

**STRATEGIC PARTNERSHIP AGREEMENT BETWEEN
THE CITY OF AUSTIN AND
THE TANGLEWOOD FOREST MUNICIPAL UTILITY DISTRICT
FOR ANNEXATION AND CREATION OF A LIMITED DISTRICT**

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TRAVIS §

This Strategic Partnership Agreement Between the City of Austin, Texas and the Tanglewood Forest Municipal Utility District, formerly known as the South Austin Growth Corridor Municipal Utility District No. 1, Travis County, Texas ("Agreement") is made and entered into by and among the City of Austin, a municipal corporation, acting by and through its duly authorized City Manager ("City"); the Tanglewood Forest Municipal Utility District ("District"), acting by and through its duly authorized Board of Directors; and upon its creation, the Tanglewood Forest Limited District ("Limited District").

RECITALS

The District is a municipal utility district created under Chapter 54 of the Texas Water Code. All of the territory within the District is currently located within the extraterritorial jurisdiction of the City of Austin in Travis County, Texas. The District encompasses approximately 432.1 acres, more or less. Its boundaries are described in City Ordinance No. 971218-__ attached hereto as Exhibit "A". City Ordinance No. 971218-__. The Ordinance and its exhibits, are incorporated herein and made a part of this Agreement for all purposes.

The City is a municipal corporation and a political subdivision of the State of Texas.

The City desires to annex all of the District which would result in the abolition of the District and the City succeeding to all of the District's powers, duties, assets, and obligations.

The District and its residents and property owners desire to provide for an entity to continue to perform certain duties currently performed by the District.

The intent of this Agreement is to enter into a strategic partnership agreement between the City and the District to set forth the terms and conditions of annexation of the District by the City and the conversion of the District to a limited district in accordance with Section 43.0751 of the Texas Local Government Code.

The City interprets the objective of Section 43.0751 of the Local Government Code to permit, but not to mandate, municipal negotiation and participation in strategic partnership agreements such as this Agreement. In light of this construction, this

provision of the Local Government Code is beneficial to the exercise of the home rule power and authority of the City.

The City understands that Section 43.0751 of the Local Government Code may require limited purpose annexation prior to full purpose annexation in connection with strategic partnership agreements such as this Agreement. The District construes Section 43.0751 as requiring limited purpose annexation with conversion to full purpose annexation effective December 31, 1997. It is the desire of the City to accommodate the District in this regard.

The District provided notice of two public hearings concerning the adoption of this Agreement in accordance with the procedural requirements of Section 43.0751 of the Local Government Code.

The District conducted two public hearings regarding this Agreement in accordance with procedural requirements of Section 43.0751 of the Local Government Code on November 19, 1997 at 7:00 p.m., at Kocurek Elementary School, 9800 Curlew Drive, Austin, Texas, and on November 25, 1997 at 7:30 p.m. at Kocurek Elementary School, 9800 Curlew Drive, Austin, Texas.

The City provided notice of two public hearings concerning the adoption of this Agreement in accordance with the procedural requirements of Section 43.0751 of the Local Government Code.

The City conducted two public hearings regarding this Agreement in accordance with procedural requirements of Section 43.0751 of the Local Government Code on November 20, 1997 at 7:30 p.m., at the City Council Chambers, 307 West Second Street, Austin, Texas, and on November 25, 1997 at 7:30 p.m., at Kocurek Elementary School, 9800 Curlew Drive, Austin, Texas.

The District has by formal action after public hearings approved this Agreement on December 15, 1997 in open session at a meeting held pursuant to the requirements of the Open Meetings Act.

The City adopted this Agreement on December 18, 1997 after the public hearings and after adoption of the Agreement by District.

All procedural requirements imposed by state law for the adoption of this Agreement have been met.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained in this Agreement, and other good and valuable consideration, the City, the District and the Limited District agree as follows:

ARTICLE I
DEFINITIONS, PURPOSE, AND LEGAL AUTHORITY

Section 1.01 Terms Defined in this Agreement.

In this Agreement, each of the following terms shall have the meaning indicated:

Agreement means this Strategic Partnership Agreement Between the City of Austin and the Tanglewood Forest Municipal Utility District for Annexation and Creation of a Limited District.

City means the City of Austin, Texas, its successors and assigns.

District means the Tanglewood Forest Municipal Utility District, Travis County, Texas, formerly known as the South Austin Growth Corridor Municipal Utility District No. 1, its successors and assigns.

Limited District means the Tanglewood Forest Limited District resulting from the conversion of the Tanglewood Forest Municipal Utility District pursuant to Section 43.0751 of the Texas Local Government Code.

Notice means any formal notice or communication required to be given by one Party to another by this Agreement.

Party or Parties means the City, the District and the Limited District.

Section 1.02 Purpose of the Agreement.

The purpose of this Agreement is to define and clarify, through contractual agreement, the terms and conditions of annexation of the District by the City and the conversion of the District to a limited district pursuant to Section 43.0751 of the Local Government Code.

Section 1.03 General Location and Description of the District.

The District is a municipal utility district created under Chapter 54 of the Texas Water Code. All of the territory within the District is located within the extraterritorial jurisdiction of the City in Travis County, Texas. The District encompasses approximately 432.1 acres, more or less. Its boundaries are described in Exhibit "A" attached hereto.

ARTICLE II
ANNEXATION OF THE DISTRICT

Section 2.01 Conversion to Full Purpose Annexation.

The District and the City acknowledge and agree that prior to the execution of this Agreement and prior to the full purpose annexation, the District and the City have conducted public hearings for the purpose of considering the adoption of this Agreement and annexation of the District in accordance with the recitals of this Agreement. The City has completed its limited purpose annexation as provided in Section 3.01 below. The District and the City agree that the District shall be automatically converted from limited purpose annexation to full purpose annexation on December 31, 1997.

Section 2.02

Under the provisions of Section 43.0751(c) of the Local Government Code, this Agreement shall become effective on December 18, 1997, the date of adoption by the City. Upon final adoption, the Agreement shall be filed by the City in the real property records of Travis County. The District, on behalf of all present and future owners of land within the District, consents to City annexation for full purposes effective December 31, 1997 of all of the land encompassed by the District, it being the intent of the Parties that the consent granted by this Agreement shall bind the District and each owner and future owner of land within the District in accordance with Section 43.0751(c) of the Local Government Code.

Section 2.03 Regulatory Authority of the City Upon Full Purpose Annexation.

Upon the conversion of the limited purpose annexation of the territory within the District to full purpose annexation, the City shall have all the authority and power within the converted territory that the City enjoys in all other areas that the City has annexed for full purposes.

Section 2.04 Taxation Authority of the City Upon Full Purpose Annexation.

Upon the conversion of the limited purpose annexation of the territory within the District to full purpose annexation, the City shall have the same taxation authority within the converted territory that the City enjoys in all other areas that the City has annexed for full purposes.

Section 2.05 District Residents as Citizens of the City Upon Full Purpose Annexation.

Upon the conversion of the limited purpose annexation of the territory within the District to full purpose annexation, the residents of the converted territory shall be considered citizens of the City for all purposes and shall have all the rights, privileges, and responsibilities accorded to the citizens residing in all other areas that the City has annexed for full purposes.

ARTICLE III
TRANSITIONAL MATTERS

Section 3.01 Time Period between Limited Purpose Annexation and Full Purpose Annexation.

The City and the District acknowledge and agree that Section 43.0751(5)(A) of the Local Government Code may require that the territory within the District first be limited purpose annexed and then converted to full purpose annexation. The City and the District agree that full purpose annexation of the property within the District shall automatically occur on December 31, 1997 after the limited purpose annexation which shall occur on or about December 18, 1997. Such full-purpose annexation shall be completed pursuant to Section 43.0751(h) without further required action of the governing body of the City.

The Parties understand and agree that no City services will be provided prior to full purpose annexation. City services shall commence with full purpose annexation in accordance with the adopted service plan ("Service Plan") which is included in Exhibit "A". The Parties understand and agree that a portion of the Service Plan designated as "Additional Services Upon Dissolution of Limited District" shall be undertaken and performed by the City in the event the Limited District is dissolved or upon termination on January 1, 2008, unless renewed by the City, as provided by Section 43.0751(f)(8) of the Local Government Code and Section 5.01 of this Agreement. The City has prepared a Limited Purpose Annexation Planning Study which is contained in Exhibit "A".

Section 3.02 1997 District Tax Rate.

The District agrees upon the execution of this Agreement by the City and the limited purpose annexation of the District to set its 1997 tax year debt service tax rate at \$0.50 per \$100 assessed valuation in accordance with the debt tax rate published on August 30, 1997 in its net effective tax rate calculations and to set its 1997 tax year operation and maintenance tax rate in accordance with the proposed rate set forth in its budget adopted on September 30, 1997 which is a rate of \$0.23 per \$100 assessed valuation. The District agrees to report the debt tax rate and operations and maintenance tax

rate to the District's tax assessor/collector, Travis County, and to do and perform all acts required by law for the tax rates to be effective.

ARTICLE IV
DISTRICT ASSETS, LIABILITIES, OBLIGATIONS, DEBT
AND DEBT SERVICE AND THE CONSENT AGREEMENT

Section 4.01 Assets, Liabilities, Indebtedness, and Obligations During the Period Preceding Full Purpose Annexation.

The District Consent Agreement executed on May 11, 1981 and amended from time to time, to the extent that it is not inconsistent with the provisions of this Agreement, shall remain in full force and effect until the conversion to full purpose annexation. In the event of a conflict, this Agreement shall control. The District's assets, liabilities, indebtedness, and obligations will remain the responsibility of the District during the period preceding full purpose annexation. Disposition or acquisition of additional assets, liabilities, indebtedness, and obligations shall be governed by the Consent Agreement to the extent the Consent Agreement is not inconsistent with this Agreement.

Section 4.02 Assumption of the District's Outstanding Obligations and Liabilities by the City.

The City shall assume none of the District's debt or assets during the period preceding full purpose annexation. Upon conversion to full purpose annexation all of the obligations, liabilities, indebtedness, and assets of the District shall be assumed by the City except those obligations, liabilities, indebtedness, and assets specifically provided in this Agreement for transfer to the Limited District. The Parties specifically agree that all funds in the District's Debt Service Fund and Construction Fund shall become the Property of the City upon full purpose annexation. It is specifically understood and agreed that all outstanding bonded indebtedness of the District shall be assumed by the City.

Section 4.03 No City Liability for Limited District Operations.

The Parties agree that the City shall not be liable for any or all claims or causes of action arising out of, or resulting from the maintenance or operations, or ownership of the facilities owned by the Limited District in the performance of its functions as described in this Agreement. It is specifically understood and agreed that the pending litigation regarding restrictive covenant claims, Cause No. 97-03257, styled *Charlie R. Tankersley, et al. v. Tanglewood Forest Municipal Utility District, et al.*, pending in the Travis County District Court shall remain an obligation of the Limited District and any settlements or other actions related thereto shall be the right and responsibility of the Limited District. In addition, the Parties agree the City shall not be liable for any or all claims or causes of actions arising out of or resulting from the maintenance,

operations, or other activities of the Limited District on any property owned by the City, including the drainage systems. The Limited District agrees to indemnify, defend, and hold harmless the City from any claims, demands, actions, and causes of action whatsoever arising out of or resulting from the maintenance, operations, or ownership of any facilities owned by the Limited District in the performance of its functions as described in this Agreement, or the maintenance, operations, or other activities of the Limited District on any property owned by the City, including the drainage systems. The Limited District agrees to add the City of Austin as an added insured on its general liability insurance each year for the duration of the existence of the Limited District.

ARTICLE V
DISTRICT CONTINUATION AS A LIMITED DISTRICT
FOR MAINTENANCE AND OPERATION OF
PARKS AND RECREATION FACILITIES AND OTHER DUTIES

Section 5.01 Continuation as a Limited District.

Upon the effective date of the full purpose annexation, the District shall automatically convert to a limited district under Section 43.0751(f)(6) of the Local Government Code and shall be known as the "Tanglewood Forest Limited District." The Limited District shall exercise only those functions, powers, and authority vested in municipal utility districts under state law and, as required by the Texas Natural Resource Conservation Commission, that are necessary to perform the functions undertaken by the Limited District to own, maintain, operate, and control the parks and recreational facilities described in this Agreement, to provide security for those parks and recreational facilities, maintain landscaping in the Slaughter Lane median as set forth below, to enforce restrictive covenants, to provide residential and commercial solid waste pick-up and disposal, and to provide graffiti removal. The Limited District will not own, operate, or maintain, water, wastewater or drainage systems, provided, however, the Limited District may mow and use the detention areas within the Limited District for recreational uses.

The boundaries of the Limited District shall be coextensive with the boundaries of the District.

The Limited District shall exist for an initial term of no more than ten (10) years. The term of the Limited District may be renewed successively by the City Council.

Upon final dissolution of the Limited District, the City shall assume all assets, liabilities, indebtedness and obligations of the Limited District.

The function of the Limited District shall be to own, maintain, operate, control, and assume responsibility for the parks and recreational facilities located within the boundaries of the Limited District or owned by the Limited District outside its

boundaries which are listed by name and more particularly described in Exhibit "B" attached to this Agreement, to enforce restrictive covenants, to provide graffiti removal, to provide residential and commercial solid waste pick-up and disposal, and to provide for security for its park and recreational facilities. The Limited District may also maintain the median of Slaughter Lane located within the Limited District's boundaries as previously provided for in that certain Interlocal Agreement between the District and Travis County. All of the parks and recreational facilities described in Exhibit "B" shall be available for the benefit, use and enjoyment of all the citizens of the City. The Parties agree that the Limited District shall assess necessary fees and charges for the use of the recreational facilities by the residents of the Limited District. City residents who do not reside in the Limited District shall be charged no more than the City summer pass rate for swimming pool use as that rate is amended from time to time. The Limited District shall set a daily rate fee for pool use at a uniform level for all City residents. The Parties agree that the City shall have no obligation during the existence of the Limited District to perform the functions undertaken by the Limited District, provided, however, the Limited District's rights to provide security for its parks and recreational facilities shall not diminish the City's obligations to provide adequate police protection in accordance with the requirements of State law.

The Limited District shall not sell, convey, lease, mortgage, transfer, or assign or otherwise alienate any of its parks, pool or other recreational facilities to a third party. The Limited District shall not approve a program or project that requires the use or taking of its parks, pool, or other recreational facilities or that would otherwise require findings under Section 26.001 of the Texas Parks and Wildlife Code. The Limited District shall not sell, convey, lease, mortgage, transfer, assign or otherwise alienate any of its surplus assets to a third party without the prior approval of the City Manager or his designee, which approval shall not be unreasonably withheld.

If, in the event the Limited District sells, transfers, conveys, leases, mortgages, transfers, assigns or otherwise alienates any of its parks, pool, or recreational facilities to a third party, or if the Limited District sells, transfers, conveys, leases, mortgages, assigns or otherwise alienates any of its surplus assets to a third party without the prior written consent of the City, the sale, transfer, conveyance, lease, mortgage, assignment or alienation shall automatically cause the Limited District to be dissolved without the necessity of any further action by the City, whether litigation or otherwise, and all assets, indebtedness, and liabilities of the Limited District shall be assumed by the City.

The Limited District shall not acquire, purchase, or lease additional parks, pools or other recreational facilities. The Limited District shall not expand any existing parks, pool or recreational facilities. Provided, however, the Limited District may purchase necessary replacement recreational facilities to maintain the level of facilities available

at the time of execution of this Agreement. Further, provided any such replacements or renovations over \$2,500.00 shall require the prior written approval of the City Manager or his designee, which approval shall not be unreasonably withheld or delayed.

In the event the Limited District is dissolved, the City agrees to provide services for the territory within the Limited District in accordance with the Service Plan attached hereto in Exhibit "A".

Section 5.02 Funding for Park and Recreation Facilities and Other Limited District Functions.

It is the responsibility of the Limited District to provide all necessary funding for capital and operations and maintenance expenses associated with the parks and recreation facilities and other duties described in Section 5.01 of this Agreement. Provided, however, the funds held by the District in its general fund as of December 31, 1997 shall be transferred to the Limited District, save and except, operation and maintenance tax revenues collected from the 1997 District tax levy "1997 O&M Tax Levy" which shall be divided between the Limited District and the City as follows: The Limited District shall retain 1997 operation and maintenance tax revenues from \$0.13 of the \$0.23 1997 O&M Tax Levy and the City shall receive operation and maintenance tax revenues from \$0.10 of the \$0.23 1997 O&M Tax Levy. The City shall receive all tax revenues from the 1997 debt service tax levy. The Parties agree that the City shall receive its pro rata share of any additional operation and maintenance tax revenues and all of the debt service tax revenues due and owing after January 1, 1998 for the 1997 tax year. The Limited District agrees to transmit to the City the City's share of tax revenues within ten (10) business days of the receipt of such tax revenues by the Limited District from the Travis County Tax Assessor/Collector. The Parties agree that after full purpose annexation, the Limited District shall not issue any bonds. The Parties further agree that the Limited District on full purpose annexation may issue notes and incur indebtedness only with the prior written consent of the City, other than for short term revenue obligations, for normal operation and maintenance of the Limited District.

Section 5.03 Operation and Maintenance Tax Election.

The Limited District agrees that it shall call an election for not later than the August, 1998 uniform election date at which time the Limited District shall place a proposition before the qualified voters of the Limited District to consider authorizing an ad valorem tax for operations and maintenance of the Limited District. The maximum tax rate to be included within the proposition shall be at the discretion of the Board of Directors of the Limited District, but shall not be less than \$0.20 per \$100 of assessed valuation nor greater than \$0.40 per \$100 of assessed valuation. In the event a majority of the qualified voters voting at such election do not approve the proposition, the Limited District shall be automatically dissolved sixty (60) days after the date of

such election without the necessity of any further action by the City, whether litigation or otherwise, and all assets, obligations, indebtedness, and liabilities of the Limited District shall be assumed by the City. The Limited District may not at any time during the existence of the Limited District set a tax rate for operations and maintenance of the Limited District that exceeds \$0.40 per \$100 of assessed valuation.

Section 5.04 Limitations on District Functions.

The Limited District shall have only those functions, purposes, and authorities specifically enumerated in this Article V. If the Limited District takes any formal action to discharge a function or to exercise authority that is not directly related to those functions and purposes specifically enumerated in Article V, the Limited District shall be automatically dissolved as of the date of the action without the necessity of any further action by the City, whether litigation or otherwise, and all assets, obligations, indebtedness, and liabilities of the Limited District shall be assumed by the City.

Section 5.05 Audit; Review of District Records.

The Limited District shall conduct an annual audit each year, at its sole expense, to be performed by an independent certified public accountant. The Limited District shall file a copy of the completed audit with the City's Director of Financial Services. The District agrees to make its financial records available to the City for inspection during normal business hours.

ARTICLE VI
MISCELLANEOUS PROVISIONS

Section 6.01 Effective Date and Duplicate Counterparts.

This Agreement may be executed in duplicate counterparts but shall not be effective unless executed by the City and the District on or before December 31, 1997. The District agrees that, upon its execution of this Agreement, the District shall be bound by this Agreement; however, the obligations of the District under this Agreement are subject to the condition that the City executes and delivers the Agreement on or before December 22, 1997 to the offices of the District's attorneys: Armbrust Brown & Davis, L.L.P., 100 Congress Avenue, Suite 1300, Austin, Texas 78701. This Agreement is also subject to the District's compliance with Section 3.02 of Article III of this Agreement. Failure of the District to set, and report to the Travis County Tax Assessor/Collector its order levying the operations and maintenance tax rate and debt tax rate, and to do all things and perform all acts required by law for these tax rates to be effective shall result in the automatic termination of the effectiveness of this Agreement and the automatic dissolution of the Limited District without the necessity of further action by the City, whether litigation or otherwise, and the City shall assume all obligations,

liabilities, indebtedness, and assets of the Limited District as though it were never created.

The District and the City have adopted this Agreement after each Party conducted their respective required public hearings. The City has approved this Agreement pursuant to Ordinance No. 971218-__ attached hereto as Exhibit "A". The Limited District shall be required to execute this Agreement within thirty (30) days of conversion. Failure to execute this Agreement by the Limited District shall result in the automatic dissolution of the Limited District without the necessity of further action by the City, whether litigation or otherwise, and the City shall assume all obligations, liabilities, indebtedness, and assets of the Limited District. Prior to such time, this Agreement shall be in full force and effect upon the execution by the City and the District.

Section 6.02 Entire Agreement.

Except as expressly set forth in this Agreement, this Agreement is not intended to waive or limit the applicability of laws, regulations and ordinances applicable to the District or Limited District, nor does it waive the jurisdiction or sovereignty of any governmental body with respect to the District or Limited District.

As of this date there are no agreements, oral or written, between the Parties which are in conflict with this Agreement. Except as expressly provided by this Agreement, this Agreement, together with all of the attachments to this Agreement constitutes the entire agreement between the Parties with respect to the terms and conditions governing the annexation and conversion of the District to the Limited District. Except as expressly provided by this Agreement, no representations or agreements other than those specifically included in this Agreement shall be binding on either the City, the District or the Limited District

Section 6.03 Notice.

It is contemplated that the Parties will contact each other concerning the subject matter of this Agreement. However, any Notice shall be given at the addresses below for each of the Parties.

Notice may be given by: (i) delivering the Notice to the Party to be notified; (ii) by depositing the Notice in the United States Mail, certified or registered, return receipt requested, postage prepaid, addressed to the Party to be notified; or (iii) by sending the Notice by telefax with confirming copy sent by mail to the Party to be notified.

Notice deposited in the United States mail in the manner hereinabove described shall be deemed effective from and after the earlier of the date of actual receipt or three days after the date of such deposit. Notice given in any other manner shall be effective only if and when received by the Party to be notified.

For purposes of Notice, the addresses of the Parties shall, until changed as provided in this section, be as follows:

City of Austin: City Manager
City of Austin
P. O. Box 1088
Austin, Texas 78767

with required copy to: City Attorney
City of Austin
P. O. Box 1088
Austin, Texas 78767

Tanglewood Forest Municipal
Utility District: Joseph S. Babb
President of the Board of Directors
c/o Armbrust Brown & Davis, L.L.P.
100 Congress Avenue, Suite 1350
Austin, Texas 78701

Tanglewood Forest Limited
District: Joseph S. Babb
President of the Board of Directors
c/o Armbrust Brown & Davis, L.L.P.
100 Congress Avenue, Suite 1350
Austin, Texas 78701

The Parties may change their addresses for Notice purposes by providing five days written notice of the changed address to the other Party.

If any date or period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating Notice is extended to the first business day following the Saturday, Sunday, or legal holiday.

Section 6.04 Time.

Time is of the essence in all matters pertaining to the performance of this Agreement.

Section 6.05 Severability; Dissolution.

The provisions of this Agreement are not severable. Nothing in this Agreement shall be construed as an acknowledgment by the City that Section 43.0751 of the Local Government Code is in whole or in part legally valid. If any one of the following conditions is satisfied, the Limited District shall be considered automatically dissolved, without the necessity of any further action by the City, whether litigation or otherwise,

and the City shall assume all obligations, liabilities, indebtedness, and assets of the Limited District: (i) A court of competent jurisdiction enters a final, nonappealable judgment that the Limited District is illegally constituted; (ii) a court of competent jurisdiction enters a final nonappealable judgment that Section 43.0751 of the Local Government Code is invalid in whole or in part; (iii) a court of competent jurisdiction enters a final, nonappealable judgment that the tax rate set by the Limited District is invalid; or (iv) a court of competent jurisdiction enters a final, nonappealable judgment that this Agreement is invalid in whole or in part.

If, in any year the Limited District fails to levy an operation and maintenance tax and establish fees to perform its duties and functions as provided in this Agreement, the Limited District shall be automatically be dissolved without the necessity of any further action by the City, whether litigation or otherwise, and the City shall assume all obligations, liabilities, indebtedness, and assets of the Limited District.

In the event that the Limited District fails or ceases to discharge its responsibilities as set forth in this Agreement, the City may, at its own option, sue for dissolution of the Limited District in a court of competent jurisdiction.

The determination as to whether the Limited District has failed or ceased to discharge its duties and obligations as set forth in this Agreement may be made either by the Board of Directors of the Limited District or by the residents of the Limited District by a petition to the City signed by twenty percent (20%) of the residents of the Limited District. The petition must be submitted to the Clerk of the City. The Clerk of the City shall verify the signatures within sixty days of receipt. The Clerk shall notify the Limited District of the receipt of the petition and the results of the verification by certified mail within 10 days of receipt of the petition and within 10 days of the verification, respectively. Within sixty days of the verification of the petition of the City Clerk, the City Council of the City shall conduct a public hearing to consider the petition of the residents of the Limited District and the appropriate action the City may desire to take.

Section 6.06 Waiver.

Any failure by a Party to the Agreement to insist upon strict performance by the other Parties of any provision of this Agreement shall not be deemed a waiver of the provision or of any other provision of the Agreement. The Party has the right at any time to insist upon strict performance of any of the provisions of the Agreement.

Section 6.07 Applicable Law and Venue.

The construction and validity of the Agreement shall be governed by the laws of the State of Texas (without regard to conflict of law principles). Venue shall be in Travis County, Texas.

Section 6.08 Reservation of Rights.

To the extent not inconsistent with this Agreement, each Party reserves all rights, privileges and immunities under applicable law.

Section 6.09 Incorporation of Exhibits and Other Documents by Reference.

All Exhibits and other Documents attached to or referred to in this Agreement are incorporated into this Agreement by reference for the purposes set forth in this Agreement.

Section 6.10 Assignability, Successors, and Assigns.

This Agreement shall not be assignable by the District (or the Limited District upon conversion) or the City without the prior written consent of the City Council of the City and the District Board of Directors or the Limited District Board of Directors upon conversion.

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective representatives, successors and assigns.

Section 6.11 Amendment.

This Agreement may only be amended in writing upon the approval of the governing bodies of the City and the District or the Limited District and the City after the conversion.

ARTICLE VII
DEFAULT AND REMEDIES FOR DEFAULT

Section 7.01 Default.

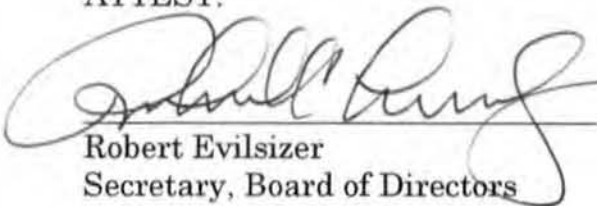
Upon the occurrence, or alleged occurrence, of an event of default, the non-defaulting Party shall send the defaulting Party Notice of its default or alleged default. Except as otherwise specifically provided in this Agreement, the defaulting Party must cure its default within 30 days following receipt of the Notice of default, or must commence a cure of the default within 14 days following receipt of the Notice of default and diligently pursue the cure to completion within 50 days of the receipt of the Notice of default. In the event that the defaulting Party fails to abide by these deadlines, the non-defaulting Party shall have all rights and remedies available in law and equity and all rights and remedies provided in this Agreement. All of these rights and remedies shall be cumulative.

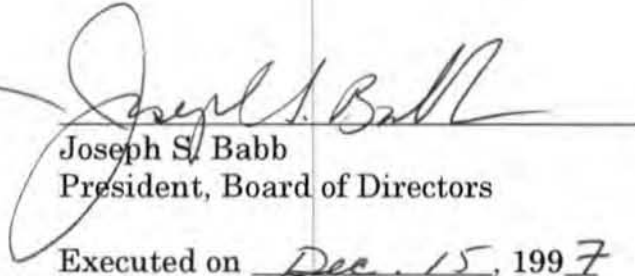
Section 7.02 Future Mediation.

Prior to bringing any proceeding in a court of law or before a court of competent jurisdiction, the Parties are obligated to provide a notice of default as set forth in subparagraph 7.01 and to seek to resolve the issue through non-binding mediation. The Parties must participate in good faith, but in no event are they obligated to pursue mediation that does not resolve the issue in dispute within seven days after the mediation is initiated or 14 days after the mediation is requested. The Parties shall share the costs of the mediation equally.

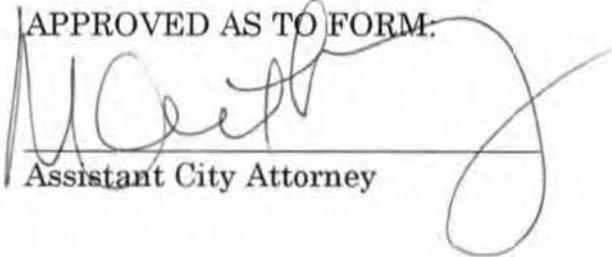
**TANGLEWOOD FOREST
MUNICIPAL UTILITY DISTRICT**

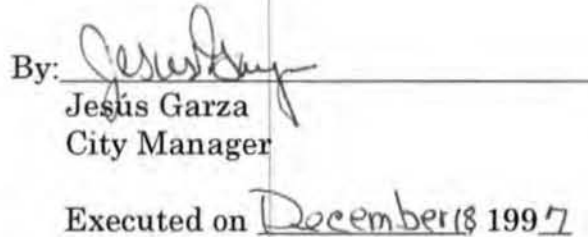
ATTEST:


Robert Evilsizer
Secretary, Board of Directors


Joseph S. Babb
President, Board of Directors
Executed on Dec. 15, 1997

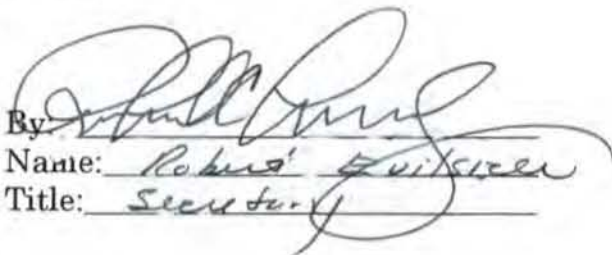
CITY OF AUSTIN

APPROVED AS TO FORM:

Assistant City Attorney

By: 
Jesus Garza
City Manager
Executed on December 18 1997

**TANGLEWOOD FOREST
LIMITED DISTRICT**

ATTEST:

By: 
Name: Robert Evilsizer
Title: Secretary

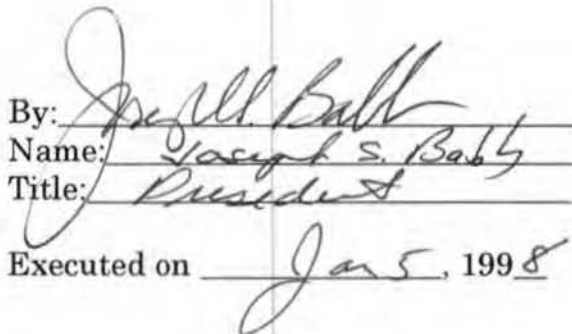
By: 
Name: Joseph S. Babb
Title: President
Executed on Jan 5, 1998

EXHIBIT A TO THE STRATEGIC PARTNERSHIP AGREEMENT

ORDINANCE NO. 971218-

1 AN ORDINANCE ADOPTING A STRATEGIC PARTNERSHIP AGREEMENT
2 WHICH PROVIDES FOR LIMITED PURPOSE ANNEXATION AND
3 CONVERSION TO FULL PURPOSE ANNEXATION OF ADDITIONAL
4 TERRITORY ADJACENT TO THE CITY LIMITS OF THE CITY OF AUSTIN,
5 CONSISTING OF APPROXIMATELY 435 ACRES OF LAND OUT OF THE
6 WALKER WILSON SURVEY NO. 2 AND THE THEODORE BISSELL LEAGUE,
7 LOCATED IN TRAVIS COUNTY, TEXAS AND CONSISTING OF THE
8 TANGLEWOOD FOREST MUNICIPAL UTILITY DISTRICT; APPROVING A
9 REGULATORY AND SERVICE PLAN FOR THE ANNEXED TERRITORY;
10 AND PROVIDING FOR AN EMERGENCY.

11
12 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

13
14 PART 1. FINDINGS.

15
16 The Council finds that under Section 43.0751 of the Local Government Code:

- 17
18 (A) Notices of two public hearings concerning the adoption of a Strategic
19 Partnership Agreement ("Agreement") with the Tanglewood Forest
20 Municipal Utility District ("District") consisting of the territory described in
21 Exhibit A were published in a newspaper of general circulation in the City of
22 Austin and in the area to be annexed.
- 23
24 (B) Notices of two public hearings concerning limited and full purpose
25 annexation of the District according to the terms of the Agreement consisting
26 of territory described in Exhibit A attached to this ordinance were published
27 in a newspaper of general circulation in the City of Austin and in the area to
28 be annexed.
- 29
30 (C) The Agreement is attached as Exhibit D to this ordinance.
- 31
32 (D) The Agreement was made available prior to the public hearings in
33 accordance with Section 43.0751 of the Local Government Code.
34

- 1 (E) Public hearings regarding the Agreement in Exhibit D and the limited and
2 full purpose annexation of the Tanglewood Forest Municipality Utility
3 District as provided in the Agreement consisting of the territory described in
4 Exhibit A were held on November 20, 1997 at 7:30 p.m. in Council
5 Chambers.
6
7 (F) An additional hearing was held on November 25, 1997 at 7:30 p.m. in the
8 area of the annexation at Kocurek Elementary School, 9800 Curlew, Austin,
9 Texas.
10
11 (G) The public hearings were concluded after providing an opportunity for all
12 persons present to be heard with respect to the proposed Agreement and the
13 limited and full purpose annexation provided in the Agreement.
14
15 (H) All procedural requirements imposed by state law for the adoption of the
16 Agreement and the limited and full purpose annexation of the District in
17 accordance with the Agreement have been met.
18

19 **PART 2. Strategic Partnership Agreement**

20
21 (A) Findings

22
23 The Council finds that:

- 24
25 (1) the Agreement with the District attached in Exhibit D was adopted by
26 the Board of Directors of the District on December 15, 1997, in
27 accordance with Section 43.0751 of the Local Government Code;
28
29 (2) the Agreement attached in Exhibit D serves the interests of the current
30 and future residents of the City of Austin;
31
32 (3) the Regulatory Plan for the period of limited purpose annexation that is
33 attached to this Ordinance as Exhibit B serves the interests of the
34 current and future residents of the City of Austin;
35
36 (4) the Service Plan for the full purpose annexation attached as Exhibit C
37 to this Ordinance serves the interests of the current and future residents
38 of the City of Austin;
39
40 (5) the Agreement was made available to the public in accordance with the
41 requirements of Section 43.0751 of the Local Government Code;

1
2 (6) the Service Plan contained in this Ordinance was explained at all
3 public hearings regarding the Agreement; and

4
5 (7) the Service Plan contained in this Ordinance was made available in
6 accordance with the requirements of state law.

7
8 (B) Adoption

9
10 The Agreement is adopted by the Council, and the City Manager is
11 authorized to execute the Agreement on behalf of the City.
12

13
14 **PART 3. Annexation and Adoption of Service Plan and Regulatory Plan**

15
16 (A) Annexation

17
18 As provided in the Agreement adopted by the Council, the territory
19 described in Exhibit A is annexed for limited purposes effective December
20 18, 1997 and is automatically converted to full purpose annexation as
21 provided by the Agreement and authorized by Section 43.0751 of the Local
22 Government Code effective December 31, 1997.
23

24 (B) Adoption of Service Plan

25
26 The Service Plan attached as Exhibit C is approved as the Service Plan for
27 the full purpose annexed area.
28

29 (C) Adoption of Regulatory Plan

30
31 The Regulatory Plan attached as Exhibit B is approved as the Regulatory
32 Plan for the period of limited purpose annexation.
33

34 **PART 4. Boundary Limits.**

35
36 As provided by the Agreement the present boundary limits of the City are amended to
37 include the following territory for limited purpose annexation effective December 18,
38 1997 and for full purpose annexation effective December 31, 1997. This area is within
39 the extraterritorial jurisdiction of and is adjacent to the city limits of the City of Austin in
40 Travis County, Texas, and is described as follows:
41

1 Two (2) tracts of land, same being out of and a part of the Walker Wilson Survey
2 No. 2 and the Theodore Bissell League in Travis County, Texas, the tract of land
3 hereinafter described as Number One containing 69 acres of land, more or less, and
4 the tract of land hereinafter described as Number Two containing 366 acres of land,
5 more or less, which said two (2) tracts of land being more particularly described in
6 Exhibit A.
7

8 **PART 5. Conversion of Tanglewood Forest Municipal Utility District and Assumption of**
9 **Assets and Debts**

10
11 As provided by the Agreement the District is converted to the Tanglewood Forest Limited
12 District on December 31, 1997. On December 31, 1997, and in accordance with the
13 provisions of state law, the City shall take over all the property and other assets of the
14 District and shall assume all of the debts, liabilities, and obligations of the District except
15 as provided in the Agreement.
16

17 **PART 6. Severability**

18
19 The City Council declares that its purpose is to annex to the City of Austin each part of the
20 area described in Exhibit A as provided in this ordinance, whether any other part of the
21 described area is effectively annexed to the City. If this ordinance is held invalid as to any
22 part of the area annexed to the City of Austin, that invalidity does not affect the invalidity
23 of this ordinance to the remainder of the area.
24

25 If any area or lands included within the description of the area set out in Exhibit A are: (1)
26 presently part of and included within the general limits of the City of Austin, (2) presently
27 part of and included within the limits of any other city, town, or village, or (3) are not
28 within the jurisdiction or power of the City of Austin to annex, then that area is excluded
29 and excepted from the area annexed as fully as if the excluded and excepted area were
30 expressly described in Exhibit A.
31

32 **PART 7. Non-Severability**

33
34 Except as provided in Part 6, the provisions of this ordinance are not severable. If the
35 statutory authority under which this ordinance is adopted or under which the Agreement is
36 adopted or if any word, phrase, clause, sentence, paragraph, part, section, or other portion
37 of this ordinance, or the application of the word, phrase, clause, sentence, paragraph, part,
38 section, or other portion of this ordinance to any person, circumstance, or entity is held by
39 a court of competent jurisdiction to be invalid for any reason, the entire ordinance shall be
40 invalid as though the ordinance were never adopted or enacted by the Council.
41

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PART 8. Emergency

The Council declares that an emergency exists concerning the safe, orderly, and healthful growth and development of the City to assure the immediate preservation of the public peace, health and safety; therefore, this ordinance shall become effective immediately on its passage as required by this emergency and as provided by the City Charter of the City of Austin.

PART 9. The Council waives the requirements of Sections 2-2-3 and 2-2-7 of the City Code for this ordinance.

PASSED AND APPROVED

_____, 1997. §
 §
 §

Kirk Watson
Mayor

APPROVED: _____ ATTEST: _____

Andrew Martin
City Attorney

James E. Aldridge
City Clerk

EXHIBIT A

SPA-97-002
C7L-97-001
C7a-97-012a

(435 Acres of out of the Walker Wilson Survey No.2 and the Theodore Bissell League in Travis County, Texas)

(Tanglewood Forest Municipal Utility District Tanglewood Forest Section One, Ph.B & C, Tanglewood Forest Sec. Two, Ph. A thru E, Tanglewood Forest, Sections 3 & 4, Ph.A thru F, Tanglewood Forest Sections 5, 6-A, 7 thru 7-B, 8 and 8-A, Tanglewood Village Sec.1-A & 2, Unplatted land and a portion of Slaughter Lane)

LEGAL DESCRIPTION

LEGAL DESCRIPTION FOR TWO (2) TRACTS OF LAND, SAME BEING OUT OF AND A PART OF THE WALKER WILSON SURVEY NO.2 AND THE THEODORE BISSELL LEAGUE IN TRAVIS COUNTY, TEXAS, THE TRACT OF LAND HEREINAFTER DESCRIBED AS NUMBER ONE CONTAINING 69 ACRES OF LAND, MORE OR LESS, AND THE TRACT OF LAND HEREINAFTER DESCRIBED AS NUMBER TWO CONTAINING 366 ACRES OF LAND, MORE OR LESS, WHICH SAID TWO (2) TRACTS OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

NUMBER ONE, BEGINNING at a point in the common line of the present corporate limit of the City of Austin as adopted by an ordinance dated November 15, 1984 (Case No.C7a-83-017) and Tanglewood Forest Municipal Utility District, which line is the west line Manchaca Road also known as FM 2304, and which point of beginning is the northeast corner of Castlewood Section 5, a subdivision of record in Book 55 at

Page 68 of the Plat Records of Travis County, Texas, for the southeast corner of the herein described tract of land;

THENCE, with the common line of the present corporate limit of the City of Austin as adopted by an ordinance dated November 15, 1984 (Case No.C7a-83-017) and Tanglewood Forest Municipal Utility District, which line is the north line of said Castlewood Forest Section 5, in westerly direction to a point in the east line of Lot 12, Block C, Castlewood Forest Annex 1457, a subdivision of record in Book 82 at Page 280 of the Plat Records of Travis County, Texas;

THENCE, continuing with the common line of the present corporate limit of the City of Austin as adopted by an ordinance dated November 15, 1984 (Case No.C7a-83-017) and Tanglewood Forest Municipal Utility District, which line is the east and north line of said Block C, Castlewood Forest Annex 1457, in northerly and westerly direction to the southeast corner of Lot 1, Block H, in said Castlewood Forest Annex 1457, for the southwest corner of the herein described tract of land;

THENCE, continuing with the common line of the present corporate limit of the City of Austin as adopted by an ordinance dated November 15, 1984 (Case No.C7a-83-017) and Tanglewood Forest Municipal Utility District, which line is the east line of Block H & G, in said Castlewood Forest Annex 1457, in a northerly direction to the southwest corner of Lot 3, Block I, in said Castlewood Forest Annex 1457, for an exterior ell corner of the herein described tract of land;

THENCE, continuing with the common line of the present corporate limit line of the City of Austin as adopted by an ordinance dated November 15, 1984 (Case No.C7a-83-017) and Tanglewood Forest Municipal Utility District, which line is the south line of Block I & H, in said Castlewood Forest Annex 1457, in an easterly direction to the southwest corner of Lot 21, Block C, Tanglewood Forest Section One, Phase B, a subdivision of record in Book 82 at Page 391 of the Plat records of Travis County, Texas;

THENCE, continuing with the common line of the present corporate limit line of the City of Austin as adopted by an ordinance dated November 15, 1984 (Case No. C7a-83-017) and Tanglewood Forest Municipal Utility District, which line is the west and north lines of said Tanglewood Forest Section One, Phase B, in northerly and easterly directions to the northeast corner of Lot 25, Block E, in said Tanglewood Forest Section One, Phase B, same being a point in the west line of Tanglewood Forest Section Five, a subdivision of record in Book 83 at Page 64B of the Plat Records of Travis County, Texas;

THENCE, continuing with the common line of the present corporate limit line of the City of Austin as adopted by an ordinance dated November 15, 1984 (Case No. C7a-83-017) and Tanglewood Forest Municipal Utility District, which line is the west and north lines of said Tanglewood Forest Section Five, in northerly and easterly direction to the most easterly corner of the herein described tract of land, same being a point in the west line Manchaca Road;

THENCE, continuing with the common line of the present corporate limit line of the City of Austin as adopted by an ordinance dated November 15, 1984 (Case No. C7a-83-017) and Tanglewood Forest Municipal Utility District, which line is the west line of Manchaca Road, in southerly direction to the point of beginning.

NUMBER TWO, BEGINNING at a point in common line of the present corporate limit line of the City of Austin as adopted by an ordinance dated November 15, 1984 (Case No. C7a-83-017) and Tanglewood Forest Municipal Utility District, and which point of beginning is the northwest corner of that certain tract of land conveyed to Robert E. Ender, et ux, by warranty deed of record in Volume 1441 at Page 167 of the Real Property Records of Travis County, Texas, same being a point in the south line of Lot 3, Tanglewood Forest Section Eight, a subdivision of record in Book 83 at Page 213A of the Plat records of Travis County, Texas, which line is the south line of that certain tract of land conveyed to Joseph J. Davis Jr. by deed of record in Volume 362 at Page 591 of the Real Property Records of the Real Property Records of Travis County, Texas ;

THENCE, with the south line of Tanglewood Forest Municipal Utility District, same being the south line of said Davis tract of land and the south line of that certain 106.555 acre tract of land conveyed to Gary L. Bradley and John C. Wooley by deed of record in Volume 6773 at Page 112 of the Real Property records of Travis County, Texas, in a westerly direction to the southeast corner of Lot 5, Elmwood Park, a subdivision of record in Book 80 at Page 5 of the Plat records of Travis County, Texas, for the southwest corner of the herein described tract of land, same being a point in the present corporate limit line of the City of Austin as adopted by an ordinance dated December 10, 1992 (Case No.C7a-92-009);

THENCE, with the common line of the present corporate limit line of the City of Austin as adopted by an ordinance dated December 10, 1992 (Case No.C7a-92-009) and said Tanglewood Forest Municipal Utility District, in a northerly direction to the northwest corner of Tanglewood Forest Section Seven, a subdivision of record in Book 84 at Page 105C of the Plat records of Travis County, Texas;

THENCE, with the north line of said Tanglewood Forest Municipal Utility District, which line is the north line of said Tanglewood Forest Section Seven, in an easterly direction to a point in the present corporate limit line of the City of Austin as adopted by an ordinance dated November 02, 1995 (Case No.C7a-95-002);

THENCE, with the common line of the present corporate limit line of the City of Austin as adopted by an ordinance dated November 11, 1995 (Case No.C7a-95-002) and said Tanglewood Forest Municipal Utility District in an easterly direction to the southwest corner of Lot 6, Block H, Pheasant Run Section Two, a subdivision of record in Book 80 at Page 366 of the Plat records of Travis County, Texas, same being a point in the in the present corporate limit line of the City of Austin as adopted by an ordinance dated December 08, 1983 (Case No.C7a-81-007);

THENCE, with the common line of the present corporate limit line of the City of Austin as adopted by an ordinance dated December 08, 1983 (Case No.C7a-81-007) and said Tanglewood Forest Municipal Utility District in an easterly direction to the southeast corner of Lot 2, Block B, in said Pheasant Run Section Two, same being a point in the present

corporate limit line of the City of Austin as adopted by the aforesaid ordinance dated November 15, 1984 (Case No.C7a-83-017);

THENCE, continuing with the common line of the present corporate limit line of the City of Austin as adopted by an ordinance dated November 15, 1984 (Case No.C7a-83-017) and Tanglewood Forest Municipal Utility District, in a southerly and easterly direction to a point in the west line of Manchaca Road, same being the northeast corner of the herein described tract of land;

THENCE, continuing with the common line of the present corporate limit line of the City of Austin as adopted by an ordinance dated November 15, 1984 (Case No.C7a-83-017) and Tanglewood Forest Municipal Utility District, which line is the west line of Manchaca Road, in southerly direction to the southeast corner of the herein described tract of land;

THENCE, continuing with the common line of the present corporate limit line of the City of Austin as adopted by an ordinance dated November 15, 1984 (Case No.C7a-83-017) and Tanglewood Forest Municipal Utility District in a westerly direction to the point of beginning.

LEGAL DESCRIPTION:Al Martinez APPROVED:

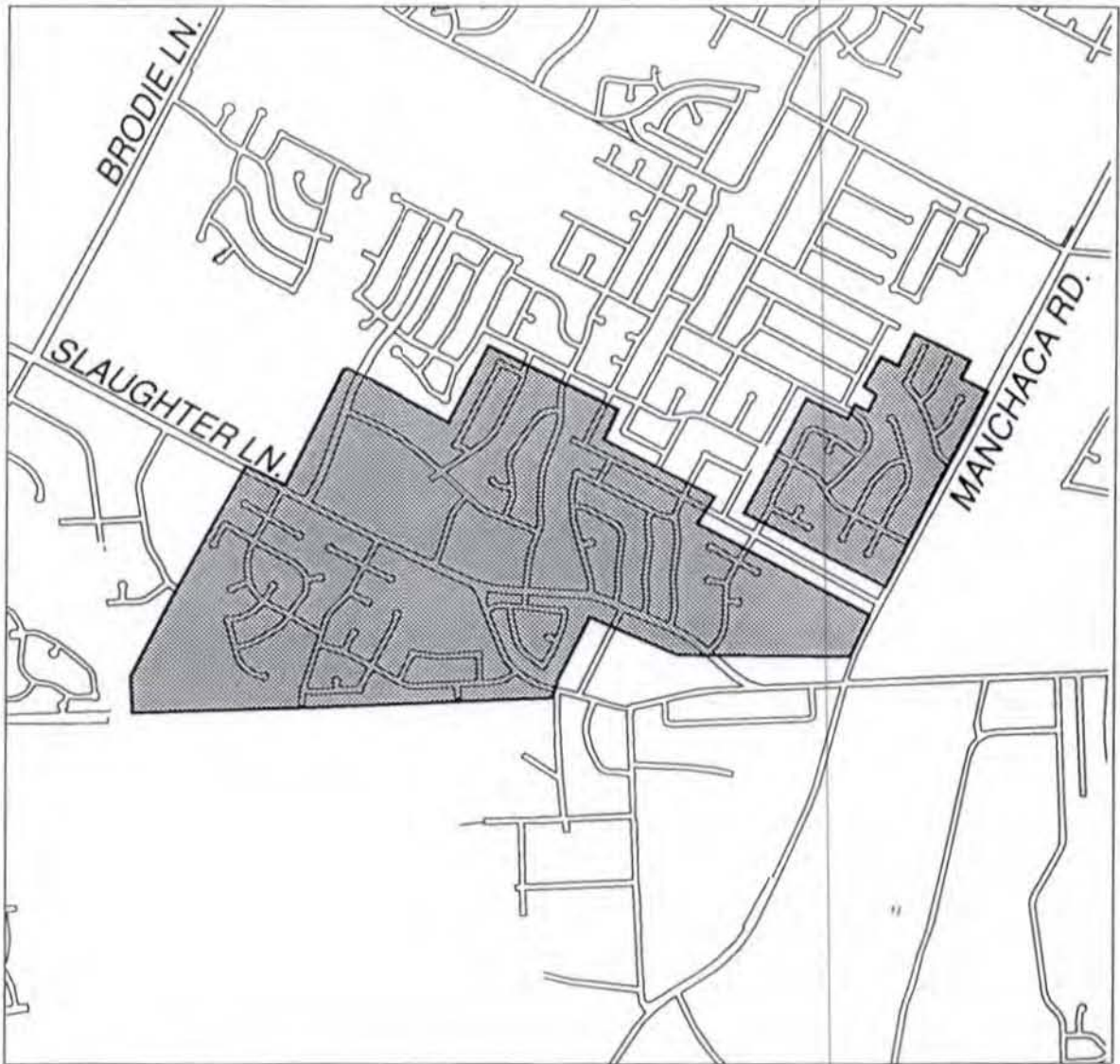
11-20-97

Michael T. Ritter 11/20/97
Michael T. Ritter, RPLS NO.3692
Engineering Support Section
Department of Public Works
and Transportation

REFERENCES

Austin Grid E & F 14, 15
TCAD 4 3127, 4 3137 & 4 2327

alm
spa97002.fns



SPA-97-002 — Strategic partnership agreement with Tanglewood Forest MUD
C71-97-001 — Limited purpose annexation of Tanglewood Forest MUD pursuant to a strategic partnership agreement
C7a-97-012a — Full purpose annexation of Tanglewood Forest MUD

EXHIBIT B

TANGLEWOOD FOREST MUNICIPAL UTILITY DISTRICT

Limited Purpose Annexation Planning Study

Background

The proposed limited purpose annexation is being proposed pursuant to a strategic partnership agreement between the City of Austin and Tanglewood Forest Municipal Utility District.

Section 43.0751 of the Texas Local Government Code authorizes cities and municipal utility districts to enter into strategic partnership agreements. In this case, it is the intent of the City of Austin to enter into a strategic partnership agreement with Tanglewood Forest MUD that will lead to the full purpose annexation of the MUD and its conversion to a limited district, with certain limited powers and duties.

The statutory process that leads to the full purpose annexation of a MUD and its conversion to a limited district includes a period of time during which the water district is annexed for limited purposes. At the end of that period, which is specified in the strategic partnership agreement, the area becomes part of the annexing city's full purpose jurisdiction without further action on the part of the city.

In this case, the draft strategic partnership agreement provides that the period of limited purpose annexation will commence on December 18, 1997 and end on December 31, 1997 after which Tanglewood Forest MUD will be within the City of Austin's full purpose jurisdiction.

Area Description

The area to be annexed for limited purposes is the 435 acre Tanglewood Forest MUD which is in the vicinity of Manchaca Road and Slaughter Lane, as shown on the map and the metes and bounds description attached as Exhibit ___ to the annexation ordinance.

The area is predominately single family residential in nature. A mix of commercial, multi-family, and public uses extends along Slaughter Lane and along Westgate Boulevard. A map of the area is attached to this report.

Projected Ten Year Development with and without Annexation

The area is largely developed. Some additional commercial infill development/redevelopment is expected to occur along Slaughter Lane and Westgate Boulevard. Given the existing preponderance of commercial and multi-family uses along those two major roadways, it is reasonable to assume that the area will be built out as commercial and multi-family with or without annexation.

Issues Supporting the Annexation

The limited purpose annexation is proposed as part of the process leading to the conversion of Tanglewood Forest MUD to a limited district.

Impact of Annexation on the Economy, the Environment, and Property Owners

Given the short period of time during which the area will be within the City's limited purpose jurisdiction, the limited purpose annexation is not expected to have a measurable impact on the economy, environment, or property owners.

Proposed Zoning for the Area

The area will be zoned in accordance with the procedures required by state law and Chapter 13-1 of the City of Austin Land Development Code (the Code).

From the effective date of the limited purpose annexation until the property is zoned, the area will be treated, for development purposes, in accordance with Section 13-2-26 (Interim Zoning Classification of Annexed Land) of the Code. Platted lots that area less than one acre in size will be classified as interim Single Family Residence-2 (Standard Lot). The balance of the area will be classified as Interim Rural Residential. Existing uses will become legal non-conforming uses in accordance with Division 6 (Non-Conforming Use Regulations) of the City's Land Development Code.

Regulatory Plan

Development Regulations

Annexation of the area for the limited purposes of planning and zoning will extend the full range of City regulatory authority regarding development, construction, and land use to the area. This authority includes the application of all regulations pertaining to planning and zoning, including but not limited to, regulations within the City's Land Development Code and related technical manuals, and all rules adopted pursuant thereto.

Future Full Purpose Annexation

The area will be included within the City's full purpose jurisdiction on December 31, 1997, without further action by the City, in accordance with the strategic partnership agreement and Section 43.0751(h) of the Texas Local Government Code.

EXHIBIT C



CITY OF AUSTIN
ANNEXATION SERVICE PLAN

**Case Name: Tanglewood Forest
Limited District**
**Case Number: SPA-97-002
C7L-97-001**
Date: December 18, 1997

INTRODUCTION

This Service Plan ("Plan") is made by the City of Austin, Texas ("City") pursuant to a Strategic Partnership Agreement between the City of Austin and Tanglewood Forest Municipal Utility District, pursuant to Texas Local Government Code Section 43.0751. This Plan relates to the annexation to the City of the tract of land ("annexation area") comprising the Tanglewood Forest Municipal Utility District ("MUD"). All of the area is located in Travis County, Texas. The annexation area is described by metes and bounds in Exhibit A which is attached to this Plan and to the Strategic Partnership Agreement of which this Plan is a part. The annexation area is also shown on the map in Exhibit A.

EFFECTIVE TERM

This Plan shall be in effect for a ten (10) year period commencing on the effective date of the full-purpose annexation, unless otherwise stated in this Plan.

INTENT

It is the intent of the City of Austin that services under this Plan shall provide for those municipal services not otherwise provided by the limited district, in accordance with State law.

The City reserves the right guaranteed to it by Section 43.056(h) Local Government Code, to amend this Plan if the City Council determines that changed conditions or subsequent occurrences

Annexation Service Plan
Tanglewood Forest Limited District (SPA-97-002; C7L-97-001)
Page 2 of 11

or any other legally sufficient circumstances exist under the Local Government Code, or other Texas laws to make this Plan unworkable or obsolete or unlawful.

SERVICE COMPONENTS

In General. This Plan includes three service components: (1) the Early Action Program, (2) Additional Services, and (3) a Capital Improvement Program.

As used in this Plan, providing services includes having services provided by any method or means by which the City extends municipal services to any other area of the City. This may include causing or allowing private utilities, governmental entities and other public service organizations to provide such services by contract, in whole or in part. It may also include separate agreements with associations or similar entities.

Unless otherwise noted or agreed to in this Plan or in the Strategic Partnership Agreement, the assets and liabilities of the Tanglewood Forest MUD will be assumed by the City after full-purpose annexation. However, the Tanglewood Forest Limited District retains ownership and title to all parks and recreational facilities in the area, and is responsible for maintenance of all such facilities, for so long as the Strategic Partnership Agreement remains in effect, and the Limited District remains in existence.

I. EARLY ACTION PROGRAM

The following services will be provided in the annexation area within 60 days after the effective date of the annexation, unless otherwise noted.

a. Police Protection. The Austin Police Department (APD) will provide protection and law enforcement services in the annexation area, commencing on the effective date of annexation. These services include:

- ▶ normal patrols and responses;
- ▶ handling of complaints and incident reports;
- ▶ special units, such as, traffic enforcement, criminal investigations, narcotics, gang suppression, and special weapons and tactics team.

The current City-wide average response time to Priority 1 calls for APD is 9.46 minutes which is better than the current average response time for emergency police services from Travis County. APD anticipates providing service to the annexation area with an average response time of not more than the City-wide average response time.

Annexation Service Plan
Tanglewood Forest Limited District (SPA-97-002; C7L-97-001)
Page 3 of 11

The area will be included in a district which will receive primary 24 hour a day patrol coverage. APD will provide primary patrol services with regularly scheduled officers. Overtime may be used to fill in for primary patrol officers on leave. Secondary patrols (occurring generally from mid-morning to early evening) would be provided throughout the City by regularly scheduled officers and overtime officers. Currently, officers who patrol this area will begin and end their shifts at the East Police Substation located at 812 Springdale Road.

This area will be served from the South Police Substation, located at 400 Ralph Ablanedo Drive, when it is completed.

The City will be adding up to 71 new police officers. The majority of the new officers will be used to change and add patrol districts throughout the City to serve annexed areas. Coverage will be increased to serve this annexed area.

b. Fire Protection. The Austin Fire Department (AFD) will provide emergency and fire prevention services in the annexation area, commencing on the effective date of annexation. These services include:

- ▶ fire suppression and rescue;
- ▶ emergency medical services first response for Austin Emergency Medical Services Department on life threatening medical emergencies;
- ▶ hazardous materials mitigation and regulation;
- ▶ emergency prevention and public education efforts;
- ▶ dive rescue;
- ▶ technical rescue;
- ▶ aircraft/rescue/firefighting;
- ▶ construction plan review;
- ▶ inspections;
- ▶ emergency management planning;
- ▶ rescue/hazardous materials unit.

These services are provided, on a City-wide basis, by over 900 employees operating from 33 emergency fire stations and other non-emergency sites. All Austin firefighters are certified by the Texas Fire Commission.

This area will be served by AFD Station 20, located at 6601 Manchaca Road, AFD Station 29, located at 3704 Deer Lane, and AFD Station 36, located at 400 Ralph Ablanedo Drive.

Annexation Service Plan
Tanglewood Forest Limited District (SPA-97-002; C7L-97-001)
Page 4 of 11

AFD serves as the first responder on life threatening medical emergencies for Austin EMS. All AFD personnel are certified at an Emergency Medical Technician (EMT) level or higher. All pumpers, ladder trucks, and rescue units carry Automatic External Defibrillators for use with heart attack victims.

c. Maintenance of Water and Wastewater Facilities. The water and wastewater facilities in the Tanglewood Forest MUD will become property of the City after full-purpose annexation. Water and wastewater services will continue to be provided through existing facilities located within the area. The facilities will be operated by the City's Water and Wastewater Utility as governed by standard policies and procedures, and under the provisions of the attached City service extension policy. Residents will pay inside City water and wastewater rates.

d. Maintenance of Roads and Streets, Including Street Lighting. The Street and Bridge Division of the Transportation and Public Works Department will maintain public streets over which the City has jurisdiction. These services include:

- ▶ emergency pavement repair;
- ▶ ice and snow monitoring of major thoroughfares;
- ▶ repair maintenance of public streets on as-needed basis.

Following annexation, public streets will be included in the City's preventive maintenance program. Preventive maintenance projects are prioritized on a City-wide basis and scheduled based on a variety of factors, including surface condition, rideability, age, traffic volume, functional class, and available funding. Any necessary rehabilitation or reconstruction will be considered on a City-wide priority basis.

The Transportation Division of the Transportation and Public Works Department will also provide regulatory signage services in the annexation area. Traffic signal, stop, and all other regulatory studies are conducted in conjunction with growth of traffic volumes. All regulatory signs and signals are installed when warranted following an engineering study. Faded, vandalized, or missing signs are replaced as needed. "CALL BACK" service provided 24 hours a day, 365 days a year for emergency sign repair.

For major arterials and collectors, the repainting of street markings is on a six to twelve month frequency. All improved intersections and roadways are striped upon improvement. All roadways are restriped and remarked as needed.

Annexation Service Plan
Tanglewood Forest Limited District (SPA-97-002; C7L-97-001)
Page 5 of 11

The City Electric Utility Department will maintain existing public street lights in the annexation area. The City provides electrical service in the area.

e. Maintenance of Any Other Publicly-Owned Facility, Building, or Service. Should the City acquire any other facilities, buildings, or services necessary for municipal services located within the annexation area, an appropriate City department will provide maintenance services for them.

2. ADDITIONAL SERVICES

Certain services, in addition to the above services, will be provided within the annexation area. They are as follows:

a. Emergency Medical Service. The City Emergency Medical Services (EMS) Department is the current provider of emergency medical services in the annexation area and will continue to provide service following annexation. The Austin Fire Department also provides emergency first response in the City for the EMS on life threatening medical emergencies.

Primary response will come from Medic 2 currently located at 6601 Manchaca Road and Medic 11 located at 5401 McCarty Lane.

b. Drainage Utility. The Austin Drainage Utility will provide drainage maintenance services in the annexation area. The City will assume maintenance for all public drainage ponds and channels, some of which are not currently maintained. Drainage maintenance is a fee-based service. Services provided by the Drainage Utility include:

- ▶ detention and water quality pond maintenance (residential only);
- ▶ open waterway maintenance;
- ▶ storm sewer maintenance;
- ▶ watershed development review and inspection;
- ▶ emergency spills and pollution complaints response;
- ▶ storm sewer discharge pollution prevention (commercial only);
- ▶ water quality assessments for creeks;
- ▶ underground hazardous materials storage and leak prevention program;
- ▶ flood plain office (information relating to flood plains);
- ▶ flood early warning system;
- ▶ tree preservation review and inspection;
- ▶ commercial landscape review and inspection (commercial only).

Annexation Service Plan
Tanglewood Forest Limited District (SPA-97-002; C7L-97-001)
Page 6 of 11

c. Library Department. The residents of the annexation area will receive library services from the Austin Library Department. The nearest libraries to this annexation area are the Will Hampton Branch located at 5125 Convict Hill Road and the Manchaca Branch at 5500 Manchaca Road.

d. Austin Health and Human Services Department/Travis County Health Department. The Austin Health and Human Services Department/Travis County Health Department currently provides a wide range of services to this annexation area. Upon annexation, the following additional services will be available from the department.

- ▶ investigation of public health related complaints including water and air pollution, and tall weeds and grass;
- ▶ animal control;
- ▶ access to community health clinics;
- ▶ Medical Assistance Program benefits;
- ▶ rodent control consultation.

e. Electric Utility Department. The Electric Utility Department will provide electric utility service to all areas which the City is authorized to serve by the Public Utility Commission of Texas.

f. Other Services. All other City Departments with jurisdiction in the area will provide services according to City policy and procedure.

In addition to the above, the City Council will consider an ordinance waiving street cut fees for cuts necessary to prohibit the spread of oak wilt disease.

3. CAPITAL IMPROVEMENTS PROGRAM

The City will initiate the construction of capital improvements necessary for providing municipal services for the annexation area as necessary. Any such construction or acquisition shall begin within two years of the effective date of the annexation and shall be substantially completed within 4 ½ years after that date.

Each component of the Capital Improvement Program is subject to the City providing the related service directly. In the event that the related service is provided through a contract service provider, the capital improvement may not be constructed or acquired by the City but may be provided by the contract provider. The City may also lease buildings in lieu of construction of any necessary buildings.

Annexation Service Plan
Tanglewood Forest Limited District (SPA-97-002; C7L-97-001)
Page 7 of 11

- a. Police Protection. A new South Police Substation will be constructed at 400 Ralph Ablanedo Drive. It is anticipated that construction will be complete in 1999.
- b. Fire Protection. No capital improvements are necessary at this time to provide Fire services.
- c. Emergency Medical Service. No capital improvements are necessary at this time to provide EMS services.
- e. Water and Wastewater Facilities. No capital improvements are necessary at this time to provide water and wastewater service to this area.

Water and wastewater services to new subdivisions will be provided according to the standard policies and procedures of the Water and Wastewater Utility, which may require the developer of a new subdivision to install water and wastewater lines. The extension of water and sewer service will be provided in accordance with the attached water and wastewater service extension policy.

- f. Roads and Streets. No road or street related capital improvements are necessary at this time. In general, the City will acquire control of all public roads and jurisdiction in, over and under all public roads and public streets within the annexation area upon annexation. Future extensions of roads or streets and future installation of related facilities, such as traffic control devices, will be governed by the City's standard policies and procedures.
- g. Parks, Playgrounds and Swimming Pools. No capital improvements are necessary.
- h. Drainage Utility. No capital improvements are necessary at this time to provide services.
- i. Street Lighting. It is anticipated that the developer of new subdivisions in the area will install public street lighting in accordance with the City's standard policies and procedures. In other cases, the City will install public street lighting in the annexation area upon request, with priority given to street lighting for traffic safety. Provision of street lighting will be in accordance with the City's street lighting policies, and those of the providing utility.
- j. Other Publicly Owned Facilities, Building or Services: Additional Services. In general, other City functions and services, and the additional services described above can be provided for the annexation area by using existing capital improvements. Additional capital improvements are not necessary to provide City services.

Annexation Service Plan

Tanglewood Forest Limited District (SPA-97-002; C7L-97-001)

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k. Capital Improvements Planning. The annexation area will be included with other territory in connection with planning for new or expanded facilities, functions, and services.

4. SERVICES TO BE PROVIDED BY LIMITED DISTRICT

The Tanglewood Forest Limited District created under the Strategic Partnership Agreement will provide the following services.

a. Solid Waste Collection. Tanglewood Forest Limited District shall be responsible for providing solid waste collection for the area during the existence of the limited district. Services may be provided by district employees or by private solid waste service providers under contract with the District.

b. Maintenance and Security in Parks, Playgrounds, and Swimming Pools. The limited district will retain ownership of the area parks and recreational amenities during the existence of the district. The district shall be responsible for providing security, maintenance, and any necessary capital improvements for all such parks and recreation facilities currently owned by Tanglewood Forest MUD. Security and maintenance services may be provided by district personnel or by private service providers under contract with the district.

Recreational facilities and area amenities, including parks, pools, and medians, that are privately owned, maintained, or operated will be unaffected by the annexation.

c. Deed Restriction Enforcement. The Tanglewood Forest Limited District shall retain the authority of the Tanglewood Forest MUD under Texas law, as it may be amended, to enforce restrictive covenants and/or deed restrictions applicable to property within the boundaries of the district.

d. Graffiti Removal. The Tanglewood Forest Limited District may perform graffiti removal within the district, performed by district personnel or private service providers under contract with the district.

e. Slaughter Lane Median. The Tanglewood Forest Limited District will maintain the landscaping in the Slaughter Lane median within the boundaries of the Limited District.

5. SERVICES TO BE PROVIDED BY CITY IF LIMITED DISTRICT IS DISSOLVED.

If the limited district is dissolved or ceases to exist for any reason, the City shall provide the following services within 60 days of dissolution, or the date upon which the District ceases to exist:

a. Solid Waste Collection. The Austin Solid Waste Services Department will provide solid waste collection services in the annexation area. Services will be provided by City personnel or by private solid waste service providers under contract with the City. Services currently provided in the City for single family residences include:

- ▶ garbage collection - once per week cart collection in accordance with City “pay-as-you-throw” guidelines;
- ▶ recycling collection - once per week curbside recycling collection for residential customers, materials collected include newspaper, “junk mail,” tin and aluminum can, glass bottles and jars, plastic bottles (#1 and #2);
- ▶ yard waste collection - once per week residential yard trimmings collection in paper bags or reusable containers;
- ▶ street sweeping service - approximately 6 times per year for streets with curb and gutter;
- ▶ dead animal collection - dead animals are removed from roadways upon request;
- ▶ large and bulky material pickup - notice to customers is provided in advance of the pickup date.

b. Maintenance of Parks, Playgrounds, and Swimming Pools. Ownership and title to all parks and recreational facilities then owned by the Tanglewood Forest Limited District shall vest in the City. The City will maintain such parks and recreational facilities. Services may be provided by the City Parks and Recreation Department or by private service providers under contract with the City.

Recreational facilities and area amenities, including parks, pools, and medians, that are privately owned, maintained, or operated will be unaffected by the annexation.

AMENDMENT: GOVERNING LAW

This Plan may not be amended or repealed except as provided by the Texas Local Government Code or other controlling law. Neither changes in the methods or means of implementing any part of the service programs nor changes in the responsibilities of the various departments of the City shall constitute amendments to this Plan, and the City reserves the right to make such changes. This Plan

**Annexation Service Plan
Tanglewood Forest Limited District (SPA-97-002; C7L-97-001)
Page 10 of 11**

is subject to and shall be interpreted in accordance with the Constitution and laws of the United States of America and the State of Texas, the Texas Local Government Code, and the orders, rules and regulations of governmental bodies and officers having jurisdiction.

FORCE MAJEURE

In case of an emergency, such as force majeure as that term is defined in this Plan, in which the City is forced to temporarily divert its personnel and resources away from the annexation area for humanitarian purposes or protection of the general public, the City obligates itself to take all reasonable measures to restore services to the annexation area of the level described in this Plan as soon as possible. Force Majeure shall include, but not be limited to, acts of God, acts of the public enemy, war, blockages, insurrection, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, droughts, tornadoes, hurricanes, arrest and restraint of government, explosions, collisions and other inability of the City, whether similar to those enumerated or otherwise, which is not within the control of the City. Unavailability or shortage of funds shall not constitute Force Majeure for purposes of this Plan.

**SUMMARY OF THE WATER AND WASTEWATER UTILITY
SERVICE EXTENSION POLICY (1997)**

The following information is a summary of the Water and Wastewater Utility Service Extension Policy, Chapters 13-1 through 13-3 of the 1992 Austin City Code, in conformance with the Texas Local Government Code requirement that the Plan have a summary of the service extension policy.

Generally, water and wastewater service is only provided to lots that have been properly subdivided and platted or are a legal lot. For property that is required by subdivision regulations to construct water or wastewater facilities connecting to the City system, funding and construction of those facilities will remain the responsibility of the developer. If the specific undeveloped property does not have City water or wastewater service fronting the property, the owner may make an application for an extension of service to the Director of the Water and Wastewater Utility for review. If the Director determines that adequate capacity is available, or will be, and if the project does not include City cost participation or reimbursement, and if the proposed facilities are a logical extension of the City's Water and Wastewater System and the requested extension otherwise meets the requirements of Chapter 13-3, the extension size, capacity, and routing may be approved by the Director for funding and construction by the developer.

Depending on the size of the new facilities and other conditions, with City Council approval, the City may reimburse the developer for part of the cost of constructing certain facilities. With City Council approval, the City may cost participate by reimbursing costs associated with the oversize capacity

Annexation Service Plan
Tanglewood Forest Limited District (SPA-97-002; C7L-97-001)
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of wastewater mains larger than 8 inches in diameter but less than 18 inches, and of water mains greater than 12 inches but less than 24 inches in diameter. With City Council approval, the City may reimburse to the developer the construction cost of the full capacity of wastewater facilities 18 inches in diameter or larger, and water facilities 24 inches in diameter or larger, as well as other facilities such as reservoirs or pumps. The actual calculation of the cost participation and reimbursement amounts, including limits and the schedules for the payments, are included in the Land Development Code.

For lots that have water or wastewater lines in the street fronting the lot, the owner may receive water or wastewater service by applying for a tap permit and paying any required fees. The new customers will be required to pay the impact fees and all connection fees. However, if the tap is purchased within two years of the completion of the line by the City, the impact fee will be waived.

As long as a property is using a septic system, the property owner remains responsible for the operation and maintenance of the septic system. If the septic system fails before the City sewer service is extended to the property, the property owner must repair the system. Under certain circumstances the Austin Health and Human Services Department/Travis County Health Department may require connection to the City sewer facilities.

This policy is set by the City Council and can be amended in the future by ordinance.

EXHIBIT D

(The Agreement has not been reproduced for brevity purposes)

EXHIBIT B TO THE STRATEGIC PARTNERSHIP AGREEMENT

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
 COUNTY OF TRAVIS §

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

1. The Board of Directors of Tanglewood Forest Municipal Utility District convened in a special meeting on the 13th day of October, 1997, at the offices of Armbrust Brown & Davis, L.L.P., 100 Congress Avenue, Suite 1350, Austin, Texas, and the roll was called of the duly constituted officers and members of the Board, to wit:

Joseph S. Babb	-	President
Linda R. Klar	-	Vice President
Robert Evilsizer	-	Secretary
Mitch Chazan	-	Treasurer
John E. Burke	-	Assistant Secretary/Treasurer

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

RESOLUTION DEDICATING CERTAIN LANDS
 AS PARKLAND AND RECREATIONAL LANDS
 AND RESTRICTIVE COVENANT

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

REAL PROPERTY RECORDS
 TRAVIS COUNTY, TEXAS

14773.1/101397

13048 0160

Exhibit B to
 Strategic Partnership Agreement

meeting was open to the public as required by law; and public notice of the time, place and subject to the meeting was given as required by Chapter 551 of the Government Code.

SIGNED AND SEALED this 20 day of October 1997.

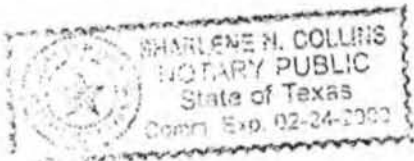

Robert Evilsizer, Secretary
Board of Directors


(SEAL)

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on October 20 1997, by Robert Evilsizer, Secretary of the Board of Directors of Tanglewood Forest Municipal Utility District on behalf of said District.

(SEAL)




Notary Public Signature

**RESOLUTION DEDICATING CERTAIN LANDS
AS PARKLAND AND RECREATIONAL LANDS
AND RESTRICTIVE COVENANT**

WHEREAS, the governing body of the Tanglewood Forest Municipal Utility District ("District") has from time to time acquired and developed parks and recreational areas within its boundaries; and

WHEREAS, such parks and recreational areas have been acquired, developed and maintained in whole or in part through the use of taxes of the property owners within the District; and

WHEREAS, the Board of Directors of the District desires to set forth those properties which are designated and used as parks and recreational areas of the District; and

WHEREAS, the Board of Directors further desires to evidence its intent that the District, its successors and assigns strictly comply with the requirements of Chapter 26 of the Texas Parks and Wildlife Code and Section 253.001 of the Local Government Code regarding the use or taking of parks and recreational areas for other uses; and

WHEREAS, the Board further desires to impress the Parks with certain covenants running with the land, in order to restrict the use of the Parks for the benefit of the residents of and taxpayers within the land within the current boundaries of the District; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF THE DIRECTORS OF TANGLEWOOD FOREST MUNICIPAL UTILITY DISTRICT THAT:

Section 1. The following properties ("Parks") be and are hereby designated and are currently used as parks and recreational areas:

1. Tanglewood Park, Lot 2, Block 1, Tanglewood Forest, Section 2, Phase B, a subdivision within Travis County, Texas, according to the map or plat thereof recorded in Book 63, Page 37, Plat Records of Travis County, Texas.
2. Howellwood Park, Lots 6, 7 and 8, Block T, Tanglewood Forest, Section 2, Phase B, Travis County, Texas, as set forth by deed in Volume 11845, Page 0601 of the Real Property Records of Travis County, Texas.

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TRAVIS COUNTY, TEXAS

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3. Woodlands Park, Lots 14, 15, 16, 17, 18 and 19, Block B, Tanglewood Forest, Section 4, Phase F, Travis County, Texas and Lot 1, Block B, Tanglewood Forest, Section 4, Phase B, Travis County, Texas, as recorded in Volume 12012, Page 1397 of the Real Property Records of Travis County, Texas.
4. Lindshire Park, Lot 101, Block A, Tanglewood Forest, Section 4F, a subdivision in Travis County, Texas, according to plats thereof recorded in Book 83, Page 57B, 57C, and Book 84, Page 10D-11A in the Plat Records of Travis County, Texas.
5. Kempler Park, Lot 12, Block F, Tanglewood Forest, Section 1, Phase B, Travis County, Texas, as set forth in the deed recorded in Volume 12169, Page 0039 of the Real Property Records of Travis County, Texas.
6. Gazebo Garden, Lots 5 and 6, Block D, Tanglewood Forest, Section 4, Phase C, Travis County, Texas, as further described by deed in Volume 12669, Page 1362 of the Real Property Records of Travis County, Texas.
7. Renaissance Park, Lot 10, Block B, Tanglewood Forest, Section 3, Travis County, Texas, recorded at Volume 12877, Page 1482 of the Real Property Records of Travis County, Texas.
8. Idylwilde Park consisting of (1) approximately 11,118 square feet, more or less, of land located in Travis County, Texas and more specifically described in Exhibit "A" attached hereto; and (2) approximately 53,356 square feet, more or less, of land more specifically described in Exhibit "B" attached hereto.

Section 2. It is the intent of the District and its covenant to the taxpayers and residents of the District that the District, its successors and assigns shall not approve any program or project that requires the use or taking of all or any portion of the Parks without first complying with the requirements of Section 26.001 of the Texas Parks and Wildlife Code and Section 253.001 of the Local Government Code. Such use or taking shall include the sale or conversion to another use of any portion of the Parks.

Section 3. The District covenants to the taxpayers and residents of the District that the District, its successors and assigns will not approve any program or project that requires the use or taking of all or any portion of the Parks. The sale or conversion to another use of any portion of the Parks will constitute a prohibited taking under this section.

Section 4. The Board hereby declares that the Parks are and will be held, transferred, conveyed and occupied for park and recreational purposes only. The terms of this Resolution will constitute covenants running with the land, which will be

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TRAVIS COUNTY, TEXAS

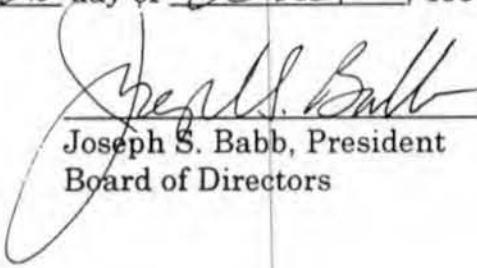
binding upon the District, its successors and assigns and all parties having any right, title or interest in and to the Parks, and their successors and assigns, and will inure to the benefit of each resident of and property owner within the land within the current boundaries of the District, and will survive the annexation and dissolution of the District.

Section 5. If any person, persons or any corporation or entity of any other character violates or attempts to violate the foregoing Resolution and covenant, the District, its successors and assigns, or any resident of or property owner within the land within the current boundaries of the District may prosecute proceedings at law or in equity against the person or entity violating or attempting to violate this Resolution and covenant and may prevent the person or entity from violating or attempting to violate this Resolution and covenant.

Section 6. If any part or provision of this Resolution and the covenant herein is declared invalid, by judgment or court order, the invalid part or provision will not affect any of the other provisions of this Resolution, and the remaining portion of this Resolution will remain in full force and effect.

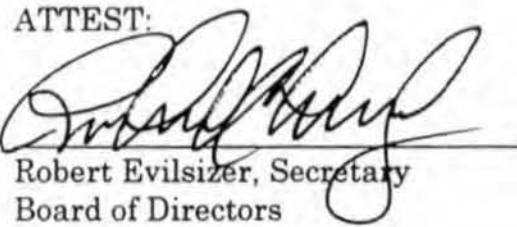
Section 7. This Resolution shall be recorded in the Real Property Records of Travis County, Texas and the official records of the District.

PASSED AND APPROVED THIS 20th day of October, 1997.



Joseph S. Babb, President
Board of Directors

ATTEST:



Robert Evilsizer, Secretary
Board of Directors

METES AND BOUNDS DESCRIPTION
For 0.255 Acre Tract

BEING ALL THAT CERTAIN TRACT OR PARCEL OF LAND OUT OF AND PART OF THE THEODORE BISSEL LEAGUE SURVEY NO. 18, SITUATED IN TRAVIS COUNTY, TEXAS, MORE PARTICULARLY DESCRIBED AS BEING OUT OF AND PART OF THE VIRGINIA FORD WOMMACK ESTATE, BEING A PORTION OF THAT CERTAIN TRACT DESCRIBED IN A DEED TO J.B. FORD IN VOLUME 977, PAGE 1 OF THE TRAVIS COUNTY, TEXAS DEED RECORDS, SAID TRACT BEING 11,118 SQUARE FEET OF LAND MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

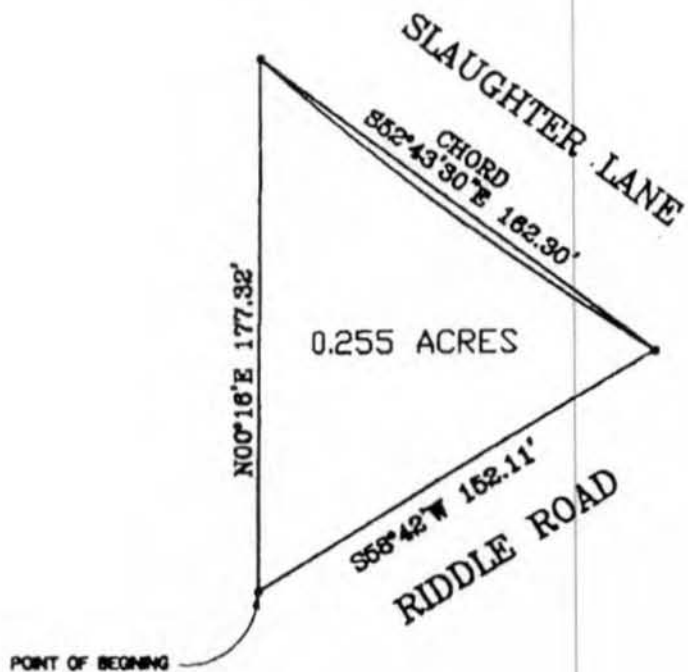
BEGINNING at a point in the north ROW line of Riddle Road, from which the southeast corner of said Wommack tract bears N 89°44'E, 1170.00 feet, for the south corner of the herein described tract.

THENCE, along the west line of the herein described tract, N 00°16'E, 177.32 feet to a point in the southerly ROW line of Slaughter Lane, for the north corner of the herein described tract,

THENCE, along said ROW line of Slaughter Lane, with a curve to the left, whose radius equals 959.0 feet, an arc distance of 162.49 feet and whose sub-chord bears S 52°43'30"E, 162.30 feet to a point for the most easterly corner of the herein described tract,

THENCE, S 58°42'W, 152.11 feet to the POINT OF BEGINNING, containing 11,118 square feet of land, more or less.

The above metes and bounds description has been prepared by Robert P. Callegari, P.E., for the sole purpose of dedicating the described tract as parkland.



TANGLEWOOD FOREST MUD
0.255 ACRE TRACT PARK DEDICATION
LOT LAYOUT

CMA ENGINEERING, INC.

3868-B HIGHWAY 280 EAST
DRIPPING SPRINGS, TX. 75420 (512) 884-3230

OCTOBER 1997

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

13048 0165

**METES AND BOUNDS DESCRIPTION
For 1.225 Acre Tract**

BEING ALL THAT CERTAIN TRACT OR PARCEL OF LAND OUT OF AND PART OF THE THEODORE BISSEL LEAGUE SURVEY NO. 18, SITUATED IN TRAVIS COUNTY, TEXAS, MORE PARTICULARLY DESCRIBED AS BEING OUT OF AND PART OF THE DAVID D. FORD AND VIRGINIA FORD WOMMACK 12.85 ACRE TRACT, BEING A PORTION OF THAT CERTAIN TRACT DESCRIBED IN VOLUME 1214, PAGE 422 OF THE TRAVIS COUNTY, TEXAS DEED RECORDS, SAID TRACT BEING 53,356 SQUARE FEET OF LAND MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a point in the north ROW line of Riddle Road, for the southeast corner of the herein described tract.

THENCE, along the north ROW line of Riddle Road and south line of the herein described tract, S 89°36'22"W, 196.39 feet for the southwest corner of the herein described tract,

THENCE, along the west line of the herein described tract, N 00°23'38"W, 369.98 feet to a point in the south ROW line of Slaughter Lane for the northwest corner of the herein described tract,

THENCE, along the south ROW line of Slaughter Lane, S 45°16'04"W, 228.88 feet to a point in the south ROW line of Slaughter Lane,

THENCE, continuing along the south ROW line of Slaughter Lane, with a curve to the left whose radius equals 959.11 feet, an arc distance of 48.83 feet and whose sub-chord bears S 46°43'21"E, 48.82 feet to a point in the south ROW line of Slaughter Lane,

THENCE, S 00°15'30"E, 174.07 feet along the east line of the herein described tract to the POINT OF BEGINNING, containing 53,356 square feet of land, more or less.

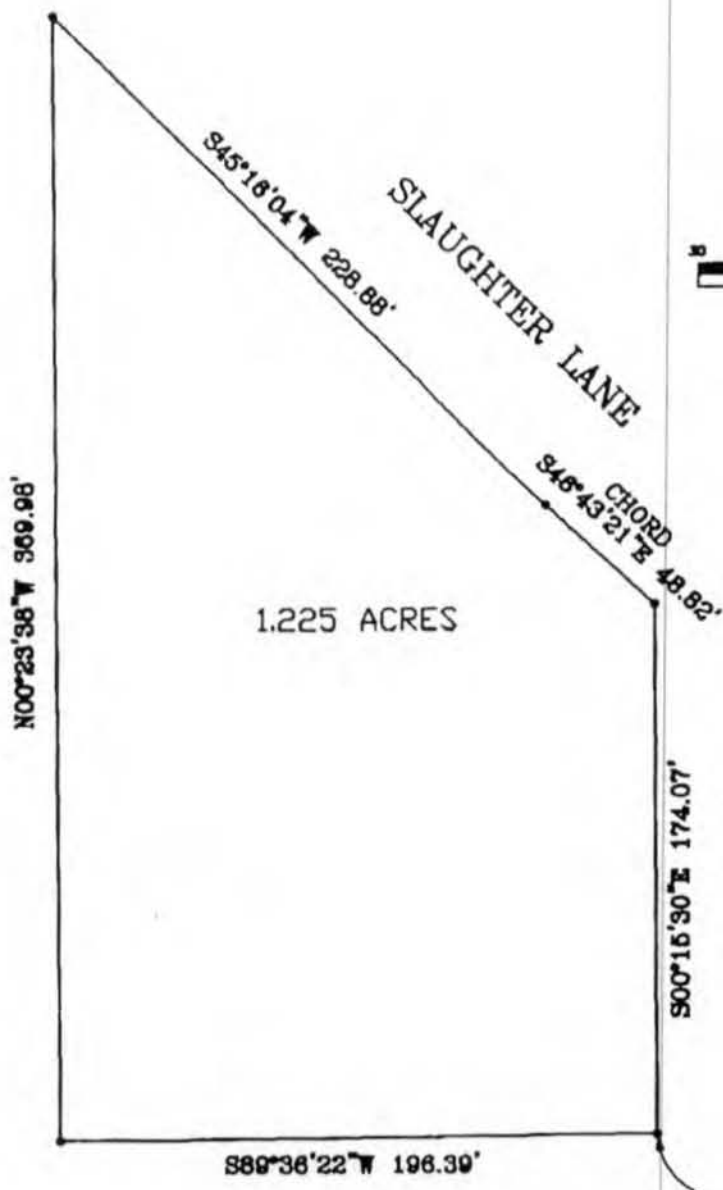
The above metes and bounds description has been prepared by Robert P. Callegari, P.E., for the sole purpose of dedicating the described tract as parkland.

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

13048 0166

EXHIBIT B

10/13/97



1.225 ACRES

S89°36'22\"/>

RIDDLE ROAD

SLAUGHTER LANE

TANGLEWOOD FOREST MUD
 1.225 ACRE TRACT PARK DEDICATION
 LOT LAYOUT

CMA ENGINEERING, INC.
 3808-B HIGHWAY 280 EAST
 DRIPPING SPRINGS, TX 75833 (512) 864-3230
 OCTOBER 1997

REAL PROPERTY RECORDS
 TRAVIS COUNTY, TEXAS

13048 0167