

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 Tuesday, February 17, 2026, at 8:15 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
Vacant	Assistant Secretary

All members of the Board were present at the commencement of the meeting with the exception of Director Baker who arrived later, as noted. Also present were Mr. Scott Norris of Land Advisors, Ltd.; Mr. Jason Frey, P.E. and Mr. Adam Claycombe, P.E. of BGE, Inc.; Mr. Peter Christensen of Weir & Associates; Ms. Brandi Galindo of Dye & Toverly, LLC, the District's Bookkeeper; Ms. Darsey Norton, attorney, and Ms. Genny Lutzel, paralegal, of Winstead PC.

1. Call to Order. The meeting was called to order at 8:24 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 Dean seconded said motion, which carried unanimously.

3. Order Declaring Unopposed Candidates Elected and Cancelling May 2, 2026 Directors' Election. The Board next reviewed a letter confirming candidates for May 2, 2026 Directors' Election, and an Order Declaring Unopposed Candidates Elected and Canceling Directors Election; and authorize notice of same. Ms. Norton stated that Britt Dean and Lawrence A. Cates have each filed their respective applications for a place on the Ballot for the May 2, 2026 Directors' Election, and no other applications have been received. Following a discussion, Director Cates moved that the Board adopt an Order Cancelling Directors Election, a copy of which is attached hereto as Exhibit "A" and authorize related postings. Director Dean seconded said motion, which carried unanimously.

4. Minutes of January 20, 2026 Board Meeting. Following a discussion, Director Cates moved that the Board approve the Minutes of the January 20, 2026 Board of Directors meeting, as presented. Director Fernandez seconded said motion, which carried unanimously.

Director Baker arrived at this time.

5. Engineer's Report. Mr. Frey next reviewed the Engineer's Report prepared by BGE, a copy of which is attached hereto as Exhibit "B". Next, the Board reviewed drone coverage of improvement projects currently underway within the District. Following a review of all pay applications, change orders set forth in the report, BGE recommended that the Board concur with the approval of all, as submitted. Next, the Board reviewed the following recommendation for an award of a construction contract for utility improvements for Green Meadows Tract 4A to the most qualified bidder, Blue Star Utilities, LLC, DBA AHR Texas, for a total amount of \$1,759,000.00.

The Board requested additional information regarding the status of all change orders to be provided by the District and Design Engineers for future report presentations.

District consultants next discussed inspection protocol for oversight of construction projects managed by the Celina Independent School District ("ISD"). The Board requested consideration of costs for required inspections to include the District's engineer and the ISD engineer with costs to be borne by the ISD.

Following a discussion, Director Fernandez moved that the Board (i) accept the Engineer's Report; and (ii) award the construction contract for utility improvements to Blue Star Utilities, LLC, CBA AHR Texas subject to receipt of a Form 1295. Director Baker seconded said motion, which carried unanimously.

6. Developer's Report. The Board heard an update regarding development of a retail tract of land within Smiley Road Water Control and Improvement District No. 1. Next, the Board and District consultants discussed future consideration and establishment of an account to be used for tax revenue generated from retail tracts pursuant to a previously approved strategic partnership agreement. No formal action was taken by the Board.

7. Bookkeeper's Report. Ms. Galindo presented to and reviewed with the Board copies of a Bookkeeper's Report, a copy of which is attached hereto as Exhibit "C". The Board requested an update regarding the cost-sharing agreement and funding relative to certain costs. A discussion took place among the Board and District Consultants to address the negative impact on District operations to include additional costs incurred by Consultants for professional services to monitor same. The Board recommended that Consultants prepare a summary of those additional fees to determine the appropriate allocation for payment. Following a discussion, Director Cates moved that the Board: (i) approve the Bookkeeper's Report as presented; and (ii) authorize payment of bills presented by checks drawn on the District's accounts as listed thereon. Director Fernandez seconded said motion, which carried unanimously.

There being no further business to conduct, Director Fernandez moved that the meeting be adjourned at 9:30 a.m. Director Baker seconded said motion, which carried unanimously. The Board adjourned until further call.

APPROVED AND ADOPTED this 17th day of March, 2026.

Britt Dean
Secretary

