



The next item before the Board was to consider the bookkeeper's report, including, but not limited to, payment of invoices. Mr. Monzingo addressed the Board and reviewed the Bookkeeper's report, provided as **Exhibit B**. Mr. Monzingo stated a transfer of \$157,977.94 from property taxes would be made to the debt service fund, and after the payment of the invoices the operating fund balance would be approximately \$600,000. Mr. Monzingo stated the budget was tracking as planned and that 89.97% of the property taxes had been collected, with \$74,000 outstanding. Director Koerner asked if the collection rate was on target, to which Mr. Monzingo stated it was slightly lower as compared to his other district clients. He stated his report provided the figures through the end of January, so taxes not yet paid were late. **Upon motion by Director Clifford, seconded by Director Koerner, and unanimously carried by the Board members present, the Board approved the Bookkeeper's report, transfers, and payment of invoices.**

Director Golde stated the Board would next consider the Report on the Application of Certain Agreed Upon Procedures relating to Belvedere Municipal Utility District \$1,220,000 Unlimited Tax Park Bonds, Series 2018 (Reimbursement Audit) provided as **Exhibit C**. Mr. West addressed the Board and provided an overview of his findings. Mr. West noted the total reimbursed cost due to the developer was \$769,517. He stated he reviewed the appraisal report for the Amenity Center and cancelled checks for Phases 1 and 2 of the trails. Mr. West directed the Board to column six, page three of the Reimbursement Audit where he reconciled the amount to be paid versus what had been approved by the TCEQ and noted a net difference of \$5,096, which would go to the District's capital projects fund. Director Clifford referred to column five of page three and asked if the \$210,000 for the Amenity Center and \$40,000 for the trails had to be spent that way. Mr. Monzingo stated that while the District had money that would go back to the operating fund which could be spent on any project, those specifically itemized funds in column five, page three must be used as allocated. Next, Mr. West noted a tax issue raised by bond counsel over trail repairs that occurred over three years ago and which were paid by the District. Bond counsel recommended the amount being reimbursed to the District's general operating account be reduced by either the lesser of 5% of the bonds or \$100,000. It was determined to reduce that amount by approximately \$5,000, such funds then going to the District's capital projects fund rather than the operating fund. Mr. West stated there would be \$385 in excess funds which could be included in the proposed surplus funds application to TCEQ to authorize those funds for expenditure. Mr. Monzingo distributed a handout, provided as **Exhibit D**, which identified the disbursements from the bond proceeds and which reconciled with Mr. West's schedules provided in his Reimbursement Audit. Mr. West stated that bond counsel had provided a closing and post-closing memo which also reconciled with this Reimbursement Audit. Director Golde noted that there had been a third revision of the memos prepared by bond counsel that he had not received and was unclear on what additional changes had been made. Following discussion, it was confirmed by Director Golde that the third version of the memo was the version he reviewed, and no other changes had been made.

Director Ubertini asked if the \$769,517 due to the developer would be wired the next day, or would the District need a conveyance agreement beforehand, to which Ms. Albright said a utility conveyance agreement from the developer, an easement grant from the HOA, and insurance would need to be put in place before those funds could be dispersed. Director Ubertini stated the District should not release the funds until the required documents were signed and received. Director Ubertini asked if the developer owed taxes on the Amenity Center to which Ms. Albright

stated she was not sure who paid those taxes and that the Travis County Appraisal District would need to be contacted to verify. Ms. Albright stated she would follow-up with Tom Wiles and Kim Bigley to determine if the Amenity Center property had already been conveyed to the HOA and, if so, then only the easement would be needed. Further, Ms. Albright stated she would review the bond application to confirm facilities to be conveyed to the District versus what was to be conveyed to the HOA, and would ensure that the conveyance agreement clearly identified what was being used with bond funds. Director Golde noted that in his review of the appraisal, the mail kiosks had been included, to which Director Clifford stated that meant the structure over the mailboxes. Ms. Albright stated she would review the bond application and that the remaining close-out items could be done within the next two meetings.

Director Golde noted several issues he became aware of through the Reimbursement Audit which he wanted to be sure all of the Board Members were also aware : 1) the amount due to the developer was less than previously estimated; and 2) the amount to the District's operating fund was greater than previously estimated. The engineering report included with the bond application had shown two trail repairs as paid by the developer, but were actually paid by the District, an error that Mr. West discovered in his review of the cancelled checks. Thus, an extra \$65,000 was allocated to the District's general fund from the bond proceeds. The Board thanked Mr. West for his diligence. Director Golde stated the surplus was bigger and along the same lines, Mr. West mentioned the overage of bond costs was due in large part to two incorrect numbers. The underwriters discount was 40% too high and the bond issuance costs was too low by 50% which cancelled each other out by \$5,000. Director Golde wanted the Board to be aware of the discrepancies. Director Clifford asked if this would have any net effect on the bottom line from the bond sale, to which Mr. West stated no. Director Golde reviewed several aspects of the Federal Tax Certificate for the Board's information including that the District was required to have a binding obligation in place within six months of bond closing, and noted further that there was a three year requirement to spend the bond money. **Upon motion by Director Koerner, seconded by Director Ubertini, and unanimously carried by the Board members present, the Board approved the Report on the Application of Certain Agreed Upon Procedures related to Belvedere Municipal Utility District \$1,220,000 Unlimited Tax Park Bonds, Series 2018 and authorized the District's Bookkeeper to make disbursements consistent with said Report subject to holding proceeds to the developer until closing requirements were met.**

Mr. West commented he had not received payment for the annual financial report, to which Mr. Monzingo stated it had been placed in the mail following the January 16, 2018 Board meeting. The Board authorized Mr. Monzingo to stop payment of the mailed check and issue new check to Mr. West for the annual financial report.

The next item before the Board was to discuss, consider, and take action regarding a report from the District's Engineer. Mr. Canady directed the Board to the proposed Agreement for Provision of Limited Professional Services for Surplus Funds Application to TCEQ, provided as **Exhibit E**. Director Clifford asked if the Board had determined what the surplus funds would be used for, to which Ms. Albright replied that the funds could only be used for drainage or water-related expenses. Director Clifford stated the estimated cost associated with filing the application to use \$92,000 was approximately \$12,000, and asked what would be the risk if the District spent the surplus funds without TCEQ approval. Ms. Albright stated she would have to look into this

but the District risked the misuse of public funds and any associated liability. Director Clifford said it would not be worth the risk. Mr. Canady stated he did not anticipate going over the \$12,000 estimation. Director Clifford asked if the Terms and Conditions were consistent with the Terms and Conditions in the general contract with Murfee Engineering, to which Mr. Canady stated the Terms and Conditions would be updated if necessary following review. Director Clifford asked if including the additional \$385 surplus would change the amount to process the application. Mr. Canady stated the agreement was priced based on a surplus funds application, not the amount of the surplus funds. **Upon motion by Director Koerner, seconded by Director Ubertini, and unanimously carried by the Board members present, the Board approved the Agreement for Provision of Limited Professional Services for Surplus Funds Application to TCEQ with substitution of the Terms and Conditions.**

Next, the Board discussed the new proposed site plan, provided as **Exhibit F**. Director Golde noted the location of the septic line for Mr. Canady's consideration. Mr. Canady stated he would note the anticipated conflict with the septic and confirm its location via survey, but that according to the CAD drawing, the proposed site was further away. Director Golde also noted a fiber optic cable that ran to Kim Bigley's office. Mr. Canady stated he had reached out to Travis County and was waiting for a response on the next steps. Mr. Canady next directed the Board to the proposed cost estimates, provided as **Exhibit G**. Director Clifford asked if lighting and landscaping costs had been included, to which Mr. Canady said no. A discussion ensued regarding the lighting, landscaping plan, and material of the new parking lot. Mr. Canady stated the site plan provided as **Exhibit F** included 14 parking spaces to also include room for handicapped parking and loading and wheelchair access. Mr. Canady requested authorization to move forward with ordering the survey so the HOA and MUD could review. Director Clifford requested the surveyors stay away from the large oak tree when staking the storage building, to which Mr. Canady stated this was preliminary staking and he would keep the tree in mind. Mr. Canady recommended authorization to move forward with Task 3 and partially Task 4. Director Ubertini asked if the contract combined both projects, the parking lot and storage building, to which Mr. Canady stated yes. Director Ubertini stated the District could not move forward without knowing how it would pay for each project. Director Golde requested a new agenda item at the next meeting to formally determine payment for each project.

Mr. Wiles addressed the Board and asked why the \$250,000 was not all for the Amenity Center projects. Director Clifford stated at the time, the District thought it could spend the \$92,000 in surplus funds, and it was a combination of misunderstanding and underestimation of costs of the Amenity Center projects. A discussion ensued regarding the costs of the projects and whether bids would need to be received, to which Mr. Canady stated based on the amount, the project would need to be advertised. Mr. Wiles stated there was a disconnect between the HOA and MUD regarding the status of the projects. Mr. Canady stated it was his understanding there would be a subcommittee formed by the MUD and the HOA for coordination purposes, and that it would be helpful to have the subcommittee for him to communication between Board meetings. Director Ubertini stated he and Director Sartain would be responsible for reaching out to the HOA and requested Mr. Wiles provide them with the HOA subcommittee members' names to arrange a meeting between the two groups. Mr. Wiles noted the HOA budgeted \$70,000 in its 2018 budget for landscaping project. Director Golde stated that based on previous discussions with District consultants, the Board had been advised that the bond proceeds could be used for the landscaping

areas around the parking lot and storage building. Director Golde stated there would be an agenda item to allocate costs and next steps, but that in the meantime, some of the preliminary engineering by Murfee Engineering could be complete. **Upon motion by Director Koerner, seconded by Director Ubertini, and unanimously carried by the Board members present, the Board approved Murfee Engineering to proceed with Tasks 3 and 4 of the Agreement for the Amenity Center Improvements.**

Director Clifford asked for the status of the berms discussed at previous meetings. Mr. Canady stated his office had prepared a draft letter to Dan Ryan inquiring regarding the removal of the berms. The Board authorized Mr. Canady to send the letter, which would be included in the next meeting's packet.

The next item before the Board was to discuss, consider and take action regarding the May 5, 2018 Directors election, including Declaration of Unopposed Candidates and Cancellation. Ms. Albright stated all three incumbents and no others timely filed and the District could proceed with ordering the cancellation of election which would be posted at each election polling place on election day by Travis County. **Upon motion by Director Clifford, seconded by Director Koerner, and unanimously carried by the Board members present, the Board approved the Order Declaring the Result of Uncontested Election and Order Cancelling the May 5, 2018 Directors Election.**

Director Golde asked the Board to keep in mind that Director Sartain wanted other members in the community to have an opportunity to serve on the MUD Board and that they should look to appoint someone to fill Director Sartain's position in the future.

The next item before the Board was to discuss, consider, and take action on the JMA between the District and the HOA. Ms. Albright distributed a revised draft of the agreement, provided as **Exhibit H**, which incorporated edits that she received from Directors Koerner and Clifford. The Board discussed the controls over the funds to be provided by the District to the HOA, specifically focusing on the suggestion for the HOA to open and maintain a separate bank account for those funds. Ms. Albright stated the JMA called for heightened controls and oversight since the District is transferring public funds to the HOA for the maintenance of the District's property. To that end, it was Ms. Albright's recommendation to have a separate bank account to avoid co-mingling of funds and to easily track expenses at year's end. Director Ubertini asked if this could be done through the annual budgeting process based on the nine line items provided in the Amenity Center and Landscaping Cost Sharing Agreement spreadsheet, provided as **Exhibit I**. Director Ubertini recommended at year's end reviewing the HOA's budget versus actual to determine if the \$72,211 was used/reasonable. A discussion ensued regarding the maintenance items and repairs that would be covered by the JMA and items that would not be covered, such as pool maintenance. Ms. Albright stated the agreement provided general language regarding operations, maintenance, and repairs, and if there was a project over \$25,000 it would be outside the JMA. Director Clifford stated the reserve studies discussed painting of the amenity center and sealant of the floors and how those types of tasks were not covered by the JMA. Director Ubertini asked how the District could keep the contract as simple as possible while still being in compliance. Director Koerner stated he wanted the contract to have flexibility as well. Ms. Albright asked the Board to review the revised redline she distributed and she would provide the revised draft to the

HOA's attorney for review. Director Clifford asked why the reference to trails was included, to which Ms. Albright replied the District would be doing away with the JMA currently in place, and Director Golde added that the trails needed to be maintained under the new agreement. Director Clifford stated based on the current draft, it was unclear who was maintaining the trail system. Director Koerner recommended Director Clifford provide language to Ms. Albright to remedy the confusing language and to make the agreement clearer. Director Koerner requested an electronic copy of the revised draft to provide additional comments. Director Koerner asked if there was a need to have the HOA set-up a separate bank account, to which Ms. Albright stated that was her recommendation but that she would follow-up with Bob West to confirm. The Board requested a revised draft for review at the next meeting.

Director Golde stated the next item before the Board was to discuss, consider, and take action on Texas Municipal League (TML) insurance coverage for District facilities, Directors, and volunteers. Ms. Albright stated her office had contacted TML regarding covering the amenity center and was waiting on a proposal to present to the Board.

**There being no further business and upon motion made by Director Clifford, seconded by Director Ubertini, and unanimously carried, the meeting adjourned at 8:31 p.m.**

PASSED, APPROVED AND ADOPTED THIS 20th day of March, 2018.

  
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Ronald Ubertini, Secretary

# **EXHIBIT A**

MINUTES OF MEETING  
OF  
BOARD OF DIRECTORS

THE STATE OF TEXAS §  
COUNTY OF TRAVIS §  
BELVEDERE MUNICIPAL UTILITY DISTRICT §

A regular meeting of the Board of Directors of Belvedere Municipal Utility District was held on January 16, 2018, in accordance with the duly posted notice of said meeting. The roll was called of the members of the Board of Directors, to-wit:

Peter Golde	President
Donal Sartain	Vice President
Ronald Ubertini	Secretary/Treasurer
Kim Clifford	Assistant Secretary
James Koerner	Assistant Secretary

All members of the Board were present, thus constituting a quorum of the Board of Directors. All directors present voted on all matters that came before the Board. Also in attendance were Stefanie Albright with Lloyd Gosselink Rochelle and Townsend, P.C.; Garry Kimball, with Specialized Public Finance, Inc.; Clayton Chandler with McCall, Parkhurst & Horton LLP, and Lee Blanton and Tom Wiles were present on behalf of the Belvedere Homeowners Association.

Director Golde called the meeting to order at 6:00 p.m. and stated the Board would first receive public comment. There were no public comments received.

Director Golde stated the Board would take items out of order and the Board would first consider and take action on Bond Issue No. 4 regarding recreational facilities, including consideration and action with respect to receiving bids and awarding sale of the \$1,220,000 Belvedere Municipal Utility District Unlimited Tax Park Bonds, Series 2018. Mr. Kimball stated he was happy with the bids at 3.21% bond rating at A3 and recommend awarding the bid to Raymond James and Associates. Mr. Kimball stated the closing date was scheduled for February 27, 2018. **Upon motion by Director Clifford, seconded by Director Ubertini, and unanimously carried, the Board approved awarding the bid to Raymond James and Associates.**

The next item before the Board was to discuss, consider, and take action regarding the Resolution Authorizing the Issuance of \$1,220,000 Unlimited Tax Park Bonds, Series 2018; Prescribing the Terms and Provisions Thereof; Making Provision for the Payment of the Interest Thereon and the Principal Thereof; Levying and Pledging the Proceeds of a Tax; Approving an Official Statement; Authorizing the Sale of the Bonds; Authorizing a Paying Agent/Registrar Agreement; and Containing Other Provisions Relating to the Subject, provided as **Exhibit A**. **Upon motion by Director Clifford, seconded by Director Koerner, and unanimously carried,**

**the Board approved the Resolution subject to final approval by the Board President.** Mr. Chandler stated he would update the Resolution with the comments previously provided and the pricing terms received at the meeting.

The next item before the Board was to discuss, consider and take action to adopt Order Calling Directors Election and authorize publication of notice. The Board discussed a November versus May election. **Upon motion by Director Sartain, seconded by Director Ubertini, and unanimously carried, the Board approved the Order Calling the May 5, 2018 Election, provided as Exhibit B.**

Director Golde stated the Board would next consider the execution of the Joint Election Agreement with Political Subdivisions in Travis County. **Upon motion by Director Koerner, seconded by Director Sartain, and unanimously carried, the Board authorized the President to execute the Joint Election Agreement.**

The next item before the Board was to discuss, consider and take action as necessary concerning the audit of the District's financial records for the period ending September 30, 2017, provided as Exhibit C. **Upon motion by Director Clifford, seconded by Director Ubertini, and unanimously carried, the Board approved the audit of the District's financial records for the period ending September 30, 2017, with changes suggested by Director Clifford that she would convey to Mr. West.**

Director Golde stated the next item before the Board was to discuss, consider and take action as necessary concerning report from the District's Bookkeeper, including but not limited to, payment of invoices, provided as Exhibit D. **Upon motion by Director Koerner, seconded by Director Sartain, and unanimously carried, the Board approved the Bookkeeper's Report, as presented, including payment of invoices.**

The agenda items not addressed in the meeting were deferred to the next meeting of the Board of Directors.

**There being no further business and upon motion made by Director Clifford, seconded by Director Koerner, and unanimously carried, the meeting adjourned at 6:32 p.m.**

PASSED, APPROVED AND ADOPTED THIS \_\_\_\_ day of February, 2018.

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Ronald Ubertini, Secretary



Director Golde stated the next item before the Board was to discuss, consider, and take action regarding a report from the District's Engineer. Mr. Canady directed the Board to the Agreement for the Provision of Limited Professional Services regarding the Belvedere Amenity Center Improvements, provided as **Exhibit C**. Mr. Canady discussed the various tasks identified in the Agreement and provided a proposed site plan, provided as **Exhibit D**, and requested the Board review and provide feedback on the locations of the proposed storage building and parking lot. He also requested feedback on a new walking trail from the new parking area back to the building. Mr. Canady stated he wanted to make sure everyone agreed this was the preferred layout and that there were no significant changes to the location or scope of the storage building and parking lot. Director Ubertini asked if the proposal included the maximum amount of possible parking spaces that could be included. Director Golde stated that the original sketch, which Dan Ryan worked off of, had one additional space. Director Ubertini stated the District wanted to maximize the parking. Director Golde agreed that another space could be added assuming there was no design issue related to including one additional space. Mr. Canady stated he would review the turn radius to determine if another space could be added. In reviewing the tasks identified in **Exhibit C**, Mr. Canady stated Task 1 showed an estimate of \$0 since that task was effectively completed. Mr. Canady asked the Board to review the proposed site plan and provide any comments. Director Golde stated he did not expect any changes would need to be made unless Murfee Engineering recommended something. Director Ubertini asked about the size of the storage facility and specifically if it was the size that was originally proposed, to which Mr. Canady responded it was and that the building was 801 square feet.

In regards to Task 2, Mr. Canady stated he would take feedback from the drawings and then conduct an accurate reading of the site plan in person. Mr. Canady stated he obtained information on the permitting requirements and determined that there would be no U.S. Fish and Wildlife Service review required, only approval from Travis County and possibly a small permit application fee to Balcones Canyon Preserve. Task 3 would provide the approved site plan to the Travis County for review. At that point, a geotechnical specialist would be brought in regarding the parking lot and foundation for the storage building in order to provide background information on soils and structural stability and provide input on the design of the foundation as well as on the asphalt design for the parking lot. Mr. Canady stated he understood the District wanted all new construction to match the existing structures/parking lot as much as possible. Director Ubertini stated the parking lot should be pervious. Director Golde agreed and stated that Dan Ryan said it would absolutely have to be permeable pavement. Mr. Canady stated based on his calculations, the parking lot would be under ½ acre so it would not have to be pervious if the District did not want it to be. Mr. Canady stated he thought Dan Ryan stated that the overall permeability limit of 15% applied to the whole subdivision. Director Ubertini stated the District would have to follow the standard lot requirement per the Architectural Control Committee (ACC). Director Golde noted the point Lee Blanton made at the last meeting that the ACC had their own requirements, too, and that it does not have to be pervious. The ACC's requirements pertain specifically to a limit of impervious cover for each lot and, if exceeded, pervious pavers would be required.

A discussion ensued regarding Task 4, and the Board stated that the ACC requirements should be followed. Mr. Canady stated that, based on his analysis, the buildings on site and the pool were 17% impervious. Director Ubertini stated the square footage limit was applied per

ACC rules. Mr. Canady stated he would go back to what is in place, what is proposed, and what is pervious. Director Koerner asked if pervious would be more expensive than impervious, to which Director Golde replied yes. After review of Task 5, Mr. Canady stated his office estimated a 15-month window of completion from approval of Task 1 and, once the layout was agreed upon, they could begin work immediately with a signed agreement. The next step would be for the Board to interview architects and review and approve the site plan for submission to Travis County. Mr. Canady stated Murfee Engineering would manage the tasks they were presenting and would work with the architect.

Director Koerner asked if the black line on the proposed site plan was the lot line and asked if the District would be acquiring the lot. Ms. Albright stated they would need a lease in place from the HOA. Director Ubertini asked if the District owned the parking lot, to which Ms. Albright stated the District owned the lot, but not the land under, similar to the trails. Director Ubertini asked if the District needed to go back and do the math on all of the projects. Director Golde stated the only estimate they had was Dan Ryan's rough estimation. Mr. Canady stated it would be nice to have a surveyor come out and that his office could provide preliminary cost estimates without a designer, but it would be better to work through the numbers first and get a more precise estimate. Director Ubertini asked how much of a commitment the District wanted to make, and Director Koerner asked if they could approve the agreement without having the bond proceeds. Ms. Albright stated the District would be authorizing Murfee Engineering to move forward as if it was part of the bonded project, and clarified that the District would be reimbursed from the bond proceeds for that work by Murfee. Mr. Chandler asked if these costs were soft costs, to which Ms. Albright stated yes. Director Golde stated the District had expected operating funds to be used in addition to bond proceed funds. Ms. Albright stated the MEC work order was part of the overall contract and recommended that the Board could authorize the work order through Task 2, but, before Murfee Engineering moved forward with Task 3, additional Board approval would be required. **Upon motion by Director Koerner, seconded by Director Ubertini, and unanimously carried by the Board members present, the Board approved the Agreement with Murfee Engineering, through Task 2, provided as Exhibit C.**

Director Golde stated the Board would break at 6:32 p.m. for signatures on bond documents previously approved at the January 16, 2018 Regular Board Meeting.

The Board reconvened at 6:43 p.m.

The next item before the Board was to discuss, consider and take action regarding expenditure of the \$92,000 in the capital account for drainage facilities. Ms. Albright stated that the issue with the \$92,000 is the fact that those monies were comprised of bond proceeds from three separate bond issuances, and there was not a way to show which funds were tied to which projects/bonds and thus it was her recommendation to go to TCEQ for approval. Mr. Chandler stated under state bond law, the funds could be used for a bonded project, but it would be safest going to TCEQ for approval. Mr. Canady stated he and David Malish had discussed this internally, and after hearing discussions regarding water and drainage, they also recommended the District seek TCEQ approval. Director Koerner asked what the cost would be to seek TCEQ approval. Mr. Monzingo stated he would be the one to write the letter, and Mr. Canady stated he

would provide a ballpark number after conferring with Mr. Malish. Director Golde asked if the District could file one overall approval—all for drainage, to which Ms. Albright replied yes. Ms. Albright stated it would primarily be an engineering project.

Director Golde stated the next item before the Board was to discuss, consider and take action regarding the May 5, 2018 Directors Election. Ms. Albright stated this would be a placeholder item for the next few agendas and reminded the Board that applications for a place on the ballot were due by 5:00 p.m. on February 16, 2018. If at that point only three applications were received, the election could be cancelled. If there were more than three applications received, the election would proceed and the last day for a candidate to withdraw would be February 23, 2018. Director Koerner asked what the rules were for a Board member to solicit residents to run and whether the Board should be advertising the election. Ms. Albright stated the Board should be mindful to avoid a “walking quorum,” and that the proper notice was posted on the HOA website as well as the bulletin boards near the mailboxes. Ms. Albright stated her office would send a reminder prior to the 5:00 p.m. February 16, 2018 filing deadline.

The next item before the Board was to discuss, consider, and take action as necessary on the Joint Management Agreement (JMA) between the HOA and the District. Director Koerner distributed a handout, provided as **Exhibit E**, which identified the eight (8) principles of the new JMA with the HOA. Director Koerner stated the agreement should be straightforward and flexible, and allow the HOA to sign in certain circumstances without District Board approval. Next, Director Koerner distributed the draft Amenity Center and Landscaping Cost Sharing Agreement handout, provided as **Exhibit F**, which estimated \$72,211 to be paid annually by the District to the HOA with approximately \$47,000 to be prorated for the current year. Ms. Albright stated in regards to insurance coverage, the HOA would likely have insurance coverage for activities held at the Amenity Center, but the District will likely need general liability coverage. Ms. Albright stated her office would follow-up with TML for a proposal. Director Ubertini stated the District’s intent was to pay for insurance, whether or not the policy name was in the District. Director Koerner stated as part of the budget process, the District has kept a contingency under the “maintenance” line item and asked for clarity on what type of “maintenance” would be covered. Director Ubertini suggested having a list defining the items the District would pay and the items the HOA would pay for. Ms. Albright stated that the agreement would need to be clear on which funds were being provided to the HOA, and to ensure adequate controls are in place as to amounts that could trigger competitive bidding; but for insurance, the District could file a claim consistent with the coverage of the facilities. Ms. Albright stated she would discuss with the HOA’s attorney the “controls” in the agreement that would lay out what the funds could be used for specifically, and recommend receiving reports from the HOA on expenditures. Ms. Albright also suggested that since the District is smaller and interacts more with the HOA, that it might be worth it to have a subcommittee in place that deals with facilities management, with two Board members appointed. Director Ubertini suggested reports on an annual basis of the record/bookkeeping and requested a draft JMA from Ms. Albright to be provided at the February Board meeting. Ms. Albright stated she would follow-up with the HOA’s attorney and provide a draft for the Board’s review at the next meeting.

Directors Koerner and Ubertini stated they would not be available for the February 20, 2018 Board meeting, to which Ms. Albright stated the Board could push the meeting out one week.

Director Golde stated the next item before the Board was to discuss, consider and take action on update from Texas Municipal League insurance coverage for District facilities, Directors, and volunteers. Ms. Albright directed the Board to **Exhibit G** and stated the workers' compensation coverage would be \$324 annually and would cover 100 volunteer hours. There is a base amount of \$200 which is standard for workers' compensation coverage. **Upon motion by Director Koerner, seconded by Director Ubertini, and unanimously carried by the Board members present, the Board approved the TML proposal for workers' compensation coverage.** Director Golde asked if the hours could be changed in the future, to which Ms. Albright stated yes.

The next item before the Board was to discuss, consider and take action as necessary concerning potential District acquisition of road powers. Ms. Albright stated this item should be discussed in April, after primary elections, and that she would provide a cost proposal at that time. Ms. Albright stated another benefit of going to the legislature to acquire road powers (versus the TCEQ) is the Board could attempt to change their election to the uniform date in November which would save the District money. Director Ubertini asked, if they were successful in moving to November, could the new members' terms extend to November, to which Ms. Albright stated not without amending the law that created the District and that the terms are set by statute where the term ends in May with holdover until November.

Next, Director Golde stated he wanted to clarify on his comments at the last Board meeting whereby he said the costs would be "trivial" and that his point was that in the reserve study there is an annual amount that needed to be in the fund based on scheduled repairs and the most it ever got to is \$1 million which is the minimum threshold in terms of selling bonds.

Next, Mr. Canady stated he had two follow-up items from the last meeting in regards to the game fence, which would not cause any drainage issues; the District would need approval from Travis County for any construction over a drainage easement. The second follow up item was not brought up after discussion of the fence.

**There being no further business and upon motion made by Director Koerner, seconded by Director Sartain, and unanimously carried by the Board members present, the meeting adjourned at 7:30 p.m.**

PASSED, APPROVED AND ADOPTED THIS \_\_\_\_\_ day of February, 2018.

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Ronald Ubertini, Secretary

# **EXHIBIT B**

**BELVEDERE MUD  
SCHEDULE OF CASH ACTIVITY  
GENERAL FUND  
MEETING DATE: FEBRUARY 27, 2018**

**CASH BALANCE AS OF 1/31/18** **\$ 298,375.68**

Revenue:

Deposit Date	Description	Amount
		\$ -
	Cash Balance Before Expenditures	\$ 298,375.68

Expenditures:

Check Number	Description	Amount
1016	Lloyd Gosselink      Legal Fees	\$ 9,668.59
1017	Montoya & Monzingo LLP      Accounting Fees	\$ 1,200.00
1018	Murfee Engineering Company      Engineering Fees	\$ 3,648.75
Transfer	Belvedere - Money Market	\$ 100,000.00
Transfer	Belvedere - Debt Service      Property Taxes	\$ 157,977.94
	Total Expenditures	\$ 272,495.28

**ENDING CASH BALANCE - CHECKING OPERATING AS OF FEBRUARY 27, 2018** **\$ 25,880.40**

**CASH BALANCE - MONEY MARKET OPERATING** **\$ 525,132.89**  
     Transfer from Checking \$ 100,000.00  
     Total Deposit \$ 100,000.00

**ENDING CASH BALANCE - MONEY MARKET OPERATING** **\$ 625,132.89**

**TOTAL CASH BALANCE OPERATING** **\$ 651,013.29**

**CASH BALANCE - CAPITAL PROJECTS** **\$ 92,247.26**

**TOTAL CASH BALANCE - CAPITAL PROJECTS** **\$ 92,247.26**

**CASH BALANCE - DEBT SERVICE FUND** **\$ 456,410.75**  
     Deposits

Property Taxes \$ 157,977.94

Total Deposits: \$ 157,977.94

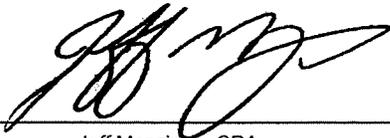
**ENDING CASH BALANCE - DEBT SERVICE FUND** **\$ 614,388.69**

Belvedere Municipal Utility District  
 Investments as of December 31, 2017

Fund	Financial Institution	Investment	Account Number	Book Value Ending 11/30/17	Market Value Ending 11/30/17	Book Value Ending 12/31/17	Market Value Ending 12/31/17	Yield	Income for Month	Purchase Date	Purchase Price	Maturity date
Operating	ABC Bank	Money Market Deposit Account	4135091	\$ 396,944.13	\$ 396,944.13	\$ 397,031.79	\$ 397,031.79	0.26%	\$ 87.66	N/A	N/A	N/A
Operating	ABC Bank	Public Funds Checking	4124251	\$ 65,159.50	\$ 65,159.50	\$ 338,667.83	\$ 338,667.83	N/A		N/A	N/A	N/A
Debt Service	ABC Bank	Money Market Deposit Account	4124278	\$ 359,254.68	\$ 359,254.68	\$ 359,334.01	\$ 359,334.01	0.26%	\$ 79.33	N/A	N/A	N/A
Capital Projects	ABC Bank	Money Market Deposit Account	4124286	\$ 92,214.37	\$ 92,214.37	\$ 92,230.81	\$ 92,230.81	0.21%	\$ 16.44	N/A	N/A	N/A

Total investment return for the quarter ending December 31, 2017 was \$ 550.02 and is in line with budgetary expectations.  
 There are no changes to market, economic, and investment conditions that would require any changes to investment strategy.

This report is submitted in accordance with the Public Funds Investment Act and the District's investment policy.



Jeff Monzingo, CPA  
 District Investment Officer

Belvedere Municipal Utility District  
Statement of Revenues and Expenditures Budget vs. Actual  
For the Year to Date Ended February 27, 2018  
Unaudited

	Year to Date Actual	Year to Date Budget	Year to Date Variance Favorable (Unfavorable)	2018 Annual Budget	2018 Annual Variance Favorable (Unfavorable)
<u>Revenues</u>					
Maintenance Taxes	\$ 287,008	\$ 136,106.25	\$ 150,902	\$ 326,655	\$ (39,647)
Interest Income	370	208.33	162	500	(130)
<b>Total Revenues</b>	<b>287,378</b>	<b>136,315</b>	<b>151,063</b>	<b>327,155</b>	<b>(39,777)</b>
<u>Expenditures</u>					
Solid Waste Disposal	19,491	19,000	(491)	38,000	18,509
Legal Fees	24,028	22,916.67	(1,111)	55,000	30,972
Audit Fees	7,500	8,500	1,000	8,500	1,000
Accounting Fees	6,000	6,000	-	14,400	8,400
Engineering Fees	8,149	7,500	(649)	18,000	9,851
Engineering Design	-	6,250	6,250	15,000	15,000
Landscaping	-	10,445.42	10,445	25,069	25,069
Amenity Center Operations & Maintenance	-	9,791.67	9,792	23,500	23,500
Maintenance	-	14,583.33	14,583	35,000	35,000
Insurance	966	833.33	(133)	2,000	1,034
Tax Appraisal and Collection Fees	1,240	1,666.67	427	4,000	2,760
Bank Charges	-	83.33	83	200	200
Other Fees	-	41.67	42	100	100
Newspaper notices	-	833.33	833	2,000	2,000
<b>Total Expenditures</b>	<b>67,374</b>	<b>108,445</b>	<b>41,071</b>	<b>240,769</b>	<b>173,395</b>
Projected Excess Revenue Over Expenditures	<b>\$ 220,004</b>	<b>\$ 28,796</b>	<b>\$ 191,208</b>	<b>\$ 86,386</b>	<b>\$ 133,618</b>

Solid Waste Disposal year to date budget reflects 6 months because 6 month of payments have been made.  
Audit Fees year to date budget reflects the full audit budget because the audit is completed and billed.

# Belvedere Municipal Utility District

## Balance Sheet

As of February 27, 2018

	Feb 27, 18
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
CASH	
Money Market - ABC Bank	625,132.89
Checking Account - ABC Bank	25,880.40
Total CASH	651,013.29
Total Checking/Savings	651,013.29
Accounts Receivable	
Taxes Receivable	33,833.33
Total Accounts Receivable	33,833.33
Other Current Assets	
Due From Capital Projects	43,552.23
Total Other Current Assets	43,552.23
Total Current Assets	728,398.85
<b>TOTAL ASSETS</b>	<b>728,398.85</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Deferred Revenue	33,833.33
Total Other Current Liabilities	33,833.33
Total Current Liabilities	33,833.33
Total Liabilities	33,833.33
Equity	
Unassigned	474,561.35
Net Income	220,004.17
Total Equity	694,565.52
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>728,398.85</b>

# Belvedere Municipal Utility District

## Profit & Loss

October 1, 2017 through February 27, 2018

	<u>Oct 1, '17 - Feb 27, 18</u>
Ordinary Income/Expense	
Income	
Interest Income	370.05
Income	
Property Taxes	<u>287,007.56</u>
Total Income	<u>287,007.56</u>
Total Income	287,377.61
Expense	
Audit Fees	7,500.00
Bank Service Charges	0.00
Bookkeeping Fees	6,000.00
Engineering	
District Engineering	<u>8,148.75</u>
Total Engineering	8,148.75
Insurance	966.46
Legal Fees	
Legal Fees	<u>24,027.94</u>
Total Legal Fees	24,027.94
Collection and Appraisal Fees	1,239.94
Waste Disposal	<u>19,490.35</u>
Total Expense	<u>67,373.44</u>
Net Ordinary Income	<u>220,004.17</u>
Net Income	<u><u>220,004.17</u></u>

Belvedere MUD - Capital Projects Fund

Balance Sheet

As of February 27, 2018

	<u>Feb 27, 18</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Cash	92,247.26
Total Checking/Savings	<u>92,247.26</u>
Other Current Assets	
Prepaid Bond Expenses	43,552.23
Total Other Current Assets	<u>43,552.23</u>
Total Current Assets	<u>135,799.49</u>
<b>TOTAL ASSETS</b>	<b><u>135,799.49</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due to Operating	43,552.23
Total Other Current Liabilities	<u>43,552.23</u>
Total Current Liabilities	<u>43,552.23</u>
Total Liabilities	43,552.23
Equity	
Restricted	92,182.54
Net Income	64.72
Total Equity	<u>92,247.26</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>135,799.49</u></b>

**Belvedere MUD - Capital Projects Fund**

**Profit & Loss**

October 1, 2017 through February 27, 2018

---

	Oct 1, '17 - Feb 27, 18
Other Income/Expense	
Other Income	
Interest Income	64.72
Total Other Income	64.72
Net Other Income	64.72
Net Income	<u>64.72</u>

# Belvedere MUD-Debt Service Fund

## Balance Sheet

As of February 27, 2018

	Feb 27, 18
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Cash	
MUD Debt Service Fund	614,388.69
Total Cash	614,388.69
Total Checking/Savings	614,388.69
Accounts Receivable	
Taxes Receivable	40,292.37
Total Accounts Receivable	40,292.37
Total Current Assets	654,681.06
<b>TOTAL ASSETS</b>	<b>654,681.06</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Deferred Revenue	40,292.37
Total Other Current Liabilities	40,292.37
Total Current Liabilities	40,292.37
Total Liabilities	40,292.37
Equity	
Restricted	359,111.02
Net Income	255,277.67
Total Equity	614,388.69
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>654,681.06</b>

**Belvedere MUD-Debt Service Fund**

**Profit & Loss**

October 1, 2017 through February 27, 2018

---

	<u>Oct 1, '17 - Feb 27, 18</u>
Ordinary Income/Expense	
Income	
Tax Revenue	336,823.83
Total Income	336,823.83
Expense	
Bank Service Charges	72.00
Interest Expense	81,193.75
Paying Agent Fee	600.00
Total Expense	81,865.75
Net Ordinary Income	254,958.08
Other Income/Expense	
Other Income	
Interest Income	319.59
Total Other Income	319.59
Net Other Income	319.59
Net Income	<u><u>255,277.67</u></u>

Montoya & Monzingo, LLP

P.O. Box 2029  
Pflugerville, TX 78691  
(512) 251-5668

# Invoice

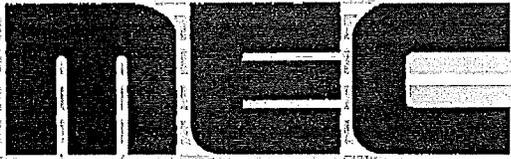
Date	Invoice #
02/01/2018	22591

<b>Bill To</b>
Belvedere MUD P.O. Box 2029 Pflugerville, TX 78691

<b>Terms</b>
Due on receipt

Description	Amount
February 2018 accounting services.	1,200.00
Thank you for your business.	<b>Total</b> \$1,200.00

RECEIVED  
2/2/18



Murfee Engineering Company

Belevedere Municipal Utility District  
c/o Montoya & Monzingo, LLP  
via email: Jeff Monzingo jeff@jeffmcpa.com  
cc: Michele michele@jeffmcpa.com

Invoice number 38477  
Date 02/14/2018

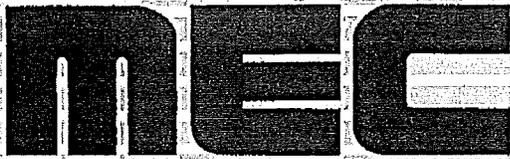
Project 17031 BELVEDERE MUNICIPAL UTILITY DISTRICT

Professional Engineering Services Rendered Through January 28, 2018

Description	Contract Amount	Prior Billed	Current Billed
17031-10 District Engineering Oct 2017 to Sept 2018	18,000.00	4,500.00	1,500.00
Total	18,000.00	4,500.00	1,500.00

Invoice total 1,500.00

RECEIVED  
2/14/18



Murfee Engineering Company

Belevedere Municipal Utility District
c/o Montoya & Monzingo, LLP
via email: Jeff Monzingo jeff@jeffmcpa.com
cc: Michele michele@jeffmcpa.com

Invoice number 38478
Date 02/14/2018

Project 17031 Belevedere Municipal Utility District

Professional Engineering Services Rendered Through January 28, 2018

Site visit to review rock berms and generate an overall exhibit as requested by the Board. Meeting to review site planning and permitting requirements prior to generating the proposal for the amenity center improvements project. Jurisdictional review and records review for Impervious cover calculations. Generation of exhibits for District review and approval.

Professional Fees

17031-30 Additional Services Requested by Client

Table with 4 columns: Service, Hours, Rate, Billed Amount. Rows include Project Engineer Bryce Canady, Project Administration Manager Ronee S. Gilbert, Senior CAD Design Technician Lana D. Denkeler, and Michael J. Kotalk.



Invoice total 2,148.75

Billing Summary

Table with 5 columns: Description, Estimated Fee, Total Earned, Prior Billed, Current Billed. Row for ADDITIONAL SERVICES REQUESTED BY CLIENT with Total 0.00, 2,148.75, 0.00, 2,148.75.

**Belvedere Municipal Utility District**  
**Reconciliation Detail**  
 Checking Account - ABC Bank, Period Ending 01/31/2018

Type	Date	Num	Name	Clr	Amount	Balance
<b>Beginning Balance</b>						338,667.83
<b>Cleared Transactions</b>						
<b>Checks and Payments - 7 items</b>						
Check	12/19/2017	Transfer	Belvedere MUD Deb...	X	-26,134.41	-26,134.41
Check	01/16/2018	Transfer	Belvedere MUD Deb...	X	-152,721.29	-178,855.70
Transfer	01/16/2018			X	-128,000.00	-306,855.70
Check	01/16/2018	1012	Texas Disposal Syst...	X	-9,984.91	-316,840.61
Check	01/16/2018	1013	Murfee Engineering ...	X	-1,500.00	-318,340.61
Check	01/16/2018	1010	Montoya & Monzing...	X	-1,200.00	-319,540.61
Check	01/24/2018	1015	Lloyd Gosselink	X	-4,578.90	-324,119.51
<b>Total Checks and Payments</b>					<b>-324,119.51</b>	<b>-324,119.51</b>
<b>Deposits and Credits - 19 items</b>						
Deposit	01/02/2018			X	32,705.81	32,705.81
Deposit	01/03/2018			X	63,045.59	95,751.40
Deposit	01/04/2018			X	15,578.92	111,330.32
Deposit	01/05/2018			X	17,783.29	129,113.61
Deposit	01/08/2018			X	13,583.43	142,697.04
Deposit	01/09/2018			X	34,066.56	176,763.60
Deposit	01/11/2018			X	30.00	176,793.60
Deposit	01/11/2018			X	6,801.44	183,595.04
Deposit	01/12/2018			X	543.83	184,138.87
Deposit	01/16/2018			X	9,320.74	193,459.61
Deposit	01/18/2018			X	4,574.35	198,033.96
Deposit	01/22/2018			X	6,566.03	204,599.99
Deposit	01/23/2018			X	24,647.13	229,247.12
Deposit	01/24/2018			X	9,036.22	238,283.34
Deposit	01/25/2018			X	13,759.35	252,042.69
Deposit	01/26/2018			X	5,088.99	257,131.68
Deposit	01/29/2018			X	12,398.69	269,530.37
Deposit	01/30/2018			X	8,575.33	278,105.70
Deposit	01/31/2018			X	14,441.66	292,547.36
<b>Total Deposits and Credits</b>					<b>292,547.36</b>	<b>292,547.36</b>
<b>Total Cleared Transactions</b>					<b>-31,572.15</b>	<b>-31,572.15</b>
<b>Cleared Balance</b>					<b>-31,572.15</b>	<b>307,095.68</b>
<b>Uncleared Transactions</b>						
<b>Checks and Payments - 2 items</b>						
Check	01/16/2018	1011	West, Davis & Com...		-7,500.00	-7,500.00
Check	01/16/2018	1014	Attorney General of ...		-1,220.00	-8,720.00
<b>Total Checks and Payments</b>					<b>-8,720.00</b>	<b>-8,720.00</b>
<b>Total Uncleared Transactions</b>					<b>-8,720.00</b>	<b>-8,720.00</b>
<b>Register Balance as of 01/31/2018</b>					<b>-40,292.15</b>	<b>298,375.68</b>
<b>Ending Balance</b>					<b>-40,292.15</b>	<b>298,375.68</b>

**Belvedere Municipal Utility District**  
**Reconciliation Detail**  
Money Market - ABC Bank, Period Ending 01/31/2018

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						397,031.79
Cleared Transactions						
Deposits and Credits - 2 items						
Transfer	01/16/2018			X	128,000.00	128,000.00
Deposit	01/31/2018			X	101.10	128,101.10
Total Deposits and Credits					128,101.10	128,101.10
Total Cleared Transactions					128,101.10	128,101.10
Cleared Balance					128,101.10	525,132.89
Register Balance as of 01/31/2018					128,101.10	525,132.89
Ending Balance					128,101.10	525,132.89 <i>MA</i>

**Belvedere MUD - Capital Projects Fund**  
**Reconciliation Detail**  
Cash, Period Ending 01/31/2018

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						92,230.81
Cleared Transactions						
Deposits and Credits - 1 Item						
Deposit	01/31/2018			X	16.45	16.45
Total Deposits and Credits					16.45	16.45
Total Cleared Transactions					16.45	16.45
Cleared Balance					16.45	92,247.26
Register Balance as of 01/31/2018					16.45	92,247.26
Ending Balance					16.45	92,247.26 <i>MW</i>

# Belvedere MUD-Debt Service Fund

## Reconciliation Detail

Cash, Period Ending 01/31/2018

Type	Date	Num	Name	Clr	Amount	Balance
<b>Beginning Balance</b>						<b>359,334.01</b>
<b>Cleared Transactions</b>						
<b>Checks and Payments - 8 items</b>						
Check	01/16/2018	Wire	Bank of Texas Corp...	X	-60,675.00	-60,675.00
Check	01/16/2018	Wire	Bank of Texas Corp...	X	-13,893.75	-74,568.75
Check	01/16/2018	Wire	Bank of Texas Corp...	X	-5,087.50	-79,656.25
Check	01/16/2018	Wire	Wells Fargo Corpor...	X	-2,137.50	-81,793.75
Check	01/31/2018	EFT	American Bank of C...	X	-18.00	-81,811.75
Check	01/31/2018	EFT	American Bank of C...	X	-18.00	-81,829.75
Check	01/31/2018	EFT	American Bank of C...	X	-18.00	-81,847.75
Check	01/31/2018	EFT	American Bank of C...	X	-18.00	-81,865.75
<b>Total Checks and Payments</b>					<b>-81,865.75</b>	<b>-81,865.75</b>
<b>Deposits and Credits - 3 items</b>						
Deposit	12/19/2017			X	26,134.41	26,134.41
Deposit	01/16/2018			X	152,721.29	178,855.70
Deposit	01/31/2018			X	86.79	178,942.49
<b>Total Deposits and Credits</b>					<b>178,942.49</b>	<b>178,942.49</b>
<b>Total Cleared Transactions</b>					<b>97,076.74</b>	<b>97,076.74</b>
<b>Cleared Balance</b>					<b>97,076.74</b>	<b>456,410.75</b>
<b>Register Balance as of 01/31/2018</b>					<b>97,076.74</b>	<b>456,410.75</b>
<b>Ending Balance</b>					<b>97,076.74</b>	<b>456,410.75</b>

TXDIST1A		TRAVIS COUNTY TAX OFFICE				DATE 02/01/2018		PAGE 83				
RECEIVABLE BALANCE 'R' REPORT		OVERALL COLL/DIST REPORT				FROM 10/01/2017 TO 01/31/2018		YEAR FROM 0000 TO 2017				
UIK		-- BELVEDERE MUD				ALL OTHERS						
YEAR	BEGINNING TAX BALANCE	TAX ADJ	BASE TAX COLLECTED	REVERSALS	NET BASE TAX COLLECTED	PERCENT COLLECTED	ENDING TAX BALANCE	P & I COLLECTED	P & I REVERSALS	LRP COLLECTED	OTHER PENALTY COLLECTED	TOTAL DISTRIBUTED
2006	.00	.00	.00	.00	.00	.00 %	.00	.00	.00	.00	.00	.00
2007	.00	.00	.00	.00	.00	.00 %	.00	.00	.00	.00	.00	.00
2008	.00	.00	.00	.00	.00	.00 %	.00	.00	.00	.00	.00	.00
2009	.00	.00	.00	.00	.00	.00 %	.00	.00	.00	.00	.00	.00
2010	.00	.00	.00	.00	.00	.00 %	.00	.00	.00	.00	.00	.00
2011	.00	.00	.00	.00	.00	.00 %	.00	.00	.00	.00	.00	.00
2012	.00	.00	.00	.00	.00	.00 %	.00	.00	.00	.00	.00	.00
2013	.00	.00	.00	.00	.00	.00 %	.00	.00	.00	.00	.00	.00
2014	2371.31	.00	.00	.00	.00	.00 %	2371.31	.00	.00	.00	.00	.00
2015	3336.25	.00	.00	.00	.00	.00 %	3336.25	.00	.00	.00	.00	.00
2016	7741.28	.00	4377.35	.00	4377.35	56.55 %	3363.93	1042.02	.00	.00	.00	5419.37
TOTL	13448.84	.00	4377.35	.00	4377.35	32.55 %	9071.49	1042.02	.00	.00	.00	5419.37
2017	725464.67	50.97-	660410.46	50.97	660359.49	91.03 %	65054.21	.00	.00	.00	.00	660359.49
ENTITY												
TOTL	738913.51	50.97-	664787.81	50.97	664736.84	89.97 %	74125.70	1042.02	.00	.00	.00	665778.86

Outstanding property tax receivable

Debt Service: 2014 = 1440.81  
 2015 = 1962.38  
 2016 = 1727.38  
 2017 = 35,161.80  
 } 40,292.37

Operating: 2014 = 930.50  
 2015 = 1373.87  
 2016 = 1636.55  
 2017 = 29,892.41  
 } 33,833.33

Current tax rate  
 Operating: .17  
 Debt Service: .20  
 total: .37

# **EXHIBIT C**

**Report on the Application of  
Certain Agreed Upon Procedures**

**relating to**

**Belvedere Municipal Utility District**

**\$1,220,000 Unlimited Tax Park Bonds, Series 2018**

**WEST, DAVIS & COMPANY, LLP**  
*Certified Public Accountants*  
Austin, Texas

# WEST, DAVIS & COMPANY

A LIMITED LIABILITY PARTNERSHIP

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Board of Directors  
Belvedere Municipal Utility District  
c/o Lloyd, Gosselink, Rochelle & Townsend, PC  
816 Congress Av #1900  
Austin, Texas 78701

We have performed the procedures described below, which were agreed to by you, with respect to the accompanying Calculation of Amounts to be Reimbursed to Developers (Schedule A), the Comparison of Actual Costs to the Interoffice Memorandum (Schedule B) and Cash Reconciliation (Schedule C). Our report was made for the purpose of providing you with information relating to the use of proceeds of the \$1,220,000 Belvedere Municipal Utility District (District) Unlimited Tax Park Bonds, Series 2018. The District's management is responsible for the District's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Board of Directors and the Texas Commission on Environmental Quality (TCEQ), the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which our report has been requested or for any other purpose. The procedures we performed are summarized as follows:

1. Information for the use of proceeds was obtained from the TCEQ order dated November 15, 2017 approving the \$1,220,000 Bond Issue, which included the interoffice staff memorandum.
2. Information for the costs to be reimbursed to the developers was obtained from the inspection of reimbursable costs and related supporting documentation, including Amenity Center Appraisal as of February 20, 2018.
3. Non-construction costs to be funded from this bond issue were obtained from invoices and discussions with various parties who are to be reimbursed from this bond issue.

Because the above procedures do not constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion on the accompanying schedules. If we had performed additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the attached Schedules A, B and C and does not extend to any financial statements of the District taken as a whole. This report is intended solely for the use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

*West, Davis + Company*

Austin, Texas  
February 20, 2018

**SCHEDULE A**

**BELVEDERE MUNICIPAL UTILITY DISTRICT**

**CALCULATION OF AMOUNTS TO BE PAID TO DEVELOPER  
FROM SERIES 2018 BOND ISSUE PROCEEDS**

**In Accordance with agreement with Belvedere Municipal Utility District  
Dated July 18, 2006**

**AS OF FEBRUARY 20, 2018**

Description	Developer A - Hamilton Bee Cave, LP		
	% Complete (Date Complete)	Reimbursable Cost	Interest <sup>1</sup>
<b><u>Developer Contribution Items:</u></b>			
<b>JC Evans Construction</b>			
<b>Hagy Custom Homes</b>			
(Amenity Center)	100%		
Appraised Value	Dec-06	\$ 940,000	
Less Ineligible Items (Land, Pool, Etc)		<u>(508,842)</u>	431,158
<b>Grounds Control</b>			
(Trails-Phase 1)	100%		
Less Limit due to Cap on Bond Funding	Oct-07	171,326	
		<u>(64,222)</u>	107,104
<b>Wolff Construction</b>			
(Trails-Phase 2)	100%		
Less Ineligible Items	Aug-09	140,875	
		<u>-</u>	140,875
<b>XGD Systems</b>			
(Trails-2016 Repairs)	100%		
Less Ineligible Items	Mar-16	72,821	
		<u>-</u>	72,821
<b>LJA Engineering, Inc.</b>			
Engineering, Testing & Inspections	100%		
Less Ineligible Items		17,559	
		<u>-</u>	<u>17,559</u>
<b>TOTAL DUE DEVELOPER A</b>			<b><u>769,517</u></b>
<b>TOTAL TO BE PAID FROM SERIES 2018 BOND ISSUE PROCEEDS</b>			<b><u>\$ 769,517</u></b>

Note 1: The District applied for and was granted by the Texas Commission on Environmental Quality an exception to the 30% Developer Contribution Requirement. Therefore, these are reimbursed at 100% of the Developer's Cost.

**Schedule B**

**Belvedere Municipal Utility District**

**COMPARISON OF ACTUAL COSTS WITH COST SUMMARY  
AS APPROVED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

<u>Cost Item</u>	Costs Reimbursed to Developers (1)	Costs Paid Directly by District (2)	Total Paid Costs (1)+(2) (3)	Projected Costs (4)	Total Paid and Projected (3)+(4) (5)	Interoffice Memorandum Total (6)	Variance Over or (Under) (5)-(6) (7)	% Variance Over or (Under) (7)/(6)X100 (8)
<b><u>Construction Costs</u></b>								
<b>Developer Contribution Items:</b>								
Amenity Center	431,158	-	431,158	-	431,158	431,158	-	0%
Trails-Phase 1	107,104	-	107,104	-	107,104	107,104	-	0%
Trails-Phase 2	140,875	-	140,875	-	140,875	140,875	-	0%
Trails-2016 Repairs	72,821	-	72,821	-	72,821	72,821	-	0%
Engineering	17,559	-	17,559	-	17,559	17,559	-	0%
<b>District Items:</b>								
Trails-2013 Repairs	-	41,495	41,495	-	41,495	41,495	-	0%
Trails-2014 Repairs	-	24,985	24,985	-	24,985	24,985	-	0%
Amenity Center Improvements	-	-	-	210,000	210,000	210,000	-	0%
Trail Improvements	-	-	-	40,000	40,000	40,000	-	0%
<b>TOTAL CONSTRUCTION COSTS</b>	<b>769,517</b>	<b>66,480</b>	<b>835,997</b>	<b>250,000</b>	<b>1,085,997</b>	<b>1,085,997</b>	<b>-</b>	
<b>Non-Construction Costs</b>								
Legal Fees	-	24,400	24,400	-	24,400	24,400	-	0%
Financial Advisor Fees	-	15,250	15,250	-	15,250	15,250	-	0%
Bond Underwriter's Discount	-	22,344	22,344	-	22,344	36,600	(14,256)	-39%
Bond Issuance Costs	-	32,335	32,335	-	32,335	12,983	19,352	149%
Bond Application Report	-	40,500	40,500	-	40,500	40,500	-	0%
Attorney General Fee-.10%	-	1,220	1,220	-	1,220	1,220	-	0%
TCEQ Bond Issuance Fee-.25%	-	3,050	3,050	-	3,050	3,050	-	0%
<b>TOTAL NON-CONSTRUCTION COSTS</b>	<b>-</b>	<b>139,099</b>	<b>139,099</b>	<b>-</b>	<b>139,099</b>	<b>134,003</b>	<b>5,096</b>	
<b>TOTAL BOND ISSUE</b>	<b>\$ 769,517</b>	<b>\$ 205,579</b>	<b>\$ 975,096</b>	<b>\$ 250,000</b>	<b>\$ 1,225,096</b>	<b>\$ 1,220,000</b>	<b>\$ 5,096</b>	

**SCHEDULE C**

**BELVEDERE MUNICIPAL UTILITY DISTRICT**

**CASH RECONCILIATION SERIES 2018 BOND ISSUE  
AS OF FEBRUARY 20, 2018**

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**CASH RECEIPTS:**

Principal Amount		\$ 1,220,000.00
Reoffering Premium		10,258.65
Original Issue Discount		(8,169.45)
Bond Insurance		(9,900.00)
Underwriter's Discount		(14,533.10)
<b>Total Receipts</b>		<b><u>1,197,656.10</u></b>

**CASH DISBURSEMENTS:**

District's General Fund		
Bond Engineering Costs	\$ 42,332.23	
Trails-2013 Repairs	41,495.00	
Trails-2014 Repairs	24,985.00	
Trail Repairs in Excess of 5% Limit to Capital Projects Fund	(5,480.00)	
Attorney General Fee	1,220.00	104,552.23
District's Capital Projects Fund		
Amenity Center Improvements	210,000.00	
Trail Improvements	40,000.00	
Trail Repairs in Excess of 5% Limit	5,480.00	
Less Amount Used to Cover Excess Issuance Costs	(5,095.20)	250,384.80
Hamilton Bee Cave, LP		
Construction Costs	769,517.00	
Developer Interest	-	769,517.00
McCall, Parkhurst & Horton		
Bond Counsel Fee	24,400.00	
Miscellaneous Expenses	2,589.52	26,989.52
Specialized Public Finance		
Financial Advisory Fee	15,250.00	
Miscellaneous Expenses	5,250.00	20,500.00
Moody's Investors Service		12,000.00
S&P Global Market Intelligence		673.00
Financial Printing Resource		589.55
I-Deal		1,000.00
West, Davis and Company		
Developer Reimbursement Report		8,000.00
Texas Commission on Environmental Quality		3,050.00
BOKF, NA		400.00
<b>Total Cash Disbursements</b>		<b><u>1,197,656.10</u></b>

**SURPLUS FUNDS**

**\$ -**

# **EXHIBIT D**

BELVEDERE MUD  
BOND SERIES 2018  
FEBRUARY 2018

DEPOSIT INTO CAPITAL PROJECTS \$ 1,093,103.87

WIRES / CHECKS FROM CAPITAL PROJECTS

Wire	Hamilton I Ranch	\$	769,517.00
Wire	Specialized Public Finance	\$	20,500.00
Wire	McCall Parkhurst	\$	26,989.52
314	West, Davis & Company	\$	8,000.00
Wire	Moody's Investors Service	\$	12,000.00
312	Financial Printing Source	\$	589.55
Wire	I-PREO	\$	1,000.00
311	S & P Global Market	\$	673.00
313	TCEQ	\$	3,050.00
	Total Expenditures:	\$	<u>842,319.07</u>

BOKF \$ 400.00

To be paid when they bill

REMAINING FUNDS FROM BOND ISSUE: \$ 250,384.80

# **EXHIBIT E**

An Agreement for the Provision of Limited Professional Services

MURFEE ENGINEERING COMPANY, INC.  
1101 Capital of Texas Hwy., Suite D-110  
Austin, Texas 78746  
(512) 327-9204  
Federal Tax ID #74-2742570

Client: Belvedere MUD  
c/o Lloyd Gosselink Rochelle & Townsend, P.C.  
816 Congress Ave., Suite 1900  
Austin, Texas 78701

Date: February 9, 2018

Project No.: 17031.\_\_\_\_

Project Name/Location: Belvedere MUD Surplus Funds Application

Scope/Intent and Extent of Services: Assist the client in preparation of an application to the Texas Commission on Environmental Quality (TCEQ) for the approval of the use of surplus funds. Services shall include: compilation of information and documentation needed for the application, which shall include information from the developer as well as engineer, financial advisor, and District attorney. MEC shall prepare a surplus funds application following the process described in TAC Chapter 293, Subchapter E, submit a draft copy of the application to the District and its consultants for review and comment, upon approval by the Board of Directors submit the application package to TCEQ for review, respond to engineering-related comments from TCEQ staff, and assist the auditor in preparation of their reimbursement audit. This agreement is contingent upon all required documentation for the subject projects being available.

Fee Arrangement: The above-described services shall be provided on a time and materials basis in accordance with the attached rate sheet with an estimated fee of \$12,000.

Retainer Amount: None

Special Conditions: None

Terms and Conditions are attached as part of this Agreement.

Offered by:

Accepted By:

MURFEE ENGINEERING CO., INC.

BELVEDERE MUD

By: David Malish 12 FEB 18  
David Malish, Vice President Date

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
(Printed Name/Title)

# TERMS AND CONDITIONS

Murfee Engineering Company, Inc. (MEC) shall perform the services outlined in this Agreement for the stated fee arrangement.

## ***Access to Site:***

Unless otherwise stated, MEC will have access to the site for activities necessary for the performance of the services. MEC will take precautions to minimize damage due to these activities, but has not included in the fee the cost of restoration of any resulting damage.

## ***Dispute Resolution:***

Any claims or disputes made during design, construction or post-construction between the Client and MEC shall be submitted to non-binding mediation. Client and MEC agree to include a similar mediation agreement with all contractors, subcontractors, sub consultants, suppliers, and fabricators, thereby providing for mediation as the primary method for dispute resolution between all parties.

## ***Billings/Payments:***

Invoices for MEC's services shall be submitted, at MEC's option, either upon completion of such services or on a monthly basis. Invoices shall be payable within 30 days after the invoice date. If the invoice is not paid within 30 days, MEC may, without waiving any claim or right against the Client, and without liability whatsoever to the Client, terminate the performance of the service. Retainers shall be credited on the final invoice.

## ***Late Payments:***

Accounts unpaid 60 days after the invoice may be subject to a monthly service charge of 1.5% (or the legal rate) on the unpaid balance. In the event any portion or all of an account remains unpaid 90 days after billing, the Client shall pay all costs of collection, including reasonable attorney's fees.

## ***Indemnification:***

The Client shall, to the fullest extent permitted by law, indemnify and hold harmless MEC, or his or her officers, directors, employees, agents and sub consultants from and against all damage, liability and cost, including reasonable attorney's fees and defense costs, arising out of or in any way connected with the performance by any of the parties above named of the services under this Agreement, excepting only those damages, liabilities or costs attributable to the sole negligence or willful misconduct of MEC.

## ***Certifications, Guarantees and Warranties:***

MEC shall not be required to execute any document that would result in their certifying, guaranteeing or warranting the existence of conditions whose existence MEC cannot ascertain.

## ***Limitation of Liability:***

In recognition of the relative risks, rewards and benefits of the project to both the Client and MEC, the risks have been allocated such that the Client agrees that, to the fullest extent permitted by law, MEC's total liability to the Client for any and all injuries, claims, losses, expenses, damages or claim expenses arising out of this Agreement from any cause or causes, shall not exceed an amount equal to the fee earned by MEC under this Agreement. Such causes include, but are not limited to, MEC's negligence, errors, omissions, strict liability, breach of contract or breach of warranty.

## ***Termination of Services:***

The Client or MEC may terminate this Agreement should the other fail to perform its obligations hereunder. In the event of termination, the Client shall pay MEC for all services rendered to the date of termination, all reimbursable expenses, and reimbursable termination expenses.

## ***Ownership of Documents:***

All documents produced by MEC under this Agreement shall remain the property of MEC and may not be used by the Client for any other endeavor without the written consent of MEC.

## ***Design With Construction Administration:***

If the basic services under this Agreement include project observation or review, MEC shall visit the site at intervals appropriate to the stage of construction, in order to observe the progress and quality of the Work completed by the Contractor. Such visits and observation are not intended to be an exhaustive check or a detailed inspection of the Contractor's work but rather are to allow MEC, as an experienced professional, to become generally familiar with the work in progress and to determine, in general, if the Work is proceeding in accordance with the Contract Documents. MEC shall not supervise, direct or have control over the Contractor's work, nor have any responsibility for the construction means, methods, techniques, sequences, or procedures selected by the Contractor nor for the Contractor's safety precautions or programs in connection with the Work. MEC shall not be responsible for any acts or omissions of the Contractor and MEC does not guarantee the performance of the Contractor and shall not be responsible for the Contractor's failure to perform its Work in accordance with the Contract Documents or any applicable laws, codes, rules, or regulations.

## ***Design Without Construction Administration:***

If the basic services under this Agreement do not include project observation or review of the Contractor's performance or any other construction phase services, the Client assumes all responsibility for interpretation of the Contract Documents and for construction observation, and the client waives any claims against MEC that may be in any way connected thereto. The Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless MEC from any and all claims arising from modifications, clarifications, interpretations, adjustments or changes made to the Contract Documents to reflect changed field or other conditions, except for claims arising from the sole negligence or willful misconduct of MEC.

## ***Hazardous Materials – Suspension of Services:***

Both parties acknowledge that MEC's scope of services does not include any services related to the presence of any hazardous or toxic materials. The Client agrees to indemnify and hold harmless MEC from and against any and all claims, suits, demands, liabilities, losses, damages or costs, including reasonable attorneys' fees and defense costs arising out of or in any way connected with the detection, presence, handling, removal, abatement, or disposal of any asbestos or hazardous or toxic substances, products or materials that exist on, about or adjacent to the Project site, whether liability arises under breach of contract or warranty, tort, including negligence, strict liability or statutory liability or any other cause of action, except for the sole negligence or willful misconduct of MEC.

## ***Betterment:***

If, due to MEC's negligence, a required item or component of the Project is omitted from MEC's construction documents, MEC shall not be responsible for paying the cost required to add such item or component to the extent that such item or component would have been required and included in the original construction documents. In no event will MEC be responsible for any cost or expense that provides betterment or upgrades or enhances the value of the Project.

# MURFEE ENGINEERING COMPANY, INC.

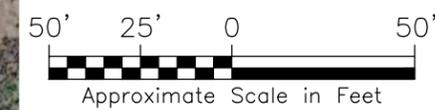
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## HOURLY RATE SCHEDULE

Effective October 1<sup>st</sup>, 2016

<u>Employee Classification</u>	<u>Hourly Rate</u>
Principal	\$300
Managing Engineer	\$250
Senior Project Manager	\$200
Project Manager	\$175
Senior Project Engineer	\$160
Project Engineer	\$145
Project Administration Manager	\$160
Project Administration Associate	\$80
Engineering Technician II	\$115
Engineering Technician I	\$95
Senior CAD Design Technician	\$165
CAD Design Technician	\$110
Draftsperson	\$95
Financial Services	\$90
Executive Assistant	\$75
Technical Administrative Assistant	\$85
Administrative Assistant	\$65
Reimbursable Expenses	Cost + 15%

# **EXHIBIT F**



**PRELIMINARY DRAWING  
FOR PLANNING PURPOSES ONLY**

**BELVEDERE M.U.D.  
AMENITY CENTER  
17400 FLAGLER DR., AUSTIN, TX 78738**

**MEC**  
 Murfee Engineering Company | Texas Registered Engineering Firm F-353  
 1101 Capital of Texas Highway South, Building D, Suite 110, Austin, Texas 78746, (512) 327-9204

JOB NO. 17-031.10	SCALE: AS NOTED	SHEET: 1 OF 1
DESIGNED BY: KWM		DATE: 2/8/2018
DRAWN BY: RLW		DATE: 2/8/2018
FILE(LAYOUT): O:\17\031\10\PARKING LOT.dwg(11X17(50))		

O:\17\031\10\PARKING LOT.dwg, 2/8/2018 12:04:59 PM, DWG To PDF.pc3

# **EXHIBIT G**

Belvedere MUD Amenity Center Improvements - Additional Pervious Parking Lot

Item	Quantity	Unit	Written Price and Description	Unit Price	Total Price
1	1	EA	Site Preparation, complete and in place, per each, for _____ dollars and _____ cents.	\$3,690.00	\$3,690.00
2	1	EA	Stabilized Construction Entrance, complete and in place, per each, for _____ dollars and _____ cents.	\$1,500.00	\$1,500.00
3	280	CY	Cut 12", complete and in place, per cubic yard, for _____ Dollars, and _____ cent.	\$16.00	\$4,480.00
4	175	CY	Base 9" select gravel, complete and in place, per cubic yard, for _____ Dollars, and _____ cent.	\$30.00	\$5,250.00
5	6,000	SF	Porous Asphalt, complete and in place, per square feet, for _____ Dollars, and _____ cent.	\$8.00	\$48,000.00
6	60	LF	24" Culvert, complete and in place, per linear foot, for _____ Dollars, and _____ cent.	\$100.00	\$6,000.00
7	2	EA	Headwalls, per each, for _____ dollars and _____ cents.	\$1,200.00	\$2,400.00
8	2,285	LF	Silt fence, complete and in place, per linear foot, for _____ dollars and _____ cents.	\$2.25	\$5,141.25
9	1,200	SY	Site restoration, complete and in place, per square yard, for _____ Dollars and _____ cents.	\$2.75	\$3,300.00
10	1	EA	Entrance Ramp/Bridge, complete and in place, per each, for _____ dollars and _____ cents.	\$10,000.00	\$10,000.00
11	330	LF	Curb, complete and in place, per linear foot, for _____ dollars and _____ cents.	\$15.00	\$4,950.00
12	400	SF	Striping 8", complete and in place, per square foot, for _____ dollars and _____ cents.	\$4.00	\$1,600.00
13	18	LF	Signage, complete and in place, per linear foot, for _____ dollars and _____ cents.	\$65.00	\$1,170.00
15	1	EA	Remove/Replace irrigation, complete and in place, per each, for _____ dollars and _____ cents.	\$1,200.00	\$1,200.00

Subtotal Construction Costs: \$98,681.25

10% Contingency: \$9,868.13

Subtotal: \$108,549.38

Engineering \$31,000.00

Permitting \$12,000.00

Surveying: \$2,000.00

Construction Administration: \$2,400.00

Subtotal: \$47,400.00

**Total: \$155,949.38**

Belvedere MUD Amenity Center Improvements - Granite Parking Area

Item	Quantity	Unit	Written Price and Description	Unit Price	Total Price
1	1	LS	Site Preparation, complete and in place, per lump sum for _____ dollars and _____ cents.	\$1,500.00	\$1,500.00
2	30	CY	8" base, complete and in place, per cubic yards, for _____ Dollars, and _____ cent.	\$30.00	\$900.00
3	50	CY	14" depth of excavation, complete and in place, per cubic yards, for _____ Dollars, and _____ cent.	\$15.00	\$750.00
4	20	CY	6" Decomposed Granite, complete and in place, per cubic yards, for _____ Dollars, and _____ cent.	\$60.00	\$1,200.00
5	6	EA	Wheel stops, complete and in place, per each, for _____ Dollars, and _____ cent.	\$75.00	\$450.00
6	200	LF	Silt fence, complete and in place, per linear foot, for _____ dollars and _____ cents.	\$2.25	\$450.00
7	150	SY	Site restoration, complete and in place, per square yard, for _____ Dollars and _____ cents.	\$2.75	\$412.50
8	170	LF	Curb for parking lot, complete and in place, per lump sum, for _____ Dollars and _____ cents.	15	\$2,550.00

Subtotal Construction Costs: \$8,212.50

10% Contingency: \$821.25

Subtotal: \$9,033.75

Engineering \$1,600.00

Construction Administration: \$400.00

Subtotal: \$2,000.00

**Total: \$11,033.75**

Belvedere MUD Amenity Center Improvements - Summary

Parking Lot \$155,949.38

Granite Parking Area \$11,033.75

Building<sup>1</sup> \$137,500.00

**Total of Construction \$304,483.13**

Notes: 1) Final pricing subject to change based on final design and architect

# **EXHIBIT H**

**DRAFT FOR REVIEW ONLY**  
**February 23, 2018**

**JOINT USE AND MAINTENANCE AGREEMENT  
BETWEEN  
BELVEDERE MUNICIPAL UTILITY DISTRICT  
AND  
BELVEDERE HOMEOWNERS ASSOCIATION**

THIS AMENDED AND RESTATED JOINT USE AND MAINTENANCE AGREEMENT ("Agreement") is entered into on \_\_\_\_\_, 2018 (the "Effective Date"), between **BELVEDERE MUNICIPAL UTILITY DISTRICT**, a municipal utility district operating pursuant to Chapters 49 and 54 of the Texas Water Code, (the "District"), and **BELVEDERE HOMEOWNERS ASSOCIATION** (the "HOA"), a Texas nonprofit corporation (the District and the HOA are each a "Party" and are collectively, the "Parties").

**RECITALS**

**WHEREAS**, Section 49.463 of the Texas Water Code provides that a district is created for the purpose of financing, developing, and maintaining recreational facilities for the people in the district;

**WHEREAS**, Section 49.213 of the Texas Water Code provides that a district may contract with a public or private entity for the joint ownership and operation of any works, improvements, facilities, plants, equipment, and appliances necessary to accomplish any purpose or function permitted by a district;

**WHEREAS**, the District owns the Belvedere Amenity Center, recreational trails, and related facilities;

**WHEREAS**, the HOA serves residents of the District;

**WHEREAS**, the District and the HOA entered into a Joint Maintenance Agreement dated April 20, 2010, and subsequently amended, that provides for funding and joint maintenance of landscaping and certain trail maintenance within the Belvedere community ("**Original Agreement**"); and

**WHEREAS**, the District and the HOA now wish to provide for the operation and maintenance of the Belvedere Amenity Center and related facilities, the community trail system, and for landscape maintenance within the boundaries of the District.

The District and the HOA now agree as follows:

**AGREEMENT**

**1. Description of Facilities.** The facilities covered by this Agreement are (i) the Belvedere Amenity Center, including parking lots and a storage building, but **exclusive of the pool facilities and/or pool areas**, located on \_\_\_\_\_ [*include real property description*] \_\_\_\_\_ and identified on **Exhibit A** (together, the "**Belvedere Amenity Center**"); and (ii) the landscaping areas located directly adjacent to and within the boundaries of the District, as specified in the attached **Exhibit B** (collectively the "**Facilities**").

**DRAFT FOR REVIEW ONLY**  
**February 23, 2018**

2. **Joint Use of Belvedere Amenity Center.** The District and the HOA will share use of the facilities, including the Belvedere Amenity Center. The Parties agree to cooperate in coordinating programs and activities conducted at the Belvedere Amenity Center to avoid conflicting uses and to ensure the availability of the Belvedere Amenity Center to the District when required for District purposes. The following guidelines will control the use and scheduling of the Belvedere Amenity Center:

**A. Scheduling.**

- 1) The District and the HOA will establish and maintain procedures for scheduling the use of the Belvedere Amenity Center.
- 2) The HOA will manage the scheduling of all uses of the Belvedere Amenity Center on behalf of the District and their residents.

**B. Belvedere Amenity Center Use Charges.**

- 1) The District and the HOA may use the Belvedere Amenity Center free of charge.
- 2) The District Board of Directors will determine the charges to District residents or others for use of the Belvedere Amenity Center.
- 3) **Belvedere Amenity Center Use Rules.** The HOA and the District will jointly determine all rules governing the use of the Belvedere Amenity Center. All persons using the Belvedere Amenity Center must abide by federal, state, and local laws and regulations, as well as any District policies, rules, and regulations.

**Commented [SA1]:** These fees will be determined in conjunction with the HOA, but will need to be adopted by the District.

**Commented [SA2]:** These rules will be decided in conjunction with the HOA (likely using what is in place now), but will need to be adopted by the District as the HOA is operating the amenity center on behalf of the District.

3. **Management, Operation and Maintenance of the Facilities.** The HOA shall use commercially reasonable efforts to manage, operate, and maintain the Facilities on behalf of the District. In particular:

- A. The HOA shall employ, or contract for the services a manager to operate and maintain the Belvedere Amenity Center;
- B. The HOA is responsible for the day-to-day operation of the Belvedere Amenity Center;
- C. The HOA shall maintain and repair the Belvedere Amenity Center as necessary to keep the Belvedere Amenity Center clean and available for use; and
- D. The HOA is responsible for mowing and landscape maintenance for the Facilities.
- E. During the term of this Agreement, the District may establish additional requirements or standards for the management, operation, and maintenance of the Belvedere Amenity Center, and the he HOA shall implement and comply with those requirements or standards.

4. **Process for Budgeting/Payment for Operations and Maintenance of the Facilities.**

- A. **District Contribution.** The District and HOA agree that the District will provide to the HOA an annual payment of \$72,000 for the purposes of operation and maintenance of the Facilities.
- B. **Initial Contribution.** The HOA and the District agreement that a pro-rated funding amount of \$47,000 will be provided to the District for fiscal year 2018, and that the District will pay the \$25,000 landscaping contribution for fiscal year 2018.

**DRAFT FOR REVIEW ONLY**  
**February 23, 2018**

- C. **Budget Estimate.** Beginning with calendar year 2018, no later than August 1st of each calendar year, the HOA shall submit to each District:
- 1) a written financial summary of the actual costs and expenses associated with managing, operating, maintaining, and repairing the Facilities, as well as the HOA's funding sources, for that current (partial) District fiscal year, reconciled with the approved budget for that District fiscal year; and
  - 2) a proposed, written budget for the subsequent District fiscal year (commencing on October 1<sup>st</sup> of that calendar year ("**Proposed Budget**"), estimating:
    - i. the costs and expenses associated with managing, operating, maintaining, and repairing the Belvedere Amenity Center and the other Facilities as required under this Agreement ("**Costs**"), as well as the HOA's funding sources; and
    - ii. the total amount the District should pay for its share of the Costs (the "**District Allocation**").

In preparing the Proposed Budget, the HOA will also include any known and measurable changes in the Costs for the upcoming District fiscal year.

- B. **Board Consideration.** The Board of Directors of each District will review and vote on the HOA's Proposed Budget as a part of the District's budget preparation and approval process for the District's annual budget.
- C. **True-up Process.** Not later than July 1st of each calendar year, the HOA will provide the District with a final, complete financial summary of the actual costs and expenses associated with managing, operating, maintaining, and repairing the Facilities for the recently completed District fiscal year, reconciled with the payments from the District to the HOA for that District fiscal year. Based on this information, the HOA and the District will review and determine the District Allocation.
- D. **Payments.** The District will pay the approved District Allocation, to the extent approved by the District not later than March 31<sup>st</sup> of each calendar year.
- E. **Management of District Funds.** The HOA shall maintain all funds contributed by the District under this Agreement in a separate bank account ("**District Account**") insured by the Federal Deposit Insurance Corporation ("**FDIC**") and held in a separate bank from the bank used by the HOA for its own funds. The District Account will be maintained to remain within FDIC insurable limits. In the event that the balance of the District Account exceeds FDIC insurance levels, then the HOA shall notify the District immediately so that they can work together to reach a solution that fully insures such funds.
- F. **Quarterly Reports.** The HOA agrees to provide the District with quarterly reports of the actual Costs the HOA has incurred in the previous quarter and will include District Account activity in each report.
- G. **Annual Review.** The District will have the right to have the District Account and expenses managed by the HOA reviewed annually by a certified public accountant. Such a review will be performed no less than once every three years.

**DRAFT FOR REVIEW ONLY**  
**February 23, 2018**

5. **Trail System.** The HOA shall be responsible for engaging a contractor to provide maintenance to the District trail system (the “**Trail System**”) as shown in **Exhibit “C”** to this Agreement. The HOA shall engage the contractor to perform these services as a component of the Landscape Services Agreement.
  - A. **Funding.** The District will contribute to the funding of maintenance of the Trail System on a project-by-project basis.
  - B. **Project Approval.**
    - 1) For routine non-emergency maintenance of the Trail System, the HOA shall submit to the District a project scope and cost estimate for maintenance tasks to be performed. The District shall consider each request from the HOA and shall, if in the Board’s reasonable discretion such maintenance is needed or appropriate, authorize the financial contribution to be provided to the HOA for the cost of the maintenance project.
    - 2) Notwithstanding, the District shall within 14 days of the date of this agreement, contribute an amount not to exceed \$10,000 for initial general trail maintenance, including the replacement of trail materials (the “Initial Project”). Needed work in excess of that shall be submitted to the District for approval.
  - C. **Emergency Conditions.** If an emergency condition exists within the Trail System that the HOA reasonably believes is a threat to the health and safety of District residents, the HOA may perform the work and submit receipts to the District for reimbursement. The scope of this emergency maintenance must be presented to the Board of Directors at its next regular Board of Directors meeting for reimbursement approval, which may not be unreasonably withheld. If the HOA determines that such an emergency condition exists on the Trail System, the HOA may close any portion of the Trail System with an emergency condition until emergency maintenance has been completed. The HOA shall promptly provide notice to the District of any closure, and shall re-open the trail as soon as reasonably possible after the emergency condition is remedied
6. **Prior Approval.** The Parties acknowledge that the District are subject to state laws regarding the bidding and contracting for certain projects. The HOA will execute all contracts initiated by the HOA in carrying out its duties under this Agreement in the name of the HOA; provided, however, that if any budgeted expenditure is expected to exceed \$20,000, or any unbudgeted expenditure is expected to exceed \$10,000 (“**Large Expenditure**”), then (i) the HOA shall not make the Large Expenditure without prior approval from the District, and (ii) the District have the right to bid and contract with the third party for the work directly. In the event that the HOA becomes aware that a Large Expenditure may be necessary, then it will provide written notice of the potential Large Expenditure to the District immediately so that the District can evaluate such Large Expenditure. The District is not obligated to participate in funding outside of the District Allocation for a Large Expenditure where the HOA did not provide prior notice to the District.
7. **Assessed Fees.** To the extent that District residents or others are charged a fee to reserve Belvedere Amenity Center space, the HOA will use half of the fee for Belvedere Amenity Center maintenance, cleaning, and administration costs associated with such rental. The HOA

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will retain the other half of such fees on behalf of the District to be set aside for future replacement of furniture at the Belvedere Amenity Center. Such funds will be deposited in the District Account and will be accounted for in any reports to the District as offsets to the District's payment obligations under this Agreement.

8. **Insurance.** The District agrees that it will maintain casualty insurance coverage for the Facilities and the Trail System.

The HOA, at its own expense, will maintain casualty insurance coverage (i) for its facilities, including, but not limited to, the pool facilities, common areas owned by the HOA, and related equipment and furniture, and (ii) for claims by its employees as follows:

- A. casualty insurance against loss or damage by fire;
- B. liability insurance that protects the HOA in all events with a limit of coverage not less than one million dollars (\$1,000,000); and
- C. Workers' Compensation Insurance as required by law for HOA employees. Any HOA contractor must also maintain Workers' Compensation as required by law.

The HOA may provide the required insurance as part of "blanket" coverage maintained on its other assets. The HOA shall name the District as additional insureds on all policies of the HOA for claims related to the pool facilities and related equipment and furniture, or any HOA equipment and furniture maintained in the Facilities, including the Belvedere Amenity Center. Upon each insurance renewal date, the HOA will deliver to the District a certificate evidencing the required insurance coverage. The HOA will promptly provide the District with written notice of any potential liability and will make available to the District all related information and documentation. The HOA shall name as an additional insured on all policies of the HOA relating to the Facilities.

9. **Hold Harmless and Indemnification.** The HOA shall indemnify, defend and hold the District harmless from all liability related to injury to persons or damage to property resulting or arising from the use of the Facilities and the Trail System by the HOA or from the HOA-sponsored activities using the Facilities or the Trail System. The indemnification arising under this paragraph will survive the termination of this Agreement for any reason.

10. **Term of Agreement.** The term of this Agreement is ten (10) years, and will automatically renew for subsequent five (5) year terms unless earlier terminated by a Party or unless a Party provides the other Parties written notice of non-renewal at least thirty (30) days prior to the end of then-current term.

11. **Termination.**

D. Any Party may terminate this Agreement at any time by providing at least six (6) months' written notice to the other Parties.

E. Any Party may terminate this Agreement for default if another Party fails to perform any material provision of this Agreement and the failure to perform continues for 90 days after written notice by the terminating Party to the defaulting Party. After the 90-day period, the terminating Party may terminate the Agreement by providing 10 days' written notice to the other parties.

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12. **Notices.** The Parties will provide all notices and other communications under this Agreement to the other Parties in writing by United States registered mail or electronic mail and addressed as follows:

**The District:**

Belvedere Municipal Utility District  
c/o Stefanie Albright  
Lloyd Gosselink Rochelle & Townsend, P.C.  
816 Congress Ave., Suite 1900  
Austin, Texas 78701  
(phone) 512-322-5814  
(fax) 512-472-0532  
(email) salbright@lglawfirm.com

**The HOA:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any Party may change its address or contact person by giving written notice to the other parties.

13. **Governing Law/Venue.** This Agreement is governed by the laws of the State of Texas. All obligations of the Parties under this agreement are performable in Travis County, Texas, and exclusive jurisdiction for claims arising from the Agreement will lie with the courts of Travis County, Texas.
14. **Construction/Merger.** Any amendment to the terms of this Agreement must be in a writing duly executed by the parties. In the event a provision of this Agreement is held to be invalid, illegal, or unenforceable, the Agreement will be construed as if the invalid, illegal, or unenforceable provision is absent from the Agreement. All other terms will continue in full force and effect. This Agreement constitutes the entire agreement of the parties regarding the subject matter of this Agreement and supersedes any prior or contemporaneous agreements or representations of the parties as to the subject matter. Section headings are for ease of reference only and will not affect interpretation of the Agreement.
15. **Waivers.** All waivers of a breach of a Party's obligation under this Agreement must be in writing to be effective. Any Party's failure to complain of a breach by another Party will not constitute a waiver of any current or future breach of the obligation.
16. **Assignment.** This Agreement may not be assigned by any Party without the prior written consent of the other Parties. This Agreement will be binding on, and inure to the benefit of, the parties to this Agreement and their respective successors and assigns. No assignment will relieve the assigning Party of its obligations under this Agreement unless agreed by the non-assigning Party or Parties in writing.

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17. **Multiple Counterparts.** The parties may execute this Agreement in separate counterparts, each of which will be an original and all of which will constitute the same document. A Party may execute this Agreement by faxed or electronic signature, and the other Parties may treat the faxed or electronic signature as an original.
18. **Termination of Original Agreement.** Upon final execution of this Agreement, the Parties agree that the Original Agreement shall be immediately terminated and of no further force and effect.

The Parties execute this Agreement effective on the Effective Date.

*[Signature pages to follow]*

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**EXHIBIT A**

**BELVEDERE AMENITY CENTER MAP (AND ASSOCIATED FACILITIES)**

Included in map:

1. Amenity Center (note to specifically exclude the pool)
2. Parking Lots
3. Storage building

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**EXHIBIT B**

**LANDSCAPING AREAS**

1. Show common areas (designate MUD areas and HOA areas)
2. Include landscaping around Amenity Center, parking lots, and storage building

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**EXHIBIT C**  
**BELVEDERE TRAIL SYSTEM**

# **EXHIBIT I**

Amenity Center and Landscaping Cost Sharing Agreement

Category	2017 HOA Budget	MUD %	MUD \$
Insurance	\$6,936	33	\$2,289
Electric	\$10,200	33	\$3,366
Water	\$23,000	33	\$7,590
Phone/Internet/Cable	\$7,800	66	\$5,148
A/C Cleaning	\$6,600	100	\$6,600
A/C Supplies	\$1,500	100	\$1,500
Landscaping(A/C & Common)	\$107,683	28.5	\$30,718
Maintenance	\$30,000	33	\$10,000
Contingency/Storage	\$15,000	33	\$5,000
Total Paid to HOA Annually			\$72,211