

MINUTES OF MEETING
OF THE BOARD OF DIRECTORS

THE STATE OF TEXAS §

COUNTY OF HAYS §

LASALLE MUNICIPAL UTILITY DISTRICT NO. 3 §

The Board of Directors (the "Board" or the "Board of Directors") of LaSalle Municipal Utility District No. 3 (also sometimes referred to herein as the "District") met in special session, open to the public, at 7401 B. Hwy. 71 West, Suite 160, Austin, Texas, at a designated office outside the District on January 29, 2020, and the roll was called of the members of the Board to-wit:

Edward Wilhelm	President
Curtis Davidson	Vice President
Jeremy B. Mazur	Secretary
Ross N. Allen	Treasurer/Assistant Secretary
Brent Covert	Assistant Secretary

All members of the Board were present at the commencement of the meeting except Director Covert. All directors present at the time the vote was taken voted on all items that came before the Board. Also present were Andy Barrett of Barrett & Associates, PLLC ("Barrett & Associates"), attorney for the District; Judy McAngus and Kimberly Studdard, legal assistants of Winstead PC ("Winstead"); Keith Young of Doucet & Associates, Inc. ("Doucet & Associates"), engineers for the District; Justin Taack with Bott & Douthitt, PLLC, bookkeeper for the District and Blake Reed with TACK Development, Ltd. and Mike Schroeder with LaSalle Holdings, Ltd., representing the owners and developer of the lands within the District.

1. The Board called for public communications and comments however, none being heard, the Board moved on to the next item of business.

2. The Board confirmed receipt of the Minutes from the Board's November 14, 2018 Board meeting. Following a review of such Minutes and motion by Director Allen, seconded by Director Mazur and unanimously carried, said Minutes were approved as written.

3. With regard to the status of development in the District, Mike Schroeder noted they've already broken ground on Phase 1 and that plans have been submitted to the City of San Marcos with hopes of receiving written comments within the week. Mr. Schroeder said they're planning to develop 2,200 lots in Phase 1 in the 3rd or 4th quarter of 2020, and that they currently have interested builders for all of those lots. With regard to the wastewater line, Mr. Schroeder noted LaSalle Municipal Utility District No. 1 ("LaSalle MUD No. 1") would run the line but that the District would share in the costs. It was also noted negotiations with regard to the right of way needed for the roadway into the District and access to I-35 are underway and that the developer does not

anticipate needing to exercise eminent domain powers with regard thereto. Mr. Schroeder said they're currently working with the Texas Department of Transportation with regard to a secure deceleration lane and protected turn lane into the District.

In addition, Mr. Schroeder discussed the ongoing mining project within the District, noting they're mining aggregate in very large quantities. Given the homogenous shape and texture, the aggregate has been in high demand and very profitable.

4. The Board was briefed on its eminent domain powers as granted in the Legislation that created the District and the Board was notified that the attorneys for the District would be handling the required annual notification to the State Comptroller's office of such powers. In addition, the Board was briefed with regard to SB 625 (special purpose district reporting) and HB 1378 (local government debt) transparency filings that would be filed when timely as relate to financial reporting that will also be uploaded and posted to the State Comptroller's website.

5. Ms. McAngus then discussed with the Board the need for a directors' election every two years of even-numbered years, as required by the law and legislation creating the District, and confirmed the two directors up for re-election in May of 2020 as Edward Wilhelm and Curtis Davidson. The Board then considered a joint election contract and/or election services agreement ("Election Contract") with Hays County ("County") related to the May 2, 2020 directors' election and authorized execution of the final version by the Board's officers should the election move forward. Ms. McAngus noted the final version is not yet available from the County but that these are very standard contracts and she doesn't expect to see anything out of the ordinary, but that the final version would be reviewed by attorneys for the District prior to execution by the Board in the event the election moves forward. As also relates to the May 2, 2020 directors' election, the Board next considered an Order Calling Directors Election ("Order Calling"), a copy of which is attached hereto as **EXHIBIT "A"**. Upon motion by Director Allen, seconded by Director Mazur and unanimously carried, said Order Calling was adopted and authorization of execution of the final Election Contract, if needed, was approved.

6. Justin Taack then presented the Board with a Cash Activity Report, attached hereto as **EXHIBIT "B"**. Blake Reed presented Mr. Taack with an additional developer advance for the District's operating account. Mr. Taack noted that he would hold all accounting fees until deposit of the check received at the meeting and would also void Check No. 1010 for Director Covert's absence from the meeting in addition to Check No. 1012 per the request of Director Mazur since his current employment restricts him from receiving a per diem for his service on the Board. Upon motion by Director Mazur and seconded by Director Wilhelm, the Cash Activity Report and disbursement of funds in accordance therewith was unanimously approved.

7. Mr. Taack then recommended to the Board they authorize Bott & Douthitt to open a manager's account in addition to the existing District operating account, noting it allows for ease in maintaining available funds and allows for the timely payment of recurring expenses, such as payroll taxes, in between meeting dates. It was noted that any checks written on the manager's account would be reflected on the next Cash Activity Report presented at the following Board meeting.

Upon motion by Director Wilhelm, seconded by Director Allen and unanimously carried, the Board authorized the opening of a manager's account.

8. Judy McAngus then reminded the Board of deadlines surrounding the governmental training courses required to be completed by each board member following their taking of oaths of office. Ms. McAngus also confirmed completion certificates received to date.

9. Ms. McAngus next discussed annual filings with the TCEQ and State Comptroller as relate to the District's financial reports and related transparency reporting. Justin Taack then confirmed Bott & Douthitt will prepare those reports and file with the TCEQ, and upon receipt, Winstead will upload the reports to the State Comptroller's website.

10. The Board then discussed and confirmed the tentative next meeting date as February 26, 2020 as 10:30 a.m. at their regular meeting location though it was noted that Director Wilhelm will not be available on that date and Director Mazur might be out of town as well.

There being no further business to conduct, Director Mazur moved that the meeting be adjourned, which motion was seconded by Director Wilhelm, and unanimously approved, and the Board adjourned until further call.

APPROVED AND ADOPTED this 12th day of March, 2020.



A handwritten signature in blue ink, appearing to read "Brent Covert", is written over a horizontal line.

Brent Covert, Assistant Secretary
Board of Directors
LaSalle Municipal Utility District No. 3