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") 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 2595 Dallas Parkway, Suite 101, Frisco, Texas 75034, an office outside the boundaries of the District, on Friday, August 30, 2024, at 8:00 a.m., and the roll was called of the members of the Board to-wit:

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Julie Fernandez	President
Linda Baker	Vice President
Britt Dean	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 Baker, thus constituting a quorum. All Directors present voted on all agenda items that came before the Board. Also present were Mr. Scott Norris; Mr. Teague Griffin, developer representative; Mr. Bryant Caswell, P.E., Ms. McKenna Gaddis, P.E. and Mr. John Johnson of BGE, Inc.; Ms. Brandi Galindo of Dye & Tovery, LLC, the District's Bookkeeper; and Ms. Sarah Landiak, Ms. Taylor Elliott, and Ms. Genny Lutzel, Paralegal, of Winstead PC, the District's Attorneys. Mr. Joseph White of Old Prosper Partners, LLC attended by audio conference.

1. Call to Order. The meeting was called to order at 8:10 a.m., and evidence was presented that public notice of such meeting had been given as required by law.

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

3. Minutes of June 3, 2024 Board Meeting. Following a discussion, Director Cates moved that the Board approve the Minutes of the June 3, 2024 Board of Directors meeting, as presented. Director Fernandez seconded said motion, which carried unanimously.

4. Engineer's Report. Ms. Gaddis presented to and reviewed with the Board copies of an Engineer's Report prepared by BGE, Inc., a copy of which is attached hereto as Exhibit "A". Ms. Gaddis next reviewed the two bids received in response to an advertisement for Green

Meadows Five Infrastructure Projects, and recommended that the Board award the contract to Mario Sinacola & Sons, Excavating, Inc. in the amount of $32,675,597.78. Mr. Caswell stated that infrastructure improvement will include drainage, sanitary sewer roadway and water lines. Following a discussion, Director Dean moved that the Board (i) approve the Engineer's report; and (ii) authorize advertisement of bids as recommended by BGE, Inc. Director Fernandez seconded said motion, which carried unanimously.

5. Order Establishing District Drainage Utility Fees. Mr. Norris discussed the proposed fees to be levied for single-family residential and non-single-family residential properties within the District. Ms. Landiak then reviewed a draft Order which sets forth the proposed drainage utility fees based upon a determined schedule of square footage for property located within the District. Ms. Landiak confirmed that in the event the District is dissolved, drainage utility fees shall be used exclusively for drainage-related matters only. Following a discussion, Director Fernandez moved that the Board adopt the Order as presented, a copy of which is attached hereto as Exhibit "B". Director Teltschik seconded said motion, which carried unanimously.

6. Discussion Regarding Adoption of Rules and Regulations to Regulate Noise on District Roadways, and take any related action. Mr. Norris generally described reported instances of noise-related nuisances within the District, and noted that the City of Celina has adopted an Ordinance to address same. The Board of Directors and District consultants discussed possible rules and regulations, including methods of enforcement. Ms. Landiak reviewed the procedure to adopt said regulations to meet the standards adopted by the City of Celina. Following a discussion, Director Fernandez moved that the Board authorize the adoption of rules and regulate noise on District roadways. Director Teltschik seconded said motion, which carried unanimously.

7. Developer's Report. The Board heard an update from Mr. Griffin regarding the homebuilders and the public improvement district overlay and related bond issue. Mr. Griffin briefly discussed the public improvement district overlay and future bond issues to reimburse the developer.

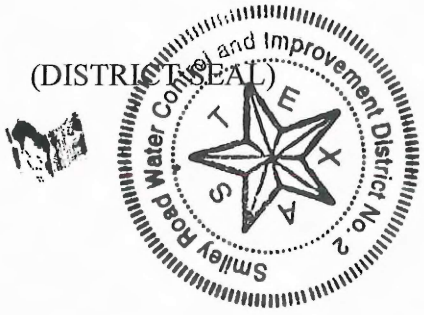
Next, the Board recognized Ms. Landiak who reviewed with the Board copies of an Amended and Restated Agreement for the Construction, Acquisition and Purchase of Facilities, Improvements and Reimbursement of Advances by and between the District and Perry Homes, LLC. Following a discussion, Director Fernandez moved that the Board ratify and approve said agreement. Director Teltschik seconded said motion, which carried unanimously.

8. Exclusion of Land, adoption of Order to Correct and Redefine District Boundaries. Ms. Landiak stated that the engineer is reviewing district boundaries, and noted that no action is required at this time.

9. Ratify and approve letter agreements for valuation services relative to drainage and sidewalk easements, and right-of-way decision. Ms. Landiak reviewed with the Board copies of proposals for the valuation of certain tracts of land for (i) the Carey Road/Smiley Road Drainage Easement on the Kendall Living Trust tract; (ii) the Carey Road/Smiley Road Sidewalk Easement on the Kendall Living Trust tract; and (iii) the Carey Road/Smiley Road Right-of-Way Dedication on the Kendall Living Trust tract, collectively attached hereto as Exhibit "C". Following a discussion, Director Teltschik moved that the Board approve all letter agreements, as presented.

There being no further business to conduct, Director Fernandez moved that the meeting be adjourned at 8:44 a.m. Director Teltschik seconded said motion, which carried unanimously. The Board adjourned until further call.

APPROVED AND ADOPTED this 30th day of August, 2024.

Secretary

(DISTRICT SEAL)