

**FIRST AMENDMENT TO
STRATEGIC PARTNERSHIP AGREEMENT BETWEEN
THE CITY OF AUSTIN AND
THE SPRINGWOODS MUNICIPAL UTILITY DISTRICT**

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

This First Amendment to Strategic Partnership Agreement Between the City of Austin, Texas and the Springwoods Municipal Utility District, Williamson County, Texas (“**Amendment**”) 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**”) and Springwoods Municipal Utility District (“**District**”), acting by and through its duly authorized Board of Directors under the authority of Section 43.0751 of the Texas Local Government Code (“**Local Government Code**”).

RECITALS

A. The City and the District entered into that certain Strategic Partnership Agreement Between the City of Austin, Texas and the Springwoods Municipal Utility District, Williamson County, Texas dated effective December 16, 2002 (the “**Agreement**”).

B. Pursuant to Section 43.0751(h) of the Local Government Code, the City and the District desire to amend the full purpose annexation conversion date for the District as well as the Limited District conversion date set forth in the Agreement, and pursuant to Section 6.13 of the Agreement, the City and the District desire to otherwise amend the Agreement as set forth herein.

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

1. Annexation of the Property Within the District. Section 2.03 of the Agreement is deleted in its entirety and the following is substituted in its place:

Section 2.03 Annexation of the Property Within the District.

a. The District and the City agree that the City may proceed to annex the Property as depicted in Exhibit “F” for limited purposes no sooner than during the year 2010 under Section 43.0751 of the Local Government Code in accordance with the terms and conditions of this Agreement and in accordance with Article I, Section 7 of the City’s Charter for the purpose of planning, zoning, health, and safety. The Parties further agree that the limited purpose annexation of the Property will proceed on a schedule that permits the annexation to be effective no sooner than November 30, 2010. The District and the Limited District may continue to levy an ad valorem tax in all of the areas within the District Boundaries as long as the District or the Limited District continues to exist, irrespective of annexations for limited or full purposes by the City of any areas within the District Boundaries.

- b. The Period of Limited Purpose Annexation for the Property shall end no sooner than December 31, 2010 in accordance with the provisions of this Agreement.
- c. The District on behalf of all present and future owners of land within the District Boundaries hereby consents to the City's annexation of the Property as provided in this Agreement. It is the intent of the Parties that the consent granted in this Agreement shall bind the District and each owner and future owner of land within the District Boundaries.
- d. The City will prepare an inventory of services and facilities for the Property as described in Section 43.053 of the Local Government Code (the "Inventory") on or before January 1, 2010. The Inventory will be based on the level of services in the District during the calendar year 2006. The District will provide information held by the District which is reasonably necessary for the City to compile the Inventory on or before October 1, 2009. The City will develop a service plan for the Property as described in Section 43.056 of the Local Government Code (the "Service Plan") and provide it to the Board of Directors of the District no later than February 1, 2010. The Service Plan will provide a description of services to be provided to the District and its successor Limited District by the City upon conversion of the District to the Limited District. The description of services shall be in accordance with the description of services provided under the terms of Section 43.056 of the Local Government Code. In preparing the Service Plan pursuant to this paragraph, the City will confer with the Board of Directors and residents of the District regarding the provisions of the Service Plan. The District and the City agree to negotiate the services to be provided under the Service Plan pursuant to the provisions of Section 43.0562 of the Local Government Code between February 2, 2010 and July 1, 2010 in order to agree to the contents of the Service Plan by July 1, 2010.
- e. The District agrees that the City may take any and all steps required by the Local Government Code to assure that full purpose annexation of all of the land within the District may be completed no sooner than December 31, 2010 as provided in Section 2.07 of this Agreement.

2. Automatic Conversion to Full Purpose Annexation of Limited Purpose Annexed Areas. The reference to the date December 31, 2007 in Section 2.06 b of the Agreement is hereby amended to be December 31, 2010 for all purposes.

3. Municipal Services During the Period of Limited Purpose Annexation. The reference to the date September 1, 2007 in Section 3.01 c of the Agreement is hereby amended to be September 1, 2010.

4. Miscellaneous. Any capitalized term used and not otherwise defined herein shall have the meanings set forth in the Agreement. Unless expressly amended by this Amendment, all other terms and provisions of the Agreement remain in full force and effect as written, and are hereby ratified and confirmed.

IN WITNESS WHEREOF, this Amendment consisting of three pages is executed in duplicate counterparts and is dated effective the 25th day of December, 2006.

CITY OF AUSTIN, TEXAS

Attest: Shirley A Gentry
City Clerk

By: Toby Hammett Futrell
Toby Hammett Futrell
City Manager

SPRINGWOODS
MUNICIPAL UTILITY DISTRICT

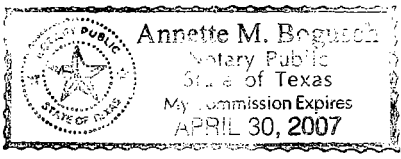
Attest: Michael G. Weems
Mike Weems
Secretary

James Buchanan
James Buchanan
President

THE STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on the 23rd day of January, 2007, by Toby Hammett Futrell, City Manager for the City of Austin, Texas, for and on behalf of the City of Austin, Texas.



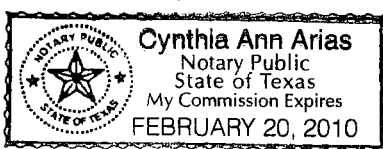
Annette M. Bogusch
Notary Public in and for the State of Texas

My Commission Expires: 04-30-07

THE STATE OF TEXAS

COUNTY OF WILLIAMSON

This instrument was acknowledged before me on the 7th day of January, 2007 by James Buchanan, President of Springwoods Municipal Utility District, for and on behalf of the Springwoods Municipal Utility District.



Cynthia Ann Arias
Notary Public in and for the State of Texas

My Commission Expires: 2/20/10