CERTIFICATE FOR ORDER OR RESOLUTION

THE STATE OF TEXAS §
COUNTY OF WILLIAMSON §

The undersigned officers of the Board of Director 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 13th day of July 2021 at the Fern Bluff Community Center located at 7320 Wyoming Springs Drive, Round Rock, Texas, a designated meeting place within the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to wit:

George Sabatino	President
Joseph Teiber	Vice President
Jessica Stempko	Secretary
Kevin Barnes	Treasurer
Marc Smith	Assistant Secretary/Treasurer

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

AN ORDER OF THE BOARD OF DIRECTORS OF FERN BLUFF MUNICIPAL UTILITY DISTRICT; ESTABLISHING CERTAIN POLICIES WITH RESPECT TO THE DISTRICT'S DEED RESTRICTIONS; ESTABLISHING PENALTIES FOR VIOLATIONS OF DEED RESTRICTIONS; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR OPEN MEETING; PROVIDING AN EFFECTIVE DATE; PROVIDING FOR PUBLICATION.

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 di cussion, the motion, carrying with it the adoption of the Order or Resolution prevailed and carried by the following vote:

AYES: Directors Sabatino, Teiber and Stempko
NOES: Director Barnes

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.

GNED AND SEALED this 13th day of July, 2021.

Secretary, Board of Directors

President, Board of Directors

[SEAL]

1008958.v1

AN ORDER OF THE BOARD OF DIRECTORS OF FERN BLUFF MUNICIPAL UTILITY DISTRICT; ESTABLISHING CERTAIN POLICIES WITH RESPECT TO THE DISTRICT'S DEED RESTRICTIONS; ESTABLISHING PENALTIES FOR VIOLATIONS OF DEED RESTRICTIONS; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR OPEN MEETING; PROVIDING AN EFFECTIVE DATE; PROVIDING FOR PUBLICATION.

WHEREAS, Fern Bluff Municipal Utility District ("District") is a political subdivision created and operating under Texas Constitution Article XVI, Section 59, and Texas Water Code Chapters 49 and 54; and

WHEREAS, Texas Water Code Section 54.237 provides the District with authority to "take all actions necessary to enforce a restriction, including the initiation, defense, or intervention in litigation or an administrative proceeding to enjoin or abate the violation of a restriction when, in the reasonable judgment of the board of directors of the [D]istrict, enforcement of the restriction is necessary to sustain taxable property values in the [D]istrict"; and

WHEREAS, Texas Water Code Section 49.004, provides the Board of Directors with authority to set reasonable civil penalties, up to $20,000.00 for the breach of any rule of the District; and

WHEREAS, a penalty imposed under Section 49.004 is in addition to any other penalty provided by the law of this state and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the District's principal office is located; and

WHEREAS, Board of Directors of the District ("Board of Directors") finds that enforcing deed restrictions through the imposition of civil penalties assessed under the aforesaid Texas Water Code provisions will (i) provide the District with a cost effective means of enforcing deed restrictions, without having to resort to filing litigation against property owners, and (ii) help sustain taxable property values within the District; and

WHEREAS, the Board of Directors finds that adopting policies for violations of the District's Deed Restrictions under Texas Water Code Section 49.004 and 54.237 will establish an preliminary procedure for persons accused of violating a District rule and thereby possibly avoid the expenditure of resources of both the District and the accused in litigating such matters;

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

Section 1. Findings of Fact. The forgoing Recitals are true and accurate legislative findings of the Board.

Section 2. Adoption of District Rules: Deed Restrictions.

(a) The deed restrictions for each subdivision where the Board of Directors has authority to enforce such deed restrictions (the "**Deed Restrictions**") are hereby declared to be rules of the District.

(b) Any person who violates a deed restriction applicable to the real property that the person owns or resides at also violates a rule of the District, which is punishable by civil penalties as provided herein.

(c) For any notice provided under this Order, "District" means Fern Bluff Municipal Utility District or its designee.

Section 3. Adoption of Penalties for Violations of Deed Restrictions.

(a) **PENALTIES.** The following penalties shall apply to anyone violating the Deed Restrictions.

i. **First Notice of Violation.** Any person who violates the Deed Restrictions will receive written notification of such violation via a door hanger delivered by the District, which notice will set forth (i) the date of the violation, (ii) the nature of the violation, and (iii) request to remedy the violation within two weeks.

ii. **Second Notice of Violation.** If the violation is not remedied within two weeks, the District will issue a second written notice, delivered by regular mail, which notice will set forth (i) the date of the violation, (ii) the nature of the violation, (iii) photographs of the violation, and (iv) request to remedy the violation within two weeks.

iii. **Third Notice of Violation.** If the violation is not remedied within two weeks after the District sends the Second Notice, the District will deliver a written notice by regular and certified mail, which notice will set forth (i) the date of the violation, (ii) the nature of the violation, (iii) photographs of the violation, and (iv) notification that if the violation is not remedied within two weeks, the violator will be subject to a $50.00 fine.

iv. **Fourth Notice of Violation.** If the violation is not remedied within two weeks after the District sends the Third Notice, the District will assess a $50.00 civil penalty against the violator, and will deliver a written notice by regular and certified mail, which notice will set forth (i) the date of the violation, (ii) the nature of the violation, (iii) photographs of the violation, and (iv) notification that if the violation is not remedied within seven days, the violator will be subject to an additional $50.00 fine.

v. **Fifth Notice of Violation; Referral to District's Attorney.** If violation is not remedied within seven days after the District sends the Fourth Notice, the District will assess an additional $50.00 civil penalty against the violator, and will deliver a written notice by regular and certified mail, which notice will set forth (i) the date of the violation, (ii) the nature of the violation, (iii) photographs of the violation, and (iv) notification that if the violation is not remedied and all fines paid, the violation will be forwarded to the District's Attorney for appropriate legal action against the violator.

(b) Violations of a similar deed restriction within six months of the prior violation will be treated as a continuation of the original violation.

(c) Any resident receiving a violation may appeal the violation to the Board at the District's next regular Board of Directors meeting. Residents wishing to appeal must notify the District's General Manager at least seven days prior to the meeting, so that an item may be included on the District's Agenda, as required. Residents wishing to appeal will have five minutes to discuss the violation with the Board

(d) The District's General Manager may modify any of the above conditions included with each notice of violation due to extenuating circumstances.

Section 4. Penalty. Pursuant to the District's authority provided within Section 49.004, Texas Water Code, any person who violates a rule established by this Order, or any other rule of the district, may be assessed a civil penalty up to $20,000.00, per violation. Each instance or day that a violation occurs constitutes an additional violation. Penalties assessed will be in addition to any penalties provided under the laws of the State of Texas.

Section 5. Sunset. This Order will automatically repeal on the fifth anniversary of its effective date.

Section 6. Repeal of Conflicting Provisions. Any Order or Resolution of the Board of Directors adopted prior to the effective date of this Order is hereby repealed to the extent that it conflicts with this Order.

Section 7. Severability. Should a court of competent jurisdiction find that any provision of this Order is unlawful or otherwise unenforceable, the provision will be severed from this Order and all other provisions will remain in full force and effect.

Section 8. Open Meeting. The Board of Directors considered and adopted this Order during a duly noticed open meeting, in compliance with Texas Government Code Chapter 551, the Texas Open Meetings Act.

Section 9. Publication. Pursuant to Section 54.207 of the Texas Water Code, notice shall be published in a newspaper of general circulation in the District.

Section 10. Effective Date. This Order is effective immediately on and after the date indicated below.

APPROVED and ORDERED this 13th day of July 2021.

/s/ George Sabatino
President, Board of Directors

ATTEST:

/s/ Jessica Stempko
Secretary, Board of Directors

(SEAL)