

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

THE STATE OF TEXAS

§

COUNTY OF TRAVIS

§

BELVEDERE MUNICIPAL UTILITY DISTRICT

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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 27th day of February, 2018.



Ronald Ubertini, Secretary

EXHIBIT A

SIGNED AND SEALED this January 16, 2018.

Secretary, Board of Directors

President, Board of Directors

(SEAL)

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

ADOPTED JANUARY 16, 2018

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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

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BELVEDERE MUNICIPAL UTILITY DISTRICT:

ARTICLE ONE

STATUTORY AUTHORITY, RECITALS AND FINDINGS

Section 1.01:AUTHORITY FOR THE DISTRICT.

Belvedere Municipal Utility District, situated in Travis County, Texas (the "District"), is political subdivision of the State of Texas created by an order of Texas Commission on Environmental Quality ("TCEQ") effective November 30, 2005, and the provisions of Article XVI, Section 59 of the Texas Constitution, and operating under and governed by Chapters 49 and 54, Texas Water Code (collectively, the "Act").

Section 1.02:PURPOSE OF THIS RESOLUTION.

The District desires to acquire, construct and improve its water, sanitary sewer and drainage system and contract rights related thereto, and to pay certain costs of operation and administration of the District and bond issuance costs, and the District finds that it is in the best interests of the District that the District finance the acquisition and construction of the facilities and improvements and contract rights associated therewith by the issuance of bonds by the District as authorized to be issued hereafter.

Section 1.03:AUTHORITY OF THIS RESOLUTION.

The District is authorized by the Act and an election held within the boundaries of the District on May 13, 2006, to issue bonds in the maximum amount of \$6,700,000 for the purpose of purchasing, constructing, acquiring, owning, operating, repairing, improving, or extending inside or outside its boundaries any District water and drainage works, improvements, facilities, plants, equipment, and appliances consistent with the purposes for which the District exists, or to make payment of sums due or to become due under contracts for such purposes and \$1,220,000 for parks and recreational facilities. The District has heretofore issued \$2,350,000 of its Unlimited Tax Bonds, Series 2010 (the "Series 2010 Bonds"), \$1,920,000 Unlimited Tax Bonds, Series 2011 (the "Series 2011 Bonds"), \$1,000,000 of its Unlimited Tax Bonds, Series 2016, from the bonds authorized for water, drainage and storm sewer purposes at the May 13, 2006 election. The District has also heretofore issued \$3,570,000 of its Unlimited Tax Refunding Bonds, Series 2016, from the bonds

authorized for refunding purposes. The District now desires to issue \$1,220,000 of its Unlimited Tax Park Bonds Series 2018 (the "Series 2018 Bonds" or the "Bonds") for parks and recreational facilities. After issuance of the Bonds authorized in this Resolution, none of the bonds authorized for parks and recreational facilities shall remain unissued, and \$1,430,000 of the bonds authorized for water and drainage purposes at the May 13, 2006, election shall remain unissued.

ARTICLE TWO

DEFINITIONS AND INTERPRETATIONS

Section 2.01:DEFINITIONS.

When used in this Resolution, except in Article Six, and in any resolution amendatory or supplemental hereto, the terms listed below shall have the meanings specified, unless it is otherwise expressly provided or unless the context otherwise requires.

Act.

The term "Act" means, collectively: Chapter 49, Texas Water Code; Chapter 51, Texas Water Code; and Art. XVI, Sec. 59, Texas Constitution.

Additional Bonds.

The term "Additional Bonds" shall mean the additional bonds payable from ad valorem taxes which the Board of Directors expressly reserves the right to issue in Article IX of this Resolution.

Authorized Investments.

The term "Authorized Investments" shall mean all direct or indirect obligations of the United States or one of its agencies, the State, any county, city, school district or other political subdivision of the State and certificates of deposit of state or national banks or savings and loan associations within the State; provided that any such certificates of deposit are secured by direct or indirect obligations of the United States or one of its agencies having a market value equal to the face amount of such certificate of deposit to the extent any portion of the face amount is not insured by the Federal Deposit Insurance Corporation.

Board of Directors.

The term "Board of Directors" or "Board" shall mean the governing body of the District.

Bonds.

The term "Bond" or "Bonds" shall mean any Bond or Bonds, as the case may be, of the District's \$1,220,000 Unlimited Tax Park Bonds, Series 2018, dated February 27, 2018, authorized and issued pursuant to this Resolution.

Business Day.

The term "Business Day" shall mean any day which is not a Saturday, Sunday or a day on which the Paying Agent/Registrar is authorized by law or executive order to remain closed or a legal holiday.

Capital Projects Fund.

The term "Capital Projects Fund" shall mean the District's capital projects fund created and established in Article 8 of this Resolution.

Commission.

The term "Commission" shall mean the Texas Commission on Environmental Quality.

Commission Order.

The term "Commission Order" shall mean the order of the Commission dated October 25, 2017 in connection with the issuance of the Bonds.

Debt Service Fund.

The term "Debt Service Fund" shall mean the District's debt service fund created and established in Article 8 of this Resolution.

District.

The term "District" shall mean the Belvedere Municipal Utility District, and any other public agency succeeding to the powers, rights, privileges, and functions of the District and, when appropriate, the Board of Directors of the District.

Exchange Bonds.

The term "Exchange Bonds" shall mean Bonds registered, authenticated, and delivered by the Paying Agent/Registrar, as provided in Sections 4.02 and 4.03 of this Resolution.

Fiscal Year.

The term "Fiscal Year" shall mean the accounting period for the District, which presently is the twelve-month period beginning on October 1 of each year and ending on September 30 of the following year, but which may be changed from time to time by the Board of Directors.

Initial Bond.

The term "Initial Bond" shall mean the Bond authorized, issued, and initially delivered hereunder and upon which the registration certificate, manually executed by or on behalf of the Comptroller of Public Accounts of the State of Texas, has been placed.

Initial Purchaser.

The term "Initial Purchaser" shall mean Raymond James & Associates, Inc.

Interest Payment Date.

The term "Interest Payment Date" shall mean September 1, 2018, and each March 1 and September 1 thereafter until the earlier of maturity or redemption.

Issue Date.

The term "Issue Date" means February 27, 2018.

MSRB.

The term "MSRB" means the Municipal Securities Rulemaking Board.

Paying Agent/Registrar.

The term "Paying Agent/Registrar" shall mean the Paying Agent/Registrar named herein to act as agent for the payment of principal, any applicable redemption price and interest on the Bonds in accordance with the terms of this Resolution and to act as Paying Agent/Registrar of the Bonds pursuant to this Resolution. If the District shall designate a successor Paying Agent/Registrar pursuant to this Resolution, the term shall then refer to such successor Paying Agent/Registrar.

Outstanding Bonds.

The term "Outstanding Bonds" means the Series 2010 Bonds, the Series 2011 Bonds, the Series 2016 Bonds and the Series 2016 Refunding Bonds.

Record Date.

The term "Record Date" shall mean, with respect to an Interest Payment Date of August 1, the preceding July 15, and with respect to an Interest Payment Date of February 1, the preceding January 15 whether or not such dates are Business Days.

Redemption Date.

The term "Redemption Date" shall mean the date fixed for redemption of any Bond pursuant to the terms of this Resolution.

Register.

The term "Register" shall mean the books of registration kept by the Paying Agent/Registrar in which are listed the names and addresses of the Registered Owners and the principal amount of Bonds registered in the name of each Registered Owner.

Registered Owner.

The term "Registered Owner" shall mean the person or entity in whose name a Bond is registered in the Register.

Replacement Bonds.

The term "Replacement Bonds" shall mean the Bonds authorized by the District to be issued in substitution or mutilated, lost or stolen Bonds, as provided in Section 4.04 of this Resolution.

Resolution.

The term "Resolution" shall mean this Resolution and all amendments hereof and supplements hereto.

Series 2010 Bonds.

The term "Series 2010 Bonds" means the District's \$2,350,000 Unlimited Tax Bonds Series 2010 heretofore issued by the District.

Series 2011 Bonds.

The term "Series 2011 Bonds" means the District's \$1,920,000 Unlimited Tax Bonds heretofore issued by the District.

Series 2016 Bonds.

The term "Series 2016 Bonds" means the District's \$1,000,000 Unlimited Tax Bonds heretofore issued by the District.

Series 2016 Refunding Bonds.

The term "Series 2016 Refunding Bonds" means the District's \$3,570,000 Unlimited Tax Refunding Bonds, Series 2016 heretofore issued by the District.

Stated Maturity.

The term "Stated Maturity" means the fixed date on which the principal of the Bonds is scheduled to be due and payable pursuant to Section 3.03 of this Resolution.

System.

The term "System" shall mean the water, sanitary sewer and drainage system of the District, including, but not limited to, all works, improvements, facilities, plants, equipment, appliances, interest in property, and contract rights needed therefor, and administrative facilities needed in connection therewith, together with any additions or extensions thereto or improvements and replacements therefor.

Section 2.02:INTERPRETATIONS.

The table of contents, titles and headings of the articles and sections of this Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the taxes levied in payment thereof.

ARTICLE THREE

AUTHORIZATION, DESCRIPTION, AND EXECUTION OF BONDS

Section 3.01:DESIGNATION, PURPOSE, AND AUTHORIZATION.

The Bonds of the District to be known and designated as Belvedere Municipal Utility District Unlimited Tax Park Bonds, Series 2018, shall be issued pursuant to the January 16, 2018 bond election held by the District in the aggregate principal amount of One Million Two Hundred Twenty Thousand Dollars (\$1,220,000) for the purposes of parks and recreational facilities and paying the costs of issuing the Bonds.

Section 3.02:FORM, DATE, INTEREST PAYMENT DATES, NUMBERS, AND DENOMINATION OF BONDS.

The Bonds shall be issued in fully registered form, without coupons, and may be transferred and exchanged after initial delivery as provided in this Resolution. There shall be one (1) Initial Bond numbered T-1 which shall be one bond for the entire issue of \$1,220,000. Exchange Bonds registered and delivered by the Paying Agent/Registrar subsequent to the Initial Bond shall be numbered by the Paying Agent/Registrar in consecutive order of their authentication beginning with No. R-1 and no two Bonds shall be given the same number. Bonds registered and delivered subsequent to the Initial Bond shall be in denominations of \$5,000 or any integral multiple thereof and shall mature on the same date and bear or accrue interest at the same rate as the Bond or Bonds in lieu of which they are delivered. The Bonds shall be dated December 1, 2017 (the "Issue Date"). The Bonds shall bear interest at the rates set forth in Section 3.03 of this Resolution from the Issue Date or the most recent Interest Payment Date to which such interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, payable August 1, 2018, and semiannually thereafter on February 1 and August 1 of each year until maturity.

Section 3.03:INTEREST RATES AND MATURITIES.

The Bonds shall bear interest from the Issue Date at the rate or rates set forth in the following schedule, and shall mature and become payable, subject to prior redemption in accordance with the provisions of Article Five hereof, on September 1 in each of the years and in the principal amounts set forth in the schedule below:

Year of Maturity	Principal Amount	Interest Rate	Year of Maturity	Principal Amount	Interest Rate
2018	\$	%	2029	\$	%
2019			2030		
2020			2031		
2021			2032		
2022			2033		
2023			2034		
2024			2035		
2025			2036		
2026			2037		
2027			2038		
2028					

Section 3.04:EXECUTION OF BONDS.

The Bonds shall be executed on behalf of the District by the President or Vice President of the Board of Directors and attested by the Secretary or Assistant Secretary, by their manual,

lithographed or facsimile signatures, and the official seal of the District shall be impressed or placed in facsimile thereon. The facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers and the facsimile seal on the Bonds shall have the same effect as if the official seal of the District had been manually impressed upon each of the Bonds. If any officer of the District whose manual or facsimile signature appears on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

Section 3.05:APPROVAL BY ATTORNEY GENERAL; REGISTRATION BY COMPTROLLER.

The Initial Bond to be initially issued shall be delivered to the Attorney General of the State of Texas for approval and shall be registered by the Comptroller of Public Accounts of the State of Texas. The manually executed registration certificate of the Comptroller of Public Accounts of the State of Texas, substantially in the form provided in Section 6.02 of this Resolution, shall be affixed or attached to the Bond to be initially issued.

Section 3.06:AUTHENTICATION.

Except for the Initial Bond, which need not be authenticated by the Paying Agent/Registrar, all other Bonds shall bear an authentication certificate substantially in the form provided in Section 6.03 of this Resolution, manually executed by an authorized officer of the Paying Agent/Registrar. No Bond, except for the Initial Bond, shall be valid or obligatory for any purpose unless the authentication certificate of the Paying Agent/Registrar has been signed by a duly authorized officer thereof. Such duly executed certificate of authentication shall be conclusive evidence that the Bond so authenticated was delivered by the Paying Agent/Registrar.

Section 3.07:PAYMENT OF PRINCIPAL AND INTEREST.

- A. Paying Agent/Registrar Matters. BOKF, NA, Austin, Texas is hereby appointed as the Paying Agent/Registrar for the Bonds. The initial Paying Agent/Registrar shall perform its duties as registrar and paying agent in accordance with the terms of a paying agent/registrar agreement presented to and hereby approved by the Board of Directors. The President or Vice President of the Board of Directors is hereby authorized and directed to execute such paying agent/registrar agreement on behalf of the District, and the Secretary or Assistant Secretary of the Board of Directors is hereby authorized and directed to attest the execution thereof and to affix the seal of the District thereon. Further, the President of the Board of Directors and all other officers, agents, and representatives of the District are hereby authorized to do any and all things necessary or desirable to carry out the provisions of such paying agent/registrar agreement.

The principal or redemption price of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender, as they become due and payable, at the corporate

trust office of the Paying Agent/Registrar. The interest on each Bond shall be payable by check on the Interest Payment Date, mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Registered Owner, as of the Record Date, to the address of such Registered Owner as shown on the Register. If the date for payment of the principal or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date payment was originally due.

- B. Book-Entry-Only System Matters. The Initial Bond shall be issued in the form of a single fully registered Bond for the entire issue amount of \$1,220,000 in the principal amounts for each year and bearing interest at the rates shown in Section 3.03, and delivered at the principal payment office of the Paying Agent/Registrar, and after payment therefor by the Initial Purchaser, shall be canceled and Exchange Bonds for each maturity shall be exchangeable by the Paying Agent/Registrar for Exchange Bonds registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC") as agent for the Initial Purchaser. The Exchange Bonds shall be delivered in denominations of \$5,000 or any integral multiple thereof for any one maturity in accordance with DTC's Book-Entry-Only System.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC participants (the "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any person, other than a Registered Owner, as shown in the Register of any amount with respect to principal or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary, but to the extent permitted by law, the District and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal and interest, with respect to such Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Register, as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the District to make payments of principal

and interest pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Resolution with respect to interest checks being mailed to the Registered Owner at the close of business on the Record Date the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

In the event that the District determines to discontinue the book-entry system through DTC or successor or DTC determines to discontinue providing its services with respect to the Bonds, the District shall either (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the District to DTC.

Section 3.08:SUCCESSOR PAYING AGENT/REGISTRARS.

The District covenants that at all times while any Bonds are outstanding it will provide a legally qualified bank, trust company, financial institution or other agency to act as Paying Agent/Registrar for the Bonds. The District reserves the right to change the Paying Agent/Registrar for the Bonds on not less than sixty (60) days written notice to the Paying Agent/Registrar, so long as any such notice is effective not less than sixty (60) days prior to the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or a copy thereof to the new Paying Agent/Registrar, and the new Paying Agent/Registrar shall notify each Registered Owner by United States mail, first-class, postage prepaid, of the effective date of such change and of the address of the new Paying Agent/Registrar. Each Paying Agent/Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

Section 3.09:SPECIAL RECORD DATE.

If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment

of such interest, to be known as a "Special Record Date." The Paying Agent/Registrar shall establish a Special Record Date when funds to make such interest payment are received from on behalf of the District. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each Registered Owner of an affected Bond as of the close of business on the Business Day prior to the mailing of such notice.

Section 3.10:OWNERSHIP; UNCLAIMED PRINCIPAL AND INTEREST.

The District, the Paying Agent/Registrar and any other person may treat the Registered Owner of any Bond as the absolute owner of such Bond for the purpose of making and receiving payment of the principal or interest on such Bond, and for other purpose, whether or not such Bond is overdue, and neither the District nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the Registered Owner of any Bond in accordance with this Section 3.10 shall be valid and effectual and shall discharge the liability of the District and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Paying Agent/Registrar that represent principal and interest on the Bonds remaining unclaimed by the Registered Owner thereof after the expiration of three (3) years from the date such amounts have become due and payable shall be reported and disposed of by the Paying Agent/Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended.

ARTICLE FOUR

REGISTRATION, TRANSFER AND EXCHANGE

Section 4.01:REGISTER.

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep at its agent's office in Austin, Texas, a Register in which are listed the names and addresses of the Registered Owners and the principal amount of Bonds registered in the name of each Registered Owner.

Section 4.02:REGISTRATION OF INITIAL BOND.

The Initial Bond shall be registered to Cede & Co., on behalf of the Initial Purchaser, and shall be so entered into the Register by the Paying Agent/Registrar.

Section 4.03:TRANSFER AND EXCHANGE.

At any time after initial delivery of the Bonds, any Bond may be transferred upon its presentation and surrender at the corporate trust office of the Paying Agent/Registrar, duly endorsed for transfer by the Registered Owner or an authorized representative on the assignment form on the reverse side of the Bond, or accompanied by another instrument of transfer and assignment acceptable to the Paying Agent/Registrar and duly executed by the Registered Owner or any authorized

representative. Upon presentation of any Bond for transfer, the Paying Agent/Registrar shall register, authenticate and deliver in the name of the transferee or transferees one or more Exchange Bonds in authorized denominations, of the same maturity and interest rate and in a like aggregate principal amount. A request for transfer of Bonds shall include the names and addresses of the transferees and the principal amount of Bonds to be transferred to each such transferee.

Any Bond may be exchanged by the Registered Owner or an authorized representative upon its presentation and surrender at the corporate trust office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate, in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange and in any authorized denomination.

Upon presentation of any Bond for transfer or exchange, the Paying Agent/Registrar shall register, authenticate, and deliver Exchange Bonds in accordance with the provisions of this Section 4.03. Except as provided in Section 4.02 above, the Paying Agent/Registrar shall, to the extent possible, register, authenticate and deliver Exchange Bonds within three (3) business days of receipt of Bonds presented for transfer or exchange. Neither the District nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding interest payment date or to transfer or exchange any Bond selected for redemption in whole or in part within thirty (30) calendar days of the redemption date. Each Exchange Bond shall be entitled to the benefits and security of this Resolution to the same extent as the Bond or Bonds for which such Exchange Bond is delivered. No service charge shall be made for any such transfer or exchange, but the District or the Paying Agent/Registrar may require the Registered Owner of any Bond to pay any tax or other governmental charge imposed in connection with the transfer or exchange of such Bond.

Section 4.04:REPLACEMENT BONDS.

Upon the presentation and surrender to the Paying/Agent Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall execute and the Paying Agent/Registrar shall authenticate and deliver a Replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The District or the Paying Agent/Registrar may require the Registered Owner of a mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith, including the fees and expenses of the Paying Agent/Registrar. The District or the Paying Agent/Registrar may require the Registered Owner of a lost, apparently destroyed or wrongfully taken Bond, before any Replacement Bond is issued, to:

- A. furnish to the District and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;

- B. furnish such security or indemnity as may be required by the Paying Agent/Registrar and the District to save them harmless;
- C. pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that may be imposed; and
- D. meet any other reasonable requirements of the District and the Paying Agent/Registrar.

If, after the delivery of a Replacement Bond, a bona fide purchaser of the original Bond, in lieu of which such Replacement Bond was issued, presents for payment such original Bond, the District and the Paying Agent/Registrar shall be entitled to recover such Replacement Bond from the person to whom it was delivered or any person taking therefrom and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the District or the Paying Agent/Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the District in its discretion may, instead of issuing a Replacement Bond, authorize the Paying Agent/Registrar to pay such Bond.

Each Replacement Bond delivered in accordance with this Section 4.04 shall be entitled to the benefits and security of this Resolution to the same extent as the Bond or Bonds in lieu of which such Replacement Bond is delivered.

Section 4.05: CANCELLATION.

All Bonds paid or redeemed in accordance with this Resolution, and all Bonds for which Exchange Bonds or Replacement Bonds are authenticated, registered and delivered in accordance with Section 4.02, Section 4.03 or Section 4.04 of this Resolution, shall be canceled and destroyed upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall periodically furnish the District with certificates of destruction of such Bonds.

ARTICLE FIVE

REDEMPTION OF BONDS BEFORE MATURITY

Section 5.01: OPTIONAL REDEMPTION OF BONDS.

The District reserves the right, at its option, to redeem the Bonds maturing on or after August 1, 2026, prior to their scheduled maturities, in whole or, from time to time, in part, on August 1, 2025, or on any date thereafter, at a price equal to the principal amount of the Bonds called for redemption plus accrued interest thereon to the date fixed for redemption. The District shall, at least forty-five (45) days prior to the date fixed for redemption, notify the Paying Agent/Registrar of such date and of the principal amount of Bonds of each maturity to be redeemed. If less than all of the Bonds of the same maturity are to be redeemed, the particular Bonds to be redeemed from within such maturity shall be selected by the District by lot or such other customary method

of random selection as the District deems fair and appropriate; provided, however, that in the event that a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in a principal amount equal to \$5,000 or an integral multiple thereof. For purposes of this Resolution, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed. Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 4.03 of this Resolution, shall authenticate, register, and deliver an Exchange Bond in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Section 5.02:

[Reserved.]

Section 5.03:NOTICE OF REDEMPTION.

Notice of redemption shall be given by the Paying Agent/Registrar at least thirty (30) days prior to the Redemption Date by sending such notice by mail, first class postage prepaid, to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the Register as of the 45th calendar date prior to the redemption date and to major securities depositories and bond information services. Such notice shall state the Redemption Date, the redemption price, the principal amount of the Bonds to be redeemed and, if less than all of the then outstanding Bonds are to be redeemed, the identification numbers (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, the amount of accrued interest payable on the Redemption Date and the place at which the Bonds are to be surrendered for payment. Any notice given as provided in this Section 5.02 shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. By the Redemption Date, due provision shall be made with the Paying Agent/Registrar for the payment of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the Redemption Date. When Bonds have been called for redemption, in whole or in part, as provided above and due provision has been made to redeem the Bonds called for redemption, such Bonds, or portions thereof, shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for redemption, and the right of the Registered Owners to collect interest on such Bonds or portions thereof which would otherwise accrue after the Redemption Date shall be terminated.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Bond Resolution have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the District will not redeem such Bonds, and the Paying Agent will give notice in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

ARTICLE SIX

FORM OF BONDS AND CERTIFICATES

Section 6.01:FORM OF BONDS.

The Bonds, the authentication certificate, the registration certificate and the form of Assignment to be printed on the Bonds, shall be substantially in the forms set forth in this Article Six with such appropriate insertions, omissions, substitutions and other variations as are permitted or required by this Resolution and may have such letters, numbers or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as may, consistent herewith, be established by the District or determined by the officers executing such Bonds, as evidenced by their execution thereof. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond. The Bonds shall be printed, lithographed, engraved, produced by any combination of these methods, produced in any other similar manner or with the consent of the Registered Owner may be typewritten, all as determined by the officers executing such Bonds and evidenced by their execution thereof. The Initial Bonds submitted to the Attorney General of the State of Texas may be typewritten or photocopies or otherwise reproduced.

The form of the Bonds shall be substantially as follows.

REGISTERED NO. R-_____	UNITED STATES OF AMERICA STATE OF TEXAS	REGISTERED \$_____	
BELVEDERE MUNICIPAL UTILITY DISTRICT UNLIMITED TAX PARK BONDS SERIES 2018			
Interest Rate: _____ %	Maturity Date: _____	Issue Date: February 27, 2018	CUSIP No.: _____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ Dollars

The Belvedere Municipal Utility District, a conservation and reclamation district and a body politic and corporate created under the Constitution and laws of the State of Texas (the "District"), for value received hereby acknowledges itself indebted to and promises to pay to the Registered Owner identified above or registered assigns, on the Maturity Date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior

redemption) and to pay interest thereon from the later of the Issue Date specified above, or the most recent interest payment date to which interest has been paid or duly provided for at the rate per annum specified above, with interest payable commencing September 1, 2018, and semiannually thereafter on March 1 and September 1 of each year until the maturity or redemption date of this bond. The principal of this bond is payable upon presentation and surrender of this bond, at the corporate trust office of BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"), in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America. Interest on this bond, calculated at the rate specified above on the basis of a 360-day year of twelve 30-day months, is payable by check to be mailed by the Paying Agent/Registrar on or before each interest payment date to the registered owner of record as of the 15th day of the month next preceding such interest payment date. Any accrued interest due at maturity shall be paid upon presentation and surrender of this bond at the corporate trust office of the Paying Agent/Registrar.

This bond is not valid or obligatory for any purpose unless either the registration certificate of the Comptroller of Public Accounts of the State of Texas or the authentication certificate of the Paying Agent/Registrar, one or the other of which must be printed hereon, has been signed by a duly authorized officer thereof.

IN WITNESS WHEREOF, this bond has been executed with the manual or facsimile signatures of the President or Vice President and Secretary or Assistant Secretary of the Board of Directors of the District and its official seal has been duly impressed or placed in facsimile hereon.

BELVEDERE MUNICIPAL UTILITY DISTRICT

[Vice] President, Board of Directors

COUNTERSIGNED:

Secretary, Board of Directors

(SEAL)

This bond is one of a duly authorized issue of bonds, aggregating One Million Two Hundred Twenty Thousand Dollars (\$1,220,000) (the "Bonds"), issued pursuant to a resolution of the Board of Directors of the District adopted on January 16, 2018 (the "Resolution"), for the purposes of parks and recreational facilities and paying the costs of issuing the Bonds.

The Bonds are transferable upon presentation and surrender at the corporate trust office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner (the "Registered Owner") or the Registered Owner's authorized representative, subject to the terms and conditions of the Resolution.

The Bonds of this issue are exchangeable at the corporate trust office of the Paying Agent/Registrar for Bonds in the principal amount of \$5,000, or any integral multiple thereof, subject to the terms and conditions of the Resolution.

Neither the District nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond during a period beginning at the opening of business on a Record Date (as defined in the Resolution) and ending at the close of business on the next succeeding interest payment date or to transfer or exchange any Bond selected for redemption in whole or in part within forty-five (45) calendar days of the redemption date.

Prior to presentation of this Bond for transfer or exchange, the District and the Paying Agent/Registrar will deem the Registered Owner identified above as the absolute owner of this Bond, whether or not this Bond shall be overdue and notwithstanding any notation of ownership or other writing hereon, for the purpose of receiving payment of the principal amount hereof and interest due hereon, and for all other purposes, and neither the District nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

The District reserves the right, at its option, to redeem the Bonds maturing on or after September 1, 2026, in whole or, from time to time, in part, prior to their scheduled maturities, on September 1, 2025, or on any date thereafter, at a price equal to the principal amount of the Bonds called for redemption plus accrued interest thereon to the date fixed for redemption. In the event that a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in a principal amount equal to \$5,000, or any integral multiple thereof.

Notice of any redemption will be given at least thirty (30) days prior to the date fixed for redemption by mail, first class postage prepaid, to the Registered Owners of the Bonds to be redeemed, in whole or in part, at the address shown on the books of registration kept by the Paying Agent/Registrar as of the 45th calendar date prior to the redemption date and to major securities depositories and bond information services. By the date fixed for redemption, due provision will be made with the Paying Agent/Registrar for payment of the principal amount of the Bonds called for redemption, plus accrued interest thereon to the redemption date. When Bonds have been called for redemption, in whole or in part, and due provision has been made to redeem same, such Bonds, or the portions thereof so called for redemption, shall no longer be regarded as outstanding, except for the purpose of receiving payment from the funds provided for redemption, and the rights of the Registered Owners to collect interest which would otherwise accrue after the redemption date of the Bonds, or portions thereof called for redemption, will be terminated. The principal amount of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the District, by the principal amount of the Term Bonds of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the District, at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and cancelled by the Paying Agent at the request of the District, with monies in the Debt Service Fund at a price not exceeding the principal amount of the Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

This Bond, and the other Bonds of the series of which it is a part, are payable from the proceeds of an ad valorem tax levied without legal limitation as to rate or amount upon all taxable property within the District. Reference is hereby made to the Resolution for a complete description of the terms, covenants and provisions pursuant to which the Bonds are secured and made payable and the respective rights thereunder of the Registered Owners of the Bonds and of the District and the Paying Agent/Registrar. By acceptance of this Bond, the Registered Owner hereof expressly assents to all of the provisions of the Resolution.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that the issuance of this Bond and the series of Bonds of which it is a part is duly authorized by law; that all acts, conditions and things required to exist and to be done precedent to and in the issuance of this Bond and said series of Bonds to render the same lawful and valid have been properly done and performed and have happened in regular and due time, form and manner, as required by law; that due provision has been made for the payment of the interest on and the principal of this Bond and the series of Bonds of which it is a part by the levy of a continuing, direct annual ad valorem tax upon all taxable property within the District sufficient for said purposes; and that the issuance of this Bond and said series of Bonds does not exceed any constitutional or statutory limitation.

Section 6.02: REGISTRATION OF INITIAL BOND BY STATE COMPTROLLER AND CERTIFICATE.

The Initial Bond shall be registered by the Comptroller of Public Accounts of the State of Texas as provided by law. The registration certificate of the Comptroller of Public Accounts of the State of Texas shall be printed on the face of each of the Initial Bond and shall be in substantially the following form:

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS

REGISTER NO. _____

THE STATE OF TEXAS

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and it is a valid and binding obligation of Belvedere Municipal Utility District, and said bond has this day been duly registered by me.

WITNESS MY HAND AND SEAL OF OFFICE at Austin, Texas, this ____ day _____ of _____, 2018.

Comptroller of Public Accounts
of the State of Texas

Section 6.03:FORM OF AUTHENTICATION CERTIFICATE:

The following form of authentication certificate shall be printed on the face of each of the Bonds other than the Initial Bonds:

AUTHENTICATION CERTIFICATE

This bond is one of the bonds described in and issued pursuant to the within-mentioned Resolution. This bond has been delivered pursuant to the Resolution in exchange for or in replacement of a bond or bonds or a portion of a bond or bonds of a series which was originally approved by the Attorney General of the State of Texas.

BOKF, NA, Dallas, Texas

Dated:

By: _____
Authorized Signature

Section 6.04:FORM OF ASSIGNMENT.

A form of assignment shall be printed on the back of each of the Bonds and shall be in substantially the following form:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ (Please print or type name, address and zip code of Transferee) _____ (Please insert Social Security or Taxpayer Identification Number of Transferee) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED:

Signature Guaranteed:

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Registered Owner
NOTICE: The signature above must correspond to the name of the registered owner as shown on the face of this bond in every particular, without any alteration, enlargement or change whatsoever.

Section 6.05:LEGAL OPINIONS; CUSIP NUMBERS. The District may also have printed on the reverse side of the Bonds the legal opinion of McCall, Parkhurst & Horton L.L.P., as to the validity of the Bonds and the excludability of interest on the Bonds from gross income for federal income tax purposes and the statement of insurance for the Bonds. Also, CUSIP numbers may be printed on the Bonds, at the option of the District. Also, an insurance statement may be printed on the Bonds.

Section 6.06:CHANGE TO FORM FOR INITIAL BOND.

- a. The Initial Bond shall be in the form set forth in Section 6.01 of this Article, except that: Immediately under the name of the Bond, the headings "Interest Rate" and "Maturity Date" shall both be completed with the expression "as shown below" and ["CUSIP NO." shall be deleted];

In the first paragraph: The words "on the Maturity Date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption)" shall be deleted and the following will be inserted: "on the first day of September in each of the years set forth below and in the principal installments and bearing interest at the per annum rates set forth below, the sum of \$7,060,000 Dollars (or so much thereof as shall not have been paid upon prior redemption) according to the following schedule:

Year of Maturity	Principal Amount	Interest Rate	Year of Maturity	Principal Amount	Interest Rate
2018	\$	%	2029	\$	%
2019			2030		
2020			2031		
2021			2032		
2022			2033		
2023			2034		
2024			2035		
2025			2036		
2026			2037		
2027			2038		
2028					

ARTICLE SEVEN

SECURITY OF THE BONDS AND ANY ADDITIONAL BONDS

Section 7.01: SECURITY OF BONDS AND ANY ADDITIONAL BONDS.

The Bonds, the Outstanding Bonds and any Additional Bonds are secured by and payable from the levy and pledge of a continuing, direct annual ad valorem tax, without legal limitation as to rate or amount, upon all taxable property within the District.

Section 7.02: LEVY OF TAX.

To pay the interest on the Bonds, and to create a sinking fund for the payment of the principal thereof when due, and to pay the expenses of assessing and collecting such taxes, there is hereby levied, and there shall be assessed and collected in due time, a continuing, direct annual ad valorem tax without limit as to rate or amount on all taxable property in the District for each year while any of the Bonds are outstanding. All of the proceeds of such collections, except expenses incurred in that connection, shall be paid into the Debt Service Fund, and the aforementioned tax and such payments into Debt Service Fund shall continue until the Bonds and the interest thereon have been fully paid and discharged, and such proceeds shall be used for such purposes and no other. The rate of the ad valorem tax hereby levied shall be determined and levied from year to year in an amount as will be ample and sufficient to provide funds to pay the interest on said Bonds, the Outstanding Bonds and any Additional Bonds and to provide the necessary sinking fund to pay the principal when due, full allowance being made for delinquencies and costs of collection. The annual ad valorem tax rate shall be determined and the tax shall be levied, collected and applied to the payment of principal and interest on the Bonds, the Outstanding Bonds and any Additional Bonds, as follows:

- (a) By September 1 in each year, or as soon thereafter as practicable, the Board shall consider the taxable property in the District and determine the actual rate per \$100 valuation of taxable property which is to be levied in that year and levy the tax against all taxable property in the District.
- (b) In determining the actual rate to be levied in each year, the Board shall consider among other things:
 - (i) the amount which should be levied for the payment of principal, interest, and redemption price of each series of bonds or notes payable in whole or in part from taxes; and
 - (ii) the percentage of anticipated tax collections and the cost of collecting the taxes.
- (c) In determining the amount of taxes which should be levied each year, the Board may consider whether revenue or receipts are expected to be available from other

sources which are legally available to pay principal of or interest or redemption price on the Bonds, the Outstanding Bonds and any Additional Bonds.

In addition to the taxes levied pursuant to this Section 7.02, the District may also levy from time to time taxes for maintenance and operation purposes, for contract obligations payable from taxes and for any other purpose or purposes authorized by law.

Section 7.03:PAYMENT OF BONDS AND PERFORMANCE OF OBLIGATIONS.

The District covenants to pay promptly the principal of and interest on the Bonds any Outstanding Bonds and Additional Bonds, if any, as the same become due and payable, whether at maturity or by prior redemption, in accordance with the terms of the Bonds and this Resolution, and to keep and perform faithfully all of its covenants, undertakings and agreements contained in this Resolution, or in any Bond executed, authenticated and delivered hereunder.

ARTICLE EIGHT

FLOW OF FUNDS AND INVESTMENTS

Section 8.01:CREATION OF FUNDS.

The Debt Service Fund and the Capital Projects Fund are hereby established as separate and distinct funds. Each fund shall be kept separate and apart from all other funds of the District. To the extent allowed by law, the Debt Service Fund shall constitute a trust fund which shall be held in trust by the District for the benefit of the holders of the Bonds, the Outstanding Bonds and the Additional Bonds, if any, as appropriate. The Capital Projects Fund shall be used as provided in Section 8.04 of this Resolution.

Section 8.02:SECURITY OF FUNDS.

Any cash balance in any fund, to the extent not insured by the Federal Deposit Insurance Corporation or its successor or the Federal Savings and Loan Insurance Corporation or its successor, shall be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of municipal utility districts, having an aggregate market value, exclusive of accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged.

Section 8.03:DEBT SERVICE FUND.

The District shall deposit or cause to be deposited into the Debt Service Fund accrued interest on the Bonds, the proceeds from collections of the ad valorem taxes levied pursuant to Section 7.02 hereof, less costs of collection, as collected. Not later than five (5) days prior to any Interest Payment Date on the Bonds and the Outstanding Bonds, the Board of Directors shall cause the transfer of moneys out of the Debt Service Fund to the Paying Agent/Registrar in an amount not less than that which is sufficient to pay the principal which matures on such date and the interest which accrues on such date. The District shall pay fees and charges of the Paying Agent/Registrar

for its services as paying agent and registrar for the Bonds and the Outstanding Bonds from the Debt Service Fund.

Section 8.04:CAPITAL PROJECTS FUND.

All proceeds from the sale of the Bonds, other than accrued interest and capitalized interest which shall be deposited into the Debt Service Fund, shall be deposited into the District's Capital Projects Fund and used for the payment of expenses incident to the issuance of the Bonds, including financial advisory, legal and engineering fees and expenses; operation and administrative expenses of the District; and the costs of purchasing, constructing, acquiring, owning, operating, repairing, improving or extending the System, all as currently or hereafter approved by the Commission.

Section 8.05:

[RESERVED.]

Section 8.06:INVESTMENTS AND EARNINGS.

Moneys deposited into the Debt Service Fund, the Capital Projects Fund, and any other fund or funds which the District may lawfully create may be invested or reinvested in Authorized Investments. All investments and any profits realized from or interest accruing on such investments shall belong to the fund from which the moneys for such investments were taken; provided, however, that in the discretion of the Board of Directors the profits realized from and interest accruing on investments made from any fund may be transferred to the Debt Service Fund. If any moneys are so invested, the District shall have the right to have sold in the open market a sufficient amount of such investments to meet its obligations in the event any fund does not have sufficient uninvested funds on hand to meet the obligations payable out of such fund. After such sale the moneys resulting therefrom shall belong to the fund from which the moneys for such investments were initially taken. The District shall not be responsible to the Registered Owners for any loss arising out of the sale of any investments.

ARTICLE NINE

ADDITIONAL BONDS; REFUNDING BONDS AND DEFEASANCE

Section 9.01:ADDITIONAL BONDS.

The District expressly reserves the right to issue, in one or more installments, for the purpose of purchasing, constructing, acquiring, owning, operating, maintaining, repairing, improving or extending the System or for any other lawful purposes:

- a. any authorized but unissued unlimited tax bonds which have been authorized at a bond election in the District; and
- b. such other unlimited tax bonds as may hereafter be authorized at subsequent elections.

Section 9.02:OTHER BONDS.

The District further reserves the right to issue unlimited tax bonds, if authorized by election, and such other bonds as may be lawfully issued by the District without the necessity for an election.

Section 9.03:REFUNDING OR DEFEASANCE.

The District further reserves the right to defease or refund the Bonds or any other bonds issued by the District in any manner provided by law at or prior to their respective dates of maturity or redemption.

ARTICLE TEN

COVENANTS REGARDING TAX EXEMPTION
OF INTEREST ON THE BONDS

Section.10.01:COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON
THE BONDS.

(a) Covenants. The District covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the District covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the District, with respect to such private business use, do not, under the terms of this Bond Order or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of the issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the District for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The District understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the District that the covenants contained herein are intended to

assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the District will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the District agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the District hereby authorizes and directs the President or Vice President to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the District, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Allocation Of, and Limitation On, Expenditures for the Project. The District covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 3.01 of this Bond Order (the "Project") on its books and records in accordance with the requirements of the Code. The District recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the District recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The District agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the District shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The District covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the District of cash or other compensation, unless the District obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the District shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Designation as Qualified Tax-Exempt Obligations. The District hereby designates the Bonds as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code, conditioned upon the Initial Purchaser identified in Section 15.01 hereof certifying that the aggregate initial offering price of the Bonds to the public (excluding any accrued interest) is no greater than \$10,000,000 (or such amount permitted by section 265 of the Code). Assuming such

condition is met, in furtherance of such designation, the District represents, covenants and warrants the following: (a) that during the calendar year in which the Bonds are issued, the District (including any subordinate entities) has not designated nor will designate bonds, which when aggregated with the Bonds, will result in more than \$10,000,000 (or such amount permitted by section 265 of the Code) of "qualified tax-exempt obligations" being issued; (b) that the District reasonably anticipates that the amount of tax-exempt obligations issued during the calendar year in which the Bonds are issued, by the District (or any subordinate entities) will not exceed \$10,000,000 (or such amount permitted by section 265 of the Code); and, (c) that the District will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, in order that the Bonds will not be considered "private activity bonds" within the meaning of section 141 of the Code.

ARTICLE ELEVEN

DEFAULT PROVISIONS

Section 11.01: REMEDIES IN EVENT OF DEFAULT.

In addition to any other rights and remedies provided by the laws of the State, the District covenants and agrees that in the event of default in payment of principal of or interest on any of the Bonds when due or in the event it fails to make the payments required to be made into the Debt Service Fund or defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Resolution, the Registered Owners shall be entitled to a writ of mandamus issued by a court of competent jurisdiction compelling and requiring the District and the officials thereof to observe and perform the covenants, obligations or conditions prescribed in this Resolution. Any delay or omission to exercise any right or power accruing upon any default shall not impair any such right or power to be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 11.02: RESOLUTION IS CONTRACT; AMENDMENTS.

In consideration of the purchase and acceptance of the Bonds authorized to be issued hereunder by the Registered Owners, the provisions of this Resolution shall be deemed to be and shall constitute a contract between the District and the Registered Owners; and the covenants and agreements herein set forth to be performed on behalf of the District shall be for the equal benefit, protection and security of each of the Registered Owners. The Bonds, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any Bond over any other, except as expressly provided herein. The District may, without the consent of or notice to the Registered Owners, from time to time and at any time amend this Resolution in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the District may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding, amend, add to or rescind any of the provisions of this Resolution; provided that, without the consent of the Registered Owners of all of the Bonds affected, no such amendment, addition, or rescission shall (a) extend the time or times of payment of the principal and redemption price of and interest on the Bonds, reduce the principal amount

thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal and redemption price of or interest on the Bonds, (b) give any preference to any Bond over any other Bonds or (c) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition or rescission.

ARTICLE TWELVE

CONTINUING DISCLOSURE OF FINANCIAL INFORMATION

Section 12.01: ANNUAL REPORTS.

(i) The District shall provide annually to the MSRB, within six months after the end of each fiscal year ending in or after 2017, financial information and operating data with respect to the District, of the general type included in EXHIBIT A hereto. Any financial statements so to be provided shall be (i) prepared in accordance with generally accepted auditing standards or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation and (ii) audited, if the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within twelve months of the District's fiscal year end, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such twelve month period and audited financial statements when the audit report on such statements becomes available.

(ii) If the District changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the District otherwise would be required to provide financial information and operating data pursuant to this Section.

(iii) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet website or filed with the SEC.

Section 12.02: CERTAIN EVENT NOTICES.

(i) The District shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of beneficial owners of the Bonds, if material;
8. Bond calls, if material, and tender offers;

9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy;
13. Insolvency, receivership or similar events of the District or other obligated person within the meaning of CFR Section 240.15c2-12 (the "Rule");
14. Consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
15. Appointment of a successor or additional trustee or the change of name of a trustee, if material to a decision to purchase or sell Bonds.

(ii) The District shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner, of any failure by the District to provide financial information or operating data in accordance with this subsection of this Resolution by the time required by this Section.

Section 12.03.LIMITATIONS, DISCLAIMERS, AND AMENDMENTS.

(i) The District shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the District remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the District in any event will give notice of any deposit made in accordance with Texas law that causes the Bonds no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the Owners and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The District undertakes to provide only the financial information, operating data, financial statements and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the District's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The District does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE DISTRICT BE LIABLE TO AN OWNER OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE DISTRICT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION. EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the District in observing or performing its obligations under this Section shall comprise a breach of or default under the Resolution for purposes of any other provision of this Resolution. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the District under federal and state securities laws.

(v) Notwithstanding any other provision within this Resolution, the provisions of this Section may be amended by the District from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, or status or type of operations of the District, if (1) the agreement, as so amended, would have permitted an underwriter to purchase or sell Bonds in the original primary offering in compliance with the Rule, taking into account such amendment as well as such changed circumstances, and (2) a person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the Owners. If any such amendment is made, the District will include in its next annual update an explanation in narrative form of the reasons for the change and its impact on the type of operating data or financial information being provided.

Section 12.04: DEFINITIONS. As used in this Article, the following terms have the meanings ascribed to such terms below:

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

ARTICLE THIRTEEN

MISCELLANEOUS PROVISIONS

Section 13.01: DISTRICT'S SUCCESSORS AND ASSIGNS.

Whenever in this Resolution the District is named and referred to, it shall be deemed to include its successors and assigns and all covenants and agreements in this Resolution by or on behalf of the District, except as otherwise provided herein, shall bind and inure to the benefit of its successors and assigns whether or not so expressed.

Section 13.02: NO RECOURSE AGAINST DISTRICT OFFICERS.

No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Resolution against any officer or director of the District or any person executing the Bonds.

Section 13.03:BENEFITS OF RESOLUTION PROVISIONS.

Nothing in this Resolution or in the Bonds, expressed or implied, shall give or be construed to give any person, firm or corporation, other than the District, the Paying Agent/Registrar and the Registered Owners, any legal or equitable right or claim under or in respect of this Resolution, or under any covenant, condition or provision herein contained, all the covenants, conditions and provisions contained in this Resolution or in the Bonds being for the sole benefit of the District, the Paying Agent/Registrar and the Registered Owners.

Section 13.04:UNAVAILABILITY OF AUTHORIZED PUBLICATION.

If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Resolution shall be given in such other manner and at such time or times as in the judgment of the District shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Resolution be deemed to be in compliance with the requirements for publication thereof.

Section 13.05:SEVERABILITY CLAUSE.

If any word, phrase, clause, sentence, paragraph, section or other part of this Resolution, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of this Resolution and the application of such word, phrase, clause, sentence, paragraph, section or other part of the Resolution to any other persons or circumstances shall not be affected thereby.

Section 13.06:ACCOUNTING.

The District will keep proper records and accounts regarding the levy and collection of taxes, which records and accounts will be made available to any Registered Owner on reasonable request. Each year while any of the Bonds are outstanding, the District shall have an audit of its books and accounts by a certified public accountant or firm of certified public accountants, based on its Fiscal Year, and copies of such audits will be made available to any Registered Owner upon request.

Section 13.07:FURTHER PROCEEDINGS.

The President, Vice President and Secretary of the Board of Directors and other appropriate officials of the District are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Resolution.

Section 13.08:GOVERNING LAW.

This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 13.09:INTERESTED PARTIES:

Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the District, the Paying Agent/Registrar and the Registered Owners of the Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the District, the Paying Agent/Registrar and the Registered Owners of the Bonds.

ARTICLE FOURTEEN

SALE AND DELIVERY OF BONDS; OFFICIAL STATEMENT

Section 14.01:SALE OF BONDS.

The Board hereby certifies that the Bonds have been sold after publication of notice in compliance with Section 49.183(b), Texas Water Code, to the highest bidder and that sale of the Bonds is hereby awarded to _____ (the "Initial Purchaser") at a price of \$ _____ plus accrued interest to the date of payment for and delivery of the Bonds, subject to the unqualified approving opinion as to the legality of the Bonds of the Attorney General of the State of Texas and of bond counsel for the District and provided that the Initial Bond shall be delivered to Cede & Co., on behalf of the Initial Purchaser. It is hereby found and declared that the price paid by the Initial Purchaser produces the lowest net effective interest rate and is the most advantageous price reasonably available to the District. The President of the Board of Directors and all other officers, agents and representatives of the District are hereby authorized to do any and all things necessary or desirable to provide for the issuance and delivery of the Bonds.

Section 14.02:APPROVAL, REGISTRATION, AND DELIVERY.

The President, or the Vice President in the absence of the President, of the Board of Directors of the District and representatives of McCall, Parkhurst & Horton L.L.P., are hereby authorized and directed to submit the Initial Bond, and a transcript of the proceedings relating to the issuance of the Bonds, to the Attorney General of the State of Texas for approval and, following said approval, to submit the Initial Bond to the Comptroller of Public Accounts of the State of Texas for registration. Upon registration of the Initial Bond, the Comptroller of Public Accounts (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's registration certificate prescribed herein to be printed and endorsed on the Initial Bond, and the seal of the Comptroller shall be impressed or placed in facsimile on the Initial Bond. After the Initial Bond has been registered, signed and sealed by the Comptroller, it shall be delivered to Cede & Co., on behalf of the Initial Purchaser, but only upon receipt of the full purchase price.

Section 14.03:APPROVAL OF OFFERING DOCUMENTS AND A PAYING AGENT/REGISTRAR AGREEMENT.

A "Notice of Sale and Bidding Instructions", an "Official Bid Form", and an "Preliminary Official Statement", dated January 5, 2018, were prepared and distributed in connection with the sale of the Bonds (said documents are hereinafter referred to as the "Offering Documents"). Said Offering Documents, and any addenda, supplement, or amendment thereto, are hereby approved by the Board of Directors of the District, and their use in the offer and sale of the Bonds is hereby approved.

The Paying Agent/Registrar Agreement by and between the District and BOKF, N.A. Bank of Texas ("Paying Agent Agreement") in substantially the form and substance presented to the Board of Directors of the District on January 16, 2018 is hereby approved and the President or Vice President is hereby authorized and directed to complete, amend, modify and execute the Paying Agent Agreement, as necessary.

Section 14.04:PAYMENT OF ATTORNEY GENERAL FEE.

The District hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Bonds or (ii) \$9,500, provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The appropriate member of the District's staff is hereby instructed to take the necessary measures to make this payment. The District is also authorized to reimburse the appropriate District funds for such payment from proceeds of the Bonds.

ARTICLE FIFTEEN

OPEN MEETING AND EFFECTIVE DATE

Section 15.01:OPEN MEETING.

The Board officially finds, determines, recites and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the Board was posted at a place convenient to the public at the administrative office of the District for the time required by law preceding this meeting and that such place of posting was readily accessible at all times to the general public; that a copy of such written notice was furnished to the County Clerk of Travis County in sufficient time for posting for the time required by law preceding this meeting; and that a copy of such written notice was posted on a bulletin board located at a place convenient to the public in the County Courthouse for the time required by law preceding this meeting and that such place of posting was readily accessible at all times to the general public; that all of the foregoing was done as required by Chapter 551, Texas Government Code, as amended; and that this meeting has been open to the public as required by law at all times during which this Resolution and the subject matter thereof has been discussed, considered and formally acted upon. The Board further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 15.02: EFFECTIVE DATE OF RESOLUTION.

This Resolution shall take effect and be in full force and effect upon and after its passage.

PASSED AND APPROVED the 16th day of January, 2018.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

EXHIBIT A

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in this Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the District to be provided annually in accordance with such Section are as specified (and included in the Appendix or other headings of the Official Statement referred to) below:

1. The audited financial statements of the District for the most recently concluded fiscal year.
2. Statistical and financial data set forth in the Official Statement under the headings “FINANCIAL STATEMENT,” “TAX DATA,” and in “APPENDIX A.”

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in Paragraph 1 above.

**PAYING AGENT/REGISTRAR
AGREEMENT**

THIS AGREEMENT (the "Agreement"), is entered into as of January 16, 2018, by and between Belvedere Municipal Utility District (the "Issuer") and BOKF, NA, (the "Bank") a national banking association duly organized and operating under the laws of the United States of America.

WHEREAS, the Issuer has duly authorized and provided for the issuance of its \$1,220,000 Unlimited Tax Park Bonds, Series 2018 ("the Bonds"); such to be issued in fully registered form only as to the payment of principal and interest thereon; and

WHEREAS, the Bonds are scheduled to be delivered to the initial purchasers thereof on or about February 27, 2018; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on the Bonds and with respect to the registration, transfer, and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Bonds;

NOW, THEREFORE, it is mutually agreed as follows:

**ARTICLE ONE
APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR**

SECTION 1.01. APPOINTMENT. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Bonds. As Paying Agent for the Bonds, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Bonds as the same become due and payable to the registered owners thereof, all in accordance with this Agreement and the "Resolution" (hereinafter defined).

The Issuer hereby appoints the Bank as Registrar with respect to the Bonds. As Registrar for the Bonds, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Bonds and with respect to the transfer and exchange thereof as provided herein and in the Resolution, a copy of which books and records shall be maintained at the office of the Bank located in the State of Texas or shall be available to be accessed from such office located in the State of Texas.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Bonds.

SECTION 1.02. COMPENSATION. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Schedule

A attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

SECTION 2.01. DEFINITIONS: For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Acceleration Date” on any Security means, if applicable, the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

“Bank Office” means the designated office for payment of the Bank as indicated on the signature page hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Collected Funds” Funds immediately available to the Paying Agent as of the due date of such funds.

“Date of Issue” is _____.

“Delivery Date” is on or about February 27, 2018.

“Depository” is DTC.

"Fiscal Year" is the twelve month-period beginning on October 1 of each year and ending on September 30 of the following year.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Issuer Request” and “Issuer Order” means a written request or Order signed in the name of the Issuer by the Treasurer or his or her designee.

“Legal Holiday” means a day on which the Bank is required or authorized to be closed.

“Resolution” means the Resolution of the governing body of the Issuer pursuant to which the Bonds are issued.

“Payment Dates” are March 1 and September 1 of each year beginning September 1, 2018.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

“Predecessor Bonds” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Resolution).

“Record Date” shall mean, with respect to an Interest Payment Date of September 1, the preceding August 15, and with respect to an Interest Payment Date of March 1, the preceding February 15 whether or not such dates are Business Days.

“Redemption Date” when used with respect to any Security to be redeemed means the date fixed for such redemption pursuant to the terms of the Resolution.

“Responsible Officer” when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security” means any one of the Individual Bonds of the Issuer’s \$1,220,000 Unlimited Tax Park Bonds, Series 2018.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfer of the Bonds.

“Stated Maturity” means the date specified in the Resolution the principal of a Security is scheduled to be due and payable.

SECTION 2.02 OTHER DEFINITIONS. The terms “Bank,” “Issuer,” and “Bonds (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

**ARTICLE THREE
PAYING AGENT**

SECTION 3.01 DUTIES OF PAYING AGENT. (a) As Paying Agent, the Bank shall, provided adequate Collected Funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the Bank Office.

(b) As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States Mail, first class, postage prepaid, on each payment date, to the Holders of the Bonds (or their Predecessor Bonds) on the respective Record Date, to the address appearing on the Security Registrar or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

The Issuer shall pay all charges from Depositories for untimely payments, provided however, the Bank also agrees to abide by the Depository requirement for same day wire transfer of funds for debt service payment.

SECTION 3.02 PAYMENT DATES. Provided adequate collected funds are provided to it no later than 10:00 a.m. on the payment date, the Issuer hereby instructs the Bank to pay the principal and interest on the Bonds on the dates specified in the Resolution.

ARTICLE FOUR REGISTRAR

SECTION 4.01 SECURITY REGISTER – TRANSFERS AND EXCHANGES. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the "Security Register") for recording the names and addresses of the Holders of the Bonds, the transfer, exchange, and replacement of the Bonds, and the payment of the principal of and interest on the Bonds to the Holders and containing such other information as may be reasonably required by the issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges, and replacement of Bonds shall be noted in the Security Register. The Bank agrees further to keep and maintain a copy of the Security Register at its office located in the State of Texas or provides for such Security Register to be available to be accessed from such office located in the State of Texas.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Bonds Dealers, in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to affect a registration, transfer, or exchange of the Bonds.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Bonds, the exchange or transfer by the Holders thereof will be completed and new Bonds delivered to the Holder or the assignee of the Holder in not more than three business days after the receipt of the Bonds to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

SECTION 4.02 BONDS. The Issuer shall provide an adequate inventory of printed Bonds to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Bonds will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Bonds in safekeeping, which shall be not less than the care maintained by the Bank for debt Bonds of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own Bonds.

SECTION 4.03 FORM OF SECURITY REGISTER. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer, and exchange of the Bonds in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

SECTION 4.04 LIST OF SECURITY HOLDERS. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

Unless required by law, the Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

SECTION 4.05 CANCELLED BONDS. The Agent will retain and destroy cancelled and matured Bonds upon expiration of the appropriate retention period.

SECTION 4.06 MUTILATED, DESTROYED, LOST, OR STOLEN BONDS. The Issuer hereby instructs the Bank, subject to the applicable provisions of the Resolution, to deliver and issue Bonds in exchange for or in lieu of mutilated, destroyed, lost, or stolen Bonds as long as the same does not result in an over issuance.

In case any Security shall be mutilated, or destroyed, lost, or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed, lost, or stolen Security, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss, or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost, or stolen.

SECTION 4.07 TRANSACTION INFORMATION TO ISSUER. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Bonds it has paid pursuant to Section 3.01, Bonds it has delivered upon the transfer or exchange of any Bonds pursuant to Section 4.01, and Bonds it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Bonds pursuant to Section 4.06.

ARTICLE FIVE THE BANK

SECTION 5.01 DUTIES OF BANK. The Bank undertakes to perform the duties set forth herein and in the Resolution and agrees to use reasonable care in the performance thereof. The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Bonds in the manner disclosed in the closing memorandum as prepared by the Issuer's financial advisor, bond counsel or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the financial advisor, bond counsel or the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

SECTION 5.02 RELIANCE ON DOCUMENTS, ETC. (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

- (b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.
- (c) No provision of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.
- (d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request,

direction, consent, resolution, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Bonds, but is protected in acting upon receipt of Bonds containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, Bond Resolution, bond, note security or other paper document supplied by Issuer.

- (e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.
- (f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

SECTION 5.03 RECITALS OF ISSUER. The recitals contained herein with respect to the Issuer and in the Bonds shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, and Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

SECTION 5.04 MAY HOLD BONDS. The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

SECTION 5.05 MONEY HELD BY BANK. The Bank shall deposit any money received from the Issuer into a trust account to be held for the payment of the Bonds, with such money in the account that exceeds the deposit insurance, available to the Issuer, provided by the Federal Deposit Insurance Corporation to be fully collateralized with Bonds or obligations that are eligible under the laws of the State of Texas, to secure and be pledged as collateral for trust accounts until the principal and interest on such Bonds have been presented for payment and paid to the owner thereof. Payments made from such trust account shall be made by check drawn on such trust account.

All funds at any time and from time to time provided to or held by the Bank hereunder shall be deemed, construed, and considered for all purposes as being provided to or held by the Bank in trust and as a trustee for the benefit of the Security Holders. The Bank acknowledges, covenants, and represents that it is acting herein in as agent in relation to such funds, and is not accepting, holding, administering, or applying such funds as a banking depository, but solely as agent for and on behalf of the Security Holders. The Holders shall be entitled to the same preferred claim and

first lien on the funds so provided as are enjoyed by the beneficiaries of trust funds generally. The funds provided to the Bank hereunder shall not be subject to warrants, drafts, or checks drawn by the Issuer and, except as expressly provided herein, shall not be subject to compromise, setoff, or other charge or diminution by the Bank.

The Bank shall be under no liability for interest on any money received by it hereunder.

Subject to the unclaimed property laws and any provisions in the Resolution to the contrary, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be paid by the Bank to the Issuer, and the Holder of such Security shall thereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such money shall thereupon cease.

SECTION 5.06 INDEMNIFICATION. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

SECTION 5.07 INTERPLEADER. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in any County in the State of Texas where either the Bank Office or the administrative offices of the Issuer is located, and agree that service of process to Banks Interpleader by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction to determine the rights of any Person claiming any interest herein. Notwithstanding anything in this Agreement to the contrary, the District is not agreeing to adjudication of any claims in any court that is outside of the state of Texas.

SECTION 5.08. DEPOSITORY TRUST COMPANY SERVICES. It is hereby represented and warranted that, in the event the Bonds are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements,” effective from time to time, which establishes requirements for Bonds to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls. Operational Arrangements shall govern over any other inconsistent provision.

SECTION 5.09. CHAPTER 2252 OF THE TEXAS GOVERNMENT CODE. The Bank represents and warrants, for purposes of Subchapter F of Chapter 2252 of the Texas Government Code, that at the time of execution and delivery of this Agreement neither the Bank, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Bank, (i) engages

in business with Iran, Sudan or any foreign terrorist organization or designated foreign terrorist organization as described in Chapters 2270 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code. The term "foreign terrorist organization" and "designated foreign terrorist organization" as used in this subsection (b) has the meaning assigned to such term in Section 2252.151 and Section 2270.0001(3) of the Texas Government Code, respectively.

ARTICLE SIX MISCELLANEOUS PROVISIONS

SECTION 6.01. AMENDMENT. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

SECTION 6.02. ASSIGNMENT. This Agreement may not be assigned by either party without the prior written consent of the other.

SECTION 6.03. NOTICES. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

SECTION 6.04. EFFECT OF HEADINGS. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 6.05. SUCCESSORS AND ASSIGNS. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

SECTION 6.06. SEVERABILITY. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 6.07. BENEFITS OF AGREEMENT. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

SECTION 6.08. ENTIRE AGREEMENT. This Agreement and the Resolution constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between his Agreement and the Resolution, the Resolution shall govern.

SECTION 6.09. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

SECTION 6.10. TERMINATION. This Agreement will terminate on the date of final payment of the principal of interest on the Bonds to the Holders thereof or may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this

Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Bonds of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay, or otherwise adversely affect the payment of the Bonds.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Bonds, to the Successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

SECTION 6.11 GOVERNING LAW. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

SECTION 6.12 SUCCESSOR PAYING AGENT. Any corporation or association into which the Paying Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Paying Agent hereunder and vested with all of the powers, discretion's, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 6.13. Miscellaneous. (A) The Paying Agent represents and warrants, for purposes of Chapter 2270 of the Texas Government Code, that at the time of execution and delivery of this Agreement, neither the Paying Agent, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Paying Agent, boycotts Israel. The Paying Agent agrees that, except to the extent otherwise required by applicable federal law, including, without limitation, 50 U.S.C. Section 4607, neither the Paying Agent, nor any wholly-owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Paying Agent, will boycott Israel during the term of this Agreement. The terms "boycotts Israel" and "boycott Israel" as used in this clause (A) has the meaning assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code.

(B) The Paying Agent represents and warrants, for purposes of Subchapter F of Chapter 2252 of the Texas Government Code, that at the time of execution and delivery of this Agreement neither the Paying Agent, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Paying Agent, (i) engages in business with Iran, Sudan or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller

under Sections 806.051, 807.051 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" as used in this clause (B) has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ISSUER:
BELVEDERE MUNICIPAL UTILITY DISTRICT

By _____
Printed Name:
Title:

Address of Issuer:

Belvedere Municipal Utility District
c/o Stefanie Albright
816 Congress Ave., Suite 1900
Austin, TX 78701

BOKF, NA, Dallas, Texas

By _____

Printed Name: _____

Address: 5956 Sherry Lane, Suite 1201
Dallas, Texas 75225

SCHEDULE A

Paying Agent/Registrar Fee Schedule

EXHIBIT B

WHEREAS, the Board of Directors of the District contracts with Travis County for the provision of election services and is contracting with those entities with overlapping jurisdictions for joint elections; and

WHEREAS, the Board of Directors wishes to proceed with the ordering of a directors' election to be held on May 5, 2018; and

WHEREAS, in the event the directors' election is uncontested, the Board of Directors will follow the procedures for election of unopposed candidate established by Section 2.051-2.054 of the Texas Election Code.

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

Section 1: The matters and facts set out in the preamble of this order are hereby found and declared to be true and complete.

Section 2: An election shall be held by the District on the 5th day of May, 2018, between the hours of 7:00 a.m. and 7:00 p.m., at any polling location shown on **Exhibit A** as attached, pursuant to an agreement under Section 31.092, Texas Election Code, at which there shall be submitted the question of the election of three (3) directors each of whom shall serve four (4) year terms.

Section 3: Voting in said election on election day and during early voting by personal appearance shall be by the use of the Hart Intercivic eSlate Direct Electronic Voting System Version 6.1 which shall have available both English and Spanish and shall conform to the requirements of the Texas Election Code. Oral bilingual assistance shall be available during the election and may be obtained by contacting the Presiding Judge.

The electronic voting equipment used in the election shall include the names of all candidates for the office of director who filed applications to have their names printed on the ballot by 5:00 p.m. seventy-one (71) days prior to the election and blank spaces for write-in votes. Any person interested in applying to be a candidate for the office of director may obtain an application to have his/her name printed on the ballot at the offices of the District's General Counsel, Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701, during the hours of 8:30 a.m. to 5:30 p.m. The deadline for candidates to file applications to have their name on the ballot is 5:00 p.m. on February 16, 2018, and the deadline for write-in candidates to file a declaration of write-in candidacy is 5:00 p.m. on February 20, 2018.

Each voter may vote for up to three (3) candidates on the ballot for director by placing an "X" in the square beside the person's name or by writing the name or names of a person or persons who file a valid declaration of write-in candidacy in the blank spaces provided.

Section 4: The boundaries of the District are hereby designated as and shall constitute one (1) election precinct. The District will contract with Travis County to conduct the election in accordance with an Election Agreement. Pursuant to the Election Agreement, Travis County will designate the Presiding Judge. The Presiding Judge may appoint, as he or she deems necessary, clerks to assist in the conduct of the election, not to exceed the maximum number of five (5).

The Travis County Election Officers shall serve as the Early Voting Clerks to conduct early voting. Early voting in the election by personal appearance shall begin on April 23, 2018 and shall continue through May 1, 2018, except for Sundays, and official state holidays. The places as designated by Travis County and at which early voting shall be conducted are listed on the attached **Exhibit B**.

The early voting clerk's mailing address to which ballot applications and ballots to be voted by mail may be sent is Stefanie Albright, Belvedere Municipal Utility District, 816 Congress Avenue, Suite 1900, Austin, Texas 78701. The last day to submit to the District a request for ballot by mail is April 24, 2018.

Pursuant to the Election Agreement, Travis County will designate the presiding judge of the Early Ballot Board, the members of which shall be the precinct election officers serving the election precinct as provided in Section 87.004 of the Texas Election Code.

Section 5: The election shall be held and conducted and returns made to this Board of Directors in accordance with the Texas Election Code, as amended.

Section 6: All qualified resident electors of the District shall be entitled to vote in the election.

Section 7: The Secretary of the Board is hereby directed to determine if the candidates are unopposed for election based on the following conditions:

(1) Only one candidate's name is to be placed on the ballot for each director position available, and

(2) No candidate's name is to be placed on a list of write-in candidates for the office of director.

If such circumstances exist, the Secretary of the Board shall certify in writing which, if any, candidates are unopposed for election to the office of director. The certification shall be delivered to the Board of Directors as soon as possible after the filing deadlines for placement on the ballot and list of write-in candidates. On receipt of the certification, the Board of Directors may declare each unopposed candidate elected to office, the election for that position will not be held, and a copy of the order declaring the candidate elected shall be posted at the polling place on Election Day.

Section 8: Pursuant to Section 31.123, Texas Election Code, the Secretary of the Board hereby appoints Stefanie Albright, Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 as the District's agent for this election.

Section 9: To the extent the results of the election are not declared in accordance with Section 7 of this Order, the Secretary of the Board is hereby directed to provide notice of this election, in English and Spanish, by any one or more of the following methods in accordance with Section 4.003, Texas Election Code:

- (1) By publishing the notice at least once, not earlier than the 30th day or later than the 10th day before election day in a newspaper of general circulation in the territory if none is published in the jurisdiction of the authority responsible for giving the notice; or
- (2) By posting, not later than the 21st day before election day, a copy of the notice at a public place in each election precinct that is in the jurisdiction of the authority responsible for giving the notice; or
- (3) By mailing, not later than the 10th day before Election Day, a copy of the notice to each registered voter of the territory that is covered by the election and is in the jurisdiction of the authority responsible for giving the notice.

In addition to the above methods of providing notice, the Secretary of the Board shall have notice of this election, in English and Spanish, posted not later than the 21st day before the election on the bulletin board used for posting notices of the meetings of the Board of Directors. Such notice shall remain posted continuously through Election Day.

Section 10: The President and Secretary are authorized and directed to take any action necessary to carry out the provisions of this order.

PASSED AND APPROVED THE 16th day of January, 2018.

Peter Golde
President, Board of Directors

ATTEST:

Ronald Ubertini
Secretary, Board of Directors

(DISTRICT SEAL)

EXHIBIT A

Travis County Election Day Locations

EXHIBIT B

Travis County Early Voting Locations

EXHIBIT C

WEST, DAVIS & COMPANY

A LIMITED LIABILITY PARTNERSHIP

December 31, 2017

To the Board of Directors of the
Belvedere Municipal Utility District

We have audited the September 30, 2017 financial statements of the Belvedere Municipal Utility District (the "District") and have issued our report thereon dated December 31, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We will be pleased to discuss the contents of this letter or any related questions of the District Board members at your convenience.

RESPONSIBILITY OF INDEPENDENT ACCOUNTANTS

Our responsibility under auditing standards generally accepted in the United States of America is to express an opinion on the financial statements of the District based on our audit. In carrying out this responsibility, we assessed the risk that the financial statements may contain a material misstatement, either intentional or unintentional, and designed and conducted an audit to provide reasonable, but not absolute, assurance of detecting misstatements that are material to the financial statements. We have completed the audit of the District's financial statements in accordance with government auditing standards generally accepted in the United States of America.

REPORT ISSUED ON 2017 AUDIT

We have issued our report, dated December 31, 2017, on the September 30, 2017, financial statements of the District. Our report is unqualified as to scope and accounting.

INTERNAL ACCOUNTING CONTROL

We considered the internal control structure in order to gain a basic understanding of the internal control policies and procedures in order to design an effective and efficient audit approach, not for the purpose of providing assurance on the internal control structure.

We have no comments regarding internal control.

ACCOUNTING PRINCIPLES

Management employed appropriate accounting principles as described in Note A to the financial statements and made all required disclosures in the financial statements. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

MANAGEMENT COOPERATION

We were given full access to accounting records, supporting documents and other information that we requested.

MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Significant judgments or estimates included in the financial statements are estimates of asset useful lives, depreciation expense, and certain liabilities including accrued expenses.

SIGNIFICANT AUDIT ADJUSTMENTS

We made no significant adjustments. No significant unadjusted differences existed at the end of the year.

MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO RETENTION

There were no major issues discussed with management prior to our retention regarding the application of accounting principles and auditing standards.

DISAGREEMENTS WITH MANAGEMENT

We had no disagreements with management of the District regarding the application of accounting principles, the scope of our audit, disclosures to be included in the financial statements or the wording of our report on the financial statements.

CONSULTATION WITH OTHER ACCOUNTANTS

Management informed us that there were no consultations with other independent accountants regarding the application of accounting or auditing matters during the year.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

None.

This information is intended solely for the use of the District Board and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

West, Davis + Company

BELVEDERE MUNICIPAL UTILITY DISTRICT

**FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2017**

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

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BELVEDERE MUNICIPAL UTILITY DISTRICT
Annual Financial Report
For the Year Ended September 30, 2017

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS }

COUNTY OF TRAVIS }

I, _____, _____ of the Belvedere Municipal Utility District hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of Directors of the District on the 16th day of January, 2018, its annual audit report for the fiscal year ended September 30, 2017, and that copies of the annual report have been filed in the district office, located at 816 Congress #1900, Austin, Texas.

The annual filing affidavit and the attached copy of the annual audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code.

Date: January 16, 2018

By: _____

Sworn to and subscribed to before me this 16th day of January 2018.

Notary: _____

(Seal)

My Commission expires on: _____, _____, Notary Public in and for the State of Texas.

BELVEDERE MUNICIPAL UTILITY DISTRICT
Annual Financial Report
For the Year Ended September 30, 2017

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FINANCIAL SECTION

WEST, DAVIS & COMPANY

A LIMITED LIABILITY PARTNERSHIP

Independent Auditor's Report

Board of Directors
Belvedere Municipal Utility District
Austin, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Belvedere Municipal Utility District (the District) as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District at September 30, 2017, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Texas Commission on Environmental Quality Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplemental schedules required by the Texas Commission on Environmental Quality are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules required by the Texas Commission on Environmental Quality are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules required by the Texas Commission on Environmental Quality are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The other information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

West, Davis + Company

Austin, Texas
December 31, 2017

BELVEDERE MUNICIPAL UTILITY DISTRICT

Management Discussion and Analysis For the Year Ended September 30, 2017

In accordance with Governmental Accounting Standards Board Statement 34 (“GASB 34”), the management of Belvedere Municipal Utility District (the “District”) offers the following discussion and analysis to provide an overview of the District’s financial activities for the year ended September 30, 2017. Since this information is designed to focus on current year’s activities, resulting changes, and currently known facts, it should be read in conjunction with the District’s financial statements that follow.

FINANCIAL HIGHLIGHTS

- **General Fund:** The unassigned fund balance at the end of the year was approximately \$475 thousand which was an increase of \$212 thousand from the end of the previous year end. Revenue increased from \$276 thousand in the previous fiscal year to \$344 thousand in the current fiscal year primarily due to increased property tax revenue as the result of growth within the District.
- **Debt Service Fund:** The fund balance restricted for debt service increased from \$336 thousand at the end of the previous fiscal year to \$359 thousand at the end of the current fiscal year. Tax Revenue decreased from \$393 thousand to \$362 thousand over the previous fiscal year. The District made bond principal payments of \$185 thousand and bond interest payments of \$156 thousand during the fiscal year.
- **Capital Projects Fund:** The fund remained essentially unchanged for the year.
- **Governmental Activities:** On a Government-wide basis for governmental activities, the District had revenue in excess of expenses of approximately \$348 thousand. Net assets increased from a negative \$559 thousand to a negative \$211 thousand. This increase is primarily due to the absence of bond issuance costs.

OVERVIEW OF THE DISTRICT

Belvedere Municipal Utility District (the District), a political subdivision of the State of Texas, was created by an order of the Texas Commission on Environmental Quality (TCEQ) on November 30, 2005 under Article XVI Section 59 of the Texas Constitution and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended, and other general statutes of Texas applicable to municipal utility districts. The District was created and organized for the purpose of constructing water and drainage facilities and providing water services to residential and commercial establishments within the District and solid waste collection services. The District is also authorized to provide recreational facilities. The District is located entirely within Travis County.

BELVEDERE MUNICIPAL UTILITY DISTRICT

Management Discussion and Analysis For the Year Ended September 30, 2017

USING THIS ANNUAL REPORT

The District's reporting is comprised of five parts:

- Management's Discussion and Analysis (this section)
- Basic Financial Statements
 - Statement of Net Assets and Reconciliation to Governmental Funds Balance Sheet
 - Statement of Activities and Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
- Notes to the Financial Statements
- Required Supplementary Information
- Texas Supplementary Information (required by the Texas Commission on Environmental Quality)

The Government-wide statements are reported using the flow of economic resources measurement focus and the full accrual basis of accounting. The Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

For purposes of GASB 34, the District is considered a special purpose government. This allows the District to present the newly required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the "Governmental Funds Total" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the Statement of Net Assets and the Statement of Activities.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Statement of Net Assets and Governmental Funds Balance Sheet includes a column (titled "Governmental Funds Total") that represents a balance sheet prepared using the modified accrual basis of accounting. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District's net assets will indicate financial health.

The Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances includes a column (titled "Governmental Funds Total") that derives the change in fund balances resulting from current year revenues, expenditures, and other financing sources or uses. These amounts are prepared using the modified accrual basis of accounting. The adjustments column converts those activities to full accrual, a basis that more closely represents the income statement of a private-sector business.

BELVEDERE MUNICIPAL UTILITY DISTRICT

Management Discussion and Analysis For the Year Ended September 30, 2017

The **Notes to the Financial Statements** provide additional information that is essential to a full understanding of the information presented in the *Statement of Net Assets and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances*.

The **Required Supplementary Information** presents a comparison statement between the District's adopted budget and its actual results.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Summary Statement of Net Assets

	Governmental Activities (in thousands)		
	September 2017	September 2016	Increase (Decrease)
Current and Other Assets	\$ 944	\$ 706	\$ 238
Capital and Non-Current Assets	3,726	3,806	(80)
Total Assets	4,670	4,512	158
Current Liabilities	236	221	15
Long-Term Liabilities	4,645	4,850	(205)
Total Liabilities	4,881	5,071	(190)
Net Investment in Capital Assets	(1,059)	(1,165)	106
Nonspendable	-	-	-
Restricted	367	340	27
Unassigned	481	266	215
Total Net Assets	\$ (211)	\$ (559)	\$ 348

The District's total assets were approximately \$4.7 million as of September 30, 2017. Of this amount, approximately \$889 thousand is accounted for by cash and short-term investments. The District had outstanding liabilities of approximately \$4.9 million. The District's unassigned net assets, which can be used to finance day to day operations, totaled \$481 thousand.

BELVEDERE MUNICIPAL UTILITY DISTRICT

**Management Discussion and Analysis
For the Year Ended September 30, 2017**

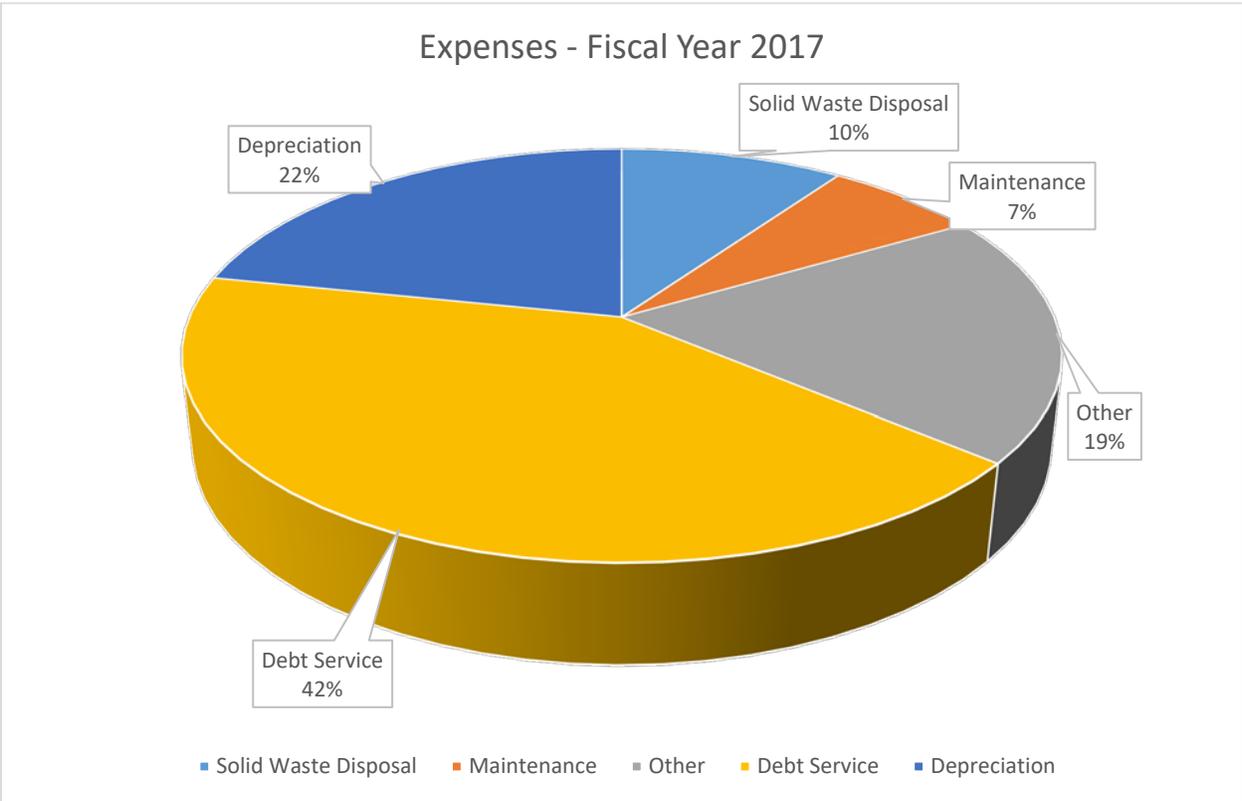
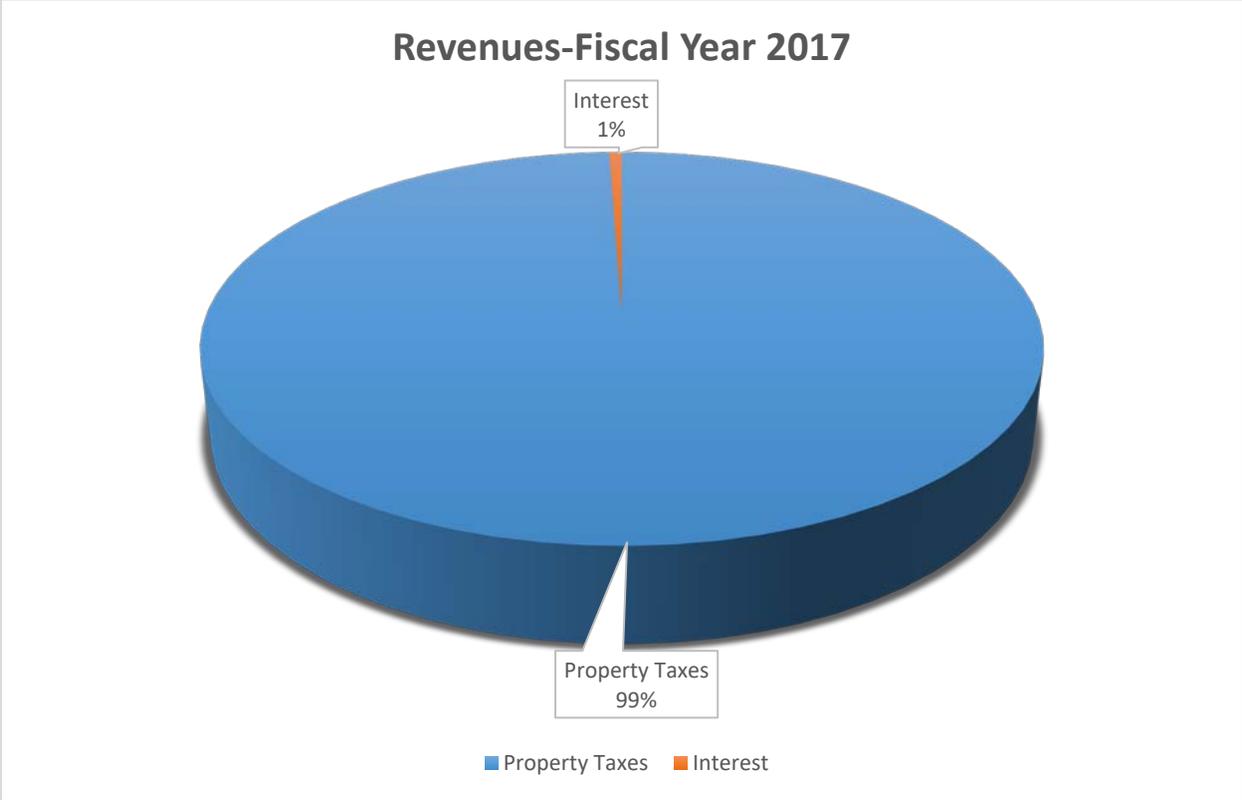
Summary Statement of Activities

	Governmental Activities (in thousands)		Increase (Decrease)
	2017	2016	
Property Taxes	\$ 712	\$ 670	\$ 42
Interest	4	2	2
Total Revenues	716	672	44
Solid Waste Disposal	36	34	2
Maintenance	25	25	-
Other	72	105	(33)
Debt Service	155	204	(49)
Depreciation	80	80	-
Total Expenses	368	448	(80)
Other Financing Sources (Uses)	-	(329)	329
Change in Net Assets	348	(105)	453
Beginning Net Assets	(559)	(454)	(105)
Ending Net Assets	\$ (211)	\$ (559)	\$ 348

Revenues and Other Financing Sources were approximately \$716 thousand for the year ended September 30, 2017. Expenses and Other Financing Uses were approximately \$368 thousand for the year ended September 30, 2017. Net assets increased about \$348 thousand primarily due to increased property tax revenue and the absence of bond issuance costs. The following charts summarize the sources of revenue and areas of expenses.

BELVEDERE MUNICIPAL UTILITY DISTRICT

**Management Discussion and Analysis
For the Year Ended September 30, 2017**



BELVEDERE MUNICIPAL UTILITY DISTRICT

Management Discussion and Analysis For the Year Ended September 30, 2017

FINANCIAL ANALYSIS OF THE DISTRICT'S FUND LEVEL STATEMENTS

In comparison to the Government-wide statements, the Fund-level statements focus on the key funds of the District. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The District reports the following types of Governmental funds: General Fund, Debt Service Fund and Capital Projects Fund. The focus of the District's Governmental funds is to provide information on near-term inflows, outflows, and available resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available at the end of the fiscal year.

Summary Balance Sheet

	Governmental Activities (in thousands)		Increase (Decrease)
	September 2017	September 2016	
Cash and Investments	\$ 889	\$ 698	\$ 191
Accounts Receivable	54	11	43
Prepaid Expenses	41	1	40
Total Assets	984	710	274
Accounts Payable	45	12	33
Deferred Revenue	13	7	6
Total Liabilities	58	19	39
Nonspendable	-	-	-
Restricted for Debt Service	359	336	23
Restricted for Capital Projects	92	92	-
Unassigned	475	263	212
Total Fund Balances	926	691	235
Total Liabilities and Fund Balances	\$ 984	\$ 710	\$ 274

The General Operating Fund, which pays for daily operating expenses, has a balance of \$475 thousand at the end of the current fiscal year. This is an increase of \$212 thousand from the prior fiscal year.

BELVEDERE MUNICIPAL UTILITY DISTRICT

Management Discussion and Analysis For the Year Ended September 30, 2017

The **Debt Service Fund** increased by \$23 thousand during the current fiscal year. This fund remitted bond principal of \$185 thousand and bond interest of \$156 thousand during the year.

The **Capital Projects Fund** remained unchanged for the year.

BUDGETARY HIGHLIGHTS

The Board of Directors adopted the fiscal year 2017 annual budget for the General Fund on September 20, 2016. The budget included revenues of \$330 thousand and expenditures of \$197 thousand. Actual revenue amounted to \$344 thousand and actual expenditures amounted to \$133 thousand. More detailed information about the District's budgetary comparison is presented in the Required Supplementary Information section.

CAPITAL ASSETS

The District has invested \$4.0 million in infrastructure. A summary of these assets is listed below:

Summary of Capital Assets

	Governmental Activities (in thousands)		Increase (Decrease)
	September 2017	September 2016	
Drainage System	\$ 1,859	\$ 1,859	\$ -
Water System	2,150	2,150	-
Accumulated Depreciation	(283)	(203)	(80)
Total Capital Assets (Net)	\$ 3,726	\$ 3,806	\$ (80)

LONG TERM DEBT

The District has issued \$5.270 million in unlimited tax bonds and used the proceeds to acquire water and drainage facilities. Bonded indebtedness of the District at year end was \$4.85 million. More detailed information about the District's long-term debt is presented in the Notes to the Basic Financial Statements.

BELVEDERE MUNICIPAL UTILITY DISTRICT

Management Discussion and Analysis For the Year Ended September 30, 2017

ECONOMIC FACTORS

The taxable assessed value of property within the District as of January 1, 2017 has been fixed by the Travis County Appraisal District at \$197 million. The tax rates adopted by the District on September 19, 2017 for the coming fiscal year are \$0.17 for maintenance and operations and \$0.20 for debt service. The District expects this to produce \$700 thousand in total property tax revenue for next year. The adopted budget for fiscal year 2017 projects an increase of approximately \$86 thousand to the operating fund balance.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of Lloyd Gosselink Rochelle and Townsend, PC, 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

BASIC FINANCIAL STATEMENTS

BELVEDERE MUNICIPAL UTILITY DISTRICT

**STATEMENT OF NET ASSETS
AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2017**

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>	<u>ADJUST- MENTS</u>	<u>STATEMENT OF NET ASSETS</u>
ASSETS						
Cash	\$ 437,624	\$ 359,072	\$ 92,183	\$ 888,879	\$ -	\$ 888,879
Taxes Receivable	6,097	7,407	-	13,504	-	13,504
Due from Other Fund	40,329	39	-	40,368	(40,368)	-
Prepaid Expenses	966	-	40,329	41,295	-	41,295
Drainage System (net of depreciation)	-	-	-	-	1,661,342	1,661,342
Water System (net of depreciation)	-	-	-	-	2,064,451	2,064,451
Total Assets	\$ 485,016	\$ 366,518	\$ 132,512	\$ 984,046	\$ 3,685,425	\$ 4,669,471
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts Payable	\$ 4,319	\$ -	\$ -	\$ 4,319	\$ 27,065	\$ 31,384
Deferred Inflow of Resources-Taxes	6,097	7,407	-	13,504	(13,504)	-
Due to Other Fund	39	-	40,329	40,368	(40,368)	-
Bonds Payable in less than one year	-	-	-	-	205,000	205,000
Bonds Payable in more than one year	-	-	-	-	4,645,000	4,645,000
Total Liabilities	10,455	7,407	40,329	58,191	4,823,193	4,881,384
Fund Equity:						
Restricted for Debt Service	-	359,111	-	359,111	(359,111)	-
Investment in General Fixed Assets	-	-	92,183	92,183	(92,183)	-
Unassigned	474,561	-	-	474,561	(474,561)	-
Total Fund Equity	474,561	359,111	92,183	925,855	(925,855)	-
Total Liabilities & Fund Equity	\$ 485,016	\$ 366,518	\$ 132,512	\$ 984,046		
Net Position:						
Net Investment in Capital Assets					(1,059,089)	(1,059,089)
Restricted for Debt Service					366,518	366,518
Unassigned					480,658	480,658
Total Net Position					\$ (211,913)	\$ (211,913)

The notes to financial statements are an integral part of this statement.

BELVEDERE MUNICIPAL UTILITY DISTRICT

**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

					STATEMENT OF ACTIVITIES	
<u>REVENUES</u>	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>	<u>ADJUST- MENTS</u>	<u>ACTIVITIES</u>
Property Taxes	\$ 343,259	\$ 362,206	\$ -	\$ 705,465	\$ 6,636	\$ 712,101
Interest	1,110	2,291	193	3,594	-	3,594
TOTAL REVENUES	344,369	364,497	193	709,059	6,636	715,695
 <u>EXPENDITURES</u>						
Current:						
Solid Waste Disposal	36,494	-	-	36,494	-	36,494
Maintenance	25,069	-	-	25,069	-	25,069
Accounting Fees	14,400	-	-	14,400	-	14,400
Audit Fees	7,500	-	-	7,500	-	7,500
Engineering Fees	3,043	-	-	3,043	-	3,043
Legal Fees	41,254	-	-	41,254	-	41,254
Tax Assessor/Collector	3,794	-	-	3,794	-	3,794
Director Salaries and Payroll Taxes	-	-	-	-	-	-
Insurance	1,509	-	-	1,509	-	1,509
Miscellaneous	-	144	-	144	-	144
Depreciation	-	-	-	-	80,187	80,187
Debt Service:						
Fiscal Agent's Fees	-	1,000	-	1,000	-	1,000
Interest	-	155,022	-	155,022	(1,066)	153,956
Principal	-	185,000	-	185,000	(185,000)	-
Capital Expenditures	-	-	-	-	-	-
TOTAL EXPENDITURES	133,063	341,166	-	474,229	(105,879)	368,350
 <u>OTHER FINANCING SOURCES (USES)</u>						
Bond Proceeds	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-
TOTAL OTHER SOURCES	-	-	-	-	-	-
 Excess (Deficit) of Revenues Over Expenditures						
	211,306	23,331	193	234,830	(234,830)	-
 Change in Net Position						
					347,345	347,345
Fund Balance/Net Position - Beginning	263,255	335,780	91,990	691,025	(1,250,283)	(559,258)
Fund Balance/Net Position - Ending	\$ 474,561	\$ 359,111	\$ 92,183	\$ 925,855	\$ (1,137,768)	\$ (211,913)

The notes to financial statements are an integral part of this statement.

BELVEDERE MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies

The basic financial statements of Belvedere Municipal Utility District (the District) have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

Belvedere Municipal Utility District (the District), a political subdivision of the State of Texas, was created by an order of the Texas Commission on Environmental Quality (TCEQ) on November 30, 2005 under Article XVI Section 59 of the Texas Constitution and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended, and other general statutes of Texas applicable to municipal utility districts. The District is subject to the continuing supervisory jurisdiction of the TCEQ.

The District is empowered, among other things, to finance, purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water and the control and diversion of storm water. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District may also provide solid waste collection and disposal services. The District is also empowered to establish, operate and maintain fire-fighting facilities, independently or with one or more conservation and reclamation districts, after approval by the TCEQ and the voters of the District. Additionally, the District may, subject to certain limitations, develop and finance recreational facilities.

The District is located approximately 23 miles west of downtown Austin on Hamilton Pool Road, just west of State Highway 71. The District lies wholly outside the extraterritorial jurisdiction of any city, town, or village of the State of Texas. Development of land within the District began in October 2005. The District is being developed for single family residential use. Hamilton Bee Cave, L.P. (Developer) has financed the design and construction of water and drainage facilities on land within the District. The District and Developer have entered into an agreement whereby the District agrees to reimburse the Developer for its costs for the constructions of facilities to the extent allowed by TCEQ. The District is not obligated to reimburse the Developer until bonds are issued. Upon reimbursement, the Developer will transfer and convey the facilities to the District. On May 13, 2006, the District held a bond election whereby voters authorized the Board of Directors of the District to issue up to \$6,700,000 in unlimited tax bonds for water and drainage facilities and up to \$1,220,000 in unlimited tax bonds for recreational facilities.

BELVEDERE MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (continued)

These financial statements report the financial activity of Belvedere Municipal Utility District. The reporting entity of the District encompasses those activities and functions over which the District's elected officials exercise significant oversight or control. The District is governed by a five member Board of Directors (the Board) that has been elected by District residents. The funds and account groups presented in this report are within the oversight responsibility of the Board, in accordance with Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting. There are no component units of the District, nor is the District a component unit of any other entity.

A. Basis of Presentation, Basis of Accounting

In accordance with GASB Statement No. 34, the District has elected to combine their Government-wide and Governmental Fund Financial Statements into one set of financial statements with a reconciliation of the individual line items in a separate column on the financial statements.

Government-wide Financial Statements:

The **Statement of Net Assets** and the **Statement of Activities** include the financial activities of the overall government. Governmental activities are generally financed through property taxes.

The **Statement of Activities** presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Fund Financial Statements:

The governmental fund financial statement columns are labeled **Government Funds Balance Sheet** and **Governmental Funds Revenue, Expenditures and Changes in Fund Balance**. In the fund financial statements, the accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

BELVEDERE MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (continued)

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of financial resources for, and the payment of, general long term debt principal and interest.

Capital Projects Fund: The Capital Projects Fund is used to account for the acquisition or construction of major capital facilities. Principal sources of revenue are municipal long-term debt proceeds and interest income.

B. Measurement Focus, Basis of Accounting

The Government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources management focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year end to be available in the current period. Revenues from local sources consist primarily of property taxes. Miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long term debt, which is recognized as an expenditure to the extent that it has matured. General capital asset acquisitions are reported as expenditures in major governmental funds. Proceeds of general long term debt are reported as other financing sources.

C. Fund Balances

The District has adopted GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Those fund balance classifications are described below.

Nonspendable – Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

BELVEDERE MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (continued)

Restricted – Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned – For the General Fund, amounts that are appropriated by the Board or Board designee, if any, that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned – Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has not delegated the authority to assign fund balance.

D. Budget

The Board adopted an annual budget for the General Fund on the basis consistent with generally accepted accounting principles. The District's Board of Directors utilizes the budget as a management tool for planning and cost control purposes. All annual appropriations lapse at fiscal year end.

E. Pensions

The District has not established a pension plan.

F. Cash and Cash Equivalents

These include cash on deposit as well as investments with maturities of three months or less at the time of purchase.

BELVEDERE MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (continued)

G. Capital Assets

Capital assets, which include Easements, Water Distribution System, Water Quality Ponds and Organizational Costs are reported in the Government-wide column in the Statement of Net Assets. Capital assets are defined by the District as assets with an initial, individual cost of at least \$1,000. Public domain (“infrastructure”) capital assets including water, and drainage systems, are capitalized as acquired. Items purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded as capital assets at estimated fair value at the time received. Capital assets are depreciated using the straight line method over their estimated useful lives of 50 years.

H. Interfund Transactions

Transfers from one fund to another fund are reported as interfund receivable and payables if there is intent to repay that amount and if the debtor fund has the ability to repay the advance on a timely basis. Operating transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

I. Long-Term Debt

Unlimited tax bonds, which have been issued to acquire capital assets, are to be repaid from tax revenues of the District.

In the Government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs are expensed as incurred.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

BELVEDERE MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (continued)

J. Deferred Outflows and Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period. GASB Statement No. 63 became effective for fiscal years beginning after December 15, 2011 and has been implemented in the financial statements.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 is effective for fiscal years beginning after December 15, 2012 and has been implemented in these financial statements.

2. Cash and Investments

The investment policies of the District are governed by State statute and an adopted District Investment Policy that includes depository contract provisions and custodial contract provisions. Major provisions of the District's Investment Policy include: depositories must be FDIC-insured Texas banking institutions; depositories must fully insure or collateralize all demand and time deposits; securities collateralizing time deposits are held by independent third party trustees.

Cash – At year end, deposits were held by the District's depository bank in accounts that were secured at the balance sheet date by Federal Deposit Insurance Corporation (FDIC) coverage or by pledged collateral held by the District's agent bank in the District's name.

Investments - The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

BELVEDERE MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

2. Cash and Investments (continued)

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirement of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restriction, (1) obligations of the US Treasury, certain US Agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) banker's acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) commercial paper.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's had no temporary investments at year end.

Analysis of Specific Cash and Investment Risks – GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and, if so, the reporting of certain related disclosures.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

Custodial Credit Risk – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterpart or the counterpart's trust department or agent but not in the District's name. At year end, the District was not exposed to custodial credit risk.

BELVEDERE MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

2. Cash and Investments (continued)

Concentration of Credit Risk – This risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

Foreign Currency Risk – This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Investment Accounting Policy – The District’s general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term “short-term” refers to investments which have a remaining term of one year or less at time of purchase. The term “nonparticipating” means that the investment’s value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

3. Property Taxes

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll on January 1, 2016, upon which the levy for the 2016-17 fiscal year was based, was \$182,833,077. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus delinquent collection fees for attorney costs.

The tax rates assessed for the year ended September 30, 2017, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.1895 and \$0.20 per \$100 valuation, respectively, for a total of \$0.3895 per \$ 100 valuation.

Current tax collections for the year ended September 30, 2017 were 98.91% of the year end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. The District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of September 30, 2017, property taxes receivable, totaled \$6,097 and \$7,407 for the General and Debt Service Funds, respectively.

BELVEDERE MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

4. Capital Assets

In February, 2010, October, 2011, and March, 2016, the District acquired \$4,009,347 of Water Distribution Facilities and Drainage Facilities serving the District's residents. Under an Amended and Restated Water Facilities Lease and Services Agreement between the District and the West Travis County Public Utility Agency (the PUA), all of the District's internal Water Distribution Facilities are leased to the PUA in exchange for the PUA's agreement to provide retail water service to the District's residents. The PUA is responsible for their operation and maintenance.

The Drainage and Water Distribution Facilities are being depreciated over 50 years using the straight line method. Depreciation in the amount of \$80,187 has been charged to system operations for the year for these assets.

A summary of changes in capital assets follows:

	Balance			Balance
	10/1/2016	Additions	Deletions	9/30/2017
<u>Capital Assets:</u>				
Water System	\$ 2,150,469	-	-	\$ 2,150,469
Drainage System	1,858,878	-	-	1,858,878
Total	<u>4,009,347</u>	<u>-</u>	<u>-</u>	<u>4,009,347</u>
<u>Accumulated Depreciation:</u>				
Water System	(43,009)	(43,009)	-	(86,018)
Drainage System	(160,358)	(37,178)	-	(197,536)
Total	<u>(203,367)</u>	<u>(80,187)</u>	<u>-</u>	<u>(283,554)</u>
Total Capital Assets (Net)	<u>\$ 3,805,980</u>	<u>(80,187)</u>	<u>-</u>	<u>\$ 3,725,793</u>

5. Bonds

At an election held within the District on May 13, 2006, voters authorized a total of \$7,920,000 unlimited tax bonds for the purpose of purchasing, constructing, acquiring, owning, improving, extending, maintaining, repairing, or operating a waterworks system, a drainage and storm water system and recreational facilities for the District.

In February 2010, the District issued \$2,350,000 of these bonds dated January 15, 2010. The bonds mature serially on August 1, in each year 2013 through 2030, in principal amounts set forth on the following page. Bonds maturing on or after August 1, 2019, are subject to redemption, in whole or in part, on August 1, 2018, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. Bonds maturing in the years 2022, 2024, 2026 and 2030 are also subject to mandatory sinking fund redemption.

BELVEDERE MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

5. Bonds (continued)

In October 2011, the District issued \$1,920,000 of these bonds dated October 1, 2011. The bonds mature serially on August 1, in each year 2014 through 2036, in principal amounts set forth on the following page. Bonds maturing on or after August 1, 2021, are subject to redemption, in whole or in part, on August 1, 2020, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. Bonds maturing in the years 2020, 2022, 2024, 2026, 2028, 2031 and 2036 are also subject to mandatory sinking fund redemption.

In March 2016, the District issued \$1,000,000 of these bonds dated February 15, 2016. The bonds mature serially on August 1, in each year 2018 through 2039, in principal amounts set forth on the following page. Bonds maturing on or after August 1, 2024, are subject to redemption, in whole or in part, on August 1, 2023, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. Bonds maturing in the years 2026, 2029, 2033, 2035, 2037, and 2039 are also subject to mandatory sinking fund redemption.

In August 2016, the District issued \$3,570,000 of Unlimited Tax Refunding Bonds dated August 15, 2016. The bonds mature serially on August 1, in each year 2017 through 2036, in principal amounts set forth on the following page. Bonds maturing on or after August 1, 2027, are subject to redemption, in whole or in part, on August 1, 2026, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. Bonds maturing in the years 2033, and 2036 are also subject to mandatory sinking fund redemption.

These bonds are described as follows:

<u>Issue</u>	<u>Original Issue Amount</u>	<u>Installments (In Thousands)</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Outstanding</u>
Series 2010	\$2,350,000	\$65 to 225	2030	4.00–5.70%	\$ 95,000
Series 2011	\$1,920,000	\$40 to 145	2036	4.25–5.00%	\$ 230,000
Series 2016	\$1,000,000	\$25 to 145	2039	2.00–3.50%	\$1,000,000
Series 2016R	\$3,570,000	\$45 to 360	2036	2.00–4.00%	\$3,525,000

Redemption

Series 2010 Bonds maturing on or after August 1, 2019, are subject to redemption, in whole or in part, on August 1, 2018, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on in the years 2022, 2024, 2026 and 2030 are subject to mandatory sinking fund redemption.

BELVEDERE MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

5. Bonds (continued)

Series 2011 Bonds maturing on or after August 1, 2021, are subject to redemption, in whole or in part, on August 1, 2020, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on in the years 2020, 2022, 2024, 2026, 2028, 2031 and 2036 are subject to mandatory sinking fund redemption.

Series 2016 Bonds maturing on or after August 1, 2024, are subject to redemption, in whole or in part, on August 1, 2023, or on any date thereafter, at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing in the years 2026, 2029, 2033, 2035, 2037 and 2039 are also subject to mandatory sinking fund redemption.

Series 2016R Bonds maturing on or after August 1, 2027, are subject to redemption, in whole or in part, on August 1, 2026, or on any date thereafter, at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing in the years 2033 and 2036 are also subject to mandatory sinking fund redemption.

Debt Service Requirements

Debt service requirements on long-term debt as of the end of the year are as follows:

<u>Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2018	\$ 205,000	\$ 162,388	\$ 367,388
2019	210,000	154,675	364,675
2020	230,000	149,238	379,238
2021	235,000	143,338	378,338
2022	240,000	137,238	377,238
2023-2027	1,440,000	558,120	1,998,120
2028-2032	1,375,000	266,425	1,641,425
2033-2037	770,000	89,284	859,284
2038-2042	145,000	7,700	152,700
Totals	\$ 4,850,000	\$ 1,668,406	\$ 6,518,406

BELVEDERE MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

5. Bonds (continued)

Advance Refunding of Debt

GASB Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt*, provides that refunded Debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of September 30, 2017, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows:

<u>Bond Issue</u>	<u>Amount</u>
Series 2010	\$1,875,000
Series 2011	\$1,510,000

6. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the year, the District obtained liability coverage.

7. Contingencies

The District has an obligation to reimburse developers of property in the District for costs expended on behalf of the District for the construction of recreation facilities that serve the District. The District is currently seeking approval from TCEQ to issue approximately \$1,000,000 in bonds in order to obtain funds to be used to acquire these facilities. The final amount of this reimbursement cannot be determined at this time.

8. Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

9. Subsequent Events

The District has evaluated subsequent events as of December 31, 2017, the date the financial statements were available to be issued.

BELVEDERE MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

10. Reconciliation of Government-wide and Fund Financial Statements

Adjustments to convert the Governmental Funds Balance Sheet to the Statement of Net Assets are as follows:

Governmental Funds Total Fund Balances	\$ 925,855
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	3,725,793
Long-term liabilities (bonds payable) are not due and payable in the current period and, therefore, are not reported in the funds	(4,850,000)
Interest is accrued on outstanding debt in the government-wide statements, whereas in the governmental funds, an interest expenditure is reported when made and not accrued in the funds	(27,065)
Deferred tax revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds	<u>13,504</u>
Total Net Assets	<u><u>\$ (211,913)</u></u>

BELVEDERE MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

10. Reconciliation of Government-wide and Fund Financial Statements (continued)

Amounts reported for governmental activities in the Statement of Activities are different from the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance as follows:

Governmental Funds Excess of Revenues over Expenditures	\$ 234,830
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	
Change in Deferred Tax Revenue	6,636
Governmental funds report capital outlays as expenditures however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense	
Capital Outlay	-
Depreciation Expense	(80,187)
Governmental funds report principal payments as expenditures however, in the Statement of Activities, these payments are not reported as operating expenses	
Bond Principal	185,000
Governmental funds do not report the change in accrued interest as an expenditure, however, in the Statement of Activities, this change in the amount accrued is reported as an expense	
Accrued Interest	1,066
Bond Proceeds are reported as other financing sources in the governmental funds and thus contribute to the change in fund balance. In the Statement of Net Assets, however, issuing debt increases long-term liabilities and does not affect the Statement of Net Assets	
Bond Proceeds	-
Change in Net Assets	\$ 347,345

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REQUIRED SUPPLEMENTARY INFORMATION

BELVEDERE MUNICIPAL UTILITY DISTRICT

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Property Taxes	\$ 329,122	\$ 343,259	\$ 14,137
Interest	500	1,110	610
TOTAL REVENUES	329,622	344,369	14,747
<u>EXPENDITURES</u>			
Current:			
Water Purchased	1,200	-	1,200
Solid Waste Disposal	35,000	36,494	(1,494)
Landscaping	35,000	-	35,000
Maintenance	25,069	25,069	-
Accounting Fees	14,400	14,400	-
Audit Fees	8,500	7,500	1,000
Engineering Fees	12,000	3,043	8,957
Legal Fees	55,000	41,254	13,746
Tax Assessor/Collector	4,000	3,794	206
Director Salaries and Payroll Taxes	-	-	-
Insurance	6,000	1,509	4,491
Contingency	-	-	-
Bank Charges and Other	1,200	-	1,200
Debt Service:			
Fiscal Agent's Fees	-	-	-
Interest	-	-	-
Principal	-	-	-
Capital Expenditures	-	-	-
TOTAL EXPENDITURES	197,369	133,063	64,306
Excess (Deficit) of Revenues over Expenditures	132,253	211,306	79,053
Fund Balance - Beginning of Year	263,255	263,255	-
Fund Balance - End of Year	\$ 395,508	\$ 474,561	\$ 79,053

The notes to financial statements are an integral part of this statement.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

SUPPLEMENTARY INFORMATION

**BELVEDERE MUNICIPAL UTILITY DISTRICT
INDEX OF SUPPLEMENTAL SCHEDULES REQUIRED
BY THE TEXAS WATER COMMISSION
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

(Schedules included are checked; explanatory notes are provided for omitted schedules).

- Schedule of Services and Rates
- Schedule of General Fund Expenditures
- Temporary Investments
None at September 30, 2017
- Analysis of Taxes Levied and Receivable
- General Long Term Debt Service Requirements by Years
- Analysis of Changes in General Long Term Debt
- Comparative Schedule of Revenues and Expenditures - General Fund
- Comparative Schedule of Revenues and Expenditures – Debt Service Fund
- Board Members, Key Personnel, and Consultants

**BELVEDERE MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
SEPTEMBER 30, 2017**

1. Services Provided by the District:

Drainage
Solid Waste Disposal

2. Retail Rates Based on 5/8” Meter

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per first 1000 Gallons Over Minimum	Rate per add'l 1000 Gallons Over Minimum
Water:	\$ N/A	N/A	N/A	\$ N/A	\$ N/A
Wastewater:	\$ N/A	N/A	N/A	\$ N/A	\$ N/A
Surcharge:	-0-				

Total water and wastewater charges per 10,000 gallons usage: \$ N/A

3. Retail Service Provided: Number of retail water and/or wastewater connections.

	Active Connections	Active EFSC	Inactive Connections (EFSC)
Single Family & Total	N/A	N/A	N/A

4. Total Water Consumption During the Fiscal Year:

Gallons pumped into system: N/A
Gallons billed to customers: N/A

5. Standby Fees: The District does not assess standby fees.

6. Anticipated sources of funds to be used for debt service payments: Ad Valorem taxes

7. Location of District:

The District is located entirely within Travis County.
The District is not located within any city.
The District is not located within any city ETJ.
The general membership of the Board is not appointed by an office outside the District.

BELVEDERE MUNICIPAL UTILITY DISTRICT
SCHEDULE OF GENERAL FUND EXPENDITURES
YEAR ENDED SEPTEMBER 30, 2017

Current:

Purchased Services for Resale

Water	\$	-
Wastewater		-
Connection Fees		-
		-

Professional Fees

Audit		7,500
Engineering		3,043
Legal		41,254
		51,797

Contracted Services

Accounting		14,400
Tax Appraisal/Collection		3,794
		18,194

Utilities

Solid Waste Disposal		36,494
		36,494

Administrative

Insurance		1,509
		1,509

Maintenance

Landscape Maintenance		25,069
Trail Maintenance		-
		25,069

TOTAL EXPENDITURES

\$ 133,063

Number of persons employed by the District: -0-

BELVEDERE MUNICIPAL UTILITY DISTRICT

**ANALYSIS OF TAXES LEVIED AND RECEIVABLE
YEAR ENDED SEPTEMBER 30, 2017**

	MAINTENANCE TAXES	DEBT SERVICE TAXES
	<u> </u>	<u> </u>
Taxes Receivable, Beginning of Year	\$ 2,771	\$ 4,097
2016 Original Levy	346,469	365,666
Adjustments	(2,180)	(2,638)
Add: Penalty & Interest	<u>2,296</u>	<u>2,488</u>
 Total to be accounted for	<u>349,356</u>	<u>369,613</u>
Tax collections:		
Current year	342,645	361,292
Prior years	<u>614</u>	<u>914</u>
Total Collections	<u>343,259</u>	<u>362,206</u>
 Taxes Receivable, End of Year	<u><u>\$ 6,097</u></u>	<u><u>\$ 7,407</u></u>

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Property Valuations:					
Land & Improvements	<u><u>182,833,077</u></u>	<u><u>156,415,864</u></u>	<u><u>114,844,409</u></u>	<u><u>89,271,522</u></u>	<u><u>72,191,196</u></u>
 Tax Rates Per \$100 Valuation:					
Debt Service tax rates	\$ 0.2000	\$ 0.2500	\$ 0.2734	\$ 0.2700	\$ 0.2500
Maintenance tax rates	<u>\$ 0.1895</u>	<u>\$ 0.1750</u>	<u>\$ 0.1766</u>	<u>\$ 0.1800</u>	<u>\$ 0.2000</u>
Totals	<u><u>\$ 0.3895</u></u>	<u><u>\$ 0.4250</u></u>	<u><u>\$ 0.4500</u></u>	<u><u>\$ 0.4500</u></u>	<u><u>\$ 0.4500</u></u>
 Original Tax Levy	<u><u>\$ 712,135</u></u>	<u><u>\$ 664,767</u></u>	<u><u>\$ 516,800</u></u>	<u><u>\$ 401,722</u></u>	<u><u>\$ 324,860</u></u>

BELVEDERE MUNICIPAL UTILITY DISTRICT

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
YEAR ENDED SEPTEMBER 30, 2017**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR SERIES 2010		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2018	95,000	-	95,000
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-
2033	-	-	-
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
	<u>\$ 95,000</u>	<u>\$ -</u>	<u>\$ 95,000</u>

BELVEDERE MUNICIPAL UTILITY DISTRICT

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
YEAR ENDED SEPTEMBER 30, 2017**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR SERIES 2011		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2018	55,000	14,050	69,050
2019	55,000	7,437	62,437
2020	60,000	5,100	65,100
2021	60,000	2,600	62,600
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-
2033	-	-	-
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
	<u>\$ 230,000</u>	<u>\$ 29,187</u>	<u>\$ 259,187</u>

BELVEDERE MUNICIPAL UTILITY DISTRICT

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
YEAR ENDED SEPTEMBER 30, 2017**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR SERIES 2016		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2018	25,000	27,388	52,388
2019	25,000	26,888	51,888
2020	30,000	26,388	56,388
2021	30,000	25,788	55,788
2022	30,000	25,188	55,188
2023	35,000	24,588	59,588
2024	35,000	23,888	58,888
2025	35,000	23,144	58,144
2026	40,000	22,400	62,400
2027	40,000	21,550	61,550
2028	40,000	20,550	60,550
2029	45,000	19,550	64,550
2030	45,000	18,425	63,425
2031	50,000	17,075	67,075
2032	50,000	15,575	65,575
2033	55,000	14,075	69,075
2034	55,000	12,425	67,425
2035	60,000	10,775	70,775
2036	65,000	8,975	73,975
2037	65,000	7,025	72,025
2038	70,000	5,075	75,075
2039	75,000	2,625	77,625
	<u>\$ 1,000,000</u>	<u>\$ 399,360</u>	<u>\$ 1,399,360</u>

BELVEDERE MUNICIPAL UTILITY DISTRICT

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
YEAR ENDED SEPTEMBER 30, 2017**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR SERIES 2016R		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2018	30,000	120,950	150,950
2019	130,000	120,350	250,350
2020	140,000	117,750	257,750
2021	145,000	114,950	259,950
2022	210,000	112,050	322,050
2023	225,000	105,750	330,750
2024	235,000	99,000	334,000
2025	255,000	89,600	344,600
2026	265,000	79,400	344,400
2027	275,000	68,800	343,800
2028	290,000	57,800	347,800
2029	315,000	46,200	361,200
2030	330,000	33,600	363,600
2031	105,000	20,400	125,400
2032	105,000	17,250	122,250
2033	110,000	14,109	124,109
2034	115,000	10,800	125,800
2035	120,000	7,350	127,350
2036	125,000	3,750	128,750
2037	-	-	-
2038	-	-	-
2039	-	-	-
	<u>\$ 3,525,000</u>	<u>\$ 1,239,859</u>	<u>\$ 4,764,859</u>

BELVEDERE MUNICIPAL UTILITY DISTRICT

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
YEAR ENDED SEPTEMBER 30, 2017**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR ALL SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2018	205,000	162,388	367,388
2019	210,000	154,675	364,675
2020	230,000	149,238	379,238
2021	235,000	143,338	378,338
2022	240,000	137,238	377,238
2023	260,000	130,338	390,338
2024	270,000	122,888	392,888
2025	290,000	112,744	402,744
2026	305,000	101,800	406,800
2027	315,000	90,350	405,350
2028	330,000	78,350	408,350
2029	360,000	65,750	425,750
2030	375,000	52,025	427,025
2031	155,000	37,475	192,475
2032	155,000	32,825	187,825
2033	165,000	28,184	193,184
2034	170,000	23,225	193,225
2035	180,000	18,125	198,125
2036	190,000	12,725	202,725
2036	65,000	7,025	72,025
2036	70,000	5,075	75,075
2036	75,000	2,625	77,625
	\$ 4,850,000	\$ 1,668,406	\$ 6,518,406

BELVEDERE MUNICIPAL UTILITY DISTRICT

**ANALYSIS OF CHANGES IN GENERAL LONG TERM DEBT
YEAR ENDED SEPTEMBER 30, 2017**

	<u>SERIES 2010</u>	<u>SERIES 2011</u>	<u>SERIES 2016</u>	<u>SERIES 2016R</u>	<u>TOTALS</u>
Interest Rate	4.0 - 5.7%	4.25 - 5.00%	2.00 - 3.50%	2.00 - 3.00%	
Dates Interest Payable	2/1 : 8/1	2/1 : 8/1	2/1 : 8/1	2/1 : 8/1	
Maturity Dates	8/1/13 to 8/1/30	8/1/14 to 8/1/36	8/1/18 to 8/1/39	8/1/17 to 8/1/36	
Bonds Outstanding at Beginning of Year	\$ 185,000	\$ 280,000	\$ 1,000,000	\$ 3,570,000	\$ 5,035,000
Bonds Sold During the Current Year	-	-	-	-	-
Bonds Defeased During the Current Year	-	-	-	-	-
Retirements During the Current Year	<u>(90,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>(45,000)</u>	<u>(185,000)</u>
Bonds Outstanding at End of Current Year	<u>\$ 95,000</u>	<u>\$ 230,000</u>	<u>\$ 1,000,000</u>	<u>\$ 3,525,000</u>	<u>\$ 4,850,000</u>
Interest Paid During the Current Year	\$ 8,100	\$ 11,900	\$ 107,634	\$ 27,388	\$ 155,022
Accrued Interest Purchased	-	-	-	-	-
Change in Accrued Interest Payable	<u>(638)</u>	<u>(354)</u>	<u>-</u>	<u>(74)</u>	<u>(1,066)</u>
Interest on Financial Statements	<u>\$ 7,462</u>	<u>\$ 11,546</u>	<u>\$ 107,634</u>	<u>\$ 27,314</u>	<u>\$ 153,956</u>
Paying Agent	Wells Fargo Bank		Wells Fargo Bank	BOKF	
	<u>Tax Bonds</u>	<u>Other Bonds</u>	<u>Other Bonds</u>	<u>Refunding Bonds</u>	
Bond Authority:					
Amount Authorized By Voters	\$ 7,920,000	\$ -	\$ -	\$ -	
Amount Issued	\$ 5,270,000	\$ -	\$ -	\$ 3,570,000	
Remaining To Be Issued	\$ 2,650,000	\$ -	\$ -	\$ -	
Debt Service Fund Cash and Temporary Investments balances as of September 30, 2017					<u>\$ 359,072</u>
Average annual debt service payment (principal & interest) for remaining term of all debt					<u>\$ 296,291</u>

BELVEDERE MUNICIPAL UTILITY DISTRICT

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND
FOR THE FIVE YEARS ENDED SEPTEMBER 30, 2017**

	AMOUNTS				
	2017	2016	2015	2014	2013
<u>REVENUES</u>					
Property Taxes	343,259	275,286	201,817	165,307	146,825
Developer Contribution	-	-	-	22,485	-
Interest	1,110	542	260	-	-
TOTAL REVENUES	344,369	275,828	202,077	187,792	146,825
<u>EXPENDITURES</u>					
Current:					
Water Purchased	-	-	-	-	325
Solid Waste Disposal	36,494	33,618	44,468	34,706	26,334
Repairs and Maintenance	25,069	25,069	43,612	91,549	25,069
Accounting Fees	14,400	14,400	14,400	14,400	14,685
Audit Fees	7,500	7,500	7,500	7,500	7,500
Engineering Fees	3,043	13,075	11,553	18,807	1,500
Legal Fees	41,254	56,611	53,479	39,930	35,857
Tax Assessor/Collector	3,794	3,840	3,216	2,272	1,671
Director Salaries and Tax	-	5,553	8,614	7,764	8,295
Insurance	1,509	2,616	3,786	3,691	3,595
Bank Charges and Other	-	663	341	253	-
Fiscal Agent Fees	-	350	350	350	350
Capital Expenditures	-	-	-	-	-
TOTAL EXPENDITURES	133,063	163,295	191,319	221,222	125,181
Excess (Deficit) of					
Revenues over Expenditures	211,306	112,533	10,758	(33,430)	21,644

PERCENT OF REVENUES

2017	2016	2015	2014	2013
100%	100%	100%	88%	100%
0%	0%	0%	12%	0%
0%	0%	0%	0%	0%
100%	100%	100%	100%	100%
0%	0%	0%	0%	0%
11%	12%	22%	18%	18%
7%	9%	22%	49%	17%
4%	5%	7%	8%	10%
2%	3%	4%	4%	5%
1%	5%	6%	10%	1%
12%	21%	26%	21%	24%
1%	1%	2%	1%	1%
0%	2%	4%	4%	6%
0%	1%	2%	2%	2%
0%	0%	0%	0%	0%
0%	0%	0%	0%	0%
0%	0%	0%	0%	0%
39%	59%	95%	118%	85%
61%	41%	5%	-18%	15%

BELVEDERE MUNICIPAL UTILITY DISTRICT

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - DEBT SERVICE FUND
FOR THE FIVE YEARS ENDED SEPTEMBER 30, 2017**

	AMOUNTS				
	2017	2016	2015	2014	2013
REVENUES					
Property Taxes	362,206	392,945	311,587	244,131	183,066
Interest	2,291	1,123	626	650	402
TOTAL REVENUES	364,497	394,068	312,213	244,781	183,468
EXPENDITURES					
Debt Service					
Fiscal Agent Fees	1,144	512	472	466	400
Interest	155,022	209,404	204,081	208,622	211,222
Principal	185,000	125,000	120,000	110,000	65,000
TOTAL EXPENDITURES	341,166	334,916	324,553	319,088	276,622
OTHER FINANCING SOURCES					
Bond Proceeds	-	61,408	-	-	-
Excess (Deficit) of Revenues over Expenditures	23,331	120,560	(12,340)	(74,307)	(93,154)

PERCENT OF REVENUES

2017	2016	2015	2014	2013
99%	100%	100%	100%	100%
1%	0%	0%	0%	0%
100%	100%	100%	100%	100%
0%	0%	0%	0%	0%
43%	53%	65%	85%	115%
51%	32%	38%	45%	35%
94%	85%	104%	130%	151%
0%	16%	0%	0%	0%
6%	31%	-4%	-30%	-51%

BELVEDERE MUNICIPAL UTILITY DISTRICT

**BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS
YEAR ENDED SEPTEMBER 30, 2017**

DISTRICT MAILING ADDRESS: c/o Lloyd Gosselink Rochelle & Townsend 816 Congress Av #1900 Austin TX 78701

DISTRICT BUSINESS TELEPHONE NUMBER: (512) 322-5800

LIMITS ON FEES OF OFFICE THAT A DIRECTOR MAY RECEIVE DURING A FISCAL YEAR: \$7,200

<u>NAMES AND ADDRESSES</u>	<u>TERM OF OFFICE</u>	<u>SALARY FYE 9/30/17</u>	<u>REIMBURSEMENTS FYE 9/30/17</u>	<u>TITLE AT YEAR END</u>
<u>DIRECTORS</u>				
Peter Golde	Elected 5/14-5/18	\$ -	\$ -	President
Donal Sartain	Elected 5/14-5/18	-	-	Vice-President
Ronald Ubertini	Elected 5/16-5/20	-	-	Secretary/Treasurer
Kim Clifford	Elected 5/16-5/20	-	-	Asst Sec
James Koerner	Appointed 6/16-5/18	-	-	Asst Sec
Payments to Retiring Directors		-	-	
		<u>\$ -</u>	<u>\$ -</u>	

CONSULTANTS

Lloyd Gosselink Rochelle & Townsend, PC	\$ 41,254	\$ -	Attorneys
LJA Engineering & Surveying, Inc.	\$ 3,043	\$ -	Engineers
West Davis and Company, LLP	\$ 7,500	\$ -	Auditor
Montoya & Monzingo	\$ 14,400	\$ -	Accountant
Travis County Tax Collector	\$ 3,794	\$ -	Tax Collector

OTHER INFORMATION

BELVEDERE MUNICIPAL UTILITY DISTRICT

PRINCIPAL TAXPAYERS

SEPTEMBER 30, 2017

Taxpayer	Taxable Assessed Value	% of 2017 Certified Taxable Assessed Value
Huff, Michael	\$ 2,589,984	1.32%
Rudy, Randall	2,446,744	1.24%
Golde, Elizabeth & Peter	2,147,724	1.09%
Blanton, M.L. & Kim Clifford	2,025,962	1.03%
Agsocios, LLC	1,921,627	0.98%
Johnson, Robert & Jennifer	1,915,714	0.97%
Byrne, John & Caroline	1,906,815	0.97%
Webster, Geoffrey & Lisa	1,906,678	0.97%
Waldrip, Will & Robyn	1,856,461	0.94%
Dalton, James	1,739,014	0.88%
Total	\$ 20,456,723	10.40%

ASSESSED VALUE BY CLASSIFICATION

SEPTEMBER 30, 2017

Type of Property	2017 Taxable Assessed Value
Land and Improvements	\$ 196,130,760
Personal Property	486,442
Total Assessed Valuation	196,617,202
Exemptions	-
Total Taxable Appraised Valuation	\$ 196,617,202

EXHIBIT D

**BELVEDERE MUD
SCHEDULE OF CASH ACTIVITY
GENERAL FUND
MEETING DATE: JANUARY 16, 2018**

CASH BALANCE AS OF 12/31/17 **\$ 312,533.42**

Revenue:

Deposit Date	Description	Amount
1/1/2018	Refund of bank charges	\$ 30.00
		<u>\$ 30.00</u>
	Cash Balance Before Expenditures	<u>\$ 312,563.42</u>

Expenditures:

Check Number	Description	Amount
1010	Montoya & Monzingo, LLP Bookkeeping Fees	\$ 1,200.00
1011	West Davis & Company Audit Fees	\$ 7,500.00
1012	Texas Disposal Systems Waste Disposal	\$ 9,984.91
1013	Murfee Engineering Company Engineering Fees	\$ 1,500.00
1014	Attorney General Bond Expense	\$ 1,220.00
Transfer	Belvedere MUD - Money Market	\$ 128,000.00
Transfer	Belvedere MUD - Debt Service Property taxes	\$ 152,721.29
	Total Expenditures	<u>\$ 302,126.20</u>

ENDING CASH BALANCE - CHECKING OPERATING AS OF JANUARY 16, 2018 **\$ 10,437.22**

CASH BALANCE - MONEY MARKET OPERATING **\$ 397,031.79**

Deposit	Belvedere-Checking	\$ 128,000.00
	Total Deposit	<u>\$ 128,000.00</u>

ENDING CASH BALANCE - MONEY MARKET OPERATING **\$ 525,031.79**

TOTAL CASH BALANCE OPERATING **\$ 535,469.01**

CASH BALANCE - CAPITAL PROJECTS **\$ 92,230.81**

TOTAL CASH BALANCE - CAPITAL PROJECTS **\$ 92,230.81**

CASH BALANCE - DEBT SERVICE FUND **\$ 385,468.42**

Transfer	Transfer from Operating	Property Taxes	\$ 152,721.29
	Total Deposits:		<u>\$ 152,721.29</u>
Expenditures			
Wire	Wells Fargo	BELV110UT	\$ 2,137.50
Wire	Bank of Texas	BELV1011UT	\$ 5,087.50
Wire	Bank of Texas	BELV316UT	\$ 13,893.75
Wire	Bank of Texas	BELV916UTR	\$ 60,675.00
	Total Expenditures:		<u>\$ 81,793.75</u>

ENDING CASH BALANCE - DEBT SERVICE FUND **\$ 456,395.96**

Belvedere Municipal Utility District
Statement of Revenues and Expenditures Budget vs. Actual
For the Year to Date Ended January 16, 2018
Unaudited

	Year to Date Actual	Year to Date Budget	2018 Budget	2018 Variance Favorable (Unfavorable)
<u>Revenues</u>				
Maintenance Taxes	\$ 152,468	108,885	\$ 326,655	\$ (174,187)
Interest Income	269	167	500	(231)
Total Revenues	152,737	109,052	327,155	(174,418)
<u>Expenditures</u>				
Solid Waste Disposal	19,491	12,667	38,000	18,509
Legal Fees	9,780	18,333	55,000	45,220
Audit Fees	7,500	2,833	8,500	1,000
Accounting Fees	4,800	4,800	14,400	9,600
Engineering Fees	4,500	6,000	18,000	13,500
Engineering Design	-	5,000	15,000	15,000
Landscaping	-	8,356	25,069	25,069
Amenity Center Operations & Maintenance	-	7,833	23,500	23,500
Maintenance	-	11,667	35,000	35,000
Insurance	966	667	2,000	1,034
Tax Appraisal and Collection Fees	1,240	1,333	4,000	2,760
Bank Charges	-	67	200	200
Other Fees	-	33	100	100
Newspaper notices	-	667	2,000	2,000
Total Expenditures	48,277	80,256	240,769	192,492
Projected Excess Revenue Over Expenditures	\$ 104,460	\$ 28,795	\$ 86,386	\$ 18,074

Belvedere Municipal Utility District
Balance Sheet
As of January 16, 2018

	<u>Jan 16, 18</u>
ASSETS	
Current Assets	
Checking/Savings	
CASH	
Money Market - ABC Bank	525,031.79
Checking Account - ABC Bank	<u>10,437.22</u>
Total CASH	<u>535,469.01</u>
Total Checking/Savings	535,469.01
Accounts Receivable	
Taxes Receivable	<u>143,260.25</u>
Total Accounts Receivable	143,260.25
Other Current Assets	
Due From Capital Projects	<u>43,552.23</u>
Total Other Current Assets	<u>43,552.23</u>
Total Current Assets	<u>722,281.49</u>
TOTAL ASSETS	<u>722,281.49</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Deferred Revenue	<u>143,260.25</u>
Total Other Current Liabilities	<u>143,260.25</u>
Total Current Liabilities	<u>143,260.25</u>
Total Liabilities	143,260.25
Equity	
Unassigned	474,561.35
Net Income	<u>104,459.89</u>
Total Equity	<u>579,021.24</u>
TOTAL LIABILITIES & EQUITY	<u>722,281.49</u>

Belvedere Municipal Utility District

Profit & Loss

October 1, 2017 through January 16, 2018

	<u>Oct 1, '17 - Jan 16, 18</u>
Ordinary Income/Expense	
Income	
Interest Income	268.95
Income	
Property Taxes	<u>152,468.14</u>
Total Income	<u>152,468.14</u>
Total Income	152,737.09
Expense	
Audit Fees	7,500.00
Bank Service Charges	0.00
Bookkeeping Fees	4,800.00
Engineering	
District Engineering	<u>4,500.00</u>
Total Engineering	4,500.00
Insurance	966.46
Legal Fees	
Legal Fees	<u>9,780.45</u>
Total Legal Fees	9,780.45
Collection and Appraisal Fees	1,239.94
Waste Disposal	<u>19,490.35</u>
Total Expense	<u>48,277.20</u>
Net Ordinary Income	<u>104,459.89</u>
Net Income	<u><u>104,459.89</u></u>

Belvedere MUD - Capital Projects Fund
Balance Sheet
As of January 16, 2018

	<u>Jan 16, 18</u>
ASSETS	
Current Assets	
Checking/Savings	
Cash	92,230.81
Total Checking/Savings	92,230.81
Other Current Assets	
Prepaid Bond Expenses	43,552.23
Total Other Current Assets	43,552.23
Total Current Assets	135,783.04
TOTAL ASSETS	<u>135,783.04</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due to Operating	43,552.23
Total Other Current Liabilities	43,552.23
Total Current Liabilities	43,552.23
Total Liabilities	43,552.23
Equity	
Restricted	92,182.54
Net Income	48.27
Total Equity	92,230.81
TOTAL LIABILITIES & EQUITY	<u>135,783.04</u>

Belvedere MUD - Capital Projects Fund

Profit & Loss

October 1, 2017 through January 16, 2018

	<u>Oct 1, '17 - Jan 16, 18</u>
Other Income/Expense	
Other Income	
Interest Income	48.27
Total Other Income	48.27
Net Other Income	48.27
Net Income	<u>48.27</u>

Belvedere MUD-Debt Service Fund
Balance Sheet
As of January 16, 2018

	Jan 16, 18
ASSETS	
Current Assets	
Checking/Savings	
Cash	
MUD Debt Service Fund	456,395.96
Total Cash	456,395.96
Total Checking/Savings	456,395.96
Accounts Receivable	
Taxes Receivable	168,788.99
Total Accounts Receivable	168,788.99
Total Current Assets	625,184.95
TOTAL ASSETS	625,184.95
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Deferred Revenue	168,788.99
Total Other Current Liabilities	168,788.99
Total Current Liabilities	168,788.99
Total Liabilities	168,788.99
Equity	
Restricted	359,111.02
Net Income	97,284.94
Total Equity	456,395.96
TOTAL LIABILITIES & EQUITY	625,184.95

Belvedere MUD-Debt Service Fund

Profit & Loss

October 1, 2017 through January 16, 2018

	<u>Oct 1, '17 - Jan 16, 18</u>
Ordinary Income/Expense	
Income	
Tax Revenue	178,845.89
Total Income	<u>178,845.89</u>
Expense	
Interest Expense	81,193.75
Paying Agent Fee	600.00
Total Expense	<u>81,793.75</u>
Net Ordinary Income	97,052.14
Other Income/Expense	
Other Income	
Interest Income	232.80
Total Other Income	<u>232.80</u>
Net Other Income	232.80
Net Income	<u><u>97,284.94</u></u>

Montoya & Monzingo, LLP

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

Invoice

Date	Invoice #
01/04/2018	22552

Bill To
Belvedere MUD P.O. Box 2029 Pflugerville, TX 78691

Terms
Due on receipt

Description	Amount
January 2018 accounting services.	1,200.00
Thank you for your business.	Total \$1,200.00

RECEIVED
1/5/18

WEST, DAVIS & COMPANY

A LIMITED LIABILITY PARTNERSHIP

Belvedere Municipal Utility District
c/o Jeff Monzingo
via Email
jeff@jeffmcpa.com

December 31, 2017

Professional services involved with
preparation of Audited Financial Statements
for the year ended September 30, 2017

\$ 7,500.00

Thank you!

RECEIVED
1/5/18

1617 UNIVERSITY CLUB DR ~ AUSTIN, TEXAS 78732-2440

TELEPHONE 512.922.8809



TEXAS DISPOSAL SYSTEMS

PO BOX 660816 • DALLAS, TX 75266-0816
1 (800) 375-8375 PHONE • (512) 421-1344 FAX
www.texasdisposal.com

INVOICE

ACCOUNT #:	1 -0114386 3
ACCOUNT NAME:	BELVEDERE MUD
INVOICE DATE:	01/01/2018
INVOICE #:	4330737
PAY THIS AMOUNT:	9,984.91
SERVICE LOCATION:	VARIOUS RESIDENTIAL

DATE	DESCRIPTION	QTY.	RATE	TOTAL AMOUNT
1/01/18	** Sub Acct: 1 - 6836 THOMPSON 8509 SPRINGDALE RIDGE 96G TRASH@CURB+3 BGS/BNDL Total	1.00		66.81
	** Sub Acct: 1 - 7595 HARGROVE 8100 BELLANCIA DR 96G TRASH@CURB+3 BGS/BNDL Total	1.00		66.81
	** Sub Acct: 1 - 8065 ATCHLEY 8817 BELLANCIA DR 96G TRASH@CURB+3 BGS/BNDL Total	1.00		66.81
	** Sub Acct: 1 - 9881 NUGENT 8401 LAKEWOOD RIDGE CV 96G TRASH@CURB+3 BGS/BNDL Total	1.00		66.81
	** Sub Acct: 1 - 114414 MENAKOFF 7900 LYNCHBURG DR 96G TRASH@CURB+3 BGS/BNDL Total	1.00		66.81
	** Sub Acct: 1 - 114415 KOERNER 7824 LYNCHBURG DR 96G TRASH@CURB+3 BGS/BNDL Total	1.00		66.81
	** Sub Acct: 1 - 114416 SCHNEEBERGER			

IMPORTANT MESSAGE:

PAYMENT DUE WITHIN 20 DAYS OF INVOICE DATE. Pay bill online at www.texasdisposal.com Your ONLINE ACCESS CODE is 0119025

PAID 1/10/18

PLEASE REMIT BOTTOM PORTION WITH YOUR PAYMENT

DATE PRINTED	INVOICE #	DUE DATE
12/28/2017	4330737	UPON RECEIPT
ACCT. #	AMOUNT DUE	
1 -0114386 3	9,984.91	

Pay bill online @ texasdisposal.com. 655898B (PC2)
41599-4FDK*T3D0OU3S7000005



TEXAS DISPOSAL SYSTEMS

PO BOX 660816
DALLAS, TX 75266-0816

41599-4FDK

PAGE: 1 of 11

RETURN SERVICE REQUESTED

Please check if address is incorrect and indicate change on reverse side.



000022
0607

BELVEDERE MUD
JEFF MONZINGO
P.O. BOX 2029
PFLUGERVILLE, TX 78691-2029

0101143863433073700009984916

TEXAS DISPOSAL SYSTEMS, INC
PO BOX 660816
DALLAS, TX 75266-0816



SERVICE LOCATION

BELVEDERE MUD VARIOUS RESIDENTIAL
AUSTIN TX 78738

JEFF MONZINGO

TEXAS DISPOSAL SYSTEMS

ACCOUNT # 1 -0114386 3	INVOICE DATE 01/01/2018	INVOICE # 4330737	PAGE 2 of 11
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DATE	DESCRIPTION	QTY.	RATE	TOTAL AMOUNT
	7816 LYNCHBURG DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 114417 BLOSSER			
	7808 LYNCHBURG DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 114418 BIRDWALL			
	7732 LYNCHBURG DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 114419 MARSHALL			
	7709 LYNCHBURG DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 114420 FOSSUM			
	18032 GLENVILLE CV			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 114421 BRANDT			
	18000 GLENVILLE CV			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 114422 BYLESS			
	18033 GLENVILLE CV			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 114423 RUDY			
	17929 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 114424 TOSCHIK			
	18128 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 114425 KAISAR			
	8017 MAGNOLIA RIDGE CV			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 114646 BELVEDERE AMENIT			
	17400 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	2.00		66.81
	96G TRASH XTRA CART	1.00		31.50
	Total			98.31
	** Sub Acct: 1 - 114849 BEESE			
	7716 LYNCHBURG DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 115034 BAYLESS			
	7901 LYNCHBURG DR			
	96G TRASH@CURB+3 BGS/BNDL	2.00		66.81
	Total			66.81
	** Sub Acct: 1 - 117497 WEEKS			
	18041 GLENVILLE CV			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 117762 VALENTE			
	7825 LYNCHBURG DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81



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TEXAS DISPOSAL SYSTEMS

ACCOUNT #	INVOICE DATE	INVOICE #	PAGE
1 -0114386 3	01/01/2018	4330737	4 of 11

DATE	DESCRIPTION	QTY.	RATE	TOTAL AMOUNT
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 126478 PALMER 17937 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 126666 RUNKLE 7708 LYNCHBURG DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 127961 GUZIEJKA 18016 GLENNVILLE CV			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 128525 WEST 18200 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 128597 LOWE 17736 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 128625 CHAN 18308 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 135928 WALDRIP 8416 BELLANCIA DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 136483 LINDEN 17813 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 136802 DAVIS 8408 BELLANCIA DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 138176 RENNELL 18425 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 139416 JARVIS 17737 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	2.00		66.81
	Total			66.81
	** Sub Acct: 1 - 140184 PERRY 7809 LYNCHBURG DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 140185 WADE 8305 VERDE MESA CV			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 141679 RACHAL 18317 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 142850 WILSON			



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TEXAS DISPOSAL SYSTEMS

ACCOUNT #	INVOICE DATE	INVOICE #	PAGE
1 -0114386 3	01/01/2018	4330737	6 of 11

DATE	DESCRIPTION	QTY.	RATE	TOTAL AMOUNT
	** Sub Acct: 1 - 150155 SCHWAMB			
	8601 BELLANCIA DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 152178 GOLDE			
	8301 BELLANCIA DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 152188 DUCHALA			
	7724 LYNCHBURG DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 152605 SARTAIN			
	8300 BELLANCIA DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 152967 DOLCH			
	18416 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 152990 VILLAREAL			
	8301 VERDE MESA CV			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 153797 KEIPER			
	17113 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 154017 NIEVES			
	18225 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 154025 BUTLER			
	8617 BELLANCIA DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 154422 STAUFFACHER			
	8701 BELLANCIA DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 154825 BIRDWELL			
	17201 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 154883 LUGO			
	8109 BELLANCIA DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 155125 PRESTI			
	17600 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 155644 MASON			
	17801 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 156612 AUGUSTINE			
	8724 BELLANCIA DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81



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TEXAS DISPOSAL SYSTEMS

ACCOUNT # 1 -0114386 3	INVOICE DATE 01/01/2018	INVOICE # 4330737	PAGE 8 of 11
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DATE	DESCRIPTION	QTY.	RATE	TOTAL AMOUNT
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 164738 ATKINS 8308 LAKEWOOD RIDGE CV			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 164739 FREZON 8324 LAKEWOOD RIDGE CV			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 165327 YOUNG 18325 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 166651 TRAWICK 8000 MAGNOLIA RIDGE CV			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 167567 GUERRERO 18216 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 172769 DECARDENAS 8117 BELLANCIA DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 174625 LAOSA 8317 VERDE MESA CV			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 175287 GOLDE 8217 BELLANCIA DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 175927 BLACK 8321 VERDE MESA CV			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 175934 NEALON 18217 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 175961 CASSARA 8312 LAKEWOOD RIDGE CV			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 177001 BRYSON 17108 FLAGLER DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 177431 KATHY 8313 LAKEWOOD RIDGE CV			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 177433 RODRIGUEZ 8717 BELLANCIA DR			
	96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 177783 CHRISTIAN			



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TEXAS DISPOSAL SYSTEMS

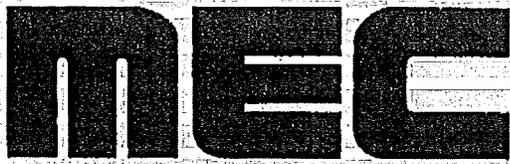
ACCOUNT #	INVOICE DATE	INVOICE #	PAGE
1 -0114386 3	01/01/2018	4330737	10 of 11

DATE	DESCRIPTION	QTY.	RATE	TOTAL AMOUNT
	** Sub Acct: 1 - 184786 CHRISTIAN 17724 FLAGLER DR 96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 185163 WARD BELTON 8700 BELLANCIA DR 96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 185754 SORRENTINO 8509 ROLLINS DR 96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 186369 LEONARD 17204 FLAGLER DR 96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 187509 BLANTON CLIFFORD 8309 BELLANCIA DR 96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 188883 PHILLIPS 8609 ROLLINS DR 96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 188889 SETH 8516 BELLANCIA DR 96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 189075 HUFF 7700 LYNCHBURG DR 96G TRASH@CURB+3 BGS/BNDL	2.00		66.81
	Total			66.81
	** Sub Acct: 1 - 189077 MICKLE 8116 MAGNOLIA RIDGE CV 96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 195982 DANIEL 8317 LAKEWOOD RIDGE CV 96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 195983 OBRIEN 17500 FLAGLER DR 96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 196521 ALAGNA 18401 FLAGLER DR 96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 196989 LAWSON 8320 VERDE MESA CV 96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 197499 HARWELL 8309 VERDE MESA CV 96G TRASH@CURB+3 BGS/BNDL	1.00		66.81
	Total			66.81
	** Sub Acct: 1 - 198517 SANDERS 8316 LAKEWOOD RIDGE CV 96G TRASH@CURB+3 BGS/BNDL	1.00		66.81



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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 38298
Date 01/11/2018

Project 17031 BELVEDERE MUNICIPAL UTILITY DISTRICT

Professional Engineering Services Rendered Through December 31, 2017

Description	Contract Amount	Prior Billed	Current Billed
17031-10 District Engineering Oct 2017 to Sept 2018	18,000.00	3,000.00	1,500.00
Total	18,000.00	3,000.00	1,500.00

Invoice total 1,500.00

Jeff Monzingo

From: Clayton Chandler <cchandler@mphlegal.com>
Sent: 01/11/2018 1:41 PM
To: Jeff Monzingo
Subject: RE: Belvedere

\$1,220.00



Clayton Chandler
T 512.478.3805

From: Jeff Monzingo [mailto:jeff@jeffmcpa.com]
Sent: Thursday, January 11, 2018 12:39 PM
To: Clayton Chandler <cchandler@mphlegal.com>
Subject: Belvedere

What is the amount of the check that we need for the Attorney General for Belvedere's bond issue?

Jeff Monzingo, CPA
Montoya & Monzingo, LLP
512-251-5668 ext 27
P.O. Box 2029
Pflugerville, TX 78691

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Belvedere Municipal Utility District
Reconciliation Detail
Checking Account - ABC Bank, Period Ending 12/31/2017

1/18

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						65,159.50
Cleared Transactions						
Checks and Payments - 5 items						
Check	11/21/2017	1005	LJA Engineering an...	X	-2,003.00	-2,003.00
Check	12/19/2017	1006	Lloyd Gosselink	X	-3,525.87	-5,528.87
Check	12/19/2017	1009	Murfee Engineering ...	X	-1,500.00	-7,028.87
Check	12/19/2017	1007	Montoya & Monzing...	X	-1,200.00	-8,228.87
Check	12/19/2017	1008	Travis Central Appra...	X	-852.84	-9,081.71
Total Checks and Payments					-9,081.71	-9,081.71
Deposits and Credits - 16 items						
Deposit	12/01/2017			X	5,551.86	5,551.86
Deposit	12/05/2017			X	3,472.42	9,024.28
Deposit	12/08/2017			X	15,180.33	24,204.61
Deposit	12/11/2017			X	3,698.57	27,903.18
Deposit	12/12/2017			X	11,682.48	39,585.66
Deposit	12/13/2017			X	6,218.09	45,803.75
Deposit	12/14/2017			X	3,283.88	49,087.63
Deposit	12/15/2017			X	11,339.29	60,426.92
Deposit	12/18/2017			X	4,447.50	64,874.42
Deposit	12/19/2017			X	3,942.19	68,816.61
Deposit	12/20/2017			X	70,337.06	139,153.67
Deposit	12/21/2017			X	25,718.67	164,872.34
Deposit	12/22/2017			X	14,051.15	178,923.49
Deposit	12/27/2017			X	14,390.10	193,313.59
Deposit	12/28/2017			X	37,413.22	230,726.81
Deposit	12/29/2017			X	51,863.23	282,590.04
Total Deposits and Credits					282,590.04	282,590.04
Total Cleared Transactions					273,508.33	273,508.33
Cleared Balance					273,508.33	338,667.83 <i>MU</i>
Uncleared Transactions						
Checks and Payments - 1 item						
Check	12/19/2017	Transfer	Belvedere MUD Deb...		-26,134.41	-26,134.41
Total Checks and Payments					-26,134.41	-26,134.41
Total Uncleared Transactions					-26,134.41	-26,134.41
Register Balance as of 12/31/2017					247,373.92	312,533.42
Ending Balance					<u>247,373.92</u>	<u>312,533.42</u>

Belvedere Municipal Utility District
Reconciliation Detail
Money Market - ABC Bank, Period Ending 12/31/2017

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						396,944.13
Cleared Transactions						
Deposits and Credits - 1 item						
Deposit	12/31/2017			X	87.66	87.66
Total Deposits and Credits					87.66	87.66
Total Cleared Transactions					87.66	87.66
Cleared Balance					87.66	397,031.79
Register Balance as of 12/31/2017					87.66	397,031.79
Ending Balance					<u>87.66</u>	<u>397,031.79</u> MW

Belvedere MUD - Capital Projects Fund
Reconciliation Detail
Cash, Period Ending 12/31/2017

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						92,214.37
Cleared Transactions						
Deposits and Credits - 1 item						
Deposit	12/31/2017			X	16.44	16.44
Total Deposits and Credits					16.44	16.44
Total Cleared Transactions					16.44	16.44
Cleared Balance					16.44	92,230.81
Register Balance as of 12/31/2017					16.44	92,230.81
Ending Balance					<u>16.44</u>	<u>92,230.81</u> <i>NM</i>

Belvedere MUD-Debt Service Fund
Reconciliation Detail
Cash, Period Ending 12/31/2017

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						359,254.68
Cleared Transactions						
Deposits and Credits - 1 item						
Deposit	12/31/2017			X	79.33	79.33
Total Deposits and Credits					79.33	79.33
Total Cleared Transactions					79.33	79.33
Cleared Balance					79.33	359,334.01 <i>MM</i>
Uncleared Transactions						
Deposits and Credits - 1 item						
Deposit	12/19/2017				26,134.41	26,134.41
Total Deposits and Credits					26,134.41	26,134.41
Total Uncleared Transactions					26,134.41	26,134.41
Register Balance as of 12/31/2017					26,213.74	385,468.42
Ending Balance					26,213.74	385,468.42

UIK	-- BELVEDERE MUD											
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	634.54	.00	634.54	8.20 %	7106.74	145.94	.00	.00	.00	780.48
TOTL	13448.84	.00	634.54	.00	634.54	4.72 %	12814.30	145.94	.00	.00	.00	780.48
2017	725464.67	.00	426229.73	.00	426229.73	58.75 %	299234.94	.00	.00	.00	.00	426229.73
ENTITY												
TOTL	738913.51	.00	426864.27	.00	426864.27	57.77 %	312049.24	145.94	.00	.00	.00	427010.21

Outstanding property tax receivable
 Debt Service: 2014=1440.81
 2015=1962.38
 2016=3649.31
 2017=161,736.49
 } 168,788.99

Operating: 2014=930.50
 2015=1373.87
 2016=3457.43
 2017=137,498.45
 } 143,260.25

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