MINUTES OF THE MEETING
OF THE
BOARD OF DIRECTORS

STATE OF TEXAS §

COUNTY OF DENTON §

SMILEY ROAD WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 §

The Board of Directors (the "Board") of Smiley Road Water Control and Improvement District No. 1 ("SRWCID No. 1" or 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 Wednesday, August 26, 2026, at 12:00 noon, and the roll was called of the members of the Board, to-wit:

Shane Jordan	President
Michael Cummings	Vice President
James Robert Douglas, III	Secretary
Hal Watson	Assistant Secretary
Michelle Crossland Meeks	Treasurer/Assistant Secretary

All members of the Board were present at the commencement of the meeting with the exception of Director Jordan. Others in attendance were Mr. Steven Adams and Mr. Patrick Smith of Specialized Public Finance, Inc. ("SPI"); Mr. Scott Norris of Land Advisors, Inc.; Ms. McKenna Gaddis, P.E. of BGE, Inc.; Mr. Brenden Alves of DRG Group; Ms. Kerry Tovery of Tovery Accounting Consultants LLC; and Mr. Ross Martin, attorney and Ms. Genny Lutzel, paralegal with Winstead PC. Mr. Jon Durnell of McCall Gibson Swedlund Barfoot Ellis PLLC participated by audio conference during agenda item no. 4.

1. The meeting was called to order at 12:02 pm.

2. Consideration was next given to public communication and comments. Hearing none, Director Cummings moved that the Board close the public communication and comment session of the meeting. Director Watson seconded said motion, which carried unanimously.

3. Consideration was next given to the review and approval of the Minutes of the July 15, 2026, Board of Directors meeting. Following a discussion, Director Cummings moved that the Board approve the Minutes of July 15, 2026, Board meeting. Director Watson seconded said motion, which carried unanimously.

4. Consideration was next given to the review of an annual financial report for fiscal year ending April 30, 2026. The Board recognized Mr. Durnell who reviewed the draft report with the Board. Following a discussion, Director Watson moved that the Board (i) approve the draft audit report for fiscal year ended April 30, 2026; and (ii) authorize filing of same with the Texas Commission on Environmental Quality. Director Cummings seconded said motion, which carried unanimously.

5. Consideration was next given to the receipt of 2026 certified tax roll prepared by the Denton Central Appraisal District. Next, the Board recognized Mr. Adams who reviewed a proposed tax rate recommendation for 2026, a copy of which is attached hereto as Exhibit "A". He next confirmed receipt of the 2026 tax roll and recommended an operating and maintenance tax rate of $0.11 per $100 in assessed valuation; and an interest and sinking (debt service) tax rate of $0.89 per $100 in assessed valuation for a total tax rate of $1.00 per $100 in assessed valuation. Mr. Adams noted that the District is classified as a developing water district pursuant to Texas Water Code Section 49.23603. Following a discussion, Director Douglas moved that the Board (i) acknowledge receipt of the 2026 Tax Roll; (ii) set the public hearing on the proposed tax rate for 2026 to be conducted on September 23, 2026, at 12 noon; and (iii) authorize publication of a Notice of Public Hearing on Tax Rate. Director Watson seconded said motion, which carried unanimously.

6. Consideration was next given to the Financial Advisor Report. Mr. Adams discussed possible use of reserve funds to issue direct payment for the first debt service payment. No formal action was taken by the Board.

7. Consideration was next given to the engineer's report, a copy of which is attached hereto as Exhibit "B". Ms. Gaddis provided an update on construction projects currently underway within Phases 2A and 2B. She then provided an update on the District's utility bond application currently under review by the Texas Commission on Environmental Quality. Following a discussion, Director Cummings moved that the Board approve the Engineer's Report. Director Watson seconded said motion, which carried unanimously.

8. Consideration was next given to a discussion regarding an Operating and Maintenance Agreement for stormwater detention system serving Green Meadows Major Infrastructure. The Board deferred action on the matter.

9. Consideration was next given to the developer's report. No formal report was heard.

10. Consideration was next given to the review and approval of an Agreement for the Construction, Acquisition and Purchase of Facilities, Improvements and Reimbursement of Advances with Castlerock Communities LLC. The Board deferred action on the matter.

11. Consideration was next given to the review and approval of an engagement agreement with Tovery Accounting Consultants, LLC, a copy of which is attached hereto as Exhibit "C". Ms. Tovery presented to and reviewed said agreement with the Board, noting the firm's name change from Dye & Tovery, LLC. Following a discussion, Director Meeks moved that the Board approve said agreement. Director Douglas seconded said motion, which carried unanimously.

12. Consideration was next given to the bookkeeper's report, a copy of which is attached hereto as Exhibit "D". Ms. Tovery reviewed the report and proposed disbursement of funds with the Board. Following a discussion, Director Watson moved that the Board (i) approve the bookkeeper's report; and (ii) authorize disbursement of funds as reflected on the report. Director Cummings seconded said motion, which carried unanimously.

13. There being no further business to conduct, the meeting was adjourned at 12:36 p.m., and until further call.

APPROVED AND ADOPTED this 23rd day of September, 2026.

Secretary