

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 October 13, 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, 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: 670-708-901. 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 to approve minutes of September 15, 2020 regular meeting;
3. 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*);
4. Receive report from District's Engineer;
5. Consideration of bids and approving award of the sale of the Lakeside WCID No. 2C \$1,500,000 Unlimited Tax Park Bonds, Series 2020A;
6. Adoption of Resolution Authorizing The Issuance Of Lakeside WCID No. 2C \$1,500,000 Unlimited Tax Park Bonds, Series 2020A; Prescribing The Terms and Provisions Thereof; Making Provision For The Payment Of The Interest Thereon And The Principal Thereof; Levying And Pledging The Proceeds Of A Tax; Authorizing The Sale Of The Bonds; Authorizing A Paying Agent/Registrar Agreement; and Containing Other Provisions Relating To The Subject;
7. Discuss, consider, and take action as necessary concerning annual review of District's Investment Policy;

8. Receive recreational facilities report and take action as necessary concerning same, including, but not limited to, operations, maintenance, and/or improvements related to existing recreational facilities;
9. Discuss, consider, and take action on approval of the payment of invoices and Bookkeeper's report;
10. Discuss, consider, and take action concerning District website and maintenance of website;
11. Directors' items for next agenda and announcements from Board members; and
12. Adjournment.

EXECUTED this the 9th day of October 2020.

(District Seal)



Attorney for District

Agenda Item No. 2

Discuss, consider, and take action to approve minutes of September 15, 2020 regular meeting.

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

THE STATE OF TEXAS

COUNTY OF TRAVIS

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C

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On September 15, 2020, at 5:45 p.m., as authorized by the March 16, 2020 proclamation by the Office of the Governor, as extended, suspending certain provisions of the Texas Open Meetings Act in response to the COVID-19 public health threat, the Board of Directors of Lakeside Water Control and Improvement District No. 2C (“District” or “Lakeside WCID No. 2C”) held a regular meeting, open to the public, by a two-way, toll-free telephonic conference call accessible by dialing (866) 899-4679, then entering access code 399-349-557 (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 hereto as Exhibit “A”.

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

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

All members of the Board 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 Jeff Monzingo of Montoya & Monzingo, LLP; Keith Collins of Randall Jones Engineering, Inc.; Bob West of West, Davis & Company; John Barganski of Specialized Public Finance, Inc.; Clayton Chandler, with McCall Parkhurst & Horton, LLP; and David Klein and Maris Chambers, Attorneys, of Lloyd Gosselink Rochelle & Townsend, P.C.

Mr. Klein stated this meeting was being held under the authority of the Governor’s March 16, 2020 proclamation, as extended, 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, in compliance therewith, and the recording would be made available to the public. Mr. Klein also stated that the Board would provide members of the public with the opportunity to participate, as in any normal Lakeside WCID No. 2C open meeting, explaining that participation via the noticed telephone number was toll-free and allowed for two-way communication. Mr. Klein asked that the attendees refrain from interrupting each other and use the same courtesies as they would during an in-person meeting, stating that the Board would announce the instances where comments from the public would be accepted.

Director Wang called the meeting to order at 5:45 p.m. and announced that a quorum of the Board was in attendance (on the call). Next, upon motion by Director English, seconded by Director Twellmann, and unanimously carried, Director Wang announced that the Board would conduct a public hearing on a proposal to set a tax rate of ninety-seven (\$0.97) per one hundred dollars (\$100) of assessed valuation. Director Wang noted that in an effort to allow residents an opportunity to address the Board in connection with the proposed tax rate, the public hearing would remain open to allow residents an opportunity to participate while the Board attended to regular business.

Director Wang stated that the Board would next receive public comment. No comments from the general public were received by the Board.

Director Wang stated that the Board would next consider the adoption of a budget for the 2020-2021 fiscal year. Mr. Monzingo presented for the Board's review a copy of the projected operating expenses and revenues for the District for the period October 1, 2020 through September 30, 2021. After discussion, upon motion by Director English, seconded by Director Stratton, and unanimously carried, the Board adopted a resolution adopting a budget for the 2020-2021 fiscal year, a copy of which is attached hereto as Exhibit "B".

Next, Director Wang closed the public hearing on a proposal to set a tax rate of ninety-seven (\$0.97) per one hundred dollars (\$100) of assessed valuation. Director Wang stated that the Board would next discuss, consider, and take action as necessary to set a debt service tax rate, and to set an operations and maintenance tax rate for the year 2020. Mr. Klein noted that his office had published the required notice of the District's Public Hearing to allow taxpayers the opportunity to express their views on the tax rate being proposed by the Board. Upon motion by Director English, seconded by Director Twellmann, and unanimously carried, the Board adopted an order setting a debt service tax rate for the year 2020 at sixty-six and one-half cents (\$0.665) per one hundred dollars (\$100) of assessed valuation, and an operations and maintenance tax rate for the year 2020 of thirty and one-half cents (\$0.305) per one hundred dollars (\$100) of assessed valuation for a total tax rate for the year 2020 of ninety-seven cents (\$0.97) per one hundred dollars (\$100) of assessed valuation. A copy of the District's order setting a tax rate for 2020 is attached hereto as Exhibit "C".

Director Wang stated that he would take certain agenda items out of order to assist Mr. Monzingo get to another water district board meeting this evening. He stated that the Board would next receive recreational facilities reports and take action concerning the same, including, but not limited to, operations, maintenance and/or improvements related to existing recreational facilities. Mr. Monzingo presented recreational facilities reports from the Associations operating the District's recreational facilities, copies of which are attached hereto as Exhibit "D." He noted that supplemental information was provided concerning the Park at Blackhawk Recreational Facilities Report concerning fence repairs/replacements to the concrete fencing between Farm Pond Lane and the south side of Winding Shore Drive by ConcreTex. Mr. Monzingo noted that that it was reported that a full panel of the concrete fencing fell behind a home at 20112 Grand Banks Lane last week that was repaired on an emergency basis for \$2,500. He noted that the repair crew noticed other sections of fence needing repair and they checked the entire area. Mr. Monzingo stated that ConcreTex had suggested that approximately 950-feet of fence should be replaced and

provided a quote of \$38,000. A copy of the quote is attached hereto as Exhibit "E". Also attached as Exhibit "F" is the quote for the emergency fence repairs at 20112 Grand Banks Lane. Mr. Monzingo noted this repair has been completed, but the invoice had not yet been received. He requested input from Mr. Klein and Mr. Collins on the repairs quoted at \$38,000 as this amount was above the threshold established by the District for repairs that can be undertaken by the HOA without seeking prior Board approval. Mr. Monzingo noted that the report from the Reserve at Westcreek provided the status of issues related to landscape maintenance that did not require Board approval.

Next, Mr. Collins noted that he had inspected the concrete fence repair at 20112 Grand Banks Lane. He noted that the repairs consisted of the replacement of approximately 15 feet of fence panels. Mr. Collins stated that the cost for the repairs was outside the norm, but due to its emergency nature, the costs were reasonable. He recommended that the Board approve this emergency repair. Mr. Collins stated that he had inspected several feet of concrete fence between Farm Pond Lane and the south side of Winding Shore Drive and he noted intermittent sections that contained cracked posts, including the area west of Farm Pond Lane. Mr. Collins recommended that he be authorized to meet with ConcreTex personnel to determine what repairs are necessary along this stretch of concrete fence and develop a more precise scope of services to be performed. He noted that it might prove difficult to find other companies that would bid this work due to the proprietary nature of the fencing.

Mr. Klein stated that should the repairs meet or exceed a certain dollar figure, it would require the District to follow public bidding requirements unless the repairs were subject one of the limited statutory exceptions, such as if the nature of the repair did not lend itself to public bidding. He stated that if Mr. Collins is of the opinion that the concrete fence is proprietary, an exception of the public bidding requirements may apply. Mr. Klein inquired whether Mr. Collins knew if the concrete fencing was under warranty. Mr. Collins stated that the concrete fence was outside the warranty period, having been erected some 8 to 10 years ago. After discussion, Mr. Collins recommended that the Board authorize him to meet with ConcreTex personnel to determine what repairs are necessary along this 950-foot stretch of concrete fence and develop a scope of services to be performed for consideration by the Board. After discussion, Mr. Collins stated that in his opinion there did not appear to be an immediate concern that this stretch of fencing could fail and he recommended that the Board postpone action in connection with this matter to allow an opportunity to determine ownership of the properties along this stretch of fencing to determine who will pay for these repairs, and to determine a scope of services for this project. After discussion, the Board postponed action in connection with the item, but directed that Mr. Collins meet with ConcreTex personnel to determine what repairs are necessary along this stretch of concrete fence and develop a more precise scope of services to be performed, including assisting Mr. Klein with determining ownership of the properties affected.

The next item to come before the Board was to consider the adoption of a resolution amending the District's 2019-2020 budget. Mr. Monzingo proposed that the District's current budget be amended by increasing revenues for these categories: Water revenue, Wastewater Revenue, Tap Connection Fees, Maintenance Taxes and Interest Income, and increasing expenditures for these categories: Legal Fees, Water Fees, Wastewater Fees, and City of Pflugerville Fees. After discussion, upon motion by Director Twellmann, seconded by Director

Stratton, and unanimously carried, the Board adopted a resolution amending the District's 2019-2020 budget, a copy of which is attached hereto as Exhibit "G".

Director Wang stated that the Board would next consider the payment of invoices and Bookkeeper's report. Mr. Monzingo distributed a list of current invoices and money transfers, copies of which are attached hereto as Exhibit "H". Mr. Monzingo requested that the Board void Check No. 3526, payable to Director Bridgefarmer, due to his absence from the meeting. After discussion, upon motion by Director Twellmann, seconded by Director Stratton, 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 consider the approval of an amendment to the District's Information Form. Mr. Klein noted that the amendment accounted for the most recent tax rate adopted by the Board. Upon motion by Director Stratton, seconded by Director Stratton, and unanimously carried, the Board approved the amendment to the District's Information Form, a copy of which is attached hereto as Exhibit "I".

Director Wang stated that the Board would next consider the approval of the minutes of the August 11, 2020 regular meeting. After discussion, upon motion by Director English, and seconded by Director Stratton, the Board unanimously approved the minutes of the August 11, 2020 regular meeting, as presented.

Director Wang stated that the Board would next receive a report from the District's Engineer. Mr. Collins stated that all utility construction within the Blackhawk Development District had been completed, except for utility construction associated with the Park at Blackhawk IV, Phase 9, which was contemplated for a later date. He stated that the site plan for the new amenity center project had been filed with the City of Pflugerville and that he had reopened negotiations and was making progress with Travis County concerning the pedestrian trails project within the greenbelt in Lakeside WCID No. 2D.

The next item to come before the Board was to consider the approval of Pay Estimate No. 8Retainage 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 hereto as Exhibit "J". After discussion, upon motion by Director Twellmann, seconded by Director English, and unanimously carried, the Board approved the above-referenced Pay Estimate.

Director Wang stated that the Board would next consider acceptance of the assignment of 50 Living Unit Equivalents ("LUEs") of wholesale water and wastewater service for the development in Lakeside at Blackhawk III, Phase 4. Mr. Klein presented this item and noted that the Board was presented with a request for 50 LUEs of wholesale water and wastewater service to Lakeside at Blackhawk III, Phase 4 within Lakeside WCID No. 2C from the developer. He stated that documents assigning 50 LUEs of wholesale water service from Tiemann Land and Cattle Development, Inc. and 50 LUEs of wholesale wastewater service from Lakeside WCID No. 2A were included in the meeting materials provided to the Board, copies of which are attached hereto as Exhibit "K". Mr. Klein recommend approval of the assignments. After discussion, upon motion

by Director Stratton, seconded by Director English, and unanimously carried, the Board accepted the assignment of 50 LUEs of wholesale water and wastewater service to the District for Lakeside at Blackhawk III, Phase 4.

The next item to come before the Board was to tack action concerning an agreement with Crossroads Utility Services to maintain the water and wastewater systems within the Jakes Hill Condominium Regime, a copy of which is attached hereto as Exhibit "L". Mr. Klein presented this item and noted that the Condominium Association was comfortable with the District moving forward with Crossroads; and he recommended approval of the agreement. After discussion, upon motion by Director Stratton, seconded by Director Twellmann, and unanimously carried, the Board approved the agreement with Crossroads Utility Services to maintain the water and wastewater systems within the Jakes Hill Condominium Regime.

Director Wang stated that the Board would next consider the engagement of West, Davis & Company for preparation of an audit of developer reimbursables regarding the District Use of Surplus Funds No. 3. Mr. West presented his firm's engagement letter, a copy of which is attached hereto as Exhibit "M". After discussion, upon motion by Director English, seconded by Director Stratton, and unanimously carried, the Board approved the engagement of West, Davis & Company for preparation of an audit of developer reimbursables regarding the District Use of Surplus Fund No. 3.

The next item to come before the Board was to consider the adoption of a Resolution Approving Preliminary Official Statement; Authorizing Distribution of Preliminary Official Statement and Publication of Notice of Sale of Bonds; and Approving Other Related Matters in connection with the Lakeside WCID No. 2C \$1,500,000 Unlimited Tax Park Bonds, Series 2020. Mr. Barganski reviewed with the Board the preliminary official statement, noting that the document outlines all information related to the District's \$1,500,000 Unlimited Tax Park Bonds, Series 2020A and the District itself. He noted that the cover page of the preliminary official statement included the maturity structure for the District's \$1,500,000 Unlimited Tax Park Bonds, Series 2020A. He noted that payment of principal is to begin on September 1, 2022 and reach maturity in 2041. After discussion, Mr. Barganski noted that the District intends to sell its bond issue on Tuesday, October 13, 2020 at 10:30 a.m., Central Standard Time, and conduct the bid award at the District's scheduled Board meeting later that day. Mr. Barganski continued to review with the Board the preliminary Official Statement Summary that highlights and summarizes the contents of the document beginning with financing information, which provides information related to the District; the Bond Issue; the source of the repayment of the Bonds; and what the Bond proceeds will be used for. Mr. Barganski stated the document then provides more in-depth information related to the District, including the status of development within the District, and information related to the developer within the District. Next, Mr. Barganski reviewed with the Board selected financial information within the document that included the District's most recent assessed valuation; the ratios of gross direct debt; and estimated overlapping debt under both scenarios; District fund balances; and projected tax rates including annual debt service requirements for this Bond issue.

Next, Mr. Barganski reviewed with the Board the form and substance of a notice of sale and an official bid form in connection with the Lakeside WCID No. 2C \$1,500,000 Unlimited Tax

Park Bonds, Series 2020A. Mr. Barganski noted that the Board is being asked to approve the proposed Notice of Sale to be published by his firm, which includes all requirements that a prospective bidder must follow in order to submit a bid. The Notice will also include the place and time of the opening of bids and the process for award of the Bonds. He noted that at the Board's next meeting the Board will review the bids received and award the sale of the District's Bonds. He noted that at that time, his office would assist in the closing of the District's Bonds. After discussion, Mr. Barganski said that any substantive changes would be brought back before the Board for approval. After discussion, upon motion by Director Stratton, seconded by Director English, and unanimously carried, the Board adopted the Resolution Approving Preliminary Official Statement; Authorizing Distribution of Preliminary Official Statement and Publication of Notice of Sale of Bonds; and Approving Other Related Matters in connection with the Lakeside WCID No. 2C \$1,500,000 Unlimited Tax Park Bonds, Series 2020A. A copy of the Resolution adopted by the Board is attached as Exhibit "N".

The next item to come before the Board was to consider action concerning a District website, including management of same. Mr. Klein noted that he had discussed with the Board the requirement that political subdivisions with taxing authority post certain District information online, thus requiring the District to obtain its own website. He stated that the Board was informed that Lakeside WCID No. 1 may share its website template that could be easily replicated for the District's own use, with his firm being utilized by the District to update and maintain the website. Mr. Klein stated that Mr. Matthew Tiemann and Mr. Monzingo had provided contact information of firms capable of providing this service and he reminded the Board that they had directed him to solicit proposals for such services for the Board's consideration. Mr. Klein stated that out of the two firms contacted, the District received one response from Maxwebs Co. A copy of Maxwebs Co.'s proposal is attached hereto as Exhibit "O". Mr. Klein stated that according to Maxwebs Co.'s proposal, creation of the District's website the loading of initial content would cost \$1,500 with a 50% down payment with the order. He stated that to register the District's domain name would cost \$78 with an annual hosting service fee of \$240, establishing email accounts for the directors would cost approximately \$240 per year and a \$100 per month fee for monthly maintenance. Mr. Klein stated that his firm is willing to assist the District in creating and maintaining a website, but was of the opinion that the costs to do so would be slightly more expensive than that submitted by Maxwebs Co. He estimated that the cost to create the website and load initial content by his firm would run approximately \$5,000 with annual maintenance thereafter to run approximately \$2,500. After discussion, the Board postponed action in connection with the proposal from Maxwebs Co. for developing a website for the District. The Board requested that Mr. Klein obtain information on the intricacies associated with working with Lakeside WCID No. 1 in connection with this item.

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 Stratton, and unanimously carried, the meeting was adjourned at 6:40 p.m. until further call.

PASSED, APPROVED AND ADOPTED THIS 13th day of October, 2020.

Larry English, Secretary

[DISTRICT SEAL]

Agenda Item No. 6

Adoption of Resolution Authorizing The Issuance Of Lakeside WCID No. 2C \$1,500,000 Unlimited Tax Park Bonds, Series 2020A; Prescribing The Terms and Provisions Thereof; Making Provision For The Payment Of The Interest Thereon And The Principal Thereof; Levying And Pledging The Proceeds Of A Tax; Authorizing The Sale Of The Bonds; Authorizing A Paying Agent/Registrar Agreement; and Containing Other Provisions Relating To The Subject.

**RESOLUTION AUTHORIZING THE ISSUANCE OF \$1,500,000
UNLIMITED TAX PARK BONDS, SERIES 2020A; PRESCRIBING THE
TERMS AND PROVISIONS THEREOF; MAKING PROVISION FOR
THE PAYMENT OF THE INTEREST THEREON AND THE PRINCIPAL
THEREOF; LEVYING AND PLEDGING THE PROCEEDS OF A TAX;
APPROVING AN OFFICIAL STATEMENT; AUTHORIZING THE SALE
OF THE BONDS; AUTHORIZING A PAYING AGENT/REGISTRAR
AGREEMENT; AND CONTAINING OTHER PROVISIONS RELATING
TO THE SUBJECT**

ADOPTED OCTOBER 13, 2020

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**RESOLUTION AUTHORIZING THE ISSUANCE OF \$1,500,000
UNLIMITED TAX PARK BONDS, SERIES 2020A; PRESCRIBING THE
TERMS AND PROVISIONS THEREOF; MAKING PROVISION FOR
THE PAYMENT OF THE INTEREST THEREON AND THE PRINCIPAL
THEREOF; LEVYING AND PLEDGING THE PROCEEDS OF A TAX;
APPROVING AN OFFICIAL STATEMENT; AUTHORIZING THE SALE
OF THE BONDS; AUTHORIZING A PAYING AGENT/REGISTRAR
AGREEMENT; AND CONTAINING OTHER PROVISIONS RELATING
TO THE SUBJECT**

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

ARTICLE ONE

STATUTORY AUTHORITY, RECITALS AND FINDINGS

Section 1.01: AUTHORITY FOR THE DISTRICT.

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

Section 1.02: PURPOSE OF THIS RESOLUTION.

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

Section 1.03: AUTHORITY OF THIS RESOLUTION.

The District is authorized by the Act and an election held within the boundaries of the District on November 4, 2003 to issue bonds in the maximum amount of \$27,500,000 for water, wastewater, drainage and stormwater facilities. In addition, the District is authorized by the Act and an election held within the boundaries of the District on September 11, 2004, to issue bonds in the maximum amount of \$1,500,000 in unlimited tax bonds for the purpose of financing park and recreational facilities.

The District has heretofore issued its \$2,535,000 Unlimited Tax Bonds, Series 2007, (the "Series 2007 Bonds"), \$2,040,000 Unlimited Tax Bonds, Series 2008 (the "Series 2008 Bonds"), \$1,200,000 Unlimited Tax Bonds, Series 2010 (the "Series 2010 Bonds"), \$9,800,000 Unlimited Tax Bonds, Series 2012 (the "Series 2012 Bonds"), \$1,165,000 Unlimited Tax Bonds, Series 2014 (the "Series 2014 Bonds"), \$1,815,000 Unlimited Tax Bonds, Series 2015 (the "Series 2015 Bonds"), \$2,085,000 Unlimited Tax Refunding Bonds, Series 2016 (the "Series 2016 Refunding Bonds"), \$7,600,000 Unlimited Tax Bonds, Series 2016A (the "Series 2016A Bonds"), \$5,350,000 Unlimited Tax Bonds, Series 2019 (the "Series 2019 Bonds"), \$2,515,000 Unlimited Tax Bonds, Series 2019A (the "Series 2019A Refunding Bonds"), and \$4,815,000 Unlimited Tax Bonds, Series 2020 (the "Series 2020 Bonds")..

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

ARTICLE TWO

DEFINITIONS AND INTERPRETATIONS

Section 2.01: DEFINITIONS.

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

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

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

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

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

Bonds. The term "Bond" or "Bonds" shall mean any Bond or Bonds, as the case may be, of the District's \$1,500,000 Unlimited Tax Park Bonds, Series 2020A, dated November 1, 2020 authorized and issued pursuant to this Resolution.

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

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

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

Commission Order. The term "Commission Order" shall mean the order of the Commission dated August 18, 2020 in connection with the issuance of the Bonds.

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

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

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

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

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

Initial Purchaser. The term "Initial Purchaser" shall mean Raymond James & Associates, Inc.

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

Issue Date. The term "Issue Date" means November 1, 2020.

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

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

Outstanding Bonds. The District has previously issued nine series of unlimited tax bonds for water, wastewater, drainage and stormwater facilities and two series of unlimited tax refunding

bonds as described more fully in Section 1.03 hereof, of which \$23,405,000 in principal amount was outstanding as of October 1, 2020 (the "Outstanding Bonds").

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

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

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

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

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

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

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

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

Term Bonds. The term "Term Bonds" means the Bonds maturing on September 1 in the years 20[], 20[] and 20[].

Section 2.02: INTERPRETATIONS.

The table of contents, titles and headings of the articles and sections of this Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the taxes levied in payment thereof.

ARTICLE THREE

AUTHORIZATION, DESCRIPTION, AND EXECUTION OF BONDS

Section 3.01: DESIGNATION, PURPOSE, AND AUTHORIZATION.

The Bonds of the District to be known and designated as the Lakeside Water Control and Improvement District No. 2-C Unlimited Tax Park Bonds, Series 2020A, shall be issued pursuant to the November 4, 2003 bond election held by the District in the aggregate principal amount of One Million Five Hundred Thousand Dollars (\$1,500,000) for the purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving, or extending park and recreational facilities for the District, including, but not limited to, all additions thereto and all works, improvements, facilities, plants, equipment, appliances, interests in property, and contract rights needed therefor, and administrative facilities needed in connection therewith, and to pay certain costs of operation of the District under and in strict conformity with the Constitution and laws of the State of Texas, particularly the Act.

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

The Bonds shall be issued in fully registered form, without coupons, and may be transferred and exchanged after initial delivery as provided in this Resolution. There shall be one (1) Initial Bond numbered T-1 which shall be one bond for the entire issue of \$1,500,000. Exchange Bonds registered and delivered by the Paying Agent/Registrar subsequent to the Initial Bond shall be numbered by the Paying Agent/Registrar in consecutive order of their authentication beginning with No. R-1 and no two Bonds shall be given the same number. Bonds registered and delivered subsequent to the Initial Bond shall be in denominations of \$5,000 or any integral multiple thereof and shall mature on the same date and bear or accrue interest at the same rate as the Bond or Bonds in lieu of which they are delivered. The Bonds shall be dated November 1, 2020 (the "Issue Date"). The Bonds shall bear interest at the rates set forth in Section 3.03 of this Resolution from the Issue Date or the most recent Interest Payment Date to which such interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, payable March 1, 2021, and semiannually thereafter on September 1 and March 1 of each year until maturity.

Section 3.03: INTEREST RATES AND MATURITIES.

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

Year of Maturity	Principal Amount	Interest Rate	Year of Maturity	Principal Amount	Interest Rate
2022	\$ 50,000	%	2032	\$ 50,000	%
2023	\$ 50,000	%	2033	\$ 50,000	%
2024	\$ 50,000	%	2034	\$ 50,000	%
2025	\$ 50,000	%	2035	\$ 50,000	%
2026	\$ 50,000	%	2036	\$ 50,000	%

Year of Maturity	Principal Amount	Interest Rate	Year of Maturity	Principal Amount	Interest Rate
2027	\$ 50,000	%	2037	\$ 50,000	%
2028	\$ 50,000	%	2038	\$ 50,000	%
2029	\$ 50,000	%	2039	\$200,000	%
2030	\$ 50,000	%	2040	\$225,000	%
2031	\$ 50,000	%	2041	\$225,000	%

Section 3.04: EXECUTION OF BONDS.

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

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

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

Section 3.06: AUTHENTICATION.

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

Section 3.07: PAYMENT OF PRINCIPAL AND INTEREST.

A. Paying Agent/Registrar Matters. UMB Bank, N.A., Austin, Texas is hereby appointed as the Paying Agent/Registrar for the Bonds. The initial Paying Agent/Registrar shall perform its duties as registrar and paying agent in accordance with the terms of a paying agent/registrar agreement presented to and hereby approved by the Board of Directors. The President or Vice President of the Board of Directors is hereby authorized and directed to execute such paying agent/registrar agreement on behalf of the District, and the Secretary or Assistant Secretary of the

Board of Directors is hereby authorized and directed to attest the execution thereof and to affix the seal of the District thereon. Further, the President of the Board of Directors and all other officers, agents, and representatives of the District are hereby authorized to do any and all things necessary or desirable to carry out the provisions of such paying agent/registrars agreement.

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

B. Book-Entry-Only System Matters. The Initial Bond shall be issued in the form of a single fully registered Bond for the entire issue amount of \$1,500,000 in the principal amounts for each year and bearing interest at the rates shown in Section 3.03, and delivered at the principal payment office of the Paying Agent/Registrar, and after payment therefor by the Initial Purchaser, shall be canceled and Exchange Bonds for each maturity shall be exchangeable by the Paying Agent/Registrar for Exchange Bonds registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC") as agent for the Initial Purchaser. The Exchange Bonds shall be delivered in denominations of \$5,000 or any integral multiple thereof for any one maturity in accordance with DTC's Book-Entry-Only System.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC participants (the "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any person, other than a Registered Owner, as shown in the Register of any amount with respect to principal or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary, but to the extent permitted by law, the District and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal and interest, with respect to such Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Register, as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Register, shall receive

a Bond certificate evidencing the obligation of the District to make payments of principal and interest pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Resolution with respect to interest checks being mailed to the Registered Owner at the close of business on the Record Date the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

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

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

Section 3.08: SUCCESSOR PAYING AGENT/REGISTRARS.

The District covenants that at all times while any Bonds are outstanding it will provide a legally qualified bank, trust company, financial institution or other agency to act as Paying Agent/Registrar for the Bonds. The District reserves the right to change the Paying Agent/Registrar for the Bonds on not less than sixty (60) days written notice to the Paying Agent/Registrar, so long as any such notice is effective not less than sixty (60) days prior to the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or a copy thereof to the new Paying Agent/Registrar, and the new Paying Agent/Registrar shall notify each Registered Owner by United States mail, first-class, postage prepaid, of the effective date of such change and of the address of the new Paying Agent/Registrar. Each Paying Agent/Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

Section 3.09: SPECIAL RECORD DATE.

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

days prior to the Special Record Date, to each Registered Owner of an affected Bond as of the close of business on the Business Day prior to the mailing of such notice.

Section 3.10: OWNERSHIP; UNCLAIMED PRINCIPAL AND INTEREST.

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

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

ARTICLE FOUR
REGISTRATION, TRANSFER AND EXCHANGE

Section 4.01: REGISTER.

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

Section 4.02: REGISTRATION OF INITIAL BOND.

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

Section 4.03: TRANSFER AND EXCHANGE.

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

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

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

Section 4.04: REPLACEMENT BONDS.

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

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

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

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

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

If, after the delivery of a Replacement Bond, a bona fide purchaser of the original Bond, in

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

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

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

Section 4.05: CANCELLATION.

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

ARTICLE FIVE

REDEMPTION OF BONDS BEFORE MATURITY

Section 5.01: OPTIONAL REDEMPTION OF BONDS.

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

Section 5.02: TERM BONDS

The Bonds maturing on September 1 in the years 20[], 20[] and 20[] ("Term Bonds") are subject to mandatory redemption prior to maturity as set forth in the FORM OF BOND in ARTICLE SIX.

Section 5.03: NOTICE OF REDEMPTION.

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

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

ARTICLE SIX

FORM OF BONDS AND CERTIFICATES

Section 6.01: FORM OF BONDS.

The Bonds, the authentication certificate, the registration certificate and the form of Assignment to be printed on the Bonds, shall be substantially in the forms set forth in this Article

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

The form of the Bonds shall be substantially as follows.

**REGISTERED
NO. R-**

**UNITED STATES OF AMERICA
STATE OF TEXAS**

**REGISTERED
\$1,500,000**

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

**Interest Rate:
%**

Maturity Date:

**Issue Date:
November 1, 2020**

CUSIP No.:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION FIVE HUNDRED THOUSAND DOLLARS

The Lakeside Water Control and Improvement District No. 2-C, a conservation and reclamation district and a body politic and corporate created under the Constitution and laws of the State of Texas (the "District"), for value received hereby acknowledges itself indebted to and promises to pay to the Registered Owner identified above or registered assigns, on the Maturity Date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest thereon from the later of the Issue Date specified above, or the most recent interest payment date to which interest has been paid or duly provided for at the rate per annum specified above, with interest payable commencing March 1, 2021, and semiannually thereafter on September 1 and March 1 of each year until the maturity or redemption date of this bond. The principal of this bond is payable upon presentation and surrender of this bond, at the corporate trust office of UMB Bank, N.A., Austin Texas (the "Paying Agent/Registrar"), in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America. Interest on this bond, calculated at the rate specified above on the basis of a 360-day year of twelve 30-day months, is payable by check to be mailed by the Paying Agent/Registrar on or before each interest payment date to the registered owner of record as of the 15th day of the

month next preceding such interest payment date. Any accrued interest due at maturity shall be paid upon presentation and surrender of this bond at the corporate trust office of the Paying Agent/Registrar.

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

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

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

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

Secretary, Board of Directors
(SEAL)

President, Board of Directors

This bond is one of a duly authorized issue of bonds, aggregating One Million Five Hundred Thousand Dollars (\$1,500,000) (the "Bonds"), issued pursuant to a resolution of the Board of Directors of the District adopted on October 13, 2020 (the "Resolution"), for the purpose of acquiring and constructing improvements to the District's park and recreational facilities, [paying expenses of operation of the District] and paying bond issuance costs.

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

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

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

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

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

The Bonds maturing on September 1 in the years 20[], [] and 20[] (the "Term Bonds") are subject to mandatory sinking fund redemption by lot prior to maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date:

Term Bonds Maturing September 1, 20[]*

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 20[]	\$
September 1, 20[]	\$

*Final Maturity

Term Bonds Maturing September 1, 20[]*

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 20[]	\$
September 1, 20[]	\$

*Final Maturity

Term Bonds Maturing September 1, 20[]*

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 20[]	\$
September 1, 20[]	\$

*Final Maturity

The principal amount of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the District by the principal amount of any Term Bonds of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District with monies in the Interest and Sinking Fund at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional

redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

Notice of any redemption will be given at least thirty (30) days prior to the date fixed for redemption by mail, first class postage prepaid, to the Registered Owners of the Bonds to be redeemed, in whole or in part, at the address shown on the books of registration kept by the Paying Agent/Registrar. By the date fixed for redemption, due provision will be made with the Paying Agent/Registrar for payment of the principal amount of the Bonds called for redemption, plus accrued interest thereon to the redemption date. When Bonds have been called for redemption, in whole or in part, and due provision has been made to redeem same, such Bonds, or the portions thereof so called for redemption, shall no longer be regarded as outstanding, except for the purpose of receiving payment from the funds provided for redemption, and the rights of the Registered Owners to collect interest which would otherwise accrue after the redemption date of the Bonds, or portions thereof called for redemption, will be terminated.

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

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

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

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

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

REGISTER NO. _____

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State

of Texas, and it is a valid and binding obligation of Lakeside Water Control and Improvement District No. 2-C, and said bond has this day been duly registered by me.

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

Comptroller of Public Accounts
of the State of Texas

Section 6.03: FORM OF AUTHENTICATION CERTIFICATE:

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

AUTHENTICATION CERTIFICATE

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

Dated: _____

UMB Bank, N.A.,
Registrar

By _____
Authorized Representative

Section 6.04: FORM OF ASSIGNMENT.

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

ASSIGNMENT

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

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

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

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

DATED:

Signature Guaranteed:

Registered Owner:

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

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

Section 6.05: LEGAL OPINIONS; CUSIP NUMBERS.

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

Section 6.06: CHANGE TO FORM FOR INITIAL BOND.

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

In the first paragraph: The words "on the Maturity Date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption)" shall be deleted and the following will be inserted: "on the first day of September in each of the years set forth below and in the principal installments and bearing interest at the per annum rates set forth below, the sum of \$1,500,000 Dollars (or so much thereof as shall not have been paid upon prior redemption) according to the following schedule:

Year of Maturity	Principal Amount	Interest Rate	Year of Maturity	Principal Amount	Interest Rate
2022	\$ 50,000	%	2032	\$ 50,000	%
2023	\$ 50,000	%	2033	\$ 50,000	%
2024	\$ 50,000	%	2034	\$ 50,000	%
2025	\$ 50,000	%	2035	\$ 50,000	%

Year of Maturity	Principal Amount	Interest Rate	Year of Maturity	Principal Amount	Interest Rate
2026	\$ 50,000	%	2036	\$ 50,000	%
2027	\$ 50,000	%	2037	\$ 50,000	%
2028	\$ 50,000	%	2038	\$ 50,000	%
2029	\$ 50,000	%	2039	\$200,000	%
2030	\$ 50,000	%	2040	\$225,000	%
2031	\$ 50,000	%	2041	\$225,000	%

ARTICLE SEVEN

SECURITY OF THE BONDS AND ANY ADDITIONAL BONDS

Section 7.01: SECURITY OF BONDS AND ANY ADDITIONAL BONDS.

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

Section 7.02: LEVY OF TAX.

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

- (a) By September 1 in each year, or as soon thereafter as practicable, the Board shall consider the taxable property in the District and determine the actual rate per \$100 valuation of taxable property which is to be levied in that year and levy the tax against all taxable property in the District.
- (b) In determining the actual rate to be levied in each year, the Board shall consider among other things:

- (i) the amount which should be levied for the payment of principal, interest, and redemption price of each series of bonds or notes payable in whole or in part from taxes; and
 - (ii) the percentage of anticipated tax collections and the cost of collecting the taxes.
- (c) In determining the amount of taxes which should be levied each year, the Board may consider whether revenue or receipts are expected to be available from other sources which are legally available to pay principal of or interest or redemption price on the Bonds, the Outstanding Bonds and any Additional Bonds.

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

Section 7.03: PAYMENT OF BONDS AND PERFORMANCE OF OBLIGATIONS.

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

ARTICLE EIGHT

FLOW OF FUNDS AND INVESTMENTS

Section 8.01: CREATION OF FUNDS.

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

Section 8.02: SECURITY OF FUNDS.

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

Section 8.03: DEBT SERVICE FUND.

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

Section 8.04: CAPITAL PROJECTS FUND.

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

Section 8.05:

[RESERVED.]

Section 8.06: INVESTMENTS AND EARNINGS.

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

ARTICLE NINE

ADDITIONAL BONDS; REFUNDING BONDS AND DEFEASANCE

Section 9.01: ADDITIONAL BONDS.

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

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

Section 9.02: OTHER BONDS.

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

Section 9.03: REFUNDING OR DEFEASANCE.

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

ARTICLE TEN

PROVISIONS CONCERNING FEDERAL INCOME TAX EXCLUSION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

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

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

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

(e) Disposition of Project. The District covenants that the property constituting the projects financed or refinanced with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the District of cash or other compensation,

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

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

(g) Designation as Qualified Tax-Exempt Obligations. The District hereby designates the Bonds as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the District represents, covenants and warrants the following: (a) that during the calendar year in which the Bonds are issued, the District (including any subordinate entities) has not designated nor will designate bonds, which when aggregated with the Bonds, will result in more than \$10,000,000 (or such amount permitted by section 265 of the Code) of "qualified tax-exempt obligations" being issued; (b) that the District reasonably anticipates that the amount of tax-exempt obligations issued during the calendar year in which the Bonds are issued, by the District (or any subordinate entities) will not exceed \$10,000,000 (or such amount permitted by section 265 of the Code); and, (c) that the District will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, in order that the Bonds will not be considered "private activity bonds" within the meaning of section 141 of the Code.

ARTICLE ELEVEN

DEFAULT PROVISIONS

Section 11.01: REMEDIES IN EVENT OF DEFAULT.

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

Section 11.02: RESOLUTION IS CONTRACT; AMENDMENTS.

In consideration of the purchase and acceptance of the Bonds authorized to be issued hereunder by the Registered Owners, the provisions of this Resolution shall be deemed to be and shall constitute a contract between the District and the Registered Owners; and the covenants and agreements herein set forth to be performed on behalf of the District shall be for the equal benefit, protection and security of each of the Registered Owners. The Bonds, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any Bond over any other, except as expressly provided herein. The District may, without the consent of or notice to the Registered Owners, from time to time and at any time amend this Resolution in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the District may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding, amend, add to or rescind any of the provisions of this Resolution; provided that, without the consent of the Registered Owners of all of the Bonds affected, no such amendment, addition, or rescission shall (a) extend the time or times of payment of the principal and redemption price of and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal and redemption price of or interest on the Bonds, (b) give any preference to any Bond over any other Bonds or (c) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition or rescission.

ARTICLE TWELVE

CONTINUING DISCLOSURE OF FINANCIAL INFORMATION

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

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

Section 12.02: ANNUAL REPORTS.

(i) The District shall provide annually to the MSRB in an electronic format as prescribed by the MSRB, within six months after the end of any fiscal year, financial information and operating data with respect to the District, of the general type included in EXHIBIT A hereto. Any financial statements so to be provided shall be (i) prepared in accordance with generally accepted auditing standards or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation and (ii) audited, if the audit is completed

within the period during which they must be provided. If the audit of such financial statements is not complete within twelve months of the District's fiscal year end, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such twelve month period and audited financial statements when the audit report on such statements becomes available.

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

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

Section 12.03: CERTAIN EVENT NOTICES.

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

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds;
- (7) Modifications to rights of beneficial owners of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, Insolvency, receivership or similar events of the District;
- (13) Consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a

definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and

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

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

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

Section 12.04: LIMITATIONS, DISCLAIMERS, AND AMENDMENTS.

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

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

concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

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

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

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

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

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

ARTICLE THIRTEEN
MISCELLANEOUS PROVISIONS

Section 13.01: DISTRICT'S SUCCESSORS AND ASSIGNS.

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

Section 13.02: NO RECOURSE AGAINST DISTRICT OFFICERS.

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

Section 13.03: NO PERSONAL LIABILITY.

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

Section 13.03: BENEFITS OF RESOLUTION PROVISIONS.

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

Section 13.04: UNAVAILABILITY OF AUTHORIZED PUBLICATION.

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

Section 13.05: SEVERABILITY CLAUSE.

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

Section 13.06: ACCOUNTING.

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

Section 13.07: FURTHER PROCEEDINGS.

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

Section 13.08: GOVERNING LAW.

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

Section 13.09: INTERESTED PARTIES.

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

ARTICLE FOURTEEN

SALE AND DELIVERY OF BONDS; OFFICIAL STATEMENT

Section 14.01: SALE OF BONDS.

The Board hereby certifies that the Bonds have been sold after publication of notice in compliance with Section 49.183(b), Texas Water Code, to the highest bidder and that sale of the Bonds is hereby awarded to Raymond James & Associates, Inc. (the "Initial Purchaser") at a price of \$4,717,488.40 plus accrued interest to the date of payment for and delivery of the Bonds, subject

to the unqualified approving opinion as to the legality of the Bonds of the Attorney General of the State of Texas and of bond counsel for the District and provided that the Initial Bond shall be delivered to Cede & Co., on behalf of the Initial Purchaser. It is hereby found and declared that the price paid by the Initial Purchaser produces the lowest net effective interest rate and is the most advantageous price reasonably available to the District. The President of the Board of Directors and all other officers, agents and representatives of the District are hereby authorized to do any and all things necessary or desirable to provide for the issuance and delivery of the Bonds.

Section 14.02: APPROVAL, REGISTRATION, AND DELIVERY.

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

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

A "Notice of Sale and Bidding Instructions", an "Official Bid Form", and an "Preliminary Official Statement", dated September 8, 2020 were prepared and distributed in connection with the sale of the Bonds (said documents are hereinafter referred to as the "Offering Documents"). Said Offering Documents, and any addenda, supplement, or amendment thereto, are hereby approved by the Board of Directors of the District, and their use in the offer and sale of the Bonds is hereby approved.

The Paying Agent/Registrar Agreement by and between the District and UMB Bank, N.A. ("Paying Agent Agreement") in substantially the form and substance presented to the Board of Directors of the District on October 13, 2020 is hereby approved and the President or Vice President is hereby authorized and directed to complete, amend, modify and execute the Paying Agent Agreement, as necessary.

Section 14.04: PAYMENT OF ATTORNEY GENERAL FEE.

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

ARTICLE FIFTEEN

OPEN MEETING AND EFFECTIVE DATE

Section 15.01: OPEN MEETING.

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

Section 15.02: EFFECTIVE DATE OF RESOLUTION.

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

EXHIBIT A TO RESOLUTION

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

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

Agenda Item No. 7

Discuss, consider, and take action as necessary concerning annual review of District's Investment Policy.

RESOLUTION APPROVING THE INVESTMENT POLICY OF LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

WHEREAS, the Lakeside Water Control and Improvement District No. 2C has adopted a written investment policy (the "Investment Policy") concerning the investment of its funds under its control, as required by Chapter 2256 the Texas Government Code, which is also known as the Public Funds Investment Act; and

WHEREAS, the Investment Policy is contained with the District’s Rules and Policies; and

WHEREAS, pursuant to the Investment Policy and the Public Funds Investment Act, the District's Board of Directors must review the Investment Policy at least annually; and

WHEREAS, the District's Board of Directors has conducted its annual review of the Investment Policy and investment strategies contained therein, and the Board has determined that no changes or amendments to the Investment Policy are necessary at this time.

NOW THEREFORE, it is resolved by the Board of Directors of Lakeside Water Control and Improvement District No. 2C as follows:

Section 1: The above-listed recitals are true and correct and are incorporated into this Resolution for all purposes.

Section 2: The District's Board of Directors has reviewed the District's Investment Policy and investment strategies contained therein, and it has determined that no amendments to the Investment Policy are necessary at this time.

Section 3: The District’s Investment Policy is included as Exhibit A and is incorporated into this Order for all purposes.

PASSED AND APPROVED this 13th day of October, 2020.

David Wang, President
Board of Directors

ATTEST:

Larry English, Secretary
Board of Directors

EXHIBIT A

INVESTMENT POLICY

**Lakeside Water Control and Improvement District No. 2C
Investment Policy (the “Investment Policy”)**

I. GENERAL POLICY

It is the policy of the Lakeside Water Control and Improvement District No. 2C (the “District”) to invest public funds in a manner which will provide the maximum security of principal while meeting the daily cash flow demands of the District and achieving a reasonable rate of return while conforming to all state statutes and District regulations governing the investment of public funds, including, but not limited to, the Texas Public Funds Investment Act (“PFIA”), Chapter 2256 of the Texas Government Code .

II. SCOPE

This Investment Policy applies to all financial assets held directly by the District. These financial assets are accounted for in the District’s annual financial reports and include all moneys in the following funds:

- General Fund
- Debt Service Fund
- Capital Projects Fund
- Debt Service Reserve Fund
- Any new fund created by the governing body

Financial assets of the entity held and invested by trustees or fiscal agents are excluded from these policies; however, such assets shall be invested in accordance with state laws applicable to the investment of local government funds and in accordance with the District’s primary investment objectives.

III. INVESTMENT OBJECTIVES

The District’s primary investment objectives, in order of priority, are the following:

1. **Safety.** Safety of principal is the foremost objective of the District’s investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
2. **Liquidity.** The District’s investment portfolio shall remain sufficiently liquid to enable the District to meet all operating requirements, which might be reasonably anticipated.
3. **Return on Investment.** The District’s investment portfolio shall be designed with the objective of attaining a market rate of return throughout the budgetary and

economic cycles, taking into account the District's investment risk constraints and the cash flow characteristics of the portfolio.

IV. INVESTMENT AUTHORITY

Management responsibility for the District's investment program is hereby delegated to the District's Investment Officer. The District's Board of Directors ("Board") shall designate an individual to serve as the District's Investment Officer; provided, such individual provides the District with certification that such individual has completed the investment training as required by the PFlA, as may be amended from time to time. The Board shall have the authority to establish additional specific written procedures for the operation of the investment program which are consistent with this Investment Policy. The procedures shall include explicit delegation of authority, if any, to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Board. The Investment Officer shall be ultimately responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and employees. The controls shall be designed to prevent and control losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by officers and employees. The Investment Officer shall maintain all records related to the entity's investment program.

V. PRUDENT PERSON RULE

The actions of the Investment Officer in the performance of his or her duties as manager of the District's funds shall be evaluated using the "prudent person" standard. Investments shall be made with judgment and care under prevailing circumstances which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probably income to be derived.

The Investment Officer acting in accordance with written procedures exercising due diligence shall be relieved by personal responsibility for an individual security's performance provided that deviations from expectations are reported in a timely fashion to the governing body and appropriate action is taken to control adverse developments.

VI. AUTHORIZED INVESTMENTS

The funds of the District available for investment shall be invested in accordance with this policy and all applicable state statutes only in the following types of investment instruments:

Authorized Investment Instruments

1. Obligations, including letters of credit, of the United States and of its agencies and instrumentalities;
2. Direct obligations of the State of Texas or its agencies and

instrumentalities;

3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent;

provided, however, that for options 1 through 5, none of the following conditions exist (collectively, the "Exceptions"):

- a. obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
 - b. obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
 - c. collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
 - d. collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.
6. Certificates of deposit:
- a. where the certificate is issued by a depository institution that has its main office or a branch office in this state and is:
 - (i) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
 - (ii) secured by obligations that are described by Investment Options 1 through 5, above, including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage backed securities of the nature described by the Exceptions; or

- (iii) secured in any other manner and amount provided by law for deposits of the investing entity; or
- b. whereby:
- (i) the certificates are issued through:
 - (A) a broker that has its main office or a branch office in this state and is selected from a list adopted by the District in accordance with the PFIA; or
 - (B) a depository institution that has its main office or a branch office in this state and that is selected by the District;
 - (ii) such broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity;
 - (iii) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and
 - (iv) the District appoints the depository institution selected by the investing entity under Subsection (a), an entity described by Section 2257.041(d) of the Public Funds Collateral Act, Texas Government Code, Chapter 2257, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the District.
7. A fully collateralized “repurchase agreement” (as defined by the PFIA), if such agreement:
- a. has a defined termination date;
 - b. is secured by a combination of cash and the obligations set forth in No. 1, above, and placed through a primary government securities dealer or a financial institution doing business in Texas;
 - c. requires the securities being purchased by the entity or cash held by the entity to be pledged to the entity, held in the entity’s name, and deposited at the time the investment is made with the entity or with a third party selected and approved by the entity; and
 - d. is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state.
8. Bankers’ acceptance, if such acceptance:
- a. has a stated maturity of 270 days or less;
 - b. will be liquidated in full at maturity;

- c. is eligible for collateral for borrowing from a Federal Reserve Bank; and
 - d. is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.
9. Money market mutual funds which are no-load and:
- a. are registered with and regulated by the United States Securities and Exchange Commission (SEC);
 - b. provide the investing entity with a prospectus and other information required by the Securities Exchange Act of 1934 (15 U.S.C. § 78a *et. seq.*) or the Investment Company Act of 1940 (15 U.S.C. § 80a-1 *et. seq.*); and
 - c. comply with SEC Rule 2a-7 (17 C.F.R. § 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. § 80a-1 *et. seq.*).
10. A no-load mutual fund, if the mutual fund:
- a. is registered with the SEC;
 - b. has an average weighted maturity of less than two (2) years; and
 - c. either:
 - (i) has a duration of one (1) year or more and is invested exclusively in obligations approved by Subchapter A of the Texas Public Funds Investment Act; or
 - (ii) has a duration of less than one (1) year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities.
11. Interest-bearing banking deposits that are guaranteed or insured by:
- a. the Federal Deposit Insurance Corporation or its successor; or
 - b. the National Credit Union Share Insurance Fund or its successor.
12. Interest-bearing banking deposits other than those described by Section 11 (above) if:
- a. the funds invested in the banking deposits are invested through:
 - (i) a broker with a main office or branch office in this state that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by §2256.025 of the Texas Government Code; or
 - (ii) a depository institution with a main office or branch office in this state that the investing entity selects;
 - b. the broker or depository institution selected as described by Paragraph (a), above, arranges for the deposit of the funds in the

- banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account;
- c. the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and
 - d. the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account:
 - (i) the depository institution selected as described by Paragraph (a), above;
 - (ii) an entity described by Texas Government Code § 2257.041(d); or
 - (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3 (17 C.F.R. § 240.15c3-3).
13. Securities issued by a state or local government, or any instrumentality or agency thereof, in the United States, and rated in one (1) of the three (3) highest categories by a nationally recognized rating agency.
14. Investment Pools which invest instruments and follow practices allowed by current law, including, but not limited to, the PFIA. The Board must approve a formal agreement to participate (by resolution) in each pool providing services to the District. The pool must be continuously rated no lower than "AAA" or "AAA-m" or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily and, to the extent reasonably possible, stabilized at a \$1 net asset value. The pool must provide monthly reports that contain:
- a. the types of investments in which money is allowed to be invested;
 - b. the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;
 - c. the maximum stated maturity date any investment security within the portfolio;
 - d. the objectives of the pool;
 - e. the size of the pool;
 - f. the names of the members of the advisory board of the pool and the dates their terms expire;
 - g. the custodian bank that is safekeeping the assets of the pool;
 - h. whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
 - i. whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;

- j. the name and address of the independent auditor of the pool;
- k. the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool;
- l. the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios; and
- m. the pool's policy regarding holding deposits in cash.

Any investment pool that is created to function as a money market mutual fund must maintain a maximum average dollar weighted maturity that does not exceed 90 days; and,

Any investment pool that does not meet the requirements of one that is created to function as a money market mutual fund, must maintain a maximum average dollar weighted maturity that does not exceed 365 days (or 366 days in the case of a leap year) and must provide a fixed interest rate and fixed maturity term for each pool position.

A public funds investment pool that uses amortized cost or fair value accounting must mark its portfolio to the market daily, and, to the extent reasonably possible, stabilize at a \$1.00 net asset value, when rounded and expressed to two decimal places. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, the governing body of the public funds investment pool shall take action as the body determines necessary to eliminate or reduce to the extent reasonably practicable any dilution or unfair result to existing participants, including a sale of portfolio holdings to attempt to maintain the ratio between 0.995 and 1.005. In addition to the requirements of its investment policy and any other forms of reporting, a public funds investment pool that uses amortized cost shall report yield to its investors in accordance with regulations of the federal SEC applicable to reporting by money market funds.

- 15. Bond proceeds and pledged revenue, only to the extent permitted by the Public Funds Investment Act, in accordance with this policy and statutory provisions governing the debt issuance or the agreement, as applicable. "Pledged Revenue" means money pledged to the payment of or as security for: (1) bonds or other indebtedness issued by the District; (2) obligations under a lease, installment sale, or other agreement of the District; or (3) certificate of participation in a debt obligation described by Section 15(1) or Section 15(2).

The District shall take all prudent necessary measures consistent with its Investment Policy correct any deviation from the minimum rating requirements of certain investments described above should a change in rating occur.

VII. DIVERSIFICATION OF INVESTMENTS

The District recognizes that some level of risk is inherent in any investment transaction. Losses may be incurred due to issuer default, market price changes or closing investments prior to maturity due to unanticipated cash flow needs. Diversification of the District's investment portfolio by institution, type of investment, instrument, and term to maturity is the primary method to minimize investment risk.

VIII. INVESTMENT STRATEGY BY FUND

1. Debt Service Funds – The District shall maintain as its primary objective to maximize the suitability of the investment in such funds to the financial requirements of the District, while preserving the safety of principal with regard to all monies collected or allocated for debt service. Secondly, the District will seek to maximize the return on such funds while insuring sufficient funds for timely payments of its debt obligations.

In order to accomplish this, the District will invest such funds in amounts and maturity dates that most likely match the debt service requirements of the District, taking into account the need for liquidity, marketability if the need arises to liquidate, diversification and yield.

2. Operating Fund – The District shall maintain as its primary objective to maximize the suitability of the investment in such funds to the financial requirements of the District, while preserving the safety of principal with regard to all monies collected or allocated for debt service. Secondly, the District will seek to maximize the return on such funds while insuring sufficient funds for timely payments of its debt obligations.

In order to accomplish this, the District will maintain adequate balances in short-term investments with necessary liquidity to ensure that sufficient funds are available for the continued operations of the District. Funds will not be invested in securities with stated maturities that exceed the reasonable expected expenditure time period. This strategy is intended to ensure that the District will avoid liquidating all or part of its investments in uncertain market conditions.

3. Debt Service Reserve Funds – Investment strategies for debt service reserve fund shall have as the primary objective to maximize the suitability of the investment in such funds to the financial requirements of the District, while preserving the ability to generate a dependable revenue stream to the appropriate debt service fund from securities with a low degree of volatility. Except as may be required by the bond ordinance specific to an individual issue, securities should be of high quality, with short to intermediate term maturities. Volatility shall be further controlled through the purchase of securities carrying the highest coupon available within the desired maturity and quality range, without paying a

premium, if at all possible. Such securities will tend to hold their value during economic cycles.

4. Capital Improvement Fund – The District may choose to have a capital improvement fund or capital projects fund from time to time and, if so, shall maintain as its primary objective to maximize the suitability of the investment in such funds to the financial requirements of the District while preserving the safety of principal with regard to all monies collected or allocated for such fund. Secondly, the District will seek to maximize the return on such funds while insuring sufficient funds for timely payments of its budgeted capital obligations.

In order to accomplish this the District will maintain adequate balances in short-term investments with necessary liquidity to ensure that sufficient funds are available for the capital programs of the District. Funds will not be invested in securities with stated maturities that exceed the reasonable expected expenditure time period. This strategy is intended to ensure that the District will avoid liquidating all or part of its investments in uncertain market conditions.

To the extent possible, the District will attempt to match its investments with uninterrupted cash flow requirements. Unless matched to a specific cash flow need, the District's funds should not, in general, be invested in securities maturing more than 10 (ten) years from the date of purchase.

IX. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The District's Investment Officer shall maintain a list of financial institutions authorized to provide investment services to the District. In addition, a list shall be maintained of approved security brokers/dealers who maintain an office in the State of Texas.

All financial institutions and broker/dealers who desire to provide investments services to the district shall execute a written statement stating that an authorized principal of the business has received and thoroughly reviewed the Investment Policy and that reasonable procedures and controls have been implemented to preclude imprudent investment activities. Additionally, these firms should supply the District's Investment Officer with information sufficient adequately evaluate the institution and answer any and all inquires posed by the District's Investment Officer or the governing body, including the following information:

1. Audited financial statements.
2. Regulatory reports on financial conditions.
3. Written memorandum of Agreement for the deposit of public funds or trading resolution, as inappropriate.
4. Proof of National Association of Security Dealers certification and proof of state registration.
5. Any additional information considered necessary to allow the District's Investment Officer to evaluate the credit worthiness of the institution.

The District's Investment Officer shall evaluate the financial capacity and credit worthiness of financial institutions and broker/dealers prior to the placement of the District's funds. The District's Investment Officer shall conduct an annual review of the financial condition and registrations of financial institutions and broker/dealers and, based on the review, make any recommendations regarding Investment Policy or program changes determined to be necessary.

X. SAFEKEEPING AND CUSTODY

To protect against potential fraud and embezzlement, investment assets shall be secured through third-party custody and safekeeping procedures. Bearer instruments shall be held only through third-party institutions. The District's Investment Officer and any other officers or employees of the District authorized to engage in investment transactions shall be bonded in an amount established by the governing body. Collateralized securities, such as repurchase agreements shall be purchased using the delivery vs. payment procedure. Money market mutual funds used for investments must provide for independent custodians of their portfolios and delivery vs. payment on their portfolio securities. The safekeeping procedures utilized in the District's investment program shall be reviewed annually by the independent auditor.

XI. COLLATERAL

It is the policy of the District to require that all cash and investments maintained in any financial institution named as a depository be collateralized. In order to anticipate market changes and provide a level of security for all funds, the collateralizations level shall be 100% of the market value of principal, plus accrued interest. Collateral shall be limited to the types of instruments authorized as collateral for public funds under the PFIA.

Collateral shall always be held by an independent third-party custodian with whom the District has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the District and retained by the District's Investment Officer. The right of collateral substitution is hereby granted.

XII. INVESTMENT MONITORING/REPORTING

At least quarterly, the District's Investment Officer shall prepare and submit a signed report to the District's Board of Directors regarding the status of the entity's investment program. Such report shall describe in detail the investment position of the District on the date of the report. As to each investment, the report shall include the following information:

1. Name of financial institution from which the investment was purchased or in which assets are deposited.
2. Type of investment.
3. Certificate or other reference number, if applicable.
4. Percentage yield on an annualized basis.
5. Purchase date, purchase price and maturity date.

6. The book value and market value of such investment at the end of the reporting period.
7. For each pooled fund group, provide a summary statement that states the:
 - (A) beginning market value for the reporting period;
 - (B) ending market value for the period; and
 - (C) fully accrued interest for the reporting period.
8. State the account or fund or pooled group fund for which each individual investment was acquired.
9. State the compliance of the investment portfolio as it relates to the investment strategy expressed in this Policy and the PFIA.

In addition, the report shall explain the quarter's total investment return and compare the return with budgetary expectations. Further, the report shall summarize recent market conditions, economic developments and anticipated investment conditions, ratings changes in the District's investments (if any), and indicate any areas of policy concern and suggested revisions of investment strategies. Copies of the report shall be submitted to the Directors of the Board. The Investment Officer shall make the reports from the holders of the District's investments available upon request.

XIII. AUDIT

In connection with the audit of the District's funds conducted by an independent certified public accountant, the auditor shall conduct a review of the District's investment program, including internal controls and procedures, and the results of the reviews, including recommended changes, shall be included in the District's audit.

XIV. INVESTMENT POLICY ADOPTION

The District's Investment Policy shall be adopted by order of the governing body and shall become effective on the date set forth in the order. The Policy shall be reviewed annually and revised, as appropriate. Any amendments to this policy must be made by order of the governing body.

Any investment held on the date of initial adoption of this Policy, which does not meet, the guidelines of this Policy shall be exempted from its provisions. At maturity or liquidation, the monies so invested, if reinvested, shall be reinvested only in accordance with this Policy. The District's Investment Officer may take a reasonable period of time to adjust the existing portfolio to the provisions of this Policy in order to avoid the premature liquidation of any current investment.

Agenda Item No. 8

Receive recreational facilities report and take action as necessary concerning same, including, but not limited to, operations, maintenance and/or improvements related to existing recreational facilities.

RECREATIONAL FACILITIES REPORT
FOR PARK AT BLACKHAWK RECREATIONAL FACILITIES
October 7, 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.)

- a) Tunnel located on the playground at the Amenity Center needs replacement due to cracking. We have contacted the proper supplier and we are under warranty. No cost, and replacement is being shipped directly to our office. Once completed we will update WCID accordingly.

III. UNBUDGETED ITEMS THAT NEEDED ATTENTION/WORK COMPLETION

- a) Fence Crete Repairs: Fence Crete on the south side of Speidel between Winding Shore and Farm Pond has shown signs of needing replacement. Friday 9/11, an entire panel behind 20112 Grand Banks fell and needed immediate replacement. This work has since been completed and cost was \$2,500.00. We do not have the final bill for that yet as the work was just completed Friday afternoon. During this repair the crew noticed that most if not all the fencing between Winding Shore and Farm Pond was in bad shape and needing replacement. Attached is the estimate sent to us for this work to be done. Upon approval of this estimate we will set up and coordinate with homeowners for the work to be started and completed. Total cost for this would be \$38,000.
- b) 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: 10/7/2020 Project pending completion. Fountain needed is on back order. I told the vendor we will be looking elsewhere if project is not completed by next month's meeting. Will update in November.

IV. DISCUSSION FOR WCID

- a) HOA was approached by Mr. and Mrs. Kleppe who reside at 20613 Pinewalk Dr. about requesting a pocket type park be out in behind their home. They have gathered signatures from neighbors who ok'd this request be asked. I have attached their proposal for review and discussions. UPDATE: 8/5/2020 I am leaving this subject on the report for discussion purposes. Will remove at WCID request if needed



Lomas Land Maintenance

156 CR 139

Hutto, TX 78634

(512) 924-1391

lomaslandscaping@live.com

Date: 10/08/2020

To: WCID # 2C

From: Lomas Land Maintenance LLC

Re: WCID # 2C – The Estates at Rowe Lane Retention ponds

Below is the cost to remove Hackberry trees growing in chain link fences and haul off brush dumped over fences

Scope of Work:

See attached Satellite Image;

Remove Hackberry trees engulfing chain link fences

Remove piles of brush dumped over rear fences from homeowners

Cost:

Labor – Lead + 3 helpers 2 days \$1430.00

Skid steer 1 day \$480.00

2 dump truck loads of brush haul off \$600.00

Bars, chains, mix, bar oil, fuel \$150.00

Profit \$900.00

Sales tax exempt

Total \$3,560.00

Thank you,

Ben McLellan



Rolling Meadows

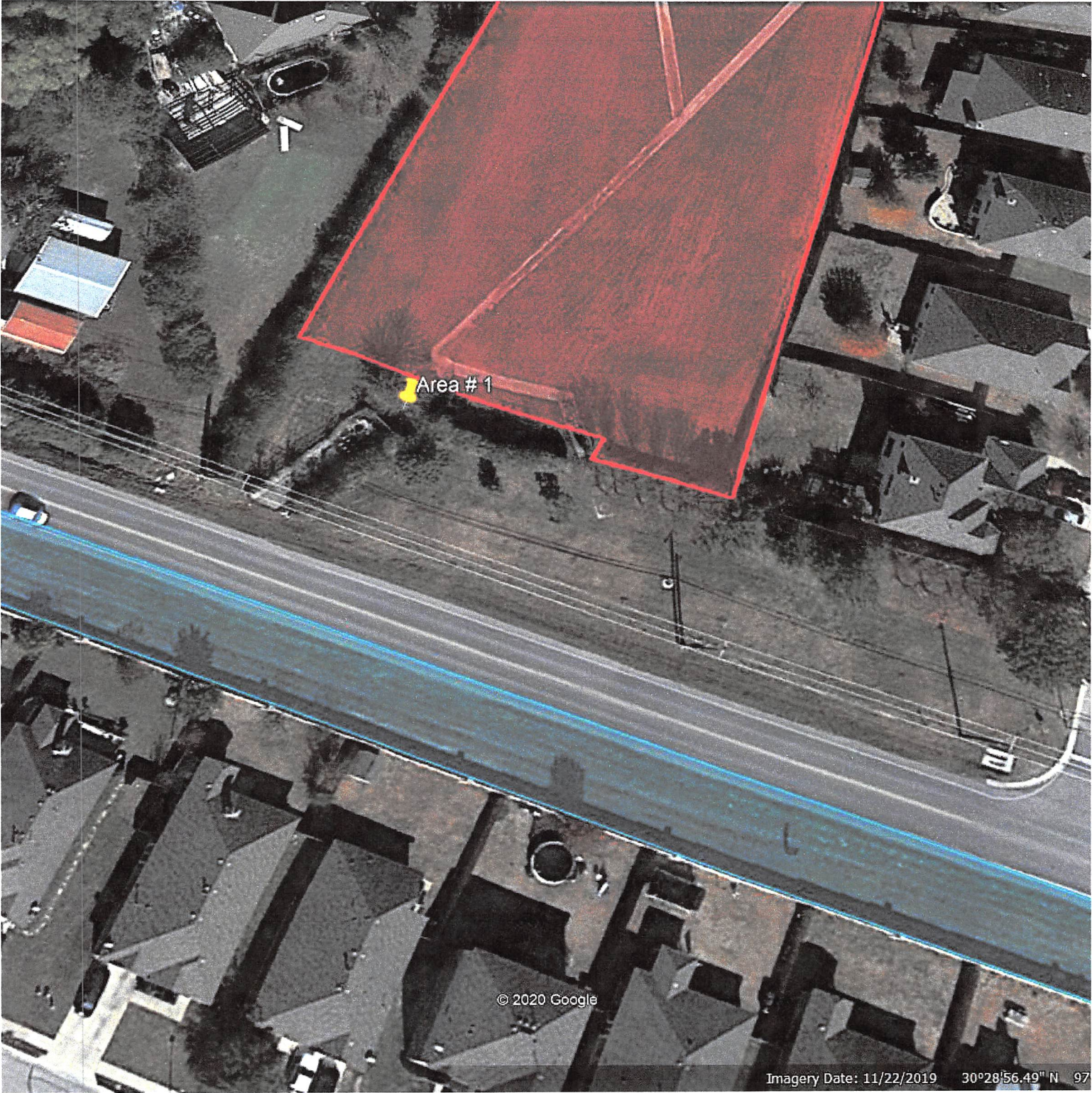
Area # 2

WCID # 2B / 2C - 10 visits a year \$360 a month

Area # 1

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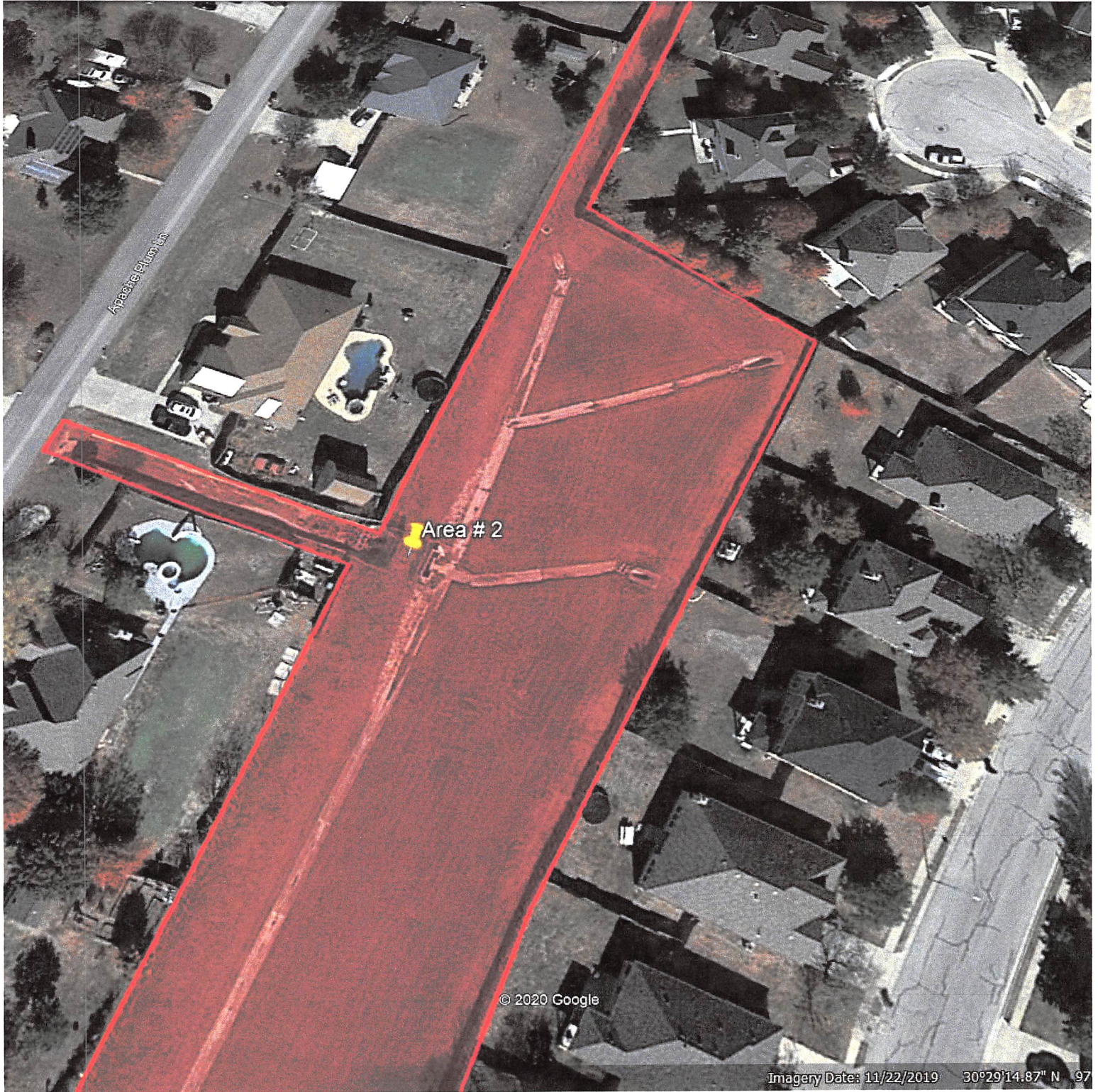
Imagery Date: 11/22/2019 30°29'05.81" N 97



Area # 1

© 2020 Google

Imagery Date: 11/22/2019 30°28'56.49" N 97



Apache Clump Ln

Area # 2

© 2020 Google

Imagery Date: 11/22/2019 30°29'14.87" N 97°

Ph. (512) 219-1018
(512) 751-7126
(512) 659-4301
Email info@concretex.net



Via Email

Randy Vogel / Keith Collins
Blackhawk
Speidel between Winding Shore to Farm Pond

Friday, October 9, 2020

Dear Randy / Keith:

Thank you for affording us the opportunity to quote your fencing needs on Speidel road between Winding Shore and Farm Pond.

For the removal and reinstallation of 72 posts, about 8 panels, and at least one top rail in the priority category, the total cost will be \$20,000.00, based on the review of the broken posts and panels. The panels are old fencecrete so we will removal and re-installation should take about 15 days.

Priority 1	79
Lean	3
Posts	65
Re-Set	4
Panel	8
Tops	1
Priority 2	110
Posts	110
Priority 3	34
Posts	34
Grand Total	223

Delivery Date. To be determined at the date the order is placed.

Payment Terms. At completion.

Landscaping. Concretex will make every reasonable effort to minimize the impact of their work on the landscaping. However there will be some impact as a result of our operations. This quote does not include any repair or re-landscaping of the area.

Insurance. Concretex carries a standard General Liability insurance offering of \$2,000,000 and \$1,000,000 for each occurrence, automobile liability \$1,000,000, umbrella liability \$1,000,000 and workmen's

[Concretex 11800 N Highway 183, Florence, TX, 76527](http://www.concretex.net)

compensation insurance. Should you have any special / additional insurance needs, the cost of this insurance will be added to the cost of the project and must be paid in advance.

Should you require further information please feel free to contact us at the above numbers.

Thank you,

Jim Bohart & Len Tesoro

ConcreTex LLC

Agenda Item No. 10

Discuss, consider, and take action concerning
District website and maintenance of website.

Maxwebs Co. - Web Design and Maintenance

Owner: Mark Maxwell

Board of Directors
Lakeside W.C.I.D. #2C
c/o Lloyd Gosselink Rochelle & Townsend, P.C.
816 Congress Ave.
Suite 1900
Austin, TX 78701

September 8, 2020

Proposal to Develop a Website for Lakeside W.C.I.D. #2C

Scope of Work:

Develop and maintain a website for Lakeside W.C.I.D. #2C and to provide online access all the information required by Texas Law. Other information can be included on the website to provide the District residents with transparency of District actions and also helpful neighborhood information.

Possible information that can be included on the website at the direction of the Board:

- a. Names of Directors
- b. Director Election Information
- c. Agendas
- d. Minutes
- e. District Financial Information to comply with SB 2 requirements
- f. Calendar of Meetings and other Events
- g. Contact Information & Services
- h. Links to Online Billing Services
- i. Service Applications
- j. Helpful information regarding other governments, and utilities
- k. Email Contact System (additional cost)

Breakdown of Startup costs:

- | | | |
|----|-------------------------------------------------------------------------------------------------------|----------------------|
| 1. | Creation of website with features listed above, up to 15 pages:
50% Payable with Order | \$1500.00 |
| 2. | Register Domain Name, such as "lakesidewcid2c.com" (2 year term)
Payable with Order. | \$ 78.00 |
| 3. | Annual Webhosting Service:
(up to 25 pages, and 100 MB of storage) Payable with Order. | \$240.00/yr. |
| 4. | Official email account for directors. If chosen: | approx. \$240.00/yr. |

Continuing Monthly Maintenance Fee: \$100.00/mo.

Includes all updates to original pages and uploading related documents (agendas, updated applications, etc.). Updates are generally posted in less than 24-hours of receipt.

Additional Pages: If at a later date the client wishes to have additional pages added to the website, these would be created at a cost of \$50 per page.

Procedure: We generally meet with a designated Board Director, Committee or Manager to obtain initial direction for the website development, including color preferences, layout, photos, etc.

Timeframe: After the initial meeting, the preliminary site can be completed in 3-4 weeks. Once developed, the website will be made available for review by the designated Board Director and the Board. **50% of development cost is payable with the order, the balance upon completion.**

Experience: The owner of Maxwebs, Mark Maxwell, was Involved with the operation and management of a municipal utility district (approx. 3500 connections) and a limited district for 35 years. He has been developing websites, newsletters and other publications specifically for water districts for nearly 24 years. He is familiar with the legal requirements of district information postings. Maxwebs goal is to develop an attractive website that presents information on the district in an easy to navigate manner, and to keep the information on the site up-to-date.

Thank you for the opportunity to offer this proposal.

Mark Maxwell, Owner

Maxwebs Co.

maxwell@maxwebs.us