

MINUTES OF MEETING OF BOARD OF DIRECTORS
October 17, 2006

THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 186

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 186 (the "District") met in regular session, open to the public, at the offices of Fulbright & Jaworski L.L.P., 1301 McKinney, Suite 5100, Houston, Texas, at 12:00 p.m. on October 17, 2006; whereupon the roll was called of the members of the Board, to wit:

Gary Henderson, President
Mark Day, Vice President
Carol Barnes, Secretary
Leonard Fojt, Treasurer
Charles Bumpass, Assistant Secretary

All members of the Board were present except Director Fojt. Also attending all or parts of the meeting were Ms. Michelle Guerrero and Ms. Christen Scott of Bob Leared Interests ("BLI"), tax assessor and collector for the District; Mr. Charles Eastland of Turner Collie & Braden, Inc. ("TC&B"), engineer for the District; Mr. Chris Hoffman of H2O Consulting ("H2O"), operator for the District; Ms. Lori Hogue of Myrtle Cruz, Inc., bookkeeper for the District; and Ms. Jana Cogburn and Ms. Nancy Green of Fulbright & Jaworski L.L.P. ("F&J"), attorneys for the District.

The meeting was called to order and, in accordance with notice posted pursuant to law, copies of Certificates of Posting of which are attached hereto as Exhibit "A," the following business was transacted:

1. **Minutes.** Consideration was given to the approval of the minutes of the meeting of September 19, 2006, previously distributed to the Board. Director Henderson noted that the word "his" should be "her" in the first sentence under item 4. Upon motion by Director Day, seconded by Director Bumpass, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of September 19, 2006, as corrected.

2. **Tax Assessor and Collector's Report.** Ms. Guerrero presented to and reviewed with the Board the Tax Assessor and Collector's Report, a copy of which is attached hereto as Exhibit "B." Upon motion by Director Barnes, seconded by Director Day, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Tax Assessor and Collector's Report, and to authorize payment of checks nos. 1268 through 1271 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

3. **Hold Public Hearing and Adopt Order Levying Tax for 2006 and Approve Amended District Information Form.** In response to a question, Ms. Guerrero stated

