

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

July 30, 2008

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 264 (the "District") met in special session, open to the public, on the 30<sup>th</sup> day of July, 2008, at Copperfield Community Center, 15409 Willow River Drive, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

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|---------------------|--------------------------|
| Russell Appelget    | President                |
| Jose Nava           | Vice President           |
| Janet Gingell       | Secretary                |
| Charles E. Brandman | Assistant Vice President |
| Thomas Winkler      | Assistant Secretary      |

and all of the above were present except Director Brandman, thus constituting a quorum.

Also present at the meeting were Genevieve Fischer, Russell Woodruff, Roy Guerra, Rebecca and Thomas Zett, OJ Proeske, Liz Gregory, Tami Presentit, and Michael Ross, residents of the District; Ralph Gingell, Coleen Dana, Roger Clayton and Thomas Tolve current Directors of Westcreek Village Community Association; Bob DeForest of KGA DeForest Design, LLC; and Lynne B. Humphries and Kerri J. Dorman of Allen Boone Humphries Robinson LLP ("ABHR").

DESIGN, DEVELOPMENT, CONSTRUCTION, FUNDING AND MAINTENANCE OF  
PARKS AND RECREATIONAL FACILITIES

Director Appelget introduced the Board members and the ABHR attorneys, and Mr. DeForest and all members of the public introduced themselves. Director Appelget outlined the goals of the proposed parks project and of the meeting. He explained the District's position as a governmental entity, and the restrictions on the availability and use of funds. Ms. Humphries explained the District's park powers, including a brief review of the legislative history. She also gave an overview of the bonding process, from the approval of the park plan, to voter approval of the bonds, to bond approval by the Texas Commission on Environmental Quality ("TCEQ") and the Texas Attorney General. She also explained the various sources of funds available to the District for parks and recreational facilities ("Parks Facilities"), and the limits associated with each source. She noted that, in addition to bonds, District voters will need to either re-

approve the current maintenance tax so that it can be used for Parks Facilities or vote an additional maintenance tax to be dedicated to use for Parks Facilities. Discussion ensued and Ms. Humphries answered questions from the residents.

Mr. DeForest reviewed the proposed parks plan, and Ms. Humphries recommended the plan include a complete community vision. Ms. Humphries also stated that the District will need to have rights, whether by easement or otherwise, in the Parks Facilities and the land on which the facilities are built. Discussion of specific projects and possible funding sources followed, and Mr. DeForest and Ms. Humphries answered questions from the residents. The Board and residents also discussed possible additions and enhancements to the current plan. Mr. DeForest showed a map of a proposed parks project by Water Control and Improvement District 145, and discussion followed regarding the possibility of the District's Parks Facilities complementing those.

Ms. Humphries then gave an overview of election cycles and timing. Director Gingell reminded the Board and the residents of community involvement to date, such as the parks survey and the master-plan committee meetings. Director Appelget noted that the polling place would be in the District. Discussion ensued.

Ms. Humphries discussed how to structure ownership, design, construction and maintenance of the Parks Facilities, noting that they must be open to the public. Discussion ensued. Ms. Dorman briefly reviewed an existing agreement between the District and the homeowners' association, which would be used as a starting point for the contract regarding the Parks Facilities.

Discussion ensued regarding current year project funding, and Ms. Humphries answered residents' questions regarding the types of parks and recreational projects that can be paid for with District funds. She reiterated that, for any projects funded by the District, there must be a public purpose and public access and the District must have rights in the property. The Board explained to the Association Directors present, the amount that the District had budgeted for recreational facilities for the current fiscal year and the process for submitting project requests.

Director Appelget reviewed projections regarding the tax impact of a \$1,900,000 bond issue, and he and Ms. Humphries answered residents' questions. Ms. Humphries noted that the figures under discussion are only an estimate, which could change significantly with market variation.

Director Appelget discussed the next steps necessary to hold a park bond and maintenance tax election in November 2008. Discussion ensued regarding communications to residents, and Ms. Humphries reminded the Board of the need to translate any District election materials into both Spanish and Vietnamese. Ms. Humphries also answered residents' questions regarding election procedures.

Discussion ensued regarding the need for a name to identify the central linear park for purposes of finalizing and submitting the parks plan. After discussion, Director Nava, seconded by Director Gingell, moved to identify the central linear park as "Westcreek Central Park" for park plan purposes. The motion carried by unanimous vote. Discussion ensued regarding ownership of the park, and the Association Directors present at the meeting agreed to determine the extent of Association ownership. Ms. Humphries suggested that the Board authorize the District's engineer to prepare metes and bounds of Westcreek Central Park so that an easement could be prepared. Director Winkler moved that the District's engineer be authorized to prepare metes and bounds of Westcreek Central Park. Director Nava seconded the motion and all Directors voted in favor.

Director Winkler noted that the Board will decide at its August 20, 2008, meeting whether to call a bond election in November and requested that the Association and other residents present state whether they are in support of such an effort. After discussion, including the issue of public use, Association Directors and other residents stated that they are in favor of the project.

Mr. Woodruff inquired regarding the District's participation in a sidewalk repair and Director Appelget noted that it could be addressed at the Board's next meeting. Ms. Presentit noted the problem of four-wheelers in the area proposed for Westcreek Central Park and Ms. Humphries responded that, if the District were to be granted an easement, it can adopt rules and regulations that, among other things, prohibit motor vehicles. Mr. Clayton noted problems with interruption in water service, and Director Appelget stated that the District is aware and is researching the problem.

Director Appelget thanked the residents for their participation and noted the day, time and place of the District's regular meetings.

#### REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

The Board did not receive any additional reports.

Upon a motion made by Director Nava and seconded by Director Gingell, the Board voted unanimously to adjourn.

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Secretary, Board of Directors

(SEAL)