

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

MINUTES OF BOARD OF DIRECTORS MEETING

July 14, 2007

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 368 (the "District") met in special session, open to the public at 9:00 a.m., at Graceview Baptist Church, 22510 Tomball Parkway, Tomball, Texas, on Saturday, July 14, 2007, pursuant to the notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code; whereupon the roll was called of the members of the Board, to-wit:

Roy P. Lackey	President
Tiffani C. Bishop	Vice President/Investment Officer
Sharon L. Cook	Secretary
Michael J. Ward	Treasurer
Allison Dunn	Assistant Secretary

All members of the Board were present with the exception of Director Bishop, who listened in via teleconference. Also attending were: Mark T. Stendahl, P.E., consulting engineer ("Engineer") and Kaye C. Corprew, attorney, of Johnson Radcliffe Petrov & Bobbitt PLLC ("Attorney").

The President, after finding that notice of the meeting was posted as required by law and determining that a quorum of the Board was present, called the meeting to order and declared it open for such business as may come before it at 9:20 a.m.

1. LONG-RANGE PLANS FOR DISTRICT. Director Lackey first suggested that since the District is considering the purchase of land the Board consider the long-range plans for the District, including possible annexations. The Board discussed what could be done in order to serve additional development and whether to consider expanding the District. Director Lackey also pointed out that the District still does not know what the availability of water from the North Harris County Regional Water Authority is going to be. [Further discussion on this matter occurred following the Executive Session.]
2. EXECUTIVE SESSION. At 9:34 a.m., the President called an Executive Session pursuant to Sections 551.071 and 551.072 of the Texas Government Code, of the Open Meetings Act, to discuss matters within attorney-client privilege, including potential litigation and real estate matters. Attendees for the executive session were the Board, the Engineer and Attorney.
3. RECONVENE IN OPEN SESSION. At 9:54 a.m., the President declared the Executive Session over and reconvened the meeting in open session. Upon motion by Director Ward, seconded by Director Cook and with all Directors physically present voting aye, the Board authorized the purchase of 2.86 acres of land for the Water Well

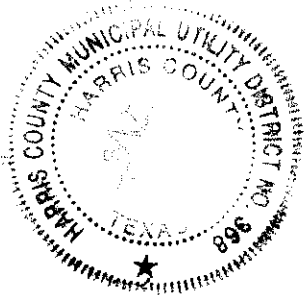
No. 6 site and the related sanitary control easement, with an option to purchase all or part of the remainder of the seven-acre tract.

4. LONG-RANGE PLANS FOR DISTRICT (CONTINUED). The Board then continued their discussion of the long-range plans for the District and authorized Mr. Stendhal and Ms. Corprew to begin a study regarding the long-range plans of the District.

5. HOUSTON GARDEN CENTER. Ms. Corprew next updated the Board on the status of the Houston Garden Center permanent connection and reported that Houston Garden Center has agreed to pay the invoice for the two taps in full and that the District should receive their payment by Monday, July 16, 2007. Upon motion by Director Ward, seconded by Director Cook and with all Directors physically present voting aye, the Board authorized the termination of service to the property if the check is not received as discussed.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, upon motion by Director Cook, the President adjourned the meeting at 10:45 a.m.

PASSED AND APPROVED this 26th day of July, 2007.



Sharon L Cook
Secretary, Board of Directors