

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

August 22, 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 22nd 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: James Reed, Arthur Roy Riley, and John Shipp; residents of the District; Mark Jordan and Michael Bloch of JP/Raveneaux Partners, LP/Kera Development LP (the "Developers"); Tim Green and John Cannon of Coats Rose PC; Benton Schmaltz of Brown & Gay Engineers, Inc. ("B&G"); 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

There was no discussion regarding electricity provider options.

APPROVE ATTENDANCE AT CONFERENCES OR MEETINGS

There was no discussion regarding attendance at conferences or meetings.

PUBLIC COMMENTS

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

RAVENEAUX DEVELOPMENT

Mr. Green next began providing comments and suggesting revisions to the proposed draft Redevelopment Agreement and exhibits to the agreement for the

proposed development of a residential subdivision, Kera Village, on a portion of the Raveneaux Country Club tract. The details of the comments and suggestions were reviewed and discussed at length. Additional detailed discussion ensued regarding preliminary cost estimates for the proposed development, reimbursement amounts, and fill-work necessary for the development. Mr. Jordan and Mr. Bloch proposed an alternate development configuration with the proposed development of villas set back on the property off of Cypresswood Drive. Discussion ensued regarding the proposal. Additional discussion ensued regarding future plans for the golf course and annexation issues. Mr. Jordan stated that he would work to forward to the Board a draft land plan by late afternoon on Monday, August 25, 2008.

Mr. Cannon next provided comments and suggested revisions to the proposed draft lease agreement. Mr. Green asked for clarification on when the real estate contract will be executed. Mr. Allen stated that all of the exhibits to the Redevelopment Agreement would be signed at the time the agreement is signed.

PUBLIC COMMENTS

Director Petrick opened the meeting to receive public comments. Residents made comments to the Board regarding the proposed development options presented by Mr. Jordan and Mr. Bloch, including aesthetics, costs, and land value.

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

The Board reconvened in open session. Mr. Pagan next summarized the conclusions reached by the Board during closed session per the earlier detailed discussion of comments and suggested revisions to the proposed draft Redevelopment Agreement and exhibits to the agreement. The conclusions encompassed changes to the lease agreement exhibit, waiver of immunity provisions, location of the 40-foot buffer within the proposed easement, the amount of land to be developed, leased, and purchased, the amount of proposed developer reimbursement, and a termination provision in the event of legal action. Following additional discussion, the Board concurred to revise the proposed termination provision to the agreement as discussed. The Board authorized ABHR and Pepe Engineering to revise the Redevelopment Agreement and exhibits as discussed for consideration at the special meeting scheduled on Monday, August 25, 2008.

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

[SIGNATURE PAGE FOR THE MINUTES OF THE AUGUST 22, 2008, BOARD MEETING]

Secretary, Board of Directors

(SEAL)