

**Minutes of Meeting  
Board of Directors  
Denton County Fresh Water Supply  
District No. 10, of Denton County, Texas  
July 28, 2011**

The Board of Directors (“Board”) of Denton County Fresh Water Supply District No. 10, of Denton County, Texas (“District”), met in regular session, open to the public, on Thursday, July 28, 2011 at 6:00 p.m., at the Savannah Clubhouse, 701 Savannah Boulevard, Savannah, Texas, inside the District, for which notice was given as required by Chapter 551, Government Code, as amended, and Chapter 49, Texas Water Code, as amended.

The roll was called of the duly appointed members of the Board, to wit:

Robert Tague	President
Rob Adams	Vice President
Tammy Fritz	Secretary
Mary Lehto	Asst. Secretary
Michael Ryan	Director

All members of the Board were present, with the exception of Director Fritz. Also attending the meeting was Mr. Barry Jameson of Huffines Communities.

1. The President called the meeting to order at 6:01 p.m., after determining that a quorum was present.
2. Consideration was first given to public comments. The President opened the meeting to public comment and after noting that there were no members of the public present and desiring to come before the Board, upon motion duly made by Director Adams, seconded by Director Lehto and unanimously carried, the President closed the public comment session of the meeting.
3. Consideration was next given to approval of plans and specifications for grading for Artesia, Phases 4A and 4B, and advertising for bids for construction contracts. Mr. Jameson presented and reviewed with the Board the grading plans for Artesia, Phases 4A and 4B, along with the District engineer’s letter recommending acceptance of grading plans. After discussion on the matter, Director Adams moved that the Board approve the plans and specifications for grading for Artesia, Phases 4A and 4B, and authorize advertising for bids for construction contracts. Director Lehto seconded said motion, which carried unanimously.
4. Consideration was next given to the status of establishing an economic development program for Savannah Town Center and other commercial properties, including implementation of a limited purpose annexation/strategic partnership with Town of Little Elm. After discussion, Director Adams moved that the Board table the matter until the next regular meeting. Director Lehto seconded said motion, which carried unanimously.

5. Consideration was next given to status of litigation with Centex Homes a Nevada General Partnership, Centex Real Estate Corporation, Nomas Corp., Glenn Thurman, Inc. and Colonial American Casualty and Surety Company. The President noted that there was no action to be taken on this matter at this time.
6. The Board next considered Executive Session pursuant to Sections 551.071(1)(A) and (B), 551.072, and 551.076, Texas Government Code, as amended, to consult with District Counsel, consider real estate matters, and deliberate regarding security. Upon motion duly made, seconded and unanimously carried, the Board noted that no Executive Session was required at this time.
7. After noting that no further business was to come before the Board, upon motion duly made by Director Lehto, seconded by Director Adams and unanimously carried, the meeting was adjourned.

/s/ Mary Lehto \*  
Asst. Secretary

\*Copy of signed original available upon request