

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

February 11, 2010

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 365 (the "District") met in special session, open to the public, on the 11th day of February, 2010, at 16314 Madewood Street, Cypress, Texas 77429, inside the boundaries of the District, and the roll was called of the members of the Board:

Joe Myers	President
Megan Bradley	Vice President
Alan Silverman	Assistant Vice President
Matthew Lund	Secretary
Michael Vandewater	Assistant Secretary

and all of the above were present.

Also present at the meeting were Chris Burke of Sander Engineering Corporation; Michael Murr of Murr, Inc.; Don Richards of Coles Crossing Homeowner's Association ("HOA"); John Parker of Association Repairs, Inc.; Allison Bohn, District resident; and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

Mr. Richards reported that Silversand Services, Inc., is repairing a pit dug in the wooded area between the asphalt trail and the fence near Greenwood Manor, at no charge to the HOA. Mr. Richards also discussed areas along that trail that do not appear to drain properly.

Ms. Bohn requested information regarding possible participation in The Greenway Coalition (the "coalition"). Director Myers said that the HOA owns the land along the creek, not the District, and that participation in the coalition requires a participation fee.

SPLASH PAD

There was no discussion on this agenda item.

GENERAL MAINTENANCE WITHIN THE DISTRICT, INCLUDING PROPOSALS FOR SAME

The Board discussed general maintenance issues within the District and Mr. Parker presented a proposal from Association Repairs, Inc., for maintenance services. The Board discussed the necessity of adopting a general services agreement and

considered the requirements that should be included in such an agreement. The Board directed ABHR to draft a general services agreement for its consideration at the regular meeting.

Director Myers discussed revisiting the clearing and grubbing along the east end and remaining vegetative areas of the Nature Trail running parallel to the detention pond. Directors Myers and Lund requested that Mr. Murr obtain proposals for tree pruning in these areas.

COMMUNITY DISTRICT INFORMATION MEETING, INCLUDING COLES CROSSING COMMUNITY CENTER BUILDING USE AGREEMENT

The Board discussed hosting a District information meeting for the public at the community center on March 27, 2010, to present information concerning water conservation, recycling, North Harris County Regional Water Authority fees, as well as other community issues, and to provide mobile teaching labs offered through the Harris Galveston Subsidence District. Concerning the HOA's request that the District sign and submit the Coles Crossing Community Center Building Use Agreement (the "Agreement"), Director Myers said that the HOA has agreed to remove the indemnity provision and waive the deposit and fee. The Board reviewed ABHR's written comments to the Agreement and requested that the HOA provide a clean copy of the Agreement for the Board's consideration on February 18, 2010.

Mr. Murr discussed his presentation for the information meeting, which will include irrigation, a discussion of the District's water reuse plan, and water conservation topics. Director Bradley discussed plans for advertising the event, a proposed event format and said that she will prepare an event agenda.

TRAIL CONTINUATION, PHASE III

Mr. Murr reported that the contractor is clearing and grubbing along Jarvis Road and that the construction materials have been delivered for the gathering area. He said that Harris County permits remain pending, including a permit waiver for construction within a Harris County Flood Control District easement in Section 2. Mr. Murr said that the permit fee for construction within a Harris County Flood Control District easement in Section 2 was included in the bid price and can be returned to the District if the permit is waived. The Board discussed fill provided to the HOA and possible uses for remaining fill.

The Board discussed the asphalt grade on Harris County Municipal Utility District No. 364's ("No. 364") trail. Director Myers said that his concern was the coarseness of No. 364's installed asphalt. Mr. Murr said that the District's trails will be

type D asphalt with a sealer and that he has checked and can confirm that the base installed is between 6" and 8", as previously specified by the Board.

RECYCLING SERVICES REPORT

Director Bradley reported a decrease in homes participating in recycling during the month of January, 2010, but said that the recyclable tonnage collected was the same as previous months.

WATER REUSE PROJECT

Mr. Murr reported that a response from the Texas Commission on Environmental Quality ("TCEQ") regarding the water reuse application is pending.

DISTRICT EMERGENCY PREPAREDNESS

Director Silverman reported that he and Director Lund met with Jeff Vogler, the District engineer for Northwest Harris County Municipal Utility District No. 10 ("No. 10") and discussed coordination of water supply for emergency events. Director Silverman said that No. 10's facilities have natural gas auxiliary power.

COMMUNITY MESSAGE BOARD AND/OR MESSAGING SYSTEM

Ms. Miller said ABHR has negotiated a software licensing agreement with Tech Radium and that the contract will be ready for Board consideration at the Board's regular February meeting. She said that ABHR requested, and Tech Radium has consented, that Tech Radium will agree to defend and indemnify the District for losses or claims due to unauthorized third-party access up to the maximum limits of Tech Radium's insurance policy.

LETTER FROM JONES & CARTER, INC., REGARDING ENGINEERING FOR RELOCATION OF WATER LINES ALONG SPRING CYPRESS ROAD

The Board concurred to take no further action on this item.

PROPOSAL FOR SURVEY OF STRIP OF LAND ADJACENT TO DETENTION BASIN

The Board also discussed a proposal in the amount of \$1,550 from Windrose Land Services for preparation of a survey of a 50-foot strip of land between the regional detention basin and the Jarvis Road right-of-way. Upon a motion by Director Silverman and a second by Director Bradley, the Board voted unanimously to approve the proposal from Windrose Land Services.

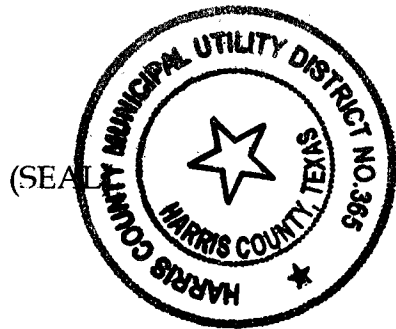
POSSIBLE CONSOLIDATION OF DISTRICT AND HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 364

The Board discussed possible consolidation of the District and No. 364. Director Myers said that the District's financial advisor will provide a preliminary financial analysis and that ABHR will present a proposed consolidation outline at the Board's regular February meeting.

UPDATE ON COORDINATION WITH HARRIS COUNTY PRECINCT 3 FOR LANDSCAPING, SIDEWALK AND TRAIL PROJECT (THE "PROJECT")

Director Myers said that Harris County Precinct 3 has preliminarily agreed to cooperate with the District to acquire detention capacity in the Coles Crossing regional detention basin for the Jarvis Road project in exchange for installation of a concrete sidewalk along Barker Cypress from Cypress Creek to Jarvis Road (the "Project"). He discussed available Harris County funding for engineering and construction of the Project and the likely construction schedules. Director Myers said that he provided ABHR with a list of points to be included in an agreement between the District and Harris County regarding the Project. He stated that Harris County will draft the agreement.

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



Matthew R. [Signature]
Secretary, Board of Directors