

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

THE STATE OF TEXAS §

COUNTY OF DENTON §

SMILEY ROAD WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2 §

The Board of Directors (the “Board” or the “Board of Directors”) of Smiley Road Water Control and Improvement District No. 2 (also sometimes referred to herein as the “District”) met in special session, open to the public, at 4265 Kellway Circle, Addison, Texas, an office outside the boundaries of the District, on Wednesday, February 5, 2020 at 11:30 a.m., and the roll was called of the members of the Board to-wit:

Julie Fernandez	President
Dudley S. Raymond	Vice President
Leslie P. Toomay	Secretary
Lawrence A. Cates	Assistant Secretary
John R. Teltschik	Assistant Secretary

All members of the Board were present at the commencement of the meeting with the exception of Director Toomay and Director Teltschik. All Directors present voted on all agenda items that came before the Board. Also present were Mr. Scott Norris of Tomlin Investments, the developer representative; Ms. Karena Hauter, P.E. of BGE, Inc.; Ms. Kathi Dye of Dye & Toverly, LLC; Mr. Scott Eidman, attorney, Ms. Genny Lutzel, paralegal, each with Winstead PC.

1. Call to Order. The meeting was called to order, and evidence was presented that public notice of such meeting had been given as required by law.

2. Public Comments and Communications. The President opened the meeting to public comments and communications. After noting that there were no members of the public present at the meeting, Director Fernandez moved that the Board close the public comment session of the agenda. Director Cates seconded said motion, which carried unanimously.

3. Minutes of November 14, 2018 Meeting. Following a discussion, Director Fernandez moved that the Board approve the Minutes of the November 14, 2018 Board of Directors meeting, as presented. Director Cates seconded said motion, which carried unanimously.

4. Developer’s Report. Mr. Norris reported on the status of construction and development within Smiley Road Water Control and Improvement District No. 1 (“SRWCID No. 1”). Next, Mr. Norris discussed with the Board a proposed agreement between SRWCID No. 1 and the District to formalize a cost sharing arrangement for water and wastewater expenses authorized and expensed by SRWCID No. 1 for the benefit of SRWCID No. 1, and the District. Finally, Mr. Norris briefed the Board on future development plans within the District. No formal action was taken by the Board.

5. Engagement Letter from Dye & Toverly, LLC. Ms. Dye presented to and reviewed with the Board copies of an engagement letter for bookkeeping services by Dye & Toverly, LLC, a copy of which is attached hereto as Exhibit “A”. Following a discussion, Director Cates moved that the Board approve the engagement letter, as presented. Director Raymond seconded said motion, which carried unanimously.

6. Bookkeeper’s Report. Ms. Dye next presented to and reviewed with the Board copies of bookkeeper’s report prepared by Dye & Toverly, LLC, a copy of which is attached hereto as Exhibit “B”. Following a discussion, Director Raymond moved that the Board (i) approve the bookkeeper’s report as presented; and (ii) pay invoices listed thereon. Director Cates seconded said motion, which carried unanimously.

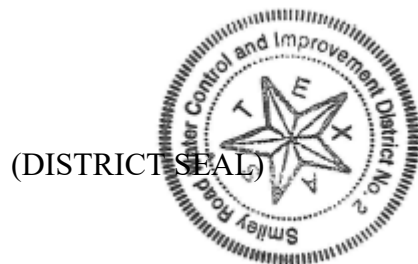
7. Resolution Designating Depositories and Establishing Investment Accounts for Deposit of District Funds. Ms. Dye presented to and reviewed with the Board a proposed list of depositories, a copy of which is attached hereto as Exhibit “C”, noting changes being proposed to the previously adopted list. After discussion on the matter, Director Cates moved that the Board adopt said Resolution. Director Fernandez seconded said motion, which carried unanimously.

8. Ratify and Approve Annual Renewal of Insurance and Bonds. Mr. Eidman reviewed with the Board a premium summary page for proposals effective August 15, 2019, a copy of which is attached hereto as Exhibit “D”. Following a discussion, Director Fernandez moved that the Board ratify and approve the renewal of insurance and bonds as reflected on the premium summary page prepared by McDonald Wessendorff. Director Cates seconded said motion, which carried unanimously.

9. Supplemental Agenda to Call Directors Election for May 2, 2020. Mr. Eidman discussed the matter with the Board, noting that terms of office for two (2) Directors will expire on May 2, 2020, and that it would be appropriate at this time to call a Directors Election. Following a discussion, Director Fernandez moved that the Board adopt an Order Calling Directors Election, a copy of which is attached hereto as Exhibit “E”. Director Raymond seconded said motion, which carried unanimously.

There being no further business to conduct, Director Cates moved that the meeting be adjourned at 12:05 p.m. Director Fernandez seconded said motion, which carried unanimously. The Board adjourned until further call.

APPROVED AND ADOPTED this 5th day of February, 2020.



/s/ Leslie P. Toomay
Secretary