

MINUTES OF SPECIAL MEETING
OF
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

September 10, 2007

The Board of Directors of Harris County Municipal Utility District No. 264 (the "District") met in special session, open to the public, on September 10, 2007, at Forest Heights Pool, 17445 Forest Heights Drive, Houston, Texas 77095, inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

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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 said directors were present, thus constituting a quorum.

CONDUCT BUDGET WORKSHOP FOR FISCAL YEAR ENDING SEPTEMBER 30, 2008, INCLUDING DISCUSS CHANGING DISTRICT'S FISCAL YEAR END

The Board discussed changing the District's fiscal year end to March 31 due to a request from the auditor. Following discussion and upon a motion made by Director Winkler and seconded by Director Brandman, the Board voted unanimously to change the District's fiscal year end to March 31 and to adopt a Resolution Changing Fiscal Year End to March 31.

The Board then discussed a budget for the period of October 1, 2007, to March 31, 2008. Director Brandman stated he will update the budget spreadsheet and email it to the other Directors for review. The Board concurred that all comments on the budget should be sent to Director Brandman, without deliberation, who will deliver them to the bookkeeper by September 14, 2007.

RECEIVE REPORTS FROM DISTRICT DIRECTORS

The Board requested a representative from McCall Gibson and Co. be present at the next regular meeting to discuss the SAS112 auditing standards.

The Board concurred to move the regular September meeting to September 26, 2007 to meet quorum requirements.

There being no further business to come before the Board the meeting was adjourned.

(SEAL)

Secretary, Board of Directors