

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

The undersigned officer of the Board of Directors of Northtown Municipal Utility District hereby certifies as follows:

1. The Board of Directors of Northtown Municipal Utility District convened in a meeting on the 24th day of August, 2010, at the Wells Branch Community Center, 2106 Klattenhoff Drive, Austin, Texas and the roll was called of the duly-constituted officers and members of the Board, to wit:

Robin Campbell	-	President
Brenda Richter	-	Vice President
Alex Martinez	-	Secretary
William E. Henderson	-	Treasurer
Scott M. Gray	-	Assistant Secretary

and all of the Directors were present, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a

RESOLUTION AUTHORIZING APPLICATION TO THE CITY OF
AUSTIN FOR APPROVAL OF
PROPOSED UNLIMITED TAX AND REVENUE REFUNDING BONDS,
SERIES 2010

was introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, the motion carried by the following vote:

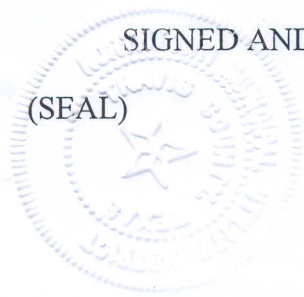
AYES: ___5___

NOES: ___0___

2. A true, full and correct copy of the Resolution adopted at the meeting described in the above paragraph is attached to this certificate; the Resolution has been duly recorded in the Board's minutes of the meeting; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting and that the Resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; the meeting was open to the public as required by law; and public notice of the time, place and subject of the meeting was given as required by Chapter 551 of the Government Code, as amended and Section 49.064, Texas Water Code, as amended.

SIGNED AND SEALED the 24th day of August, 2010.

(SEAL)



Alex Martinez
Alex Martinez, Secretary
Board of Directors

THE STATE OF TEXAS §

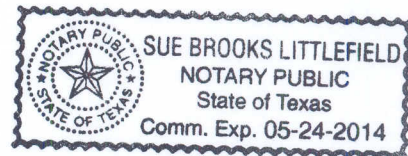
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 24th day of August, 2010 by Alex Martinez, Secretary of the Board of Directors of Northtown Municipal Utility District, on behalf of said District.

Sue Brooks Littlefield

Notary Public Signature

(Seal)



RESOLUTION AUTHORIZING
APPLICATION TO THE CITY OF AUSTIN
FOR APPROVAL OF PROPOSED UNLIMITED TAX AND REVENUE
REFUNDING BONDS, SERIES 2010

THE STATE OF TEXAS

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COUNTY OF TRAVIS

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WHEREAS, Northtown Municipal Utility District (the "District") is a political subdivision of the State of Texas, created and operating under Chapters 49 and 54 of the Texas Water Code; and

WHEREAS, the District's financial advisor, Southwest Securities, Inc., has reviewed the financial analysis information attached as Exhibit "A" and recommended that the District issue Unlimited Tax and Revenue Refunding Bonds, Series 2010 (the "Bonds") which would allow the District to realize a net present value savings of approximately \$131,776;

WHEREAS, the District's Board of Directors of the District (the "Board") has authorized the District's financial advisor to seek the City of Austin's approval of the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD THAT:

Section 1. The District requests the City of Austin's approval of the Bonds described in the attached Exhibit A.

Section 2. A certified copy of this Resolution will constitute an application by the District for the City of Austin's approval as set forth above.

Section 3. The President and Secretary of the Board of Directors, the District's engineer, Kimley-Horn & Associates, Inc.; the District's attorneys, Armbrust & Brown, PLLC; the District's bond counsel, McCall, Parkhurst & Horton, L.L.P; and the District's financial advisor, Southwest Securities, are authorized and directed to do any and all things necessary and proper in connection with this application.

PASSED AND APPROVED this the 24th day of August, 2010.

**NORTHTOWN MUNICIPAL UTILITY
DISTRICT**

By: _____

Robin Campbell, President
Board of Directors

ATTEST:

Alex Martinez, Secretary
Board of Directors

Northtown Municipal Utility District

Refunding Analysis

Prepared July 19, 2010

Refunding Process

1. Issue New Bonds
2. Use the Proceeds of the New Bonds to pay off old bonds
3. Difference between debt service on the new bonds and debt service on the old bonds is actual savings

Refunding Schedule

July, 2010 Board Authorizes consultants to proceed with refunding
August, 2010 Consultants prepare documents, work with rating agencies and municipal bond insurance companies
September, 2010 Bonds priced (sold); bond Purchase Agreement executed;
October, 2010 Bond Counsel obtains Attorney General approval
Closing: Old bonds prepaid; new debt service in place

Outstanding Debt - as of March 1, 2010

Par Amount	Series	Call Date	Final Maturity
\$ 340,000	2001	9/1/2005	2020
2,875,000	2002	9/1/2008	2025
3,160,000	2003	9/1/2008	2026
1,995,000	2004	9/1/2011	2018
4,050,000	2006	9/1/2012	2028
5,705,000	2007	9/1/2014	2030
7,410,000	2009	9/1/2016	2031
\$ 25,535,000			

Costs of Refunding

	Estimated
Funds necessary to pay off outstanding bonds	\$ 3,064,539.43
Costs of Issuance - printing, redemption notices, verification agent, bank charges, rating fees, engineering	32,000.00
Financial Advisory Fee (1%)	32,047.53
Bond Counsel Fee (1%)	32,047.53
General Counsel	15,000.00
Municipal Bond Insurance (Estimated @ 0.30%)	-
Underwriting Discount (Estimated @ \$6.42331/\$1,000)	25,370.05
Accrued interest	5,354.04
Contingency	3,748.01
	\$ 145,567.16
Size of Issue	\$ 3,210,106.59

Refunding Analysis

Year	Callable Bonds & Refunding Candidates				Refunding Bonds		Projected Annual Debt Service Savings
	Series 2001	Series 2002	Series 2003	Series 2003	Principal Amount of Refunding Bonds \$3,045,000	Interest Rates as of 7/12/2010	
2010	\$ 115,000	3.800%	\$ 120,000	3.200%	\$ 25,000	1.350%	\$ 10,918
2011	120,000	3.900%	125,000	3.500%	10,000	1.750%	12,110
2012	125,000	4.000%	130,000	3.650%	5,000	2.350%	12,110
2013	135,000	4.100%	140,000	3.800%	15,000	2.600%	12,110
2014	145,000	4.250%	145,000	4.000%	330,000	2.500%	11,020
2015	150,000	4.400%	155,000	4.130%	180,000	3.000%	10,558
2016	160,000	4.500%	165,000	4.280%	360,000	3.250%	8,468
2017	170,000	4.600%	170,000	4.470%	195,000	3.500%	9,138
2018	180,000	4.700%	180,000	4.470%	365,000	3.625%	12,555
2019	190,000	4.800%	190,000	4.620%	385,000	3.750%	13,150
2020	200,000	4.900%	200,000	4.620%	215,000	3.850%	8,575
2021	210,000	4.950%	210,000	4.750%	225,000	3.950%	11,079
2022	225,000	5.000%	220,000	4.750%	235,000	4.000%	8,266
2023	235,000	5.030%	235,000	4.750%	245,000	4.100%	10,623
2024	250,000	5.060%	245,000	4.750%	255,000	4.200%	12,923
2025	265,000	5.100%	260,000	5.000%			
2026			270,000	5.000%			
Outstanding Principal	\$340,000	\$2,875,000	\$3,160,000				
Principal Refundable	\$340,000	\$2,640,000	\$2,915,000				
Total Refundable		\$5,895,000					
					Cumulative Savings	\$ 163,600	
					Net Present Value Savings	\$ 131,776	
					Percentage of Refunded Bonds	4.327620%	

Projected 2010 Debt Service Tax Rate based on Growth - No Refunding.....	\$ 0.4816
Projected 2010 Debt Service Tax Rate based on Growth - Refunding.....	\$ 0.4785
Tax Rate Savings produced by Refunding.....	\$ 0.0031
2009 Average Home Value.....	\$ 139,513
Average Tax Bill Reduction produced by Refunding.....	\$ 4

Exhibit "A"