*" established pursuant to Section 9 of the Sixteenth Supplement.

"**Record Date**" means, with respect to the Series 2019 Bonds, the 15th day of the month next preceding an interest payment date.

"**Registration Books**" means the books or records relating to the registration, payment, and transfer or exchange of the Series 2019 Bonds maintained by the Paying Agent/Registrar pursuant to Section 5 of the Sixteenth Supplement.

"**Rule**" means SEC Rule 15c2-12, as amended from time to time.

"**SEC**" means the United States Securities and Exchange Commission.

"**Series 2019 Bonds**" means, collectively, the Series 2019A Bonds and the Taxable Series 2019B Bonds, and the term "**Series 2019 Bond**" means any of the Series 2019 Bonds.

"**Series 2019A Bonds**" means the **CITY OF SAN ANTONIO, TEXAS AIRPORT SYSTEM REVENUE REFUNDING BONDS, SERIES 2019A (AMT)**, authorized by the Sixteenth Supplement, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to the Sixteenth Supplement; and the term "**Series 2019A Bond**" means any of the Series 2019A Bonds.

"**Stated Maturity**" means, when used with respect to the Series 2019 Bonds, the scheduled maturity of the Series 2019 Bonds.

"**Sixteenth Supplement**" means this ordinance authorizing the Series 2019 Bonds.

"**Taxable Series 2019B Bonds**" means the **CITY OF SAN ANTONIO, TEXAS AIRPORT SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2019B**, authorized by the Sixteenth Supplement, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to the Sixteenth Supplement; and the term "**Taxable Series 2019B Bond**" means any of the Taxable Series 2019B Bonds.

"**Underwriters**" means the syndicate of investment banking firms identified in the Purchase Contract; **JEFFERIES LLC** acts as senior managing underwriter.

EXHIBIT B

FORM OF APPROVAL CERTIFICATE

CERTIFICATE APPROVING THE FINAL TERMS OF THE SERIES 2019 BONDS

I, the [Deputy] Chief Financial Officer of the **CITY OF SAN ANTONIO, TEXAS** (the "**City**"), pursuant to authority granted by the provisions of Section 1207.007, Texas Government Code, and by the City Council of the City in Section 2(c) of Ordinance No. 2019-10-17-_____ approved by the City Council on October 17, 2019, relating to the issuance of the Series 2019 Bonds defined below (the "**Ordinance**"), hereby certify as follows:

1. **GENERAL.** This Certificate is given in connection with the issuance by the City of the **CITY OF SAN ANTONIO, TEXAS AIRPORT SYSTEM REVENUE REFUNDING BONDS, SERIES 2019A (AMT)** (the "**Series 2019A Bonds**") and the **CITY OF SAN ANTONIO, TEXAS AIRPORT SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2019B** (the "**Taxable Series 2019B Bonds**") and collectively with the Series 2019A Bonds, the "**Series 2019 Bonds**") which, pursuant to the Ordinance and the "Master Ordinance" referenced in the Ordinance, have been authorized by the City Council.

2. **DEFINITIONS.** All capitalized terms used in this Certificate which are not otherwise defined herein shall have the same meanings as set forth in the Ordinance.

3. **DATED DATE AND AGGREGATE PRINCIPAL AMOUNT.**

(a) ***Series 2019A Bonds.*** The Series 2019A Bonds shall be dated December 1, 2019, and shall be issued in the aggregate principal amount of \$_____.

(b) ***Taxable Series 2019B Bonds.*** The Taxable Series 2019B Bonds shall be dated December 1, 2019, and shall be issued in the aggregate principal amount of \$_____.

4. **PRINCIPAL AMOUNTS AND INTEREST RATES.**

(a) ***Series 2019A Bonds.*** The Series 2019A Bonds shall (i) mature on ***July 1*** in each of the years and in the respective principal amounts, and (ii) bear interest from the date of delivery of the Series 2019A Bonds to their respective date of maturity at the respective interest rates, all as set forth below:

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10/17/19
 Item # _____

CITY OF SAN ANTONIO, TEXAS
AIRPORT SYSTEM REVENUE REFUNDING BONDS, SERIES 2019A (AMT)

| <u>MATURITY DATE (7/01)</u> | <u>PRINCIPAL AMOUNT (\$)</u> | <u>INTEREST RATE (%)</u> | <u>MATURITY DATE (7/01)</u> | <u>PRINCIPAL AMOUNT (\$)</u> | <u>INTEREST RATE (%)</u> |
|-----------------------------|------------------------------|--------------------------|-----------------------------|------------------------------|--------------------------|
| 2020 | | | 2027 | | |
| 2021 | | | 2028 | | |
| 2022 | | | 2029 | | |
| 2023 | | | 2030 | | |
| 2024 | | | 2031 | | |
| 2025 | | | 2032 | | |
| 2026 | | | | | |

The true interest cost rate on the Series 2019A Bonds is equal to _____%.

(b) **Taxable Series 2019B Bonds.** The Taxable Series 2019B Bonds shall (i) mature on **July 1** in each of the years and in the respective principal amounts, and (ii) bear interest from the date of delivery of the Taxable Series 2019B Bonds to their respective date of maturity at the respective interest rates, all as set forth below:

CITY OF SAN ANTONIO, TEXAS
AIRPORT SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2019B

| <u>MATURITY DATE (7/01)</u> | <u>PRINCIPAL AMOUNT (\$)</u> | <u>INTEREST RATE (%)</u> | <u>MATURITY DATE (7/01)</u> | <u>PRINCIPAL AMOUNT (\$)</u> | <u>INTEREST RATE (%)</u> |
|-----------------------------|------------------------------|--------------------------|-----------------------------|------------------------------|--------------------------|
| 2020 | | | 2031 | | |
| 2021 | | | 2032 | | |
| 2022 | | | 2033 | | |
| 2023 | | | 2034 | | |
| 2024 | | | 2035 | | |
| 2025 | | | 2036 | | |
| 2026 | | | 2037 | | |
| 2027 | | | 2038 | | |
| 2028 | | | 2039 | | |
| 2029 | | | 2040 | | |
| 2030 | | | | | |

The true interest cost rate on the Taxable 2019B Bonds is equal to _____%.

5. **INTEREST ON SERIES 2019 BONDS.** As provided in Section 4 of the Ordinance and in the FORM OF SERIES 2019A BONDS and the FORM OF TAXABLE SERIES 2019B BONDS contained in *Exhibit D-1* and *Exhibit D-2*, respectively, of the Ordinance, interest on the Series 2019 Bonds shall be payable on each January 1 and July 1, commencing on July 1, 2020, until stated maturity or redemption.

6. **OPTIONAL REDEMPTION.**

(a) ***Series 2019A Bonds.*** The Series 2019A Bonds maturing on and after July 1, 20__, may be redeemed prior to their scheduled maturities, at the option of the City on July 1, 20__, or on any date thereafter at the redemption price equal to par plus accrued interest to the date fixed for redemption.

(b) ***Taxable Series 2019B Bonds.*** The Series 2019A Bonds maturing on and after July 1, 20__, may be redeemed prior to their scheduled maturities, at the option of the City on July 1, 20__, or on any date thereafter at the redemption price equal to par plus accrued interest to the date fixed for redemption.

7. **INITIAL PURCHASER AND PURCHASE PRICE.**

(a) ***Series 2019A Bonds.*** The Series 2019A Bonds shall be sold to **JEFFERIES LLC**, as the representative of the Underwriters of the Series 2019A Bonds and the initial purchaser thereof pursuant to a negotiated underwriting, and shall be purchased at a price equal to \$_____ (which amount is equal to par, plus/less a/an [net] original issue premium/discount on the Series 2019A Bonds of \$_____, less Underwriters' discount of \$_____), and no accrued interest. The Initial Series 2019A Bond shall be registered in the name of **JEFFERIES LLC**.

(b) ***Taxable Series 2019B Bonds.*** The Taxable Series 2019B Bonds shall be sold to **JEFFERIES LLC**, as the representative of the Underwriters of the Taxable Series 2019B Bonds and the initial purchaser thereof pursuant to a negotiated underwriting, and shall be purchased at a price equal to \$_____ (which amount is equal to par, plus/less a/an [net] original issue premium/discount on the Taxable Series 2019B Bonds of \$_____, less Underwriters' discount of \$_____), and no accrued interest. The Initial Taxable Series 2019B Bond shall be registered in the name of **JEFFERIES LLC**.

8. **DETERMINATION OF DEBT SERVICE SAVINGS.**

(a) ***Series 2019A Bonds.*** Pursuant to the Ordinance, the City Council authorized the issuance of the Series 2019A Bonds "*in order to achieve a gross debt service savings and a net present value debt service savings for the benefit of the City; provided, however, in no event shall the Series 2019A Bonds be issued unless the City is able to achieve a net present value debt service savings of at least ____% of the principal of the Current Refunded Bonds . . .*" The final terms of

the Series 2019A Bonds as set forth in this Certificate have achieved such purpose, for the issuance of the Series 2019A Bonds will result in a gross debt service savings of \$_____ and a net present value debt service savings of \$_____ (_____% of the principal amount of the Current Refunded Bonds), after taking into account a contribution from the City in the amount of \$_____.

(b) **Taxable Series 2019B Bonds.** Pursuant to the Ordinance, the City Council authorized the issuance of the Taxable Series 2019B Bonds "*in order to achieve a gross debt service savings and a net present value debt service savings for the benefit of the City; provided, however, in no event shall the . . . Taxable Series 2019B Bonds be issued unless the City is able to achieve a net present value debt service savings of at least ____% of the principal of the Advanced Refunded Bonds (and the Current Refunded Bonds if the Designated Officer determines to only issue the Taxable Series 2019B Bonds to refund both Advance Refunded Bonds and Current Refunded Bonds).*" The final terms of the Taxable Series 2019B Bonds as set forth in this Certificate have achieved such purpose, for the issuance of the Taxable Series 2019B Bonds will result in a gross debt service savings of \$_____ and a net present value debt service savings of \$_____ (_____% of the principal amount of the Advanced Refunded Bonds [and the Current Refunded Bonds]), after taking into account a contribution from the City in the amount of \$_____.

9. **DETERMINATION REQUIRED BY SECTION 1201.022(A)(3), TEXAS GOVERNMENT CODE.** In satisfaction of Section 1201.022(a)(3), Texas Government Code, as authorized by Section 1(d) of the Ordinance, and upon consultation with the City's Financial Advisor, the undersigned hereby determines that the final terms of the Series 2019 Bonds as set forth in this Certificate are in the City's best interests.

10. **BOND INSURANCE.** [The City will not obtain a municipal bond insurance policy in connection with the issuance of the Series 2019 Bonds.] The City will obtain a municipal bond insurance policy from _____ for a premium payment in the amount of \$_____.]

11. **BOND RESERVE FUND.** The amount currently on deposit in the Bond Reserve Fund is at least equal to the Required Reserve Amount following the issuance and delivery of the Series 2019 Bonds and the defeasance of the Refunded Bonds being accomplished thereby; consequently, no additional funds will be deposited into the Bond Reserve Fund at the time of delivery of the Series 2019 Bonds. [On the advice of Co-Bond Counsel, the City shall withdraw \$_____ of funds on deposit in the Bond Reserve Fund, which amount is approximately equal to the amount on deposit therein in excess of the new Required Reserve Amount, and contribute such funds in the Escrow Fund established under the Escrow Agreement relating to the issuance of the Series 2019 Bonds.

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10/17/19
Item # _____

APPROVED BY THE [DEPUTY] CHIEF FINANCIAL OFFICER OF THE CITY OF SAN ANTONIO, TEXAS ON THE _____ DAY OF NOVEMBER, 2019 IN ACCORDANCE WITH SECTION 2(c) OF THE ORDINANCE.

Title: [Deputy] Chief Financial Officer
City of San Antonio, Texas

Page to Certificate Approving Final Terms of the
City of San Antonio, Texas
Airport System Revenue Refunding Bonds, Series 2019A (AMT)
and
Airport System Revenue Refunding Bonds, Taxable Series 2019B

EXHIBIT C

**FORM OF CERTIFICATE APPROVING
SERIES 2007 BONDS AND SERIES 2010A BONDS SELECTED FOR REFUNDING**

**CERTIFICATE APPROVING
SERIES 2007 BONDS AND SERIES 2010A BONDS SELECTED FOR REFUNDING**

I, the [Deputy] Chief Financial Officer of the CITY OF SAN ANTONIO, TEXAS (the "*City*"), pursuant to authority granted by the provisions of Section 1207.007, Texas Government Code, and by the City Council of the City in Section 2(d) of Ordinance No. 2019-10-17-____ approved by the City Council on October 17, 2019, relating to the issuance of the Series 2019 Bonds defined below (the "*Ordinance*"), hereby certify as follows:

1. **GENERAL.** This Certificate is given in connection with the issuance by the City of the CITY OF SAN ANTONIO, TEXAS AIRPORT SYSTEM REVENUE REFUNDING BONDS, SERIES 2019A (AMT) (the "*Series 2019A Bonds*") and the CITY OF SAN ANTONIO, TEXAS AIRPORT SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2019 (the "*Taxable Series 2019B Bonds*") and together with the Series 2019A Bonds, the "*Series 2019 Bonds*") which, pursuant to the Ordinance and the "Master Ordinance" referenced in the Ordinance, have been authorized by the City Council.

2. **DEFINITIONS.** All capitalized terms used in this Certificate which are not otherwise defined herein shall have the same meanings as set forth in the Ordinance.

3. Pursuant to Section 2(d) of the Ordinance, the City Council authorized the undersigned to select all or a portion of the outstanding Series 2007 Bonds maturing on and after July 1, 2020 (but specifically excluding all Series 2007 Bonds maturing in the years 2024 and 2025) to be refunded with proceeds of the Series 2019A Bonds or the Taxable Series 2019B Bonds. Additionally, pursuant to Section 2(e) of the Ordinance, the City Council authorized the undersigned to select all or a portion of the outstanding Series 2010A Bonds maturing on and after July 1, 2021 to be refunded only with proceeds of the Taxable Series 2019B Bonds. In accordance with such authority, and after consulting with the City's financial advisors, I hereby determine and approve (i) the following Series 2007 Bonds to be refunded with proceeds of the [Series 2019A Bonds] [Taxable Series 2019B Bonds], and (ii) the following Series 2010A Bonds to be refunded with proceeds of the Taxable Series 2019B Bonds, which are described as follows:

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SERIES 2007 BONDS TO BE REFUNDED

| MATURITY (JULY 1) | PRINCIPAL AMOUNT MATURING IN YEAR (\$) | PRINCIPAL AMOUNT TO BE REFUNDED (\$) | STATED INTEREST RATE (%) | CUSIP No. (796242) |
|------------------------------|---|---|---|-------------------------------|
| 2020 | 3,215,000 | 3,215,000 | 5.250 | MU6 |
| 2021 | 3,385,000 | 3,385,000 | 5.250 | MV4 |
| 2022 | 3,565,000 | 3,565,000 | 5.250 | MW2 |
| 2023 | 3,750,000 | 3,750,000 | 5.250 | MX0 |
| *** | *** | *** | *** | *** |
| 2027 | 8,925,000 | 8,925,000 | 5.250 | NA9 |
| *** | *** | *** | *** | *** |
| 2032 | <u>26,745,000</u> | <u>26,745,000</u> | 5.250 | NB7 |
| Totals | <u>49,585,000</u> | <u>49,585,000</u> | | |

SERIES 2010A BONDS TO BE REFUNDED

| MATURITY (JULY 1) | PRINCIPAL AMOUNT MATURING IN YEAR (\$) | PRINCIPAL AMOUNT TO BE REFUNDED (\$) | STATED INTEREST RATE (%) | CUSIP No. (796242) |
|------------------------------|---|---|---|-------------------------------|
| 2021 | 940,000 | 940,000 | 4.000 | PK5 |
| 2022 | 975,000 | 975,000 | 4.250 | PL3 |
| 2023 | 1,015,000 | 1,015,000 | 4.250 | PM1 |
| 2024 | 1,060,000 | 1,060,000 | 4.375 | PN9 |
| 2025 | 1,105,000 | 1,105,000 | 4.500 | PP4 |
| 2026 | 1,155,000 | 1,155,000 | 5.000 | PQ2 |
| 2027 | 1,205,000 | 1,205,000 | 5.000 | PR0 |
| 2028 | 1,265,000 | 1,265,000 | 5.000 | PS8 |
| 2029 | 1,330,000 | 1,330,000 | 5.000 | PT6 |
| 2030 | 1,395,000 | 1,395,000 | 5.000 | PU3 |
| *** | *** | *** | *** | *** |
| 2035 | 12,120,000 | 12,120,000 | 5.250 | PV1 |
| *** | *** | *** | *** | *** |
| 2040 | <u>12,080,000</u> | <u>12,080,000</u> | 5.250 | PW9 |

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***APPROVED BY THE [DEPUTY] CHIEF FINANCIAL OFFICER OF THE CITY OF
SAN ANTONIO, TEXAS ON THE ____ DAY OF NOVEMBER, 2019, IN ACCORDANCE WITH
SECTION 2(d) OF THE ORDINANCE.***

Title: [Deputy] Chief Financial Officer
City of San Antonio, Texas

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EXHIBIT D-1

FORM OF SERIES 2019A BONDS

**UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF SAN ANTONIO, TEXAS
AIRPORT SYSTEM REVENUE REFUNDING BOND, SERIES 2019A (AMT)**

NO. R-_____ **PRINCIPAL**
AMOUNT
\$_____

| <u>INTEREST RATE</u> | <u>MATURITY DATE</u> | <u>BOND DATE</u> | <u>CUSIP NO.</u> |
|----------------------|----------------------|------------------|------------------|
| ____% | July 1, 20__ | December 1, 2019 | 796242 ____ |

REGISTERED OWNER:

PRINCIPAL AMOUNT: **DOLLARS**

ON THE MATURITY DATE SPECIFIED ABOVE, THE CITY OF SAN ANTONIO, TEXAS (the "*City*"), being a home-rule municipality and political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above, or the registered assignee hereof (either being hereinafter called the "*registered owner*"), the principal amount specified above, and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day months, from the date of initial delivery of this Bond (as shown on the records of the Paying Agent/Registrar, hereinafter defined), to the Maturity Date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; with interest being payable on July 1, 2020, and semiannually on each January 1 and July 1 thereafter, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date.

THE PRINCIPAL OF AND INTEREST ON THIS BOND are payable in lawful money of the United States of America, without exchange or collection charges, solely from funds of the City required by the Ordinance authorizing the issuance of the Bonds to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided. The principal of this Bond shall be paid

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to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, to _____, which is the "**Paying Agent/Registrar**" for this Bond, at its designated corporate trust office (the "**Designated Trust Office**"). The initial Designated Trust Office of the Paying Agent/Registrar is located in _____, Texas. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check, dated as of such interest payment date, and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared on the last business day of the month next preceding each such interest payment date (the "**Record Date**") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, as may be requested by, and at the risk and expense of, the registered owner hereof. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the Designated Trust Office of the Paying Agent/Registrar. The City covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the City and the securities depository. Terms used herein and not otherwise defined have the meaning given in the Bond Ordinance (hereinafter defined).

IF THE DATE FOR THE PAYMENT of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in The City of New York, New York, or in the city where the Designated Trust Office of 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 Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND IS ONE OF A SERIES OF BONDS, dated as of the Bond Date stated above, authorized in accordance with the Constitution and laws of the State of Texas including, without limitation, Chapter 22, Texas Transportation Code, and Chapters 1207 and 1503, Texas Government Code, in the aggregate principal amount of \$_____, issued pursuant to (i) the "**Master Ordinance Establishing the Airport System Revenue Bond Financing Program With Respect to the Issuance of Obligations by the City of San Antonio, Texas Secured by Gross Revenues of the Airport System**" adopted by the City on April 19, 2001, as amended by Ordinance No. 2012-03-29-0237 adopted by the City Council on March 29, 2012 (collectively, the "**Master Ordinance**"), and (ii) a Sixteenth Supplemental Ordinance to the Master Ordinance adopted by the City on October 17, 2019 (collectively with the Master Ordinance, the "**Bond Ordinance**") **FOR THE PURPOSE OF**

PROVIDING FUNDS TO REFUND A PORTION OF THE CITY'S OUTSTANDING AIRPORT SYSTEM REVENUE BONDS, AND TO PAY FOR COSTS OF ISSUANCE.

ON JULY 1, 20__, OR ON ANY DATE THEREAFTER, the Bonds of this Series maturing on and after July 1, 20__, may be redeemed prior to their scheduled maturities, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at the redemption price equal to par plus unpaid accrued interest; provided, however, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the City and the securities depository.

ADDITIONALLY, THE BONDS MATURING ON JULY 1 IN THE YEARS 20__, 20__ and 20__ (collectively, the "**Term Bonds**") are subject to mandatory redemption prior to maturity in part by lot, at a price equal to the principal amount thereof plus accrued interest to the date of redemption, on July 1 in the respective years and principal amounts shown below:

| TERM BONDS MATURING JULY 1, 20__ | | TERM BONDS MATURING JULY 1, 20__ | |
|-------------------------------------|---------------------------|-------------------------------------|---------------------------|
| REDEMPTION DATE | REDEMPTION AMOUNT (\$) | REDEMPTION DATE | REDEMPTION AMOUNT (\$) |
| July 1, 20__ | | July 1, 20__ | |
| July 1, 20__ | | July 1, 20__ | |
| July 1, 20__ (Maturity) | | July 1, 20__ (Maturity) | |

| TERM BONDS MATURING JULY 1, 20__ | |
|-------------------------------------|---------------------------|
| REDEMPTION DATE | REDEMPTION AMOUNT (\$) |
| July 1, 20__ | |
| July 1, 20__ | |
| July 1, 20__ | |
| July 1, 20__ (Maturity) | |

The principal amount of the Term Bonds required to be redeemed pursuant to the operation of such mandatory redemption requirements may be reduced, at the option of the City, by the principal amount of any such Term Bonds which, prior to the date of the mailing of notice of such mandatory redemption, (i) shall have been acquired by the City and delivered to the Paying Agent/Registrar for cancellation, (ii) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City, or (iii) shall have been redeemed pursuant to the optional

redemption provisions described in the preceding paragraph and not theretofore credited against a mandatory redemption requirement.

NOTICE OF REDEMPTION SHALL BE SENT at least 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity by the Paying Agent/Registrar by United States mail, first-class postage prepaid to the registered owner of each Bond to be redeemed at its address as it appeared on the Registration Books maintained by the Paying Agent/Registrar on the day such notice of redemption is mailed. The notice with respect to an optional redemption of Bonds may state (1) that it is conditioned upon the deposit of money, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar no later than the redemption date, or (2) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of an authorized representative to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and optional redemption shall be of no effect if such money is not so deposited or if the notice is so rescinded. Any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the registered owner. A copy of such notice of redemption also shall be sent to the major securities depositories, national bond rating agencies and bond information services. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is mailed to the applicable registered owners and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bonds shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Bond Ordinance.

THIS BOND OR ANY PORTION OR PORTIONS HEREOF may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having any Authorized Denomination as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar at its Designated Trust Office for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any Authorized Denomination to the

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assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The one requesting such conversion and exchange shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for converting and exchanging any Bond or portion thereof. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The foregoing notwithstanding, in the case of the conversion and exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof, such fees and charges of the Paying Agent/Registrar will be paid by the City. The Paying Agent/Registrar shall not be required (i) to make any such transfer, conversion or exchange during the period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption and ending at the close of business on the day of such mailing, or (ii) to transfer, convert or exchange any Bonds so selected for redemption when such redemption is scheduled to occur within 30 calendar days; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of an unredeemed balance of a Bond called for redemption in part.

WHENEVER THE BENEFICIAL OWNERSHIP OF THIS BOND is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering, or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT ANY PAYING AGENT/REGISTRAR for the Bonds is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED, AND COVENANTED that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that the Series of Bonds of which this Bond is one constitute Parity Obligations under the Master Ordinance; and that the interest on and principal of this Bond, together with the other Bonds of this Series and the other outstanding Parity Obligations are equally and ratably secured by and payable solely from a lien on and pledge of the Gross Revenues.

THE CITY HAS RESERVED THE RIGHT, subject to the restrictions referred to in the Bond Ordinance, (i) to issue or incur Additional Parity Obligations which also may be secured by and made payable from a lien on and pledge of the aforesaid Gross Revenues, in the same manner and

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to the same extent as this Bond, and (ii) to amend the provisions of the Bond Ordinance under the conditions provided in the Bond Ordinance.

THE REGISTERED OWNER HEREOF SHALL NEVER HAVE THE RIGHT to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation or from any source whatsoever other than specified in the Bond Ordinance.

BY BECOMING THE REGISTERED OWNER of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the City, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each registered owner hereof and the City.

IN WITNESS WHEREOF, the City has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Clerk of the City, and has caused the official seal of the City to be duly impressed, or placed in facsimile, on this Bond.

City Clerk, City of San Antonio, Texas

Mayor, City of San Antonio, Texas

(SEAL)

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FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Ordinance described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Paying Agent/Registrar

Dated

Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner of this Bond, or duly authorized representative or attorney thereof, hereby assigns this Bond to

/_____/

(Assignee's Social Security or Taxpayer Identification Number)

(print or typewrite Assignee's name and address, including zip code)

and hereby irrevocably constitutes and appoints

attorney to transfer the registration of this Bond on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: This signature must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: This signature must correspond with the name of the Registered Owner appearing on the face of this Bond.

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FORM OF REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS
(to accompany the Initial Series 2019A Bond only)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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 that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

INITIAL SERIES 2019A BOND INSERTIONS

The Initial Series 2019A Bond shall be in the form set forth above except that:

- (1) Immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.
- (2) The first paragraph shall be deleted and the following shall be inserted:

"ON THE RESPECTIVE MATURITY DATES specified below, the ***CITY OF SAN ANTONIO, TEXAS*** (the "***City***"), being a home-rule municipality and political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above, or the registered assignee hereof (either being hereinafter called the "***registered owner***"), the respective Principal Installments specified below, and to pay interest thereon (calculated on the basis of a 360-day year composed of twelve 30-day months) from the date of initial delivery of this Bond (as shown on the records of the Paying Agent/Registrar, hereinafter defined), at the respective Interest Rates per annum specified below, with interest being payable on July 1, 2020, and semiannually on each January 1 and July 1 thereafter. The respective Maturity Dates, Principal Installments and Interest Rates for this Bond are set forth in the following schedule:

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| <u>MATURITY DATE (JULY 1)</u> | <u>PRINCIPAL INSTALLMENT (\$)</u> | <u>INTEREST RATE (%)</u> | <u>MATURITY DATE (JULY 1)</u> | <u>PRINCIPAL INSTALLMENT (\$)</u> | <u>INTEREST RATE (%)</u> |
|---------------------------------------|---------------------------------------|------------------------------|---------------------------------------|---------------------------------------|------------------------------|
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |

[Insert principal and interest information from Exhibit B relating to the Series 2019A Bonds attached to this Sixteenth Supplement]

(3) The Initial Series 2019A Bond shall be numbered "T-1."

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EXHIBIT D-2

FORM OF TAXABLE SERIES 2019B BONDS

**UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF SAN ANTONIO, TEXAS
AIRPORT SYSTEM REVENUE REFUNDING BOND, TAXABLE SERIES 2019B**

NO. R-_____ **PRINCIPAL AMOUNT**
\$_____

| <u>INTEREST RATE</u> | <u>MATURITY DATE</u> | <u>BOND DATE</u> | <u>CUSIP NO.</u> |
|----------------------|----------------------|------------------|------------------|
| ____% | July 1, 20__ | December 1, 2019 | 796242 ____ |

REGISTERED OWNER:

PRINCIPAL AMOUNT: **DOLLARS**

ON THE MATURITY DATE SPECIFIED ABOVE, THE CITY OF SAN ANTONIO, TEXAS (the "*City*"), being a home-rule municipality and political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above, or the registered assignee hereof (either being hereinafter called the "*registered owner*"), the principal amount specified above, and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day months, from the date of initial delivery of this Bond (as shown on the records of the Paying Agent/Registrar, hereinafter defined), to the Maturity Date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; with interest being payable on July 1, 2020, and semiannually on each January 1 and July 1 thereafter, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date.

THE PRINCIPAL OF AND INTEREST ON THIS BOND are payable in lawful money of the United States of America, without exchange or collection charges, solely from funds of the City required by the Ordinance authorizing the issuance of the Bonds to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided. The principal of this Bond shall be paid

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to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, to _____, which is the "**Paying Agent/Registrar**" for this Bond, at its designated corporate trust office (the "**Designated Trust Office**"). The initial Designated Trust Office of the Paying Agent/Registrar is located in _____, Texas. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check, dated as of such interest payment date, and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared on the last business day of the month next preceding each such interest payment date (the "**Record Date**") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, as may be requested by, and at the risk and expense of, the registered owner hereof. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the Designated Trust Office of the Paying Agent/Registrar. The City covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the City and the securities depository. Terms used herein and not otherwise defined have the meaning given in the Bond Ordinance (hereinafter defined).

IF THE DATE FOR THE PAYMENT of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in The City of New York, New York, or in the city where the Designated Trust Office of 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 Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND IS ONE OF A SERIES OF BONDS, dated as of the Bond Date stated above, authorized in accordance with the Constitution and laws of the State of Texas including, without limitation, Chapter 22, Texas Transportation Code, and Chapters 1207 and 1503, Texas Government Code, in the aggregate principal amount of \$_____, issued pursuant to (i) the "**Master Ordinance Establishing the Airport System Revenue Bond Financing Program With Respect to the Issuance of Obligations by the City of San Antonio, Texas Secured by Gross Revenues of the Airport System**" adopted by the City on April 19, 2001, as amended by Ordinance No. 2012-03-29-0237 adopted by the City Council on March 29, 2012 (collectively, the "**Master Ordinance**"), and (ii) a Sixteenth Supplemental Ordinance to the Master Ordinance adopted by the City on October 17, 2019 (collectively with the Master Ordinance, the "**Bond Ordinance**") **FOR THE PURPOSE OF**

PROVIDING FUNDS TO REFUND A PORTION OF THE CITY'S OUTSTANDING AIRPORT SYSTEM REVENUE BONDS, AND TO PAY FOR COSTS OF ISSUANCE.

ON JULY 1, 20__, OR ON ANY DATE THEREAFTER, the Bonds of this Series maturing on and after July 1, 20__, may be redeemed prior to their scheduled maturities, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at the redemption price equal to par plus unpaid accrued interest; provided, however, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the City and the securities depository.

ADDITIONALLY, THE BONDS MATURING ON JULY 1 IN THE YEARS 20__, 20__ and 20__ (collectively, the "**Term Bonds**") are subject to mandatory redemption prior to maturity in part by lot, at a price equal to the principal amount thereof plus accrued interest to the date of redemption, on July 1 in the respective years and principal amounts shown below:

| TERM BONDS MATURING JULY 1, 20__ | | TERM BONDS MATURING JULY 1, 20__ | |
|-------------------------------------|---------------------------|-------------------------------------|---------------------------|
| REDEMPTION DATE | REDEMPTION AMOUNT (\$) | REDEMPTION DATE | REDEMPTION AMOUNT (\$) |
| July 1, 20__ | | July 1, 20__ | |
| July 1, 20__ | | July 1, 20__ | |
| July 1, 20__ (Maturity) | | July 1, 20__ (Maturity) | |

| TERM BONDS MATURING JULY 1, 20__ | |
|-------------------------------------|---------------------------|
| REDEMPTION DATE | REDEMPTION AMOUNT (\$) |
| July 1, 20__ | |
| July 1, 20__ | |
| July 1, 20__ | |
| July 1, 20__ (Maturity) | |

The principal amount of the Term Bonds required to be redeemed pursuant to the operation of such mandatory redemption requirements may be reduced, at the option of the City, by the principal amount of any such Term Bonds which, prior to the date of the mailing of notice of such mandatory redemption, (i) shall have been acquired by the City and delivered to the Paying Agent/Registrar for cancellation, (ii) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City, or (iii) shall have been redeemed pursuant to the optional

redemption provisions described in the preceding paragraph and not theretofore credited against a mandatory redemption requirement.

NOTICE OF REDEMPTION SHALL BE SENT at least 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity by the Paying Agent/Registrar by United States mail, first-class postage prepaid to the registered owner of each Bond to be redeemed at its address as it appeared on the Registration Books maintained by the Paying Agent/Registrar on the day such notice of redemption is mailed. The notice with respect to an optional redemption of Bonds may state (1) that it is conditioned upon the deposit of money, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar no later than the redemption date, or (2) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of an authorized representative to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and optional redemption shall be of no effect if such money is not so deposited or if the notice is so rescinded. Any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the registered owner. A copy of such notice of redemption also shall be sent to the major securities depositories, national bond rating agencies and bond information services. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is mailed to the applicable registered owners and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bonds shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Bond Ordinance.

THIS BOND OR ANY PORTION OR PORTIONS HEREOF may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having any Authorized Denomination as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar at its Designated Trust Office for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any Authorized Denomination to the

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assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The one requesting such conversion and exchange shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for converting and exchanging any Bond or portion thereof. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The foregoing notwithstanding, in the case of the conversion and exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof, such fees and charges of the Paying Agent/Registrar will be paid by the City. The Paying Agent/Registrar shall not be required (i) to make any such transfer, conversion or exchange during the period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption and ending at the close of business on the day of such mailing, or (ii) to transfer, convert or exchange any Bonds so selected for redemption when such redemption is scheduled to occur within 30 calendar days; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of an unredeemed balance of a Bond called for redemption in part.

WHENEVER THE BENEFICIAL OWNERSHIP OF THIS BOND is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering, or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT ANY PAYING AGENT/REGISTRAR for the Bonds is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED, AND COVENANTED that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that the Series of Bonds of which this Bond is one constitute Parity Obligations under the Master Ordinance; and that the interest on and principal of this Bond, together with the other Bonds of this Series and the other outstanding Parity Obligations are equally and ratably secured by and payable solely from a lien on and pledge of the Gross Revenues.

THE CITY HAS RESERVED THE RIGHT, subject to the restrictions referred to in the Bond Ordinance, (i) to issue or incur Additional Parity Obligations which also may be secured by and made payable from a lien on and pledge of the aforesaid Gross Revenues, in the same manner and

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to the same extent as this Bond, and (ii) to amend the provisions of the Bond Ordinance under the conditions provided in the Bond Ordinance.

THE REGISTERED OWNER HEREOF SHALL NEVER HAVE THE RIGHT to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation or from any source whatsoever other than specified in the Bond Ordinance.

BY BECOMING THE REGISTERED OWNER of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the City, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each registered owner hereof and the City.

IN WITNESS WHEREOF, the City has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Clerk of the City, and has caused the official seal of the City to be duly impressed, or placed in facsimile, on this Bond.

City Clerk, City of San Antonio, Texas

Mayor, City of San Antonio, Texas

(SEAL)

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FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Ordinance described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Paying Agent/Registrar

Dated

Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner of this Bond, or duly authorized representative or attorney thereof, hereby assigns this Bond to

/_____/

(Assignee's Social Security or Taxpayer Identification Number)

(print or typewrite Assignee's name and address, including zip code)

and hereby irrevocably constitutes and appoints

attorney to transfer the registration of this Bond on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: This signature must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: This signature must correspond with the name of the Registered Owner appearing on the face of this Bond.

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FORM OF REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS
(to accompany the Initial Taxable Series 2019B Bond only)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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 that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

INITIAL TAXABLE SERIES 2019B BOND INSERTIONS

The Initial Taxable 2019B Bond shall be in the form set forth above except that:

- (1) Immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.
- (2) The first paragraph shall be deleted and the following shall be inserted:

"ON THE RESPECTIVE MATURITY DATES specified below, the ***CITY OF SAN ANTONIO, TEXAS*** (the "***City***"), being a home-rule municipality and political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above, or the registered assignee hereof (either being hereinafter called the "***registered owner***"), the respective Principal Installments specified below, and to pay interest thereon (calculated on the basis of a 360-day year composed of twelve 30-day months) from the date of initial delivery of this Bond (as shown on the records of the Paying Agent/Registrar, hereinafter defined), at the respective Interest Rates per annum specified below, with interest being payable on July 1, 2020, and semiannually on each January 1 and July 1 thereafter. The respective Maturity Dates, Principal Installments and Interest Rates for this Bond are set forth in the following schedule:

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| <u>MATURITY DATE (JULY 1)</u> | <u>PRINCIPAL INSTALLMENT (\$)</u> | <u>INTEREST RATE (%)</u> | <u>MATURITY DATE (JULY 1)</u> | <u>PRINCIPAL INSTALLMENT (\$)</u> | <u>INTEREST RATE (%)</u> |
|---------------------------------------|---------------------------------------|------------------------------|---------------------------------------|---------------------------------------|------------------------------|
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |

[Insert principal and interest information from Exhibit B relating to the Taxable Series 2019B Bonds attached to this Sixteenth Supplement]

- (3) The Initial Taxable Series 2019B Bond shall be numbered "T-1."

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EXHIBIT E

FORM OF PAYING AGENT/REGISTRAR AGREEMENT

The Paying Agent/Registrar Agreement is omitted at this point as it appears in executed form elsewhere in this Transcript of Proceedings.

EXHIBIT F

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 17 of this Sixteenth Supplement.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. Within six months after the end of any fiscal year, commencing with the fiscal year ending in 2019, all quantitative financial information and operating data with respect to the City of the general type included in Tables 1 through 9 of the Official Statement.
2. Within six months after the end of any fiscal year, commencing with the fiscal year ending in 2019, Appendix D (referencing a link to Financial Statements for the last completed fiscal year which will be unaudited, unless an audit is performed in which event the audited financial statements will be made available).

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in item 1 of the paragraph above.

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EXHIBIT G

FORM OF ESCROW AGREEMENT

The Escrow Agreement is omitted at this point as it appears in executed form elsewhere in this Transcript of Proceedings.

EXHIBIT H-1

FORM OF NOTICE OF DEFEASANCE AND REDEMPTION
FOR SERIES 2007 BONDS

NOTICE OF DEFEASANCE AND REDEMPTION

To the Holders of the
CITY OF SAN ANTONIO, TEXAS
AIRPORT SYSTEM REVENUE IMPROVEMENT BONDS, SERIES 2007
MATURING ON JULY 1 IN THE YEARS 2020 THROUGH 2023, 2027, AND 2032

NOTICE IS HEREBY GIVEN that the **CITY OF SAN ANTONIO, TEXAS** (the "**City**") has deposited cash and direct obligations of the United States government into an irrevocable escrow account in order to pay, and has legally defeased, all of the City's outstanding **AIRPORT SYSTEM REVENUE IMPROVEMENT BONDS, SERIES 2007**, dated November 1, 2007, which mature on July 1 in the years 2020 through 2023, 2027 and 2032, and are further described as follows (the "**Bonds**"):

CITY OF SAN ANTONIO, TEXAS
AIRPORT SYSTEM REVENUE IMPROVEMENT BONDS, SERIES 2002

| MATURITY (JULY 1) | PRINCIPAL AMOUNT MATURING IN YEAR (\$) | PRINCIPAL AMOUNT BEING REFUNDED (\$) | STATED INTEREST RATE (%) | CUSIP No. (796242) |
|------------------------------|---|---|---|-------------------------------|
| 2020 | 3,215,000 | 3,215,000 | 5.250 | MU6 |
| 2021 | 3,385,000 | 3,385,000 | 5.250 | MV4 |
| 2022 | 3,565,000 | 3,565,000 | 5.250 | MW2 |
| 2023 | 3,750,000 | 3,750,000 | 5.250 | MX0 |
| *** | *** | *** | *** | *** |
| 2027 | 8,925,000 | 8,925,000 | 5.250 | NA9 |
| *** | *** | *** | *** | *** |
| 2032 | 26,745,000 | 26,745,000 | 5.250 | NB7 |

NOTICE IS FURTHER GIVEN that all of the Bonds have been called for redemption on **JANUARY 1, 2020** (the "**Redemption Date**") **at the Redemption Price equal to 100% of par plus accrued interest to the Redemption Date**. The Bonds shall be redeemed and shall become due and payable on the Redemption Date, and the interest thereon shall cease to accrue from and after the Redemption Date.

NOTICE IS FURTHER GIVEN that due and proper arrangements have been made for providing U.S. Bank National Association, the Paying Agent for the Bonds called for redemption, with funds sufficient to pay the redemption price of the Bonds and the interest thereon to the Redemption Date. In the event the Bonds, or any of them are not presented for redemption by the Redemption Date, they shall not thereafter bear interest. If due provision for the payment of the redemption price is made, then the Bonds automatically shall be deemed to have been redeemed prior to their scheduled maturity, and they shall not bear interest after the Redemption Date, and they shall not be regarded as being outstanding except for the right of the owner thereof to receive the redemption price from the Paying Agent.

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THIS NOTICE is issued and given pursuant to the redemption provisions in the proceedings authorizing the issuance of the Bonds and in accordance with the recitals and provisions of each of the Bonds.

NOTICE IS FURTHER GIVEN THAT the Refunded Bonds will be payable at and should be submitted either in person or by certified or registered mail to the following address:

Overnight Courier or Hand Delivery

U.S. Bank Corporate Trust Services
Attn: Original Issuances, 2nd floor
60 Livingston Ave.
St. Paul, MN 55107

First Class/Registered/Certified Mail

U.S. Bank Corporate Trust Services
Attn: Original Issuances
P.O. Box 64111
St. Paul, MN 55164-0111

To avoid a backup withholding tax required by Section 3406 of the Internal Revenue Code of 1986, holders must submit a properly completed IRS Form W-9.

* THE ABOVE REFERENCED CUSIP NUMBERS ARE PROVIDED FOR THE CONVENIENCE OF THE BONDHOLDERS. NEITHER THE PAYING AGENT NOR THE CITY ARE RESPONSIBLE FOR ANY ERROR OF ANY NATURE RELATING TO THE CUSIP NUMBERS.

EXHIBIT H-2

FORM OF NOTICE OF DEFEASANCE AND REDEMPTION
FOR SERIES 2010A BONDS

NOTICE OF DEFEASANCE AND REDEMPTION

To the Holders of the
CITY OF SAN ANTONIO, TEXAS
AIRPORT SYSTEM REVENUE IMPROVEMENT AND REFUNDING BONDS, SERIES 2010A
MATURING ON AND AFTER JULY 1, 2021

NOTICE IS HEREBY GIVEN that the **CITY OF SAN ANTONIO, TEXAS** (the "*City*") has deposited cash and direct obligations of the United States government into an irrevocable escrow account in order to pay, and has legally defeased, all of the City's outstanding **AIRPORT SYSTEM REVENUE IMPROVEMENT AND REFUNDING BONDS, SERIES 2010A**, dated December 1, 2010, which mature on and after July 1, 2021, and are further described as follows (the "*Bonds*"):

CITY OF SAN ANTONIO, TEXAS
AIRPORT SYSTEM REVENUE IMPROVEMENT AND REFUNDING BONDS, SERIES 2010A

| MATURITY (JULY 1) | PRINCIPAL AMOUNT MATURING IN YEAR (\$) | PRINCIPAL AMOUNT BEING REFUNDED (\$) | STATED INTEREST RATE (%) | CUSIP No. (796242) |
|------------------------------|---|---|---|-------------------------------|
| 2021 | 940,000 | 940,000 | 4.000 | PK5 |
| 2022 | 975,000 | 975,000 | 4.250 | PL3 |
| 2023 | 1,015,000 | 1,015,000 | 4.250 | PM1 |
| 2024 | 1,060,000 | 1,060,000 | 4.375 | PN9 |
| 2025 | 1,105,000 | 1,105,000 | 4.500 | PP4 |
| 2026 | 1,155,000 | 1,155,000 | 5.000 | PQ2 |
| 2027 | 1,205,000 | 1,205,000 | 5.000 | PR0 |
| 2028 | 1,265,000 | 1,265,000 | 5.000 | PS8 |
| 2029 | 1,330,000 | 1,330,000 | 5.000 | PT6 |
| 2030 | 1,395,000 | 1,395,000 | 5.000 | PU3 |
| *** | *** | *** | *** | *** |
| 2035 | 12,120,000 | 12,120,000 | 5.250 | PV1 |

NOTICE IS FURTHER GIVEN that all of the Bonds have been called for redemption on **JULY 1, 2020** (the "*Redemption Date*") **at the Redemption Price equal to 100% of par plus accrued interest to the Redemption Date**. The Bonds shall be redeemed and shall become due and payable on the Redemption Date, and the interest thereon shall cease to accrue from and after the Redemption Date.

NOTICE IS FURTHER GIVEN that due and proper arrangements have been made for providing U.S. Bank National Association, the Paying Agent for the Bonds called for redemption, with funds sufficient to pay the redemption

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price of the Bonds and the interest thereon to the Redemption Date. In the event the Bonds, or any of them are not presented for redemption by the Redemption Date, they shall not thereafter bear interest. If due provision for the payment of the redemption price is made, then the Bonds automatically shall be deemed to have been redeemed prior to their scheduled maturity, and they shall not bear interest after the Redemption Date, and they shall not be regarded as being outstanding except for the right of the owner thereof to receive the redemption price from the Paying Agent.

THIS NOTICE is issued and given pursuant to the redemption provisions in the proceedings authorizing the issuance of the Bonds and in accordance with the recitals and provisions of each of the Bonds.

NOTICE IS FURTHER GIVEN THAT the Refunded Bonds will be payable at and should be submitted either in person or by certified or registered mail to the following address:

Overnight Courier or Hand Delivery

U.S. Bank Corporate Trust Services
Attn: Original Issuances, 2nd floor
60 Livingston Ave.
St. Paul, MN 55107

First Class/Registered/Certified Mail

U.S. Bank Corporate Trust Services
Attn: Original Issuances
P.O. Box 64111
St. Paul, MN 55164-0111

To avoid a backup withholding tax required by Section 3406 of the Internal Revenue Code of 1986, holders must submit a properly completed IRS Form W-9.

* THE ABOVE REFERENCED CUSIP NUMBERS ARE PROVIDED FOR THE CONVENIENCE OF THE BONDHOLDERS. NEITHER THE PAYING AGENT NOR THE CITY ARE RESPONSIBLE FOR ANY ERROR OF ANY NATURE RELATING TO THE CUSIP NUMBERS.

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EXHIBIT I

GENERAL POLICIES AND PROCEDURES
CONCERNING COMPLIANCE WITH THE RULE

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EXHIBIT J

ORDINANCE REQUIREMENTS OF INSURER

[Not Applicable]