

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 special session, open to the public, at 2728 N. Harwood Street, Suite 500, Dallas, Texas on Wednesday, January 11, 2023, 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
Cynthia Berrones-Mood	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 Purcell, thus constituting a quorum. Also in attendance were: Mr. Scott Eidman, attorney, and Ms. Amy Bieber, paralegal, of Winstead PC, attorneys for the District; Ms. Brandi Galindo of Dye & Toverly, LLC; and Mr. Art Barraza of Barraza Consulting Group, LLC, (“Engineer”). Ms. Alyssa Saccomen of McCall Gibson Swedlund Barfoot PLLC (“Auditor”) joined the meeting by telephone conference.

The meeting was called to order at 12:37 p.m.

1. The Board called for public communications and comments. Hearing none, Director Dickerson moved that the Board close the public comment section of the meeting. Director Mitchell seconded said motion, which carried unanimously.

2. The Board next acknowledged receipt of the Minutes from the December 14, 2022, and November 21, 2022, Board of Directors meetings. Following a discussion, Director Mitchell moved that the Board approve the Minutes as presented. Director Ramey seconded said motion, which carried unanimously.

3. The Board next recognized Ms. Saccomen, who presented to and reviewed with the Board a draft of the District’s audit for the fiscal year ended September 30, 2022, a copy of which is attached hereto as Exhibit “A”. After discussion on the matter, Director Berrones-Mood moved that

the Board (i) approve the audit as presented; and (ii) authorize the District's auditor to file the audit with the Texas Commission on Environmental Quality. Director Dickerson seconded said motion, which carried unanimously.

4. The Board next considered a Consent and Resolution of the Board of Directors related to the use of eminent domain powers for the acquisition of a construction easements, a copy of which is attached hereto as Exhibit "B". Mr. Eidman discussed the Consent and Resolution with the Board as well as the condemnation process to acquire such easement for the construction of off-site drainage facilities to serve the development. Following a discussion, Director Berrones-Mood moved that the Board approve and adopt the Consent and Resolution as presented. Director Ramey seconded said motion, which carried unanimously.

5. Mr. Eidman next requested that the Board authorize the engagement of Saunders, Walsh & Beard for legal services related to the condemnation proceedings. Following a discussion, Director Berrones-Mood moved that the Board approve the engagement of Saunders, Walsh & Beard for legal services related to the District's condemnation proceedings. Director Ramey seconded said motion, which carried unanimously.

6. The Board next recognized Mr. Barraza, who presented to and reviewed with the Board an engineering report dated January 11, 2023 a copy of which is attached hereto as Exhibit "C". Next, Mr. Barraza updated the Board with regard to engineering matters and construction within the District, noting that a notice to proceed has been issued to begin construction of the District's lift station. Next, Mr. Barraza requested approval of a contract for a traffic study to be conducted to determine crosswalk locations on District roadways, and then recommended approval of the following pay applications:

- Pay Application No. 5 in the amount of \$4,653.00 from KCK Utility Construction, Inc. under the offsite water, wastewater, and storm drainage improvements contract for CR 2650.
- Pay Application No. 1 in the amount of \$60,660.00 from Obra Ramos Construction, LLC, under the grading improvements contract for Verandah Phase 9.

Following a discussion, Director Dickerson moved that the Board (i) approve the traffic study contract as recommended by the District's Engineer; (ii) approve all pay applications as recommended by the District's Engineer; and (iii) approve the Engineer's Report as presented. Director Ramey seconded said motion, which carried unanimously.

7. The Board next considered and Assignment of Reimbursement Agreement from Verandah Phases 3A and 9, LLC, to Verandah Phase 9, LLC, a copy of which is attached hereto as Exhibit "D". Mr. Eidman explained that the name for the developer who is funding the contracts has changed, and therefore reimbursement agreement needs to be assigned to update the name of the entity to receive reimbursements under the agreement. Following a discussion, Director Mitchell moved that the Board approve the amendments as presented. Director Berrones-Mood seconded said motion, which carried unanimously.

8. The Board next considered a Consent to Assignment from Verandah Phase 9, LLC, to UDF IV Acquisitions, L.P. related to a developer loan agreement, a copy of which is attached hereto as Exhibit “E”. Following a discussion, Director Ramey moved that the Board approve the amendments as presented. Director Dickerson seconded said motion, which carried unanimously.

9. In the absence of a developer representative, the Board deferred action with regard to a developer’s report.

10. The Board next recognized Ms. Galindo, who presented to and reviewed with the Board copies of a bookkeeping report dated January 11, 2023, a copy of which is attached hereto as Exhibit “F”. Ms. Galindo requested that the Board modify the request for a transfer of \$300,000.00 from the District’s general fund to the Logic Fund and instead authorize the transfer of \$250,000.00, and also noted a cost of living increase of hourly rates pursuant to the District’s bookkeeping services agreement. Following a discussion, Director Berrones-Mood 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 Mitchell seconded said motion, which carried unanimously.

11. The Board next recognized Mr. Eidman, who reviewed the District’s current Investment Policy, dated February 11, 2020, with the Board. Mr. Eidman noted that an annual review of said Policy is required, and that no amendments to the Investment Policy are recommended by the District’s legal counsel at this time. Next, Mr. Eidman 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 “G”. Following a discussion, Director Dickerson moved that the Board approve the Resolution as presented. Director Mitchell seconded said motion, which carried unanimously.

12. The Board next considered a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, a copy of which is attached hereto as Exhibit “H”. Following a discussion, Director Ramey moved that the Board adopt the Resolution as presented. Director Berrones-Mood seconded said motion, which carried unanimously.

13. The Board next considered a Resolution Designating Depositories and Establishing Investment Accounts for Deposit of District Funds, a copy of which is attached hereto as Exhibit “I”. Following a discussion, Director Mitchell moved that the Board approve the Resolution as presented. Director Dickerson seconded said motion, which carried unanimously.

There being no further business to conduct, and upon motion by Director Mitchell, seconded by Director Berrones-Mood and unanimously carried, the meeting was adjourned at 12:54 p.m.

[Signature page follows]

APPROVED AND ADOPTED the 8th day of February, 2023.

VERANDAH MUNICIPAL UTILITY DISTRICT
OF HUNT COUNTY



By: *Cynthia Berrones-Mood*
Cynthia Berrones-Mood, Secretary
Board of Directors