CERTIFICATE FOR ORDER OR RESOLUTION

THE STATE OF TEXAS §
COUNTY OF WILLIAMSON §

The undersigned officers of the Board of Directors of Fern Bluff Municipal Utility District of Williamson County, Texas (the "District") hereby certify as follows:

The Board of Directors of Fern Bluff Municipal Utility District convened in **regular** session on the 12th day of January, 2016 at the regular meeting place thereof, and the roll was called of the duly constituted officers and members of the Board, to wit:

Patrick Savarese	President
Joseph Teiber	Vice President
Dave Quillman	Secretary
George Sabatino	Treasurer
Jessica Stempko	Assistant Secretary/Treasurer

and all of said persons were present, except for the following absentees: Director Stempko, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting:

ORDER DESIGNATING INVESTMENT OFFICER AND ESTABLISHING RULES AND POLICIES FOR THE INVESTMENT OF DISTRICT FUNDS AND REVIEW OF INVESTMENTS

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

AYES: All present
NOES:

That a true, full and correct copy of the aforesaid Order or Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; and that said Order or Resolution has been duly recorded in said Board's minutes of said meeting; that the persons named in the above and foregoing paragraph were duly chosen, qualified and acting officers and members of the Board as indicated therein, that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; that public notice of the time, place and subject of said meeting was given as required by the Texas Government Code, §551.043, as amended, and §49.063 of the Texas Water Code, as amended, and that the undersigned are the duly chosen, qualified and acting officers of the current Board of Directors.

SIGNED AND SEALED this 12th day of January, 2016.

Dave Quillman, Secretary

Patrick Savarese, President

[SEAL]

ORDER DESIGNATING INVESTMENT OFFICER AND ESTABLISHING RULES AND POLICIES FOR THE INVESTMENT OF DISTRICT FUNDS AND REVIEW OF INVESTMENTS

THE STATE OF TEXAS §
COUNTY OF WILLIAMSON §
FERN BLUFF MUNICIPAL UTILITY DISTRICT §

WHEREAS, pursuant to Chapter 2256 of the Texas Government Code, as amended (the "Public Funds Investment Act"), the Board of Directors (the "Board") of Fern Bluff Municipal Utility District (the "District") has determined that it is necessary to adopt an Investment Policy and Investment Strategies.

NOW, THEREFORE BE IT ORDERED BY THE BOARD OF DIRECTORS OF FERN BLUFF MUNICIPAL UTILITY DISTRICT, THAT:

I.
DEFINITIONS

"Bond Proceeds" means the proceeds from the sale of bonds, notes, and other obligations issued by the District and reserves and funds maintained by the District for debt service purposes.

"Book Value" means the original acquisition cost of an investment plus or minus the accrued amortization or accretion.

"Funds" means public funds in the custody of the District that (i) are not required by law to be deposited in the State Treasury and (ii) the District has authority to invest.

"Investment Pool" means an entity created under the Government Code to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority are (i) preservation and safety of principal, (ii) liquidity, and (iii) yield.

"Market Value" means the current face or par value of an investment multiplied by the security as quoted by a recognized market pricing service quoted on the valuation date.

"Pooled Fund Group" means an internally created fund of the District in which one or more institutional accounts of the District are invested.

"Qualified Representative" means a person who holds a position with a business organization who is authorized to act on behalf of the business organization, and who is one of the following:

(A) for a business organization doing business that is regulated by or registered with a securities commission, a person who is registered under the rules of the National Association of Securities Dealers;

(B) for a state or federal bank, a savings bank, or a state or federal credit union, a member of the loan committee for the bank or branch of the bank or a person authorized by corporate resolution to act on behalf of and bind the banking institution; or

(C) for an investment pool, the person authorized by the elected official or board with authority to administer the activities of the investment pool to sign the written instrument on behalf of the investment pool.

"Separately Invested Asset" means an account or fund of the District that is not invested in a Pooled Fund Group.

II.
INVESTMENT POLICY

SECTION 2.01. INVESTMENT POLICY.

A. The Board of the District in accordance with the Public Funds Investment Act hereby establishes an Investment Policy relating to the investment of District funds. All investments shall be made with the judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

B. Investment of funds shall be governed by the following investment objectives, in order of priority:

1. preservation and safety of principal;

2. liquidity; and

3. yield.

C. The Board of the District shall review annually this written Investment Policy and shall make any changes thereto as determined by the Board of the District to be necessary and prudent for the management of District funds.

SECTION 2.02. OTHER REQUIREMENTS.

A. Investment Diversification. There shall be no defined level of investment diversification as long as all funds of the District are invested in accordance with this Investment Policy. All the authorized investments described in Article V hereof are eligible investments for District funds; provided, however, all funds shall be secured by guarantee, insurance or collateral as described in Article V hereof.

B. Yield. District funds shall be invested to obtain the maximum yield taking into consideration the preservation and safety of the principal and the liquidity of the investment in the priority set forth in Section 2.01(B) hereof.

C. Investment Maturities. District funds shall only be invested in funds described in Article V hereof and investments shall not be invested beyond the period of time allowed by law for public investments for the particular authorized investment.

D. Quality and Capability of Investment Management. District funds shall only be invested by persons with training or experience in the investment of public funds who are employed full time in a capacity that involves the investment of public funds.

E. Maximum Dollar-Weighted Maturity Allowed. The maximum dollar-weighted maturity for any investment is not to exceed the maximum limits established by law for public investments.

SECTION 2.03. ELECTRONIC WIRE TRANSFER. Subject to written authorization from the Board of the District, the District may use electronic means to transfer or invest all funds collected or controlled by the District. Electronic transfers shall only be made between District accounts and in the name of the District, unless otherwise authorized in writing by the Board of the District.

SECTION 2.04. SETTLEMENT OF INVESTMENT TRANSACTIONS. All investment transactions, except investment pool funds and mutual funds, shall be settled on a delivery versus payment basis.

III.
INVESTMENT STRATEGY

SECTION 3.01. WRITTEN INVESTMENT STRATEGY.

The Board of the District hereby adopts the Investment Strategy for each fund of the District described in Exhibit "A," attached hereto. The Investment Strategy describes the investment objectives for each fund and takes into consideration the following priorities in order of importance:

1. preservation and safety of capital;

2. liquidity;

3. yield;

4. understanding of the suitability of the investment to the financial requirements of the District;

5. marketability of the investment if the need arises to liquidate the investment before maturity; and

6. diversification of the investment portfolio.

SECTION 3.02. ANNUAL REVIEW OF INVESTMENT STRATEGY AND INVESTMENT POLICY. The Board of the District shall review annually the Investment Policy and Investment Strategy for each fund of the District and shall make any changes thereto as determined by the Board to be necessary and prudent for the management of the District's funds. The Board of the District shall adopt a written resolution evidencing it has reviewed the Investment Policy and Investment Strategies. Such resolution shall record any changes made to the Investment Policy and/or Investment Strategy.

IV.
INVESTMENT OFFICER

SECTION 4.01. APPOINTMENT OF INVESTMENT OFFICER AND AUTHORIZED REPRESENTATIVE FOR INVESTMENT OF FUNDS RESPONSIBILITIES AND DUTIES The Board hereby appoints the person or entity serving as the District's General Manager to be the District's authorized representative for the investment and reinvestment of the District's funds in accordance with Section 49.157 of the Texas Water Code, as amended (the "Investment Officer"). The Investment Officer shall be responsible for the investment of District funds. Said investment officer shall periodically review the District's investment practices and policies and shall make recommendations from time to time to the Board of Directors, which if approved, will be reflected in amendments to the District's rules, regulations and policies for the investment of its funds. In the administration of duties as Investment Officer, the Investment Officer shall exercise the judgment and care, under prevailing circumstances, that a prudent person of discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

The Board of Directors shall retain primary responsibility for establishing and implementing the District's investment rules, regulations and policies.

The Board of Directors may, at its discretion, remove and replace the investment officer or appoint multiple investment 'officers of the District.

SECTION 4.02. INVESTMENT TRAINING. The provisions of the Public Funds Investment Act, specifically Government Code, Section 2256.008 (Investment Training; Local Governments), as amended from time to time and the provisions of the Water Code, specifically Section 49.1571 (Investment Officer), as amended from time to time, shall govern the investment training requirements to be followed by the District's Investment Officer and others charged with the responsibility for investing the District's funds.

SECTION 4.03 QUARTERLY INVESTMENT REPORTS. Within thirty (30) days after the end of each quarter of the fiscal year, the investment officer shall prepare, or cause to be prepared, and submit to the President and Board of Directors a written report of investment transactions for all funds for the preceding reporting period.

A. The report must:

1. describe in detail the investment position of the District on the date of the report;
2. be prepared jointly by all investment officers of the District;
3. be signed by each investment officer of the District;
4. contain a summary statement prepared in compliance with generally accepted accounting principles of each pooled fund group that states the:
5. beginning market value for the reporting period;
6. additions and changes to the market value during the period;
7. ending market value for the period; and
8. fully accrued interest for the reporting period.
9. state the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested;
10. state the maturity date of each separately invested asset that has a maturity date;
11. state the account or fund or pooled group fund in the District for which each individual investment was acquired; and
12. state the compliance of the investment portfolio of the District as it relates to:
13. the investment strategy expressed in the District's investment policy; and
14. relevant provisions of the Act.

B. If the District invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of

deposit, or money market accounts or similar accounts, the reports prepared by the investment officer under this Section shall be formally reviewed at least annually by an independent auditor and the result of the review shall be reported to the Board of Directors by the auditor.

SECTION 4.04. DISCLOSURE OF PERSONAL BUSINESS INTEREST. If the Investment Officer has a personal business relationship with the business organization seeking to sell an investment to the District, then the Investment Officer shall file a statement disclosing the personal business interest ("Disclosure Statement"). The Investment Officer has a personal business relationship with a business organization if:

1. the Investment Officer owns ten percent (10%) or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;

2. funds received by the Investment Officer from the business organization exceed ten percent (10%) of the Investment Officer's gross income for the previous year; or

3. the Investment Officer has acquired from the business organization during the previous year investments with a book value of $2,500 or more for the personal account of the Investment Officer.

If the Investment Officer is related within the second degree by affinity or consanguinity, as determined by Chapter 573 of the Government Code, to an individual seeking to sell an investment to the District, then the Investment Officer shall file a Disclosure Statement with the Board of the District.

The Investment Officer filing any Disclosure Statement with the Board of the District pursuant to this Section 4.04 shall also file a copy of the Disclosure Statement with the Texas Ethics Commission.

SECTION 4.05. STANDARD OF CARE OF INVESTMENT OFFICER AND BOOKKEEPER. In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the Board of the District shall take into consideration (i) the investment of all funds, or funds under the District's control, over which the Investment Officer has responsibility rather than consideration as to the prudence of a single investment and (ii) whether the investment decision was consistent with the Investment Policy of the District.

ARTICLE V.
AUTHORIZED INVESTMENTS

SECTION 5.01. OBLIGATIONS OF, OR GUARANTEED BY, GOVERNMENTAL ENTITIES.

A. The following are authorized investments of governmental entities:

1. an obligation of the United States or its agencies and instrumentalities ;direct obligations of the State of Texas or its agencies and instrumentalities;

2. 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;

3. other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities; and

4. 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.

B. The following are prohibited investments under this Section 5.01:

1. obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;

2. obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;

3. collateralized mortgage obligations that have a final stated maturity date of greater than (10) years; and

4. collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

SECTION 5.02. CERTIFICATES OF DEPOSIT. A certificate of deposit is an authorized investment if the certificate of deposit is issued by a state or national bank with a main office or branch office in the State of Texas or a savings and loan association with a main office or branch office in the State of Texas and is:

1. guaranteed or insured by the Federal Deposit Insurance Corporation or its successor;

2. secured by obligations described in Section 5.01(A) hereof, 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 in Section 5.01(B);

3. secured in any other manner and amount provided by law for deposits of the District; and

4. mature within 12 months or less.

SECTION 5.03. REPURCHASE AGREEMENTS.

A. A fully collateralized repurchase agreement is an authorized investment if the repurchase agreement:

1. has a defined termination date;

2. is secured by obligations described by Section 5.01(A)(1);

3. requires the securities being purchased by the District to be pledged to the District, held in the District's name, and deposited at the time the investment is made with the District or with a third party selected and approved by the District; and

4. is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state.

B. "Repurchase Agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations described in Section 5.01(A)(1) at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. The term includes a direct security repurchase agreement and a reverse security repurchase agreement.

C. The term of any reverse security repurchase agreement may not exceed ninety (90) days after the date the reverse security repurchase agreement is delivered.

D. Money received by the District under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

SECTION 5.04. BANKERS' ACCEPTANCES. A banker's acceptance is an authorized investment if the bankers' acceptance:

1. has a stated maturity of 270 days or fewer from the date of issuance;

2. will be, in accordance with its terms, liquidated in full at maturity;

3. is eligible for collateral borrowing from a Federal Reserve Bank; and

4. 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 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.

SECTION 5.05. COMMERCIAL PAPER. Commercial paper is an authorized investment if the commercial paper:

1. has a stated maturity of 270 days or fewer from the date of issuance; and

2. is rated not less than A-1 or P-1 or an equivalent rating by at least (i) two nationally recognized credit rating agencies or (ii) one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.

SECTION 5.06. MUTUAL FUNDS.

A. A no-load money market mutual fund is an authorized investment if the mutual fund:

1. is regulated by the Securities and Exchange Commission;

2. has a dollar-weighted average stated maturity of ninety (90) days or fewer; and

3. includes in its investment objectives the maintenance of a stable net asset value of $1.00 for each share.

B. In addition to a no-load money market mutual fund permitted as an authorized investment in Subsection (A), a no-load mutual fund is an authorized investment if the mutual fund:

1. is registered with the Securities and Exchange Commission;

2. has an average weighted maturity of less than two (2) years;

3. is invested exclusively in obligations approved by Article VI;

4. is continuously rated as to investment quality by at least one nationally recognized investment rating firm with a rating of not less than AAA or its equivalent; and

5. conforms to the requirements set forth in Section 2256.016(b) and (c) relating to the eligibility of investment pools to receive and invest funds of investing securities.

C. The District is not authorized by this Section 5.06 to:

1. invest in the aggregate more than 80 per cent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service in money market mutual funds described in Section 5.06(A) or mutual funds described in Section 5.06(B), either separately or collectively;

2. invest in the aggregate more than 15 per cent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in mutual funds described in Section 5.06(B);

3. invest any portion of bond proceeds, reserves, and funds held for debt service, in mutual funds described in Section 5.06(B); or

4. invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service in any one mutual fund described in Section 5.06(A) or (B) in an amount that exceeds 10 per cent of the total assets of the mutual fund.

SECTION 5.07. INVESTMENT POOLS.

A. The District may invest its funds and funds under its control through an eligible Investment Pool if the Board of the District by separate resolution authorizes investment in the particular pool. An eligible Investment Pool must comply with the requirements established in Section 2256.016 of the Public Funds Investment Act and must invest the funds it receives in authorized investments permitted by the Public Funds Investment Act.

B. The Investment Officer must obtain from the Investment Pool an offering circular or other similar disclosure statement that contains, at a minimum, the following information:

1. the types of investments in which money is allowed to be invested;

2. the maximum average dollar-weighted maturity allowed, based on the stated maturity date of the pool;

3. the maximum stated maturity date any investment security within the portfolio has;

4. the objectives of the pool;

5. the size of the pool;

6. the names of the members of the advisory board of the pool and the dates their terms expire;

7. the custodian bank that will safekeep the pool's assets;

8. whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;

9. whether the only source of payment is the assets of the pool at market value or whether there is any secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;

10. the name and address of the independent auditor of the pool;

11. the requirements to be satisfied for the District to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required by the District to invest funds in and withdraw funds from the pool; and

12. the performance history of the pool, including yield, average dollar-weighted maturities and expense ratios.

C. To maintain eligibility to receive funds from and invest funds on behalf of the District, the Investment Pool must furnish to the Investment Officer:

1. investment transaction confirmations;

2. a monthly report that contains, at a minimum, the following information:

   a. the types and percentage breakdown of securities in which the pool is invested;

   b. the current average dollar-weighted maturity based on the stated maturity date of the pool;

   c. the current percentage of the pool's portfolio in investments that have stated maturities of more than one (1) year;

   d. the book value versus the market value of the pool's portfolio, using amortized cost valuation;

e. the size of the pool;

f. the number of participants in the pool;

g. the custodian bank that is safekeeping the assets of the pool;

h. a listing of daily transaction activity of the District;

i. the yield and expense ratio of the pool;

j. the portfolio managers of the pool; and

k. any changes or addenda to the offering circular.

D. The District by contract may delegate to an Investment Pool the authority to hold legal title as custodian of investments purchased with its funds.

E. Under this Section 5.07, "yield" shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the federal Securities and Exchange Commission.

SECTION 5.08. INVESTMENTS REQUIRING ADDITIONAL APPROVAL. Prior to investing District funds in the authorized investments described in Sections 5.01 (A)(2-5) and 5.03 through 5.07, the Investment Officer or the General Manager shall obtain additional approval from the Board by separate resolution.

SECTION 5.09. EFFECT OF LOSS OF REQUIRED RATING. An investment that requires a minimum rating under this subchapter does not qualify as an authorized investment during the period the investment does not have the minimum rating. The District shall take all prudent measures that are consistent with this Investment Policy to liquidate an investment that does not have the minimum rating. The District's Board shall instruct the District's Financial Advisor, Auditor, and Bookkeeper to monitor rating changes in investments acquired with public funds and to report changes to the Board so that the Board can take appropriate action to liquidate any investments that do not have the minimum rating, pursuant to the requirements of Section 2256.021 of the Act.

SECTION 5.10. EXISTING INVESTMENTS. The District is not required to liquidate investments that were authorized investments at the time of purchase.

ARTICLE VI.
MISCELLANEOUS

SECTION 6.01. WRITTEN POLICY TO BE PRESENTED TO BUSINESS ORGANIZATION AND BOOKKEEPER.

A. The General Manager shall be presented a copy of this Investment Policy and shall execute a written instrument substantially in the form attached hereto as Exhibit "B" to the effect that the General Manager has:

1. received and thoroughly reviewed a copy of this Investment Policy; and

2. implemented procedures and controls to comply with the Investment Policy.

B. The General Manager shall present a copy of the Investment Policy to any business organization offering to engage in an investment transaction with the District. For purposes of this Section 6.01, a business organization includes investment pools.

The Qualified Representative of the business organization offering to engage in an investment transaction with the District shall execute a written instrument substantially in the form attached hereto as Exhibit "C" to the effect that the business organization has:

1. received and reviewed the Investment Policy of the District; and

2. acknowledges that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and the Business Organization that are not authorized by this Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards.

C. The General Manager may not acquire or otherwise obtain any authorized investment from a business organization who has not delivered to the District the written instrument described in Section 6.01(B) hereof.

D. The General Manager shall present to the Board a copy of each of the executed written statements described in Section 6.01(A) and (B).

E. At anytime that the District amends this Investment Policy, the General Manager shall present the amended Investment Policy to all persons and/or business organizations at which funds of the District are invested and shall obtain a new written instrument as described in Section 6.01(A) and (B) hereof.

SECTION 6.02. ANNUAL FINANCIAL AUDIT. The District, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to the District's established investment policies. The District's Auditor will note in the annual financial audit report that the District has eliminated its interest rate risk because the District's investment policy requires that the District's investments to a maturity of less than one year.

SECTION 6.03. SELECTION OF AUTHORIZED BROKERS. The Board of the District shall annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the District.

SECTION 6.04. REPEAL OF PRIOR ORDERS RELATING TO INVESTMENT OF DISTRICT FUNDS. Any and all prior orders or resolutions relating to the investment of District funds are hereby repealed and this Order shall supersede any such prior orders or resolutions.

SECTION 6.05. EFFECTIVE DATE. This Order shall be effective immediately upon adoption. The President or Vice President or the Secretary or Assistant Secretary is authorized to do all things necessary and proper to evidence the Board's adoption of this Order and to carry out the intent hereof.

PASSED AND ADOPTED THIS 12th day of January, 2016.

/s/ Patrick Savarese
President, Board of Directors

ATTEST:

/s/ Dave Quillman
Secretary, Board of Directors

(SEAL)

EXHIBIT A - 1

INVESTMENT STRATEGY
DEBT SERVICE FUND

Investment Objective:

To purchase investments that will preserve the safety of capital, maximize liquidity, and maximize yield (in that order of priority), taking into account the timing of the District's debt service payments.

Investment Strategy:

To invest in any of the authorized investments listed in Article V of the District's Investment Policy, provided that:

1. For funds needed for the District's next debt service payment, the investment shall mature no later than the date the debt service payment is due.

2. For funds in the debt service reserve (those funds not needed for the District's next debt service payment), the maximum stated maturity date of the investment shall be no greater than one year after the date of purchase.

EXHIBIT A - 2

INVESTMENT STRATEGY
CAPITAL PROJECTS FUND

Investment Objective:

To purchase investments that will preserve the safety of capital, maximize liquidity, and maximize yield (in that order of priority), taking into account the timing of planned or potential capital projects that may require the expenditure of the funds in the account.

Investment Strategy:

To invest in any of the authorized investments listed in Article V of the District's Investment Policy, provided that:

1. For funds needed for planned capital projects with a known commencement date, the investment will mature no later than the date the funds will be needed to pay for the project, such date to be determined by the District's Board of Directors after consultation with the District's Engineer.

2. For funds not designated for specific planned capital projects, the investment will mature no later than one year after the date of purchase, provided that the District's Board of Directors may authorize an investment with a longer maturity.

EXHIBIT A - 3

INVESTMENT STRATEGY
GENERAL FUND

Investment Objective:

To purchase investments that will preserve the safety of capital, maximize liquidity, and maximize yield (in that order of priority), taking into account the District's monthly operating expenses, the timing of such expenses and the maintenance of any operating reserve that may be designated by the District's Board of Directors.

Investment Strategy:

To invest in any of the authorized investments listed in Article V of the District's Investment Policy, provided that:

1. For funds needed for the District's monthly operating expenses, the investment will mature no later than the date the funds will be needed to pay such operating expenses.

2. For any designated operating reserve, the investment will mature no later than three hundred sixty-five (365) days after the date of purchase, provided that the District's Board of Directors may authorize an investment with a longer maturity.

EXHIBIT B

GENERAL MANAGER'S CERTIFICATION OF
RECEIPT AND REVIEW OF INVESTMENT
POLICY

THE STATE OF TEXAS

COUNTY OF WILLIAMSON

I, _____, General Manager of the District, do hereby certify that I have been presented a copy of the District's Order Designating Investment Officer and Establishing Rules, Polices for the Investment of District Funds and Review of Investments (the "Investment Policy") for Fern Bluff Municipal Utility District. I have thoroughly reviewed the Investment Policy and acknowledge that I have implemented procedures and controls to comply with the Investment Policy.

WITNESS MY HAND THIS_____day of_____, 20___.

_____
Name: _____
Title: _____

EXHIBIT C

CERTIFICATION OF RECEIPT AND REVIEW OF INVESTMENT POLICY

I, the undersigned, _____of _____, do hereby certify that I have been presented a copy of the District's Order Designating Investment Officer and Establishing Rules, Polices, for the Investment of District Funds and Review of Investments (the "Investment Policy") for Fern Bluff Municipal Utility District. I have reviewed the Investment Policy and acknowledge that _____ has implemented procedures and controls in an effort to preclude investment transactions conducted between the District and _____that are not authorized by the District's Investment Policy, except to the extent that the authorization is dependent on an analysis of the District's entire portfolio or requires an interpretation of subjective investment standards.

WITNESS MY HAND THIS_____day of_____, 20___.

_____
Name: _____
Title_____