

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C
NOTICE OF MEETING
(BY TELECONFERENCE)

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

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, by teleconference, open to the public, on May 12, 2020 at 5:45 p.m. (in person meetings are typically held at 4421 Rowe Lane, Pflugerville, Texas).

In accordance with the Office of the Governor's March 16, 2020 proclamation suspending certain Texas Open Meetings Act laws in response to the current COVID-19 pandemic and statewide disaster declaration, as extended on April 12, 2020, Lakeside WCID No. 2C will hold this meeting accessible only by telephonic conference call. No physical meeting space will be available.

In lieu of physical attendance at this Board meeting, the public may dial into the teleconference by calling (877) 309-2073 and entering the following code: 679-299-757.

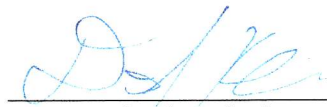
The toll-free teleconference line will offer two-way communication, affording members of the public the opportunity to participate in the meeting. The meeting will be recorded, and the audio recording will be available after the meeting. The following matters will be considered and may be acted upon at the meeting:

1. Call meeting to order and establish quorum;
2. Discuss, consider, and take action concerning qualifying newly elected directors;
3. Discuss, consider, and take action concerning election of new officers;
4. Discuss, consider, and take action to approve minutes of April 14, 2020 regular meeting and April 28, special meeting;
5. Receive public comment (*3 minutes per speaker; but any person providing public comment through a translator is limited to six (6) minutes, unless the District uses simultaneous translation equipment in a manner that allows the Board to hear the translated public testimony simultaneously with the speaker*);
6. Receive report from District's Engineer;
7. Discuss, consider, and take action as necessary concerning First Amendments to the following Cost Sharing Agreements:
 - A. Cost Sharing Agreement for Channel Maintenance Project;
 - B. Cost Sharing Agreement for Trail Project; and
 - C. Cost Sharing Agreement for Amenity Center Design Project;
8. Discuss, consider, and take action as necessary concerning Resolution Authorizing Application to The Texas Commission on Environmental Quality for Approval of the Use of Surplus Funds;

9. Discuss, consider, and take action as necessary concerning engagement of West, Davis & Company for audit of developer reimbursables regarding District's Tenth Bond Issue and Use of Surplus Funds;
10. Discuss, consider, and take action as necessary concerning engagement of Lloyd Gosselink Rochelle & Townsend, P.C. regarding District's Tenth Bond Issue and Use of Surplus Funds;
11. Discuss, consider, and take action as necessary concerning Resolution Authorizing Application to The Texas Commission on Environmental Quality for Approval of Engineering Project and Tenth Lakeside Water Control and Improvement District No. 2C Bond Issue;
12. Discuss, consider, and take action as necessary to approve supplemental audit of developer reimbursables in connection with the Lakeside WCID No. 2C \$4,815,000 Unlimited Tax Bonds, Series 2020;
13. Discuss, consider, and take action as necessary concerning the issuance and delivery of the District's Series 2020 Bonds, and disbursement of bond proceeds, including accepting conveyance of facilities and real property in connection with the Lakeside WCID No. 2C \$4,815,000 Unlimited Tax Bonds, Series 2020;
14. Receive recreational facilities report and take action as necessary concerning same, including but not limited to:
 - A. Maintenance and/or improvements related to existing recreational facilities; and
 - B. Determining hours of use of recreational facilities;
15. Discuss, consider, and take action as necessary concerning engagement of peace officer(s);
16. Discuss, consider, and take action on approval of the payment of invoices and Bookkeeper's report;
17. Provide report to Board regarding compliance with Cybersecurity Awareness Training pursuant to House Bill 3834 from the 2019 Legislative Session;
18. Directors items for next agenda and announcements from Board members; and
19. Adjournment.

EXECUTED this the 8th day of May, 2020.

(District Seal)



Attorney for the District

Agenda Item No. 4

Minutes of April 14, 2020 regular meeting

Minutes of April 28, 2020 special meeting

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”) held a regular meeting, by a two-way toll-free telephonic conference call, open to the public, on April 14, 2020, at 5:45 p.m. (in person meetings are typically held at 4421 Rowe Lane, Pflugerville, Texas). A copy of the notice of meeting along with associated certificates of posting are attached 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 participated by telephone, except Director Bridgefarmer, thus constituting a quorum of the Board of Directors. All Directors who participated by telephone voted on all matters that came before the Board. Also participating by telephone 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 of Jones-Heroy & Associates, Inc.; David Klein and Maris Chambers, Attorneys and Fred Castro, Paralegal with Lloyd Gosselink Rochelle & Townsend, P.C.

Mr. Klein stated this meeting was being held under the Governor’s March 16, 2020 proclamation suspending certain Texas Open Meetings Act laws in response to the current COVID-19 pandemic and statewide disaster declaration. He stated this open meeting of the Board of Directors was being recorded and the recoding would be made available to the public. Mr. Klein stated that the conference call line allowed for 2-way communication, and the Board would provide members of the public with the opportunity to speak, as in any normal Lakeside Water Control and Improvement District No. 2C open meeting. Mr. Klein asked that the attendees use the same courtesy as an in-person meeting and try to avoid talking over each other. He stated that the Board would announce the instances where comments from the public would be accepted.

Director Wang called the meeting to order at 5:51 p.m. and announced that a quorum of the Board was in attendance (on the call). Director Wang stated that the Board would next consider the approval of the minutes of the March 10, 2020 regular meeting and March 20, 2020 special meeting. After discussion, upon motion by Director English, and seconded by Director

Twellmann, the Board unanimously approved the minutes of the March 10, 2020 regular meeting and March 20, 2020 special 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 a brief report on the status of utility construction within the Blackhawk subdivision. Mr. Collins informed the Board that his office had advertised the pedestrian trails project within the greenbelt in Lakeside WCID No. 2D for solicitation of bids with the bid opening scheduled to take place on May 6, 2020. He stated that an on-site non-mandatory pre-bid conference was scheduled for April 22, 2020 to answer prospective bidders' questions about the project. Finally, Mr. Collins noted that at the Board's last meeting he was directed by the Board to coordinate with a structural engineer to come out and take a cursory look at the concrete floor damage sustained within the Reserve at Westcreek Amenity Center to determine whether a structural analysis was warranted before having the floor resurfaced and re-stained, and if so, an estimate for this work. He informed the Board he was been unable to connect with his contact and surmised that the COVID-19 pandemic may be the reason for this. He stated that he would continue to try to make contact with the structural engineer.

The next item to come before the Board was to consider the approval of Pay Estimate No. 3 for Lakeside at Blackhawk III, Phase 4 – Street Excavation and Drainage, Water, Wastewater, and Erosion Control Improvements, submitted by Patin Construction, L.L.C. Mr. Collins presented this item. A copy of the District Engineer's letter of recommendation and Pay Estimate are attached as Exhibit "B". Upon motion by Director English, seconded by Director Twellmann, and unanimously carried, the Board approved Pay Estimate No. 3 for Lakeside at Blackhawk III, Phase 4 – Street Excavation and Drainage, Water, Wastewater, and Erosion Control Improvements, as recommended.

The next item to come before the Board was to consider action regarding the implementation of the District's Stormwater Management Program and enforcement of same, including but not limited to approving the District's Annual Report. Ms. Chambers presented this item. She stated that the District was required to have a Municipal Separate Storm Sewer System Permit that is regulated by the Texas Commission on Environmental Quality (the "TCEQ"), and the District must develop and implement a Stormwater Management Plan. Ms. Chambers stated that the District had complied with this requirement and had submitted a Stormwater Management Plan with the TCEQ, which had not yet been approved, but had been operating under the plan, as drafted. She noted that the District's Stormwater Management Plan regulated discharges from the District's storm drain system and laid out measurable goals over a five-year period of authorization.

Ms. Chambers noted that the District's Annual Report provided to the Board reported on what the District had achieved in year one of the Plan. She confirmed that the District had successfully accomplished the goals it set out to accomplish in year one. Ms. Chambers stated that the District's Stormwater Management Plan Subcommittee, in association with the District's Engineer and her office had reviewed the draft of the District's Annual Report contained in the

meeting materials, a copy of which is attached as Exhibit “C”. She noted that in previous years each of the Lakeside Districts had its own Stormwater Management Plan and submitted its own Annual Report with the TCEQ; however, this year, the Lakeside Districts had combined into a coalition operating under one Stormwater Management Plan with a single Annual Report to streamline the process and reduce expenses. Ms. Chambers recommended that the Board approve the Annual Report and authorize its filing with the TCEQ. Upon motion by Director English, seconded by Director Twellmann, and unanimously carried, the Board approved the Annual Report and authorized its filing with the TCEQ.

The next item to come before the Board was to consider a proposal from Jones-Heroy & Associates, Inc. to prepare an application to the TCEQ for the approval of an engineering project and the District’s Tenth Bond Issue. Mr. Heroy presented his firm’s engagement letter, a copy of which is attached as Exhibit “D”. He noted that his firm’s proposal was similar to engagement letters presented to the Board for previous bond issues with the exception this bond issue would be for the sale of recreational bonds as opposed to utility bonds for water, wastewater and drainage facilities. After discussion, upon motion by Director Twellmann, seconded by Director English, and unanimously carried, the Board approved the proposal from Jones-Heroy & Associates, Inc. to prepare an application to the TCEQ for the approval of an engineering project and the District’s Tenth Bond Issue.

Director Wang stated that the Board would next receive recreational facilities reports and take action 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 as Exhibit “E”. Mr. Monzingo noted that the report provided by the Park at Blackhawk and Lakeside HOA (the “HOA”) provided brief updates on completed projects with final pricing information. He noted that the projects related to the replacement of two ballfield doors was completed with a final price of \$4,421.28 and completion of the Harrier Flight docks came in at \$7,503.28. Mr. Monzingo noted that the water fountain replacement was on hold due to the COVID-19 pandemic. He confirmed that the fountain had been ordered, but it had not yet been installed. He noted that the HOA’s report contained no requests for action by the Board.

Next, Mr. Monzingo informed the Board that the Reserve at Westcreek report indicated that it was awaiting on a decision by the Board concerning the need for engaging the services of a structural engineer to determine whether the buildings foundation had failed before authorizing the repair of cracks and resurfacing the floors. Mr. Monzingo stated that he had nothing further to report and noted that the Reserve at Westcreek’s report contained no requests for action by the Board.

Director Wang stated that the Board would next consider the payment of invoices and Bookkeeper’s report. Mr. Monzingo distributed a list of invoices and money transfers, a copy of which is attached as Exhibit “F”. Mr. Monzingo requested that the Board void Check No. 3434, payable to Director Bridgefarrow, due to his absence from the meeting. After discussion, upon motion by Director English, seconded by Director Twellmann, and unanimously carried, the Board approved the payment of invoices and money transfers, as amended.

The next item to come before the Board was to receive a report regarding compliance with Cybersecurity Awareness Training under House Bill 3834 from the 2019 Legislative Session. Ms. Chambers presented this item. She informed the Board that in the 86th Legislative Session, the Legislature passed House Bill 3834, which contained requirements for local governments regarding cybersecurity training. Ms. Chambers stated that certain individuals, including elected Board members, must participate in a certified cybersecurity training program annually. She noted that the first training must be completed by June 14, 2020 and the District must verify and report on completing the training to the Department of Information Resources. Ms. Chambers stated that her office would review and make recommendations to the Board on the most appropriate cybersecurity training programs certified by the Department of Information Resources. She stated that the Board would be provided with updated information when it became available.

There were no announcements or requests for items at the Board's next meeting.

After discussion, there being no further business and upon motion made by Director English, seconded by Director Twellmann, and unanimously carried, the meeting was adjourned at 6:18 p.m. until further call.

PASSED, APPROVED AND ADOPTED THIS 12th day of May, 2020.

Larry English, Secretary

[DISTRICT SEAL]

MINUTES OF SPECIAL 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”) held a special meeting, by two-way toll-free telephonic conference call, open to the public, on April 28, 2020, at 12:06 p.m. (in person meetings are typically held at 4421 Rowe Lane, Pflugerville, Texas). A copy of the notice of meeting along with associated certificates of posting are attached 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 participated by telephone, thus constituting a quorum of the Board of Directors. All Directors who participated by telephone voted on all matters that came before the Board. Also participating by telephone were Matthew Tiemann of Rowe Lane Development, Ltd.; Jeff Monzingo of Montoya & Monzingo, LLP; Keith Collins of Randall Jones Engineering, Inc.; Bob West of West, Davis & Company; David Klein and Maris Chambers, Attorneys and Fred Castro, Paralegal with Lloyd Gosselink Rochelle & Townsend, P.C.

Mr. Klein stated this meeting was being held under the Governor’s March 16, 2020 proclamation suspending certain Texas Open Meetings Act laws in response to the current COVID-19 pandemic and statewide disaster declaration. He stated this open meeting of the Board of Directors was being recorded and the recoding would be made available to the public, upon request. Mr. Klein stated the conference call line allowed for 2-way communication, and the Board would provide members of the public with the opportunity to speak, as in any normal Lakeside Water Control and Improvement District No. 2C open meeting. Mr. Klein asked that the attendees use the same courtesy as an in-person meeting and try to avoid talking over each other. He stated that the Board would announce the instances where comments from the public would be accepted.

Director Wang called the meeting to order at 12:06 p.m. and after taking a roll call, announced that a quorum of the Board was in attendance.

Director Wang stated that the Board would next consider a non-standard service agreement for the Jakes Hill Condominium Regime. Mr. Klein presented this item. He stated that he and his

office had been working with the City of Pflugerville (the "City"), home builder, and developer extensively for the past 5-6 months trying to facilitate utility service to the Jakes Hill Condominium Regime. Mr. Klein stated that it was his understanding that the City is currently demanding that the District utilize a master meter to provide retail water service to the Jakes Hill Condominium Regime and was unwilling to allow the District to utilize individually metered units. He stated that during a lengthy negotiation process, the District had observed the City changing its mind multiple times as to whether it would or would not let the District use individual meters as it desires; but at this time, the City has taken the position that the Jakes Hill Condominium Regime must be provided retail water service through a single master meter. Mr. Klein stated that it was in the best interest of the District from an economic standpoint to move forward with the City's demand that the Jakes Hill Condominium Regime be serviced through a single master meter as opposed to prolonged, uncertain discussions. He stated that a 4-inch master meter would be installed to serve the Jakes Hill Condominium Regime and that such service would necessitate the need for a non-standard service agreement, a copy of which is provided as Exhibit "B". Mr. Klein stated that this manner of service would be the first of its kind within the District. Mr. Klein stated that the non-standard service agreement provided with the Board's meeting materials was still being negotiated as of this morning. He stated that service through a 4-inch master meter to the Jakes Hill Condominium Regime under this non-standard service agreement would provide up to 59 LUEs of retail water and wastewater services. Mr. Klein noted that the non-standard service agreement contained provisions that would require the homebuilder to pay all legal fees associated with his firm's drafting of the agreement. In response to comments made by the City concerning the possibility that additional infrastructure changes might be necessary before service could be provided, the agreement contains provision that the District will not provide service until the homebuilder makes such changes at their expense. In addition, the District will not provide service until all items necessary to receive service have been completed as required by the City. Mr. Klein noted that the District already owns the water and wastewater facilities that are within the Jakes Hill Condominium Regime and that the Jakes Hill Condominium Owners Association had granted the District an easement so that the District could operate and maintain these facilities. He noted that the 4-inch master meter was located upstream of the housing units and typically the utility owns the infrastructure up to the meter. However, in this case, the District will own the infrastructure past the master meter, requiring that the District make sure that the City will maintain this infrastructure. Mr. Klein noted that in the event the City declines to maintain the infrastructure past the master meter, the District would require the Jakes Hill Condominium Owners Association hire and pay someone to maintain these lines for the District. Mr. Klein stated that this is an open issue and was unsure what the City would do. Once these issues are resolved, the District can finalize the agreement. Mr. Klein recommended that the Board take action to authorize the Board President to finalize negotiation of the non-standard service agreement and authorize the Board President to execute same on behalf of the District. After discussion, upon motion by Director English, seconded by Director Twellmann, and unanimously carried, the Board authorized the Board President to finalize negotiation of the non-standard service agreement and authorized the Board President to execute same on behalf of the District.

Director Wang stated that the Board the Board would next take action to adopt an interim rate for retail water and wastewater service through a 4-inch meter. Mr. Klein presented this item, initially noting that the District's current Rate Order does not establish a minimum monthly rate for water or wastewater service where water service is provided through a 4-inch meter. Mr. Klein

presented an order for the Board's consideration establishing an interim rate for retail water and wastewater service through a 4-inch meter, a copy of which is attached as Exhibit "C". He noted that the City would not issue building permits to the homebuilder of the Jakes Hill Condominium Regime until the District adopts a rate for service through a 4-inch meter. Mr. Klein suggested that the Board consider a minimum monthly base fee for water service and a volumetric rate based on water usage; and to establish a number of fee units that can receive wastewater service from a 4-inch meter. After discussion, upon recommendation by Mr. Klein, in association with the District's Engineer, the Board, upon motion by Director Stratton, seconded by Director Bridgefamer, and unanimously carried, adopted an interim rate for retail water and wastewater service through a 4-inch meter as follows: i) establishing a Monthly Base Charge of \$192.00 for retail water service furnished to residential customers, including multifamily, apartment, condominium, and commercial customers within the District through a 4-inch meter; and ii) establishing the number of Fee Units for a 4-inch meter to equal 12 Fee Units as interim provisions for a period of nine months, effective April 28, 2020. A copy of the order adopted by the Board is attached as Exhibit "C".

Director Wang stated that the Board would next consider action to approve a supplemental audit of developer reimbursables in connection with the District's \$4,815,000 Unlimited Tax Bonds, Series 2020. Mr. Klein requested that the Board table this item and the following agenda item dealing with the issuance, delivery, disbursement of bond proceeds, including accepting conveyance of facilities and real property until a future Board meeting. The Board agreed.

After discussion, there being no further business and upon motion made by Director English, seconded by Director Twellmann, and unanimously carried, the meeting was adjourned at 12:29 p.m. until further call.

PASSED, APPROVED AND ADOPTED THIS 12th day of May, 2020.

Larry English, Secretary

[DISTRICT SEAL]

Agenda Item No. 7
First Amendments to Cost Sharing Agreements
for
Channel Maintenance Project
Trail Project
Amenity Center Design Project

**FIRST AMENDMENT TO COST SHARING AGREEMENT
FOR CHANNEL MAINTENANCE PROJECT**

This FIRST AMENDMENT TO COST SHARING AGREEMENT FOR CHANNEL MAINTENANCE PROJECT (“*Amendment*”), effective as of May 12, 2020, is entered into by and among Lakeside Water Control and Improvement District (“*WCID*”) Nos. 1, 2A, 2B, 2C, and 2D, political subdivisions of the State of Texas operating under the provisions of Article XVI, Section 59 of the Texas Constitution and Chapters 49, 51, and 54 of the Texas Water Code, as amended (each a “*Participant*,” and collectively, the “*Participants*”), regarding the Participants’ joint participation in a project to clean out and re-grade catch basin and stormwater inlet structures located within their boundaries (the “*Channel Maintenance Project*”).

RECITALS

WHEREAS, Lakeside WCID Nos. 1, 2B, 2C, and 2D entered into a certain “Cost Sharing Agreement for Channel Maintenance Project” (the “*Agreement*”), dated July 18, 2018, to provide for terms and conditions regarding the sharing of costs for a project to clean out and re-grade catch basin and stormwater inlet structures within their boundaries;

WHEREAS, the undersigned Participants now desire to amend the Agreement to add Lakeside WCID No. 2A as a Participant, expand the scope of the Channel Maintenance Project to include clean out and re-grading of any catch basin and stormwater inlet structures located within the boundaries of Lakeside WCID No. 2A, and proportionately adjust each Participant’s allocation of costs for the Channel Maintenance Project; and

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 Amendment providing for the undertaking, administration and implementation of the Channel Maintenance Project; and

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:

AMENDMENT

1. Addition of Lakeside Water Control and Improvement District No. 2A. The Participants hereto agree that, by and upon execution of this Amendment, Lakeside WCID No. 2A: (i) shall be a Participant to the Agreement, effective as of the Effective Date of the Agreement, (ii) accepts and agrees to be subject to all terms, conditions and obligations of the Agreement, and (iii) shall be entitled to the rights and benefits and subject to the duties and obligations of a Participant thereunder, as applicable, in each case as fully as if Lakeside WCID No. 2A were an original signatory the Agreement in the capacity of a Participant.

2. Expansion of Scope. The scope of the Channel Maintenance Project, as originally defined in the recitals of the Agreement, which are incorporated therein for all purposes, is hereby expanded to also include the clean out and re-grading of any catch basin and stormwater inlet structures located within the boundaries of Lakeside WCID No. 2A.
3. Adjusted Allocation of Costs. The Agreement is hereby amended by replacing Section 1, "Allocation of Costs," in its entirety with the following:

"1. Allocation of Costs. The Participants acknowledge and agree that they shall collectively pay for the total cost for the Channel Maintenance Project (including contract administration costs) (the "**Total Cost**"), in accordance with the percentages provided in this Section. Each Participant's payment obligation for the Total Cost is as follows (each, a "**Percentage Share**," and collectively, the "**Percentage Shares**"):

PARTICIPANT	CONNECTIONS	PERCENTAGE SHARES
Lakeside WCID No. 1	553	14.11%
Lakeside WCID No. 2A	757	19.32%
Lakeside WCID No. 2B	488	12.46%
Lakeside WCID No. 2C	1,083	27.64%
Lakeside WCID No. 2D	1,037	26.47%
TOTAL	3,918	100%"

4. Entire Agreement. The Agreement, as amended hereby, constitutes the full and entire understanding and agreement between the parties regarding the subject matter hereof and thereof and supersedes and cancels all prior agreements, negotiations, correspondence, undertakings and communications of the parties, oral or written, with respect to such subject matter.
5. Effect of this Amendment. Except as set forth in this Amendment, the Agreement is unaffected and shall continue in full force and effect in accordance with its terms. In the event of any inconsistency or conflict between the provisions of the Agreement and this Amendment, the provisions of this Amendment will prevail and govern. All references to the Agreement or in any exhibit or schedule thereto shall hereinafter refer to the Agreement as amended by this Amendment. In adding Lakeside WCID No. 2A as a Participant to the Agreement, as amended by this Amendment, all Participants agree that any Project costs already allocated to and paid for by Lakeside WCID Nos. 1, 2B, 2C, and 2D prior to the execution of this Amendment shall be adjusted in accordance herewith and reallocated as though all five Lakeside WCIDs were Participants as of the Effective Date of the Agreement, and the Participants agree to be debited or credited accordingly.
6. Defined Terms. The defined terms in the Agreement shall have the same meaning in this Amendment, except as otherwise provided in this Amendment.

7. Authority and Representations. Each Participant executing this Amendment warrants and represents that the individual executing this Amendment on its behalf has the authority and power to execute this Amendment for the entity on behalf of which he or she executes this Amendment.
8. Severability. If any provision of this Amendment is illegal, invalid, or unenforceable under present or future laws, then, and in that event, it is the intention of the Participants hereto that the remainder of this Amendment shall not be affected thereby, and it is also the intention of the Participants to this Amendment that in lieu of each provision of this Amendment that is illegal, invalid, or unenforceable, there be added as a part of this Amendment a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible, and be legal, valid, and enforceable.
9. Waiver. Any failure by a Participant hereto to insist, or any election by a Participant hereto not to insist, upon strict performance by the other Participant of any of the terms, provisions, or conditions of this Amendment shall not be deemed to be a waiver thereof or of any other term, provision, or condition hereof, and such Participant shall have the right at any time or times thereafter to insist upon strict performance of any and all of the terms, provisions, and conditions hereof.
10. Applicable Law. The construction and validity hereof shall be governed by the laws of Texas.
11. Venue. Venue shall be in the court of proper jurisdiction located in Travis County, Texas.
12. Counterpart Execution. This Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which taken together shall constitute one and the same agreement, with the same effect as if all Participants hereto had signed the same document.

Signature pages follow immediately.

The Participants have executed this Amendment, to be effective May 12, 2020, as of the date(s) indicated below.

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

By: _____
Jeff Stivers, President

Date: _____

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

By: _____
Lawrence Shellaby, President

Date: _____

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

By: _____
Marilyn Horndt, President

Date: _____

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

By: _____
David Wang, President

Date: _____

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

By: _____
William McCord, President

Date: _____

**FIRST AMENDMENT TO COST SHARING AGREEMENT
FOR TRAIL PROJECT**

This FIRST AMENDMENT TO COST SHARING AGREEMENT FOR TRAIL PROJECT (“*Amendment*”), effective as of May 12, 2020, is entered into by and among Lakeside Water Control and Improvement District (“*WCID*”) Nos. 1, 2A, 2B, 2C, and 2D, political subdivisions of the State of Texas operating under the provisions of Article XVI, Section 59 of the Texas Constitution and Chapters 49, 51, and 54 of the Texas Water Code, as amended (each a “*Participant*,” and collectively, the “*Participants*”), regarding the Participants’ joint participation in the design, construction, and contract administration for three trail segments to be located within the boundaries of Lakeside WCID No. 2D (the “*Trail Project*”).

RECITALS

WHEREAS, Lakeside WCID Nos. 1, 2A, 2B, 2C, and 2D entered into a certain “Cost Sharing Agreement for Trail Project” (the “*Agreement*”), dated April 9, 2019, to provide for terms and conditions regarding the sharing of costs for the design, construction, and contract administration for the Trail Project;

WHEREAS, the undersigned Participants now desire to amend the Agreement to adjust each Participant’s allocation of costs for the Trail Project; and

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 Amendment providing for the undertaking, administration and implementation of the Trail Project; and

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:

AMENDMENT

1. Adjusted Allocation of Costs. The Agreement is hereby amended by replacing Section 1, “Allocation of Costs,” in its entirety with the following:
 - “1. Allocation of Costs. The Participants acknowledge and agree that they shall collectively pay for the total cost for the Trail Project (including contract administration costs) (the “*Total Cost*”), in accordance with the percentages provided in this Section. Each Participant’s payment obligation for the Total Cost is as follows (each, a “*Percentage Share*,” and collectively, the “*Percentage Shares*”):

PARTICIPANT	CONNECTIONS	PERCENTAGE SHARES
Lakeside WCID No. 1	553	14.11%
Lakeside WCID No. 2A	757	19.32%
Lakeside WCID No. 2B	488	12.46%
Lakeside WCID No. 2C	1,083	27.64%
Lakeside WCID No. 2D	1,037	26.47%
TOTAL	3,918	100%”

2. Entire Agreement. The Agreement, as amended hereby, constitutes the full and entire understanding and agreement between the Participants regarding the subject matter hereof and thereof and supersedes and cancels all prior agreements, negotiations, correspondence, undertakings and communications of the parties, oral or written, with respect to such subject matter.
3. Effect of this Amendment. Except as set forth in this Amendment, the Agreement is unaffected and shall continue in full force and effect in accordance with its terms. In the event of any inconsistency or conflict between the provisions of the Agreement and this Amendment, the provisions of this Amendment will prevail and govern. All references to the Agreement or in any exhibit or schedule thereto shall hereinafter refer to the Agreement as amended by this Amendment. In addition, the Participants agree that Project costs already allocated to and paid for by each Participant prior to the execution of this Amendment shall be adjusted in accordance herewith and reallocated as though the Percentage Shares set forth in this Amendment were effective as of the Effective Date of the Agreement, and the Participants agree to be debited or credited accordingly.
4. Defined Terms. The defined terms in the Agreement shall have the same meaning in this Amendment, except as otherwise provided in this Amendment.
5. Authority and Representations. Each Participant executing this Amendment warrants and represents that the individual executing this Amendment on its behalf has the authority and power to execute this Amendment for the entity on behalf of which he or she executes this Amendment.
6. Severability. If any provision of this Amendment is illegal, invalid, or unenforceable under present or future laws, then, and in that event, it is the intention of the Participants hereto that the remainder of this Amendment shall not be affected thereby, and it is also the intention of the Participants to this Amendment that in lieu of each provision of this Amendment that is illegal, invalid, or unenforceable, there be added as a part of this Amendment a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible, and be legal, valid, and enforceable.
7. Waiver. Any failure by a Participant hereto to insist, or any election by a Participant hereto not to insist, upon strict performance by the other Participant of any of the terms, provisions, or conditions of this Amendment shall not be deemed to be a waiver thereof

or of any other term, provision, or condition hereof, and such Participant shall have the right at any time or times thereafter to insist upon strict performance of any and all of the terms, provisions, and conditions hereof.

8. Applicable Law. The construction and validity hereof shall be governed by the laws of Texas.
9. Venue. Venue shall be in the court of proper jurisdiction located in Travis County, Texas.
10. Counterpart Execution. This Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which taken together shall constitute one and the same agreement, with the same effect as if all Participants hereto had signed the same document.

Signature pages follow immediately.

The Participants have executed this Amendment, to be effective May 12, 2020, as of the date(s) indicated below.

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

By: _____
Jeff Stivers, President

Date: _____

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

By: _____
Lawrence Shellaby, President

Date: _____

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

By: _____
Marilyn Horndt, President

Date: _____

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

By: _____
David Wang, President

Date: _____

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

By: _____
William McCord, President

Date: _____

**FIRST AMENDMENT TO COST SHARING AGREEMENT
FOR AMENITY CENTER DESIGN PROJECT**

This FIRST AMENDMENT TO COST SHARING AGREEMENT FOR AMENITY CENTER DESIGN PROJECT (“*Amendment*”), effective as of May 12, 2020, is entered into by and among Lakeside Water Control and Improvement District (“*WCID*”) Nos. 2A, 2B, 2C, and 2D, and Lakeside Municipal Utility District (“*MUD*”) No. 5, all political subdivisions of the State of Texas operating under the provisions of Article XVI, Section 59 of the Texas Constitution and Chapters 49, 51, and 54 of the Texas Water Code, as amended (each a “*Participant*,” and collectively, the “*Participants*”), regarding the Participants’ joint participation in a new amenity center project in Travis and/or Williamson Counties, Texas, within the boundaries of Lakeside WCID No. 2A (the “*Design Project*”).

RECITALS

WHEREAS, the Participants entered into a certain “Cost Sharing Agreement for Amenity Center Design Project” (the “*Agreement*”), dated April 9, 2019, to provide for terms and conditions regarding the sharing of costs for the design, engineering, and contract administration for the Design Project;

WHEREAS, the undersigned Participants now desire to amend the Agreement to adjust each Participant’s allocation of costs for the Design Project; and

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 Amendment providing for the undertaking, administration and implementation of the Design Project; and

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:

AMENDMENT

1. Adjusted Allocation of Costs. The Agreement is hereby amended by replacing Section 1, “Allocation of Costs,” in its entirety with the following:

“1. Allocation of Costs. The Participants acknowledge and agree that they shall collectively pay for the total cost for the Design Project (including contract administration costs) (the “*Total Cost*”), in accordance with the percentages provided in this Section. Each Participant’s payment obligation for the Total Cost is as follows (each, a “*Percentage Share*,” and collectively, the “*Percentage Shares*”):

PARTICIPANT	CONNECTIONS	PERCENTAGE SHARES
Lakeside WCID No. 2A	757	14%
Lakeside WCID No. 2B	488	9.02%
Lakeside WCID No. 2C	1,083	20.02%
Lakeside WCID No. 2D	1,037	19.17%
Lakeside MUD No. 5	2,044	37.79%
TOTAL	5,409	100%”

2. Entire Agreement. The Agreement, as amended hereby, constitutes the full and entire understanding and agreement between the Participants regarding the subject matter hereof and thereof and supersedes and cancels all prior agreements, negotiations, correspondence, undertakings and communications of the parties, oral or written, with respect to such subject matter.
3. Effect of this Amendment. Except as set forth in this Amendment, the Agreement is unaffected and shall continue in full force and effect in accordance with its terms. In the event of any inconsistency or conflict between the provisions of the Agreement and this Amendment, the provisions of this Amendment will prevail and govern. All references to the Agreement or in any exhibit or schedule thereto shall hereinafter refer to the Agreement as amended by this Amendment. In addition, the Participants agree that Project costs already allocated to and paid for by each Participant prior to the execution of this Amendment shall be adjusted in accordance herewith and reallocated as though the Percentage Shares set forth in this Amendment were effective as of the Effective Date of the Agreement, and the Participants agree to be debited or credited accordingly.
4. Defined Terms. The defined terms in the Agreement shall have the same meaning in this Amendment, except as otherwise provided in this Amendment.
5. Authority and Representations. Each Participant executing this Amendment warrants and represents that the individual executing this Amendment on its behalf has the authority and power to execute this Amendment for the entity on behalf of which he or she executes this Amendment.
6. Severability. If any provision of this Amendment is illegal, invalid, or unenforceable under present or future laws, then, and in that event, it is the intention of the Participants hereto that the remainder of this Amendment shall not be affected thereby, and it is also the intention of the Participants to this Amendment that in lieu of each provision of this Amendment that is illegal, invalid, or unenforceable, there be added as a part of this Amendment a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible, and be legal, valid, and enforceable.
7. Waiver. Any failure by a Participant hereto to insist, or any election by a Participant hereto not to insist, upon strict performance by the other Participant of any of the terms, provisions, or conditions of this Amendment shall not be deemed to be a waiver thereof

or of any other term, provision, or condition hereof, and such Participant shall have the right at any time or times thereafter to insist upon strict performance of any and all of the terms, provisions, and conditions hereof.

8. Applicable Law. The construction and validity hereof shall be governed by the laws of Texas.
9. Venue. Venue shall be in the court of proper jurisdiction located in Travis County, Texas.
10. Counterpart Execution. This Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which taken together shall constitute one and the same agreement, with the same effect as if all Participants hereto had signed the same document.

Signature pages follow immediately.

The Participants have executed this Amendment, to be effective May 12, 2020, as of the date(s) indicated below.

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

By: _____
Lawrence Shellaby, President

Date: _____

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

By: _____
Marilyn Horndt, President

Date: _____

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

By: _____
David Wang, President

Date: _____

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

By: _____
William McCord, President

Date: _____

**LAKESIDE MUNICIPAL UTILITY DISTRICT NO. 5, a
municipal utility district operating pursuant to Chapters 49
and 54 of the Texas Water Code**

By: _____
Jeff Rinderknecht, President

Date: _____

Agenda Item No. 8
Resolution Authorizing Application to the
Texas Commission on Environmental Quality
for Approval of the Use of Surplus Funds

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

Section 1. The recitals stated above are true and correct.

Section 2. The Board of Directors of the District requests the Commission's approval of the use of up to \$102,356.00 in surplus funds derived from the sale of the 2020 Bonds, currently held in the District's Capital Projects Fund Account, to be applied toward the purchase of 34 living unit equivalents of water impact fees associated with water service within the Jakes Hill Condominium Regime;

Section 3. The President and Secretary of the Board of Directors are authorized and directed as follows:

- (1) To prepare and file an application at the Commission requesting the use of surplus funds in accordance with the provisions of Section 2, above.
- (2) To request approval from the Commission to reimburse more than two years of interest to the developer in accordance with 30 TAC § 293.50(b).

Section 4. The President and Secretary of the Board of Directors, Jones-Heroy & Associates, Inc., the District's engineer, the District's attorneys, and the District's financial advisor are authorized and directed to do any and all things necessary and proper in connection with this application.

Section 5. A certified copy of this Resolution shall constitute an application on behalf of the District for the approvals set forth above.

PASSED AND APPROVED the 12th day of May, 2020.

David Wang, President
Board of Directors

ATTEST:

Larry English, Secretary
Board of Directors

Agenda Item No. 9
West, Davis & Company audit engagement
letter regarding the District's Tenth Bond Issue
and use of Surplus Funds

WEST, DAVIS & COMPANY

A LIMITED LIABILITY PARTNERSHIP

April 17, 2020

Board of Directors
Lakeside WCID No. 2C
c/o David Klein
Lloyd Gosselink Rochelle & Townsend, PC
816 Congress Ave, Suite 1900
Austin, Texas 78701

We are pleased to confirm our understanding of the services we are to provide the Lakeside WCID No. 2C (the "District") in relation to its proposed 10th Bond Issue. We will perform certain agreed procedures designed to test the accuracy of the costs proposed to be reimbursed to developers and issue our report thereon. The agreed procedures will include the following:

1. We will inspect all documentation supporting projects, amounts, and proof of payment for which reimbursement is requested.
 - a. We will inspect the Board's Order Canvassing the election to authorize bonds
 - b. We will inspect the Board's Bond Resolution authorizing application to TCEQ
 - c. We will inspect the District's Developer Reimbursement Agreement
 - d. We will inspect the District's Bond Application
 - e. We will inspect the List of Facilities to be acquired
 - f. We will inspect the Summary of Costs for each project
 - g. We will inspect the Construction Contract for each project
 - h. We will inspect the Bid Advertisement for each project
 - i. We will inspect the Bid Comparison for each project
 - j. We will trace construction costs on the Summary of Costs to pay applications
 - k. We will trace construction costs on the Summary of Costs to cancelled checks
 - l. We will inspect the Engineer's Concurrence for Project Acceptance
 - m. We will inspect the Contractor's All Bills Paid Affidavit
 - n. We will recalculate engineer's allocations of costs for shared facilities
 - o. We will trace non-construction costs on the Summary of Costs to cancelled checks
2. We will read all TCEQ Interoffice Memoranda, Orders and Rules of the Commission relative to the reimbursement request.
 - a. We will compare the Summary of Costs with the TCEQ Staff Memorandum
 - b. We will compare the Summary of Costs with the TCEQ Commission Order
3. We will calculate interest on amounts to be reimbursed and determine if it is in accordance with TCEQ Interoffice Memoranda, Orders and Rules of the Commission
 - a. We will inspect the District's Official Statement for the issuance of the bonds
 - b. We will inspect the Notice of Sale and Winning Bid Form to obtain the effective interest rate of the bonds
 - c. We will recalculate interest to be reimbursed to the developer

11824 Jollyville Road, Suite 100 ♦ Austin, Texas ♦ 78759-2322

Telephone 512.922.8809 ♦ www.westdavis.com

4. We will discuss our findings and forward a draft of our report to the District's Attorney, Engineer, Financial Advisor, and Bookkeeper.
5. We will issue our report to the District. This report will include sufficient details and disclosures to serve the needs of the District and the Commission.

Objective of Engagement

Because the above procedures do not constitute an examination made according to generally accepted auditing standards, the objective of our engagement is not the expression of an opinion on the schedules accompanying our report. Our report and accompanying schedules will conform to the requirements of the Texas Commission on Environmental Quality. An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulation; however, we will communicate to you any known and suspected fraud and noncompliance with laws or regulations affecting the reimbursable costs to be paid from the fund that come to our attention. Our report will detail any amount included in the schedules accompanying our report that we believe should be adjusted. If no matters come to our attention that cause us to believe that an amount should be adjusted our report will read as follows:

We have performed the procedures described below, which were agreed to by you, with respect to the accompanying Calculation of Amounts to be Reimbursed to Developers (Schedule A), the Comparison of Costs to the Interoffice Memorandum Schedule (Schedule B) and Cash Reconciliation (Schedule C) as approved by the Commission order approving the bond issue. Our report was made for the purpose of providing you with information relating to the use of proceeds of the \$ _____ Lakeside WCID No. 2C (District) Bonds, Series _____. The District's management is responsible for the District's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Board of Directors and the Texas Commission on Environmental Quality (TCEQ), the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which our report has been requested or for any other purpose. The procedures we performed are summarized as follows:

1. *Information for the use of proceeds was obtained from the TCEQ Order dated _____, _____ approving the \$ _____ bond issue.*
2. *Information for the costs to be reimbursed to the developer was obtained from the inspection of reimbursable costs and related supporting documentation obtained from the Developer and the District's Engineer. Our procedures included inspecting supporting documentation and calculations regarding these costs.*
3. *Non-construction costs to be funded from this bond issue were obtained from invoices and discussions with various parties who are to be reimbursed with these funds.*
4. *We computed interest due the Developer based on financing agreements between the District and the Developer under TCEQ rules.*

Because the above procedures do not constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion on the accompanying schedules. If we had performed additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the attached Schedules A, B and C and does not extend to any financial statements of the District taken as a whole. This report is intended solely for the use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

Management Responsibilities

You are responsible for the reimbursable costs to be paid from the bond funds and that they are in accordance with the requirements of the Commission. You are responsible for determining that such criteria and procedures are appropriate for your purposes. You are also responsible for, and agree to provide us with, a written assertion about the reimbursable costs to be paid from the bond funds. In addition, you are responsible for providing us with (1) access to all information of which you are aware that is relevant to the performance of the agreed-upon procedures on the subject matter, (2) additional information that we may request for the purpose of performing the agreed-upon procedures, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence relating to performing those procedures. We anticipate that your engineer will provide us with the Schedule of Costs and Developer Interest Calculation spreadsheets via active Excel files.

At the conclusion of our engagement, we will require certain written representations in the form of a representation letter from management that, among other things, will confirm management's responsibility for the reimbursable costs to be paid from the bond funds in accordance with the requirements of the Commission. You agree to assume all management responsibilities for any non-attest services we provide; oversee the services by designating an individual with suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We expect to begin our engagement on approximately June 1, 2020 and to issue our report on the date the Board sets as the date it intends to make reimbursement to the developer and disburse funds in payment of related costs. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to this engagement. We estimate that our gross fee for this engagement, including expenses, will be between \$10,000 - \$15,000. Our invoice for these fees will be rendered upon completion of our work and is payable on presentation. If a significant delay occurs in the course of completing our work, that is not a result of our actions or inactions, we reserve the right to invoice for our fees on an interim basis. Such interim invoices are also payable on presentation.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



Bob West, CPA

Partner

RESPONSE:

This letter correctly sets forth the understanding of Lakeside WCID No. 2C.

By: _____ Title: _____ Date: _____

Agenda Item No. 10

**Lloyd Gosselink Rochelle & Townsend, P.C.
legal services engagement letter regarding the
District's Tenth Bond Issue and use of Surplus
Funds**

Mr. Klein's Direct Line: (512) 322-5818
Email: dklein@lglawfirm.com

April 14, 2020

Mr. David Wang, President
Lakeside WCID No. 2C
c/o Montoya & Monzingo, LLP
Attn: Jeff Monzingo
P.O. Box 2029
Pflugerville, Texas 78691-2029

VIA ELECTRONIC MAIL

Re: Supplement to Engagement Letter – Tenth Bond Issue- Series 2020;
Billing File Number: 1700-10

Dear Mr. Wang:

We appreciate the confidence you have shown in us by recently requesting additional legal services from our firm. For various reasons it is necessary for our firm to specifically enumerate those matters on which we are working. The purpose of this letter is to set forth our understanding of the legal services to be performed by us and is a Supplement to the original Engagement Letter. This letter confirms that Lloyd Gosselink Rochelle & Townsend, P.C. ("Lloyd Gosselink") will represent Lakeside Water Control & Improvement District No. 2C ("Lakeside") with respect to providing general counsel services pertaining to Lakeside's application to issue its tenth ad valorem tax bonds at the Texas Commission on Environmental Quality and the issuance of such bonds (the "Matter"). Furthermore, this letter is our notice to you regarding our acceptance of this representation (the "Representation").

Terms of Engagement

Our original Engagement Letter and the *Additional Terms of Engagement* attached thereto, dated June 7, 2007 set out the terms of our engagement in the Representation. This letter is expressly incorporated into that document. It is understood and agreed that our engagement is limited to the Representation, and our acceptance of this engagement does not imply any undertaking to provide legal services other than those set forth in the original Engagement Letter and all Supplements thereof.

Personnel Who Will Be Working on the Matter

I will be the attorney in charge of the Representation. Maris Chambers and I will be working on the Matter. You may call, write, or e-mail me whenever you have any questions about the Representation. Other firm personnel, including firm lawyers and paralegals, will participate in the Representation if, in our judgment, their participation is necessary or appropriate.

Conflicts of Interest

Before accepting this Representation, we have undertaken reasonable and customary efforts to determine whether there are any potential conflicts of interest that would bar our firm from representing you in the Matter. Additionally, in order that we comply with the requirements of Chapter 176 of the Texas Local Government Code, we have performed an internal conflicts of interest inquiry. Based on the information obtained from this inquiry, we will file a completed conflict of interest questionnaire with the individual deemed as the records administrator for your entity. Based on the information available to us, we are not aware of any potential disqualification. We reviewed the issue of potential conflicts in accordance with the rules of professional responsibility adopted in Texas.

Cloud-Based Software

We use cloud-based electronic data storage and/or document preparation systems to store Client confidential information and/or prepare legal documents pertaining to this Matter. In accordance with the Texas Disciplinary Rules of Professional Conduct and the Supreme Court of Texas, Professional Ethics Committee Opinion No. 680, in using such cloud-based software, we undertake reasonable precautions and remain alert to avoid the possibility of data breaches, unauthorized access, and/or disclosure of Client confidential information.

Document Retention

We may choose to keep records pertaining to this Matter in partially or exclusively electronic format, and we will bear ordinary costs relating to the treatment and storage of such records as part of the cost of providing legal services to you. Upon completion of our work on this Matter, your file, in the form in which it was maintained, will be made available for transfer to you at our office. As a general rule, we keep client files for five years. If your file has not previously been returned to you before the end of the retention period, our document retention policy directs us to offer the file to you at that time. Original documents (e.g., permits, licenses, deeds, wills and the like), or material that has unique or significant value in the form we originally acquired it, will be returned to you in that original form. We may, however, require you to pay any delivery or shipping expenses associated with delivering your client file and other client property to you at a location other than our office. If you do not indicate a desire to have the file returned to you, the file (both electronic and written) will be destroyed.

Conclusion

This letter is appended to, and made a part of, our original Engagement Letter and the *Additional Terms of Engagement* attached thereto, and together with all other Supplements constitute the entire terms of the engagement of Lloyd Gosselink Rochelle & Townsend, P.C. in the Representation. These written terms of engagement are not subject to any oral agreements or understandings, and they can be modified only by further written Supplement. Unless expressly stated in these terms of engagement, no obligation or undertaking shall be implied on the part of

Lakeside WCID No. 2C

April 14, 2020

Page 3

either you or Lloyd Gosselink Rochelle & Townsend, P.C. If you agree to these terms of engagement, please sign in the space provided below and return a scanned copy of the executed Supplement to Engagement Letter.

Sincerely,



David J. Klein

DJK/dsr

AGREED AND ACCEPTED:

LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT NO. 2C

By: _____
Signature

Printed Name

Title

Date

Agenda Item No. 11
Resolution Authorizing Application to the
Texas Commission on Environmental Quality
for Approval of an Engineering Project and
Tenth District Bond Issue

RESOLUTION AUTHORIZING APPLICATION TO
THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
FOR APPROVAL OF ENGINEERING PROJECT AND
TENTH LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C BOND
ISSUE- SERIES 2020

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

WHEREAS, Lakeside Water Control and Improvement District No. 2C (the “District”) has been legally created, its Board of Directors has met and organized, and the District is operating under Chapters 49 and 51 of the Texas Water Code;

WHEREAS, the Board of Directors was authorized to issue bonds in the maximum amount of \$1,500,000 for recreational facilities by the voters of the District at an election held on September 11, 2004; and

WHEREAS, the District desires to issue bonds in an amount not to exceed \$1,500,000 (the “Bonds”) for the purpose or purposes of acquiring recreational facilities for said District, and additions, extensions and improvements thereto and purchasing or otherwise acquiring any and all property, contract rights, rights of use, and interests in property necessary, appropriate or incident to the purchase, construction, or other acquisition of such recreational facilities as referenced in a report prepared by Sam Jones Consulting, Inc. dated August, 2006, and Amendment No. 1 to the report dated October 2007 (the “Projects”);

WHEREAS, the Board of Directors of the District has determined that the estimated cost of financing the Projects is approximately \$1,500,000, and desires to issue the Bonds to finance such costs;

WHEREAS, Texas Water Code § 49.181 requires the District, when it desires to issue bonds, to submit in writing to the Texas Commission on Environmental Quality (the “Commission”), an application for investigation of the proposed Project and of the issuance of the bonds to finance such Project, together with a copy of the engineer’s report and data, profiles, maps, plans and specifications, and market information prepared in connection therewith;

WHEREAS, the Board of Directors of the District desires to secure the approval and consent of the Commission regarding the Project, which is more completely described in the engineer’s report and supplemental information submitted in connection with this application, and for the issuance of the bonds described in Section 2(b) of this Resolution;

WHEREAS, pursuant to 30 Texas Administrative Code (“TAC”) § 293.50(b), the Commission may authorize the reimbursement of developer interest for a period in excess of two

years, up to a period of five years, if (1) the actual costs incurred by the developer plus the total allowed interest does not exceed the present day costs for the facilities at the time of purchase, or (2) the sum of the accrued developer interest and the capitalized interest included in the bond issue does not exceed four years' interest on the total bond issue;

WHEREAS, the Board of Directors of the District desires to request authority from the Commission to reimburse a developer within the District for more than two years accrued interest and less than one year of capitalized interest in accordance with 30 TAC § 293.50(b)(2); and

NOW, THEREFORE, BE IT RESOLVED 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 recitals of this resolution are hereby found and declared to be true and complete.

Section 2. The President and Secretary of the Board of Directors are authorized and directed as follows:

- (1) To prepare and file an application at the Commission for an investigation and report of the feasibility of the District constructing and acquiring the Project more specifically described in the engineering report entitled Engineering Report for \$1,500,000.00 Bond Issue for Lakeside Water Control and Improvement District No. 2C (the "Engineering Report") prepared by Jones-Heroy & Associates, Inc. in connection with this application and any supplemental information, where such project consists generally of the construction of recreational projects for the benefit of the District.
- (2) To request the Commission to approve the bonds of the District in the principal amount of \$1,500,000.00, bearing interest at a net effective interest rate not to exceed the maximum allowed by law and maturing serially in accordance with the schedule provided in the aforesaid Engineering Report.
- (3) To request approval from the Commission to reimburse more than two years of interest to the developer and less than one year of capitalized interest on the bonds in accordance with 30 TAC § 293.50(b)(2).

Section 3. By this application, the District assures the Commission that it will abide by the terms and conditions prescribed by the Commission, and it will retain all amounts required by law due all construction contractors on the project to assure that the project is completed in accordance with the approved plans and specifications.

Section 4. The President and Secretary of the Board of Directors, Jones-Heroy & Associates, Inc., the District's engineer, the District's attorneys, and the District's financial advisor are authorized and directed to do any and all things necessary and proper in connection with this application.

Section 5. A certified copy of this resolution shall constitute an application and request on behalf of the District to the Commission pursuant to Texas Water Code § 49.181, for approval of the project described in Section 2(1) and the bonds described in Section 2(2).

PASSED, ADOPTED AND APPROVED this 11th day of May, 2020.

David Wang, President
Lakeside Water Control and Improvement
District No. 2C

ATTEST:

Larry English, Secretary
Lakeside Water Control and Improvement District No. 2C

(SEAL)

Agenda Item No. 12

2nd Supplemental Audit Report of developer reimbursables in connection with the District's \$4,815,000 Unlimited Tax Bonds, Series 2020

**2nd Supplemental
Report on the Application of
Certain Agreed-Upon Procedures**

relating to

**Lakeside Water Control
And Improvement District No. 2C**

\$4,815,000 Series 2020 Bonds

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

WEST, DAVIS & COMPANY

A LIMITED LIABILITY PARTNERSHIP

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Lakeside Water Control and Improvement District No. 2C
c/o Lloyd, Gosselink Rochelle & Townsend
816 Congress Avenue, Suite 1900
Austin, Texas 78701

We have performed the procedures described below, which were agreed to by you, with respect to the accompanying Calculation of Amounts to be Reimbursed to Developers (Schedule A), the Comparison of Costs Schedule to the Interoffice Memorandum (Schedule B) and Cash Reconciliation (Schedule C). Our report was made for the purpose of providing you with information relating to the 2nd Supplemental use of proceeds of the \$4,815,000 Lakeside Water Control and Improvement District No. 2C (District) Unlimited Tax Bonds, Series 2020. The District's management is responsible for the District's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Board of Directors and the Texas Commission on Environmental Quality (TCEQ), the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which our report has been requested or for any other purpose. The procedures we performed are summarized as follows:

1. Information for the use of proceeds was obtained from the TCEQ order dated December 9, 2019 approving the \$4,815,000 Bond Issue, which included the interoffice staff memorandum.
2. Information for the costs to be reimbursed to the developers was obtained from the inspection of reimbursable costs and related supporting documentation obtained from the Developer and the District's Engineer. Our procedures included inspecting supporting documentation and calculations regarding these costs.
3. Non-construction costs to be funded from this bond issue were obtained from invoices and discussions with various parties who are to be reimbursed from this bond issue.
4. We computed interest due the Developer based on financing agreements between the District and the Developer.

Because the above procedures do not constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion on the accompanying schedules. If we had performed additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the attached Schedules A, B and C and does not extend to any financial statements of the District taken as a whole. This report is intended solely for the use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

West, Davis & Company
Austin, Texas
April 28, 2020

SCHEDULE A

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C

**CALCULATION OF AMOUNTS TO BE PAID TO DEVELOPERS
FROM SERIES 2020 BOND ISSUE PROCEEDS-SUPPLEMENTAL REPORT No. 2**

**In Accordance with Utility Construction Agreements
Dated August 26, 2003, and amended December 14, 2004, and May 9, 2006**

AS OF APRIL 28, 2020

<u>Description</u>	<u>Developer A - Rowe Lane Development, Ltd. And Assigns</u>			
	<u>% Complete (Date Complete)</u>	<u>Total Cost</u>	<u>Reimbursable Cost²</u>	<u>Interest¹</u>
<u>DISTRICT FACILITIES</u>				
DNT Construction				
(Water, Wastewater & Drainage)	100%			
Lakeside at Blackhawk II, Phase 2B	Sep-18	516,952		
Less: Ineeligible Items		(31,828)		
Less: Amount Paid at Initial Closing		(485,124)		
Net to Developer A			-	
Interest Accrued at 2.316654%				-
Cornerstone Site Services				
(Water, Wastewater & Drainage)	100%			
Lakeside at Blackhawk III, Phase 2	Feb-19	\$ 793,660		
Less: Ineeligible Items		(55,847)		
Less: Amount Paid at Initial Closing		(737,813)		
Net to Developer A			-	
Interest Accrued at 2.316654%				-
DeNucci Constructors				
(Water, Wastewater & Drainage)	100%			
Lakeside at Blackhawk III, Phase 3	Oct-18	\$ 812,373		
Less: Ineeligible Items		(29,291)		
Less: Deferred to Future Issue		(545,082)		
Less: Amount Paid at Initial Closing		(238,000)		
Net to Developer A			-	
Interest Accrued at 2.316654%				-
Randall Jones Engineering				
Various Other Vendors				
(Engineering, Testing & Fees on Above)	100%			
Less: Ineeligible Items		346,024		
Less: Amount Paid at Initial Closing		(146,120)		
Less: Amount Paid at Initial Closing		(199,904)		
Net to Developer A			-	
Interest Accrued at 2.316654%				-

SCHEDULE A

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C

**CALCULATION OF AMOUNTS TO BE PAID TO DEVELOPERS
FROM SERIES 2020 BOND ISSUE PROCEEDS-SUPPLEMENTAL REPORT No. 2
In Accordance with Utility Construction Agreements
Dated August 26, 2003, and amended December 14, 2004, and May 9, 2006**

AS OF APRIL 28, 2020

<u>Description</u>	<u>Developer A - Rowe Lane Development, Ltd. And Assigns</u>			
	<u>% Complete (Date Complete)</u>	<u>Total Cost</u>	<u>Reimbursable Cost²</u>	<u>Interest¹</u>
<u>DISTRICT FACILITIES</u>				
DNT Construction				
(Water, Wastewater & Drainage)	100%			
Jakes Hill Condos	Oct-18	\$ 925,051		
Less: Ineigible Items		(351,252)		
Less: Amount Paid with Supplemental No. 1		<u>(573,799)</u>		
Net to Developer A			-	
Interest Accrued at 2.316654%				-
Randall Jones Engineering				
Various Other Vendors				
(Engineering, Testing & Fees on Jakes Hill Condos)	100%			
Less: Ineigible Items		(34,110)		
Less: Amount Paid with Supplemental No. 1		<u>(28,514)</u>		
Net to Developer A			-	
Interest Accrued at 2.316654%				-
<u>REGIONAL FACILITIES</u>				
Manville Water Supply Company				
Water Connection Fees-367	100%			
Park at Blackhawk III, Phase 2 (46)		128,800		
Park at Blackhawk VII, Phase 2 (63)		176,400		
Lakeside at Blackhawk II, Phase 1B (49)		137,200		
Lakeside at Blackhawk II, Phase 2B (44)		123,200		
Lakeside at Blackhawk III, Phase 2 (43)		120,400		
Lakeside at Blackhawk III, Phase 3 (46)		128,800		
Jakes Hill Condos (59)		165,200		
Less: Amount Paid at Initial Closing		(814,800)		
Less: Amount Paid with Supplemental No. 1		<u>(165,200)</u>		
Net to Developer A			-	
Interest Accrued at 2.316654%				-

SCHEDULE A

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C

**CALCULATION OF AMOUNTS TO BE PAID TO DEVELOPERS
FROM SERIES 2020 BOND ISSUE PROCEEDS-SUPPLEMENTAL REPORT No. 2**

**In Accordance with Utility Construction Agreements
Dated August 26, 2003, and amended December 14, 2004, and May 9, 2006**

AS OF APRIL 28, 2020

<u>Description</u>	<u>Developer A - Rowe Lane Development, Ltd. And Assigns</u>			
	<u>% Complete (Date Complete)</u>	<u>Total Cost</u>	<u>Reimbursable Cost²</u>	<u>Interest¹</u>
<u>REGIONAL FACILITIES</u>				
City of Pflugerville				
Wastewater Connection Fees-367	100%			
Park at Blackhawk III, Phase 2 (46)		62,652		
Park at Blackhawk VII, Phase 2 (63)		85,806		
Lakeside at Blackhawk II, Phase 1B (49)		66,738		
Lakeside at Blackhawk II, Phase 2B (44)		59,928		
Lakeside at Blackhawk III, Phase 2 (44)		59,928		
Lakeside at Blackhawk III, Phase 3 (46)		62,652		
Jakes Hill Condos (25)		34,050		
Withheld Pending Evidence of Payment-Jakes Hill Condos		-		
Less: Amount Paid at Initial Closing		<u>(397,704)</u>		
Net to Developer A			34,050	
Interest Accrued at 2.316654%				<u>-</u>
TOTAL DUE DEVELOPER A AND ASSIGNS			<u>34,050</u>	<u>-</u>
TOTAL TO BE PAID FROM SERIES 2020 BOND ISSUE PROCEEDS				<u>\$ 34,050</u>

Note 1: Interest is based on an expected reimbursement date of April 28, 2020. In addition, the District was granted a waiver of the two year limit on interest accrual.

Note 2: The District applied for and was granted by the Texas Commission on Environmental Quality an exception to the 30% Developer Contribution requirement. Therefore, these reimbursements are at 100% of the Developer's Cost.

SCHEDULE B

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C

**COMPARISON OF ACTUAL COSTS WITH COST SUMMARY
AS APPROVED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

<u>Cost Item</u>	Costs	Costs Paid	Total	Projected	Total Paid	Interoffice	Variance	% Variance
	Reimbursed to	Directly by	Paid		and			
	<u>Developers</u>	<u>District</u>	<u>(1)+(2)</u>	<u>Costs</u>	<u>(3)+(4)</u>	<u>Total</u>	<u>(5)-(6)</u>	<u>(7)/(6)X100</u>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Construction Costs								
District Items:								
Lakeside at Blackhawk II, Phase 2B (W/WW/D)	-	-	-	-	-	-	-	n/a
Lakeside at Blackhawk III, Phase 2 (W/WW/D)	-	-	-	-	-	-	-	n/a
Lakeside at Blackhawk III, Phase 3 (W/WW/D)	-	-	-	-	-	-	-	n/a
Engineering, Testing & Fees on Above	-	-	-	-	-	-	-	n/a
Jakes Hill Condos (W/WW/D)	-	-	-	-	-	-	-	n/a
Engineering, Testing & Fees on Above	-	-	-	-	-	-	-	n/a
Water Connection Fees	-	-	-	-	-	-	-	n/a
Wastewater Connection Fees	34,050	-	34,050	-	34,050	34,050	-	n/a
TOTAL CONSTRUCTION COSTS	34,050	-	34,050	-	34,050	34,050	-	
Non-Construction Costs								
Developer Interest	-	-	-	-	-	-	-	n/a
TOTAL NON-CONSTRUCTION COSTS	-	-	-	-	-	-	-	
TOTAL BOND ISSUE	\$ 34,050	\$ -	\$ 34,050	\$ -	\$ 34,050	\$ 34,050	\$ -	

SCHEDULE C

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C

**CASH RECONCILIATION SERIES 2020 BOND ISSUE - SUPPLEMENTAL DISBURSEMENT No. 2
AS OF APRIL 28, 2020**

CASH RECEIPTS:

Principal Amount		\$ 4,815,000.00
Accrued Interest		2,821.53
Underwriter's Discount		(97,511.60)
Disbursements at Initial Closing		
District's General Operating Fund		(55,680.47)
District's Debt Service Fund		(104,396.53)
Developers		(3,010,690.00)
Costs of Issuance		(194,840.48)
Disbursement at Supplemental No. 1		<u>(794,917.00)</u>
Total Receipts Available		<u>559,785.45</u>

CASH DISBURSEMENTS:

Developer A - Rowe Lane Development, Ltd. And Assigns			
SLF IV-Blackhawk, LP	\$ 34,050.00		
SLF IV-Blackhawk, LP-Withheld Pending Evidence of Payment	<u>-</u>	<u>34,050.00</u>	
Total Cash Disbursements		<u>34,050.00</u>	

SURPLUS FUNDS

\$ 525,735.45

Agenda Item No. 14
Recreational Facilities Report
Hours of use of recreational facilities

RECREATIONAL FACILITIES REPORT
FOR PARK AT BLACKHAWK RECREATIONAL FACILITIES
May 5, 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) 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 UPDATE: 5/5/2020 Project pending completion.
 - b) Eire Dr. Safety rail installed. Resident contacted us about an area near the mailboxes on Eire Dr that needed a safety railing due to drainage ditch. Viking Fence came out and installed railing. Total cost was \$1,320.00. This project is complete.

**Recreational Facilities Report for Reserve at Westcreek
Reporting Period March 1- 31, 2020**

1. List maintenance and repair projects identified or started during the reporting period, current status, costs, and budget

- 1.
- 2.
- 3.
- 4.
- 5.

2. Planned maintenance and repair projects in remainder of RWC fiscal year, estimated costs and budget
Clubhouse floors in need of repair awaiting Engineers report.

3. Other issues for Districts' attention and/or approval (conditions of buildings, equipment, irrigation system, budget variances, outcome of bidding work, etc.)

1. Preparing for sanitizing of the building and playground prior to opening.
2. Will parties be allowed this summer?
- 3.
- 4.
- 5.

Budget trending/issues identified for January 2020 (see detail on "WCID" tab):

No budget issues in March. Expenses are 9% of total budget with 25% of the budget year elapsed (Calendar Year Budget Cycle). Only one line items have exceeded the 25% trend (discussed below) but overall the budget spending is being managed closely and overspending in some line items will be offset by savings in others.

GL

6412 February for power supply & Access Control service repair
6565 Fire Extinguisher Annual Maintenance

Upcoming Projects:

- 1.
- 2.

**AMENDED AND RESTATED
JOINT USE AND MAINTENANCE AGREEMENT
RESERVE AT WESTCREEK AMENITY CENTER**

THIS AMENDED AND RESTATED JOINT USE AND MAINTENANCE AGREEMENT ("*Agreement*") is entered into between **Lakeside Water Control and Improvement District Nos. 1, 2-B, 2-C, and 2-D**, water control and improvement districts operating pursuant to Chapters 49 and 51 of the Texas Water Code, **Lakeside Water Control and Improvement District No. 2-A**, a municipal utility district operating pursuant to Chapters 49 and 54 of the Texas Water Code (Lakeside Water Control and Improvement District Nos. 1, 2-A, 2-B, 2-C, and 2-D are individually, a "*District*", and collectively, the "*Districts*"), and **The Reserve at Westcreek Owners Association, Inc.** (the "*Reserve*"), a Texas nonprofit corporation. The Districts and the Reserve are each, a "*Party*" and collectively, the "*Parties*."

RECITALS

- A. Section 49.463 of the Texas Water Code provides that a district is created for the purpose of financing, developing, and maintaining recreational facilities for the people in the district.
- B. Section 49.213 of the Texas Water Code provides that a district may contract with a public or private entity for the joint ownership and operation of any works, improvements, facilities, plants, equipment, and appliances necessary to accomplish any purpose or function permitted by a district.
- C. The Parties entered into a Joint Use and Maintenance effective January 1, 2016 (the "*Agreement*"), to provide for the operation and maintenance of the Reserve at Westcreek Amenity Center and landscaping areas maintain by the Reserve for the Districts, and to provide for the sharing of costs for such operation and maintenance.
- D. Several terms of the Original Agreement, as amended, are now obsolete, and the Parties desire to make adjustments regarding the true-up of the annual payments made by the Districts to the Reserve, to revise certain other terms and conditions, and to consolidate all of the relevant terms into one restated agreement.
- E. The Parties now desire to amend the Agreement to reflect those changes.

The Districts and the Reserve now agree as follows:

AGREEMENT

1. **Description of Facilities.** The facilities covered by this Agreement ("*Facilities*") are (i) the Reserve at Westcreek Amenity Center, exclusive of the pool areas and common areas owned by the Reserve, located at 17701 Bridgefanner Blvd, as described in the deeds from Capital Pacific Holdings, LLC to Lakeside Water Control and Improvement District No. 2-D, recorded as Documents No. 2007177338, 200717736 and 200717737 in the Real Property Records of Travis County, Texas, which includes the surrounding amenity center green space, park areas, parking lot, and tennis courts (the "*Reserve Amenity Center*"), (ii) the landscaping areas specified by each District to be maintained by the Reserve from time to time, (iii) any drainage or water rights ponds located within the Districts that are specified by each District to be maintained by the Reserve, which may be added from time to time, and (iv) any walking paths and related facilities located within the Districts that are specified by each District to be maintained by the Reserve, which may be added from time to time.

2. **Joint Use of Reserve Amenity Center.** The Districts and the Reserve will share use of the Reserve Amenity Center. The Parties agree to cooperate in coordinating programs and activities conducted at the Reserve Amenity Center to avoid conflicting uses and to ensure the availability of the Reserve Amenity Center to the Districts when required for District purposes. The following guidelines will control the use and scheduling of the Reserve Amenity Center:

- A. **Priorities.** The Districts have first priority for use and control of the Reserve Amenity Center, when calendared.
- B. **Scheduling.**
 - 1) The Districts and the Reserve will establish and maintain procedures for scheduling the use of the Reserve Amenity Center.
 - 2) The Reserve will manage the scheduling of all uses of the Reserve Amenity Center on behalf of the Districts and their residents.
 - 3) All persons using the Reserve Amenity Center must abide by federal, state, and local laws and regulations, as well as the Districts' policies, rules, and regulations.
- C. **Reserve Amenity Center Use Charges.**
 - 1) The Districts and the Reserve may use the Reserve Amenity Center free of charge.
 - 2) The Districts' Boards of Directors will determine the charges to District residents or others for use of the Reserve Amenity Center.
- D. **Reserve Amenity Center Use Rules.** The Districts' Boards of Directors will determine all rules governing the use of the Reserve Amenity Center.

3. **Management, Operation and Maintenance of the Facilities.** The Reserve shall use commercially reasonable efforts to manage, operate, and maintain the Facilities on behalf of the Districts. In particular:

- A. The Reserve shall employ, or contract for the services of, no more than one manager and one operator to manage, operate, and maintain the Reserve Amenity Center;
- B. The Reserve is responsible for the day-to-day operation of the Reserve Amenity Center;
- C. The Reserve shall maintain and repair the Reserve Amenity Center as necessary to keep the Reserve Amenity Center clean and available for use; and
- D. The Reserve is responsible for mowing and landscape maintenance for the Facilities. During the term of this Agreement, the Districts may establish additional requirements or standards for the management, operation, and maintenance of the Reserve Amenity Center, and the Reserve shall implement and comply with those requirements or standards.

4. **Process for Budgeting/Payment for Operations and Maintenance of the Facilities.**

- A. **Budget Estimate.** Beginning with calendar year 2017, no later than August 1st of each calendar year, the Reserve shall submit to each District:

- 1) a written financial summary of the actual costs and expenses associated with managing, operating, maintaining, and repairing the Facilities, as well as the Reserve's funding sources, for that current (partial) District fiscal year, reconciled with the approved budget for that District fiscal year; and
- 2) a proposed, written budget for the subsequent District fiscal year (commencing on October 1st of that calendar year ("*Proposed Budget*"), estimating:
 - i. the costs and expenses associated with managing, operating, maintaining, and repairing the Reserve Amenity Center and the other Facilities as required under this Agreement ("*Costs*"), as well as the Reserve's funding sources; and
 - ii. the total amount the Districts together should pay for their share of the Costs (the "*Reserve Rec Facilities O&M Amount*").

In preparing the Proposed Budget, the Reserve will also include any known and measurable changes in the Costs for the upcoming District fiscal year.

- B. **Board Consideration.** The Board of Directors of each District will review and vote on the Reserve's Proposed Budget as a part of the District's budget preparation and approval process for the District's annual budget.
- C. **True-up Process.** After October 1st, but no later than November 20th of each calendar year, the Reserve will provide the Districts with a final, complete financial summary ("*Year End Summary*") of the actual costs and expenses associated with managing, operating, maintaining, and repairing the Facilities for the recently completed District fiscal year ("*Actual Annual Costs*"), reconciled with the payments from the Districts to the Reserve for that District fiscal year ("*Actual Annual Payments*"). In the event that the Actual Annual Costs are more or less than the Annual Payments for that District fiscal year, the Parties shall work together to true up such overage or deficiency as follows:
- 1) If the Year End Summary indicates that the Actual Annual Payments are lower than the Actual Annual Costs, then the Districts may reimburse the Reserve for the difference. In the event that the Districts decide to pay some or all of the difference, each District's percentage share of the deficiency payment will be determined by dividing the number of wastewater connections in that District by the total number of wastewater connections in all of the Districts as of October 1 of that calendar year.
 - 2) If the Year End Summary indicates that the Actual Annual Payments are higher than the Actual Annual Costs, then the Reserve will either refund the Districts such overage or provide the Districts with a credit in that current fiscal year.
- D. **Payments.** The Districts will pay the approved Reserve Rec Facilities O&M Amount, to the extent approved by the Districts, and as further adjusted by any necessary true up measures according to Section 3.C., above, through two equal payments, payable on or before January 31st and May 31st of each calendar year (each, a "*District Payment*"). Each District's portion of the Reserve Rec Facilities O&M Amount will be determined by the number of wastewater connections within that District as of October 1st of that current District fiscal year, as a percentage of the total number of wastewater connections within all of the Districts as of October 1st of that current District fiscal year. In the event of a dispute in the amount of a District Payment between any of the Districts, each

District will make its District Payment to the Reserve in full and then work with the other Districts to address such dispute.

5. **Management of District Funds.** The Reserve shall maintain all funds contributed by the Districts under this Agreement in a separate bank account ("*Districts Account*") insured by the Federal Deposit Insurance Corporation ("*FDIC*") and held in a separate bank from the bank used by the Reserve for its own funds. The Districts Account will be maintained to remain within FDIC insurable limits. In the event that the balance of the Districts Account exceeds FDIC insurance levels, then the Reserve shall notify the Districts immediately so that they can work together to reach a solution that fully insures such funds.
6. **Quarterly Reports.** The Reserve agrees to provide the Districts with quarterly reports of the actual Costs the Reserve has incurred in the previous quarter and will include Districts Account activity in each report.
7. **Annual Review.** The Districts will have the right to have the District Account and expenses managed by the Reserve reviewed annually by a certified public accountant. Such a review will be performed no less than once every three years.
8. **Prior Approval.** The Parties acknowledge that the Districts are subject to state laws regarding the bidding and contracting for certain projects. The Reserve will execute all contracts initiated by the Reserve in carrying out its duties under this Agreement in the name of the Reserve; provided, however, that if any budgeted expenditure is expected to exceed \$20,000, or any unbudgeted expenditure is expected to exceed \$10,000 ("*Large Expenditure*"), then (i) the Reserve shall not make the Large Expenditure without prior approval from the Districts, and (ii) the Districts have the right to bid and contract with the third party for the work directly. In the event that the Reserve becomes aware that a Large Expenditure may be necessary, then it will provide written notice of the potential Large Expenditure to the Districts immediately so that the Districts can evaluate such Large Expenditure. The Districts are not obligated to pay for a Large Expenditure where the Reserve did not provide prior notice to the Districts.
9. **Insurance.** LWCID No. 2D agrees that it will maintain insurance coverage for the Reserve Amenity Center. Each of the Districts will maintain insurance coverage for the other Facilities within their respective boundaries. The Reserve, at its own expense, will maintain insurance coverage (i) for its facilities, including, but not limited to, the pool facilities, common areas owned by the Reserve, and related equipment and furniture, and (ii) for claims by its employees as follows:
 - A. casualty insurance against loss or damage by fire;
 - B. liability insurance that protects the Reserve in all events with a limit of coverage not less than five million dollars (\$5,000,000); and
 - C. Workers' Compensation Insurance as required by law for Reserve employees. Any Reserve contractor must also maintain Workers' Compensation as required by law.

The Reserve may provide the required insurance as part of "blanket" coverage maintained on its other assets. The Reserve shall name the Districts as additional insured's on all policies of the Reserve for claims related to the pool facilities and related equipment and furniture. Upon each insurance renewal date, the Reserve will deliver to the Districts a certificate evidencing the required insurance coverage. The Reserve will promptly provide the Districts with written

notice of any potential liability and will make available to the Districts all related information and documentation.

10. **Hold Harmless and Indemnification.** The Reserve shall indemnify, defend and hold the Districts harmless from all liability related to injury to persons or damage to property resulting or arising from the use of the Reserve Amenity Center by the Reserve or from Reserve-sponsored activities at the Reserve Amenity Center. The indemnification arising under this paragraph will survive the termination of this Agreement for any reason.
11. **Term of Agreement.** The term of this Agreement is ten (10) years, and will automatically renew for subsequent five (5) year terms unless earlier terminated by a Party or unless a Party provides the other Parties written notice of non-renewal at least thirty (30) days prior to the end of the then-current term.
12. **Termination.**
 - A. Any Party may terminate this Agreement at any time by providing at least six months written notice to the other Parties.
 - B. Any Party may terminate this Agreement for default if another Party fails to perform any material provision of this Agreement and the failure to perform continues for 90 days after written notice by the terminating Party to the defaulting Party. After the 90-day period, the terminating Party may terminate the Agreement by providing 10 days' written notice to the other parties.
13. **Notices.** The Parties will provide all notices and other communications under this Agreement to the other Parties in writing by United States registered mail, return receipt requested, postage prepaid and addressed as follows:

The Districts:
Lakeside WCIDs
c/o David J. Klein
Lloyd Gosselink Rochelle & Townsend, P.C.
816 Congress Ave., Suite 1900
Austin, Texas 78701
(phone) 512-322-5800
(fax) 512-472-0532

The Reserve:
Associa Hill Country.
2300 Greenhill Blvd Suite 1010
Round Rock, Texas 78664
(512) 347-3019
(512) 310-2355
Contact: Penny Evans

Any Party may change its address or contact person by giving written notice to the other parties.

14. **Non-Appropriation of Funds.** The Districts currently intend to pay all contribution amounts due under this Agreement. The Districts currently intend to take all lawful actions to obtain


and maintain funds from which contributions under this Agreement may be made, including making provision for payments, to the extent necessary, in each annual budget submitted and adopted in accordance with state law, to have that portion of the budget related to the Reserve Amenity Center approved, and to exhaust all available reviews and appeals in the event the portion of the budget related to the Reserve Amenity Center is not approved. However, the decision of whether or not to budget or appropriate funds is reserved to each District's governing body.

15. **Governing Law/Venue.** This Agreement is governed by the laws of the State of Texas. All obligations of the Parties under this agreement are performable in Travis County, Texas, and exclusive jurisdiction for claims arising from the Agreement will lie with the courts of Travis County, Texas.
16. **Construction/Merger.** Any amendment to the terms of this Agreement must be in a writing duly executed by the parties. In the event a provision of this Agreement is held to be invalid, illegal, or unenforceable, the Agreement will be construed as if the invalid, illegal, or unenforceable provision is absent from the Agreement. All other terms will continue in full force and effect. This Agreement constitutes the entire agreement of the parties regarding the subject matter of this Agreement and supersedes any prior or contemporaneous agreements or representations of the parties as to the subject matter. Section headings are for ease of reference only and will not affect interpretation of the Agreement.
17. **Waivers.** All waivers of a breach of a Party's obligation under this Agreement must be in writing to be effective. Any Party's failure to complain of a breach by another Party will not constitute a waiver of any current or future breach of the obligation.
18. **Assignment.** This Agreement may not be assigned by any Party without the prior written consent of the other Parties. This Agreement will be binding on, and inure to the benefit of, the parties to this Agreement and their respective successors and assigns. No assignment will relieve the assigning Party of its obligations under this Agreement unless agreed by the non-assigning Party or Parties in writing.
19. **Multiple Counterparts.** The parties may execute this Agreement in separate counterparts, each of which will be an original and all of which will constitute the same document. A Party may execute this Agreement by faxed or electronic signature, and the other Parties may treat the faxed or electronic signature as an original.


The Parties execute this Agreement effective March 14 2017.

[Signature page follows]

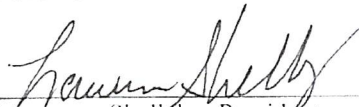
The Reserve at Westcreek Owners Association

By: 
Name: Christopher Falco
Title: President

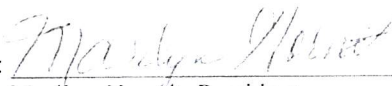
Lakeside Water Control and Improvement District No. 1

By: 
Jeff Stivers, President

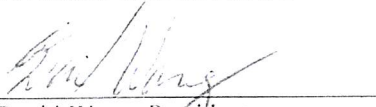
Lakeside Water Control and Improvement District No. 2A

By: 
Lawrence Shellaby, President

Lakeside Water Control and Improvement District No. 2B

By: 
Marilyn Hornft, President

Lakeside Water Control and Improvement District No. 2C

By: 
David Wang, President

Lakeside Water Control and Improvement District No. 2D

By: 
William McCord, President

Agenda Item No. 15
Engagement of peace officer(s)

Sec. 49.216. ENFORCEMENT BY PEACE OFFICERS.

(a) A district may contract for or employ its own peace officers with power to make arrests when necessary to prevent or abate the commission of:

- (1) any offense against the rules of the district when the offense or threatened offense occurs on any land, water, or easement owned or controlled by the district;
- (2) any offense involving injury or detriment to any property owned or controlled by the district; and
- (3) any offense against the laws of the state.

(b) A district may appoint reserve peace officers who may be called to serve as peace officers by the district during the actual discharge of their official duties.

(c) A reserve peace officer serves at the discretion of the district and may be called into service if the district considers it necessary to have additional officers to preserve the peace in or enforce the law of the district.

(d) A reserve peace officer on active duty and actively engaged in assigned duties has the same rights, privileges, and duties as any other peace officer of the district.

(e) Any peace officer who is directly employed by a district, before beginning to perform any duties and at the time of appointment, must take an oath and execute a bond conditioned on faithful performance of such officer's duties in the amount of \$1,000 payable to the district. The oath and the bond shall be filed in the district office.

(f) A peace officer contracted for by the district, individually or through a county, sheriff, constable, or municipality, is an independent contractor, and the district is responsible for the acts or omissions of the peace officer only to the extent provided by law for other independent contractors.

Added by Acts 1995, 74th Leg., ch. 715, Sec. 2, eff. Sept. 1, 1995. Amended by: Acts 2013, 83rd Leg., R.S., Ch. 105 (S.B. 902), Sec. 18, eff. September 1, 2013.