

MINUTES  
CYPRESS FOREST PUBLIC UTILITY DISTRICT

July 11, 2008

The Board of Directors (the "Board") of Cypress Forest Public Utility District, Harris County, Texas, (the "District") met in special session, open to the public, on the 11<sup>th</sup> day of July, 2008, at the Cypress Forest Public Utility District's Administrative Building, 16215 Champion Forest Drive, Spring, Texas 77379, inside the boundaries of the District, and the roll was called of the members of the Board:

Thomas J. Petrick	President
Linn Jensen Smyth	Vice President
Fred P. Jones	Secretary
Greg DiCioccio	Assistant Secretary
Michael J. Lynch, Jr.	Assistant Vice President

and all of the above were present, thus constituting a quorum.

Also present for all or part of the meeting were the following: Jim Nolan, Martin Kanayan, Alice Kanayan, Brenda Pennington, and Jim Reed, residents of the District; Don Hand of Greenwood Properties, Inc.; Kim Jackson of *The Houston Chronicle*; Greer Pagan of Allen Boone Humphries Robinson LLP ("ABHR"); Justine M. Cherne, recording secretary; and persons listed on the attached attendance sheet.

PUBLIC COMMENTS

Director Petrick opened the meeting for public comments. Mr. Kanayan addressed the Board to thank them and Mr. Hand for their efforts regarding the District's home values, environmental considerations, and flood control. He stated that he is in support of a bond issue to finance the Board's efforts.

CONVENE EXECUTIVE SESSION

The Board convened in executive session pursuant to Section 551.072 and 551.087 of the Texas Government Code to discuss and consider the acquisition of real property and the terms and conditions of an economic development package.

RECONVENE OPEN SESSION, RAVENEAUX DEVELOPMENT, PUBLIC COMMENTS

The Board reconvened in open session. Director Petrick and Mr. Pagan reviewed with the meeting attendees a summary of the Board's prior actions related to the proposed development of a residential subdivision on a portion of the Raveneaux

Country Club tract, and reported on a District Committee meeting held with the developers of the tract on July 8, 2008. Mr. Pagan reported that after the District Committee meeting with the developers, a revised draft District Development Agreement Term Sheet was forwarded to the developers of the tract, Mr. Bloch and Mr. Jordan of JP/Raveneaux Partners, LP and Kera Development, LP. He stated that a counter Term Sheet was received last night from the developers.

Discussion ensued regarding rejecting the counter Term Sheet and forwarding to the developers of the tract a revised Development Agreement Term Sheet which additionally clarifies the District's previously proposed terms. The Board concurred that the counter Term Sheet dramatically changes the character of the proposed agreement. The Board additionally concurred that the District's proposed terms are good for and add value to the community, and are good for the developers. Following review and discussion, Director Lynch moved to authorize ABHR to revise the District's Development Agreement Term Sheet as discussed, and after review and approval of the revisions by Directors Smyth and Petrick, forwarding of the District's Development Agreement Term Sheet to the developers and to the District's web site for posting.

Additional discussion ensued regarding impending deadlines for calling a park plan election, if necessary. Mr. Pagan stated that the legal deadline to call the election is August 26, 2008, and discussed election procedures. Following discussion, Director Lynch moved to authorize Director Smyth to research and recommend a park planner for engagement by the District, and to authorize Director Jones to research and recommend park financing options for approval by the District. Director Jones seconded the motion, which was approved by unanimous vote.

The Board concurred to tentatively schedule a special meeting at 5:30 p.m. on Tuesday, July 22, 2008, at the District's Administrative Building to discuss the proposed development of a residential subdivision, Kera Village, on a portion of the Raveneaux Country Club tract.

There being no other matters to come before the Board, the meeting was adjourned.

[SIGNATURE PAGE FOR THE MINUTES OF THE JULY 11, 2008, BOARD MEETING]

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Secretary, Board of Directors

(SEAL)

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