

**MINUTES OF THE MEETING
OF THE
BOARD OF DIRECTORS**

STATE OF TEXAS §

COUNTY OF HUNT §

VERANDAH MUNICIPAL UTILITY DISTRICT OF HUNT COUNTY §

The Board of Directors (the “Board”) of Verandah Municipal Utility District of Hunt County (the “District”) met in regular session, open to the public, at 2728 N. Harwood Street, Suite 500, Dallas, Texas on Wednesday, February 9, 2022, and the roll was called of the members of the Board, to-wit:

The roll was called of the members of the Board, to-wit:

Jon Mitchell	President
Glenn Purcell	Vice President
Jeff Dean	Secretary
Seth Ramey	Assistant Secretary
Glenn D. Dickerson	Assistant Secretary

All members of the Board were present at the commencement of the meeting with the exception of Director Mitchell, thus constituting a quorum. Also in attendance were: Ms. Sarah Landiak, attorney, Ms. Amy Bieber, paralegal, each of Winstead PC, attorneys for the District; Ms. Brandi Galindo of Dye & Toverly, LLC; and Mr. Matt Clark of Barraza Consulting, LLC, (“Engineer”).

The meeting was called to order at 12:02 p.m.

1. The Board called for public communications and comments. Hearing none, the Board closed the public comment section of the meeting.

2. The Board next acknowledged receipt of the Minutes from January 12, 2022, Board of Directors meeting. Following a discussion, Director Purcell moved that the Board approve the Minutes as presented. Director Dickerson seconded said motion, which carried unanimously.

3. The Board next recognized Mr. Clark, who presented to and reviewed with the Board an engineering report dated February 9, 2022, a copy of which is attached hereto as Exhibit “A”. Mr. Clark updated the Board with regard to ongoing construction within the District and reported that there is a significant amount of construction activity at this time. Mr. Clark next requested that the Board (i) ratify and approve the construction plans and specifications for CR 2648 storm drainage improvements; (ii) ratify and approve the advertising of bids for CR 2648 storm drainage

improvements; and (iii) ratify and approve the advertising of bids for all Verandah Phase 9 construction.

Mr. Clark next reviewed with the Board the proposals received for CR 2650 offsite improvements. Mr. Clark reviewed proposals received for grading improvements for the project, noting that the lowest qualified bidder is Hammett Excavation, Inc. (“Hammett”) in the total base bid amount of \$57,907.20 to be completed in 10 days, and recommended that the Board award the contract to Hammett. Mr. Clark next reviewed proposals received for water, sanitary sewer, and storm drainage improvements for the project, noting that the lowest qualified bidder is KCK Utility Construction, Inc. (“KCK”) in the total base bid amount of \$389,446.00 to be completed in 45 days, and recommended that the Board award the contract to KCK. Mr. Clark next reviewed proposals received for paving improvements for the project, noting that the lowest qualified bidder is GM Construction TX (“GM”) the total base bid amount of \$878,775.20 to be completed in 50 days, and recommended that the Board award the contract to GM.

Mr. Clark next reviewed with the Board the proposals received for Verandah Phase 7 improvements. Mr. Clark reviewed proposals received for grading improvements for the project, noting that the lowest qualified bidder is Hammett in the total base bid amount of \$1,304,519.20 to be completed in 91 days, and recommended that the Board award the contract to Hammett. Mr. Clark next reviewed proposals received for water, sanitary sewer, and storm drainage improvements for the project, noting that the lowest qualified bidder is KCK in the total base bid amount of \$2,018,735.35 to be completed in 120 days, and recommended that the Board award the contract to KCK. Mr. Clark next reviewed proposals received for paving improvements for the project, noting that the lowest qualified bidder is GM the total base bid amount of \$1,220,118.05 to be completed in 50 days, and recommended that the Board award the contract to GM.

Next, Mr. Clark recommended approval of the following pay applications and change orders:

- Pay Application No. 4 in the amount of \$56,773.12 from Gilco Contracting, Inc. (“Gilco”) under the paving improvements contract for Valor Farms Phase 2.
- Change Order No. 2 in the amount of \$3,720.00 from Hammett under the grading improvements contract for Verandah Phase 4.
- Change Order No. 3 in the amount of (\$20,674.31) from Hammett under the grading improvements contract for Verandah Phase 4.
- Pay Application No. 7 in the amount of \$67,941.90 from KCK under the water, wastewater, and storm drainage improvements for Verandah Phase 6.
- Change Order No. 4 in the amount of \$5,312.00 from KCK under the water, wastewater, and storm drainage improvements for Verandah Phase 6.

Following a discussion, Director Dickerson moved that the Board (i) ratify and approve construction plans and specifications for CR 2648 drainage improvements; (ii) ratify authorization of advertising for bids for construction of CR 2648 and Verandah Phase 9; (iii) award the contract for CR 2650 grading improvements to Hammett as recommended by the District’s Engineer; (iv) award the contract for CR 2650 water, sanitary sewer, and storm drainage improvements to KCK as

recommended by the District's Engineer; (v) award the contract for CR 2650 paving improvements to GM as recommended by the District's Engineer; (vi) award the contract for Verandah Phase 7 grading improvements to Hammett as recommended by the District's Engineer; (vii) award the contract for Verandah Phase 7 water, sanitary sewer, and storm drainage improvements to KCK as recommended by the District's Engineer; (viii) award the contract for Verandah Phase 7 grading improvements to GM as recommended by the District's Engineer; (ix) approve all Pay Applications and Change Orders as recommended by the District's Engineer; and (x) approve the Engineer's Report as presented. Director Mitchell seconded said motion, which carried unanimously.

4. In the absence of a developer representative, the Board deferred action on a developer's report.

5. The Board next considered a Facilities Reimbursement Agreement by and between the District and MM Verandah 3E and 7, LLC (the "Agreement"), a copy of which is attached hereto as Exhibit "B". Ms. Landiak noted that the Agreement covers the property within Verandah Phase 3E and Verandah Phase 7. Following a discussion, Director Dean moved that the Board approve the Agreement as presented. Director Ramey seconded said motion, which carried unanimously.

6. The Board deferred action with regard to Partial Assignments of the Facilities Reimbursement Agreement.

7. The Board next considered Amendment No. 2 to Amended and Restated Operating Costs and Facilities Reimbursement Agreement, a copy of which is attached hereto as Exhibit "C". Ms. Landiak noted that the original agreement covers the property within Verandah Phase 3E and Verandah Phase 7, and Amendment No. 2 proposes to remove said property from the original agreement as it is now covered by the Facilities Reimbursement Agreement. Following a discussion, Director Dickerson moved that the Board approve the Agreement as presented. Director Ramey seconded said motion, which carried unanimously.

8. Board next recognized Ms. Galindo, who presented to and reviewed with the Board copies of a bookkeeping report dated February 9, 2022, a copy of which is attached hereto as Exhibit "D". Following a discussion, Director Purcell moved that the Board (i) approve the bookkeeping report; (ii) authorize the payment of bills listed thereon; and (iii) approve the investment of funds as recommended by the District's Bookkeeper. Director Ramey seconded said motion, which carried unanimously.

9. The Board next considered a review of the District's current Investment Policy, dated February 11, 2020. Ms. Landiak noted that an annual review of said Policy is required, and that no amendments to the Policy are recommended by the District's legal counsel at this time. Next, Ms. Landiak presented to and reviewed with the Board a Resolution Acknowledging Annual Review of the Investment Policy and Investment Strategies, a copy of which is attached hereto as Exhibit "E". Following a discussion, Director Purcell moved that Board approve the Resolution as presented. Director Dickerson seconded said motion, which carried unanimously.

APPROVED AND ADOPTED the 8th day of March, 2022.

VERANDAH MUNICIPAL UTILITY DISTRICT
OF HUNT COUNTY



By:

A handwritten signature in black ink, appearing to read "Jeff Dean", written over a horizontal line.

Jeff Dean, Secretary
Board of Directors