

Canyon Creek Language for Vote  
May 12, 2005

Within 60 days, the Northwest Austin Municipal District No. 1 Board will place on its agenda for a vote a resolution that approves the following items:

1. An amendment to the Agreement Concerning Creation and Operation of Northwest Austin Municipal Utility District no. 1 that provides for a monthly credit on the City of Austin water and wastewater utility bills per single family lot for customers located inside the District, which represents a 50% credit of the District's average annual debt service on current outstanding District debt as calculated on January 1 of each year, but in no case in an amount greater than that which is necessary to service the currently subscribed and committed debt load, and until and at such time as the MUD shall be dissolved.
2. An amendment to the Agreement Concerning Creation and Operation of Northwest Austin MUD No. 1 that codifies the promise of the developer that coincident with issuance of the latest round of bonds currently in progress, no further development in Canyon Creek shall require the issuance of MUD indebtedness and as a result the heretofore authorized debt ceiling of \$22,800,000 is forever reduced to \$15,500,000 and no refunding bond issue will be proposed that increases annual debt service requirements from current level.
3. The District dedicates to the City fee title to those tracts comprising approximately 405.90 acres of land dedicated for the preservation of endangered species subject to the restrictive covenants recorded in Vol. 12477, page 0639 of the Real Property Records of Travis County, Texas:
4. The Board will not pursue an legislation that negatively affects the City's annexation powers or its ability to collect its full ad valorem taxes from residents of the City

**RESOLUTION AUTHORIZING  
NEGOTIATIONS TO DRAFT AMENDMENTS  
TO THE AGREEMENT CONCERNING CREATION AND OPERATION OF  
NORTHWEST AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1**

STATE OF TEXAS           §  
                                  §  
COUNTY OF TRAVIS      §

WHEREAS, the Northwest Austin Municipal Utility District No. 1 (the "District") has entered into an agreement entitled the *Agreement Concerning Creation and Operation of Northwest Austin Municipal Utility District No. 1* (the "Agreement") with the City of Austin, Texas (the "City"), Nash Phillips/Copus ("NPC"), Texas American Bank – Fort Worth, N.A. ("TAB"), and Plateau Utilities, Inc. ("Plateau") on or about December 9, 1987; and

WHEREAS, the District, the City, Team Bank as successor to NPC and TAB, and Plateau entered into a First Amendment to the Agreement on or about September 11, 1990; and

WHEREAS, the District, the City, Team Bank, and Canyon Creek Land, Ltd. ("CCL") entered into a Second Amendment to the Agreement on or about October 6, 1992 (Plateau having been noted therein as having been dissolved); and

WHEREAS, the District, the City, CCL, Canyon Creek Option, Ltd. ("CCO") entered into a Third Amendment to the Agreement on or about February 28, 1995; and

WHEREAS, the City has proposed certain modifications to the Agreement in a gesture to commence resolution of certain disputes between the District and the City, and the District mutually concurs with a desire to resolve those disputes;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NORTHWEST AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1 THAT:

**Section 1:** The District's President and General Counsel are authorized to negotiate and execute amendments to the *Agreement Concerning Creation and Operation of Northwest Austin Municipal Utility District No. 1* (the "Agreement"), commensurate with the terms set forth below:

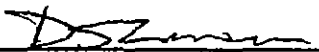
1. An amendment to the *Agreement Concerning Creation and Operation of Northwest Austin Municipal Utility District No. 1* that provides for a monthly credit on the City of Austin water and wastewater utility bills per single family lot for customers located inside the District, which represents a 50% credit of the District's average annual debt service on current outstanding District debt as calculated on January 1 of each year, but in no case in an amount greater than that which is necessary to service the currently subscribed and committed debt load, and until such time as the District shall be dissolved.

2. An amendment to the *Agreement Concerning Creation and Operation of Northwest Austin Municipal Utility District No. 1* that codifies the promise of the developer that coincident with the issuance of the latest round of bonds currently in progress (\$2,585,000), no further development in Canyon Creek shall require the issuance of District indebtedness and as a result the heretofore authorized debt ceiling of \$21,110,000 is forever reduced to \$16,295,000 and no refunding bond issue will be proposed that increases annual debt service requirements from the current level.
3. An amendment to the *Agreement Concerning Creation and Operation of Northwest Austin Municipal Utility District No. 1* that dedicates to the City all of the District's title to those tracts of land that comprise approximately 406 acres dedicated for the preservation of endangered species; provided however, that the dedication shall be subject to: (a) existing restrictive covenants; (b) the right to reasonable access to and use of the land consistent with its essential purpose in preservation; and (c) the continuing federal requirement to preserve the land.
4. The District's Board affirms that in the spirit of reconciliation, the Board shall not pursue any legislation that negatively affects the City's annexation powers or its ability to collect its full ad valorem taxes from residents of the City.

**Section 2:** The District's Board affirms that it recognizes the actions of the Austin City Council to be a genuine gesture of good will towards the residents of the District. In return, the District's Board shall within thirty days hence, appoint duly authorized representatives to engage in discussions with similarly appointed City representatives to jointly further the mutual expressions of good will exhibited herein and to work toward disposing of any and all other issues that impede a harmonious relationship between the City and the District.

**Section 3:** A copy of this Resolution shall be filed in the official records of the District.

ADOPTED this 24<sup>th</sup> day of May, 2005.

  
\_\_\_\_\_  
Don Zimmerman, President  
Board of Directors

**COPY**

**CERTIFICATE FOR RESOLUTION**

STATE OF TEXAS           §  
                                  §  
COUNTY OF TRAVIS       §

The undersigned officer of the Board of Directors of Northwest Austin Municipal Utility District No. 1 hereby certifies as follows:

1. The Board of Directors of Northwest Austin Municipal Utility District No. 1 convened in regular session on the 24<sup>th</sup> day of May, 2005, at Peace Lutheran Church, 10625 North F.M. 620, Austin, Texas and the roll was called of the duly-constituted officers and members of the Board, to wit:

Don Zimmerman	-	President
William C. Ferguson	-	Vice President
Karen Temborius	-	Secretary
Edward L. Swarthout	-	Treasurer
George Frederickson	-	Assistant Secretary/Treasurer

all of said persons were present, except \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a

**RESOLUTION AUTHORIZING NEGOTIATIONS TO DRAFT AMENDMENTS TO  
THE AGREEMENT CONCERNING CREATION AND OPERATION OF  
NORTHWEST AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1**

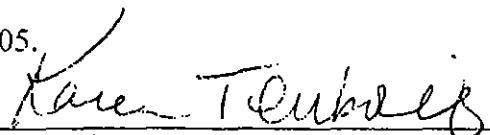
was introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be adopted, and, after due discussion, the motion, carrying with it the adoption of the Resolution, prevailed and carried by majority of the Board.

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.

This instrument was acknowledged before me on May 24, 2005 by Karen Temborius, Secretary, Northwest Austin Municipal Utility District No. 1 to certify which witness my hand and seal of office.

SIGNED AND SEALED the 24<sup>th</sup> day of May, 2005.

(SEAL)

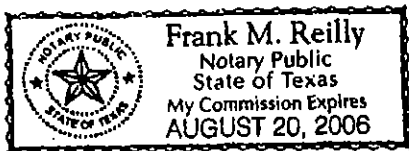
  
Karen Temborius, Secretary  
Board of Directors

STATE OF TEXAS       §  
                                  §  
COUNTY OF TRAVIS   §

This instrument was acknowledged before me on May 24, 2005 by Karen Temborius, Secretary of the Board of Directors of Northwest Austin Municipal Utility District No. 1, on behalf of said District.

(SEAL)

  
Notary Public Signature



Canyon Creek Language  
May 26, 2005

Within 60 days, the Northwest Austin Municipal District No. 1 Board will place on its agenda for a vote a resolution that approves the following items:

1. An amendment to the Agreement Concerning Creation and Operation of Northwest Austin Municipal Utility District no. 1 that provides for a monthly credit on the City of Austin water and wastewater utility bills per single family lot for customers located inside the District, which represents a 50% credit of the District's average annual debt service on current outstanding District debt as calculated on January 1 of each year, but in no case in an amount greater than that which is necessary to service the currently subscribed and committed debt load, and until and at such time as the MUD shall be dissolved.
2. An amendment to the Agreement Concerning Creation and Operation of Northwest Austin MUD No. 1 that codifies the promise of the developer that coincident with issuance of the latest round of bonds currently in progress, no further development in Canyon Creek shall require the issuance of MUD indebtedness and as a result the heretofore authorized debt ceiling of \$22,800,000 is forever reduced to \$15,500,000 and no refunding bond issue will be proposed that increases annual debt service requirements from current level.

**An Amendment to the agreement Concerning Creation and Operation of Northwest Austin Municipal Utility District No.1 that codifies the promise of the developer that coincident with the issuance of the latest round of bonds currently in progress (\$2,585,000), no further development in Canyon Creek shall require the issuance of District indebtedness and as a result the heretofore authorized debt ceiling of \$21,110,000 is forever reduced to \$16,295,000 and no refunding bond issue will be proposed that increases annual debt service requirements from the current level**

3. The District dedicates to the City fee title to those tracts comprising approximately 405.90 acres of land dedicated for the preservation of endangered species subject to the restrictive covenants recorded in Vol. 12477, page 0639 of the Real Property Records of Travis County, Texas;

**An Amendment to the Agreement Concerning Creation and Operation of Northwest Austin Municipal Utility District No. 1 that dedicates to the City all of the District's title to those tracts of land that comprise approximately 406 acres dedicated for the preservation of endangered species; provided however, that the dedication shall be subject to: (a) existing restrictive covenants; (b) the right to reasonable access to and use of the land consistent with all current federal laws and permits and any future amendments to such laws and permits; and (c) the continuing requirements concerning preservation of these tracts of land under all federal laws and permits and any future amendments to such laws and permits.**

4. The Board will not pursue an legislation that negatively affects the City's annexation powers or its ability to collect its full ad valorem taxes from residents of the City

*The District's Board affirms that in the spirit of reconciliation, the Board shall not pursue any legislation that negatively affects the City's annexation powers or its ability to collect its full ad valorem taxes from residents of the City.*

Section 2: *The District's Board affirms that is recognizes the actions of the Austin City Council to be a genuine gesture of good will towards the residents of the District. In return, the District's Board shall within thirty days hence, appoint duly authorized representatives to engage in discussions with similarly appointed City representatives to jointly further the mutual expressions of good will exhibited herein and to work toward disposing of all other issues that impede a harmonious relationship between the City and the District.*

Section 3: *A Copy of this resolution shall be filed in the official records of the District.*

**\*BOLD: refers to City of Austin proposed changes**

*\*Italics: refers to MUD Board proposed changes*