

MINUTES OF SPECIAL MEETING
OF
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

June 13, 2007

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The Board of Directors of Harris County Municipal Utility District No. 165 (the "Board") convened in regular session, open to the public, on June 13, 2007, at the Lancaster Community Center, 19831 Stoney Haven Drive, Cypress, Texas 77433, outside 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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| Jacqueline Jackson | President |
| Alan Bentson | Vice President |
| Ira Rabourn | Secretary/Treasurer/Investment Officer |
| Reginald Cobb | Assistant Vice President |
| Miranda Bussey | Assistant Secretary |

and all of said directors were present.

Also present at the meeting were Robert DeForest of KGA DeForest Design; Houman Samanian of Ersa Grae Corporation; Fran Lanagan, resident of Lancaster Community; Amanda Hottel and Phyllis Ricketts, Amhurst Homeowners' Association; and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

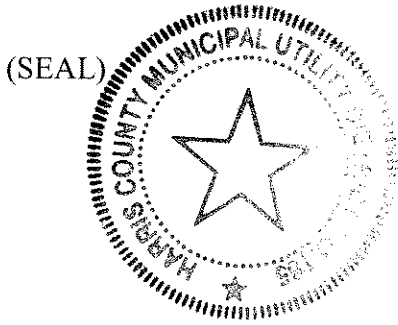
MASTER PARKS PLAN

Mr. DeForest made a presentation to the Board and to the officers of Amhurst Homeowners' Association on the master parks plan for the District as a whole and then focusing on the particular park plan for Amhurst and Lancaster. He provided information from the resident surveys and discussed incorporation of those concepts into the park plan. He also discussed a preliminary budget between \$150,000 and \$200,000. Mr. DeForest also discussed a budget for park maintenance and operation. He said that he had received a quote of \$850 to \$1,000 per month. Mr. DeForest indicated that when both boards have approved construction of the project, the project should take 60 days to bid and award and 120 days to construct.

The Boards discussed ownership of the property and maintenance and operation of the property. The Boards concurred that in order for Amhurst Homeowners' Association to determine whether or not they would prefer to continue to own the property and assume maintenance and operation in full, continue to own the property and enter into a maintenance agreement with the District for joint maintenance and operation or deed the property to the District, the Amhurst Homeowners' Association and the District would need to review and consider the itemized costs of maintenance and operation more carefully. The Boards requested that Mr. DeForest provide an itemized list of costs to maintain and operate the park area. The Boards also agreed to reconvene the meeting between the Boards after the Amhurst Homeowners' Association had the opportunity to review the maintenance and operation costs.

There being no further business to conduct, the meeting was adjourned.

There being no further business to consider following the presentation, the Board concurred to adjourn the meeting.




Secretary, Board of Directors