

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

August 18, 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 18th day of August, 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: Brenda Pennington, resident of the District; Greg Pendley of CGP Solutions, LLC; Elisa Kaplan of The Legacy Group; Patricia Gardner Young and Susan Chang of Reliant Energy Solutions; Nabil Joubran of Pepe Engineering, Ltd. ("Pepe Engineering"); Joe B. Allen and Greer Pagan of Allen Boone Humphries Robinson LLP ("ABHR"); and Justine M. Cherne, Recording Secretary.

ELECTRICITY PROVIDER OPTIONS

The Board received presentations regarding electricity provider options and pricing from The Legacy Group, CPCG Solutions, LLC, and Reliant Energy Solutions.

APPROVE ATTENDANCE AT CONFERENCES OR MEETINGS

Director DiCioccio requested approval to attend an accounting seminar. Following discussion, Director Jones moved to approve Director DiCioccio's attendance at the seminar. Director Smyth seconded the motion, which was approved by unanimous vote.

PUBLIC COMMENTS

Director Petrick opened the meeting to receive public comments. There were no public comments.

CONVENE IN EXECUTIVE SESSION

The Board next convened in executive session to discuss and consider the acquisition of real property and the terms and conditions of an economic development package.

RECONVENE IN OPEN SESSION, RAVENEAUX DEVELOPMENT

The Board reconvened in open session. The Board discussed the proposed development of a residential subdivision, Kera Village, on a portion of the Raveneaux Country Club tract, including proposed provisions and revisions to a draft Redevelopment Agreement, and proposed revisions to the exhibits to the agreement. Discussion ensued regarding the location of the proposed walking trail and restrictions. Additional discussion ensued regarding land use restrictions. Mr. Pagan briefly reviewed conveyance procedures, including title work and performance of a Phase I Environmental Assessment. Mr. Allen explained the authorization which would be granted by a proposed park bond election in which park bonds were approved for issuance by the voters. Discussion ensued regarding costs associated with issuing a bond versus obtaining a bank loan, and payment options for debt. Additional discussion ensued regarding the estimated costs for the proposed park improvements and liability issues related to District ownership of a park.

A proposed schedule for finalizing the Redevelopment Agreement and exhibits to the agreement by Tuesday, August 26, 2008, was discussed. Following discussion, the Board concurred to schedule special meetings at 1:00 p.m. on Friday, August 22, 2008, and at 5:30 p.m. on Monday, August 25, and Tuesday, August 26, 2008.

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

[SIGNATURE PAGE FOR THE MINUTES OF THE AUGUST 18, 2008, BOARD MEETING]

Secretary, Board of Directors

(SEAL)