

**CERTIFICATE FOR AMENDED AND RESTATED
ORDER PROVIDING FOR THE TERMS OF DIVISION OF THE DISTRICT
INTO TWO DISTRICTS**

THE STATE OF TEXAS

COUNTY OF KENDALL

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3

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We, the undersigned officers of the Board of Directors (the "Board") of Kendall County Water Control and Improvement District No. 3 (the "District"), hereby certify as follows:

1. The Board convened in special session, open to the public, on the 10th day of December, 2019, at a meeting place outside the boundaries of the District, and the roll was called of the members of the Board, to-wit:

Craig Leeder	-	President
David Sawtelle	-	Vice President
Zach Feller	-	Secretary
R. Hunt Winton III	-	Assistant Secretary
Chad Foster, Jr.	-	Assistant Secretary

All members of the Board were present, except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transaction at such meeting:

**AMENDED AND RESTATED ORDER PROVIDING FOR THE TERMS OF DIVISION
OF THE DISTRICT INTO TWO DISTRICTS**

was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Order be adopted; and, after due discussion, such motion, carrying with it the adoption of said Order, prevailed and carried by the following vote:

AYES: 5

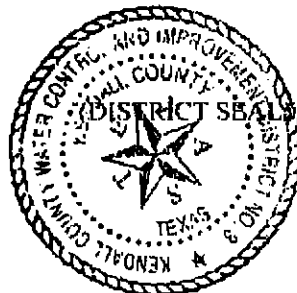
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2. A true, full, and correct copy of the aforesaid Order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; such Order has been duly recorded in said Board's minutes of such meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such meeting pertaining to the adoption of such Order; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance of the time, place, and purpose of such meeting and that such Order would be introduced and considered for adoption at such meeting and each of such officers and members consented, in advance, to the holding of such meeting for such purpose; such meeting was open to the public, as required by law, and public notice of the time, place and purpose of such meeting was given as required by V.T.C.A. Government Code, Chapter 551, as amended.

SIGNED AND SEALED this 10th day of December, 2019.


Secretary, Board of Directors


President, Board of Directors,



AMENDED AND RESTATED
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STATE OF TEXAS	§
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COUNTY OF KENDALL	§
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KENDALL COUNTY WATR CONTROL AND IMPROVEMENT DISTRICT NO. 3	§

WHEREAS, Kendall County Water Control and Improvement District No. 3 (the “District” or “Original District”) was created by Senate Bill 914, Acts of the 85th Legislature, Regular Session, 2017, codified as Chapter 9072 Texas Special District Local Laws Code (the “Act”), and operates pursuant to the Act and Chapters 49 and 51 of the Texas Water Code, as amended;

WHEREAS, Section 9072.106 of the Act provides that the Board of Directors of the District may, on its own motion and prior to holding a confirmation election divide the territory of the District into two or more districts if (i) the District does not have outstanding indebtedness, and (ii) the District is not imposing ad valorem taxes;

WHEREAS, the District adopted an Order Providing for the Terms of Division of the District into Two District, dated April 23, 2018, however, such order was not finalized;

WHEREAS, the District upon its own motion, desires to divide the District as follows:

1. Kendall County Water Control and Improvement District No. 3A (“Kendall 3A”), containing 332.413 acres of land, as described by metes and bounds in Exhibit “A,” attached hereto and incorporated herein for all purposes; and
2. Kendall County Water Control and Improvement District No. 3B (“Kendall 3B”), containing 679.849 acres of land, as described by metes and bounds in Exhibit “B,” attached hereto and incorporated herein for all purposes.

WHEREAS, the Board has determined that it is in the best interest of the District to divide into two districts for the purpose of encouraging and promoting orderly development within the original territory of the District and facilitating dependable and efficient utility service at affordable rates to customers of the Districts;

WHEREAS, prior to dividing the District into two districts, the Board of Directors is required to determine the terms of division with a plan to pay and perform the outstanding obligations.

IT IS, THEREFORE, ORDERED BY THE BOARD OF DIRECTORS OF KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3 THAT:

Section 1. Findings Relative to Division. The Board of Directors of the District hereby finds that:

1. The division of the District into two Districts to be known as Kendall 3A and Kendall 3B will allow for the orderly development within the territory of the District and will facilitate dependable and efficient utility service at affordable rates to customers of the District;
2. The division of the District into Kendall 3A and Kendall 3B is to the advantage of the District;
3. The District does not have any outstanding indebtedness and has not levied an ad valorem tax;
4. At the time created, Kendall 3A and Kendall 3B do not contain any land outside the area described by Section 2 of the Act;
5. The current liabilities of the District are (i) obligations to reimburse the developer of land within the District for funds advanced to and on behalf of the District for its creation, organization, and operation (the "Reimbursement Liability"), and (ii) the obligations set forth in that certain Interlocal Agreement and Term Wholesale Water Service Contract Kendall County Water Control and Improvement District No. 3 dated August 8, 2018 (the "SAWS Agreement") to furnish water to new development located within the boundaries of Kendall 3A and Kendall 3B. There are no other assets or liabilities of the District to divide;
6. The SAWS Agreement requires the District to plan, design, and construct certain water infrastructure (the "Water Infrastructure") by certain dates, to start paying for the water by 2020, and to perform other obligations and duties that require significant expenditures of funds and commitments of time;
7. Upon division, Kendall 3A shall assume all the rights, duties, and obligations of the District under the SAWS Agreement, including but not limited to construction of the Water Infrastructure and payments for the water as required by the SAWS Agreement;
8. Kendall 3A will construct or cause to be constructed certain public road infrastructure and related facilities and appurtenances, including drainage in aid of such public road infrastructure, necessary to serve the land within Kendall 3A and Kendall 3B (the "Road Infrastructure");
9. Kendall 3A and Kendall 3B shall enter into one or more cost sharing agreements to allocate costs associated with the SAWS Agreement, and the Water Infrastructure and the Road Infrastructure necessary to serve, and be utilized by, both Kendall 3A and Kendall 3B (the Water Infrastructure and the Road Infrastructure referred to hereinafter collectively as the "Infrastructure"); and
10. Kendall 3B shall have a right to use of the water under the SAWS Agreement for new development within Kendall 3B, subject to the terms of this Amended and Restated Order Providing the Terms of Division of the District into Two Districts (the "Order"), the SAWS Agreement, and any cost sharing agreement entered into by Kendall 3A and Kendall 3B related thereto.

Section 2. Division of District. Pursuant to the authority set forth in Section 9072.106 of the Act, the Board hereby adopts this Order, and sets forth and establishes its plan to divide the District as follows:

1. Kendall 3A, containing 332.413 acres of land, as described by metes and bounds in Exhibit "A," attached hereto and incorporated herein for all purposes; and

2. Kendall 3B, containing 679.849 acres of land, as described by metes and bounds in Exhibit "B," attached hereto and incorporated herein for all purposes.

Section 3. Payment and Performance of Outstanding Obligations

A. Kendall County Water Control and Improvement District No. 3A

1. The District shall be named Kendall County Water Control and Improvement District No. 3A ("Kendall 3A"). Kendall 3A shall contain the original territory of the Original District, save and except those lands now contained in Kendall 3B.
2. As a condition of dividing the District and receiving water under the SAWS Agreement, Kendall 3A agrees to abide by certain conditions on all property within its boundaries, as set forth in the SAWS Agreement.
3. The temporary Board of Directors for Kendall 3A shall be as follows:
 - a. Wm. Wendell Hall
 - b. David Sawtelle
 - c. R. Hunt Winton III
 - d. Chad Foster, Jr.
 - e. Barton T. Simpson

Pursuant to Section 9072.106(h) Kendall 3A shall hold a confirmation and directors' election. Such election shall not occur until consent to creation has been obtained in accordance with applicable law.

4. Kendall 3A shall be empowered and authorized to purchase, construct, acquire, own, operate, maintain, improve, or extend inside or outside its boundaries any and all works, improvements, facilities, plants, equipment, and appliances necessary to accomplish the purposes of its creation.
5. Kendall 3A (1) shall assume all the rights, duties, and obligations of the Original District under the SAWS Agreement; (2) shall assume all the Reimbursement Liability of the District; (3) shall assume any other obligations for development of water, sewer, drainage and road improvements to serve land within its boundaries; (4) shall have all the powers and duties granted to the Original District under the Act; (5) may enter into contracts with other districts resulting from a division of the Original District for purposes of providing water and wastewater services or other appropriate purposes; and (6) shall, prior to utilizing any infrastructure constructed by or on behalf of Kendall 3B to serve land within Kendall 3A, enter into an agreement with Kendall 3B to provide for the pro-rata sharing of costs related to such infrastructure that is used to serve land located within Kendall 3A.

B. Kendall County Water Control and Improvement District No. 3B

1. Kendall 3B shall contain 679.849 acres of land as described by metes and bounds in Exhibit "B" attached hereto and incorporated herein for all purposes. Kendall 3B is created pursuant to the Act and shall have all rights, powers, privileges, and authorization as set forth in the Act. Kendall 3B shall operate pursuant to the Act and Chapters 49 and 51 of the Texas Water Code, as amended.

2. The temporary Board of Directors for Kendall 3B shall be as follows:
 - a. Craig Leeder
 - b. Zach Feller
 - c. John Ames
 - d. Gene Williams
 - e. Zane Price
3. Pursuant to Section 9072.106(h) of the Act, Kendall 3B shall hold a confirmation and directors' election. Such election shall not occur until consent to creation has been obtained in accordance with applicable law.
4. Kendall 3B shall be empowered and authorized to purchase, construct, acquire, own, operate, maintain, improve, or extend inside or outside its boundaries any and all works, improvements, facilities, plants, equipment, and appliances necessary to accomplish the purposes of its creation.
5. Kendall 3B (1) shall have a right to use of water provided under the SAWS Agreement subject to (a) the terms of this Order and the SAWS Agreement, and (b) Kendall 3A and Kendall 3B entering into a cost sharing agreement in which the parties agree to allocate costs associated with the SAWS Agreement; (2) shall have all the powers and duties granted to the Original District under the Act; (3) may enter into contracts with other districts resulting from a division of the Original District for purposes of providing water and wastewater services or other appropriate purposes; and (4) shall, prior to utilizing any infrastructure constructed by Kendall 3A to serve land within Kendall 3B, enter into an agreement with Kendall 3A to provide for the pro-rata sharing of costs related to such infrastructure that is used to serve land located within Kendall 3B.

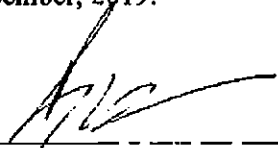
Section 3. Notification to Texas Commission on Environmental Quality. Pursuant to Section 9072.106(g) of the Act, the Original District shall provide written notice of this Order to the TCEQ not later than the 30th day after the date on which the Board adopts the Order.

Section 4. Effective Date. This Order shall take effect and be in full force immediately.

Section 5. Actions to Effectuate Order. The President or the Vice President is authorized to execute, and the Secretary or any Assistant Secretary is authorized to attest this Order on behalf of the District and to do any and all things necessary to carry out the intent hereof.

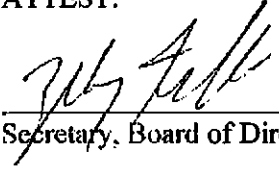
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PASSED AND ADOPTED, this 10th day of December, 2019.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

