

**MINUTES OF MEETING OF BOARD OF DIRECTORS OF
LAKESIDE MUNICIPAL UTILITY DISTRICT NO. 3**

SEPTEMBER 24, 2014

THE STATE OF TEXAS §
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COUNTIES OF WILLIAMSON §
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The Board of Directors of Lakeside Municipal Utility District No. 3 met in special session, open to the public, on September 24, 2014, at the offices of Gray Engineering, 8834 North Capital of Texas Highway, Suite 140, Austin, Texas, pursuant to notice duly given in accordance with law. A copy of the Certificate of Posting of said Notice is attached hereto as **Exhibit “A”**.

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

Tom Corbett	-	President
Michael Zeniecki	-	Vice President
John Howell	-	Secretary
Tim Coffelt	-	Treasurer
Mark Mathews	-	Assistant Secretary/Treasurer

and all of said Directors were present, except Director Coffelt, thus constituting a quorum. Also in attendance at the meeting were David Gray and John Hines of Gray Engineering, Inc.; Kevin Flahive of Armbrust & Brown, PLLC; and J.D. Scott, a resident of the District.

Director Corbett called the meeting to order at 12:02 p.m. The first item to come before the Board was approval of the minutes of the September 10, 2014 meeting. Upon motion by Director Zeniecki and second by Director Howell, the Board unanimously approved the minutes as presented.

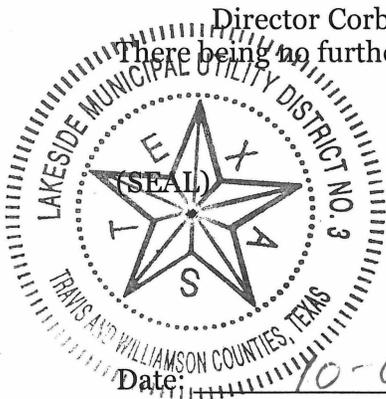
Director Corbett stated that the next items to come before the Board were landscaping and maintenance items. Director Corbett stated that the new sign for the District was installed on September 23rd and looks good. He stated that the repairs adjacent to Steed’s Pond were almost complete. He said that Greener Images had completed the irrigation system repair, under budget, and MMLA would soon perform the trail repair. The Board then discussed the proposed tree trimming around Steed’s Pond. Upon motion by Director Zeniecki and second by Director Howell, the Board unanimously approved the appropriation of not more than \$2,000.00 to have MMLA trim the trees around Steed’s Pond creating a canopy of not less than 10’ in height.

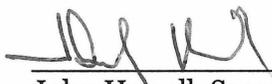
Director Corbett stated the next item to come before the Board was to receive a report from the District’s engineer. Mr. Hines presented the Engineer’s Letter of Recommendation and Bid Tabulation, a copy of which is attached as **Exhibit “B”**, to the Board. He stated that four bids were received for the construction of The Commons at Rowe Lane Phases VA and VIA, such bids being from Cash Construction Company, Inc., Austin Engineering Co., Inc., Smith Contracting Co., Inc. and Central Road and Utility, Ltd. Mr. Hines stated that the recommendation provided a bid tabulation comparing the four bids. He said that the low bid was submitted by Cash Construction Company, Inc. in the amount of \$1,368,758.00. Mr. Hines stated that it was the District engineer’s recommendation to the Board that the contract be

awarded to Cash Construction Company, Inc. He stated that, in addition to being the low bidder, Cash Construction Company, Inc. had constructed some of the existing phases of the subdivision and the District engineer had not had any problems with the contractor. Mr. Gray stated that Phases VA and VIA will be developed on the property recently acquired by United Development Funding, but Joe Straub would be providing development management services. He also stated that it was likely that United Development Funding would begin construction of Phase VA prior to Phase VIA, with construction on Phase VIA to begin approximately one month later. Director Zeniecki asked Mr. Gray to advise Cash Construction Company, Inc. that if during construction large groups of snakes are located, the District would like to be informed and provided with the opportunity to have the snakes removed. He stated that during development of recent phases of the subdivision he had noticed increased snakes within existing phases of the subdivision. Mr. Gray stated that he would advise the contractor of this. Upon motion by Director Howell and second by Director Zeniecki, the Board unanimously approved award of the contract to Cash Construction Company, Inc., as recommended to the Board by the District's engineer.

Director Corbett stated that he had failed to mention earlier that the Huckabee Bend drainage project and the berm to be constructed around the pump house adjacent to Pond 1 would both be completed by Utility Specialist, Inc. in the near term. He stated that the paint for the curb around the island in the roundabout had been ordered. Director Zeniecki stated he was still looking at the fountains in Pond 1 and expected to recommend that the District maintain the operational pump and remove the inoperable pump and request that the funds committed by The Commons at Rowe Lane, L.P. to pay for the repair of the inoperable pump be instead used to purchase a larger pump for the Steed's Pond.

Director Corbett then asked if there were any additional items to come before the Board. There being no further items to come before the Board, the meeting was adjourned at 12:13 p.m.





John Howell, Secretary
Board of Directors