

**TOWN OF NORTHLAKE, TEXAS**

**ORDINANCE NO. 06-1214A**

**AN ORDINANCE OF THE TOWN OF NORTHLAKE, TEXAS, CONSENTING TO THE CREATION OF EITHER A FRESH WATER SUPPLY DISTRICT, A WATER CONTROL AND IMPROVEMENT DISTRICT, OR A SPECIAL LEGISLATIVE DISTRICT CREATED BY THE TEXAS LEGISLATURE ENCOMPASSING APPROXIMATELY 443.966 ACRES OF LAND LOCATED IN THE CORPORATE BOUNDARIES OF THE TOWN; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE.**

**RECITALS**

**WHEREAS**, the Town of Northlake, Texas (the "Town") is a Type A general-law municipality located in Denton County, Texas; and

**WHEREAS**, Canyon Falls Land Partners, L.P. and McGinnis Land Partners I, L.P., each a Texas limited partnership ("Owners") are the owners of approximately 443.966 acres of land located in the corporate boundaries of the Town, and described by metes and bounds on Exhibit A attached hereto and incorporated herein (the "Property"); and

**WHEREAS**, on July 25, 2006, the Owners filed a "Petition Requesting Town Consent to the Creation of a Fresh Water Supply District or a Water Control and Improvement District" (the "Petition") with the Town Secretary's Office requesting the Town's consent to the creation of either the Canyon Falls Fresh Water Supply District No. 2 of Denton County or the Canyon Falls Water Control and Improvement District No. 2 of Denton County encompassing the Property, which Petition provides in part that the fresh water supply district or the water control and improvement district shall be organized under the terms and provisions of Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution; and

**WHEREAS**, the Texas Legislature has the authority, under Section 52(b), Article III and Section 59, Article XVI, of the Texas Constitution to create a political subdivision encompassing the Property (a "Special Legislative District"), which Special Legislative District may incorporate some or all of the powers of a fresh water supply district ("FWSD") and a water control and improvement district ("WCID"); and

**WHEREAS**, the Property lies wholly within the corporate boundaries of the Town, and no portion of the Property lies in the corporate limits or extraterritorial jurisdiction of any other municipality.

**NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS:**

Section 1. Consent to District Creation. The Town consents, subject to the conditions contained herein, to the creation of the Canyon Falls Fresh Water Supply District No. 2 of Denton County, the Canyon Falls Water Control and Improvement District No. 2 of Denton

County, or a Special Legislative District (individually or collectively, the "District") such District encompassing all of the Property, which District is to be organized under the terms and provisions of Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution and the applicable provisions of Chapters 49, 51 or 53, Texas Water Code, as amended, and the general laws of the State of Texas applicable to a WCID or a FWSD. The Mayor of the Town is hereby authorized and directed to execute, from time to time, such additional documents, if any, that may be required to evidence the Town's consent and to fulfill the purposes for which the consent is given, including, but not limited to, the execution by the Mayor on behalf of the Town of such further documents or instruments as may be requested, from time to time, by the owners of the Property, the District, the Texas Commission on Environmental Quality (the "TCEQ"), Denton County, the Texas Attorney General, or any other governmental agency or political subdivision having jurisdiction over the District or any bonds issued by the District or as may be required by any special legislation creating the District or any special legislation adopted, from time to time, by the Texas Legislature and affecting the District ("Special Legislation").

Section 2. District Authority. The Town consents to the District being granted the authority to exercise all rights, powers, and authority granted to a FWSD, a WCID, or both, as applicable, by the laws of the State of Texas, as amended, by any Special Legislation, by Denton County, and under the rules of the TCEQ or any other governmental agency having jurisdiction over the District.

Section 3. Consent to Other Matters. The Town also consents to the District being granted the authority to divide into two districts with the same powers as the original District, and including the authority to enact boundary adjustments among the districts in the form of exclusions and additions of land within the Property.

Section 4. Consent to Conversion. The Town further consents to the conversion, from time to time, of the FWSD to a WCID, and of the WCID to a FWSD pursuant to the authority of Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution and Texas Water Code, Chapters 49, 51 and 53, Texas Water Code, as amended.

Section 5. Issuance of Bonds. The District is authorized to issue bonds for roads and water, sewer, and drainage facilities unless, prior to the date on which the District receives approval from the TCEQ to issue such bonds, the Town has created a public improvement district ("PID") over the Property and has issued PID bonds to finance the same facilities for which the District has sought or is eligible to seek approval from the TCEQ. If the District fails to comply with Sections 6, 7 and 8, the Town may prevent issuance of bonds by the District until the failure is cured.

Section 6. Bond Requirements. Bonds, including refunding bonds issued by the District, shall, unless otherwise agreed to by the Town, comply with the following requirements, provided such requirements do not generally render the bonds unmarketable:

- (a) Maximum maturity of 25 years for any one series of bonds;

(b) Interest rate that does not exceed 2% above the highest average interest rate reported by the Daily Bond Buyer in its weekly "20 Bond Index" during the one month period next preceding the date notice of the sale of such bonds is given; and

(c) The bonds shall expressly provide that the District shall reserve the right to redeem bonds at any time subsequent to the tenth (10<sup>th</sup>) anniversary of the date of issuance, without premium. No variable rate bonds shall be issued by the District without Town Council approval.

Section 7. Notice of Bond Issuance. The Town shall require the following information with respect to bond issuance:

(a) At least 30 days before issuance of bonds, except refunding bonds, the District's financial advisor shall certify in writing that the bonds are being issued within the existing economic feasibility guidelines established by the TCEQ for districts issuing bonds for water, sewer or drainage facilities in Denton County and shall deliver the certification to the Town.

(b) At least 30 days before the issuance of bonds, the District shall deliver the following information to the Town: (i) the amount of bonds being proposed for issuance; (ii) the projects to be funded by such bonds; and (iii) the proposed debt service tax rate after issuance of the bonds.

(c) If the District is not required to obtain TCEQ approval of the issuance of the bonds, the District shall deliver such notice to the Town at least 60 days prior to issuing such bonds, except refunding bonds.

(d) Within 30 days after the District closes the sale of a series of bonds, the District shall deliver to the Town a copy of the final official statement for such series of bonds. If the Town requests additional information regarding such issuance of bonds, the District shall promptly provide such information at no cost to the Town.

Section 8. Reporting Requirements.

(a) The District shall send a copy of the order or other action setting its annual ad valorem tax rate to the Town within 30 days after District adoption.

(b) The District shall send a copy of its annual audit to the Town within 30 days after approval by the District's board of directors.

Section 9. Purchase of Municipal Services from the District. If the District issues bonds for roads and water, sewer, and drainage facilities, Owners shall use their best efforts to cause the District to negotiate and enter into an interlocal agreement with the Town under which the Town will purchase from the District municipal services to serve the Property at a rate not to exceed the Town's ad valorem tax rate.

Section 10. Consents Effective. The consents granted in this Ordinance are given by the Town in full satisfaction of any requirements for district consents contained in any statute or otherwise required by law, rule, regulation or policy including, but not limited to, consents required by the Texas Water Code, as amended, the Texas Local Government Code, as amended, any rules, regulations, or policies of the TCEQ, or any rules, regulations, or policies of the Texas Attorney General. To the extent permitted by law, the consents are irrevocable and cannot be withdrawn or modified in any way by the Town or by any action of the Town Council without the prior written approval of Owners.

Section 11. Application to Division and Conversion of District. This Ordinance shall apply to each district created by the division or conversion of the District.

Section 12. Incorporation of Recitals. The above and foregoing recitals to this Ordinance are true and correct and are incorporated herein and made a part hereof.

Section 13. Effective Date. This Ordinance shall take effect immediately from and after its passage and is accordingly so ordained.

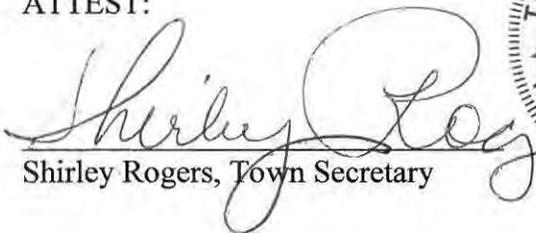
**PASSED AND APPROVED** by the Town Council of the Town of Northlake, Texas, this the 14th day of December, 2006.



Robin L-S Young, Mayor

Town of Northlake, Texas

ATTEST:



Shirley Rogers, Town Secretary



APPROVED AS TO FORM:

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Robert Wendland, Town Attorney

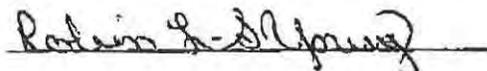
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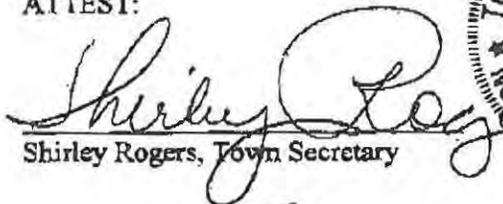
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Robin L-S Young, Mayor

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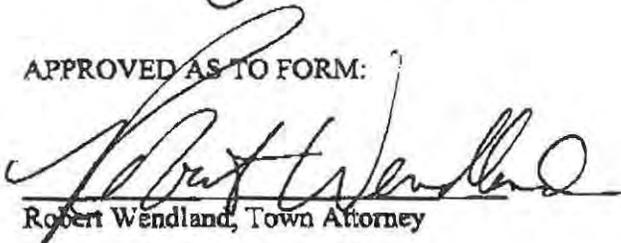
ATTEST:



Shirley Rogers, Town Secretary



APPROVED AS TO FORM:



Robert Wendland, Town Attorney

Exhibit A

Metes and Bounds Description of the Property

FIELD NOTE DESCRIPTION  
CITY OF NORTHLAKE TRACT 1

STATE OF TEXAS  
COUNTY OF DENTON

BEING a tract of land situated in the M.E.P. & P. R.R. SURVEY, Abstract No. 913, F. THORNTON SURVEY, Abstract No. 1244, J. WILBURN SURVEY, Abstract No. 1416 and the W. LOVE SURVEY, Abstract No. 728 and being a portion of a tract of land conveyed as 11.2% to Gail Obenchain Schoellkopt, 11.2% to Melinda Calvert Obenchain, 11.2% to Thomas A. Obenchain, 26.4% to The Hartnett Law Firm, 13.335% to Jason Mclean, 13.335% to Jason Mclean as next friend for Christopher Taylor and 13.33% to McCracken, Taylor & Nelson, P.C. as recorded in CC# 05-12627 of the Deed Records of Denton County, Texas ( DRDCT ) and being more particularly described as follows;

BEGINNING at a capped ½ inch iron rod found at the most northwesterly corner of a tract of land conveyed to Mark Wayne Judge, and wife Mary Abb Judge as recorded in Volume 4144, Page 2082 ( DRDCT );

THENCE departing the northerly line of said Judge tract North 00 deg 30 min 31 sec East along a barb wire fence a distance of 2895.65 feet to a wood fence post found for corner, said point being the most northeasterly corner of a tract of land conveyed to D.W. Coin, and wife Christene Coin as recorded in Volume 1015, Page 432 ( DRDCT );

THENCE North 89 deg 30 min 59 sec West along a barb wire fence a distance of 2944.98 feet to a 3/8 inch iron rod found for corner in the approximate centerline of CLEVELAND-GIBBS ROAD, said point being the most northwesterly corner of a tract of land conveyed to Elton Dee Gardner, Jr. as recorded in CC# 93-0084282 ( DRDCT );

THENCE along the approximate centerline of as CLEVALND-GIBBS ROAD as follows;

North 00 deg 05 min 55 sec West a distance of 1407.56 feet to a ½ inch iron rod set with a red plastic cap stamped "W.A.I." for corner;

North 13 deg 10 min 14 sec West a distance of 622.96 feet to a Pk. Nail set in asphalt pavement for corner, said point being set in the southeasterly Right-of-Way of INTERSTATE 35W (variable width Right-of-Way );

THENCE departing the approximate centerline of said CLEVELAND-GIBBS ROAD and along the southeasterly Right-of-Way line of said INTERSTATE 35W as follows;

North 77 deg 44 min 47 sec East a distance of 17.12 feet to a TXDOT Concrete Monument found for corner;

North 07 deg 49 min 52 sec East a distance of 75.37 feet to a ½ inch iron rod set with a red plastic cap stamped "W.A.I." for corner;

North 13 deg 52 min 40 sec West a distance of 160.00 feet to a TXDOT Concrete Monument found for corner;

North 20 deg 34 min 02 sec West a distance of 217.85 feet to a point for corner in a tree;

North 89 deg 26 min 40 sec West a distance of 16.86 feet to a ½ inch iron rod found for corner;

North 18 deg 23 min 39 sec West a distance of 6.22 feet to a TXDOT Concrete Monument found for corner;

North 88 deg 35 min 44 sec West a distance of 57.52 feet to a TXDOT Concrete Monument found for corner;

North 64 deg 58 min 47 sec West a distance of 136.61 feet to a TXDOT Concrete Monument found for corner;

North 21 deg 08 min 10 sec West passing through a TXDOT Concrete Monument at a distance of 248.70 feet continuing in all a distance of 528.90 feet to a TXDOT Concrete Monument found for corner;

North 24 deg 05 min 25 sec East a distance of 743.70 feet to a broken TXDOT Concrete Monument found for corner in the approximate centerline of a creek;

THENCE departing the southeasterly Right-of-Way line of said INTERSTATE 35W and along the approximate centerline of said creek as follows:

South 64 deg 18 min 23 sec East a distance of 53.75 feet to a point;

South 79 deg 10 min 35 sec East a distance of 79.02 feet to a point;

South 35 deg 21 min 52 sec East a distance of 57.79 feet to a point;

South 48 deg 30 min 57 sec East a distance of 75.64 feet to a point;

South 32 deg 34 min 23 sec East a distance of 129.42 feet to a point;

South 46 deg 50 min 25 sec East a distance of 148.50 feet to a point;

North 53 deg 05 min 10 sec East a distance of 122.04 feet to a point;

South 56 deg 56 min 44 sec East a distance of 175.61 feet to a point;  
South 64 deg 34 min 41 sec East a distance of 102.00 feet to a point;  
South 65 deg 10 min 30 sec East a distance of 137.84 feet to a point;  
South 24 deg 48 min 23 sec East a distance of 21.57 feet to a point;  
South 75 deg 14 min 20 sec East a distance of 190.64 feet to a point;  
South 05 deg 18 min 14 sec East a distance of 106.22 feet to a point;  
South 51 deg 12 min 41 sec East a distance of 86.44 feet to a point;  
South 38 deg 52 min 18 sec West a distance of 70.06 feet to a point;  
South 47 deg 56 min 51 sec East a distance of 223.88 feet to a point;  
South 50 deg 48 min 32 sec West a distance of 120.96 feet to a point;  
South 42 deg 42 min 30 sec East a distance of 105.51 feet to a point;  
North 71 deg 06 min 00 sec East a distance of 85.98 feet to a point;  
South 71 deg 43 min 46 sec East a distance of 194.40 feet to a point;  
South 25 deg 22 min 35 sec East a distance of 66.32 feet to a point;  
North 77 deg 27 min 41 sec East a distance of 95.93 feet to a point;  
South 20 deg 19 min 13 sec East a distance of 76.45 feet to a point;  
North 75 deg 40 min 42 sec East a distance of 72.63 feet to a point;  
South 15 deg 51 min 41 sec West a distance of 40.94 feet to a point;  
South 68 deg 22 min 35 sec East a distance of 56.47 feet to a point;  
South 17 deg 49 min 47 sec East a distance of 11.57 feet to a point;  
South 89 deg 36 min 34 sec East a distance of 3553.80 feet to a point;  
South 00 deg 30 min 49 sec West a distance of 3470.64 feet to a wood fence post found for most northwesterly corner of a 1% tract of land conveyed to Frances McLendon Ewing as recorded in Volume 1552, Page 949 ( DRDCT );

Thence along the westerly line of said Frances McLendon Ewing tract South 00 deg 32 min 43 sec West a distance of 1233.08 feet to a 1/2 inch iron rod with a red plastic cap stamped W.A.I. set for corner;

Thence departing the westerly line of said Frances McLendon Ewing tract North 89 deg 20 min 44 sec West a distance of 1195.75 feet to a 1/2 inch iron rod with a red plastic cap stamped W.A.I. set for corner;

THENCE South 10 deg 04 min 59 sec West a distance of 1215.25 feet to a 1/2 inch iron rod with a red plastic cap stamped W.A.I. set for corner in the northerly Right-of-Way line of said F.M. 1171;

THENCE along the northerly Right-of-Way line of said F.M. 1171 as follows;

South 66 deg 26 min 52 sec West a distance of 33.64 feet to a 1/2 inch iron rod set with a red plastic cap stamped "W.A.I." for the beginning of a non-tangent curve to the left having a radius of 5659.58 feet and having a chord bearing of North 70 deg 03 min 39 sec West and a chord length of 231.34 feet;

Continuing along said non-tangent curve to the left through a central angle of 02 deg 20 min 32 sec and an arc length of 231.36 feet to the point of tangency;

North 69 deg 22 min 11 sec West a distance of 33.82 feet to a capped 1/2 inch iron rod found at the most southeasterly corner of said Judge tract;

THENCE along the easterly line of said Judge tract as follows;

North 00 deg 54 min 19 sec West a distance of 250.23 feet to a capped 1/2 inch iron rod found for corner;

North 05 deg 57 min 32 sec West a distance of 225.22 feet to a capped 1/2 inch iron rod found for the most northeasterly corner of said Judge tract;

THENCE along the northerly line of said Judge tract North 89 deg 24 min 30 sec West a distance of 313.03 feet to the POINT OF BEGINNING;

CONTAINING within these metes and bounds 433.539 acres or 18,884,940 square feet of land more or less. Bearings contained within this field note description are based upon an on the ground survey performed in field on the 19<sup>th</sup> day of November, 2005 utilizing G.P.S. Measurements.

FIELD NOTE DESCRIPTION  
CITY OF NORTHLAKE TRACT 2

STATE OF TEXAS  
COUNTY OF DENTON

BEING a tract of land situated in the W. LOVE SURVEY, Abstract No. 728 and being a portion of a tract of land conveyed as 11.2% to Gail Obenchain Schoellkopt, 11.2% to Melinda Calvert Obenchain, 11.2% to Thomas A. Obenchain, 26.4% to The Hartnett Law Firm, 13.335% to Jason Mclean, 13.335% to Jason Mclean as next friend for Christopher Taylor and 13.33% to McCracken, Taylor & Nelson, P.C. as recorded in CC# 05-12627 of the Deed Records of Denton County, Texas ( DRDCT ) and being more particularly described as follows;

BEGINNING at a 5/8" iron rod found at the intersection of the common line of a tract of land conveyed as 1% Frances McLendon Ewing as recorded in Volume 1552, Page 949 ( DRDCT ) and the said Obenchain tract and the southerly Right-of-Way line of F.M. 1171 ( a variable width Right-of-Way );

THENCE along the southerly Right-of-Way line of said F.M. 1171 as follows;

South 69 deg 30 min 13 sec East a distance of 353.33 feet to a wood TXDOT monument found for corner;

South 70 deg 08 min 26 sec East a distance of 235.35 feet to a wood TXDOT monument found for corner;

South 25 deg 13 min 15 sec East a distance of 80.88 feet to a wood TXDOT monument found for corner;

South 71 deg 38 min 42 sec East passing through a wood TXDOT monument found at a distance of 145.00 feet and passing through a wood TXDOT monument found at a distance of 253.46 feet continuing in all a distance of 500.00 feet to a wood TXDOT monument found for corner;

North 77 deg 33 min 25 sec East a distance of 116.11 feet to a wood TXDOT monument found for corner;

South 71 deg 48 min 04 sec East a distance of 593.69 feet to a ½ inch iron rod found for corner, said point being found in the northerly line of said Ewing tract;

THENCE along the northerly line of said Ewing tract and along a barb wire fence as follows;

North 89 deg 25 min 20 sec West a distance of 1739.14 feet to a wood fence post found for corner;

North 00 deg 02 min 00 sec East a distance of 577.16 feet to the POINT OF BEGINNING;

CONTAINING within these metes and bounds 10.427 acres or 454,192 square feet of land more or less. Bearings contained within this field note description are based upon an on the ground survey performed in field on the 19<sup>th</sup> day of November, 2005 utilizing G.P.S. Measurements.