

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C  
NOTICE OF MEETING

DISTRITO NÚMERO 2C PARA CONTROLAR Y MEJORAR EL AGUA DE LAKESIDE  
AVISO DE REUNIÓN

TO: THE BOARD OF DIRECTORS OF LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C AND TO ALL OTHER INTERESTED PERSONS:

A: EL CONSEJO DE ADMINISTRACIÓN DEL DISTRITO NÚMERO 2C PARA CONTROLAR Y MEJORAR EL AGUA DE LAKESIDE Y A TODAS LAS OTRAS PERSONAS INTERESADAS:

Notice is hereby given pursuant to V.T.C.A., Government Code § 551, that the Board of Directors of Lakeside Water Control and Improvement District No. 2C will hold a regular meeting, open to the public, on February 11, 2020, at 5:45 p.m., outside the boundaries of the District, at 4421 Rowe Lane, Pflugerville, Texas, for the following purposes:

Por la presente se notifica, de conformidad con el Vernon's Texas Codes Annotated, Government Code § 551, que el Consejo de Administración del Distrito Número 2C para Controlar y Mejorar el Agua de Lakeside celebrara una reunión regular, abierto al público, el 11 de febrero de 2020, a las 5:45 p.m., fuera de los límites del Distrito, en el 4421 Rowe Lane, Pflugerville, Texas, con los objetivos siguientes:

1. Call meeting to order and establish quorum;
2. Discuss, consider, and take action to approve minutes of January 14, 2020 regular meeting;
3. Receive public comment;
4. Receive report from District's Engineer;
5. Discuss, consider, and take action to approve Pay Estimate No. 1 for Lakeside at Blackhawk III, Phase 4 – Street Excavation and Drainage, Water, Wastewater, and Erosion Control Improvements, submitted by Patin Construction, L.L.C.;
6. Discuss, consider, and take action to approve audit of District's financial records for period ending September 30, 2019;
7. Discuss, consider and take action as necessary concerning consideration of bids and approving award of the sale of the Lakeside WCID No. 2C \$4,815,000 Unlimited Tax Bonds, Series 2020;
8. Discuss, consider and take action as necessary concerning adoption of Resolution Authorizing The Issuance Of Lakeside WCID No. 2C \$4,815,000 Unlimited Tax Bonds, Series 2020; Prescribing The Terms and Provisions Thereof; Making Provision For The Payment Of The Interest Thereon And The Principal Thereof; Levying And Pledging The Proceeds Of A Tax; Authorizing The Sale Of The Bonds; Authorizing A Paying Agent/Registrar Agreement; and Containing Other Provisions Relating To The Subject;
9. Discuss, consider, and take action as necessary concerning Cost Share Agreement for sidewalk repair project;
10. Discuss, consider, and take action as necessary to adopt Order Calling Directors Election and authorize publication of notice; (Discutir, considerar y adoptar medidas que sean

necesarias para adoptar una orden de elección de directores y autorizar la publicación del aviso);

11. Discuss, consider, and take action as necessary to authorize the execution of a joint election agreement with political subdivisions in Travis County and election services agreement with Travis County (Discutir, considerar y adoptar medidas que sean necesarias para autorizar la ejecución de un acuerdo de elección conjunta con subdivisiones políticas en el Condado de Travis y acuerdo de servicios de elección con Condado de Travis);
12. Receive recreational facilities report and take action as necessary concerning same, including but not limited to maintenance and/or improvements related to existing recreational facilities including proposal from Lomas Land Management for turf improvement, nutrition and weed control plan;
13. Discuss, consider, and take action as necessary concerning funding request from Park at Blackhawk and Lakeside Homeowners Association;
14. Discuss, consider, and take action on approval of the payment of invoices and Bookkeeper's report;
15. Directors items for next agenda and announcements from Board members; and
16. Adjournment.

EXECUTED this the 7<sup>th</sup> day of February, 2020.

(District Seal)

  
Attorney for District

2

MINUTES OF MEETING  
OF  
BOARD OF DIRECTORS

THE STATE OF TEXAS

COUNTY OF TRAVIS

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C

The Board of Directors of Lakeside Water Control and Improvement District No. 2C (“District” or “Lakeside WCID No. 2C”) met in regular session, open to the public, outside the boundaries of the District, at 4421 Rowe Lane, Pflugerville, Texas, at 5:45 p.m. on January 14, 2020. A copy of the notice of meeting along with associated certificates of posting are attached hereto as Exhibit “A.”

The roll was called of the members of the Board of Directors, to wit:

David Wang	President
Scott Stratton	Vice President
Larry English	Secretary/Treasurer
Joshua Bridgefarmer	Assistant Secretary
Craig Twellmann	Assistant Secretary

All members of the Board were present, except Director Bridgefarmer, thus constituting a quorum of the Board of Directors. All Directors present voted on all matters that came before the Board. Also in attendance of said meeting were Matthew Tiemann of Rowe Lane Development, Ltd.; Jeff Monzingo of Montoya & Monzingo, LLP; Keith Collins of Randall Jones Engineering, Inc.; John Barganski of Specialized Public Finance, Inc.; Ken Heroy with Jones-Heroy & Associates, Inc.; Clayton Chandler of McCall Parkhurst & Horton LLP; David Klein, Attorney and Fred Castro, Paralegal with Lloyd Gosselink Rochelle & Townsend, P.C.; and Brad Marshall.

Director Wang called the meeting to order and announced that a quorum of the Board was in attendance. Director Wang stated that the Board would next consider the approval of the minutes of the November 12, 2019 regular meeting. After discussion, upon motion by Director English, and seconded by Director Twellmann, the Board unanimously approved the minutes of the November 12, 2019 regular meeting, as presented.

The next item to come before the Board was to receive public comment. No comments from the general public were received by the Board.

Director Wang stated that the Board would next receive a report from the District’s Engineer. Mr. Collins provided the Board with a brief report on the status of utility construction within the District.

Director Wang stated that the Board would next discuss and consider action concerning pond maintenance. Mr. Collins informed the Board that Travis County had conducted a compliance inspection at the pond located within Speidel Drive, Section 2 and had found cattails inside the pond. He noted that Travis County concluded that although the pond was found to be in overall compliance, all of the cattails needed to be removed, as they are an invasive species. Mr. Collins stated that he had informed Travis County that the Lakeside Districts had recently contracted with Scott Smith of Aquatic Features to assist in the maintenance of the ponds within the Blackhawk subdivision and that Aquatic Features had recently completed a large project to eradicate a majority of the cattails within these ponds. Mr. Collins noted that according to Mr. Smith, he left 10-20% of the cattails in designated areas to act as a Phosphorus and Nitrogen filters so that algae growth did not turn into a recurring problem. He stated that according to Mr. Smith, he has been using this practice for the past 17 years in the central Texas area.

Mr. Collins confirmed to the Board that no violation had occurred and clarified with Travis County that these ponds are only detention ponds that have a permanent pool for amenity purposes and are not water quality ponds. He also mentioned to Travis County that, since this particular project was developed prior to water quality requirements being adopted by Travis County, such requirement would not be applicable to this project. Mr. Collins noted that he had informed Travis County that he was in agreement with utilizing water quality requirements that are applicable to permanent pools of water as a guidance tool for the maintenance of these ponds and that in hiring Aquatic Features, the District anticipates that this will help with the control of invasive species around the pond as well as maintaining a healthy water quality within the pond. Mr. Collins reported that Travis County was satisfied that the issue was being addressed.

Next, the Board considered the adoption of a resolution approving the form and substance of a preliminary official statement; authorizing distribution of a preliminary official statement and publication of a notice of sale of bonds; and approving other related matters in connection with the Lakeside WCID No. 2C \$4,815,000 Unlimited Tax Bonds, Series 2020, a copy of which is attached hereto as Exhibit "B". Mr. Barganski presented this item and proceeded to review with the Board the preliminary official statement, noting that the document outlines all information related to the District's \$4,815,000 Unlimited Tax Bonds, Series 2020 and the District itself. He noted that the cover page of the preliminary official statement includes the maturity structure for the District's \$4,815,000 Unlimited Tax Bonds, Series 2020. He noted that payment of principal is to begin on September 1, 2021 and reach maturity in 2040. After discussion, Mr. Barganski noted that the District intends to sell its second bond issue on Tuesday, February 11, 2020 at 10:30 a.m., Central Standard Time, and conduct the bid award at the District's scheduled Board meeting later that day. Mr. Barganski continued to review with the Board the preliminary Official Statement Summary that highlights and summarizes the contents of the document beginning with financing information, which provides information related to the District; the Bond Issue; the source of the repayment of the Bonds; and what the Bond proceeds will be used for. Mr. Barganski stated the document then proceeds to provide more in-depth information related to the District, including the status of development within the District, and information related to the developers within the District. Next, Mr. Barganski proceeded to review with the Board selected financial information contained within the document that included the District's most recent assessed valuation; the estimated assessed valuation as of December 15, 2019; the ratios of gross direct debt to the District's 2019 taxable assessed valuation; estimated assessed valuation as of December

15, 2019; and estimated overlapping debt under both scenarios; District fund balances; and projected tax rates including annual debt service requirements for this Bond issue.

Next, Mr. Barganski proceeded to review with the Board a listing of risk factors contained within the Preliminary Official Statement for the benefit of informing potential investors of the risk associated with this particular bond offering. Mr. Barganski then proceeded to review with the Board information contained within the document related to the District's Bonds, including identifying the District's authority to issue bonds and the source of and security for the repayment of the bonds, including redemption provisions. Mr. Barganski reviewed with the Board additional information contained within the document related to the District and the District's management. He requested that the Board review information related to each individual director to insure that names are spelled correctly and information pertaining to each director is accurate.

Next, Mr. Barganski reviewed with the Board information contained within the document related to the use and distribution of bond proceeds, including construction costs of \$3,949,163, less use of surplus funds of \$53,452 for total net construction related costs of \$3,895,711. Non-construction costs of \$684,869, issuance costs and fees of \$234,420 for a total bond issuance of \$4,815,000. Mr. Barganski also provided a brief overview of tax data that would be of interest to potential investors, and provided a review of a preliminary schedule of the District's debt service requirements related to the Bond issue utilizing an interest rate of 4.25%.

Next, Mr. Barganski proceeded to review with the Board the form and substance of a notice of sale and an official bid form in connection with the Lakeside WCID No. 2C \$4,815,000 Unlimited Tax Bonds, Series 2020. Mr. Barganski noted that the Board is also being asked to approve the proposed Notice of Sale to be published by his firm, which includes all requirements that a prospective bidder must follow in order to submit a bid. The Notice will also include the place and time of the opening of bids and the process for award of the Bonds. He noted that at the Board's next meeting the Board will review the bids received and award the sale of the District's Bonds. He noted that at that time, his office will assist in the closing of the District's Bonds the following month. After discussion, Mr. Barganski noted that any substantive changes will be brought back before the Board for approval.

Next, Mr. Klein proceeded to review with the Board a resolution authorizing the District's representatives to take all actions necessary regarding the issuance, sale, and delivery of the Lakeside WCID No. 2C \$4,815,000 Unlimited Tax Bonds, Series 2020, a copy of which is attached hereto as Exhibit "C". Mr. Klein reviewed a resolution authorizing the District's officers and directors, its Financial Advisor, General Counsel and Bond Counsel to take all actions necessary, convenient, or appropriate in connection with the issuance, sale and delivery of the District's Bonds.

Next, Mr. Barganski proceeded to review with the Board a resolution requesting appraisal of property and certificate of estimated assessed value as of December 15, 2019 from the Travis Central Appraisal District, a copy of which is attached hereto as Exhibit "D". Mr. Barganski requested that the Board take this action in order to provide the most current estimate of the total appraised value of all taxable property within the District's bond offering documents.

After further discussion, upon motion by Director English, seconded by Director Stratton, and unanimously carried the Board approved a resolutions approving: (i) the form and substance of a Preliminary Official Statement in connection with the Lakeside WCID No. 2C \$4,815,000 Unlimited Tax Bonds, Series 2020; (ii) approving the form and substance of a Notice of Sale and an Official Bid Form in connection with the Lakeside WCID No. 2C \$4,815,000 Unlimited Tax Bonds, Series 2020; (iii) authorizing the District's representatives to take all action necessary regarding the issuance, sale and delivery of the Lakeside WCID No. 2C \$4, 815,000 Unlimited Tax Bonds, Series 2020; and (iv) requesting appraisal of property and certificate of estimated assessed value as of December 15, 2019 from the Travis Central Appraisal District.

Director Wang stated that the Board would next consider the acceptance of a Parkland Dedication Special Warranty Deed for all of Lot 2, Block A, of Jakes Hill Condominiums, a copy of which is attached hereto as Exhibit "E". Mr. Klein presented a copy of the District Engineer's letter providing results of a visual inspection of the tract of land in question, a copy of which is attached hereto as Exhibit "F". Mr. Klein noted that his firm had obtained an Ownership and Lien Report to confirm ownership and found that the property was not free and clear of liens. He recommended that should the Board take action to accept the conveyance of the property it do so subject to the District receiving copies of recorded lien releases. After discussion, upon motion by Director Twellmann, seconded by Director English, and unanimously carried, the Board accepted the conveyance of the above-referenced property, subject to the District's receipt of recorded lien releases for the property.

Director Wang stated that the Board would next consider action concerning the contract with Lomas Land Maintenance LLC ("Lomas") for landscape maintenance of District owned facilities. Mr. Klein presented this item and noted that this agenda item was placed on the Board's agenda, per the Board's request. He noted that there has been discussion amongst the Board and the Board of Lakeside WCID No. 2D ("Lakeside 2D") surrounding landscape maintenance activities taking place for the Lakeside Districts within Lakeside 2D. Mr. Klein noted that Lakeside 2D is in charge of the landscape maintenance within the Reserve at Westcreek and the District works with the Park at Blackhawk and Lakeside Homeowners Association (the "HOA") to oversee landscape maintenance of all other Lakeside District owned properties. Mr. Klein stated that the Board had previously discussed considering whether landscape maintenance for land owned by each individual Lakeside District should be handled in a different manner, and had suggested that perhaps landscape maintenance of District owned property should be removed from the HOA's jurisdiction moving forward.

Mr. Klein informed the Board that the Reserve at Westcreek solicited bids for landscape maintenance and received four (4) bids from companies interested in the work. Mr. Klein stated that the lowest bid received was from a company by the name of Urban Dirt, which the Reserve at Westcreek would like to engage for landscape maintenance of properties owned by the Reserve at Westcreek, including properties owned by Lakeside 2D and the City of Pflugerville. Mr. Klein informed the Board that Lakeside 2D voted to authorize the Reserve at Westcreek to enter into an agreement with Urban Dirt for landscape maintenance services and continue to let the Reserve at Westcreek manage the landscape maintenance contract. After discussion, upon motion by Director Stratton, seconded by Director English, and unanimously carried, the Board determined that no action was necessary and that the arrangement between the District and HOA regarding landscape

maintenance under the existing Joint Use and Maintenance Agreement with the HOA remain unchanged.

The next item to come before the Board was to take action concerning the sidewalk repair along the 8-acre lake that runs parallel to Harrier Flight Trail. Mr. Collins presented a proposal submitted by Lomas Land Maintenance ("Lomas") for the replacement of specific sections of sidewalk within the greenbelt for \$13,328.57. A copy of the Lomas proposal is attached hereto as Exhibit "G". Mr. Collins stated that he was hoping to include this work with the master trail project, but that the situation warrants immediate attention. Mr. Collins recommended that the Board take action to approve the proposal submitted by Lomas. He stated that the District will administer the project and the other Lakeside Districts will be responsible for their pro-rata share of the contract's total price pursuant to a future cost sharing agreement between the Lakeside Districts. Upon motion by Director English, seconded by Director Twellmann, and unanimously carried, the Board approved the proposal submitted by Lomas for the replacement of specific sections of sidewalk within the greenbelt along the 8-acre lake that runs parallel to Harrier Flight Trail for \$13,328.57.

Director Wang stated that the Board would next receive recreational facilities reports and take action as necessary concerning the same, including but not limited to, maintenance and/or improvements related to existing recreational facilities. Mr. Monzingo presented recreational facilities reports from the Associations operating the District's recreational facilities, copies of which are attached hereto as Exhibit "H". Mr. Monzingo noted that the report from the Reserve at Westcreek Owners Association, Inc. (the "Reserve at Westcreek") was not provided in time for inclusion in the meeting materials provided to the Board. Mr. Monzingo noted that the reports provided brief updates on the status of current projects and contained no requests for action by the Board.

Next, Mr. Collins stated that according to the HOA, Lomas had recently hired an employee that is a certified arborist, licensed chemical applicator, and licensed irrigator and recommended the Lakeside District's consider a proposal to improve turf conditions within the greenbelts based on existing well water and soil sample analysis. He stated that Lomas would like to present its proposal at the Board's next meeting. He stated that Lomas' quote for this work is \$26,678 for 2020.

Director Wang stated that the Board would next consider action concerning a funding request from the HOA. Mr. Monzingo presented the HOA's request, a copy of which is attached hereto as Exhibit "I". He noted that the HOA spent \$52,363 more in District related expenditures than was budgeted with the majority of monies spent in connection with masonry fence repairs and landscape maintenance activities. Mr. Monzingo requested that no action be taken in connection with this item at this time to allow him the opportunity to reconcile the HOA payments made in connection with the masonry fence repairs. He stated that it was his understanding that the cost associated with the masonry fence repairs were to be paid equally by the District and the HOA, pursuant to a cost sharing agreement for the project.

Director Wang stated that the Board would next consider the payment of invoices, money transfers and Bookkeeper's Report. Mr. Monzingo distributed a list of invoices paid since the Board last met in November of 2019 and current invoices to be paid, a copy of which is attached hereto as Exhibit "J". Mr. Monzingo requested that the Board void Check No. 3376, payable to Director Bridgefarmer, due to his absence from the meeting. After discussion, upon motion by Director Stratton, seconded by Director Stratton, and unanimously carried, the Board approved the payment of invoices and money transfers, as amended.

Director Wang stated that the Board would next receive announcements or requests for items at the Board's next meeting. Mr. Tiemann addressed the Board and introduced Brad Marshall, formally with Amenity Solutions. Mr. Tiemann noted that upon recommendation from the Lakeside Amenity Center Subcommittees, the Lakeside District participants in the project determined that it would not take action to hire Mr. Marshall to manage the project due to certain conflicts of interest that were present at the time. Mr. Tiemann suggested that the Board reconsider its position and requested that Mr. Marshall be hired to manage the project on the District's behalf and noted that the conflicts that arose during Mr. Marshall's initial consideration by the Lakeside Amenity Center Subcommittees had been resolved. After discussion, the Board recognized Mr. Marshall, who provided the Board with a brief summary of his background and qualifications for the Board's consideration.

Mr. Klein noted that although the Lakeside Amenity Center Subcommittees determined that a consultant hired to oversee the project and act as a filter to determine whether information being provided by the project's other consultants was accurate, consistent, and appropriate was a sound idea, but it was the consensus of the Amenity Center Subcommittees that the need for such a consultant was not immediate at the time and stage of the project, but may be needed at some point in the future. He noted that now that the project is at a point where the engagement of consultants for architect, mechanical, electrical, plumbing and structural engineering services; landscaping architectural services; and engineering and surveying services related to the project had been entered into, the time may be right to engage a consultant to manage the project on the District's behalf. Mr. Klein recommended that Mr. Marshall provide a proposal for review and consideration.

After discussion, there being no further business and upon motion made by Director English, seconded by Director Stratton, and unanimously carried, the meeting was adjourned at 6:20 p.m. until further call.

PASSED, APPROVED AND ADOPTED THIS 11th day of February, 2020.

\_\_\_\_\_  
Larry English, Secretary

[DISTRICT SEAL]

5



**RANDALL JONES & ASSOCIATES  
ENGINEERING INC.**

2900 JAZZ STREET • ROUND ROCK, TEXAS 78664

February 3, 2020

Lakeside WCID2C Board of Directors  
c/o Lloyd, Gosselink, Rochelle, & Townsend, P.C.  
816 Congress Ave, Ste. 1900  
Austin, TX 78701

RE: Lakeside at Blackhawk III Phase 4 - Street Excavation and Drainage, Water, Wastewater, and  
Erosion Control Improvements

RJE Job# 2257


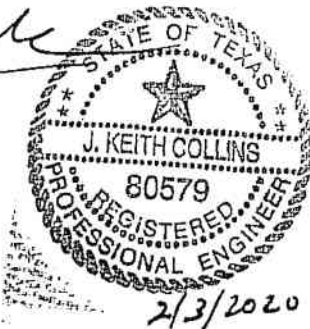
To Whom It May Concern,

The attached pay estimate, submitted by Patin Construction, L.L.C, has been reviewed by this office. Randall Jones & Associates Engineering, Inc. recommends the approval of this pay estimate as presented to the Board of Directors of Lakeside WCID2C.

Pay estimate no. 1                      \$27,524.25

The original contract amount for this project is \$958,050.55. Based on this pay estimate, approximately \$30,582.50 of the work on this project has been completed. This represents approximately 3% of the project. In accordance with the contract documents, 10% retainage for the work completed to date has been withheld from this estimate. If you have any questions or need any additional information, please call.

Very truly yours,

J. Keith Collins, P.E.  
TBPE Reg No. F-9784

T: utpayest1

(512) 836-4793 • FAX (512) 836-4817 • TBPE REG No. F-9784

APPLICATION AND CERTIFICATE FOR PAYMENT DOCUMENT SUMMARY SHEET

**TO OWNER/CLIENT:**  
 Felder-MHI Blackhawk LLC  
 2004 Lakeside at Blackhawk III Phase 4  
 Jakes Hill Road  
 Pflugerville, Texas 78660

**PROJECT:**  
 2004 Lakeside at Blackhawk III Phase 4

**FROM CONTRACTOR:**  
 Palin Construction LLC  
 Palin Construction LLC 3800 W 2nd St  
 Taylor, Texas 76574

**VIA ARCHITECT/ENGINEER:**  
 Jeff Birkhead (Palin Construction LLC)  
 Texas

**CONTRACT FOR:** 2004 Lakeside at Blackhawk III Phase 4 Prime Contract- Utilities

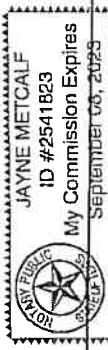
**APPLICATION NO:** 1  
**INVOICE NO:** 1  
**PERIOD:** 01/01/20 - 01/31/20  
**PROJECT NO:** 2004  
**CONTRACT DATE:**

The undersigned certifies that to the best of the Contractor's knowledge, information and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work which previous Certificates for payment were issued and payments received from the Owner/Client, and that current payments shown herein is now due.

**CONTRACTOR:** Palin Construction LLC

By: *[Signature]* Date: 2/5/2020

State of: Texas  
 County of: Williamson  
 Subscribed and sworn to before me this 3rd day of February 2020  
 Notary Public: Jayne Metcalf  
 My commission expires: 9-8-2023



**ARCHITECT'S/ENGINEER'S CERTIFICATE FOR PAYMENT**

In accordance with the Contract Documents, based on the on-site observations and the data comprising this application, the Architect/Engineer certifies to the Owner/Client that to the best of the Architect's/Engineer's knowledge, information and belief that Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: \$27,524.25  
 (Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to confirm the amount certified.)

ARCHITECT/ENGINEER:

By: Jamal Pandy Date: 2.4.2020

This certificate is not negotiable. The amount certified is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to the rights of the Owner/Client or Contractor under this Contract.

**CONTRACTOR'S APPLICATION FOR PAYMENT**  
 Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

1. Original Contract Sum	\$958,050.55		
2. Net change by change orders	\$0.00		
3. Contract Sum to date (Line 1 ± 2)	\$958,050.55		
4. Total completed and stored to date (Column G on detail sheet)	\$30,582.50		
5. Retainage:			
a. 10.00% of completed work	\$3,058.25		
b. 0.00% of stored material	\$0.00		
Total retainage (Line 5a + 5b or total in column I of detail sheet)	\$3,058.25		
6. Total earned less retainage (Line 4 less Line 5 Total)	\$27,524.25		
7. Less previous certificates for payment (Line 6 from prior certificate)	\$0.00		
8. Current payment due:	\$27,524.25		
9. Balance to finish, including retainage (Line 3 less Line 6)	\$930,526.30		

CHANGE ORDER SUMMARY		ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner/Client:	\$0.00	\$0.00	\$0.00
Total approved this month:	\$0.00	\$0.00	\$0.00
Totals:	\$0.00	\$0.00	\$0.00
Net change by change orders:	\$0.00	\$0.00	\$0.00

Felder-MHI Blackhawk LLC

Lakeside Water Control and Improvement District No. 2C Director

By: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Lakeside Water Control and Improvement District No. 2C District Engineer

By: 

Date: 2/13/2020

Document SUMMARY SHEET, APPLICATION AND CERTIFICATE FOR PAYMENT, containing

Contractor's signed Certification is attached.

Use Column I on Contracts where variable retainage for line items apply.

APPLICATION NUMBER: 1

APPLICATION DATE: 1/28/2020

PERIOD: 01/01/20 - 01/31/20

Contract Lines

A ITEM NO.	B COST CODE	C DESCRIPTION OF WORK	D SCHEDULED VALUE			E FROM PREVIOUS APPLICATION (D + E)		F THIS PERIOD		G MATERIALS PRESENTLY STORED (NOT IN D OR E)	H TOTAL COMPLETED AND STORED TO DATE (D + E + F)		I RETAINAGE	
			QTY	UNIT PRICE	VALUE	QTY	VALUE	QTY	VALUE		QTY	VALUE		% (G / C)
1	None	Clearing (ROW)	1656 5.0	\$0.25	\$4,141.25	0.0	\$0.00	1850 .0	\$462.50	\$0.00	\$462.50	11.17%	\$3,678.75	\$46.25
2	None	Clearing (Lois and Offsite)	7051 2.0	\$0.25	\$17,628.00	0.0	\$0.00	2500 0.0	\$6,250.00	\$0.00	\$6,250.00	35.45%	\$11,378.00	\$625.00
3	None	Excavation (ROW)	1656 5.0	\$3.00	\$49,695.00	0.0	\$0.00	4500 .0	\$13,500.00	\$0.00	\$13,500.00	27.17%	\$36,195.00	\$1,350.00
4	None	18" Class III RCP	474 0	\$50.00	\$23,700.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$23,700.00	\$0.00
5	None	24" Class III RCP	42.0	\$50.00	\$2,520.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$2,520.00	\$0.00
6	None	30" Class II RCP	1069 .0	\$78.00	\$83,382.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$83,382.00	\$0.00
7	None	42" Class III RCP	399 0	\$185.00	\$73,815.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$73,815.00	\$0.00
8	None	30" Standard Headwall w/Dissipators	1.0	\$4,000.00	\$4,000.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$4,000.00	\$0.00
9	None	42" Standard Headwall w/Dissipators	1.0	\$5,000.00	\$5,000.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$5,000.00	\$0.00
10	None	Inlets 10"	11.0	\$4,000.00	\$44,000.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$44,000.00	\$0.00
11	None	Standard 4' SS Manhole	2.0	\$4,500.00	\$9,000.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$9,000.00	\$0.00
12	None	Standard 5' SS Manhole	1.0	\$5,000.00	\$5,000.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$5,000.00	\$0.00
13	None	Standard 6' SS Manhole	1.0	\$5,500.00	\$5,500.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$5,500.00	\$0.00
14	None	Standard 4' x 3' Junction Box	1.0	\$6,000.00	\$6,000.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$6,000.00	\$0.00
15	None	Adjust Manhole Casings	5.0	\$500.00	\$2,500.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$2,500.00	\$0.00
16	None	Grading to Insure Proper Drainage	1.0	\$30,000.00	\$30,000.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$30,000.00	\$0.00
17	None	Grading Verification	1.0	\$1,075.00	\$1,075.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$1,075.00	\$0.00
18	None	Trench Safety	1983 .0	\$2.00	\$3,966.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$3,966.00	\$0.00
19	None	Slaking Pipe and Channel	2052 .0	\$1.25	\$2,565.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$2,565.00	\$0.00
20	None	Rough Cuts	1.0	\$3,280.50	\$3,280.50	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$3,280.50	\$0.00
21	None	10 ft. Hike and Bike Trail	1083 .0	\$61.00	\$66,063.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$66,063.00	\$0.00
22	None	Grade to Drain Channel	69.0	\$25.00	\$1,725.00	0.0	\$0.00	0.0	\$0.00	\$0.00	\$0.00	0.00%	\$1,725.00	\$0.00

DOCUMENT DE TAIL SHEET

A	ITEM NO.	COST CODE	B	DESCRIPTION OF WORK	C			D		E		F	G			H	I
					SCHEDULED VALUE			FROM PREVIOUS APPLICATION (D + E)		THIS PERIOD			MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)			
			QTY	UNIT PRICE	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE	% (G / C)		QTY	VALUE	% (G / C)	RETAINAGE
23	None		1.0	\$1,500.00	\$1,500.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$1,500.00	\$0.00
24	None		44.0	\$25.00	\$1,100.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$1,100.00	\$0.00
25	None		1.0	\$5,000.00	\$5,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$5,000.00	\$0.00
26	None		640.0	\$25.00	\$16,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$16,000.00	\$0.00
27	None		1431.0	\$35.00	\$50,085.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$50,085.00	\$0.00
28	None		1573.0	\$44.00	\$69,212.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$69,212.00	\$0.00
29	None		5.0	\$5,500.00	\$27,500.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$27,500.00	\$0.00
30	None		6.0	\$1,500.00	\$9,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$9,000.00	\$0.00
31	None		6.0	\$4,000.00	\$24,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$24,000.00	\$0.00
32	None		17.0	\$250.00	\$4,250.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$4,250.00	\$0.00
33	None		1.0	\$4,000.00	\$4,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$4,000.00	\$0.00
34	None		22.0	\$1,500.00	\$33,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$33,000.00	\$0.00
35	None		5.0	\$1,300.00	\$6,500.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$6,500.00	\$0.00
36	None		2.0	\$5,000.00	\$10,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$10,000.00	\$0.00
37	None		1.0	\$5,500.00	\$5,500.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$5,500.00	\$0.00
38	None		3.0	\$4,000.00	\$12,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$12,000.00	\$0.00
39	None		34.0	\$15.00	\$510.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$510.00	\$0.00
40	None		3004.0	\$2.00	\$6,008.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$6,008.00	\$0.00
41	None		3004.0	\$1.15	\$3,454.60	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$3,454.60	\$0.00
42	None		1.0	\$1,650.00	\$1,650.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$1,650.00	\$0.00
43	None		404.0	\$42.00	\$16,968.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$16,968.00	\$0.00
44	None		1032.0	\$46.00	\$47,472.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$47,472.00	\$0.00
45	None		252.0	\$50.00	\$13,100.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$13,100.00	\$0.00
46	None		15.0	\$1,500.00	\$24,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$24,000.00	\$0.00
47	None		2.0	\$1,500.00	\$3,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$3,000.00	\$0.00
48	None		1.0	\$2,000.00	\$2,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$2,000.00	\$0.00
49	None		1.0	\$1,000.00	\$1,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	0.0	\$0.00	0.00%	\$1,000.00	\$0.00

A ITEM NO.	B COST CODE	C DESCRIPTION OF WORK	D SCHEDULED VALUE			E FROM PREVIOUS APPLICATION (D + E)		F THIS PERIOD		G TOTAL COMPLETED AND STORED TO DATE (D + E + F)			H BALANCE TO FINISH (C - G)	I RETAINAGE
			QTY	UNIT PRICE	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE	% (G / C)		
50	None	Single Service New on New WW Line	4.0	\$1,300.00	\$5,200.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$5,200.00	\$0.00
51	None	Single Service by Modifying Ex Double Service	2.0	\$1,000.00	\$2,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$2,000.00	\$0.00
52	None	Single Service Ex. Adjusted to Finished Location/Grade	3.0	\$1,000.00	\$3,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$3,000.00	\$0.00
53	None	Cul-Plug-Abandon Ex Double Service	3.0	\$1,000.00	\$3,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$3,000.00	\$0.00
54	None	Adjust Manhole Castings- Existing	6.0	\$250.00	\$1,500.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$1,500.00	\$0.00
55	None	Wastewater Manhole 4' Diameter	7.0	\$5,000.00	\$35,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$35,000.00	\$0.00
56	None	Extra Depth Manholes 4' Diameter	6.0	\$500.00	\$3,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$3,000.00	\$0.00
57	None	Wastewater Drop Manhole 5' Diameter constructed on Ex. WW Manhole	1.0	\$6,000.00	\$6,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$6,000.00	\$0.00
58	None	Extra depth 5' Manholes	7.0	\$500.00	\$3,500.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$3,500.00	\$0.00
59	None	Connect to and Construct Drop Structure on Ex. WW Manhole	1.0	\$10,000.00	\$10,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$10,000.00	\$0.00
60	None	Adjust Manhole Castings- New	8.0	\$250.00	\$2,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$2,000.00	\$0.00
61	None	Trench Safety	1698	\$2.00	\$3,396.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$3,396.00	\$0.00
62	None	Staking	1698	\$1.15	\$1,952.70	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$1,952.70	\$0.00
63	None	Staking Services	1.0	\$1,275.00	\$1,275.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$1,275.00	\$0.00
64	None	Reveg ROW	6239	\$0.50	\$3,119.50	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$3,119.50	\$0.00
65	None	Reveg OFFSITE	8195	\$0.50	\$4,097.50	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$4,097.50	\$0.00
66	None	SCE	1.0	\$1,500.00	\$1,500.00	0.0	\$0.00	0.0	\$0.00	0.5	\$750.00	50.00%	\$760.00	\$75.00
67	None	Silt Fence- Site Construction	3848	\$2.50	\$9,620.00	0.0	\$0.00	0.0	\$0.00	3848	\$9,620.00	100.00%	\$0.00	\$962.00
68	None	Silt Fence- Post Construction	4537	\$2.50	\$11,342.50	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$11,342.50	\$0.00
69	None	Rock Berm (2 @ 20 LF Each)	40.0	\$50.00	\$2,000.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$2,000.00	\$0.00
70	None	Inlet Protection	11.0	\$100.00	\$1,100.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$1,100.00	\$0.00
71	None	Concrete Washout	1.0	\$750.00	\$750.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$750.00	\$0.00
72	None	Staking- Erosion Controls	1.0	\$750.00	\$750.00	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00	0.00%	\$750.00	\$0.00

A ITEM NO.	B COST CODE	B DESCRIPTION OF WORK	C SCHEDULED VALUE			D FROM PREVIOUS APPLICATION (D + E)		E THIS PERIOD		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D + E + F)			H BALANCE TO FINISH (C - G)	I RETAINAGE
			QTY	UNIT PRICE	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE	% (G / C)	QTY	VALUE	% (G / C)
73	None	ESC Matting Class 2, Type E	291.0	\$2.00	\$582.00	0.0	\$0.00	0.0	\$0.00	\$0.00	0.0	\$0.00	0.00%	\$582.00	\$0.00
TOTALS:					\$958,050.55		\$0.00		\$30,582.50	\$0.00		\$30,582.50	3.19%	\$927,468.05	\$3,058.25
Grand Totals															

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D FROM PREVIOUS APPLICATION (D + E)	E THIS PERIOD	F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D + E + F)	H BALANCE TO FINISH (C - G)	I RETAINAGE
GRAND TOTALS:		\$958,050.55	\$0.00	\$30,582.50	\$0.00	\$30,582.50	\$927,468.05	\$3,058.25

6

# WEST, DAVIS & COMPANY

A LIMITED LIABILITY PARTNERSHIP

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December 31, 2019

To the Board of Directors of the  
Lakeside Water Control and Improvement District No. 2C

We have audited the September 30, 2019 financial statements of the Lakeside Water Control and Improvement District No. 2C (the "District") and have issued our report thereon dated December 31, 2019. Professional standards require that we provide you with the following information related to our audit. We will be pleased to discuss the contents of this letter or any related questions of the District Board members at your convenience.

This information is intended solely for the use of the District Board and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

## **RESPONSIBILITY OF INDEPENDENT ACCOUNTANTS**

Our responsibility under auditing standards generally accepted in the United States of America is to express an opinion on the financial statements of the District based on our audit. In carrying out this responsibility, we assessed the risk that the financial statements may contain a material misstatement, either intentional or unintentional, and designed and conducted an audit to provide reasonable, but not absolute, assurance of detecting misstatements that are material to the financial statements. We have completed the audit of the District's financial statements in accordance with government auditing standards issued by the Comptroller General of the United States of America.

## **REPORT ISSUED ON 2019 AUDIT**

We have issued our report, dated December 31, 2019, on the September 30, 2019, financial statements of the District. Our report is unqualified as to scope and accounting.

## **INTERNAL ACCOUNTING CONTROL**

We considered the internal control structure in order to gain a basic understanding of the internal control policies and procedures in order to design an effective and efficient audit approach, not for the purpose of providing assurance on the internal control structure.

## **ACCOUNTING PRINCIPLES**

Management employed appropriate accounting principles as described in Note A to the financial statements and made all required disclosures in the financial statements.

We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

#### **MANAGEMENT COOPERATION**

We were given full access to accounting records, supporting documents and other information that we requested.

#### **MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES**

Significant judgments or estimates included in the financial statements are estimates of asset useful lives, depreciation expense, certain liabilities including accrued expenses, and uncollectible receivables.

#### **SIGNIFICANT AUDIT ADJUSTMENTS**

We made no significant audit adjustments. No significant unadjusted differences existed at the end of the year.

#### **MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO RETENTION**

There were no major issues discussed with management prior to our retention regarding the application of accounting principles and auditing standards.

#### **DISAGREEMENTS WITH MANAGEMENT**

We had no disagreements with management of the District regarding the application of accounting principles, the scope of our audit, disclosures to be included in the financial statements or the wording of our report on the financial statements.

#### **CONSULTATION WITH OTHER ACCOUNTANTS**

Management informed us that there were no consultations with other independent accountants regarding the application of accounting or auditing matters during the year.

#### **DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

None.

Very truly yours,

*West, Harris & Company*

**LAKESIDE WATER CONTROL & IMPROVEMENT  
DISTRICT NO. 2C**

**FINANCIAL STATEMENTS,  
SUPPLEMENTAL INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2019**

**WEST, DAVIS & COMPANY, LLP**  
*Certified Public Accountants*  
Austin, Texas

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**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C**

Annual Financial Report  
For the Year Ended September 30, 2019

**ANNUAL FILING AFFIDAVIT**

THE STATE OF TEXAS     }

COUNTY OF TRAVIS     }

I, \_\_\_\_\_, \_\_\_\_\_ of the Lakeside Water Control and Improvement District No. 2C hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of Directors of the District on the 11th day of February, 2020, its annual audit report for the fiscal year ended September 30, 2019, and that copies of the annual report have been filed in the district office, located at 816 Congress, Suite 1900, Austin, Texas.

The annual filing affidavit and the attached copy of the annual audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code.

Date: February 11, 2020

By: \_\_\_\_\_

Sworn to and subscribed to before me this 11th day of February 2020.

Notary: \_\_\_\_\_

(Seal)

My Commission expires on: \_\_\_\_\_, \_\_\_\_\_, Notary Public in and for the State of Texas.

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C**

Annual Financial Report  
For the Year Ended September 30, 2019

**TABLE OF CONTENTS**

	<u>Page</u>
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report on Financial Statements .....	1
Management's Discussion & Analysis (Required Supplementary Information) .....	4
<u>Basic Financial Statements</u>	
Government-wide Financial Statements:	
Statement of Net Position and Reconciliation to Governmental Funds Balance Sheet .....	12
Statement of Activities and Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds .....	13
Notes to the Financial Statements .....	14
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedule – General Fund .....	31
<b>TEXAS COMMISSION ON ENVIRONMENTAL QUALITY SUPPLEMENTARY INFORMATION</b>	
Index of Supplemental Schedules Required by the Texas Commission on Environmental Quality .....	32
Supplemental Schedules .....	33
<b>OTHER INFORMATION</b>	
Principal Taxpayers.....	52
Assessed Value by Classification.....	52

**FINANCIAL SECTION**

# WEST, DAVIS & COMPANY

A LIMITED LIABILITY PARTNERSHIP

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## **Independent Auditor's Report**

Board of Directors  
Lakeside Water Control & Improvement District No. 2C  
Travis County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Lakeside Water Control & Improvement District No. 2C (the District) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

## **Opinion**

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District at September 30, 2019, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Texas Commission on Environmental Quality Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplemental schedules required by the Texas Commission on Environmental Quality are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules required by the Texas Commission on Environmental Quality are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules required by the Texas Commission on Environmental Quality are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Other Information*

The other information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*West, Harris & Company*

Austin, Texas  
December 31, 2019

## LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT No. 2C

### Management Discussion and Analysis For the Year Ended September 30, 2019

In accordance with Governmental Accounting Standards Board Statement 34 ("GASB 34"), the management of Lakeside Water Control & Improvement District No. 2C (the "District") offers the following discussion and analysis to provide an overview of the District's financial activities for the year ended September 30, 2019. Since this information is designed to focus on current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the District's financial statements that follow.

#### FINANCIAL HIGHLIGHTS

- **General Fund:** The unassigned fund balance at the end of the year was approximately \$2.0 million which was an increase of \$733 thousand from the end of the previous year end. Revenue increased from \$1.5 million in the previous fiscal year to \$2.0 million in the current fiscal year primarily due to growth in the District. The fund balance includes \$100 thousand assigned by the Board for maintenance.
- **Debt Service Fund:** The fund balance restricted for debt service decreased from \$659 thousand at the end of the previous fiscal year to \$513 thousand at the end of the current fiscal year. Revenue was unchanged at \$1.2 million. The District made bond principal payments of \$770 thousand and bond interest payments of \$590 thousand during the fiscal year.
- **Capital Projects Fund:** The fund balance decreased by \$743 thousand due to \$5.5 million in expenditures on capital projects. This fund received \$4.8 million in net bond proceeds during the year.
- **Governmental Activities:** On a Government-wide basis for governmental activities, the District had revenue in excess of expenses of approximately \$306 thousand. Net position increased from \$829 thousand to \$1.1 million.

#### OVERVIEW OF THE DISTRICT

Lakeside Water Control and Improvement District No. 2C (the District), a political subdivision of the State of Texas, was created by an election to approve the division of Lakeside Water Control and Improvement District #2 held on January 15, 2000. The District was created and organized for the purpose of constructing water, sewer, and drainage facilities and providing water and sewer services to customers within its boundaries and in the surrounding area. The District's first Board of Directors meeting was held on June 28, 2000. The District is also authorized to provide recreational facilities.

## LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT No. 2C

### Management Discussion and Analysis For the Year Ended September 30, 2019

#### USING THIS ANNUAL REPORT

The District's reporting is comprised of five parts:

- Management's Discussion and Analysis (this section)
- Basic Financial Statements
  - Statement of Net Position and Reconciliation to Governmental Funds Balance Sheet
  - Statement of Activities and Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
- Notes to the Financial Statements
- Required Supplementary Information
- Texas Supplementary Information (required by the Texas Commission on Environmental Quality)

The Government-wide statements are reported using the flow of economic resources measurement focus and the full accrual basis of accounting. The Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

For purposes of GASB 34, the District is considered a special purpose government. This allows the District to present the newly required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the "Governmental Funds Total" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

#### OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

**The Statement of Net Position and Governmental Funds Balance Sheet** includes a column (titled "Governmental Funds Total") that represents a balance sheet prepared using the modified accrual basis of accounting. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District's net assets will indicate financial health.

**The Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances** includes a column (titled "Governmental Funds Total") that derives the change in fund balances resulting from current year revenues, expenditures, and other financing sources or uses. These amounts are prepared using the modified accrual basis of accounting. The adjustments column converts those activities to full accrual, a basis that more closely represents the income statement of a private-sector business.

LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT No. 2C

Management Discussion and Analysis  
For the Year Ended September 30, 2019

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the information presented in the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances*.

The Required Supplementary Information presents a comparison statement between the District's adopted budget and its actual results.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Summary Statement of Net Position

	Governmental Activities (in thousands)		Increase (Decrease)
	September 2019	September 2018	
Current and Other Assets	\$ 2,717	\$ 2,882	\$ (165)
Capital and Non-Current Assets	17,960	12,942	5,018
<b>Total Assets</b>	<b>20,677</b>	<b>15,824</b>	<b>4,853</b>
Current Liabilities	1,007	745	262
Long-Term Liabilities	18,535	14,250	4,285
<b>Total Liabilities</b>	<b>19,542</b>	<b>14,995</b>	<b>4,547</b>
Net Investment in Capital Assets	(1,483)	(1,202)	(281)
Restricted for Debt Service	519	666	(147)
Unrestricted	2,099	1,365	734
<b>Total Net Position</b>	<b>\$ 1,135</b>	<b>\$ 829</b>	<b>\$ 306</b>

The District's total assets were approximately \$20.7 million as of September 30, 2019. Of this amount, approximately \$2.6 million is accounted for by cash and short-term investments. The District had outstanding liabilities of approximately \$19.50 million. The District's unrestricted net assets, which can be used to finance day to day operations, totaled \$2.1 million.

LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT No. 2C

Management Discussion and Analysis  
For the Year Ended September 30, 2019

Summary Statement of Activities

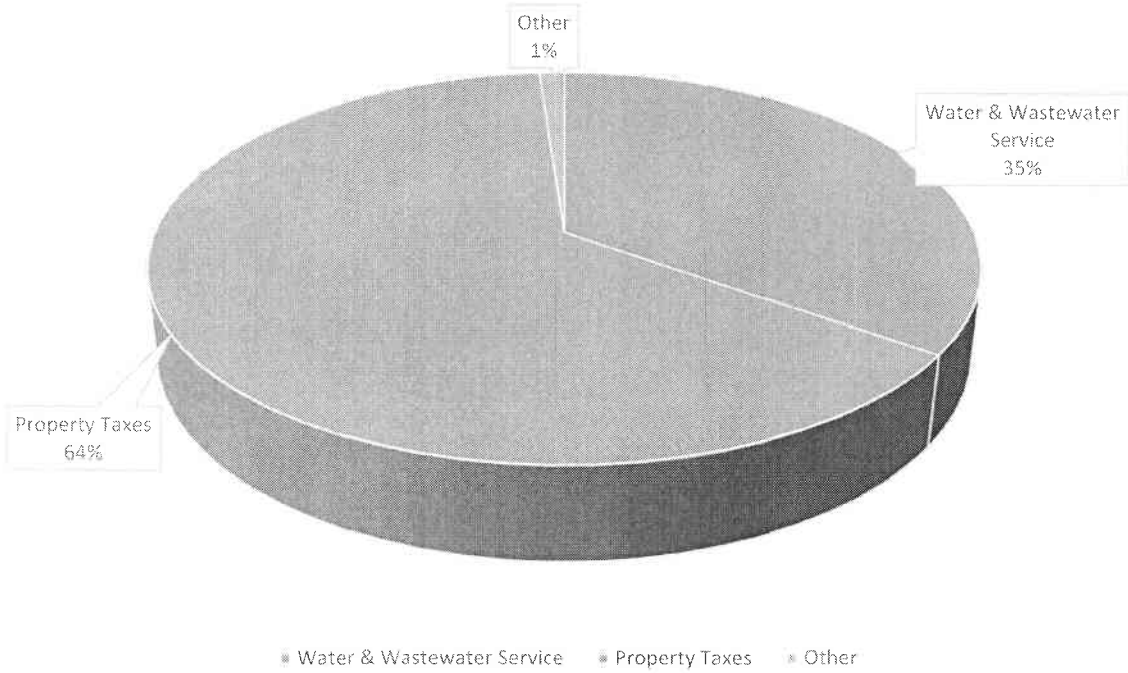
	Governmental Activities (in thousands)		Increase (Decrease)
	2019	2018	
Water & Wastewater Service	\$ 1,099	\$ 972	\$ 127
Property Taxes	2,020	1,703	317
Other	37	13	24
<b>Total Revenues</b>	<b>3,156</b>	<b>2,688</b>	<b>468</b>
Water & Wastewater	852	814	38
Maintenance	215	232	(17)
Administrative	39	37	2
Consultants	123	115	8
Debt Service	611	511	100
Depreciation	565	286	279
<b>Total Expenses</b>	<b>2,405</b>	<b>1,995</b>	<b>410</b>
Bond Costs	(445)	-	(445)
<b>Change in Net Position</b>	<b>306</b>	<b>693</b>	<b>(387)</b>
<b>Beginning Net Position</b>	<b>829</b>	<b>136</b>	<b>693</b>
<b>Ending Net Position</b>	<b>\$ 1,135</b>	<b>\$ 829</b>	<b>\$ 306</b>

Revenues were approximately \$3.2 million for the year ended September 30, 2019. Expenses were approximately \$2.85 million, including bond costs, for the year ended September 30, 2019. Net position increased about \$306 thousand primarily due to increased property tax revenue. The following charts summarize the sources of revenue and areas of expenses.

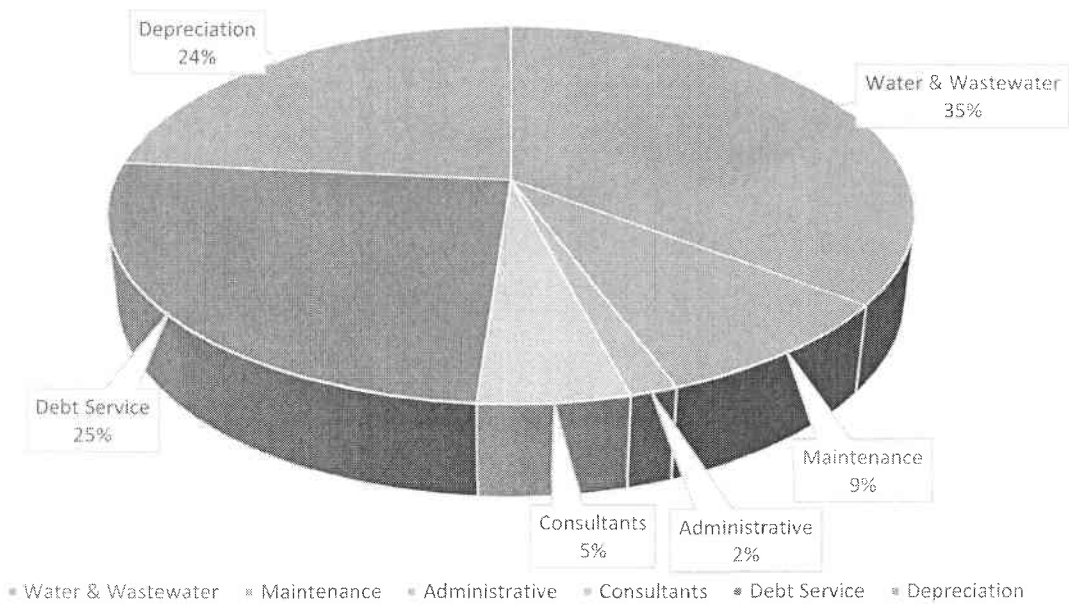
LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT No. 2C

Management Discussion and Analysis  
For the Year Ended September 30, 2019

Revenues-Fiscal Year 2019



Expenses - Fiscal Year 2019



**LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT No. 2C**

**Management Discussion and Analysis  
For the Year Ended September 30, 2019**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUND LEVEL STATEMENTS**

In comparison to the Government-wide statements, the Fund-level statements focus on the key funds of the District. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The District reports the following types of Governmental funds: General Fund, Debt Service Fund and Capital Projects Fund. The focus of the District's Governmental funds is to provide information on near-term inflows, outflows, and available resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available at the end of the fiscal year.

**Summary Balance Sheet**

	Governmental Funds		
	(in thousands)		
	September 2019	September 2018	Increase (Decrease)
Cash and Investments	\$ 2,649	\$ 2,789	\$ (140)
Accounts Receivable	68	99	(31)
Prepaid Expenses	44	58	(14)
<b>Total Assets</b>	<b>2,761</b>	<b>2,946</b>	<b>(185)</b>
Accounts Payable	89	117	(28)
Unrealized Revenue	10	11	(1)
<b>Total Liabilities</b>	<b>99</b>	<b>128</b>	<b>(29)</b>
Nonspendable	-	-	-
Restricted for Debt Service	513	659	(146)
Restricted for Capital Projects	54	797	(743)
Assigned for Maintenance	100	100	-
Unassigned	1,995	1,262	733
<b>Total Fund Balances</b>	<b>2,662</b>	<b>2,818</b>	<b>(156)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,761</b>	<b>\$ 2,946</b>	<b>\$ (185)</b>

**The General Operating Fund**, which pays for daily operating expenses, has an unassigned balance of \$2.0 million at the end of the current fiscal year. This is an increase of \$733 thousand over the prior fiscal year.

## LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT No. 2C

### Management Discussion and Analysis For the Year Ended September 30, 2019

The **Debt Service Fund** decreased by \$146 thousand during the current fiscal year. This fund remitted bond principal of \$770 thousand and bond interest of \$590 thousand during the year. It also defeased \$2.5 million in unlimited tax bonds originally issued in 2008 and 2010.

The **Capital Projects Fund** decreased by \$743 thousand during the year. This fund received \$4.8 million in net bond proceeds and spent \$5.5 million to acquire additional capital assets.

#### BUDGETARY HIGHLIGHTS

The Board of Directors adopted the fiscal year 2019 annual budget for the General Fund on September 11, 2018. The budget included revenues of \$1.7 million and expenditures of \$1.4 million. Actual revenue amounted to \$2.0 million and expenditures of \$1.3 million. More detailed information about the District's budgetary comparison is presented in the Required Supplementary Information section.

#### CAPITAL ASSETS

The District has invested \$20 million in infrastructure. A summary of these assets is listed below:

##### Summary of Capital Assets

	Governmental Activities (in thousands)		Increase (Decrease)
	September 2019	September 2018	
Water, Wastewater and Drainage	\$ 19,750	\$ 14,190	\$ 5,560
Recreational Facilities	60	55	5
Amenity Center-In Progress	18	-	18
Accumulated Depreciation	(2,137)	(1,572)	(565)
Land	269	269	-
<b>Total Capital Assets (Net)</b>	<b>\$ 17,960</b>	<b>\$ 12,942</b>	<b>\$ 5,018</b>

## **LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT No. 2C**

### **Management Discussion and Analysis For the Year Ended September 30, 2019**

#### **LONG TERM DEBT**

The District issued \$5.35 million in new unlimited tax bonds as well as \$2.515 million in unlimited tax refunding bonds during the year. Bonded indebtedness of the District at year end was \$19.5 million. More detailed information about the District's long-term debt is presented in the Notes to the Basic Financial Statements.

#### **ECONOMIC FACTORS**

The taxable assessed value of property within the District as of January 1, 2019 has been fixed by the Travis Central Appraisal District at \$244 million. The tax rates adopted by the District on September 25, 2019, for the coming fiscal year are \$0.35 for maintenance and operations and \$0.62 for debt service. The District expects this to produce \$2.3 million in total property tax revenue for next year. The adopted budget for fiscal year 2020 projects a small increase in the operating fund balance.

#### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of Lloyd Gosselink Rochelle & Townsend, PC, 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

**BASIC FINANCIAL STATEMENTS**

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

STATEMENT OF NET POSITION  
AND GOVERNMENTAL FUNDS BALANCE SHEET  
SEPTEMBER 30, 2019

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	TOTAL	ADJUST-MENTS	STATEMENT OF NET POSITION
<b>ASSETS</b>						
Cash	\$ 1,579,144	\$ 9,019	\$ 53,721	\$ 1,641,884	\$ -	\$ 1,641,884
Temporary Investments	503,419	503,419	-	1,006,838	-	1,006,838
Taxes Receivable	3,988	5,978	-	9,966	-	9,966
Water Revenue Receivable	14,749	-	-	14,749	-	14,749
Prepaid Expenses	200	-	43,486	43,686	-	43,686
Due From Other Funds	43,486	-	-	43,486	(43,486)	-
Due From Affiliated Districts	-	-	-	-	-	-
Water/WW/Drainage System (Net)	-	-	-	-	17,960,113	17,960,113
<b>Total Assets</b>	<b>\$ 2,144,986</b>	<b>\$ 518,416</b>	<b>\$ 97,207</b>	<b>\$ 2,760,609</b>	<b>\$ 17,916,627</b>	<b>\$ 20,677,236</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 45,600	\$ -	\$ -	\$ 45,600	\$ 51,373	\$ 96,973
Due To Other Funds	-	-	43,486	43,486	(43,486)	-
Bonds Payable in less than one year	-	-	-	-	910,000	910,000
Bonds Payable in more than one year	-	-	-	-	18,535,502	18,535,502
<b>Total Liabilities</b>	<b>45,600</b>	<b>-</b>	<b>43,486</b>	<b>89,086</b>	<b>19,453,389</b>	<b>19,542,475</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes	3,988	5,978	-	9,966	(9,966)	-
<b>Total Deferred Inflows</b>	<b>3,988</b>	<b>5,978</b>	<b>-</b>	<b>9,966</b>	<b>(9,966)</b>	<b>-</b>
<b>FUND EQUITY</b>						
Restricted for Debt Service	-	512,438	-	512,438	(512,438)	-
Restricted for Capital Projects	-	-	53,721	53,721	(53,721)	-
Assigned for Maintenance	100,000	-	-	100,000	(100,000)	-
Unassigned	1,995,398	-	-	1,995,398	(1,995,398)	-
<b>Total Fund Equity</b>	<b>2,095,398</b>	<b>512,438</b>	<b>53,721</b>	<b>2,661,557</b>	<b>(2,661,557)</b>	<b>-</b>
<b>Total Liabilities, Fund Equity &amp; Deferred Inflows of Resources</b>	<b>\$ 2,144,986</b>	<b>\$ 518,416</b>	<b>\$ 97,207</b>	<b>\$ 2,760,609</b>		
<b>NET POSITION</b>						
Net Investment in Capital Assets					(1,483,041)	(1,483,041)
Restricted for Debt Service					518,416	518,416
Unrestricted					2,099,386	2,099,386
<b>Total Net Position</b>					<b>\$ 1,124,795</b>	<b>\$ 1,134,761</b>

The notes to financial statements are an integral part of this statement.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

						STATEMENT
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	TOTAL	ADJUST-MENTS	OF ACTIVITIES
<u>REVENUES</u>						
Water Service	\$ 617,190	\$ -	\$ -	\$ 617,190	\$ -	\$ 617,190
Wastewater Service	386,840	-	-	386,840	-	386,840
Tap Connection Fees	94,400	-	-	94,400	-	94,400
Property Taxes	874,691	1,146,165	-	2,020,856	(725)	2,020,131
Interest & Miscellaneous	21,901	9,816	5,089	36,806	-	36,806
<b>TOTAL REVENUES</b>	<b>1,995,022</b>	<b>1,155,981</b>	<b>5,089</b>	<b>3,156,092</b>	<b>(725)</b>	<b>3,155,367</b>
<u>EXPENDITURES</u>						
Current:						
Water Purchased	316,019	-	-	316,019	-	316,019
City Water Fees	149,844	-	-	149,844	-	149,844
Wastewater Service Purchased	386,840	-	-	386,840	-	386,840
Maintenance	214,662	-	-	214,662	-	214,662
Accounting Fees	20,872	-	-	20,872	-	20,872
Audit Fees	10,500	-	-	10,500	-	10,500
Engineering Fees	12,230	-	-	12,230	-	12,230
Legal Fees	79,902	-	-	79,902	-	79,902
Tax Assessor/Collector	10,313	-	-	10,313	-	10,313
Director Salaries and Payroll Taxes	11,626	-	-	11,626	-	11,626
Insurance	4,794	-	-	4,794	-	4,794
License and Fees	6,688	-	-	6,688	-	6,688
Printing and Office Supplies	4,600	15	-	4,615	-	4,615
Legal Notices	846	-	-	846	-	846
Depreciation	-	-	-	-	564,818	564,818
Debt Service:						
Fiscal Agent's Fees	9,000	2,000	-	11,000	-	11,000
Interest	-	589,363	-	589,363	10,220	599,583
Principal	-	770,000	-	770,000	(770,000)	-
Capital Expenditures	22,944	-	5,560,048	5,582,992	(5,582,992)	-
<b>TOTAL EXPENDITURES</b>	<b>1,261,680</b>	<b>1,361,378</b>	<b>5,560,048</b>	<b>8,183,106</b>	<b>(5,777,954)</b>	<b>2,405,152</b>
<u>OTHER FINANCING SOURCES</u>						
Bond Proceeds	-	189,175	5,160,825	5,350,000	(5,350,000)	-
Bond Discount	-	-	(77,388)	(77,388)	77,388	-
Bond Proceeds-Refunding	-	2,515,000	-	2,515,000	(2,515,000)	-
Bond Premium-Refunding	-	22,890	-	22,890	(22,890)	-
Bond Costs	-	-	(271,724)	(271,724)	-	(271,724)
Bond Costs-Refunding	-	(162,300)	-	(162,300)	-	(162,300)
Transfer to Refunding Agent	-	(2,505,590)	-	(2,505,590)	2,495,000	(10,590)
<b>TOTAL OTHER SOURCES</b>	<b>-</b>	<b>59,175</b>	<b>4,811,713</b>	<b>4,870,888</b>	<b>(5,315,502)</b>	<b>(444,614)</b>
Excess (Deficit) of Revenues						
Over Expenditures	733,342	(146,222)	(743,246)	(156,126)	156,126	-
Change in Net Position					305,601	305,601
Fund Balance/Net Position-Beginning	1,362,056	658,660	796,967	2,817,683	(1,988,523)	829,160
<b>Fund Balance/Net Position-Ending</b>	<b>\$ 2,095,398</b>	<b>\$ 512,438</b>	<b>\$ 53,721</b>	<b>\$ 2,661,557</b>	<b>\$ (1,526,796)</b>	<b>\$ 1,134,761</b>

The notes to financial statements are an integral part of this statement.

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**1. Summary of Significant Accounting Policies**

The combined financial statements of Lakeside Water Control and Improvement District No. 2C (the District) have been prepared in conformity with accounting principles applicable to governmental units that are generally accepted in the United States of America. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Lakeside Water Control and Improvement District No. 2C (the District), a political subdivision of the State of Texas, was created by an election to approve the division of Lakeside Water Control and Improvement District No. 2 held on January 15, 2000. The District was created and organized for the purpose of constructing water, sewer, and drainage facilities and providing water and sewer services to customers within its boundaries and in the surrounding area. The District’s first Board of Directors meeting was held on June 28, 2000. The District is also authorized to provide recreational facilities.

The reporting entity of the District encompasses those activities and functions over which the District’s elected officials exercise significant oversight or control. The District is governed by a five member Board of Directors (the Board) that has been elected by District residents. The funds and account groups presented in this report are within the oversight responsibility of the Board, in accordance with Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting. There are no component units of the District, nor is the District a component unit of any other entity.

**A. Basis of Presentation, Basis of Accounting**

In accordance with GASB Statement No. 34, the District has elected to combine their Government-wide and Governmental Fund Financial Statements into one set of financial statements with a reconciliation of the individual line items in a separate column on the financial statements.

**Government-wide Financial Statements:**

The **Statement of Net Position** and the **Statement of Activities** include the financial activities of the overall government. Governmental activities are generally financed through property taxes.

The **Statement of Activities** presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**1. Summary of Significant Accounting Policies (continued)**

**Fund Financial Statements:**

The governmental fund financial statement columns are labeled **Government Funds Balance Sheet** and **Governmental Funds Revenue, Expenditures and Changes in Fund Balance**. In the fund financial statements, the accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The District reports the following major governmental funds:

**General Fund:** This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

**Debt Service Fund:** The Debt Service Fund is used to account for the accumulation of financial resources for, and the payment of, general long term debt principal and interest.

**Capital Projects Fund:** The Capital Projects Fund is used to account for the acquisition or construction of major capital facilities. Principal sources of revenue are municipal long-term debt proceeds and interest income.

**B. Measurement Focus, Basis of Accounting**

The Government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

**Governmental Fund Financial Statements:** Governmental funds are reported using the current financial resources management focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year end to be available in the current period. Revenues from local sources consist primarily of property taxes. Miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long term debt, which is recognized as an expenditure to the extent that it has matured. General capital asset acquisitions are reported as expenditures in major governmental funds. Proceeds of general long term debt are reported as other financing sources.

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**1. Summary of Significant Accounting Policies (continued)**

**C. Fund Balances**

The District has adopted GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

Nonspendable – Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned – For the General Fund, amounts that are appropriated by the Board or Board designee, if any, that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned – Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has not delegated the authority to assign fund balance.

**D. Budget**

The Board adopted an annual budget for the General Fund on the basis consistent with generally accepted accounting principles. The District does not prepare budgets for other funds. The District's Board of Directors utilizes the budget as a management tool for planning and cost control purposes. All annual appropriations lapse at fiscal year end.

**E. Pensions**

The District has not established a pension plan.

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**1. Summary of Significant Accounting Policies (continued)**

**F. Cash and Cash Equivalents**

These include cash on deposit as well as investments with maturities of three months or less at the time of purchase.

**G. Prepaid Items**

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid assets in both the government-wide and fund financial statements. Prepaid assets are charged to expenditures when consumed.

**H. Capital Assets**

Capital assets, which include Administrative Facilities and Equipment, Common and Recreation Areas, Water Production and Distribution System, Wastewater Collection System, Water Quality Ponds and Organizational Costs are reported in the Government-wide column in the Statement of Net Position. Public domain ("infrastructure") capital assets including water, wastewater and drainage systems, are capitalized as acquired. Items purchased or acquired are reported at historical cost. Contributed fixed assets are recorded as capital assets at estimated fair market value at the time received.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Water/Wastewater/Drainage System	50 years
Recreational Facilities	20 years

**I. Interfund Transactions**

Transfers from one fund to another fund are reported as interfund receivable and payables if there is intent to repay that amount and if the debtor fund has the ability to repay the advance on a timely basis. Operating transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

**J. Long-Term Debt**

Unlimited tax bonds, which have been issued to acquire capital assets, are to be repaid from tax revenues of the District. In the Government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

1. Summary of Significant Accounting Policies (continued)

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

K. Deferred Outflows and Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period. GASB Statement No. 63 became effective for fiscal years beginning after December 15, 2011 and has been implemented in the financial statements.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 is effective for fiscal years beginning after December 15, 2012 and has been implemented in these financial statements.

L. Recently Issued Accounting Pronouncements

In March 2018, the GASB issued GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of GASB Statement No. 88 is to improve the consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This statement is effective for reporting periods beginning after June 15, 2018. GASB Statement No. 88 has been implemented in these financial statements.

2. Cash and Investments

The investment policies of the District are governed by State statute and an adopted District Investment Policy that includes depository contract provisions and custodial contract provisions. Major provisions of the District's Investment Policy include: depositories must be FDIC-insured Texas banking institutions; depositories must fully insure or collateralize all demand and time deposits; securities collateralizing time deposits are held by independent third party trustees.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

2. Cash and Investments (continued)

**Cash** – At year end, deposits were held by the District’s depository bank in accounts that were secured at the balance sheet date by Federal Deposit Insurance Corporation (FDIC) coverage or by pledged collateral held by the District’s agent bank in the District’s name.

**Investments** - The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity’s funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act (“Act”) requires an annual audit of investment practices. Audit procedures in this area conducted as part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirement of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restriction, (1) obligations of the US Treasury, certain US Agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) banker’s acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) commercial paper.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Not all assets meeting the definition of an investment are required to be reported at fair value. Including among excepted investments are certain investments held by 2a7-like external investments pools. As detailed below the District has invested funds in specific 2a7-like external investment pools that are valued at amortized cost and not subject to the fair value hierarchy levels.

The District’s investments at year end are shown below.

<u>Investment</u>	<u>Fair Value</u> <u>Level</u>	<u>Rating</u>	<u>Maturity</u>	<u>Fair Value</u>
TexPool	N/A	AAAm	1 day average	\$1,006,838

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

2. Cash and Investments (continued)

**Analysis of Specific Cash and Investment Risks** – GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and, if so, the reporting of certain related disclosures.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

**Custodial Credit Risk** – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to custodial credit risk.

**Concentration of Credit Risk** – This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

**Interest Rate Risk** – This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

**Foreign Currency Risk** – This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

**Investment Accounting Policy** – The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**2. Cash and Investments (continued)**

**Public Funds Investment Pools** – Public funds investment pools in Texas (“Pools”) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the “Act”), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the Pool and other person who do not have a business relationship with the Pool and are qualified to advise the Pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least on nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio with one half of one percent of the value of its shares.

The District’s investments in Pools are reported at an amount determined by the fair value per share of the Pool’s underling portfolio, unless the Pool is 2a7-like, in which case they are reported at share value. A 2a7-like Pool is one which is not registered with the Securities and Exchange Commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940.

**TexPool** – The District invests in the Texas Local Government Investment Pool (TexPool), which is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under a contract with the State Comptroller. In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advise in respect to TexPool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAM by Standard & Poor’s and operates in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost, which usually approximates the market value of the securities. The stated objective of TexPool is to maintain a stable average \$1.00 per unit net asset value; however, the \$1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at [www.ttstc.org](http://www.ttstc.org).

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**3. Property Taxes**

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll on January 1, 2018, upon which the levy for the 2018-19 fiscal year was based, was \$208,035,478. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus delinquent collection fees for attorney costs.

The tax rates assessed for the year ended September 30, 2019, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.42 and \$0.55 per \$100 valuation, respectively, for a total of \$0.97 per \$100 valuation. Current tax collections for the year ended September 30, 2019 were 99.68% of the year end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. The District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of September 30, 2019, property taxes receivable, totaled \$3,988 and \$5,978 for the General and Debt Service Funds, respectively.

**4. Capital Assets**

During the year, the District acquired \$5,560,048 in additional Water, Wastewater and Drainage Facilities serving the District's residents. The District also spent \$5,260 on Recreational Facilities and \$14,684 in planning for a new Amenity Center. All of the District's utility facilities are being depreciated over their estimated useful life of 50 years. Recreational facilities are depreciated over 20 years. Depreciation in the amount of \$564,818 has been charged to system operations for the year and accumulated depreciation amounts to \$2,136,805 leaving a net book value of \$17,960,113.

	<b>Balance</b>			<b>Balance</b>
	<b>10/1/2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>9/30/2019</b>
<b>Capital Assets:</b>				
Water WW & Drainage	\$ 14,189,328	5,560,048	-	\$ 19,749,376
Recreational Facilities	55,323	5,260	-	60,583
Amenity Center-In Progress	-	17,684	-	17,684
Land	269,275	-	-	269,275
Total	<u>14,513,926</u>	<u>5,582,992</u>	<u>-</u>	<u>20,096,918</u>
<b>Accumulated Depreciation:</b>				
Water WW & Drainage	(1,569,221)	(561,789)	-	(2,131,010)
Recreational Facilities	(2,766)	(3,029)	-	(5,795)
Amenity Center-In Progress	-	-	-	-
Total	<u>(1,571,987)</u>	<u>(564,818)</u>	<u>-</u>	<u>(2,136,805)</u>
<b>Total Capital Assets (Net)</b>	<b><u>\$ 12,941,939</u></b>	<b><u>5,018,174</u></b>	<b><u>-</u></b>	<b><u>\$ 17,960,113</u></b>

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**5. Bonds**

At elections held within the District on November 14, 2003, and September 11, 2004, voters authorized a total of \$29,000,000 combination unlimited tax and revenue bonds for the purpose of purchasing, constructing, acquiring, owning, improving, extending, maintaining, repairing, or operating a waterworks system, a sanitary sewer system, a drainage and storm water system and recreational facilities for the District. The District's bonds are collateralized by the levy of an annual ad valorem tax against all taxable property within the District. The District has no direct borrowings or direct placement debt.

On December 12, 2006, the District issued \$2,535,000 of these bonds dated January 1, 2007. The bonds mature serially on September 1, in each year 2009 through 2032, in principal amounts set forth on the following page. Bonds maturing on or after September 1, 2016, are subject to redemption, in whole or in part, on September 1, 2015, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. Bonds maturing in the years 2020, 2023, 2026, 2029, and 2032 are also subject to mandatory sinking fund redemption.

On May 13, 2008, the District issued another \$2,040,000 of these bonds dated June 1, 2008. The bonds mature serially on September 1, in each year 2009 through 2033, in principal amounts set forth on the following page. Bonds maturing on or after September 1, 2020, are subject to redemption, in whole or in part, on September 1, 2017, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. Bonds maturing in the years 2020, 2024, 2027, 2030, and 2033 are also subject to mandatory sinking fund redemption.

On October 12, 2010, the District issued another \$1,200,000 of these bonds dated November 1, 2010. The bonds mature serially on September 1, in each year 2011 through 2034, in principal amounts set forth on the following page. Bonds maturing on or after September 1, 2019, are subject to redemption, in whole or in part, on September 1, 2018, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. Bonds maturing in the years 2027, 2029, and 2034 are also subject to mandatory sinking fund redemption.

On December 13, 2012, the District issued another \$980,000 of these bonds dated December 1, 2012. The bonds mature serially on September 1, in each year 2014 through 2035, in principal amounts set forth on the following page. Bonds maturing on or after September 1, 2021, are subject to redemption, in whole or in part, on September 1, 2020, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. Bonds maturing in the years 2026, 2028, 2030 and 2035 are also subject to mandatory sinking fund redemption.

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**5. Bonds (continued)**

On June 11, 2014, the District issued another \$1,165,000 of these bonds dated June 1, 2014. The bonds mature serially on September 1, in each year 2015 through 2036, in principal amounts set forth on the following page. Bonds maturing on or after September 1, 2022, are subject to redemption, in whole or in part, on September 1, 2021, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

On August 11, 2015, the District issued another \$1,815,000 of these bonds dated September 1, 2015. The bonds mature serially on September 1, in each year 2016 through 2037, in principal amounts set forth on the following page. Bonds maturing on or after September 1, 2023, are subject to redemption, in whole or in part, on September 1, 2022, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

On February 2, 2016, the District issued \$2,085,000 of unlimited tax refunding bonds dated March 1, 2016. The bonds mature serially on September 1, in each year 2016 through 2032, in principal amounts set forth on the following page. Bonds maturing on or after September 1, 2024, are subject to redemption, in whole or in part, on September 1, 2023, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

On November 8, 2016, the District issued \$7,600,000 of unlimited tax refunding bonds dated November 1, 2016. The bonds mature serially on September 1, in each year 2017 through 2038, in principal amounts set forth on the following page. Bonds maturing on or after September 1, 2024, are subject to redemption, in whole or in part, on September 1, 2023, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

On January 9, 2019, the District issued \$5,350,000 of unlimited tax bonds dated January 1, 2019. The bonds mature serially on September 1, in each year 2019 through 2039, in principal amounts set forth on the following page. Bonds maturing on or after September 1, 2024, are subject to redemption, in whole or in part, on September 1, 2023, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

On March 28, 2019, the District issued \$2,515,000 of unlimited tax refunding bonds dated March 1, 2019. The bonds mature serially on September 1, in each year 2020 through 2034, in principal amounts set forth on the following page. Bonds maturing on or after September 1, 2025, are subject to redemption, in whole or in part, on September 1, 2024, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. Term bonds maturing on September 1, 2034 are also subject to mandatory sinking fund redemption.

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**5. Bonds (continued)**

The District's bonds are described as follows:

<u>Issue</u>	<u>Original Issue Amount</u>	<u>Installments (In Thousands)</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Outstanding</u>
Series 2007	\$2,535,000	\$50 to 190	2032	4.50-4.550%	\$ -0-
Series 2008	\$2,040,000	\$40 to 145	2033	4.75-6.750%	\$ -0-
Series 2010	\$1,200,000	\$25 to 90	2034	3.00-4.875%	\$ -0-
Series 2012	\$ 980,000	\$20 to 75	2035	1.50-3.950%	\$ 825,000
Series 2014	\$1,165,000	\$30 to 90	2036	1.50-4.400%	\$1,005,000
Series 2015	\$1,815,000	\$45 to 130	2037	2.00-4.000%	\$1,615,000
Series 2016R	\$2,085,000	\$ 5 to 185	2032	2.00-4.000%	\$1,790,000
Series 2016	\$7,600,000	\$325 to 400	2038	2.00-3.000%	\$6,625,000
Series 2019	\$5,350,000	\$225 to 325	2039	3.00-4.000%	\$5,125,000
Series 2019R	\$2,515,000	\$75 to 220	2032	2.00-3.375%	\$2,515,000

The change in the District's bonds during the year is as follows:

<u>Bonds:</u>	<u>Balance 9/30/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2019</u>
Unlimited Tax Bonds, Series 2008	\$ 1,530,000	-	(1,530,000)	\$ -
Unlimited Tax Bonds, Series 2010	965,000	-	(965,000)	-
Unlimited Tax Bonds, Series 2012	855,000	-	(30,000)	825,000
Unlimited Tax Bonds, Series 2014	1,040,000	-	(35,000)	1,005,000
Unlimited Tax Bonds, Series 2015	1,670,000	-	(55,000)	1,615,000
Unlimited Tax Bonds, Series 2016R	1,890,000	-	(100,000)	1,790,000
Unlimited Tax Bonds, Series 2016	6,950,000	-	(325,000)	6,625,000
Unlimited Tax Bonds, Series 2019	-	5,350,000	(225,000)	5,125,000
Bond Discount, Series 2019	-	(77,388)	-	(77,388)
Unlimited Tax Bonds, Series 2019R	-	2,515,000	-	2,515,000
Bond Premium, Series 2019R	-	22,890	-	22,890
<b>Total Bond Indebtedness</b>	<b>\$14,900,000</b>	<b>\$ 7,810,502</b>	<b>\$ (3,265,000)</b>	<b>\$19,445,502</b>

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

5. Bonds (continued)

Redemption

- Series 2007 Bonds maturing on or after September 1, 2016, are subject to redemption, in whole or in part, on September 1, 2015, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on in the years 2020, 2023, 2026, 2029, and 2032 are subject to mandatory sinking fund redemption.
- Series 2008 Bonds maturing on or after September 1, 2020, are subject to redemption, in whole or in part, on September 1, 2017, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on in the years 2020, 2024, 2027, 2030 and 2033 are subject to mandatory sinking fund redemption.
- Series 2010 Bonds maturing on or after September 1, 2019, are subject to redemption, in whole or in part, on September 1, 2018, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on in the years 2027, 2029 and 2034 are subject to mandatory sinking fund redemption.
- Series 2012 Bonds maturing on or after September 1, 2021, are subject to redemption, in whole or in part, on September 1, 2020, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on in the years 2026, 2028, 2030 and 2035 are subject to mandatory sinking fund redemption.
- Series 2014 Bonds maturing on or after September 1, 2022, are subject to redemption, in whole or in part, on September 1, 2021, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption.
- Series 2015 Bonds maturing on or after September 1, 2023, are subject to redemption, in whole or in part, on September 1, 2022, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption.
- Series 2016R Bonds maturing on or after September 1, 2024, are subject to redemption, in whole or in part, on September 1, 2023, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption.

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**5. Bonds (continued)**

- Series 2016    Bonds maturing on or after September 1, 2024, are subject to redemption, in whole or in part, on September 1, 2023, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption.
- Series 2019    Bonds maturing on or after September 1, 2024, are subject to redemption, in whole or in part, on September 1, 2023, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption.
- Series 209R    Bonds maturing on or after September 1, 2025, are subject to redemption, in whole or in part, on September 1, 2024, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Term bond maturing on September 1, 2034 are also subject to mandatory sinking fund redemption.

Debt Service Requirements

Debt service requirements on long-term debt as of the end of the year are as follows:

<u>Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 910,000	\$ 616,482	\$ 1,526,482
2021	925,000	595,343	1,520,343
2022	945,000	572,441	1,517,441
2023	970,000	547,300	1,517,300
2024	980,000	521,236	1,501,236
2025-2029	5,260,000	2,169,442	7,429,442
2030-2034	5,685,000	1,272,984	6,957,984
2035-2039	3,825,000	356,649	4,181,649
2040-2044	-	-	-
<b>Totals</b>	<b>\$ 19,500,000</b>	<b>\$ 6,651,877</b>	<b>\$ 26,151,877</b>

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

5. Bonds (continued)

Advance Refunding of Debt

GASB Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt*, provides that refunded Debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of September 30, 2019, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows:

<u>Bond Issue</u>	<u>Amount</u>
Series 2007	\$2,040,000
Series 2008	\$1,530,000
Series 2010	\$ 965,000

During 2019 the District issued \$2,515,000 in Unlimited Tax Refunding Bonds to refund the District's Unlimited Tax Bonds, Series 2008 and Series 2010 outstanding debt. The proceeds of the refunding, net of debt issuance costs of \$162,300, amounted to \$2,375,590. This amount plus \$130,000 for a total of \$2,505,590 was deposited with an escrow agent to purchase direct obligations of the United States. As a result of the refunding, the District decreased its aggregate debt service payment to maturity by \$234,561 and realized an economic gain (difference between the present value of debt service payments on the old debt and new debt minus the District's contribution) of \$175,140.

6. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the year, the District obtained liability coverage.

7. Contingencies

The District has an obligation to reimburse developers of property in the District for costs expended on behalf of the District for the construction of water, sewer and drainage systems designed to serve the District. Since the construction of these facilities is not yet complete, the ultimate amount of the future reimbursements cannot be determined at this time.

8. Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**9. Subsequent Events**

The District has evaluated subsequent events as of December 31, 2019, the date the financial statements were available to be issued.

**10. Reconciliation of Government-wide and Fund Financial Statements**

Amounts reported for governmental activities in the statement of net assets are different because:

<b>Governmental Funds Total Fund Balances</b>	<b>\$ 2,661,557</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	17,960,113
Long-term liabilities (bonds payable) are not due and payable in the current period and, therefore, are not reported in the funds	(19,445,502)
Interest is accrued on outstanding debt in the government-wide statements, whereas in the governmental funds, an interest expenditure is reported when made and not accrued in the funds	(51,373)
Deferred tax revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds	9,966
<b>Total Net Position</b>	<b><u>\$ 1,134,761</u></b>

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

10. Reconciliation of Government-wide and Fund Financial Statements (continued)

Amounts reported for governmental activities in the statement of activities are different because:

<b>Governmental Funds Excess of Revenues over Expenditures</b>	<b>\$ (156,126)</b>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	
Change in Deferred Tax Revenue	(725)
Governmental funds report capital outlays as expenditures however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense	
Capital Outlay	5,582,992
Depreciation Expense	(564,818)
Governmental funds report principal payments as expenditures however, in the Statement of Activities, these payments are not reported as operating expenses	
Bond Principal	770,000
Governmental funds do not report the change in accrued interest as an expenditure, however, in the Statement of Activities, this change in the amount accrued is reported as an expense	
Accrued Interest	(10,220)
Bond Proceeds are reported as other financing sources in the governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Net Assets	
Bond Proceeds	<u>(5,315,502)</u>
<b>Change in Net Position</b>	<b><u>\$ 305,601</u></b>

**REQUIRED SUPPLEMENTARY INFORMATION**

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - GENERAL FUND  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Water Service	\$ 500,000	\$ 500,000	\$ 617,190	\$ 117,190
Wastewater Service	360,000	385,000	386,840	1,840
Tap Connection Fees	32,000	32,000	94,400	62,400
Property Taxes	856,274	856,274	874,691	18,417
Interest & Miscellaneous	3,500	3,500	21,901	18,401
<b>TOTAL REVENUES</b>	<b>1,751,774</b>	<b>1,776,774</b>	<b>1,995,022</b>	<b>218,248</b>
<u>EXPENDITURES</u>				
Current:				
Water Purchased	296,000	296,000	316,019	(20,019)
City Water Fees	125,000	125,000	149,844	(24,844)
Wastewater Service Purchased	360,000	385,000	386,840	(1,840)
Maintenance	315,000	315,000	214,662	100,338
Accounting Fees	22,000	22,000	20,872	1,128
Audit Fees	10,500	10,500	10,500	-
Engineering Fees	25,000	25,000	12,230	12,770
Legal Fees	72,500	82,500	79,902	2,598
Tax Assessor/Collector	12,000	12,000	10,313	1,687
Director Salaries and Payroll Taxes	10,000	12,000	11,626	374
Insurance	6,000	6,000	4,794	1,206
License and Fees	15,000	15,000	6,688	8,312
Printing and Office Supplies	6,500	7,500	4,600	2,900
Legal Notices	2,000	2,000	846	1,154
Debt Service:				
Fiscal Agent's Fees	-	-	9,000	(9,000)
Interest	-	-	-	-
Principal	-	-	-	-
Capital Expenditures	100,000	100,000	22,944	77,056
<b>TOTAL EXPENDITURES</b>	<b>1,377,500</b>	<b>1,415,500</b>	<b>1,261,680</b>	<b>153,820</b>
Excess (Deficit) of Revenues over Expenditure	374,274	361,274	733,342	372,068
Fund Balance - Beginning of Year	1,362,056	1,362,056	1,362,056	-
Fund Balance - End of Year	<b>\$ 1,736,330</b>	<b>\$ 1,723,330</b>	<b>\$ 2,095,398</b>	<b>\$ 372,068</b>

The notes to financial statements are an integral part of this statement.

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**  
**SUPPLEMENTARY INFORMATION**

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**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C**  
**INDEX OF SUPPLEMENTAL SCHEDULES REQUIRED**  
**BY THE TEXAS WATER COMMISSION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

(Schedules included are checked; explanatory notes are provided for omitted schedules).

- Schedule of Services and Rates
- Schedule of General Fund Expenditures
- Temporary Investments
- Analysis of Taxes Levied and Receivable
- General Long Term Debt Service Requirements by Years
- Analysis of Changes in General Long Term Debt
- Comparative Schedule of Revenues and Expenditures - General Fund
- Comparative Schedule of Revenues and Expenditures – Debt Service Fund
- Board Members, Key Personnel, and Consultants

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C  
SERVICES AND RATES  
SEPTEMBER 30, 2019**

**1. Services Provided by the District:**

Retail Water                      Drainage  
Retail Wastewater                Parks

**2. Retail Rates Based on 5/8" Meter**

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per first 1000 Gallons Over Minimum	Rate per add'l 1000 Gallons Over Minimum
Water:	\$ 16.00	1,000	N	\$ 4.65	\$ 4.65-5.55
Wastewater:	\$ 40.00	-0-	Y	\$ -0-	\$ -0-
Surcharge:	-0-				

Total water and wastewater charges per 10,000 gallons usage: \$ 103.10

**3. Retail Service Provided:** Number of retail water and/or wastewater connections.

	Active Connections	Active ESFC	Inactive Connections (ESFC)
Single Family & Total	868	868	0

**4. Total Water Consumption During the Fiscal Year:**

Gallons pumped into system: 90,291,000  
Gallons billed to customers: 90,291,000

**5. Standby Fees:** The District does not assess standby fees.

**6. Anticipated sources of funds to be used for debt service payments:** Ad Valorem taxes

**7. Location of District:**

The District is located entirely within Travis County.  
The District is not located within any city.  
The District is located within the City of Pflugerville ETJ.  
The general membership of the Board is not appointed by an office outside the District.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

SCHEDULE OF GENERAL FUND EXPENDITURES  
YEAR ENDED SEPTEMBER 30, 2019

Current:

**Purchased Services for Resale**

Water	\$ 316,019
City Fees	149,844
Wastewater	386,840
	<u>852,703</u>

**Professional Fees**

Audit	10,500
Engineering	12,230
Legal	79,902
	<u>102,632</u>

**Contracted Services**

Accounting	20,872
Tax Appraisal/Collection	10,313
	<u>31,185</u>

**Administrative**

Director Salaries and Payroll Taxes	11,626
Insurance	4,794
Printing and Office Supplies	4,600
Legal Notices	846
License and Fees	6,688
	<u>28,554</u>

**Maintenance**

Amenity Center	189,729
Channel Maintenance	24,068
General Maintenance	865
	<u>214,662</u>

Debt Service:

Fiscal Agent's Fees	<u>9,000</u>
---------------------	--------------

Capital Expenditures:

Recreational Facilities	5,260
Amenity Center	17,684
	<u>22,944</u>

**TOTAL EXPENDITURES**

\$ 1,261,680

Number of persons employed by the District: -0-

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

TEMPORARY INVESTMENTS  
SEPTEMBER 30, 2019

<u>FUNDS</u>	<u>IDENTIFICATION OR CERTIFICATE NUMBER</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BALANCE AT END OF YEAR</u>	<u>ACCRUED INTEREST RECEIVABLE AT END OF YEAR</u>
<b><u>GENERAL FUND</u></b>					
State Investment Pool	7966800001	2.1900%	N/A	\$ 503,419	\$ -
Total				503,419	-
<b><u>DEBT SERVICE FUND</u></b>					
State Investment Pool	7966800002	2.1900%	N/A	\$ 503,419	\$ -
Total				503,419	-
<b><u>CAPITAL PROJECTS FUND</u></b>					
None				\$ -	\$ -
Total				-	-
<b>TOTALS - ALL FUNDS</b>				<b>\$ 1,006,838</b>	<b>\$ -</b>

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

ANALYSIS OF TAXES LEVIED AND RECEIVABLE  
YEAR ENDED SEPTEMBER 30, 2019

	<u>MAINTENANCE TAXES</u>	<u>DEBT SERVICE TAXES</u>
Taxes Receivable, Beginning of Year	\$ 3,579	\$ 7,112
2018 Original Levy	873,749	1,144,195
Adjustments	(402)	(1,460)
Add: Penalty & Interest	<u>1,753</u>	<u>2,296</u>
Total to be accounted for	<u>878,679</u>	<u>1,152,143</u>
Tax collections:		
Current year	870,384	1,137,608
Prior years	<u>4,307</u>	<u>8,557</u>
Total Collections	<u>874,691</u>	<u>1,146,165</u>
Taxes Receivable, End of Year	<u><u>\$ 3,988</u></u>	<u><u>\$ 5,978</u></u>

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Property Valuations:					
Land & Improvements	<u>208,035,478</u>	<u>171,468,469</u>	<u>135,554,922</u>	<u>106,203,686</u>	<u>84,945,878</u>
Tax Rates Per \$100 Valuation:					
Debt Service tax rates	\$ 0.5500	\$ 0.6600	\$ 0.7500	\$ 0.5900	\$ 0.6400
Maintenance tax rates	<u>0.4200</u>	<u>0.3100</u>	<u>0.2200</u>	<u>0.3800</u>	<u>0.3300</u>
Totals	<u><u>\$ 0.9700</u></u>	<u><u>\$ 0.9700</u></u>	<u><u>\$ 0.9700</u></u>	<u><u>\$ 0.9700</u></u>	<u><u>\$ 0.9700</u></u>
Original Tax Levy	<u><u>\$ 2,017,944</u></u>	<u><u>\$ 1,663,244</u></u>	<u><u>\$ 1,314,883</u></u>	<u><u>\$ 1,030,176</u></u>	<u><u>\$ 823,975</u></u>

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS  
YEAR ENDED SEPTEMBER 30, 2019

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR SERIES 2012		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2020	30,000	29,991	59,991
2021	35,000	29,151	64,151
2022	35,000	28,101	63,101
2023	40,000	27,008	67,008
2024	40,000	25,708	65,708
2025	45,000	24,358	69,358
2026	45,000	22,828	67,828
2027	50,000	21,298	71,298
2028	50,000	19,498	69,498
2029	55,000	17,698	72,698
2030	55,000	15,663	70,663
2031	60,000	13,628	73,628
2032	65,000	11,258	76,258
2033	70,000	8,690	78,690
2034	75,000	5,925	80,925
2035	75,000	2,963	77,963
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
	<u>\$ 825,000</u>	<u>\$ 303,766</u>	<u>\$ 1,128,766</u>

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS  
YEAR ENDED SEPTEMBER 30, 2019

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR SERIES 2014		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2020	35,000	39,402	74,402
2021	40,000	38,528	78,528
2022	40,000	37,426	77,426
2023	45,000	36,228	81,228
2024	45,000	34,764	79,764
2025	50,000	33,190	83,190
2026	50,000	31,316	81,316
2027	55,000	29,440	84,440
2028	55,000	27,240	82,240
2029	60,000	25,040	85,040
2030	65,000	22,640	87,640
2031	65,000	20,040	85,040
2032	70,000	17,310	87,310
2033	75,000	14,370	89,370
2034	80,000	11,220	91,220
2035	85,000	7,700	92,700
2036	90,000	3,960	93,960
2037	-	-	-
2038	-	-	-
2039	-	-	-
	<u>\$ 1,005,000</u>	<u>\$ 429,814</u>	<u>\$ 1,434,814</u>

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS  
YEAR ENDED SEPTEMBER 30, 2019

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR SERIES 2015		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2020	55,000	58,063	113,063
2021	60,000	56,688	116,688
2022	65,000	55,038	120,038
2023	65,000	53,088	118,088
2024	70,000	51,138	121,138
2025	75,000	48,950	123,950
2026	75,000	46,513	121,513
2027	80,000	43,981	123,981
2028	85,000	41,181	126,181
2029	90,000	38,206	128,206
2030	95,000	34,944	129,944
2031	100,000	31,500	131,500
2032	100,000	27,750	127,750
2033	110,000	24,000	134,000
2034	115,000	19,600	134,600
2035	120,000	15,000	135,000
2036	125,000	10,200	135,200
2037	130,000	5,200	135,200
2038	-	-	-
2039	-	-	-
	<u>\$ 1,615,000</u>	<u>\$ 661,040</u>	<u>\$ 2,276,040</u>

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS  
YEAR ENDED SEPTEMBER 30, 2019

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR SERIES 2016R		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2020	105,000	64,950	169,950
2021	105,000	62,850	167,850
2022	110,000	59,700	169,700
2023	120,000	56,400	176,400
2024	120,000	52,800	172,800
2025	125,000	49,200	174,200
2026	135,000	44,200	179,200
2027	140,000	38,800	178,800
2028	150,000	33,200	183,200
2029	155,000	27,200	182,200
2030	165,000	21,000	186,000
2031	175,000	14,400	189,400
2032	185,000	7,400	192,400
2033	-	-	-
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
	<u>\$ 1,790,000</u>	<u>\$ 532,100</u>	<u>\$ 2,322,100</u>

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS  
YEAR ENDED SEPTEMBER 30, 2019

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR SERIES 2016		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2020	325,000	171,125	496,125
2021	325,000	164,625	489,625
2022	325,000	158,125	483,125
2023	325,000	151,625	476,625
2024	325,000	145,125	470,125
2025	325,000	138,625	463,625
2026	325,000	132,125	457,125
2027	325,000	125,625	450,625
2028	325,000	117,500	442,500
2029	325,000	109,375	434,375
2030	325,000	101,250	426,250
2031	325,000	91,500	416,500
2032	325,000	81,750	406,750
2033	400,000	72,000	472,000
2034	400,000	60,000	460,000
2035	400,000	48,000	448,000
2036	400,000	36,000	436,000
2037	400,000	24,000	424,000
2038	400,000	12,000	412,000
2039	-	-	-
	<u>\$ 6,625,000</u>	<u>\$ 1,940,375</u>	<u>\$ 8,565,375</u>

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS  
YEAR ENDED SEPTEMBER 30, 2019

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR SERIES 2019		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2020	225,000	178,313	403,313
2021	225,000	171,563	396,563
2022	225,000	164,813	389,813
2023	225,000	158,063	383,063
2024	225,000	151,313	376,313
2025	225,000	144,563	369,563
2026	225,000	137,813	362,813
2027	225,000	131,063	356,063
2028	225,000	124,313	349,313
2029	225,000	117,563	342,563
2030	225,000	109,688	334,688
2031	225,000	101,813	326,813
2032	225,000	93,375	318,375
2033	300,000	84,938	384,938
2034	300,000	73,688	373,688
2035	300,000	62,438	362,438
2036	325,000	51,188	376,188
2037	325,000	39,000	364,000
2038	325,000	26,000	351,000
2039	325,000	13,000	338,000
	<u>\$ 5,125,000</u>	<u>\$ 2,134,508</u>	<u>\$ 7,259,508</u>

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS  
YEAR ENDED SEPTEMBER 30, 2019

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR SERIES 2019R		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2020	135,000	74,638	209,638
2021	135,000	71,938	206,938
2022	145,000	69,238	214,238
2023	150,000	64,888	214,888
2024	155,000	60,388	215,388
2025	165,000	55,738	220,738
2026	170,000	50,788	220,788
2027	175,000	45,688	220,688
2028	185,000	40,438	225,438
2029	190,000	34,888	224,888
2030	200,000	29,188	229,188
2031	205,000	23,188	228,188
2032	210,000	16,781	226,781
2033	220,000	9,956	229,956
2034	75,000	2,531	77,531
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
	<u>\$ 2,515,000</u>	<u>\$ 650,274</u>	<u>\$ 3,165,274</u>

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS  
YEAR ENDED SEPTEMBER 30, 2019

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR ALL SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2020	910,000	616,482	1,526,482
2021	925,000	595,343	1,520,343
2022	945,000	572,441	1,517,441
2023	970,000	547,300	1,517,300
2024	980,000	521,236	1,501,236
2025	1,010,000	494,624	1,504,624
2026	1,025,000	465,583	1,490,583
2027	1,050,000	435,895	1,485,895
2028	1,075,000	403,370	1,478,370
2029	1,100,000	369,970	1,469,970
2030	1,130,000	334,373	1,464,373
2031	1,155,000	296,069	1,451,069
2032	1,180,000	255,624	1,435,624
2033	1,175,000	213,954	1,388,954
2034	1,045,000	172,964	1,217,964
2035	980,000	136,101	1,116,101
2036	940,000	101,348	1,041,348
2037	855,000	68,200	923,200
2038	725,000	38,000	763,000
2039	325,000	13,000	338,000
	<u>\$ 19,500,000</u>	<u>\$ 6,651,877</u>	<u>\$ 26,151,877</u>

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

ANALYSIS OF CHANGES IN GENERAL LONG TERM DEBT  
YEAR ENDED SEPTEMBER 30, 2019

	<u>SERIES 2008</u>	<u>SERIES 2010</u>	<u>SERIES 2012</u>	<u>SERIES 2014</u>
Interest Rate	4.75 - 6.75%	3.00 - 4.875%	1.50-3.95%	1.50-4.40%
Dates Interest Payable	3/1 : 9/1	3/1 : 9/1	3/1 : 9/1	3/1 : 9/1
Maturity Dates	2009-33	2011-34	2014-35	2015-36
Bonds Outstanding-Beginning	\$ 1,530,000	\$ 965,000	\$ 855,000	\$ 1,040,000
Bonds Sold During the Year	-	-	-	-
Bonds Defeased During the Year	(1,530,000)	(965,000)	-	-
Retirements During the Year	-	-	(30,000)	(35,000)
Bonds Outstanding-Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 825,000</u>	<u>\$ 1,005,000</u>
Interest Paid During the Year	\$ 36,966	\$ 22,602	\$ 30,771	\$ 40,190
Change in Accrued Interest	(6,161)	(3,767)	(65)	(65)
Interest on Financial Statements	<u>\$ 30,805</u>	<u>\$ 18,835</u>	<u>\$ 30,706</u>	<u>\$ 40,125</u>
Paying Agent	Wells Fargo	Wells Fargo	Bank of Texas	Bank of Texas
	<u>Tax Bonds</u>	<u>Other Bonds</u>	<u>Refunding Bonds</u>	
Bond Authority:				
Amount Authorized By Voters	\$ 29,000,000	\$ -	\$ -	
Amount Issued	\$ 17,335,000	\$ -	\$ 2,085,000	
Remaining To Be Issued	\$ 11,665,000	\$ -	\$ -	
Debt Service Fund Cash and Temporary Investments balances as of September 30, 2019				<u>\$ 512,438</u>
Average annual debt service payment (principal & interest) for remaining term of all debt				<u>\$ 1,307,594</u>

<u>SERIES 2015</u>	<u>SERIES 2016R</u>	<u>SERIES 2016</u>	<u>SERIES 2019</u>	<u>SERIES 2019R</u>	<u>TOTALS</u>
2.00-4.00%	2.00-4.00%	2.00-3.00%	3.00-4.00%	2.00-3.375%	
3/1 : 9/1	3/1 : 9/1	3/1 : 9/1	3/1 : 9/1	3/1 : 9/1	
2015-36	2016-32	2016-38	2019-39	2020-34	
\$ 1,670,000	\$ 1,890,000	\$ 6,950,000	\$ -	\$ -	\$ 14,900,000
-	-	-	5,350,000	2,515,000	7,865,000
-	-	-	-	-	(2,495,000)
<u>(55,000)</u>	<u>(100,000)</u>	<u>(325,000)</u>	<u>(225,000)</u>	<u>-</u>	<u>(770,000)</u>
<u>\$ 1,615,000</u>	<u>\$ 1,790,000</u>	<u>\$ 6,625,000</u>	<u>\$ 5,125,000</u>	<u>\$ 2,515,000</u>	<u>\$ 19,500,000</u>
\$ 59,163	\$ 66,950	\$ 177,625	\$ 123,375	\$ 31,721	\$ 589,363
<u>(92)</u>	<u>(167)</u>	<u>(542)</u>	<u>14,859</u>	<u>6,220</u>	<u>10,220</u>
<u>\$ 59,071</u>	<u>\$ 66,783</u>	<u>\$ 177,083</u>	<u>\$ 138,234</u>	<u>\$ 37,941</u>	<u>\$ 599,583</u>
Bank of Texas	BOKF	BOKF	UMB Bank	UMB Bank	

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND  
FOR THE FIVE YEARS ENDED SEPTEMBER 30, 2019

	AMOUNTS				
	2019	2018	2017	2016	2015
<u>REVENUES</u>					
Water Service	\$ 617,190	\$ 553,062	\$ 451,118	\$ 352,944	\$ 287,596
Wastewater Service	386,840	347,597	302,008	259,137	220,974
Tap Connection Fees	94,400	71,000	76,950	71,300	56,000
Property Taxes	874,691	547,391	311,723	406,511	286,955
Interest & Miscellaneous	21,901	5,029	3,969	3,401	2,429
TOTAL REVENUES	<u>1,995,022</u>	<u>1,524,079</u>	<u>1,145,768</u>	<u>1,093,293</u>	<u>853,954</u>
<u>EXPENDITURES</u>					
Current:					
Water Purchased	316,019	327,746	263,424	198,155	157,097
City Water Fees	149,844	138,323	122,018	102,800	83,611
Wastewater Service Purchased	386,840	347,597	302,008	259,137	220,974
Repairs and Maintenance	214,662	231,670	152,801	140,656	98,614
Accounting Fees	20,872	18,938	15,598	14,720	10,716
Audit Fees	10,500	10,500	10,500	10,500	10,500
Engineering Fees	12,230	19,444	11,974	19,777	13,443
Legal Fees	79,902	66,724	53,382	67,695	68,720
Tax Assessor/Collector	10,313	9,987	7,398	6,156	5,305
Director Salaries and Tax	11,626	9,042	7,105	8,558	8,235
Insurance	4,794	4,469	4,223	4,053	3,874
Licenses & Fees	6,688	8,885	8,586	6,225	12,937
Printing and Office Supplies	4,600	3,685	3,905	2,334	2,362
Legal Notices	846	423	-	-	-
Fiscal Agent Fees	9,000	1,000	1,000	1,500	1,500
Interest	-	-	-	-	-
Principal	-	-	-	-	-
Capital Expenditures	<u>22,944</u>	<u>55,323</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,261,680</u>	<u>1,253,756</u>	<u>963,922</u>	<u>842,266</u>	<u>697,888</u>
Excess (Deficit) of					
Revenues over Expenditures	<u>\$ 733,342</u>	<u>\$ 270,323</u>	<u>\$ 181,846</u>	<u>\$ 251,027</u>	<u>\$ 156,066</u>
TOTAL ACTIVE					
RETAIL CONNECTIONS	<u>868</u>	<u>760</u>	<u>672</u>	<u>578</u>	<u>486</u>

**PERCENT OF REVENUES**

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
31%	36%	39%	32%	34%
19%	23%	26%	24%	26%
5%	5%	7%	7%	7%
44%	36%	27%	37%	34%
1%	0%	0%	0%	0%
<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
16%	22%	23%	18%	18%
8%	9%	11%	9%	10%
19%	23%	26%	24%	26%
11%	15%	13%	13%	12%
1%	1%	1%	1%	1%
1%	1%	1%	1%	1%
1%	1%	1%	2%	2%
4%	4%	5%	6%	8%
1%	1%	1%	1%	1%
1%	1%	1%	1%	1%
0%	0%	0%	0%	0%
0%	1%	1%	1%	2%
0%	0%	0%	0%	0%
0%	0%	0%	0%	0%
0%	0%	0%	0%	0%
0%	0%	0%	0%	0%
0%	0%	0%	0%	0%
0%	0%	0%	0%	0%
1%	4%	0%	0%	0%
<u>63%</u>	<u>82%</u>	<u>84%</u>	<u>77%</u>	<u>82%</u>
<u>37%</u>	<u>18%</u>	<u>16%</u>	<u>23%</u>	<u>18%</u>
<u>868</u>	<u>760</u>	<u>672</u>	<u>578</u>	<u>486</u>

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - DEBT SERVICE FUND  
FOR THE FIVE YEARS ENDED SEPTEMBER 30, 2019

	AMOUNTS				
	2019	2018	2017	2016	2015
<u>REVENUES</u>					
Property Taxes	\$1,146,165	\$1,159,655	\$1,039,976	\$ 629,983	\$ 556,060
Interest	9,816	4,834	4,837	3,118	2,629
 TOTAL REVENUES	 <u>1,155,981</u>	 <u>1,164,489</u>	 <u>1,044,813</u>	 <u>633,101</u>	 <u>558,689</u>
<u>EXPENDITURES</u>					
Debt Service					
Fiscal Agent Fees	2,015	2,030	1,845	1,215	800
Interest	589,363	509,231	489,764	354,361	324,719
Principal	770,000	635,000	620,000	270,000	210,000
 TOTAL EXPENDITURES	 <u>1,361,378</u>	 <u>1,146,261</u>	 <u>1,111,609</u>	 <u>625,576</u>	 <u>535,519</u>
OTHER FINANCING SOURCES					
Bond Proceeds	59,175	-	190,625	6,100	63,012
 Excess (Deficit) of Revenues over Expenditures	 <u>\$ (146,222)</u>	 <u>\$ 18,228</u>	 <u>\$ 123,829</u>	 <u>\$ 13,625</u>	 <u>\$ 86,182</u>

**PERCENT OF REVENUES**

2019	2018	2016	2015	2014
99%	100%	100%	100%	100%
1%	0%	0%	0%	0%
100%	100%	100%	100%	100%
0%	0%	0%	0%	0%
51%	44%	47%	56%	58%
67%	55%	59%	43%	38%
118%	98%	106%	99%	96%
5%	0%	18%	1%	11%
-13%	2%	12%	2%	15%

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C**

**BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS  
YEAR ENDED SEPTEMBER 30, 2019**

DISTRICT MAILING ADDRESS: c/o Lloyd Gosselink Rochelle & Townsend 816 Congress Av #1900 Austin TX 78701

DISTRICT BUSINESS TELEPHONE NUMBER: (512) 322-5800

LIMITS ON FEES OF OFFICE THAT A DIRECTOR MAY RECEIVE DURING A FISCAL YEAR: \$7,200

<u>NAMES</u>	<u>TERM OF OFFICE</u>	<u>SALARY FYE 9/30/19</u>	<u>REIMBURSEMENTS FYE 9/30/19</u>	<u>TITLE AT YEAR END</u>
<b><u>DIRECTORS</u></b>				
David Wang	Elected 5/16-5/20	\$ 2,550	\$ -	President
Scott Stratton	Elected 5/18-5/22	2,100	-	Vice-President
Larry English	Elected 5/16-5/20	2,100	-	Secretary/Treasurer
Joshua Bridgefarmer	Elected 5/18-5/22	1,500	-	Asst Sec
Craig Twellmann	Elected 5/16-5/20	2,550	-	Asst Sec
Payments to Retiring Directors		-	-	
		<u>\$ 10,800</u>	<u>\$ -</u>	

**CONSULTANTS**

Lloyd Gosselink Rochelle & Townsend	\$ 79,902	\$ -	Attorney
Randall Jones Engineering	\$ 12,230	\$ -	Engineer
Montoya & Monzingo	\$ 20,872	\$ -	Accountant
West, Davis & Company	\$ 10,500	\$ -	Auditor

**OTHER INFORMATION**

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2C

PRINCIPAL TAXPAYERS  
SEPTEMBER 30, 2019

Taxpayer	Taxable Assessed Value	% of 2019 Certified Taxable Assessed Value
Century Land Holdings II, LLC	\$ 2,356,681	0.97%
Ashford Montesorri, LLC	1,862,840	0.76%
MHI Partnership, Ltd	1,654,643	0.68%
Tiemann Land & Cattle	* 982,770	0.40%
2012 Lakeside at Blackhawk, LLC	941,292	0.39%
Scott Felder Homes, LLC	851,585	0.35%
Individual	472,827	0.19%
Individual	466,082	0.19%
Individual	461,726	0.19%
Individual	455,470	0.19%
<b>Total</b>	<b>\$ 10,505,916</b>	<b>4.31%</b>

\* Project Developer and related entities.

ASSESSED VALUE BY CLASSIFICATION  
SEPTEMBER 30, 2019

Type of Property	2019 Taxable Assessed Value
Land	\$ 42,723,395
Improvements	218,154,887
Personal Property	164,291
Total Assessed Valuation	261,042,573
Exemptions	17,370,910
Total Taxable Appraised Valuation	<b>\$ 243,671,663</b>

8

**RESOLUTION AUTHORIZING THE ISSUANCE OF \$4,815,000  
UNLIMITED TAX BONDS, SERIES 2020; PRESCRIBING THE TERMS  
AND PROVISIONS THEREOF; MAKING PROVISION FOR THE  
PAYMENT OF THE INTEREST THEREON AND THE PRINCIPAL  
THEREOF; LEVYING AND PLEDGING THE PROCEEDS OF A TAX;  
APPROVING AN OFFICIAL STATEMENT; AUTHORIZING THE SALE  
OF THE BONDS; AUTHORIZING A PAYING AGENT/REGISTRAR  
AGREEMENT; AND CONTAINING OTHER PROVISIONS RELATING  
TO THE SUBJECT**

**ADOPTED FEBRUARY 11, 2020**

**TABLE OF CONTENTS**

**ARTICLE ONE  
STATUTORY AUTHORITY, RECITALS AND FINDINGS**

Section 1.01: AUTHORITY FOR THE DISTRICT..... 1  
Section 1.02: PURPOSE OF THIS RESOLUTION..... 1  
Section 1.03: AUTHORITY OF THIS RESOLUTION..... 1

**ARTICLE TWO  
DEFINITIONS AND INTERPRETATIONS**

Section 2.01: DEFINITIONS..... 2  
Section 2.02: INTERPRETATIONS..... 4

**ARTICLE THREE  
AUTHORIZATION, DESCRIPTION, AND EXECUTION OF BONDS**

Section 3.01: DESIGNATION, PURPOSE, AND AUTHORIZATION..... 5  
Section 3.02: FORM, DATE, INTEREST PAYMENT DATES, NUMBERS, AND  
DENOMINATION OF BONDS..... 5  
Section 3.03: INTEREST RATES AND MATURITIES..... 5  
Section 3.04: EXECUTION OF BONDS..... 6  
Section 3.05: APPROVAL BY ATTORNEY GENERAL; REGISTRATION BY  
COMPTROLLER..... 6  
Section 3.06: AUTHENTICATION..... 6  
Section 3.07: PAYMENT OF PRINCIPAL AND INTEREST..... 7  
Section 3.08: SUCCESSOR PAYING AGENT/REGISTRARS..... 8  
Section 3.09: SPECIAL RECORD DATE..... 9  
Section 3.10: OWNERSHIP; UNCLAIMED PRINCIPAL AND INTEREST..... 9

**ARTICLE FOUR  
REGISTRATION, TRANSFER AND EXCHANGE**

Section 4.01: REGISTER..... 9  
Section 4.02: REGISTRATION OF INITIAL BOND..... 10  
Section 4.03: TRANSFER AND EXCHANGE..... 10  
Section 4.04: REPLACEMENT BONDS..... 10  
Section 4.05: CANCELLATION..... 11

**ARTICLE FIVE  
REDEMPTION OF BONDS BEFORE MATURITY**

Section 5.01: OPTIONAL REDEMPTION OF BONDS..... 12  
Section 5.02: RESERVED..... 12  
Section 5.03: NOTICE OF REDEMPTION..... 12

**ARTICLE SIX  
FORM OF BONDS AND CERTIFICATES**

Section 6.01: FORM OF BONDS. ....	13
Section 6.02: REGISTRATION OF INITIAL BOND BY STATE COMPTROLLER AND CERTIFICATE. ....	16
Section 6.03: FORM OF AUTHENTICATION CERTIFICATE: .....	17
Section 6.04: FORM OF ASSIGNMENT. ....	17
Section 6.05: LEGAL OPINIONS; CUSIP NUMBERS. ....	18
Section 6.06: CHANGE TO FORM FOR INITIAL BOND. ....	18

**ARTICLE SEVEN  
SECURITY OF THE BONDS AND ANY ADDITIONAL BONDS**

Section 7.01: SECURITY OF BONDS AND ANY ADDITIONAL BONDS.....	19
Section 7.02: LEVY OF TAX.....	19
Section 7.03: PAYMENT OF BONDS AND PERFORMANCE OF OBLIGATIONS. ....	20

**ARTICLE EIGHT  
FLOW OF FUNDS AND INVESTMENTS**

Section 8.01: CREATION OF FUNDS. ....	20
Section 8.02: SECURITY OF FUNDS.....	20
Section 8.03: DEBT SERVICE FUND.....	20
Section 8.04: CAPITAL PROJECTS FUND.....	21
Section 8.05: [RESERVED]. ....	21
Section 8.06: INVESTMENTS AND EARNINGS.....	21

**ARTICLE NINE  
ADDITIONAL BONDS; REFUNDING BONDS AND DEFEASANCE**

Section 9.01: ADDITIONAL BONDS. ....	21
Section 9.02: OTHER BONDS.....	22
Section 9.03: REFUNDING OR DEFEASANCE.....	22

**ARTICLE TEN  
COVENANTS REGARDING TAX EXEMPTION  
OF INTEREST ON THE BONDS**

Section 10.01: COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS.....	22
---	----

**ARTICLE ELEVEN  
DEFAULT PROVISIONS**

Section 11.01: REMEDIES IN EVENT OF DEFAULT.....	25
--	----

Section 11.02: RESOLUTION IS CONTRACT; AMENDMENTS.....	25
--	----

**ARTICLE TWELVE  
CONTINUING DISCLOSURE UNDERTAKING**

Section 12.01: DEFINITIONS.....	26
Section 12.02: ANNUAL REPORTS .....	26
Section 12.03: CERTAIN EVEN NOTICES.....	27
Section 12.04: LIMITATIONS, DISCLAIMERS AND AMENDMENTS.....	28
Section 12.05: FORMAT, IDENTIFYING INFORMATION AND INCORPORATION BY REFERENCE..	

**ARTICLE THIRTEEN  
MISCELLANEOUS PROVISIONS**

Section 13.01: DISTRICT'S SUCCESSORS AND ASSIGNS.....	29
Section 13.02: NO RECOURSE AGAINST DISTRICT OFFICERS.....	30
Section 13.03: BENEFITS OF RESOLUTION PROVISIONS.....	30
Section 13.04: UNAVAILABILITY OF AUTHORIZED PUBLICATION.....	30
Section 13.05: SEVERABILITY CLAUSE.....	30
Section 13.06: ACCOUNTING.....	31
Section 13.07: FURTHER PROCEEDINGS.....	31
Section 13.08: GOVERNING LAW.....	31
Section 13.09: INTERESTED PARTIES:.....	31

**ARTICLE FOURTEEN  
SALE AND DELIVERY OF BONDS; OFFICIAL STATEMENT**

Section 14.01: SALE OF BONDS.....	31
Section 14.02: APPROVAL, REGISTRATION, AND DELIVERY.....	32
Section 14.03: APPROVAL OF OFFERING DOCUMENTS AND A PAYING AGENT/REGISTRAR AGREEMENT.....	32
Section 14.04: PAYMENT OF ATTORNEY GENERAL FEE.....	32

**ARTICLE FIFTEEN  
OPEN MEETING AND EFFECTIVE DATE**

Section 15.01: OPEN MEETING.....	33
Section 15.02: EFFECTIVE DATE OF RESOLUTION.....	33

**RESOLUTION AUTHORIZING THE ISSUANCE OF \$4,815,000  
UNLIMITED TAX BONDS, SERIES 2020; PRESCRIBING THE TERMS  
AND PROVISIONS THEREOF; MAKING PROVISION FOR THE  
PAYMENT OF THE INTEREST THEREON AND THE PRINCIPAL  
THEREOF; LEVYING AND PLEDGING THE PROCEEDS OF A TAX;  
APPROVING AN OFFICIAL STATEMENT; AUTHORIZING THE SALE  
OF THE BONDS; AUTHORIZING A PAYING AGENT/REGISTRAR  
AGREEMENT; AND CONTAINING OTHER PROVISIONS RELATING  
TO THE SUBJECT**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LAKESIDE  
WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2-C:**

**ARTICLE ONE**

**STATUTORY AUTHORITY, RECITALS AND FINDINGS**

**Section 1.01: AUTHORITY FOR THE DISTRICT.**

Lakeside Water Control and Improvement District No. 2-C, situated in Travis County, Texas (the "District"), is a conservation and reclamation district created by division of Lakeside Water Control and Improvement District No. 2 at a division election held on January 15, 2000, as a water control and improvement district pursuant to the provisions of Article XVI, Section 59 of the Texas Constitution, and operating under and governed by Chapters 49 and 51, Texas Water Code (collectively, the "Act"). Lakeside Water Control and Improvement District No. 2 was created by order of the Texas Natural Resources Conservation Commission (now, the Texas Commission on Environmental Quality and hereafter referred to as the "Commission") adopted on September 14, 1998, as a water control and improvement district pursuant to the provisions of Article XVI, Section 59 of the Texas Constitution, and operated under and was governed by the Act.

**Section 1.02: PURPOSE OF THIS RESOLUTION.**

The District desires to acquire, construct and improve its water, sanitary sewer and drainage system and contract rights related thereto, and to pay certain costs of operation and administration of the District and bond issuance costs, and the District finds that it is in the best interests of the District that the District finance the acquisition and construction of the facilities and improvements and contract rights associated therewith by the issuance of bonds by the District as authorized to be issued hereafter.

**Section 1.03: AUTHORITY OF THIS RESOLUTION.**

The District is authorized by the Act and an election held within the boundaries of the District on November 4, 2003 to issue bonds in the maximum amount of \$27,500,000 for water, wastewater, drainage and stormwater facilities. In addition, the District is authorized by the Act and an election held within the boundaries of the District on September 11, 2004, to issue bonds

in the maximum amount of \$1,500,000 in unlimited tax bonds for the purpose of financing park and recreational facilities.

The District has heretofore issued its \$2,535,000 Unlimited Tax Bonds, Series 2007, (the "Series 2007 Bonds"), \$2,040,000 Unlimited Tax Bonds, Series 2008 (the "Series 2008 Bonds"), \$1,200,000 Unlimited Tax Bonds, Series 2010 (the "Series 2010 Bonds"), \$9,800,000 Unlimited Tax Bonds, Series 2012 (the "Series 2012 Bonds"), \$1,165,000 Unlimited Tax Bonds, Series 2014 (the "Series 2014 Bonds"), \$1,815,000 Unlimited Tax Bonds, Series 2015 (the "Series 2015 Bonds"), \$2,085,000 Unlimited Tax Refunding Bonds, Series 2016 (the "Series 2016 Refunding Bonds"), \$7,600,000 Unlimited Tax Bonds, Series 2016A (the "Series 2016A Bonds"), \$5,350,000 Unlimited Tax Bonds, Series 2019 (the "Series 2019 Bonds") and \$2,515,000 Unlimited Tax Bonds, Series 2019A (the "Series 2019A Refunding Bonds").

After issuance of the Bonds authorized by this Resolution, the District will have no unlimited tax bonds authorized but unissued for water, wastewater, drainage and stormwater facilities, \$1,500,00 unlimited tax bonds authorized but unissued for the purpose of acquiring or constructing recreational facilities and \$28,955,000 of unlimited tax refunding bonds authorized but unissued.

## **ARTICLE TWO**

### **DEFINITIONS AND INTERPRETATIONS**

#### **Section 2.01: DEFINITIONS.**

When used in this Resolution, except in Article Six, and in any resolution amendatory or supplemental hereto, the terms listed below shall have the meanings specified, unless it is otherwise expressly provided or unless the context otherwise requires.

**Act.** The term "Act" means, collectively: Chapter 49, Texas Water Code; Chapter 51, Texas Water Code; and Art. XVI, Sec. 59, Texas Constitution.

**Additional Bonds.** The term "Additional Bonds" shall mean the additional bonds payable from ad valorem taxes which the Board of Directors expressly reserves the right to issue in Article IX of this Resolution.

**Authorized Investments.** The term "Authorized Investments" shall mean all direct or indirect obligations of the United States or one of its agencies, the State, any county, city, school district or other political subdivision of the State and certificates of deposit of state or national banks or savings and loan associations within the State; provided that any such certificates of deposit are secured by direct or indirect obligations of the United States or one of its agencies having a market value equal to the face amount of such certificate of deposit to the extent any portion of the face amount is not insured by the Federal Deposit Insurance Corporation.

**Board of Directors.** The term "Board of Directors" or "Board" shall mean the governing body of the District.

**Bonds.** The term "Bond" or "Bonds" shall mean any Bond or Bonds, as the case may be, of the District's \$4,815,000 Unlimited Tax Bonds, Series 2020, dated March 1, 2020 authorized and issued pursuant to this Resolution.

**Business Day.** The term "Business Day" shall mean any day which is not a Saturday, Sunday or a day on which the Paying Agent/Registrar is authorized by law or executive order to remain closed or a legal holiday.

**Capital Projects Fund.** The term "Capital Projects Fund" shall mean the District's capital projects fund created and established in Article 8 of this resolution.

**Commission.** The term "Commission" shall mean the Texas Commission on Environmental Quality.

**Commission Order.** The term "Commission Order" shall mean the order of the Commission dated \_\_\_\_\_, 2020 in connection with the issuance of the Bonds.

**Debt Service Fund.** The term "Debt Service Fund" shall mean the District's debt service fund created and established in Article 8 of this resolution.

**District.** The term "District" shall mean the Lakeside Water Control and Improvement District No. 2-C, and any other public agency succeeding to the powers, rights, privileges, and functions of the District and, when appropriate, the Board of Directors of the District.

**Exchange Bonds.** The term "Exchange Bonds" shall mean Bonds registered, authenticated, and delivered by the Paying Agent/Registrar, as provided in Sections 4.02 and 4.03 of this Resolution.

**Fiscal Year.** The term "Fiscal Year" shall mean the accounting period for the District, which presently is the twelve-month period beginning on October 1 of each year and ending on September 30 of the following year, but which may be changed from time to time by the Board of Directors.

**Initial Bond.** The term "Initial Bond" shall mean the Bond authorized, issued, and initially delivered hereunder and upon which the registration certificate, manually executed by or on behalf of the Comptroller of Public Accounts of the State of Texas, has been placed.

**Initial Purchaser.** The term "Initial Purchaser" shall mean \_\_\_\_\_.

**Interest Payment Date.** The term "Interest Payment Date" shall mean September 1, 2020, and each March 1 and September 1 thereafter until the earlier of maturity or redemption.

**Issue Date.** The term "Issue Date" means March 1, 2020.

**MSRB.** The term "MSRB" means the Municipal Securities Rulemaking Board.

**Paying Agent/Registrar.** The term "Paying Agent/Registrar" shall mean the Paying Agent/Registrar named herein to act as agent for the payment of principal, any applicable redemption price and interest on the Bonds in accordance with the terms of this Resolution and to act as Paying Agent/Registrar of the Bonds pursuant to this Resolution. If the District shall designate a successor Paying Agent/Registrar pursuant to this Resolution, the term shall then refer to such successor Paying Agent/Registrar.

**Outstanding Bonds.** The District has previously issued eight series of unlimited tax bonds for water, wastewater, drainage and stormwater facilities and two series of unlimited tax refunding bonds as described more fully in Section 1.03 hereof, of which \$19,500,000 in principal amount was outstanding as of February 1, 2020 (the "Outstanding Bonds").

**Record Date.** The term "Record Date" shall mean, with respect to an Interest Payment Date of September 1, the preceding August 15, and with respect to an Interest Payment Date of March 1, the preceding February 15, whether or not such dates are Business Days.

**Redemption Date.** The term "Redemption Date" shall mean the date fixed for redemption of any Bond pursuant to the terms of this Resolution.

**Register.** The term "Register" shall mean the books of registration kept by the Paying Agent/Registrar in which are listed the names and addresses of the Registered Owners and the principal amount of Bonds registered in the name of each Registered Owner.

**Registered Owner.** The term "Registered Owner" shall mean the person or entity in whose name a Bond is registered in the Register.

**Replacement Bonds.** The term "Replacement Bonds" shall mean the Bonds authorized by the District to be issued in substitution or mutilated, lost or stolen Bonds, as provided in Section 4.04 of this Resolution.

**Resolution.** The term "Resolution" shall mean this Resolution and all amendments hereof and supplements hereto.

**Stated Maturity.** The term "Stated Maturity" means the fixed date on which the principal of the Bonds is scheduled to be due and payable pursuant to Section 3.03 of this Resolution.

**System.** The term "System" shall mean the water, sanitary sewer and drainage system of the District, including, but not limited to, all works, improvements, facilities, plants, equipment, appliances, interest in property, and contract rights needed therefor, and administrative facilities needed in connection therewith, together with any additions or extensions thereto or improvements and replacements therefor.

## **Section 2.02: INTERPRETATIONS.**

The table of contents, titles and headings of the articles and sections of this Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall

not in any way modify or restrict any of the terms or provisions hereof. This Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the taxes levied in payment thereof.

### **ARTICLE THREE**

#### **AUTHORIZATION, DESCRIPTION, AND EXECUTION OF BONDS**

##### **Section 3.01: DESIGNATION, PURPOSE, AND AUTHORIZATION.**

The Bonds of the District to be known and designated as the Lakeside Water Control and Improvement District No. 2-C Unlimited Tax Bonds, Series 2020, shall be issued pursuant to the November 4, 2003 bond election held by the District in the aggregate principal amount of Four Million Eight Hundred Fifteen Thousand Dollars (\$4,815,000) for the purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving, or extending a water, sanitary sewer and drainage system and facilities for the District, including, but not limited to, all additions thereto and all works, improvements, facilities, plants, equipment, appliances, interests in property, and contract rights needed therefor, and administrative facilities needed in connection therewith, and to pay certain costs of operation of the District under and in strict conformity with the Constitution and laws of the State of Texas, particularly the Act.

##### **Section 3.02: FORM, DATE, INTEREST PAYMENT DATES, NUMBERS, AND DENOMINATION OF BONDS.**

The Bonds shall be issued in fully registered form, without coupons, and may be transferred and exchanged after initial delivery as provided in this Resolution. There shall be one (1) Initial Bond numbered T-1 which shall be one bond for the entire issue of \$4,815,000. Exchange Bonds registered and delivered by the Paying Agent/Registrar subsequent to the Initial Bond shall be numbered by the Paying Agent/Registrar in consecutive order of their authentication beginning with No. R-1 and no two Bonds shall be given the same number. Bonds registered and delivered subsequent to the Initial Bond shall be in denominations of \$5,000 or any integral multiple thereof and shall mature on the same date and bear or accrue interest at the same rate as the Bond or Bonds in lieu of which they are delivered. The Bonds shall be dated March 1, 2020 (the "Issue Date"). The Bonds shall bear interest at the rates set forth in Section 3.03 of this Resolution from the Issue Date or the most recent Interest Payment Date to which such interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, payable September 1, 2020, and semiannually thereafter on March 1 and September 1 of each year until maturity.

##### **Section 3.03: INTEREST RATES AND MATURITIES.**

The Bonds shall bear interest from the Issue Date at the rate or rates set forth in the following schedule, and shall mature and become payable, subject to prior redemption in accordance with the provisions of Article Five hereof, on September 1 in each of the years and in the principal amounts set forth in the schedule below:

Year of Maturity	Principal Amount	Interest Rate	Year of Maturity	Principal Amount	Interest Rate
2019	\$175,000	%	2030	\$175,000	%
2020	\$175,000		2031	\$175,000	
2021	\$175,000		2032	\$175,000	
2022	\$175,000		2033	\$200,000	
2023	\$175,000		2034	\$300,000	
2024	\$175,000		2035	\$300,000	
2025	\$175,000		2036	\$350,000	
2026	\$175,000		2037	\$350,000	
2027	\$175,000		2038	\$350,000	
2028	\$175,000		2039	\$425,000	
2029	\$175,000		2040	\$440,000	

**Section 3.04: EXECUTION OF BONDS.**

The Bonds shall be executed on behalf of the District by the President or Vice President of the Board of Directors and attested by the Secretary or Assistant Secretary, by their manual, lithographed or facsimile signatures, and the official seal of the District shall be impressed or placed in facsimile thereon. The facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers and the facsimile seal on the Bonds shall have the same effect as if the official seal of the District had been manually impressed upon each of the Bonds. If any officer of the District whose manual or facsimile signature appears on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

**Section 3.05: APPROVAL BY ATTORNEY GENERAL; REGISTRATION BY COMPTROLLER.**

The Initial Bond to be initially issued shall be delivered to the Attorney General of the State of Texas for approval and shall be registered by the Comptroller of Public Accounts of the State of Texas. The manually executed registration certificate of the Comptroller of Public Accounts of the State of Texas, substantially in the form provided in Section 6.02 of this Resolution, shall be affixed or attached to the Bond to be initially issued.

**Section 3.06: AUTHENTICATION.**

Except for the Initial Bond, which need not be authenticated by the Paying Agent/Registrar, all other Bonds shall bear an authentication certificate substantially in the form provided in Section 6.03 of this Resolution, manually executed by an authorized officer of the Paying Agent/Registrar. No Bond, except for the Initial Bond, shall be valid or obligatory for any purpose unless the authentication certificate of the Paying Agent/Registrar has been signed by a duly authorized

officer thereof. Such duly executed certificate of authentication shall be conclusive evidence that the Bond so authenticated was delivered by the Paying Agent/Registrar.

**Section 3.07: PAYMENT OF PRINCIPAL AND INTEREST.**

A. Paying Agent/Registrar Matters. UMB Bank, N.A., Austin, Texas is hereby appointed as the Paying Agent/Registrar for the Bonds. The initial Paying Agent/Registrar shall perform its duties as registrar and paying agent in accordance with the terms of a paying agent/registrar agreement presented to and hereby approved by the Board of Directors. The President or Vice President of the Board of Directors is hereby authorized and directed to execute such paying agent/registrar agreement on behalf of the District, and the Secretary or Assistant Secretary of the Board of Directors is hereby authorized and directed to attest the execution thereof and to affix the seal of the District thereon. Further, the President of the Board of Directors and all other officers, agents, and representatives of the District are hereby authorized to do any and all things necessary or desirable to carry out the provisions of such paying agent/registrar agreement.

The principal or redemption price of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender, as they become due and payable, at the corporate trust office of the Paying Agent/Registrar. The interest on each Bond shall be payable by check on the Interest Payment Date, mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Registered Owner, as of the Record Date, to the address of such Registered Owner as shown on the Register. If the date for payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date payment was originally due.

B. Book-Entry-Only System Matters. The Initial Bond shall be issued in the form of a single fully registered Bond for the entire issue amount of \$4,815,000 in the principal amounts for each year and bearing interest at the rates shown in Section 3.03, and delivered at the principal payment office of the Paying Agent/Registrar, and after payment therefor by the Initial Purchaser, shall be canceled and Exchange Bonds for each maturity shall be exchangeable by the Paying Agent/Registrar for Exchange Bonds registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC") as agent for the Initial Purchaser. The Exchange Bonds shall be delivered in denominations of \$5,000 or any integral multiple thereof for any one maturity in accordance with DTC's Book-Entry-Only System.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC participants (the "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Register, of any

notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any person, other than a Registered Owner, as shown in the Register of any amount with respect to principal or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary, but to the extent permitted by law, the District and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal and interest, with respect to such Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Register, as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the District to make payments of principal and interest pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Resolution with respect to interest checks being mailed to the Registered Owner at the close of business on the Record Date the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

In the event that the District determines to discontinue the book-entry system through DTC or successor or DTC determines to discontinue providing its services with respect to the Bonds, the District shall either (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the District to DTC.

### **Section 3.08: SUCCESSOR PAYING AGENT/REGISTRARS.**

The District covenants that at all times while any Bonds are outstanding it will provide a legally qualified bank, trust company, financial institution or other agency to act as Paying Agent/Registrar for the Bonds. The District reserves the right to change the Paying Agent/Registrar for the Bonds on not less than sixty (60) days written notice to the Paying Agent/Registrar, so long as any such notice is effective not less than sixty (60) days prior to the

next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or a copy thereof to the new Paying Agent/Registrar, and the new Paying Agent/Registrar shall notify each Registered Owner by United States mail, first-class, postage prepaid, of the effective date of such change and of the address of the new Paying Agent/Registrar. Each Paying Agent/Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

**Section 3.09: SPECIAL RECORD DATE.**

If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest, to be known as a "Special Record Date." The Paying Agent/Registrar shall establish a Special Record Date when funds to make such interest payment are received from on behalf of the District. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each Registered Owner of an affected Bond as of the close of business on the Business Day prior to the mailing of such notice.

**Section 3.10: OWNERSHIP; UNCLAIMED PRINCIPAL AND INTEREST.**

The District, the Paying Agent/Registrar and any other person may treat the Registered Owner of any Bond as the absolute owner of such Bond for the purpose of making and receiving payment of the principal or interest on such Bond, and for other purpose, whether or not such Bond is overdue, and neither the District nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the Registered Owner of any Bond in accordance with this Section 3.10 shall be valid and effectual and shall discharge the liability of the District and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Paying Agent/Registrar that represent principal and interest on the Bonds remaining unclaimed by the Registered Owner thereof after the expiration of three (3) years from the date such amounts have become due and payable shall be reported and disposed of by the Paying Agent/Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended.

**ARTICLE FOUR**  
**REGISTRATION, TRANSFER AND EXCHANGE**

**Section 4.01: REGISTER.**

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep at its agent's office in Austin, Texas, a Register in which are listed the names and addresses of the Registered Owners and the principal amount of Bonds registered in the name of each Registered Owner.

**Section 4.02: REGISTRATION OF INITIAL BOND.**

The Initial Bond shall be registered to Cede & Co., on behalf of the Initial Purchaser, and shall be so entered into the Register by the Paying Agent/Registrar.

**Section 4.03: TRANSFER AND EXCHANGE.**

At any time after initial delivery of the Bonds, any Bond may be transferred upon its presentation and surrender at the corporate trust office of the Paying Agent/Registrar, duly endorsed for transfer by the Registered Owner or an authorized representative on the assignment form on the reverse side of the Bond, or accompanied by another instrument of transfer and assignment acceptable to the Paying Agent/Registrar and duly executed by the Registered Owner or any authorized representative. Upon presentation of any Bond for transfer, the Paying Agent/Registrar shall register, authenticate and deliver in the name of the transferee or transferees one or more Exchange Bonds in authorized denominations, of the same maturity and interest rate and in a like aggregate principal amount. A request for transfer of Bonds shall include the names and addresses of the transferees and the principal amount of Bonds to be transferred to each such transferee.

Any Bond may be exchanged by the Registered Owner or an authorized representative upon its presentation and surrender at the corporate trust office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate, in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange and in any authorized denomination.

Upon presentation of any Bond for transfer or exchange, the Paying Agent/Registrar shall register, authenticate, and deliver Exchange Bonds in accordance with the provisions of this Section 4.03. Except as provided in Section 4.02 above, the Paying Agent/Registrar shall, to the extent possible, register, authenticate and deliver Exchange Bonds within three (3) business days of receipt of Bonds presented for transfer or exchange. Neither the District nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding interest payment date or to transfer or exchange any Bond selected for redemption in whole or in part within thirty (30) calendar days of the redemption date. Each Exchange Bond shall be entitled to the benefits and security of this Resolution to the same extent as the Bond or Bonds for which such Exchange Bond is delivered. No service charge shall be made for any such transfer or exchange, but the District or the Paying Agent/Registrar may require the Registered Owner of any Bond to pay any tax or other governmental charge imposed in connection with the transfer or exchange of such Bond.

**Section 4.04: REPLACEMENT BONDS.**

Upon the presentation and surrender to the Paying/Agent Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed or wrongfully taken, the District, pursuant

to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall execute and the Paying Agent/Registrar shall authenticate and deliver a Replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The District or the Paying Agent/Registrar may require the Registered Owner of a mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith, including the fees and expenses of the Paying Agent/Registrar. The District or the Paying Agent/Registrar may require the Registered Owner of a lost, apparently destroyed or wrongfully taken Bond, before any Replacement Bond is issued, to:

A. furnish to the District and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;

B. furnish such security or indemnity as may be required by the Paying Agent/Registrar and the District to save them harmless;

C. pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that may be imposed; and

D. meet any other reasonable requirements of the District and the Paying Agent/Registrar.

If, after the delivery of a Replacement Bond, a bona fide purchaser of the original Bond, in lieu of which such Replacement Bond was issued, presents for payment such original Bond, the District and the Paying Agent/Registrar shall be entitled to recover such Replacement Bond from the person to whom it was delivered or any person taking therefrom and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the District or the Paying Agent/Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the District in its discretion may, instead of issuing a Replacement Bond, authorize the Paying Agent/Registrar to pay such Bond.

Each Replacement Bond delivered in accordance with this Section 4.04 shall be entitled to the benefits and security of this Resolution to the same extent as the Bond or Bonds in lieu of which such Replacement Bond is delivered.

#### **Section 4.05: CANCELLATION.**

All Bonds paid or redeemed in accordance with this Resolution, and all Bonds for which Exchange Bonds or Replacement Bonds are authenticated, registered and delivered in accordance with Section 4.02, Section 4.03 or Section 4.04 of this Resolution, shall be canceled and destroyed upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall periodically furnish the District with certificates of destruction of such Bonds.

**ARTICLE FIVE**  
**REDEMPTION OF BONDS BEFORE MATURITY**

**Section 5.01: OPTIONAL REDEMPTION OF BONDS.**

The District reserves the right, at its option, to redeem the Bonds maturing on or after September 1, 2026, prior to their scheduled maturities, in whole or, from time to time, in part, on September 1, 2025, or on any date thereafter, at a price equal to the principal amount of the Bonds called for redemption plus accrued interest thereon to the date fixed for redemption. The District shall, at least forty-five (45) days prior to the date fixed for redemption, notify the Paying Agent/Registrar of such date and of the principal amount of Bonds of each maturity to be redeemed. If less than all of the Bonds of the same maturity are to be redeemed, the particular Bonds to be redeemed from within such maturity shall be selected by the District by lot or such other customary method of random selection as the District deems fair and appropriate; provided, however, that in the event that a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in a principal amount equal to \$5,000 or an integral multiple thereof. For purposes of this Resolution, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed. Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 4.03 of this Resolution, shall authenticate, register, and deliver an Exchange Bond in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

**Section 5.02:**

[RESERVED.]

**Section 5.03: NOTICE OF REDEMPTION.**

Notice of redemption shall be given by the Paying Agent/Registrar at least thirty (30) days prior to the Redemption Date by sending such notice by mail, first class postage prepaid, to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the Register as of the 45<sup>th</sup> calendar date prior to the redemption date and to major securities depositories and bond information services. Such notice shall state the Redemption Date, the redemption price, the principal amount of the Bonds to be redeemed and, if less than all of the then outstanding Bonds are to be redeemed, the identification numbers (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, the amount of accrued interest payable on the Redemption Date and the place at which the Bonds are to be surrendered for payment. Any notice given as provided in this Section 5.02 shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. By the Redemption Date, due provision shall be made with the Paying Agent/Registrar for the payment of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the Redemption Date. When Bonds have been called for redemption, in whole or in part, as provided above and due provision has been made to redeem the Bonds called for redemption, such Bonds, or portions thereof, shall no longer be regarded as outstanding except for the purpose of receiving

payment from the funds provided for redemption, and the right of the Registered Owners to collect interest on such Bonds or portions thereof which would otherwise accrue after the Redemption Date shall be terminated.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Bond Resolution have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the District will not redeem such Bonds, and the Paying Agent will give notice in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

## ARTICLE SIX

### FORM OF BONDS AND CERTIFICATES

#### Section 6.01: FORM OF BONDS.

The Bonds, the authentication certificate, the registration certificate and the form of Assignment to be printed on the Bonds, shall be substantially in the forms set forth in this Article Six with such appropriate insertions, omissions, substitutions and other variations as are permitted or required by this Resolution and may have such letters, numbers or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as may, consistent herewith, be established by the District or determined by the officers executing such Bonds, as evidenced by their execution thereof. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond. The Bonds shall be printed, lithographed, engraved, produced by any combination of these methods, produced in any other similar manner or with the consent of the Registered Owner may be typewritten, all as determined by the officers executing such Bonds and evidenced by their execution thereof. The Initial Bonds submitted to the Attorney General of the State of Texas may be typewritten or photocopies or otherwise reproduced.

The form of the Bonds shall be substantially as follows.

**REGISTERED  
NO. R-**

**UNITED STATES OF AMERICA  
STATE OF TEXAS**

**REGISTERED  
\$4,815,000**

**LAKESIDE WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 2-C  
UNLIMITED TAX BONDS  
SERIES 2020**

**Interest Rate:**  
%

**Maturity Date:**

**Issue Date:**  
**March 1, 2020**

**CUSIP No.:**

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT: FOUR MILLION EIGHT HUNDRED FIFTEEN THOUSAND DOLLARS**

The Lakeside Water Control and Improvement District No. 2-C, a conservation and reclamation district and a body politic and corporate created under the Constitution and laws of the State of Texas (the "District"), for value received hereby acknowledges itself indebted to and promises to pay to the Registered Owner identified above or registered assigns, on the Maturity Date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest thereon from the later of the Issue Date specified above, or the most recent interest payment date to which interest has been paid or duly provided for at the rate per annum specified above, with interest payable commencing September 1, 2020, and semiannually thereafter on March 1 and September 1 of each year until the maturity or redemption date of this bond. The principal of this bond is payable upon presentation and surrender of this bond, at the corporate trust office of UMB Bank, N.A., Austin Texas (the "Paying Agent/Registrar"), in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America. Interest on this bond, calculated at the rate specified above on the basis of a 360-day year of twelve 30-day months, is payable by check to be mailed by the Paying Agent/Registrar on or before each interest payment date to the registered owner of record as of the 15<sup>th</sup> day of the month next preceding such interest payment date. Any accrued interest due at maturity shall be paid upon presentation and surrender of this bond at the corporate trust office of the Paying Agent/Registrar.

This bond is not valid or obligatory for any purpose unless either the registration certificate of the Comptroller of Public Accounts of the State of Texas or the authentication certificate of the Paying Agent/Registrar, one or the other of which must be printed hereon, has been signed by a duly authorized officer thereof.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH PROVISIONS SHALL HAVE THE SAME FORCE AND EFFECT AS IF SET FORTH AT THIS PLACE.

**IN WITNESS WHEREOF**, the District has caused this Bond to be signed with the manual or facsimile signature of the President or Vice President of the Board of Directors of the District and countersigned with the manual or facsimile signature of the Secretary or Assistant Secretary of the Board of Directors of the District, and has caused the official seal of the District to be duly impressed, or placed in facsimile, on this Bond.

**LAKESIDE WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 2-C**

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Secretary, Board of Directors

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President, Board of Directors

(SEAL)

This bond is one of a duly authorized issue of bonds, aggregating Four Million Eight Hundred Fifteen Thousand Dollars (\$4,815,000) (the "Bonds"), issued pursuant to a resolution of the Board of Directors of the District adopted on February 11, 2020 (the "Resolution"), for the purpose of acquiring and constructing improvements to the District's water, sanitary sewer and drainage system, paying expenses of operation of the District and paying bond issuance costs.

The Bonds are transferable upon presentation and surrender at the corporate trust office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner (the "Registered Owner") or the Registered Owner's authorized representative, subject to the terms and conditions of the Resolution.

The Bonds of this issue are exchangeable at the corporate trust office of the Paying Agent/Registrar for Bonds in the principal amount of \$5,000, or any integral multiple thereof, subject to the terms and conditions of the Resolution.

Neither the District nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond during a period beginning at the opening of business on a Record Date (as defined in the Resolution) and ending at the close of business on the next succeeding interest payment date or to transfer or exchange any Bond selected for redemption in whole or in part within forty-five (45) calendar days of the redemption date.

Prior to presentation of this Bond for transfer or exchange, the District and the Paying Agent/Registrar will deem the Registered Owner identified above as the absolute owner of this Bond, whether or not this Bond shall be overdue and notwithstanding any notation of ownership or other writing hereon, for the purpose of receiving payment of the principal amount hereof and interest due hereon, and for all other purposes, and neither the District nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

The District reserves the right, at its option, to redeem the Bonds maturing on or after September 1, 2026, in whole or, from time to time, in part, prior to their scheduled maturities, on September 1, 2025, or on any date thereafter, at a price equal to the principal amount of the Bonds called for redemption plus accrued interest thereon to the date fixed for redemption. In the event that a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in a principal amount equal to \$5,000, or any integral multiple thereof.

Notice of any redemption will be given at least thirty (30) days prior to the date fixed for redemption by mail, first class postage prepaid, to the Registered Owners of the Bonds to be redeemed, in whole or in part, at the address shown on the books of registration kept by the Paying Agent/Registrar. By the date fixed for redemption, due provision will be made with the Paying Agent/Registrar for payment of the principal amount of the Bonds called for redemption, plus

accrued interest thereon to the redemption date. When Bonds have been called for redemption, in whole or in part, and due provision has been made to redeem same, such Bonds, or the portions thereof so called for redemption, shall no longer be regarded as outstanding, except for the purpose of receiving payment from the funds provided for redemption, and the rights of the Registered Owners to collect interest which would otherwise accrue after the redemption date of the Bonds, or portions thereof called for redemption, will be terminated.

This Bond, and the other Bonds of the series of which it is a part, are payable from the proceeds of an ad valorem tax levied without legal limitation as to rate or amount upon all taxable property within the District. Reference is hereby made to the Resolution for a complete description of the terms, covenants and provisions pursuant to which the Bonds are secured and made payable and the respective rights thereunder of the Registered Owners of the Bonds and of the District and the Paying Agent/Registrar. By acceptance of this Bond, the Registered Owner hereof expressly assents to all of the provisions of the Resolution.

**IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED** that the issuance of this Bond and the series of Bonds of which it is a part is duly authorized by law; that all acts, conditions and things required to exist and to be done precedent to and in the issuance of this Bond and said series of Bonds to render the same lawful and valid have been properly done and performed and have happened in regular and due time, form and manner, as required by law; that due provision has been made for the payment of the interest on and the principal of this Bond and the series of Bonds of which it is a part by the levy of a continuing, direct annual ad valorem tax upon all taxable property within the District sufficient for said purposes; and that the issuance of this Bond and said series of Bonds does not exceed any constitutional or statutory limitation.

**Section 6.02: REGISTRATION OF INITIAL BOND BY STATE COMPTROLLER AND CERTIFICATE.**

The Initial Bond shall be registered by the Comptroller of Public Accounts of the State of Texas as provided by law. The registration certificate of the Comptroller of Public Accounts of the State of Texas shall be printed on the face of each of the Initial Bond and shall be in substantially the following form:

**OFFICE OF THE COMPTROLLER  
OF PUBLIC ACCOUNTS  
THE STATE OF TEXAS**

**REGISTER NO.** \_\_\_\_\_

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and it is a valid and binding obligation of Lakeside Water Control and Improvement District No. 2-C, and said bond has this day been duly registered by me.

**WITNESS MY HAND AND SEAL OF OFFICE** at Austin, Texas, this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

**Section 6.03: FORM OF AUTHENTICATION CERTIFICATE:**

The following form of authentication certificate shall be printed on the face of each of the Bonds other than the Initial Bonds:

**AUTHENTICATION CERTIFICATE**

This bond is one of the bonds described in and issued pursuant to the within-mentioned Resolution. This bond has been delivered pursuant to the Resolution in exchange for or in replacement of a bond or bonds or a portion of a bond or bonds of a series which was originally approved by the Attorney General of the State of Texas.

**UMB Bank, N.A., Austin, Texas**

Dated:

By: \_\_\_\_\_  
Authorized Signature

**Section 6.04: FORM OF ASSIGNMENT.**

A form of assignment shall be printed on the back of each of the Bonds and shall be in substantially the following form:

**ASSIGNMENT**

**FOR VALUE RECEIVED**, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
\_\_\_\_\_  
(Please print or type name, address and zip code of Transferee)

\_\_\_\_\_  
\_\_\_\_\_  
(Please insert Social Security or Taxpayer Identification Number of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED:

Signature Guaranteed:

Registered Owner:

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature above must correspond to the name of the registered owner as shown on the face of this bond in every particular, without any alteration, enlargement or change whatsoever.

**Section 6.05: LEGAL OPINIONS; CUSIP NUMBERS.**

The District may also have printed on the reverse side of the Bonds the legal opinion of McCall, Parkhurst & Horton L.L.P., as to the validity of the Bonds and the excludability of interest on the Bonds from gross income for federal income tax purposes and the statement of insurance for the Bonds. Also, CUSIP numbers may be printed on the Bonds, at the option of the District. Also, an insurance statement may be printed on the Bonds.

**Section 6.06: CHANGE TO FORM FOR INITIAL BOND.**

The Initial Bond shall be in the form set forth in Section 6.01 of this Article, except that: Immediately under the name of the Bond, the headings "Interest Rate" and "Maturity Date" shall both be completed with the expression "as shown below" and ["CUSIP NO." shall be deleted];

In the first paragraph: The words "on the Maturity Date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption)" shall be deleted and the following will be inserted: "on the first day of September in each of the years set forth below and in the principal installments and bearing interest at the per annum rates set forth below, the sum of \$4,815,000 Dollars (or so much thereof as shall not have been paid upon prior redemption) according to the following schedule:

Year of Maturity	Principal Amount	Interest Rate	Year of Maturity	Principal Amount	Interest Rate
2019	\$175,000	%	2030	\$175,000	%
2020	\$175,000		2031	\$175,000	
2021	\$175,000		2032	\$175,000	
2022	\$175,000		2033	\$200,000	
2023	\$175,000		2034	\$300,000	
2024	\$175,000		2035	\$300,000	
2025	\$175,000		2036	\$350,000	
2026	\$175,000		2037	\$350,000	
2027	\$175,000		2038	\$350,000	
2028	\$175,000		2039	\$425,000	
2029	\$175,000		2040	\$440,000	

**ARTICLE SEVEN**

**SECURITY OF THE BONDS AND ANY ADDITIONAL BONDS**

**Section 7.01: SECURITY OF BONDS AND ANY ADDITIONAL BONDS.**

The Bonds, the Outstanding Bonds and any Additional Bonds are secured by and payable from the levy and pledge of a continuing, direct annual ad valorem tax, without legal limitation as to rate or amount, upon all taxable property within the District.

**Section 7.02: LEVY OF TAX.**

To pay the interest on the Bonds, and to create a sinking fund for the payment of the principal thereof when due, and to pay the expenses of assessing and collecting such taxes, there is hereby levied, and there shall be assessed and collected in due time, a continuing, direct annual ad valorem tax without limit as to rate or amount on all taxable property in the District for each year while any of the Bonds are outstanding. All of the proceeds of such collections, except expenses incurred in that connection, shall be paid into the Debt Service Fund, and the aforementioned tax and such payments into Debt Service Fund shall continue until the Bonds and the interest thereon have been fully paid and discharged, and such proceeds shall be used for such purposes and no other. The rate of the ad valorem tax hereby levied shall be determined and levied from year to year in an amount as will be ample and sufficient to provide funds to pay the interest on said Bonds, the Outstanding Bonds and any Additional Bonds and to provide the necessary sinking fund to pay the principal when due, full allowance being made for delinquencies and costs of collection. The annual ad valorem tax rate shall be determined and the tax shall be levied, collected and applied to the payment of principal and interest on the Bonds, the Outstanding Bonds and any Additional Bonds, as follows:

- (a) By September 1 in each year, or as soon thereafter as practicable, the Board shall consider the taxable property in the District and determine the actual rate per \$100 valuation of taxable property which is to be levied in that year and levy the tax against all taxable property in the District.
- (b) In determining the actual rate to be levied in each year, the Board shall consider among other things:
  - (i) the amount which should be levied for the payment of principal, interest, and redemption price of each series of bonds or notes payable in whole or in part from taxes; and
  - (ii) the percentage of anticipated tax collections and the cost of collecting the taxes.
- (c) In determining the amount of taxes which should be levied each year, the Board may consider whether revenue or receipts are expected to be available from other sources which are legally available to pay principal of or interest or redemption price on the Bonds, the Outstanding Bonds and any Additional Bonds.

In addition to the taxes levied pursuant to this Section 7.02, the District may also levy from time to time taxes for maintenance and operation purposes, for contract obligations payable from taxes and for any other purpose or purposes authorized by law.

**Section 7.03: PAYMENT OF BONDS AND PERFORMANCE OF OBLIGATIONS.**

The District covenants to pay promptly the principal of and interest on the Bonds any Outstanding Bonds and Additional Bonds, if any, as the same become due and payable, whether at maturity or by prior redemption, in accordance with the terms of the Bonds and this Resolution, and to keep and perform faithfully all of its covenants, undertakings and agreements contained in this Resolution, or in any Bond executed, authenticated and delivered hereunder.

**ARTICLE EIGHT**

**FLOW OF FUNDS AND INVESTMENTS**

**Section 8.01: CREATION OF FUNDS.**

The Debt Service Fund and the Capital Projects Fund are hereby established as separate and distinct funds. Each fund shall be kept separate and apart from all other funds of the District. To the extent allowed by law, the Debt Service Fund shall constitute a trust fund which shall be held in trust by the District for the benefit of the holders of the Bonds, the Outstanding Bonds and the Additional Bonds, if any, as appropriate. The Capital Projects Fund shall be used as provided in Section 8.04 of this Resolution.

**Section 8.02: SECURITY OF FUNDS.**

Any cash balance in any fund, to the extent not insured by the Federal Deposit Insurance Corporation or its successor or the Federal Savings and Loan Insurance Corporation or its successor, shall be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of municipal utility districts, having an aggregate market value, exclusive of accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged.

**Section 8.03: DEBT SERVICE FUND.**

The District shall deposit or cause to be deposited into the Debt Service Fund accrued interest on the Bonds, the proceeds from collections of the ad valorem taxes levied pursuant to Section 7.02 hereof, less costs of collection, as collected. Not later than five (5) days prior to any Interest Payment Date on the Bonds and the Outstanding Bonds, the Board of Directors shall cause the transfer of moneys out of the Debt Service Fund to the Paying Agent/Registrar in an amount not less than that which is sufficient to pay the principal which matures on such date and the interest which accrues on such date. The District shall pay fees and charges of the Paying Agent/Registrar for its services as paying agent and registrar for the Bonds and the Outstanding Bonds from the Debt Service Fund.

**Section 8.04: CAPITAL PROJECTS FUND.**

All proceeds from the sale of the Bonds, other than accrued interest and capitalized interest which shall be deposited into the Debt Service Fund, shall be deposited into the District's Capital Projects Fund and used for the payment of expenses incident to the issuance of the Bonds, including financial advisory, legal and engineering fees and expenses; operation and administrative expenses of the District; and the costs of purchasing, constructing, acquiring, owning, operating, repairing, improving or extending the System, all as currently or hereafter approved by the Commission.

**Section 8.05:**

[RESERVED.]

**Section 8.06: INVESTMENTS AND EARNINGS.**

Moneys deposited into the Debt Service Fund, the Capital Projects Fund, and any other fund or funds which the District may lawfully create may be invested or reinvested in Authorized Investments. All investments and any profits realized from or interest accruing on such investments shall belong to the fund from which the moneys for such investments were taken; provided, however, that in the discretion of the Board of Directors the profits realized from and interest accruing on investments made from any fund may be transferred to the Debt Service Fund. If any moneys are so invested, the District shall have the right to have sold in the open market a sufficient amount of such investments to meet its obligations in the event any fund does not have sufficient uninvested funds on hand to meet the obligations payable out of such fund. After such sale the moneys resulting therefrom shall belong to the fund from which the moneys for such investments were initially taken. The District shall not be responsible to the Registered Owners for any loss arising out of the sale of any investments.

**ARTICLE NINE**

**ADDITIONAL BONDS; REFUNDING BONDS AND DEFEASANCE**

**Section 9.01: ADDITIONAL BONDS.**

The District expressly reserves the right to issue, in one or more installments, for the purpose of purchasing, constructing, acquiring, owning, operating, maintaining, repairing, improving or extending the System or for any other lawful purposes:

- a. any authorized but unissued unlimited tax bonds which have been authorized at a bond election in the District; and
- b. such other unlimited tax bonds as may hereafter be authorized at subsequent elections.

**Section 9.02: OTHER BONDS.**

The District further reserves the right to issue unlimited tax bonds, if authorized by election, and such other bonds as may be lawfully issued by the District without the necessity for an election.

**Section 9.03: REFUNDING OR DEFEASANCE.**

The District further reserves the right to defease or refund the Bonds or any other bonds issued by the District in any manner provided by law at or prior to their respective dates of maturity or redemption.

**ARTICLE TEN**

**PROVISIONS CONCERNING FEDERAL INCOME TAX EXCLUSION**

**Section.10.01: COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS.**

(a) Covenants. The District covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the District covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the District, with respect to such private business use, do not, under the terms of this Bond Order or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the Bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of Section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the District for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The District understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the

Bonds. It is the understanding of the District that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the District will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the District agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the District hereby authorizes and directs the President or Vice President to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the District, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Allocation Of, and Limitation On, Expenditures for the Project. The District covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 3.01 of this Bond Order (the "Project") on its books and records in accordance with the requirements of the Internal Revenue Code. The District recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the District recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The District agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the District shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The District covenants that the property constituting the projects financed or refinanced with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the District of cash or other compensation, unless the District obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the District shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Reimbursement. This Resolution is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

(g) Designation as Qualified Tax-Exempt Obligations. The District hereby designates the Bonds as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code, conditioned upon the Initial Purchaser identified in Section 15.01 hereof certifying that the aggregate initial offering price of the Bonds to the public (excluding any accrued interest) is no greater than \$10,000,000 (or such amount permitted by section 265 of the Code). Assuming such condition is met, in furtherance of such designation, the District represents, covenants and warrants the following: (a) that during the calendar year in which the Bonds are issued, the District (including any subordinate entities) has not designated nor will designate bonds, which when aggregated with the Bonds, will result in more than \$10,000,000 (or such amount permitted by section 265 of the Code) of "qualified tax-exempt obligations" being issued; (b) that the District reasonably anticipates that the amount of tax-exempt obligations issued during the calendar year in which the Bonds are issued, by the District (or any subordinate entities) will not exceed \$10,000,000 (or such amount permitted by section 265 of the Code); and, (c) that the District will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, in order that the Bonds will not be considered "private activity bonds" within the meaning of section 141 of the Code.

## **ARTICLE ELEVEN**

### **DEFAULT PROVISIONS**

#### **Section 11.01: REMEDIES IN EVENT OF DEFAULT.**

In addition to any other rights and remedies provided by the laws of the State, the District covenants and agrees that in the event of default in payment of principal of or interest on any of the Bonds when due or in the event it fails to make the payments required to be made into the Debt Service Fund or defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Resolution, the Registered Owners shall be entitled to a writ of mandamus issued by a court of competent jurisdiction compelling and requiring the District and the officials thereof to observe and perform the covenants, obligations or conditions prescribed in this Resolution. Any delay or omission to exercise any right or power accruing upon any default shall not impair any such right or power to be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

#### **Section 11.02: RESOLUTION IS CONTRACT; AMENDMENTS.**

In consideration of the purchase and acceptance of the Bonds authorized to be issued hereunder by the Registered Owners, the provisions of this Resolution shall be deemed to be and shall constitute a contract between the District and the Registered Owners; and the covenants and agreements herein set forth to be performed on behalf of the District shall be for the equal benefit, protection and security of each of the Registered Owners. The Bonds, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any Bond over any other, except as expressly provided herein. The District may, without the consent of or notice to the Registered Owners, from time to time and at any time amend this Resolution in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the

District may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding, amend, add to or rescind any of the provisions of this Resolution; provided that, without the consent of the Registered Owners of all of the Bonds affected, no such amendment, addition, or rescission shall (a) extend the time or times of payment of the principal and redemption price of and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal and redemption price of or interest on the Bonds, (b) give any preference to any Bond over any other Bonds or (c) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition or rescission.

## ARTICLE TWELVE

### CONTINUING DISCLOSURE OF FINANCIAL INFORMATION

**Section 12.01: DEFINITIONS.** As used in this Article, the following terms have the meanings ascribed to such terms below:

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

### **Section 12.02: ANNUAL REPORTS.**

(i) The District shall provide annually to the MSRB in an electronic format as prescribed by the MSRB, within six months after the end of any fiscal year, financial information and operating data with respect to the District, of the general type included in EXHIBIT A hereto. Any financial statements so to be provided shall be (i) prepared in accordance with generally accepted auditing standards or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation and (ii) audited, if the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within twelve months of the District's fiscal year end, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such twelve month period and audited financial statements when the audit report on such statements becomes available.

(ii) If the District changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the District otherwise would be required to provide financial information and operating data pursuant to this Section.

(iii) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

**Section 12.03: CERTAIN EVENT NOTICES.**

(i) The District shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds;
- (7) Modifications to rights of beneficial owners of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, Insolvency, receivership or similar events of the District;
- (13) Consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(ii) For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar office for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers of the District in possession but subject to the supervision and order of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District, and (b) the District intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

(iii) The District shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner, of any failure by the District to provide financial information or operating data in accordance with this subsection of this Resolution by the time required by this Section.

**Section 12.04: LIMITATIONS, DISCLAIMERS, AND AMENDMENTS.**

(i) The District shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the District remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the District in any event will give notice of any deposit made in accordance with Texas law that causes the Bonds no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the Owners and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The District undertakes to provide only the financial information, operating data, financial statements and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the District's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The District does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE DISTRICT BE LIABLE TO AN OWNER OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE DISTRICT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION. EVERY RIGHT AND REMEDY OF ANY SUCH PERSON,

IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the District in observing or performing its obligations under this Section shall comprise a breach of or default under the Resolution for purposes of any other provision of this Resolution. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the District under federal and state securities laws.

(v) Notwithstanding any other provision within this Resolution, the provisions of this Section may be amended by the District from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, or status or type of operations of the District, if (1) the agreement, as so amended, would have permitted an underwriter to purchase or sell Bonds in the original primary offering in compliance with the Rule, taking into account such amendment as well as such changed circumstances, and (2) a person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the Owners. If any such amendment is made, the District will include in its next annual update an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

**Section 12.05: FORMAT, IDENTIFYING INFORMATION, AND INCORPORATION BY REFERENCE.**

(i) All financial information, operating data, financial statements, and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

(ii) Financial information and operating data to be provided pursuant to Section 12.02 may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

**ARTICLE THIRTEEN**  
**MISCELLANEOUS PROVISIONS**

**Section 13.01: DISTRICT'S SUCCESSORS AND ASSIGNS.**

Whenever in this Resolution the District is named and referred to, it shall be deemed to include its successors and assigns and all covenants and agreements in this Resolution by or on behalf of the District, except as otherwise provided herein, shall bind and inure to the benefit of its successors and assigns whether or not so expressed.

**Section 13.02: NO RECOURSE AGAINST DISTRICT OFFICERS.**

No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Resolution against any officer or director of the District or any person executing the Bonds.

**Section 13.03: NO PERSONAL LIABILITY.**

No covenant or agreement contained in the Bonds, this Resolution or any corollary instrument shall be deemed to be the covenant or agreement of any member of the Board or any officer, agent, employee or representative of the Board in his individual capacity, and neither the directors, officers, agents, employees or representatives of the Board nor any person executing the Bonds shall be personally liable thereon or be subject to any personal liability for damages or otherwise or accountability by reason of the issuance thereof, or any actions taken or duties performed, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the issuance of the Bonds.

**Section 13.03: BENEFITS OF RESOLUTION PROVISIONS.**

Nothing in this Resolution or in the Bonds, expressed or implied, shall give or be construed to give any person, firm or corporation, other than the District, the Paying Agent/Registrar and the Registered Owners, any legal or equitable right or claim under or in respect of this Resolution, or under any covenant, condition or provision herein contained, all the covenants, conditions and provisions contained in this Resolution or in the Bonds being for the sole benefit of the District, the Paying Agent/Registrar and the Registered Owners.

**Section 13.04: UNAVAILABILITY OF AUTHORIZED PUBLICATION.**

If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Resolution shall be given in such other manner and at such time or times as in the judgment of the District shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Resolution be deemed to be in compliance with the requirements for publication thereof.

**Section 13.05: SEVERABILITY CLAUSE.**

If any word, phrase, clause, sentence, paragraph, section or other part of this Resolution, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of this Resolution and the application of such word, phrase, clause, sentence, paragraph, section or other part of the Resolution to any other persons or circumstances shall not be affected thereby.

**Section 13.06: ACCOUNTING.**

The District will keep proper records and accounts regarding the levy and collection of taxes, which records and accounts will be made available to any Registered Owner on reasonable request. Each year while any of the Bonds are outstanding, the District shall have an audit of its books and accounts by a certified public accountant or firm of certified public accountants, based on its Fiscal Year, and copies of such audits will be made available to any Registered Owner upon request.

**Section 13.07: FURTHER PROCEEDINGS.**

The President, Vice President and Secretary of the Board of Directors and other appropriate officials of the District are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Resolution.

**Section 13.08: GOVERNING LAW.**

This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

**Section 13.09: INTERESTED PARTIES.**

Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the District, the Paying Agent/Registrar and the Registered Owners of the Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the District, the Paying Agent/Registrar and the Registered Owners of the Bonds.

**ARTICLE FOURTEEN**

**SALE AND DELIVERY OF BONDS; OFFICIAL STATEMENT**

**Section 14.01: SALE OF BONDS.**

The Board hereby certifies that the Bonds have been sold after publication of notice in compliance with Section 49.183(b), Texas Water Code, to the highest bidder and that sale of the Bonds is hereby awarded to \_\_\_\_\_ (the "Initial Purchaser") at a price of \$\_\_\_\_\_ plus accrued interest to the date of payment for and delivery of the Bonds, subject to the unqualified approving opinion as to the legality of the Bonds of the Attorney General of the State of Texas and of bond counsel for the District and provided that the Initial Bond shall be delivered to Cede & Co., on behalf of the Initial Purchaser. It is hereby found and declared that the price paid by the Initial Purchaser produces the lowest net effective interest rate and is the most advantageous price reasonably available to the District. The President of the Board of Directors and all other officers, agents and representatives of the District are hereby authorized to do any and all things necessary or desirable to provide for the issuance and delivery of the Bonds.

**Section 14.02: APPROVAL, REGISTRATION, AND DELIVERY.**

The President, or the Vice President in the absence of the President, of the Board of Directors of the District and representatives of McCall, Parkhurst & Horton L.L.P., are hereby authorized and directed to submit the Initial Bond, and a transcript of the proceedings relating to the issuance of the Bonds, to the Attorney General of the State of Texas for approval and, following said approval, to submit the Initial Bond to the Comptroller of Public Accounts of the State of Texas for registration. Upon registration of the Initial Bond, the Comptroller of Public Accounts (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's registration certificate prescribed herein to be printed and endorsed on the Initial Bond, and the seal of the Comptroller shall be impressed or placed in facsimile on the Initial Bond. After the Initial Bond has been registered, signed and sealed by the Comptroller, it shall be delivered to Cede & Co., on behalf of the Initial Purchaser, but only upon receipt of the full purchase price.

**Section 14.03: APPROVAL OF OFFERING DOCUMENTS AND A PAYING AGENT/REGISTRAR AGREEMENT.**

A "Notice of Sale and Bidding Instructions", an "Official Bid Form", and an "Preliminary Official Statement", dated January 14, 2020 were prepared and distributed in connection with the sale of the Bonds (said documents are hereinafter referred to as the "Offering Documents"). Said Offering Documents, and any addenda, supplement, or amendment thereto, are hereby approved by the Board of Directors of the District, and their use in the offer and sale of the Bonds is hereby approved.

The Paying Agent/Registrar Agreement by and between the District and UMB Bank, N.A. ("Paying Agent Agreement") in substantially the form and substance presented to the Board of Directors of the District on February 11, 2020 is hereby approved and the President or Vice President is hereby authorized and directed to complete, amend, modify and execute the Paying Agent Agreement, as necessary.

**Section 14.04: PAYMENT OF ATTORNEY GENERAL FEE.**

The District hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Bonds or (ii) \$9,500, provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The appropriate member of the District's staff is hereby instructed to take the necessary measures to make this payment. The District is also authorized to reimburse the appropriate District funds for such payment from proceeds of the Bonds.

**ARTICLE FIFTEEN**  
**OPEN MEETING AND EFFECTIVE DATE**

**Section 15.01: OPEN MEETING.**

The Board officially finds, determines, recites and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the Board was posted at a place convenient to the public at the administrative office of the District for the time required by law preceding this meeting and that such place of posting was readily accessible at all times to the general public; that a copy of such written notice was furnished to the County Clerk of Travis County in sufficient time for posting for the time required by law preceding this meeting; and that a copy of such written notice was posted on a bulletin board located at a place convenient to the public in the County Courthouse for the time required by law preceding this meeting and that such place of posting was readily accessible at all times to the general public; that all of the foregoing was done as required by Chapter 551, Texas Government Code, as amended; and that this meeting has been open to the public as required by law at all times during which this Resolution and the subject matter thereof has been discussed, considered and formally acted upon. The Board further ratifies, approves and confirms such written notice and the contents and posting thereof.

**Section 15.02: EFFECTIVE DATE OF RESOLUTION.**

This Resolution shall take effect and be in full force and effect upon and after its passage.

## **EXHIBIT A TO RESOLUTION**

### **DESCRIPTION OF ANNUAL FINANCIAL INFORMATION**

The District will provide updated financial information and operating data to the MSRB annually. The information to be annually updated includes all quantitative financial information and operating data with respect to the District of the general type included in the Official Statement under the headings "FINANCIAL STATEMENT," "TAX DATA," "GENERAL FUND OPERATIONS," "DEBT SERVICE REQUIREMENTS" AND "APPENDIX A" (Annual Financial Report and supplemental schedules).

9

**COST SHARING AGREEMENT GREENBELT SIDEWALK REPLACEMENT  
PROJECT**

This COST SHARING AGREEMENT FOR GREENBELT SIDEWALK REPLACEMENT PROJECT ("**Agreement**") is entered into by and between Lakeside Water Control and Improvement District No. 1 ("**Lakeside 1**"); Lakeside Water Control and Improvement District No. 2A ("**Lakeside 2A**"), Lakeside Water Control and Improvement District No. 2B ("**Lakeside 2B**"), Lakeside Water Control and Improvement District No. 2C ("**Lakeside 2C**"), and Lakeside Water Control and Improvement District No. 2D ("**Lakeside 2D**"), each, a "**Participant**," and collectively, the "**Participants**," regarding the Participants' joint participation in a greenbelt sidewalk replacement project in Travis and/or Williamson Counties, Texas.

**RECITALS**

**WHEREAS**, the Participants are conservation and reclamation districts operating pursuant to Chapters 49, 51, and/or 54 of the Texas Water Code;

**WHEREAS**, the Participants desire to cooperate in the contract administration for greenbelt sidewalk replacement within the boundaries of Lakeside 2D (the "**Project**");

**WHEREAS**, maintenance of such facilities and land will serve the landowners of the Participants;

**WHEREAS**, pursuant to Chapter 791, Texas Government Code, and the general and special laws of the State of Texas, the Participants are authorized to enter into this Agreement providing for the undertaking, administration, and implementation of the Agreement; and

**WHEREAS**, the Participants desire to enter into this Agreement to define the terms and conditions regarding the sharing of costs to hire and engage Lomas Land Maintenance, LLC ("**Lomas**") to undertake the Project.

**NOW, THEREFORE**, for and in consideration of the mutual promises and other good and valuable consideration contained herein, the sufficiency of which is hereby acknowledged, the Participants agree as follows:

**AGREEMENT**

1. Project. For purposes of this Agreement, the "**Project**" means the hiring and engaging of Lomas to pour 1,100 square feet of six inch thick concrete sidewalk within Lakeside 2D, but jointly owned and operated by the Participants, with the scope of such maintenance being more particularly described in the contract entered into for the Project ("**Contract**"), which is attached hereto and incorporated herein by reference for all purposes as Attachment A.

2. Allocation of Costs. The Participants acknowledge and agree that they shall collectively pay for the total costs incurred under the Project (the “**Total Costs**”) in accordance with the percentages provided in this Section. The Participants agree that the Total Cost for the Project shall not exceed \$13,328.57. Each Participant’s payment obligation for the Total Cost of the Project is as follows (each, a “**Percentage Share**” and collectively, the “**Percentage Shares**”):

DISTRICT	CONNECTIONS	PERCENTAGE SHARES	CONTRIBUTION
Lakeside 1	553	14.11%	\$1,880.66
Lakeside 2A	757	19.32%	\$2,575.08
Lakeside 2B	488	12.46%	\$1,660.74
Lakeside 2C	1083	27.64%	\$3,684.02
Lakeside 2D	1037	26.47%	\$3,528.07
TOTAL		100%	\$13,328.57

3. Ownership Interest. The Participants confirm and agree that they will own any and all documents and work product created by Lomas for the Project, in undivided interests according to their respective Percentage Share.
4. Project Administrator. The Participants agree that Lakeside 2C will be the project administrator (“**Project Administrator**”) for the Contract entered into for the Project. The Project Administrator will pay the Project contractors and professionals in accordance with any duly executed Contracts, and the other Participants shall provide payment to Lakeside 2C for their Percentage Share of such costs. All Contracts must be approved in writing by all other Participants.
5. Payment of Project Costs. For each Contract entered into for the Project, each Participant shall pay its Percentage Share of the amounts invoiced or deposits required under the Contract to the Project Administrator no later than thirty (30) days after the Project Administrator provides written notice to the other Participants of their respective Percentage Shares for each invoice received by the Project Administrator.
6. Accounting. The Project Administrator shall maintain complete books and records regarding the Project, including but not limited to the Total Costs, and such books and records will be deemed complete if kept in accordance with generally acceptable accounting principles as applied to governmental entities in Texas. Such books and records must be made available for examination at the offices of the Project Administrator by the duly authorized officers or agents of the Participants during normal business hours upon request made not less than five (5) business days prior to the date of such examination. The Project Administrator shall maintain such books and records until at least four (4) years after completion of the Project.
7. Event of Default. Subject to the Force Majeure provisions of this Agreement, the following events, if not cured by the defaulting Participant within 30 days of receipt of

written notice from a non-defaulting Participant (the “*Cure Period*”) will be considered a breach of this Agreement (each an “*Event of Default*”):

- a. Failure to make payments or deposits in the amount or in the time period set forth in this Agreement; or
  - b. Failure to comply with any other conditions or terms of this Agreement or to take any actions required by this Agreement.
  - c. If an Event of Default is not cured within the applicable Cure Period, then the dispute resolution provisions in the Section below will apply.
8. Dispute Resolution. The Participants agree to negotiate in good faith and attempt to resolve any dispute between them arising under this Agreement. If the Participants are unable to resolve the dispute or to agree on a course of action within thirty (30) calendar days after the end of the Cure Period, then they agree to submit the dispute to mediation. The burden of proof as to whether a Force Majeure Event has occurred or as to whether the Force Majeure Event has prevented performance is upon the defaulting Participant. The burden of proof as to whether an Event of Default has occurred or regarding a failure to cure is on the non-defaulting Participant. If the dispute is resolved by mediation, the relief obtained as a result of mediation is the exclusive remedy available to the Participants related to the Event of Default. If the dispute is not resolved within ninety (90) calendar days after submission of the dispute to a mediator, each Participant will have all rights and remedies that may be available under law and equity, including without limitation the right to specifically enforce any term or provision of this Agreement and/or the right to institute an action for damages or mandamus.
9. Force Majeure.
- a. Definition. Except as otherwise provided below, the term “*Force Majeure Event*” means any act or event, whether foreseen or unforeseen, that meets all three (3) of the following tests:
    - i. The act or event prevents a Participant (the “*Nonperforming Participant*”) in whole or in part, from (A) performing its obligations under this Agreement; or (B) satisfying any conditions precedent to the obligations of the other Participant (the “*Performing Participant*”) under this Agreement; and
    - ii. The act or event is beyond the reasonable control of and not the fault of the Nonperforming Participant; and
    - iii. The Nonperforming Participant has been unable to avoid or overcome the act or event by the exercise of due diligence.

Despite the generality of the preceding definition of a Force Majeure Event, a Force Majeure Event excludes economic hardship, changes in market conditions, or insufficiency of funds and a Force Majeure Event does not excuse any obligation by either a Performing Participant or a Nonperforming Participant to make any payment or deposit required under this Agreement.

- b. Actions on Occurrence of Force Majeure Event. No later than five (5) business days after becoming aware of the occurrence of a Force Majeure Event, the Nonperforming Participant will furnish the Performing Participant with written notice describing the particulars of the occurrence, including an estimate of its expected duration and probable impact on the performance of the Nonperforming Participant's obligations under this Agreement. During the continuation of the Force Majeure Event, the Nonperforming Participant will furnish timely, regular written notices updating the information contained in the initial notice, and providing any other information that the Performing Participant reasonably requests. In addition, during the continuation of the Force Majeure Event, the Nonperforming Participant will exercise commercially reasonable efforts to overcome, mitigate or limit damages to the Performing Participant, continue to perform its other obligations under this Agreement (to the extent it is able), and cause the suspension of performance to be of no greater scope and no longer duration than the Force Majeure Event requires. When the Nonperforming Participant is able to resume performance of its obligations under this Agreement, it will immediately give the Performing Participant written notice to that effect and will resume performance under this Agreement no later than five (5) business days after the notice is delivered.

#### 10. Miscellaneous.

- a. Actions Performable; Venue. All actions to be performed under this Agreement are performable solely in Travis County, Texas. Venue for any action arising under this Agreement will be in Travis County, Texas.
- b. Governing Law. The Participants agree that this Agreement has been made under the laws of the State of Texas in effect on the Effective Date, and that any interpretation of this Agreement at a future date will be made under the laws of the State of Texas.
- c. Severability/No Waiver. If a provision of this Agreement is finally declared void illegal, or unenforceable by any court or administrative agency having jurisdiction, the remaining provisions will not be affected, but will continue in effect as nearly as possible in accordance with the original intent of the Participants. Any failure by a Participant to insist upon strict performance by another Participant of any material provision of this Agreement will not be deemed a waiver thereof or of any other provision, and such Participant may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

- d. Complete Agreement/Amendment. This Agreement, including the attached exhibits, represents the complete agreement of the Participants and supersedes all prior written and oral agreements or understandings related to the subject matter of this Agreement. This Agreement may be canceled, changed, modified or amended, in whole or in part, only by written agreement of all of the Participants.
- e. Exhibits, Headings, and Construction. The recitals of this Agreement are incorporated into the Agreement for all purposes. All schedules and exhibits referred to in or attached to this Agreement are incorporated into and made a part of this Agreement for all purposes. The paragraph headings contained in this Agreement are for convenience only and do not enlarge or limit the scope or meaning of the paragraphs. Wherever appropriate, words of the masculine gender include the feminine or neutral, and the singular includes the plural, and vice-versa. The Participants acknowledge that each of them have been actively and equally involved in the negotiation and drafting of this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Participant will not be employed in interpreting this Agreement or any exhibits hereto.
- f. Notice. All notices under this Agreement must be in writing. Any notice given under this Agreement must be given:
- iv. by depositing it in the United States mail, certified, with return receipt requested, addressed to the Participant to be notified and with all charges prepaid;
  - v. by depositing it with Federal Express or another service guaranteeing "next day delivery," addressed to the Participant to be notified and with all charges prepaid;
  - vi. by personally delivering it to the Participant or any agent of the Participant listed in this Agreement;
  - vii. by facsimile; or
  - viii. by email, and if by email, a confirming copy must also sent by first class United States Mail.

Each Participant may change its contact and address to any other address within the United States of America by giving at least five (5) calendar days' written notice to the other Participants.

- g. Assignment. Except in connection with a transfer of all or part of a Participant's Percentage Share as permitted in this Agreement, this Agreement is not assignable by any Participant without the prior written consent of the other Participant. The

foregoing will not be deemed to prohibit a Participant's Percentage Share being transferred by operation of law to a successor of a Participant upon dissolution of that Participant under the Texas Water Code, and this Agreement will be binding upon and inure to the benefit of any such successor.

- h. Authority. Each Participant represents and warrants that it has the full right, power, and authority to execute this Agreement and all related documents. Each person executing this instrument on behalf of a Participant represents that he or she is an authorized representative of and has the authority to sign this document on behalf of the respective Participant.
- i. Time. In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday or legal holiday, then the final day will be extended to the next day that is not a Saturday, Sunday or legal holiday.
- j. Counterparts. This Agreement may be executed in counterparts, each of which will be an original and all of which will constitute but one and the same instrument. The Participants may execute this Agreement and all other agreements, certificates, instruments and other documents contemplated by this Agreement and exchange the counterparts of such documents by means of facsimile transmission or email, and the Participants agree that the receipt of such executed counterparts will be binding on the Participants and be construed as originals. Thereafter, the Participants shall promptly exchange original versions of this Agreement and all other agreements, certificates, instruments and other documents contemplated by this Agreement that were executed and exchanged by facsimile transmission or email.
- k. Third Party Beneficiaries. Except as expressly provided in this Agreement, nothing in this Agreement is intended, or should be construed, to confer upon, or to give to, any legal person other than the Participants, any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions in this Agreement. Nothing in this Agreement is intended to interfere with any agreement of a Participant with any third party.
- l. Effective Date. "Effective Date" means the last date of due execution of this Agreement by all Participants.

***Remainder of page intentionally left blank; signature pages follow immediately.***

IN WITNESS WHEREOF, the Participants have executed this Agreement as of the date(s) indicated below.

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1**, a conservation and reclamation district operating pursuant to Chapters 49 and 51 of the Texas Water Code

By: \_\_\_\_\_  
Jeff Stivers, President  
Board of Directors

Date: \_\_\_\_\_

**LAKESIDE WATER CONTROL AND IMPROVEMENT  
DISTRICT NO. 2A**, a conservation and reclamation  
district operating pursuant to Chapters 49 and 54 of  
the Texas Water Code

By: \_\_\_\_\_  
Lawrence Shellaby, President  
Board of Directors

Date: \_\_\_\_\_

**LAKESIDE WATER CONTROL AND IMPROVEMENT  
DISTRICT NO. 2B**, a conservation and reclamation  
district operating pursuant to Chapters 49 and 51 of  
the Texas Water Code

By: \_\_\_\_\_  
Marilyn Horndt, President  
Board of Directors

Date: \_\_\_\_\_

**LAKESIDE WATER CONTROL AND IMPROVEMENT  
DISTRICT NO. 2C**, a conservation and reclamation  
district operating pursuant to Chapters 49 and 51 of  
the Texas Water Code

By: \_\_\_\_\_  
David Wang, President  
Board of Directors

Date: \_\_\_\_\_

**LAKESIDE WATER CONTROL AND IMPROVEMENT  
DISTRICT NO. 2D**, a conservation and reclamation  
district operating pursuant to Chapters 49 and 51 of  
the Texas Water Code

By: \_\_\_\_\_  
William P. McCord, President  
Board of Directors

Date: \_\_\_\_\_

**Attachment A**  
The “*Contract*”



**LAKESIDE WCID # 2C AND 1  
LAKESIDE WCID # 2C  
ROWE LANE  
PFLUGERVILLE, TX 78660**

**Lakeside WCID # 2C - Greenbelt Sidewalk  
Replacement**  
Lakeside WCID # 2C Rowe Lane Pflugerville, TX 78660

Est ID: EST1652065

Date: Jan-10-2020

We appreciate the opportunity to propose to you how Lomas Land Maintenance, LLC can help you enhance the quality of your landscape. Our team is committed to integrating the specific landscape needs of your property with your service expectations and budget considerations. Giving careful consideration to the individuality of each landscape, Lomas Land Maintenance, provides competitive pricing for services that include, irrigation, grading, excavation, hardscape, landscape, tree trimming, and lighting projects.

This proposal includes Scope of Work, Practical Specifications for this project and general terms and conditions.

We are confident that your property would benefit greatly from our efforts to create beauty in the appearance of your landscape while our operational efficiencies create value to your budget.

We gladly propose the following for your review.

**Greenbelt Sidewalk Replacement**

**\$13,328.57**

Saw cut out sections of concrete, stack them up, haul off all debris

Re-pour 1100 sff of @ 6" thick matching widths concrete sidewalk. Redwood expansion joints every 10', troweled expansion joints every 5'. All connections to existing sidewalk doweled in and brushed finish, no troweled borders.

Once poured and forms wrecked we'll touch up edges with loam to smooth out, fill any gaps, etc.

24 Hours	Install Crew Leader (1 Crew Lead x 8hrs x 2 days)
72 Hours	Install Labor (3 laborers x 8 hrs x 3 days)
18 Yard	Unscreened Loam
1 Each	Rock Saw - Diamond Blade
5 Load	Disposal (Dirt / Rock Waste)

Concrete Pour - 1,100SF

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<b>Subtotal</b>	<b>\$13,328.57</b>
<b>Taxes</b>	<b>\$0.00</b>
<hr/>	
<b>Estimate Total</b>	<b>\$13,328.57</b>

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Lomas Land Maintenance  
1151 Farm to Market 1660  
Hutto

P.512-924-1391

[lomaslandmaintenance.com](http://lomaslandmaintenance.com)  
[info@lomaslandmaintenance.com](mailto:info@lomaslandmaintenance.com)  
page 2 of 4

## PAYMENT TERMS AND CONDITIONS

Client / Owner shall make payment to Lomas Land Maintenance, LLC (Lomas) within fifteen (15) days upon receipt of invoice. In the event the schedule for the completion of this work shall require more than thirty (30) days, Lomas may elect to submit a progress bill for work completed and materials purchased at month end and shall be paid within 15 days upon receipt of invoice.

Payment will be 100% due at time of billing. If payment has not been received by Lomas within 15 days after billing, Lomas shall be entitled to all costs of collection, including reasonable attorney's fees and shall be relieved of any obligation to continue performance under this or any other contract with Client / Owner. Should the Client fail to make payments as they become due under the terms of the Contract, Client shall be subject to an administrative charge of 1.5% per month (18% per year) multiplied by the unpaid balance.

Any Additional work not shown in the above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above this proposal.

## GENERAL CONDITIONS

This proposal was estimated and priced based upon a site visit and casual inspection from ground level using ordinary means, at or about the time this proposal was prepared. The price quoted in this proposal for the work described, is the result of that ground level visual inspection and therefore Lomas will not be liable for any additional costs or damages for additional work not described herein, or liable for any incidents/accidents resulting from conditions, that were not ascertainable by said ground level visual inspection by ordinary means at the time said inspection was performed. Lomas cannot be held responsible for unknown or otherwise hidden defects. Any corrective work proposed herein cannot guarantee exact results. Professional engineering, architectural, and/or design services are not included in this Agreement and shall not be provided by Lomas unless otherwise specifically agreed upon in writing. Site Unknowns, including, but not limited to, sub-surface conditions/obstacles that create unforeseen labor, equipment, material or disposal charges are excluded unless specified in writing to the contrary.

Lomas shall indemnify the Client and its agents and employees from and against any third party liabilities that arise out of Lomas' work to the extent such liabilities are adjudicated to have been caused by Lomas' negligence or willful misconduct. Contractor shall not be liable for any damage that occurs from Acts of God as defined as those caused by windstorm, hail, fire, flood, earthquake, hurricane, and freezing, etc. Under these circumstances, contractor shall have the right to renegotiate the terms and prices of this agreement within 60 days.

Any illegal trespass, claims and/or damages resulting from work requested that is not on property owned by Client or not under Client management and control shall be the sole responsibility of the Client.

Lomas reserves the right to hire qualified subcontractors to perform specialized functions or work requiring specialized equipment.

## PROCEDURE FOR EXTRA WORK

If it shall become necessary for Lomas to make changes in any designs, drawings, plans, software, reports, scope or specifications for any part of the project or reasons over which we have no control, or we are put to any extra work, cost or expense by reason of any act or matter over which it has no control, the Client will pay to Lomas a fee for such changed or extra work calculated on a time and materials basis unless fixed pricing between Lomas and Client is agreed upon in writing. All changes to the scope or pricing or the terms of this Agreement will be read and understood within the context and meanings of this Agreement unless stated explicitly to the contrary. Extras to the Contract are payable by the Client forthwith upon receipt of the invoice.

## WARRANTY AND TOLERANCES

- Payments Received: The Warranty for the contract is only valid if payment is received in full on acceptance of the work.
- Warranty Time Period: the Contractor warrants all construction and installation for a period of one (1) year,

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Lomas Land Maintenance  
1151 Farm to Market 1660  
Hutto


P.512-924-1391


lomaslandmaintenance.com  
info@lomaslandmaintenance.com

page 3 of 4

providing that they have been maintained properly. All construction materials are subject to manufacturer's specific warranties/guarantees. Planting is warranted for one (1) year if there is an approved irrigation system.

- Client Responsibilities: The Client recognizes and agrees that they have a responsibility to maintain constructions, plants, bushes, trees, and other installations in keeping with standard quality maintenance requirements in order for the Warranty to remain in affect. Failure to properly maintain materials or horticulture installations will void the warranty. Client further recognizes and agrees that damage to construction, materials, horticulture elements and other warrantable items of the project will not be warranted if the damage or loss is due to elements beyond the control of Lomas. For example, flooding eaves troughs that damage plants, fallen branches, animal caused damage, frozen/ burst irrigation or drainage pipes that were not seasonally drained at the proper time, use of improper chemicals, improper maintenance, extreme or unusual weather conditions, and similar and/or related situations -- void all warranties provided by Lomas.
- Diligence: Lomas agrees to carry out its Work diligently and to provide sufficient supervision and inspection of its staff and subcontractors and that it's work will be of proper and professional quality, and in full conformity with the requirements of the contract.
- Competence: Lomas warrants that it is competent to perform the Work and that it has the necessary qualifications including knowledge and skill with the ability to use them effectively.
- Site Unknowns: It is the responsibility of the Client or the Client's Representative to fully inform Lomas of all the information regarding site unknowns that may include difficult buried materials, cables, and pipes, tree stumps, drainage or water table issues, rock and shale sub-surfaces and/or other impediments, issues or factors that could otherwise impact the quality, cost and timeliness of project completion. Failure to notify Lomas may lead to additional costs to the Client (at the discretion of Lomas) and additional scheduled time to complete the project.
- Damaged Utilities: Should damage occur to utilities during construction, Lomas is only liable for the cost of the repair. Lomas is not liable in any way for inconvenience to the Client caused by damage to the utilities.
- Damage to neighbors buried utilities, on the Client's property, are the responsibility of the Client.
- Building/Window/Vehicle Washing: Buildings, windows, or vehicles of the Client or its neighbors, are not intended to be kept clean due to dust during the normal activities of construction or work performed by Lomas. Any necessary cleaning due to these activities of construction or work by Lomas will be the responsibility of the Client.
- Use of Client Selected and Approved Substandard Materials: Client recognized and agrees that if the Client has chosen and approved the use of substandard materials for any application that the one year warranty will be void or otherwise limited in writing on those items so impacted, but will remain in affect for all other elements of the project not impacted directly or indirectly by use of substandard materials. the Contractor will notify in writing to the Client any material that the Client has selected that would negatively impact the one year warranty of the Contractor -- prior to purchasing and/or installing such materials.
- Material Grades: The Client recognizes that all materials come in a range of grades of quality and finishes, and that natural materials are not perfect. Natural wood have knots, and other natural materials have variability in color due to a wide range of factors, and that sample while useful in material selection decision-making, cannot be expected to accurately represent the total completed surface of a given construction or installation. the Contractor shall endeavor to enable the Client to see or understand the representative range of color, surface texture, and related of all materials begin seriously considered for installation on a project, however, it will be responsibility of the Client for the final selection of those materials. Once the selection has been approved by the Client, the Client will be responsible for all costs associated with changing any given material should the Client change their mind during or after material is purchased or constructed.

Contractor:   
Kyle Foreman BEN MELELLON

Client: 

Signature Date: ~~01/10/2020~~ 01/16/2020

Signature Date: 01/14/2020

10

ORDER CALLING DIRECTORS ELECTION

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C §

The Board of Directors of Lakeside Water Control and Improvement District No. 2C met in a regular session, open to the public, after due notice, at 4421 Rowe Lane, Pflugerville, Texas 78660, an official meeting place inside the boundaries of the District, on February 11, 2020; whereupon the roll was called of the members of the Board of Directors, to wit:

David Wang	President
Scott Stratton	Vice President
Larry English	Secretary/Treasurer
Joshua Bridgefarmer	Assistant Secretary
Craig Twellmann	Assistant Secretary

All members of the Board were present, except \_\_\_\_\_.

WHEREUPON, among other business conducted by the Board, Director \_\_\_\_\_ introduced the order set out below and moved its adoption, which motion was seconded by Director \_\_\_\_\_, and, after full discussion and the question being put to the Board of Directors, said motion was carried by the following vote:

"Aye" \_\_\_\_; "No" \_\_\_\_.

The Order thus adopted is as follows:

WHEREAS, Section 49.103 of the Texas Water Code requires that elections for members of the board of a district shall be held on the uniform election date established by the Election Code in May of each even-numbered years; and

WHEREAS Sections 2.051-2.054 of the Texas Election Code establish a procedure for declaring unopposed candidates elected to office without holding the election; and

WHEREAS in the interest of increasing the efficiency and effectiveness of local governments, local governments may contract or agree with each other to perform governmental functions and services in accordance with Chapter 791 of the Texas Government Code;

WHEREAS Section 31.092 of the Texas Election Code, authorizes the county elections officer to contract with the governing body of a political subdivision situated wholly or partly in the county served by the officer to perform election services in any one or more elections ordered by the political subdivision; and

WHEREAS, the Board of Directors of the District contracts with Travis County for the provision of election services; and

WHEREAS, this Board of Directors wishes to proceed with the ordering of the directors' election to be held on May 2, 2020; and

WHEREAS, in the event the directors elections are uncontested, this Board of Directors wishes to follow the procedures for election of an unopposed candidate established by Section 2.051-2.054 of the Texas Election Code.

NOW THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C THAT:

Section 1: The matters and facts set out in the preamble of this order are found and declared to be true and complete and are incorporated into this Order for all purposes.

Section 2: An election shall be held by the District on the 2<sup>nd</sup> of May, 2020, between the hours of 7:00 a.m. and 7:00 p.m., at the polling place locations shown on **Exhibit A**, places which the Board of Directors of the District, after duly considering the requirements of the Texas Election Code, finds to be proper places for conducting said election, pursuant to an agreement under Section 31.092, Texas Election Code, at which there will be submitted the question of the election of three (3) directors to the Board of Directors, each of whom will serve four (4) year terms.

Section 3: Voting in said election on Election Day and during early voting by personal appearance will be by the use of the Election Systems & Software Express Vote System, which shall have available both English and Spanish and will conform to the requirements of the Texas Election Code. Oral bilingual assistance will be available during the election and may be obtained by contacting the Presiding Judge.

The electronic voting equipment used in the election will include the names of all candidates for the office of director who filed applications to have their names printed on the ballot by 5:00 p.m. seventy-eight (78) days prior to the election and blank spaces for write-in votes. Any person interested in applying to be a candidate for the office of director may obtain an application to have his/her name printed on the ballot at the offices of the District's General Counsel, Lloyd Gosselink Rochelle & Townsend, P.C. 816 Congress Avenue, Suite 1900, Austin, Texas 78701, during the hours of 8:30 a.m. to 5:30 p.m. The deadline for candidates to file applications to have their name on the ballot is 5:00 p.m. on February 14, 2020, and the deadline for write-in candidates to file a declaration of write-in candidacy is 5:00 p.m. on February 18, 2020.

Each voter may vote for up to three (3) candidates on the ballot for director by placing an "X" in the square beside the person's name or by writing the name or names of a person or persons who file a valid declaration of write-in candidacy in the blank spaces provided.

Section 4: The boundaries of the District are hereby designated as and shall constitute one (1) election precinct. The District will contract with Travis County to conduct the election in

accordance with an Election Agreement. Pursuant to the Election Agreement, Travis County will designate the Presiding Judge. The Presiding Judge may appoint, as he or she deems necessary, clerks to assist in the conduct of the election, not to exceed the maximum number of five (5).

The Travis County Election Officers will serve as the Early Voting Clerks to conduct early voting. Early voting in the election by personal appearance will begin on April 20, 2020 and will continue through April 28, 2020, except for Saturdays, Sundays, and official state holidays. The places as designated by Travis County and at which early voting shall be conducted are listed on the attached **Exhibit B**.

The early voting clerk's mailing address to which ballot applications and ballots to be voted by mail may be sent is: Lakeside Water Control and Improvement District No. 2C, c/o David J. Klein, 816 Congress Avenue, Suite 1900, Austin, Texas 78701. The last day to submit to the District a request by mail is April 21, 2020.

Pursuant to the Election Agreement, Travis County will designate the Presiding Judge of the Early Ballot Board, the members of which shall be the precinct election officers serving the election precinct as provided in Section 87.004 of the Texas Election Code.

Section 5: The election shall be held and conducted and returns made to the Board of Directors in accordance with the Texas Election Code, as amended.

Section 6: All qualified resident electors of the District are entitled to vote in the election.

Section 7: The Secretary of the Board is hereby directed to determine if the candidates are unopposed for election based on the following conditions:

- (1) Only one candidate's name is to be placed on the ballot for each director position, and;
- (2) No candidate's name is to be placed on a list of write-in candidates for the office of director.

If these circumstances exist, the Secretary of the Board shall certify in writing which, if any, candidates are unopposed for election to the office of director. The certification shall be delivered to the Board of Directors as soon as possible after the filing deadlines for placement on the ballot and list of write-in candidates. On receipt of the certification, the Board of Directors may declare each unopposed candidate elected to office, the election for that position will not be held, and a copy of the order declaring the candidate elected will be posted at the polling place on Election Day.

Section 8: Pursuant to Section 31.123, Texas Election Code, the Secretary of the Board hereby appoints David J. Klein, Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 as the District's agent for this election.

Section 9: To the extent the results of the election are not declared in accordance with Section 7 of this Order, the Secretary of the Board is hereby directed to provide notice of this election, in English and in Spanish, by any one or more of the following methods in accordance with Section 4.003, Texas Election Code:

1. By publishing the notice at least once, not earlier than the 30<sup>th</sup> day or later than the 10<sup>th</sup> day before Election Day in a newspaper of general circulation in the territory if none is published in the jurisdiction of the authority responsible for giving the notice; or
2. By posting, not later than the 21<sup>st</sup> day before Election Day, a copy of the notice at a public place in each election precinct that is in the jurisdiction of the authority responsible for giving the notice; or
3. By mailing, not later than the 10<sup>th</sup> day before Election Day, a copy of the notice to each registered voter of the territory that is covered by the election and is in the jurisdiction of the authority responsible for giving the notice.

Section 10: The President and Secretary are authorized and directed to take any action necessary to carry out the provisions of this order.

PASSED AND APPROVED THE 11th day of February, 2020.

ATTEST

\_\_\_\_\_  
Larry English, Secretary

\_\_\_\_\_  
David Wang, President

(DISTRICT SEAL)

**EXHIBIT A**

**Travis County Election Day Locations**

**EXHIBIT B**

**Travis County Early voting Locations**

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C  
NOTICE OF DIRECTORS ELECTION**

Notice is hereby given that Lakeside Water Control and Improvement District No. 2C (the "District") will hold an election on May 2, 2020 between the hours of 7:00 a.m. and 7:00 p.m. at the locations established by Travis County as regular county precinct locations, located outside the boundaries of the District, pursuant to an agreement under § 31.092 of the Texas Election Code, for the purpose of electing three (3) directors who shall serve four (4) year terms.

There will appear on the ballots used in the election the names of the candidates for the office of director who filed applications to have their names printed on the ballot at least seventy-one (78) days prior to the election, and blank spaces for write-in candidates who file a declaration of write-in candidacy at least seventy-one (74) days prior to the election.

The following named persons have been appointed officers of said election: \_\_\_\_\_, Travis County Elections Administrator, Election Officer and Joint Early Voting Clerk; and \_\_\_\_\_, Regular Early Voting Clerk.

Early voting in the election by personal appearance shall begin on April 20, 2020 and shall continue through April 28, 2020. For Travis County residents the main early voting location is located at Travis County Airport Office, 5501 Airport Blvd, Austin, TX 78751 during the following hours:

\_\_\_\_\_  
Applications for ballots to be voted by mail must be received no later than the close of business on April 21, 2020. The regular early voting clerk's mailing address to which ballot applications and ballots to be voted by mail may be sent is Lakeside Water Control and Improvement District No. 2C, c/o David Klein, Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701. The Election Day polling locations are attached as **Exhibit A**. Early voting polling locations are attached as **Exhibit B**.

The election is being held pursuant to an order adopted by the Board of Directors of the District.

Dated: 11th day of February, 2020

(DISTRICT SEAL)

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David Wang, President  
Board of Directors

ATTEST:

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Larry English, Secretary  
Board of Directors

**EXHIBIT A**

**Travis County Election Day Locations**

**EXHIBIT B**

**Travis County Early Voting Locations**

12

**RECREATIONAL FACILITIES REPORT**  
**FOR PARK AT BLACKHAWK RECREATIONAL FACILITIES**

February 4, 2020

- I. **BUDGETED MAINTENANCE AND REPAIR PROJECTS IN REMAINDER OF DISTRICTS' FISCAL YEAR (AND ESTIMATED COSTS)**
  
- II. **OTHER ISSUES FOR DISTRICTS' ATTENTION AND/OR APPROVAL (CONDITIONS OF BUILDINGS, EQUIPMENT, IRRIGATION SYSTEM, BUDGET VARIANCES, OUTCOME OF BIDDING OF WORK, ETC.)**
  
- III. **UNBUDGETED ITEMS THAT NEEDED ATTENTION/WORK COMPLETION**
  - a) We are waiting on a quote to replace the two ballfield doors. These doors are original to the building. I have advised our vendor to please get a solid quote as soon as possible so we can get this project started and finished UPDATE: 2/04/2020 The doors have been ordered, we are pending arrival of them and install. Will update when this is completed.
  - b) Harrier Flight docks- I am currently getting quotes to repair/replace the docks at harrier flight. We will have pricing on next month's report but wanted to make you aware this is something we are looking at. UPDATE 2/04/2020: Materials have been ordered and we are waiting on completion of this project. We expect it to be done by the end of the month. Will update when it is complete.
  - c) Water Fountain Replacement- I have attached a quote to replace the water fountain at the playground located at the Amenity Center. The one we currently have has continued to have issues. I am suggesting we upgrade to a fountain that is ADA compliant, as well as offers a dog bowl at the bottom for residents who walk their dogs on the trails. We have had an influx of residents bringing their dogs in the facility during

\*All projects are pending completion at this time. We have no new items to report for February.



**GOODWIN AND COMPANY  
11149 RESEARCH BOULEVARD  
SUITE 100  
AUSTIN, TEXAS 78759**

**Sales:** Kyle Foreman  
**Blackhawk - Spring Pre-emergent**  
3111 Speidel Drive Pflugerville, Texas 78660

**Est ID:** EST1639512  
**Date:** Dec-17-2019

**Email:** randy.vogel@goodwintx.com  
**Phone:**

We appreciate the opportunity to propose to you how Lomas Land Maintenance, LLC can help you enhance the quality of your landscape. Our team is committed to integrating the specific landscape needs of your property with your service expectations and budget considerations. Giving careful consideration to the individuality of each landscape, Lomas Land Maintenance, provides competitive pricing for services that include, irrigation, grading, excavation, hardscape, landscape, tree trimming, and lighting projects.

This proposal includes Scope of Work, Practical Specifications for this project and general terms and conditions.

We are confident that your property would benefit greatly from our efforts to create beauty in the appearance of your landscape while our operational efficiencies create value to your budget.

We gladly propose the following for your review.

<b>Amenity Center</b>		<b>\$247.04</b>
1.34 Acre	Herbicide - Prodiamine	
32.16 lbs.	Fertilizer - Urea 46-0-0	
1.34 Acre	Herbicide - Speedzone Southern	
<b>Martin Lane</b>		<b>\$363.08</b>
1.95 Acre	Herbicide - Prodiamine	
46.8 lbs.	Fertilizer - Urea 46-0-0	
1.95 Acre	Herbicide - Speedzone Southern	

**Jakes Hill** **\$937.28**

5.08 Acre      Herbicide - Prodiamine  
121.92 lbs.     Fertilizer - Urea 46-0-0  
5.08 Acre      Herbicide - Speedzone Southern

**Spiedel** **\$184.66**

1 Acre          Herbicide - Prodiamine  
24 lbs.          Fertilizer - Urea 46-0-0  
1 Acre          Herbicide - Speedzone Southern

**Baseball Field** **\$184.66**

1 Acre          Herbicide - Prodiamine  
24 lbs.          Fertilizer - Urea 46-0-0  
1 Acre          Herbicide - Speedzone Southern

**Mini Park** **\$63.42**

0.35 Acre      Herbicide - Prodiamine  
8 lbs.          Fertilizer - Urea 46-0-0  
0.35 Acre      Herbicide - Speedzone Southern

**Casa Navarro** **\$121.04**

0.65 Acre      Herbicide - Prodiamine  
15.6 lbs.       Fertilizer - Urea 46-0-0  
0.65 Acre      Herbicide - Speedzone Southern

**Farm Pond / Winding Shore** **\$58.16**

0.21 Acre      Herbicide - Prodiamine  
5 lbs.          Fertilizer - Urea 46-0-0  
0.21 Acre      Herbicide - Speedzone Southern

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**Subtotal** **\$2,159.34**

**Taxes** **\$178.16**

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**Estimate Total** **\$2,337.50**

## **PAYMENT TERMS AND CONDITIONS**

Client / Owner shall make payment to Lomas Land Maintenance, LLC (Lomas) within fifteen (15) days upon receipt of invoice. In the event the schedule for the completion of this work shall require more than thirty (30) days, Lomas may elect to submit a progress bill for work completed and materials purchased at month end and shall be paid within 15 days upon receipt of invoice.

Payment will be 100% due at time of billing. If payment has not been received by Lomas within 15 days after billing, Lomas shall be entitled to all costs of collection, including reasonable attorney's fees and shall be relieved of any obligation to continue performance under this or any other contract with Client / Owner. Should the Client fail to make payments as they become due under the terms of the Contract, Client shall be subject to an administrative charge of 1.5% per month (18% per year) multiplied by the unpaid balance.

Any Additional work not shown in the above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above this proposal.

## **GENERAL CONDITIONS**

This proposal was estimated and priced based upon a site visit and casual inspection from ground level using ordinary means, at or about the time this proposal was prepared. The price quoted in this proposal for the work described, is the result of that ground level visual inspection and therefore Lomas will not be liable for any additional costs or damages for additional work not described herein, or liable for any incidents/accidents resulting from conditions, that were not ascertainable by said ground level visual inspection by ordinary means at the time said inspection was performed. Lomas cannot be held responsible for unknown or otherwise hidden defects. Any corrective work proposed herein cannot guarantee exact results. Professional engineering, architectural, and/or design services are not included in this Agreement and shall not be provided by Lomas unless otherwise specifically agreed upon in writing. Site Unknowns, including, but not limited to, sub-surface conditions/obstacles that create unforeseen labor, equipment, material or disposal charges are excluded unless specified in writing to the contrary.

Lomas shall indemnify the Client and its agents and employees from and against any third party liabilities that arise out of Lomas' work to the extent such liabilities are adjudicated to have been caused by Lomas' negligence or willful misconduct. Contractor shall not be liable for any damage that occurs from Acts of God as defined as those caused by windstorm, hail, fire, flood, earthquake, hurricane, and freezing, etc. Under these circumstances, contractor shall have the right to renegotiate the terms and prices of this agreement within 60 days.

Any illegal trespass, claims and/or damages resulting from work requested that is not on property owned by Client or not under Client management and control shall be the sole responsibility of the Client.

Lomas reserves the right to hire qualified subcontractors to perform specialized functions or work requiring specialized equipment.

## **PROCEDURE FOR EXTRA WORK**

If it shall become necessary for Lomas to make changes in any designs, drawings, plans, software, reports, scope or specifications for any part of the project or reasons over which we have no control, or we are put to any extra work, cost or expense by reason of any act or matter over which it has no control, the Client will pay to Lomas a fee for such changed or extra work calculated on a time and materials basis unless fixed pricing between Lomas and Client is agreed upon in writing. All changes to the scope or pricing or the terms of this Agreement will be read and understood within the context and meanings of this Agreement unless stated explicitly to the contrary. Extras to the Contract are payable by the Client forthwith upon receipt of the invoice.

## **WARRANTY AND TOLERANCES**

- Payments Received: The Warranty for the contract is only valid if payment is received in full on acceptance of the work.
- Warranty Time Period: the Contractor warrants all construction and installation for a period of one (1) year,

providing that they have been maintained properly. All construction materials are subject to manufacturer's specific warranties/guarantees. Planting is warranted for one (1) year if there is an approved irrigation system.

- **Client Responsibilities:** The Client recognizes and agrees that they have a responsibility to maintain constructions, plants, bushes, trees, and other installations in keeping with standard quality maintenance requirements in order for the Warranty to remain in affect. Failure to properly maintain materials or horticulture installations will void the warranty. Client further recognizes and agrees that damage to construction, materials, horticulture elements and other warrantable items of the project will not be warranted if the damage or loss is due to elements beyond the control of Lomas. For example, flooding eaves troughs that damage plants, fallen branches, animal caused damage, frozen/ burst irrigation or drainage pipes that were not seasonally drained at the proper time, use of improper chemicals, improper maintenance, extreme or unusual weather conditions, and similar and/or related situations – void all warranties provided by Lomas.
- **Diligence:** Lomas agrees to carry out its Work diligently and to provide sufficient supervision and inspection of its staff and subcontractors and that it's work will be of proper and professional quality, and in full conformity with the requirements of the contract.
- **Competence:** Lomas warrants that it is competent to perform the Work and that it has the necessary qualifications including knowledge and skill with the ability to use them effectively.
- **Site Unknowns:** It is the responsibility of the Client or the Client's Representative to fully inform Lomas of all the information regarding site unknowns that may include difficult buried materials, cables, and pipes, tree stumps, drainage or water table issues, rock and shale sub-surfaces and/or other impediments, issues or factors that could otherwise impact the quality, cost and timeliness of project completion. Failure to notify Lomas may lead to additional costs to the Client (at the discretion of Lomas) and additional scheduled time to complete the project.
- **Damaged Utilities:** Should damage occur to utilities during construction, Lomas is only liable for the cost of the repair. Lomas is not liable in any way for inconvenience to the Client caused by damage to the utilities.
- **Damage to neighbors buried utilities, on the Client's property, are the responsibility of the Client.**
- **Building/Window/Vehicle Washing:** Buildings, windows, or vehicles of the Client or its neighbors, are not intended to be kept clean due to dust during the normal activities of construction or work performed by Lomas. Any necessary cleaning due to these activities of construction or work by Lomas will be the responsibility of the Client.
- **Use of Client Selected and Approved Substandard Materials:** Client recognized and agrees that if the Client has chosen and approved the use of substandard materials for any application that the one year warranty will be void or otherwise limited in writing on those items so impacted, but will remain in affect for all other elements of the project not impacted directly or indirectly by use of substandard materials. the Contractor will notify in writing to the Client any material that the Client has selected that would negatively impact the one year warranty of the Contractor – prior to purchasing and/or installing such materials.
- **Material Grades:** The Client recognizes that all materials come in a range of grades of quality and finishes, and that natural materials are not perfect. Natural wood have knots, and other natural materials have variability in color due to a wide range of factors, and that sample while useful in material selection decision-making, cannot be expected to accurately represent the total completed surface of a given construction or installation. the Contractor shall endeavor to enable the Client to see or understand the representative range of color, surface texture, and related of all materials begin seriously considered for installation on a project, however, it will be responsibility of the Client for the final selection of those materials. Once the selection has been approved by the Client, the Client will be responsible for all costs associated with changing any given material should the Client change their mind during or after material is purchased or constructed.

**Contractor:** \_\_\_\_\_  
Kyle Foreman

**Client:** \_\_\_\_\_

**Signature Date:** \_\_\_\_\_  
12/23/2019

**Signature Date:** \_\_\_\_\_



**GOODWIN AND COMPANY  
11149 RESEARCH BOULEVARD  
SUITE 100  
AUSTIN, TEXAS 78759**

**Sales:** Kyle Foreman  
**Blackhawk - Spring Fertilization**  
3111 Speidel Drive Pflugerville, Texas 78660

**Est ID:** EST1639574  
**Date:** Dec-17-2019

**Email:** randy.vogel@goodwintx.com  
**Phone:**

We appreciate the opportunity to propose to you how Lomas Land Maintenance, LLC can help you enhance the quality of your landscape. Our team is committed to integrating the specific landscape needs of your property with your service expectations and budget considerations. Giving careful consideration to the individuality of each landscape, Lomas Land Maintenance, provides competitive pricing for services that include, irrigation, grading, excavation, hardscape, landscape, tree trimming, and lighting projects.

This proposal includes Scope of Work, Practical Specifications for this project and general terms and conditions.

We are confident that your property would benefit greatly from our efforts to create beauty in the appearance of your landscape while our operational efficiencies create value to your budget.

We gladly propose the following for your review.

<b>Amenity Center</b>		<b>\$1,159.02</b>
7 Hours	Application Labor	\$265.86
1460 lbs.	Fertilizer - Gypsum Premium 97	\$233.60
230 lbs.	Fertilizer - 24-0-10 with UFLEXX	\$140.30
291 lbs.	Fertilizer K-MAG	\$160.05
146 lbs.	Fertilizer - Monoammonium Phosphate	\$200.02
80.4 lbs.	Fertilizer - Humic DG	\$159.19
<b>Martin Lane</b>		<b>\$1,670.81</b>
9.75 Hours	Application Labor	\$370.30
2125 lbs.	Fertilizer - Gypsum Premium 97	\$340.00
340 lbs.	Fertilizer - 24-0-10 with UFLEXX	\$207.40

425 lbs.	Fertilizer K-MAG	\$233.75
210 lbs.	Fertilizer - Monoammonium Phosphate	\$287.70
117 lbs.	Fertilizer - Humic DG	\$231.66

**Jakes Hill**

**\$3,750.82**

9.75 Hours	Application Labor	\$370.30
5532 lbs.	Fertilizer - Gypsum Premium 97	\$885.12
890 lbs.	Fertilizer - 24-0-10 with UFLEXX	\$542.90
1100 lbs.	Fertilizer K-MAG	\$605.00
550 lbs.	Fertilizer - Monoammonium Phosphate	\$753.50
300 lbs.	Fertilizer - Humic DG	\$594.00

**Spiedel**

**\$859.08**

5 Hours	Application Labor	\$189.90
1090 lbs.	Fertilizer - Gypsum Premium 97	\$174.40
175 lbs.	Fertilizer - 24-0-10 with UFLEXX	\$106.75
218 lbs.	Fertilizer K-MAG	\$119.90
109 lbs.	Fertilizer - Monoammonium Phosphate	\$149.33
60 lbs.	Fertilizer - Humic DG	\$118.80

**Baseball Field**

**\$859.08**

5 Hours	Application Labor	\$189.90
1090 lbs.	Fertilizer - Gypsum Premium 97	\$174.40
175 lbs.	Fertilizer - 24-0-10 with UFLEXX	\$106.75
218 lbs.	Fertilizer K-MAG	\$119.90
109 lbs.	Fertilizer - Monoammonium Phosphate	\$149.33
60 lbs.	Fertilizer - Humic DG	\$118.80

**Mini Park**

**\$284.17**

1.65 Hours	Application Labor	\$62.67
360 lbs.	Fertilizer - Gypsum Premium 97	\$57.60
58 lbs.	Fertilizer - 24-0-10 with UFLEXX	\$35.38
72 lbs.	Fertilizer K-MAG	\$39.60
36 lbs.	Fertilizer - Monoammonium Phosphate	\$49.32

20 lbs.	Fertilizer - Humic DG	\$39.60
<b>Casa Navarro</b>		<b>\$558.47</b>
3.25 Hours	Application Labor	\$123.43
700 lbs.	Fertilizer - Gypsum Premium 97	\$112.00
110 lbs.	Fertilizer - 24-0-10 with UFLEXX	\$67.10
142 lbs.	Fertilizer K-MAG	\$78.10
72 lbs.	Fertilizer - Monoammonium Phosphate	\$98.64
40 lbs.	Fertilizer - Humic DG	\$79.20
<b>Farm Pond / Winding Shore</b>		<b>\$263.27</b>
3.25 Hours	Application Labor	\$123.43
229 lbs.	Fertilizer - Gypsum Premium 97	\$36.64
38 lbs.	Fertilizer - 24-0-10 with UFLEXX	\$23.18
45 lbs.	Fertilizer K-MAG	\$24.75
23 lbs.	Fertilizer - Monoammonium Phosphate	\$31.51
12 lbs.	Fertilizer - Humic DG	\$23.76
<hr/>		
<b>Subtotal</b>		<b>\$9,404.72</b>
<b>Taxes</b>		<b>\$775.87</b>
<hr/>		
<b>Estimate Total</b>		<b>\$10,180.59</b>

## PAYMENT TERMS AND CONDITIONS

Client / Owner shall make payment to Lomas Land Maintenance, LLC (Lomas) within fifteen (15) days upon receipt of invoice. In the event the schedule for the completion of this work shall require more than thirty (30) days, Lomas may elect to submit a progress bill for work completed and materials purchased at month end and shall be paid within 15 days upon receipt of invoice.

Payment will be 100% due at time of billing. If payment has not been received by Lomas within 15 days after billing, Lomas shall be entitled to all costs of collection, including reasonable attorney's fees and shall be relieved of any obligation to continue performance under this or any other contract with Client / Owner. Should the Client fail to make payments as they become due under the terms of the Contract, Client shall be subject to an administrative charge of 1.5% per month (18% per year) multiplied by the unpaid balance.

Any Additional work not shown in the above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above this proposal.

## GENERAL CONDITIONS

This proposal was estimated and priced based upon a site visit and casual inspection from ground level using ordinary means, at or about the time this proposal was prepared. The price quoted in this proposal for the work described, is the result of that ground level visual inspection and therefore Lomas will not be liable for any additional costs or damages for additional work not described herein, or liable for any incidents/accidents resulting from conditions, that were not ascertainable by said ground level visual inspection by ordinary means at the time said inspection was performed. Lomas cannot be held responsible for unknown or otherwise hidden defects. Any corrective work proposed herein cannot guarantee exact results. Professional engineering, architectural, and/or design services are not included in this Agreement and shall not be provided by Lomas unless otherwise specifically agreed upon in writing. Site Unknowns, including, but not limited to, sub-surface conditions/obstacles that create unforeseen labor, equipment, material or disposal charges are excluded unless specified in writing to the contrary.

Lomas shall indemnify the Client and its agents and employees from and against any third party liabilities that arise out of Lomas' work to the extent such liabilities are adjudicated to have been caused by Lomas' negligence or willful misconduct. Contractor shall not be liable for any damage that occurs from Acts of God as defined as those caused by windstorm, hail, fire, flood, earthquake, hurricane, and freezing, etc. Under these circumstances, contractor shall have the right to renegotiate the terms and prices of this agreement within 60 days.

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Lomas reserves the right to hire qualified subcontractors to perform specialized functions or work requiring specialized equipment.

## PROCEDURE FOR EXTRA WORK

If it shall become necessary for Lomas to make changes in any designs, drawings, plans, software, reports, scope or specifications for any part of the project or reasons over which we have no control, or we are put to any extra work, cost or expense by reason of any act or matter over which it has no control, the Client will pay to Lomas a fee for such changed or extra work calculated on a time and materials basis unless fixed pricing between Lomas and Client is agreed upon in writing. All changes to the scope or pricing or the terms of this Agreement will be read and understood within the context and meanings of this Agreement unless stated explicitly to the contrary. Extras to the Contract are payable by the Client forthwith upon receipt of the invoice.

## WARRANTY AND TOLERANCES

- Payments Received: The Warranty for the contract is only valid if payment is received in full on acceptance of the work.
- Warranty Time Period: the Contractor warrants all construction and installation for a period of one (1) year,

providing that they have been maintained properly. All construction materials are subject to manufacturer's specific warranties/guarantees. Planting is warranted for one (1) year if there is an approved irrigation system.

- **Client Responsibilities:** The Client recognizes and agrees that they have a responsibility to maintain constructions, plants, bushes, trees, and other installations in keeping with standard quality maintenance requirements in order for the Warranty to remain in affect. Failure to properly maintain materials or horticulture installations will void the warranty. Client further recognizes and agrees that damage to construction, materials, horticulture elements and other warrantable items of the project will not be warranted if the damage or loss is due to elements beyond the control of Lomas. For example, flooding eaves troughs that damage plants, fallen branches, animal caused damage, frozen/ burst irrigation or drainage pipes that were not seasonally drained at the proper time, use of improper chemicals, improper maintenance, extreme or unusual weather conditions, and similar and/or related situations – void all warrantees provided by Lomas.
- **Diligence:** Lomas agrees to carry out its Work diligently and to provide sufficient supervision and inspection of its staff and subcontractors and that it's work will be of proper and professional quality, and in full conformity with the requirements of the contract.
- **Competence:** Lomas warrants that it is competent to perform the Work and that it has the necessary qualifications including knowledge and skill with the ability to use them effectively.
- **Site Unknowns:** It is the responsibility of the Client or the Client's Representative to fully inform Lomas of all the information regarding site unknowns that may include difficult buried materials, cables, and pipes, tree stumps, drainage or water table issues, rock and shale sub-surfaces and/or other impediments, issues or factors that could otherwise impact the quality, cost and timeliness of project completion. Failure to notify Lomas may lead to additional costs to the Client (at the discretion of Lomas) and additional scheduled time to complete the project.
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- **Use of Client Selected and Approved Substandard Materials:** Client recognized and agrees that if the Client has chosen and approved the use of substandard materials for any application that the one year warranty will be void or otherwise limited in writing on those items so impacted, but will remain in affect for all other elements of the project not impacted directly or indirectly by use of substandard materials. the Contractor will notify in writing to the Client any material that the Client has selected that would negatively impact the one year warranty of the Contractor – prior to purchasing and/or installing such materials.
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**Contractor:** \_\_\_\_\_  
Kyle Foreman

**Client:** \_\_\_\_\_

**Signature Date:** \_\_\_\_\_  
12/17/2019

**Signature Date:** \_\_\_\_\_



**GOODWIN AND COMPANY  
11149 RESEARCH BOULEVARD  
SUITE 100  
AUSTIN, TEXAS 78759**

**Sales:** Kyle Foreman  
**Blackhawk - Summer Fertilization**  
3111 Speidel Drive Pflugerville, Texas 78660

**Est ID:** EST1642747  
**Date:** Dec-23-2019

**Email:** randy.vogel@goodwintx.com  
**Phone:**

We appreciate the opportunity to propose to you how Lomas Land Maintenance, LLC can help you enhance the quality of your landscape. Our team is committed to integrating the specific landscape needs of your property with your service expectations and budget considerations. Giving careful consideration to the individuality of each landscape, Lomas Land Maintenance, provides competitive pricing for services that include, irrigation, grading, excavation, hardscape, landscape, tree trimming, and lighting projects.

This proposal includes Scope of Work, Practical Specifications for this project and general terms and conditions.

We are confident that your property would benefit greatly from our efforts to create beauty in the appearance of your landscape while our operational efficiencies create value to your budget.

We gladly propose the following for your review.

**Amenity Center**

**\$774.79**

- 132 lbs. Fertilizer - 44-0-0 HCU
- 291 lbs. Fertilizer K-MAG
- 146 lbs. Fertilizer - Monoammonium Phosphate

**Martin Lane**

**\$1,031.27**

- 200 lbs. Fertilizer - 44-0-0 HCU
- 425 lbs. Fertilizer K-MAG
- 210 lbs. Fertilizer - Monoammonium Phosphate

**Jakes Hill****\$1,519.75**

1 lbs. Fertilizer - 44-0-0 HCU  
 563 lbs. Fertilizer K-MAG  
 550 lbs. Fertilizer - Monoammonium Phosphate

**Spiedel****\$524.14**

100 lbs. Fertilizer - 44-0-0 HCU  
 218 lbs. Fertilizer K-MAG  
 109 lbs. Fertilizer - Monoammonium Phosphate

**Baseball Field****\$524.14**

100 lbs. Fertilizer - 44-0-0 HCU  
 218 lbs. Fertilizer K-MAG  
 109 lbs. Fertilizer - Monoammonium Phosphate

**Mini Park****\$160.50**

40 lbs. Fertilizer - 44-0-0 HCU  
 72 lbs. Fertilizer K-MAG  
 36 lbs. Fertilizer - Monoammonium Phosphate

**Casa Navarro****\$344.19**

75 lbs. Fertilizer - 44-0-0 HCU  
 142 lbs. Fertilizer K-MAG  
 72 lbs. Fertilizer - Monoammonium Phosphate

**Farm Pond / Winding Shore****\$176.41**

30 lbs. Fertilizer - 44-0-0 HCU  
 45 lbs. Fertilizer K-MAG  
 23 lbs. Fertilizer - Monoammonium Phosphate

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<b>Subtotal</b>	<b>\$5,055.19</b>
<b>Taxes</b>	<b>\$370.06</b>
<b>Estimate Total</b>	<b>\$5,425.25</b>

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**Contractor:** \_\_\_\_\_  
Kyle Foreman

**Client:** \_\_\_\_\_

**Signature Date:** \_\_\_\_\_  
12/23/2019

**Signature Date:** \_\_\_\_\_



# Proposal

**GOODWIN AND COMPANY**  
**11149 RESEARCH BOULEVARD**  
**SUITE 100**  
**AUSTIN, TEXAS 78759**

**Sales:** Kyle Foreman  
**Blackhawk - Fall Pre-Emergent**  
 3111 Speidel Drive Pflugerville, Texas 78660

**Est ID:** EST1642760  
**Date:** Dec-23-2019

**Email:** randy.vogel@goodwintx.com  
**Phone:**

We appreciate the opportunity to propose to you how Lomas Land Maintenance, LLC can help you enhance the quality of your landscape. Our team is committed to integrating the specific landscape needs of your property with your service expectations and budget considerations. Giving careful consideration to the individuality of each landscape, Lomas Land Maintenance, provides competitive pricing for services that include, irrigation, grading, excavation, hardscape, landscape, tree trimming, and lighting projects.

This proposal includes Scope of Work, Practical Specifications for this project and general terms and conditions.

We are confident that your property would benefit greatly from our efforts to create beauty in the appearance of your landscape while our operational efficiencies create value to your budget.

We gladly propose the following for your review.

<b>Amenity Center</b>		<b>\$546.53</b>
1.34 Acre	Herbicide - Speedzone Southern	
1.34 Acre	Herbicide - Specticle FLO	
1.34 Acre	Herbicide - Certainty - Tank Mix Broadcast	
6.25 oz.	Adjuvant - 90/10 Surfactant	
<b>Martin Lane</b>		<b>\$799.60</b>
1.95 Acre	Herbicide - Speedzone Southern	
1.95 Acre	Herbicide - Specticle FLO	
1.95 Acre	Herbicide - Certainty - Tank Mix Broadcast	
12 oz.	Adjuvant - 90/10 Surfactant	

**Jakes Hill****\$2,074.17**

5.08 Acre Herbicide - Speedzone Southern  
 5.08 Acre Herbicide - Specticle FLO  
 5.08 Acre Herbicide - Certainty - Tank Mix  
 Broadcast  
 30 oz. Adjuvant - 90/10 Surfactant

**Spiedel****\$408.60**

1 Acre Herbicide - Speedzone Southern  
 1 Acre Herbicide - Specticle FLO  
 1 Acre Herbicide - Certainty - Tank Mix  
 Broadcast  
 6.5 oz. Adjuvant - 90/10 Surfactant

**Baseball Field****\$408.60**

1 Acre Herbicide - Speedzone Southern  
 1 Acre Herbicide - Specticle FLO  
 1 Acre Herbicide - Certainty - Tank Mix  
 Broadcast  
 6.5 oz. Adjuvant - 90/10 Surfactant

**Mini Park****\$141.94**

0.35 Acre Herbicide - Speedzone Southern  
 0.35 Acre Herbicide - Specticle FLO  
 0.35 Acre Herbicide - Certainty - Tank Mix  
 Broadcast  
 2 oz. Adjuvant - 90/10 Surfactant

**Casa Navarro****\$266.66**

0.65 Acre Herbicide - Speedzone Southern  
 0.65 Acre Herbicide - Specticle FLO  
 0.65 Acre Herbicide - Certainty - Tank Mix  
 Broadcast  
 4.5 oz. Adjuvant - 90/10 Surfactant

**Farm Pond / Winding Shore**

**\$105.12**

0.21 Acre      Herbicide - Speedzone Southern  
0.21 Acre      Herbicide - Specticle FLO  
0.21 Acre      Herbicide - Certainty - Tank Mix  
                    Broadcast  
1 oz.            Adjuvant - 90/10 Surfactant

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<b>Subtotal</b>	<b>\$4,751.22</b>
<b>Taxes</b>	<b>\$391.98</b>
<hr/>	
<b>Estimate Total</b>	<b>\$5,143.20</b>

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**Contractor:** \_\_\_\_\_  
Kyle Foreman

**Client:** \_\_\_\_\_

**Signature Date:** \_\_\_\_\_  
12/23/2019

**Signature Date:** \_\_\_\_\_



**GOODWIN AND COMPANY  
11149 RESEARCH BOULEVARD  
SUITE 100  
AUSTIN, TEXAS 78759**

**Sales:** Kyle Foreman  
**Blackhawk - Winter Weed Control**  
3111 Speidel Drive Pflugerville, Texas 78660

**Est ID:** EST1639080  
**Date:** Dec-16-2019

**Email:** randy.vogel@goodwintx.com  
**Phone:**

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1.34 Acre	Herbicide - Speedzone Southern	
1.34 Acre	Herbicide - Katana	
20 oz.	Adjuvant - 90/10 Surfactant	
<b>Martin Lane</b>		<b>\$556.12</b>
1.95 Acre	Herbicide - Speedzone Southern	
1.95 Acre	Herbicide - Katana	
30 oz.	Adjuvant - 90/10 Surfactant	

**Jakes Hill****\$1,449.73**

5.08 Acre     Herbicide - Speedzone Southern  
 5.08 Acre     Herbicide - Katana  
 80 oz.         Adjuvant - 90/10 Surfactant

**Spiedel****\$285.44**

1 Acre         Herbicide - Speedzone Southern  
 1 Acre         Herbicide - Katana  
 16 oz.         Adjuvant - 90/10 Surfactant

**Baseball Field****\$285.44**

1 Acre         Herbicide - Speedzone Southern  
 1 Acre         Herbicide - Katana  
 16 oz.         Adjuvant - 90/10 Surfactant

**Mini Park****\$94.33**

0.33 Acre     Herbicide - Speedzone Southern  
 0.33 Acre     Herbicide - Katana  
 5 oz.         Adjuvant - 90/10 Surfactant

**Casa Navarro****\$186.69**

0.65 Acre     Herbicide - Speedzone Southern  
 0.65 Acre     Herbicide - Katana  
 11 oz.         Adjuvant - 90/10 Surfactant

**Farm Pond / Winding Shore****\$79.26**

0.21 Acre     Herbicide - Speedzone Southern  
 0.21 Acre     Herbicide - Katana  
 3 oz.         Adjuvant - 90/10 Surfactant

**Subtotal****\$3,318.75****Taxes****\$273.81****Estimate Total****\$3,592.56**

## **PAYMENT TERMS AND CONDITIONS**

Client / Owner shall make payment to Lomas Land Maintenance, LLC (Lomas) within fifteen (15) days upon receipt of invoice. In the event the schedule for the completion of this work shall require more than thirty (30) days, Lomas may elect to submit a progress bill for work completed and materials purchased at month end and shall be paid within 15 days upon receipt of invoice.

Payment will be 100% due at time of billing. If payment has not been received by Lomas within 15 days after billing, Lomas shall be entitled to all costs of collection, including reasonable attorney's fees and shall be relieved of any obligation to continue performance under this or any other contract with Client / Owner. Should the Client fail to make payments as they become due under the terms of the Contract, Client shall be subject to an administrative charge of 1.5% per month (18% per year) multiplied by the unpaid balance.

Any Additional work not shown in the above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above this proposal.

## **GENERAL CONDITIONS**

This proposal was estimated and priced based upon a site visit and casual inspection from ground level using ordinary means, at or about the time this proposal was prepared. The price quoted in this proposal for the work described, is the result of that ground level visual inspection and therefore Lomas will not be liable for any additional costs or damages for additional work not described herein, or liable for any incidents/accidents resulting from conditions, that were not ascertainable by said ground level visual inspection by ordinary means at the time said inspection was performed. Lomas cannot be held responsible for unknown or otherwise hidden defects. Any corrective work proposed herein cannot guarantee exact results. Professional engineering, architectural, and/or design services are not included in this Agreement and shall not be provided by Lomas unless otherwise specifically agreed upon in writing. Site Unknowns, including, but not limited to, sub-surface conditions/obstacles that create unforeseen labor, equipment, material or disposal charges are excluded unless specified in writing to the contrary.

Lomas shall indemnify the Client and its agents and employees from and against any third party liabilities that arise out of Lomas' work to the extent such liabilities are adjudicated to have been caused by Lomas' negligence or willful misconduct. Contractor shall not be liable for any damage that occurs from Acts of God as defined as those caused by windstorm, hail, fire, flood, earthquake, hurricane, and freezing, etc. Under these circumstances, contractor shall have the right to renegotiate the terms and prices of this agreement within 60 days.

Any illegal trespass, claims and/or damages resulting from work requested that is not on property owned by Client or not under Client management and control shall be the sole responsibility of the Client.

Lomas reserves the right to hire qualified subcontractors to perform specialized functions or work requiring specialized equipment.

## **PROCEDURE FOR EXTRA WORK**

If it shall become necessary for Lomas to make changes in any designs, drawings, plans, software, reports, scope or specifications for any part of the project or reasons over which we have no control, or we are put to any extra work, cost or expense by reason of any act or matter over which it has no control, the Client will pay to Lomas a fee for such changed or extra work calculated on a time and materials basis unless fixed pricing between Lomas and Client is agreed upon in writing. All changes to the scope or pricing or the terms of this Agreement will be read and understood within the context and meanings of this Agreement unless stated explicitly to the contrary. Extras to the Contract are payable by the Client forthwith upon receipt of the invoice.

## **WARRANTY AND TOLERANCES**

- Payments Received: The Warranty for the contract is only valid if payment is received in full on acceptance of the work.
- Warranty Time Period: the Contractor warrants all construction and installation for a period of one (1) year,

providing that they have been maintained properly. All construction materials are subject to manufacturer's specific warranties/guarantees. Planting is warranted for one (1) year if there is an approved irrigation system.

- **Client Responsibilities:** The Client recognizes and agrees that they have a responsibility to maintain constructions, plants, bushes, trees, and other installations in keeping with standard quality maintenance requirements in order for the Warranty to remain in affect. Failure to properly maintain materials or horticulture installations will void the warranty. Client further recognizes and agrees that damage to construction, materials, horticulture elements and other warrantable items of the project will not be warranted if the damage or loss is due to elements beyond the control of Lomas. For example, flooding eaves troughs that damage plants, fallen branches, animal caused damage, frozen/ burst irrigation or drainage pipes that were not seasonally drained at the proper time, use of improper chemicals, improper maintenance, extreme or unusual weather conditions, and similar and/or related situations – void all warranties provided by Lomas.
- **Diligence:** Lomas agrees to carry out its Work diligently and to provide sufficient supervision and inspection of its staff and subcontractors and that it's work will be of proper and professional quality, and in full conformity with the requirements of the contract.
- **Competence:** Lomas warrants that it is competent to perform the Work and that it has the necessary qualifications including knowledge and skill with the ability to use them effectively.
- **Site Unknowns:** It is the responsibility of the Client or the Client's Representative to fully inform Lomas of all the information regarding site unknowns that may include difficult buried materials, cables, and pipes, tree stumps, drainage or water table issues, rock and shale sub-surfaces and/or other impediments, issues or factors that could otherwise impact the quality, cost and timeliness of project completion. Failure to notify Lomas may lead to additional costs to the Client (at the discretion of Lomas) and additional scheduled time to complete the project.
- **Damaged Utilities:** Should damage occur to utilities during construction, Lomas is only liable for the cost of the repair. Lomas is not liable in any way for inconvenience to the Client caused by damage to the utilities.
- **Damage to neighbors buried utilities, on the Client's property, are the responsibility of the Client.**
- **Building/Window/Vehicle Washing:** Buildings, windows, or vehicles of the Client or its neighbors, are not intended to be kept clean due to dust during the normal activities of construction or work performed by Lomas. Any necessary cleaning due to these activities of construction or work by Lomas will be the responsibility of the Client.
- **Use of Client Selected and Approved Substandard Materials:** Client recognized and agrees that if the Client has chosen and approved the use of substandard materials for any application that the one year warranty will be void or otherwise limited in writing on those items so impacted, but will remain in affect for all other elements of the project not impacted directly or indirectly by use of substandard materials. the Contractor will notify in writing to the Client any material that the Client has selected that would negatively impact the one year warranty of the Contractor – prior to purchasing and/or installing such materials.
- **Material Grades:** The Client recognizes that all materials come in a range of grades of quality and finishes, and that natural materials are not perfect. Natural wood have knots, and other natural materials have variability in color due to a wide range of factors, and that sample while useful in material selection decision-making, cannot be expected to accurately represent the total completed surface of a given construction or installation. the Contractor shall endeavor to enable the Client to see or understand the representative range of color, surface texture, and related of all materials begin seriously considered for installation on a project, however, it will be responsibility of the Client for the final selection of those materials. Once the selection has been approved by the Client, the Client will be responsible for all costs associated with changing any given material should the Client change their mind during or after material is purchased or constructed.

**Contractor:** \_\_\_\_\_  
Kyle Foreman

**Client:** \_\_\_\_\_

**Signature Date:** \_\_\_\_\_  
12/23/2019

**Signature Date:** \_\_\_\_\_



# Soil Report

Job Name: **Kyle Foreman**

Date: 12/13/2019

Company: **Kyle Foreman**

Submitted By:

Sample Location		Amenity				
Sample ID						
Lab Number		15				
Sample Depth in inches		6				
Total Exchange Capacity (M. E.)		77.64				
pH of Soil Sample		8.6				
Organic Matter, Percent		4.89				
<b>ANIONS</b>	<b>SULFUR:</b> p.p.m.	144				
	<b>Mehlich III Phosphorous:</b> as (P <sub>2</sub> O <sub>5</sub> ) lbs / acre	129				
<b>EXCHANGEABLE CATIONS</b>	<b>CALCIUM:</b> lbs / acre Desired Value Value Found Deficit	21118 26760				
	<b>MAGNESIUM:</b> lbs / acre Desired Value Value Found Deficit	2236 896 -1340				
	<b>POTASSIUM:</b> lbs / acre Desired Value Value Found Deficit	2422 555 -1867				
	<b>SODIUM:</b> lbs / acre	1896				
<b>BASE SATURATION %</b>	Calcium (60 to 70%)	86.17				
	Magnesium (10 to 20%)	4.81				
	Potassium (2 to 5%)	0.92				
	Sodium (.5 to 3%)	5.31				
	Other Bases (Variable)	2.80				
	Exchangable Hydrogen (10 to 15%)	0.00				
<b>TRACE ELEMENTS</b>	Boron (p.p.m.)	3.57				
	Iron (p.p.m.)	53				
	Manganese (p.p.m.)	44				
	Copper (p.p.m.)	2.28				
	Zinc (p.p.m.)	6.35				
	Aluminum (p.p.m.)	17				
<b>OTHER</b>	Ammonium (p.p.m.)	0.5				
	Nitrate (p.p.m.)	32.9				