

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286

Minutes of Board of Directors Meeting
May 5, 2014

ACTIONS TAKEN

1. The Board of Directors ("Board") voted to approve the minutes of the April 7, 2014, and April 28, 2014, meetings, as written.
 2. The Board approved the Fifth Amendment to the Development, Financing and Annexation Agreement by and between the District and Genesis Capital Partners IX, Ltd, CTP Office, Ltd., CTP Land, Ltd., and Genesis Capital Partners XVII, L.P. extending the term of the surcharge payments to June 1, 2015.
 3. The Board approved the Tax Assessor-Collector's Report as presented by Utility Tax Service L.L.C., including payment of the bills associated therewith.
 4. The Board approved the generator maintenance agreement with Southern Plains.
 5. The Board approved a certificate from the Comptroller required in connection with purchasing tax free diesel.
 6. The Board approved the Operations and Maintenance Report presented by Environmental Development Partners, L.L.C.
 7. The Board approved the Consumer Confidence Report, contingent upon review by Marks Richardson PC.
 8. The Board approved the Engineering Report presented by Eby Engineers, Inc.
 9. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
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The Board of Harris County Municipal Utility District No. 286 ("District") met in regular session at the Board's regular meeting place, 8015 FM 1960 West, Houston, Harris, County, Texas 77070 on May 5, 2014, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of said Board of Directors, as follows:

David Geaslen, President
Paul D. Nicosia, Vice-President
Michael Rhodes, Secretary
Steve Garner, Assistant Secretary
Rosalind Theriot, Assistant Secretary

All of said persons were present, except Director Rhodes, therefore constituting a quorum.

Also present were Lieutenant Wayne Schultz, Deputy Joseph Martino, and Deputy Rashid Abdullah of the Harris County Constable's Office, Precinct No. 4; Claudia Redden of Claudia Redden & Associates L.L.C.; Dennis Eby of Eby Engineers, Inc. ("Eby"); Eric Thiry of Environmental Development Partners, L.L.C. ("EDP"); Mike Arterburn of Utility Tax Service, L.L.C. ("UTS"); Paul Vangrieken and Tom Kirkland of Genesis Capital Advisors, L.L.C. ("Genesis"); Kevin Lewis of Oldham Goodwin Group ("Oldham"); Daniel Forrest of Advantage Security Integration ("Advantage"); and Kara Richardson of Marks Richardson PC ("MRPC").

President Geaslen next called the meeting to order at 6:00 p.m. and declared it open for such business as might properly come before it.

APPROVAL OF MINUTES

The Board first considered approval of the minutes of the Board of Directors meeting held on April 7, 2014. After discussion, Director Theriot moved that the minutes of the April 7, 2014, Board of Directors meeting be approved, as written. Director Garner seconded said motion, which carried unanimously.

The Board next considered approval of the minutes of the Board of Directors meeting held on April 28, 2014. After discussion, Director Theriot moved that the minutes of the April 28, 2014, Board of Directors meeting be approved, as written. Director Garner seconded said motion, which carried unanimously.

SECURITY PATROL REPORT BY THE CONSTABLE'S OFFICE

The Board next considered the Security Patrol Report (**Exhibit A**). In connection therewith, Deputy Martino presented the report and stated that they arrested a suspect for tampering with a handicapped placard.

A discussion next followed relative to combining constable patrol forces with Norchester HOA. In connection therewith, Lieutenant Schultz introduced Deputy Abdullah, the Deputy for Norchester, and stated that Sergeant Rouse has been reassigned to a different patrol area and that Sergeant Greg Lowery will be taking his place.

Lieutenant Schultz, Deputy Martino, and Deputy Abdullah exited the meeting at this time.

ADVANTAGE SECURITY INTEGRATION REPORT

The Board next considered the status of the installation of a security system at District facilities by Advantage and the monthly monitoring report in connection with same. In that regard, Mr. Forrest presented and reviewed the activity report for the month of April (**Exhibit B**). Director Geaslen stated that he is concerned that Advantage is not effectively catching violators in the park after dark. Mr. Forrest stated that he will check to see how the people monitoring the park are reporting any violators. Director Geaslen stated that anyone in the park after dark should be verbally instructed to leave and that all activity after dark should be recorded in the report with a note as to the outcome of the incident. Mr. Forrest stated that he will include the information in future reports to the Board.

A discussion next followed regarding the regular monthly traffic in and out of District facilities. Mr. Thiry noted that the report consists mostly of calls regarding vendors and EDP staff coming and going from District facilities. He asked about the possibility of implementing a system to identify the vendors so a call is not placed every time a scheduled vendor arrives. Mr. Forrest stated that Advantage could possibly install a keypad to have vendors type in a code to identify themselves.

Director Theriot next inquired about the graffiti at the skate park and if Advantage was able to review any footage identifying the offenders. Mr. Forrest stated that he did not find any footage recording the incident. A discussion followed regarding the ability of the Board to remotely access recorded video.

The Board next requested that there be a representative from Advantage at every Board of Directors meeting until all of the issues with the security system are worked out. Director Geaslen also requested that Advantage inform the Board of the specific protocol Advantage has in place for each District facility being monitored.

DEVELOPERS' REPORTS

HP

The Board next deferred consideration of the status of development in the District by HP as no representative of HP was present.

GENESIS CAPITAL PARTNER, L.L.C.

The Board next considered development in the District by Genesis. In connection therewith, Mr. Vangrieken presented and reviewed an updated schedule of surcharge revenues received from the District and an associated loan amortization schedule (**Exhibit C**). Mr. Vangrieken next discussed the term of the surcharge payment, which he noted expires on June 1, 2014 and requested that the Board consider amending its Development, Financing and Annexation Agreement with the District to extend the term for an additional twelve months to June 1, 2015. After discussion on the

matter, Director Nicosia moved that the term of the surcharge payment be extended to June 1, 2015, and that the Fifth Amendment to the Development, Financing and Annexation Agreement by and between the District and Genesis Capital Partners IX, Ltd, CTP Office, Ltd., CTP Land, Ltd., and Genesis Capital Partners XVII, L.P, be approved and authorize the President to execute same on behalf of the District. Director Theriot seconded said motion, which carried unanimously.

The Board next considered the status of the hotel development in Chasewood. In connection therewith, Mr. Thiry reported that the tap fee for the site has changed due to the site needing fewer feet of the water line than originally planned. He stated that the hotel developer will likely get a refund with this change and that he will send a revised letter reflecting same within the next few weeks.

Mr. Eby reported that the lift station will need to undergo a capacity upgrade to meet the increased flow resulting from the hotel and that the cost of the work is \$9,105.00. Ms. Richardson stated that she will look at the stipulations of the reimbursement agreement to determine the reimbursement terms relative to same.

Mr. Goodwin reported that the slab was poured for the hotel last week and that the construction is moving along in a timely manner with a planned March 2015 opening.

CENTRE AT CYPRESS CREEK

The Board next deferred consideration of the status of development in the District by the Centre at Cypress Creek as no representative of the Centre was present.

LONE STAR

The Board next considered development in the District by Lone Star. In connection therewith, Director Garner stated that the Energy Manufacturing Institute building is complete and that the grand opening will be May 14th.

TCH NORTHWEST ASSOCIATES ("TCH")

The Board next deferred consideration of the development in the District by TCH as no representative of TCH was present.

TAX ASSESSOR-COLLECTOR REPORT

The Board next considered the Tax Assessor-Collector Report. In connection therewith, Mr. Arterburn presented and reviewed with the Board the attached Tax Assessor-Collector Report (**Exhibit D**) dated May 1, 2014. He reviewed the total receivables, the cash balance, disbursements, and checks as reflected in the report. After discussion of the report, Director Theriot moved that the Tax Assessor-Collector Report be approved as presented, and that the checks identified in said report be approved for payment. Director Nicosia seconded said motion, which carried unanimously.

OPERATIONS REPORT

The Board next considered the Operations and Maintenance Report. In connection therewith, Mr. Thiry presented and reviewed the attached Operations and Maintenance Report (**Exhibit E**) dated May 5, 2014.

Mr. Thiry reported that EDP completed various significant repairs during the month. He stated that EDP replaced 2 air release valves and piping at Lift Station #2. He also stated that EDP performed yard and concrete repairs at 14723 Oaks Crossing following a water line install.

Mr. Thiry next reported that the fire hydrant flow testing is scheduled for tomorrow.

Mr. Thiry next presented a proposed agreement between the District and Southern Plains for generator maintenance. After discussion on the matter, Director Theriot made a motion to approve said agreement and authorize the President to execute same on behalf of the Board. Director Garner seconded said motion, which carried unanimously.

Mr. Thiry next presented a certificate from the Comptroller required in connection with purchasing tax free diesel, and requested the Board approve and execute same. After discussion on the matter, Director Theriot made a motion to approve said certificate and authorize the President to execute same on behalf of the Board and District. Director Garner seconded said motion, which carried unanimously.

After discussion, Director Theriot moved to approve the Operations and Maintenance Report as presented. Director Garner seconded said motion, which unanimously carried.

CONSUMER CONFIDENCE REPORT

The Board next considered the approval of the Consumer Confidence Report and to authorize the distribution to consumers. In connection therewith, Mr. Thiry stated that a copy of the Consumer Confidence Report is attached to the Operations Report. After discussion on the matter, Director Theriot made a motion to approve the Consumer Confidence Report, contingent upon review by MRPC, and to authorize the distribution of same. Director Garner seconded said motion, which carried unanimously.

MUNICIPAL SETTINGS DESIGNATION PUBLIC MEETING

The Board next considered a discussion relative to the Municipal Settings Designation public meeting held on April 16, 2014. In connection therewith, Director Theriot stated that she attended same and distributed a copy of her notes to the Board (**Exhibit F**). She stated that this meeting was held in regards to the redevelopment of a property near the District that previously had contaminated groundwater from a previous dry cleaning operation. She stated that it was reported that this site poses no threat to water supplies due to the depth at which the contamination was found. Director Theriot further stated that a public hearing with updated information on the site will be held Tuesday, May 13, 2014, at 10:00 a.m. with the City of Houston Committee, Council Chamber of Transportation.

ENGINEERING REPORT

President Geaslen then recognized Mr. Eby for presentation of the attached Engineer's Report (**Exhibit G**).

Mr. Eby reported that the painting at the lift station on Jones Road by Blastco is complete and recommended that the Board approve the payment to Blastco for \$4,600.00. He reported that the painting of the piping at the lift station on Jones Road by Phoenix Coating Surveillance ("Phoenix") is also complete and recommended that the Board approve the payment to Phoenix for \$1,872.00. Mr. Eby noted that these payments will come out of the Capital Projects Fund.

Mr. Eby next presented to the Board an invoice from Brian Gardens for the removal of 10 trees at a cost of \$900 and recommended the Board approve payment of same.

Mr. Eby next presented to the Board an invoice from Vista Landscape Services for the removal of the graffiti at the Skate Park at a cost of \$603.11 and recommended the Board approve payment of same.

A discussion next followed regarding the possibility of re-painting the Skate Park as the surface has worn down and is becoming slick. Mr. Eby stated that he will contact the original vendor relative to same.

Mr. Eby next presented a proposal from Brian Gardens for the removal of an additional 5 trees as at cost of \$862.50.

Mr. Eby next reported that he has had difficulty in getting the park inspection report from Wade Contractors and therefore will look into another company to perform the annual park inspection.

After discussion, Director Theriot moved that the Engineering Report, and the invoices set forth therein be approved as presented. Director Garner seconded said motion, which unanimously carried.

BOOKKEEPING REPORT

The Board considered the Bookkeeper's Report. In connection therewith, Ms. Redden reviewed the attached Bookkeeping Report (**Exhibit H**), including the checks presented for payment. A discussion followed regarding the line item on the website renewal invoice for additional domain names. After discussion, Director Nicosia moved that the Board approve the Bookkeeper's Report, including the checks presented for payment. Director Garner seconded said motion, which carried unanimously.

DISTRICT WEBSITE

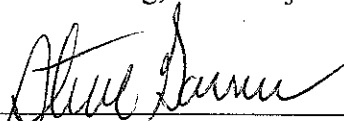
In connection with the District's website, Director Theriot stated that she had nothing new to report.

ITEMS FOR FUTURE AGENDAS

The Board next considered matters for possible placement on future agendas.

ADJOURNMENT OF BOARD MEETING

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



Steve Garner, Assistant Secretary

LIST OF EXHIBITS

May 5, 2014

- Exhibit A. Security Report by Harris County Constable
- Exhibit B. Security Report by Advantage
- Exhibit C. Chasewood Loan Schedule
- Exhibit D. Tax Assessor-Collector's Report
- Exhibit E. Operations and Maintenance Report
- Exhibit F. Notes from Municipal Settings Designation Meeting
- Exhibit G. Engineer's Report
- Exhibit H. Bookkeeping Report