

**NORTHTOWN MUNICIPAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS' MEETING**

September 28, 2010

THE STATE OF TEXAS §
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COUNTY OF TRAVIS §

A meeting of the Board of Directors of Northtown Municipal Utility District was held on September 28, 2010, at the Wells Branch Community Center, 2106 Klattenhoff Drive, Austin, Texas. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act. A copy of the Certificate of Posting of the notice is attached as **Exhibit "A"**.

The roll was called of the members of the Board:

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

and all of the Directors were present, except Director Gray, who arrived later, and Director Henderson, thus constituting a quorum. Also present at the meeting were Jesse Kennis of Wells Branch Municipal Utility District; Robert Anderson and Steve Held of Crossroads Utility Services, LLC ("Crossroads"); Allen Douthitt of Bott & Douthitt, PLLC; Scott Foster, Eric DeMotte and Kevin Gilligan of Kimley-Horn & Associates, Inc.; Ronnie Stafford of TBG Partners; Deputy Keith Kinnard of the Travis County Sheriff's Department; Richard Fadal of TexaScapes, Inc.; Cheryl Allen of Southwest Securities; Jana Hansen Edwards of McCall, Parkhurst & Horton, LLP; Mr. Rivaldo, Mr. LeMotte, Lee Hill and Nicholas Contreras, residents of the District; Jeremy Smitheal of NWC Howard & I-35, Ltd.; Katherine Loayza representing Village@Northtown, Ltd. and Sue Brooks Littlefield of Armbrust & Brown, PLLC.

Director Campbell called the meeting to order at 5:45 p.m. and stated that the Board would first consider the budget and tax items on the Board's meeting agenda. He opened the public hearing on the District's 2010 tax rate and asked if anyone present wished to address the Board on the District's proposed tax rate. He explained that the Board's intention was to maintain the current tax rate of \$0.75 per \$100 assessed valuation. There being no one present wishing to address the Board, Director Campbell closed the public hearing.

Director Campbell then stated that the Board would consider the District's budget for the 2010-2011 fiscal year. Mr. Douthitt distributed an updated draft budget and reviewed it with the Board. He noted that he had revised the budget with input from the Budget Subcommittee and Park Subcommittee. Mr. Douthitt explained that

the operations and maintenance component was based on an appraised value of \$435,282,149, and that the proposed \$0.75 tax rate was allocated \$0.2789 to operations and maintenance and \$0.4711 to debt service. He reminded the Board that all of the cost for the proposed wet pond maintenance work had been included in the budget, although possibly not all of the cost would be incurred in the next fiscal year. Upon motion by Director Richter and second by Director Martinez, the Board voted unanimously to approve the Resolution Adopting Budget attached as **Exhibit “B”**, incorporating the budget as presented.

Director Campbell stated that the Board would next consider the District’s 2010 tax rate. He stated that, as discussed, the proposed tax rate was \$0.75 per \$100 assessed valuation, noting that, with the decrease in the average home value within the District, this would mean a reduction in the amount of tax paid by the average District resident. Upon motion by Director Richter and second by Director Gray, the Board voted to adopt a tax rate of \$0.75 per \$100 assessed valuation and to adopt the Order Levying Taxes attached as **Exhibit “C”**, with Directors Campbell, Richter, Martinez and Gray present and voting “yes” and Director Henderson absent and not voting.

Director Campbell then stated that the Board would discuss the District’s rates and charges and service application. He noted that, under the District’s new operations contract with Crossroads, there was no pass-through of costs associated with implementation of the Federal Red Flag Rules and that this would result in a savings to the District and to its customers when they applied for service. The Board reviewed the proposed changes to the District’s rate order and, upon motion by Director Richter and second by Director Martinez, the Board voted unanimously to adopt the amended Order Establishing Service Rates, Charges and Tap Fees and Adopting Rules and Policies with Respect to the District’s Water, Wastewater and Drainage Systems attached as **Exhibit “D”**.

Director Campbell stated that the Board would next consider approving the consent items on the Board’s meeting agenda: the minutes of the August 24, 2010 Board meeting and the Resolution Adopting Revised List of Qualified Brokers attached as **Exhibit “E”**. He noted that, as the District’s tax rate had not changed, no change to the District’s Information Form was required and that this would be pulled from the consent agenda. Upon motion by Director Richter and second by Director Martinez, the Board voted unanimously to approve the remaining consent items.

Director Campbell then recognized Ms. Allen for purposes of receiving a report on the District’s Refunding Bonds, Series 2010. Ms. Allen called the Board’s attention to the memorandum regarding the bond refunding attached as **Exhibit “F”**, noting that the City of Austin had approved proceeding with the refunding and that the total savings was just under \$350,000, and a net present value savings of \$269,000, were projected. She stated that this equated to a savings of 4.57%, thus satisfying the City of Austin’s requirements. Ms. Allen added that it was an excellent time to sell bonds. Director Richter asked if this savings would affect the District’s debt service tax, and Ms. Allen confirmed that the savings would reduce the District’s debt service requirements and thus the debt service tax rate, although not substantially. Ms. Allen explained that the next step would be to move forward with an application to a rating agency, Standard &

Poor's, as well as to the insurance company to qualify the bonds for insurance. Director Gray inquired what the downside was of going to both rating agencies rather than just one and Ms. Allen explained that her recommendation was cost-based, and that she no longer felt there was a benefit to having two ratings rather than one. Ms. Allen then turned the presentation over to Ms. Edwards, who presented the Order Authorizing the Issuance of Northtown Municipal Utility District Unlimited Tax and Revenue Refunding Bonds; Authorizing the Levy of an Ad Valorem Tax in Support of the Bonds; Entering into a Paying Agent/Registrar Agreement, a Bond Purchase Agreement and an Escrow Agreement; Approving an Official Statement; Establishing the Procedures for Selling and Delivery of Bonds; and Other Matters Related to the Issuance of the Bonds attached as **Exhibit "G"** (the "*Bond Order*"), and explained that her firm had prepared the Bond Order and other paperwork for the sale of the refunding bonds. She stated that the delegation would be good for six months and that, under the Bond Order, the delegated Board member would have the authority to proceed with the refunding once the criteria outlined in the Bond Order were met. Ms. Littlefield reminded Ms. Edwards that the Board had previously indicated that it wanted both of the members of the Bond Subcommittee to be designated. Director Richter agreed and moved that the Board authorize Director Gray and Director Campbell to serve as the Board members to whom authority under the Bond Order was delegated. Upon second by Director Martinez, the motion was unanimously adopted. Director Richter then moved that the Board approve the Bond Order. Upon second by Director Gray, the motion was unanimously adopted. Ms. Allen then distributed the draft preliminary official statement and explained that it would be sent out to potential bond buyers to market the bonds. She reviewed the document with the Board, calling its attention to certain information that was still pending and the disclosures which she noted were important under Federal securities law. She explained that her firm handled the continuing disclosure requirements for the District, which were met by adding additional schedules to the District's annual audit. Ms. Allen stated that no additional action was required in connection with the preliminary official statement, as it was covered by the Bond Order. She requested Board approval of the payment of the \$5,895 attorney general fee, noting that the check would be held until the District sold the bonds. Upon motion by Director Gray and second by Director Richter, the Board voted unanimously to approve the payment of the fee.

Ms. Allen then presented the memo on Arbitrage Rebate Calculation attached as **Exhibit "H"** and explained that, under Federal tax law, a governmental entity could not make more money from investing the proceeds of tax-exempt bonds than the interest rate on the bonds. She stated that the Internal Revenue Service was now ramping up its audits of districts, and stated that she had analyzed the districts her firm represented and determined which districts should potentially engage a firm to conduct the calculation. The Board discussed the fee schedule and what would be covered and, upon motion by Director Richter and second by Director Gray, authorized moving forward with the calculation with Directors Gray and Campbell to oversee the process and approve any fees in excess of \$7,000, if required.

Director Campbell then stated that the Board would receive resident communications and Board member announcements. He asked if there were any residents wishing to address the Board. Mr. Contreras explained that he lived at 14042

Golden Flax, adjacent to the area where the District had built the masonry wall, and stated that the fence was slightly off the property line. He asked whether he could remove his wooden fence and take care of the area between the property line and the fence. He added that two of his neighbors were also affected. After discussion, the Board directed Ms. Littlefield to work with Mr. Foster to identify the affected homes and to prepare a license agreement to address the issue.

Director Campbell then recognized Mr. Hill, who thanked Ms. Richter for getting the G2 and G3 ponds cleaned up and particularly the areas around the fence, which he understood had been taken care of. Ms. Littlefield noted that Mr. Fadal had addressed this at no cost to the District. Mr. Hill stated that there was an additional area between the residence fence and the pond fence that needed to be addressed. The Board asked Ms. Littlefield and Mr. Fadal to determine who was responsible for this area. Mr. Hill stated that he had also worked with the City of Austin to adjust the traffic signalization on Heatherwilde and Wells Branch and had reported a dead deer, which City of Austin solid waste services had picked up after he explained where the city limit line was.

Mr. LaMotte then addressed the Board and complained that the District had sprayed a herbicide and, as a result, the grass was dead along his fence at 1000 Friendship Quilt. He stated that the herbicide was over-sprayed. Mr. Fadal stated that this should not have occurred and, if an error was made, he would correct it.

Director Campbell then recognized Deputy Kinnard for purposes of receiving the security report. Deputy Kinnard stated that, with school back in session, statistics showed an increase in criminal activity in the District. He stated that burglaries of residences had increased and a new incidence of graffiti had been reported. The Board asked that the deputies continue to keep the parking area locked. Deputy Kinnard suggested continuing with increased patrols for one additional month and the Board agreed that he should continue with the same level of patrols. Deputy Kinnard asked that Ms. Littlefield provide him with a contact for the Brookfield Homeowners Association and she agreed to do so. Director Richter then moved approval of the checks for the payment of the deputies for patrol services, as set forth on the cash activity report attached as **Exhibit "I"**. Upon second by Director Gray, the motion was unanimously adopted.

Director Campbell then stated that the Board would consider the charges for the AVR system credit card payment service and recognized Mr. Held. Mr. Held distributed the information attached as **Exhibit "J"** and explained that Crossroads was moving to a new billing system, which had many enhancements available. He stated that this system would provide many advantages to customers of the District, speed revenue collections and ease implementation and enforcement of identify theft regulations. He stated that this system was compliant with card data security standards. Mr. Held stated that this system would provide all of the District's customers with on-line payment capability. He explained that each customer would be able to establish an identity on the District's website or on Crossroads' website and that all of this information would be stored in a compliant system off the website. Mr. Held explained that this would allow a customer to review his or her bill on-line, look at usage and their payment history and get details on the amounts due, when due and the penalties if not paid timely. He stated that

customers would also be able to sign up for email notifications when bills were ready to be viewed or when the payment due date was coming up. Mr. Held stated that customers would be able to sign up for automatic bank payment or credit card payment. He then explained that there was a decision to be made by the Board regarding on-line fees, noting that, if the Board decided to absorb the on-line fees for credit card payments, the fee would be 3%, but, if the Board did not absorb the fee, the fee to the customer would be 5%. He stated that about 25% of the District's customers paid by credit card and the majority were Visa credit cards or Visa ATM cards. Mr. Held stated that E-check and bank draft fees were paid by the customer and were \$1.00 per transaction, noting that the City's fee for similar payments was \$3.95. He explained that his company was paying for the software, but that there was a set-up charge per customer and that he was requesting that the District pay a one-time fee of \$1.00 per connection for the set-up charge. He stated that there was also a monthly maintenance fee and that he was requesting that the District participate in this at the level of \$0.25 per connection per month. Mr. Held requested the Board's feedback on both the system and the fees that they were requesting. Director Campbell stated that the Board wanted the most accurate and flexible system possible, including payment, report and access options, but that he was concerned because, when this system was initially discussed, his recollection was that Crossroads was going to absorb the cost of the system. Mr. Held responded that he had only been discussing the fees for this new system for about three weeks, and that the AVR system was a different system than the Compass Bank system which was currently in place. He added that the Compass Bank lock box no longer offered the Visa payment option. Mr. Held confirmed that he was continuing to cover the cost of the Compass Bank paper lock box, but stated that the Compass Bank electronic option was not feasible, because Compass Bank would no longer accept Visa, which was the most common form of credit card payment. Director Martinez stated that he understood the one-time set-up fee, but had a reservation about the monthly charge. Director Gray stated that he felt this was different from what was explained initially and that he anticipated that this system would also provide some efficiencies and cost-savings for Crossroads. Mr. Held stated that he did believe there would be efficiencies, but that the AVR system was an increase in customer service over what was currently provided for under Crossroads' contract. He reminded the Board that his company was not charging additional for this and added that he was asking that the District cover only a part of the out-of-pocket cost. Mr. Held stated that the total monthly maintenance fee was \$0.54 per customer per month, of which he was asking the Board to pay \$0.25. He added that his company was also paying over \$100,000 for the AVR software. He explained that the total set-up charge was \$1.84 per customer, of which he was asking the District to pay \$1.00. Director Campbell called for a motion on implementation of the AVR system with the \$1.00 per customer set-up charge, the \$0.25 per customer monthly charge and the District covering the 3% credit card fees while the customers covered the other fees. Director Richter stated that she did not like the additional costs, but felt the services were important and moved approval. Director Gray stated that he would have to think about the proposal further. Director Martinez stated that he also felt he needed to think about it. Director Campbell stated that the motion had failed due to the lack of a second, and that the Board would put this matter on the agenda for the next meeting, to allow the Board members additional time to consider it.

Director Campbell then stated that the Board would receive a report under the Interlocal Agreement with Wells Branch Municipal Utility District and recognized Mr. Kennis. Mr. Kennis reported on the recent incidence of graffiti and also recent vandalism of the District's volleyball court poles and padding. He stated that the padding on the volleyball court poles had been secured with cabling, but that the cables were cut and the padding removed. He stated that the cost to replace the padding was approximately \$400, and inquired whether the Board wanted to replace it. He confirmed that the nets were still up. Director Richter stated that she would like guidance on whether the pads were required. Mr. Foster compared the poles to basketball goal posts, which were not padded. After discussion, the Board directed Mr. Kennis to contact the Texas Municipal League to see if the padding was a requirement. The Board agreed that, if it was optional, it would not reinstall the padding. Director Richter asked Mr. Foster and Mr. Kennis to check the enclosure around the pond where fencing was being reinstalled. She also stated that the park looked great and the maintenance crews were doing a good job. She asked Mr. Kennis to install the soccer goals which had been purchased, and he agreed to do so.

Director Campbell then recognized Mr. Fadal for purposes of receiving a report from the landscape maintenance contractor. Mr. Fadal stated that the creek maintenance work had held up well during the recent rains. He stated that the turf work around the new parking lot had been completed and that the grass growth was coming along well. Mr. Fadal also stated that his crews had distributed the bluebonnet seed that had been donated by resident Tim Hissam. The Board directed Ms. Littlefield to send a "Thank You" letter to Mr. Hissam and she agreed to do so. Mr. Fadal then presented the proposal for fall overseeding attached as **Exhibit "K"**, and explained that this was a budgeted item. Upon motion by Director Richter and second by Director Gray, the proposal was unanimously approved.

Director Campbell then recognized Mr. Foster for purposes of receiving the engineer's report. Mr. Foster stated that he had nothing to report on the Lakes at Northtown, Section 1, pond capacity acceptance and pond maintenance. Ms. Littlefield agreed to contact the developer regarding the maintenance and enforcement issues. Mr. Foster then reviewed his report, attached as **Exhibit "L"**. He stated that the Park Subcommittee had met on the Stoney Creek well proposals and requested that Mr. Stafford make a report on the wells. Mr. Stafford distributed the summary attached as **Exhibit "M"**, and reminded the Board that the water well drillers had recommended breaking the project into two steps. He reviewed the proposal for phase 1, noting that there would be one well for the ponds and one for the park area. Mr. Stafford stated that, instead of a traditional storage system, the work recommended in this phase was to determine if the District could get the pressure that was needed to do a submersible pump so that no storage would be required. He added that the pump could be connected directly to the well system, assuming the District could get 150 gpm. Mr. Stafford recommended approval of Bee Cave Drilling for the park and the pond test drilling and casing and, if there was appropriate gpm, approval of a change order to the pavilion contract, not to exceed \$20,000, for the necessary electrical upgrade. Director Richter moved approval as recommended. Upon second by Director Martinez, the motion was unanimously adopted.

Mr. Foster stated that he was working with Wells Branch Municipal Utility District and TexaScapes on things that could be started on the wet pond maintenance plan. He stated that the McCallen Pass/Heatherwilde Boulevard fencing project was close to complete and looked nice. Director Richter stated that, if any discolored fencing had been installed, it needed to be replaced and there were four fence posts that needed to be removed. Mr. Foster agreed to see that this was done. He then presented two Pay Estimates for the McCallen Pass/Heatherwilde Boulevard fencing project, attached as **Exhibits “N”** and **“O”**, and stated that the Park Subcommittee recommended approval of both. Upon motion by Director Richter and second by Director Martinez, the Pay Estimates were unanimously approved. Mr. Hill suggested that any further fences be installed with pedestrian and cyclists in mind. Director Richter responded that the fencing had been designed with the affected residents’ input.

Director Campbell then stated that the Board would discuss the proposed 2010 bond application and related engineering report, including a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds. Mr. Foster stated that his company had provided a summary of projects which it recommended be included and noted that Mr. Gilligan was present from his office to review the proposed application summary in more detail. Mr. Gilligan presented the cost summary attached as **Exhibit “P”** and reviewed it with the Board, noting that the projected bond issue amount was \$5.15 Million. Director Campbell noted that Lakes at Northtown Section 3 had been added earlier in the day, and that this addition basically put the issue in the range that the Board had been discussing and which had been budgeted for. Ms. Allen explained that she had not previously understood that Section 3 was complete and that homes were under construction. Ms. Allen indicated that the application was projected to be filed in October, and that she wouldn’t anticipate approval by the Texas Commission on Environmental Quality until January 2011, after which it would be filed with the City so the process would take until April or May. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to move forward with the application and approve the Resolution attached as **Exhibit “Q”**. Director Gray expressed concern about moving the debt service portion of the tax rate up, while the operations and maintenance expense was at a deficit. Ms. Allen stated that the District had a substantial operating surplus. Director Gray agreed, but noted that his point was that this amount of deficit was not sustainable if the District’s tax base did not recover and operations and maintenance expenses continued to increase. He stated that he felt it was appropriate to move forward, but the Board should keep this in mind. Director Campbell noted that the District’s utility rates were basically break-even and the tax rate was being held at a flat rate, but the District did have an obligation to repay the developers. He added that the Board might eventually have to consider an increase in utility rates or the tax rate. Mr. Douthitt stated that, of the deficit, the majority was for one-time expenditures, such as addressing the repair of the ponds.

Mr. Foster then presented an update on preparation of the Annual Report for Third Permit Year on the District’s MS4 Permit. He asked the Board to approve the authorization attached as **Exhibit “R”** and confirmed that he intended to submit this on or before the due date. Director Richter moved to approve the authorization. Upon second by Director Gray, the motion was unanimously adopted.

Mr. DeMotte then addressed the Board on the investigation of the Dessau Road force mains, noting that the air release valve had been buried, but had been located by Crossroads. He stated that repairs were completed and the valve was working properly. Mr. DeMotte stated that the 10-inch force main was constructed of PVC pipe and so would not be affected by hydrogen sulfide gas damage. He stated that he was comfortable with the condition of the 10-inch pipe and fairly confident of the 14-inch pipe, now that the repair had been completed. He then presented the proposal for a lift station upgrade attached as **Exhibit "S"**. He stated that this would provide the capability of long-term use of the lift station to serve the District's customers. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to approve the proposal.

At 7:40 p.m., Director Campbell stated that the Board would take a brief recess. At 7:45 p.m., the Board reconvened in open session.

Director Campbell stated that the Board would next discuss park development matters. Director Richter stated that there had been good progress on the pavilion. She also reported on the progress of the disk golf course. After discussion of the signage master plan, the Board asked Mr. Stafford to obtain a proposal from his firm to pre-qualify bidders and assist in the selection of a vendor for signage fabrication.

Director Richter then thanked Mr. Douthitt, Mr. Foster, Mr. Fadal and Mr. Kennis for their assistance on the budget. Mr. Stafford recommended approval of the Pay Estimate from G Creek for the park pavilion in the amount of \$70,920, attached as **Exhibit "T"**. Upon motion by Director Richter and second by Director Gray, the Pay Estimate was unanimously approved.

Director Campbell then recognized Mr. Douthitt for purposes of receiving the bookkeeper's report. Mr. Douthitt presented the cash activity report attached as **Exhibit "I"**, and reviewed the requested action items as set forth in his report. He reviewed the vendor payments being presented, noting that he had reviewed these with Director Henderson, who recommended approval. He stated that an additional invoice had been submitted by the City of Austin and that he had received an email request for a refund of an amount deposited to the District's account in error. Director Campbell asked how this error was made. Mr. Anderson responded that his office had included a check with a batch deposit of Northtown's checks in error. Mr. Douthitt then reviewed the manager's checks, noting that there had been a large number of deposit refunds and that all had been checked with SWWC Services, Inc. He reminded the Board that the District was holding the SWWC Services, Inc. check from the prior month, noting that he was not aware of anything that was outstanding. He asked if the Board wished to authorize the release of this check. He also stated that Check No. 3911 for the Attorney General bond review fee had been added. Mr. Douthitt also asked the Board to approve a check to Central Utilities for the release of retainage on the park project in the amount of \$53,962.09. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to approve the payments, as recommended, and the transfers as presented on the cash activity report.

The Board agreed that Mr. Douthitt should release the previously approved payment to SWWC Services, Inc. and hold the current payment. Mr. Douthitt stated that he was continuing to research the credit issued by the City of Austin. He stated that, on page 37 of his report, he had provided the write-off information previously requested by the Board. He stated that he had also prepared a reconciliation of park fees collected and stated that the total was approximately \$1.3 Million. Mr. Douthitt stated that he had not included a per diem check for Director Gray as he wasn't aware that he would be at the meeting, but would catch up at the next meeting. Mr. Douthitt stated that there had been a problem with the wastewater billings for the condo project and apartments. Mr. Anderson explained that these customers had compound meters and, when the meter readings were transferred within SWWC Services' offices, zero usage was billed in error. He stated that the customers had now been rebilled for the prior month's usage. Mr. Douthitt stated that Mr. Anderson had caught this error and corrected it. Director Campbell stated that Lakes at Northtown developer backcharges were past-due. Ms. Littlefield agreed to call KB Homes about the pond maintenance issue and also the potential bond reimbursement. The Board agreed that the past-due amount must be paid in order for the Lakes at Northtown reimbursement to be included in the bond application.

Director Campbell stated that the Board would next receive a report from the District's general manager. Mr. Anderson reviewed his report, attached as **Exhibit "U"**, and noted that the report reflected a water gain of about 21% that he attributed to a timing issue. He then presented the list of write-offs attached as **Exhibit "V"**. Upon motion by Director Richter and second by Director Gray, the Board voted unanimously to approve the report and the write-offs as presented.

Mr. Anderson then advised the Board that a resident had reported a manhole overflowing on Ceylon Tea, behind the dry pond. He stated that the overflow was due to an electrical failure at the East Lift Station, which had destroyed several components. He stated that he was in the process of determining what needed to be replaced. Mr. Anderson agreed to itemize the repair invoice so the District could seek reimbursement from the Texas Municipal League. Mr. Anderson requested that the Board consider appointing a subcommittee to discuss the AVR system issue with Crossroads to come back to the Board with a recommendation at the next meeting. Director Gray stated that he did not feel this was necessary, noting that a lot of new information had been presented and he wanted time to absorb it. Director Campbell agreed, noting that Mr. Held had presented some new information that he hadn't been aware of prior to his discussion with the Board.

Director Campbell then recognized Ms. Loayza, who noted that a series of easements was needed for development of the school site within the Village@Northtown, Ltd.'s property and that they were seeking approval of these easements. Ms. Littlefield explained that one easement would cross the District's greenbelt and that she would add a restoration obligation to the document. After discussion, Director Richter moved to approve an easement for the wastewater line across the greenbelt and the Amendment to Restrictive Covenants attached as **Exhibit "W"**, and to authorize the Subcommittee to negotiate and Director Campbell to execute

the remainder of the documents required for the school site. Upon second by Director Martinez, the motion was unanimously adopted.

Director Campbell then proposed realignment of the Park Subcommittee to obtain the active involvement of a second Board member, as Director Richter had been handling this responsibility on her own recently. He asked if another Board member would be willing to serve. Director Martinez offered to do so and the Board appointed him by acclamation.

Director Campbell then stated that he would like to impose a policy that, unless back-up was included in the Board's meeting packet, no action would be taken, except in the event of an emergency. He noted that he felt too much material was being handed out at the Board meeting, which did not allow sufficient time for review. The Board concurred and directed its consultants to comply with this policy going forward.

There being no further business to come before the Board, upon motion by Director Richter and second by Director Martinez, the meeting was adjourned at 8:30 p.m.

(SEAL)

Alex Martinez, Secretary
Board of Directors