

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

August 26, 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 26th 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: Debbie Donahue and John Shipp; residents of the District; Steve Williams of Kleinwood Municipal Utility District; Mark Jordan of JP/Raveneaux Partners, LP/Kera Development LP (the "Developers"); Peter Palacios of Raveneaux Country Club; Don Hand of Greenwood Properties, Inc.; Brenda Pennington of Pennington Commercial Real Estate, Inc.; Tim Green and John Cannon of Coats Rose PC; Nabil Joubran of Pepe Engineering, Ltd. ("Pepe Engineering"); Joe B. Allen and Angela Lutz of Allen Boone Humphries Robinson LLP ("ABHR"); and Justine M. Cherne, Recording Secretary.

ELECTRICITY PROVIDER OPTIONS

There was no discussion regarding electricity provider options.

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.

ADOPT ORDER CALLING BOND ELECTION

Mr. Allen discussed with the Board the procedures for calling an election and reviewed the provisions of an Order Calling Bond Election. Following review and discussion, Director Lynch moved to adopt an Order Calling Bond Election, for an election to be held on November 4, 2008, for the issuance of unlimited tax and revenue bonds of the District, notes, or other obligations in the maximum aggregate original principal amount of \$6,200,000 for the acquisition of land for park and recreational facilities, in the maximum aggregate original principal amount of \$2,000,000 for the development and maintenance of recreational facilities, and for use of the District's operation and maintenance tax revenues for parks and recreational facilities. Director Smyth seconded the motion, which was approved by unanimous vote. Early voting is scheduled from 7:00 a.m. to 3:00 p.m. on weekdays from October 20, 2008, through October 31, 2008, and regular voting is scheduled from 7:00 a.m. to 7:00 p.m. on November 4, 2008. Voting will be held at the District's Administrative Building.

VOTING RIGHTS ACT SUBMISSION LETTER

Mr. Allen next discussed with the Board the requirements for submitting to the U.S. Department of Justice a letter to report the upcoming election. Following review and discussion, Director Smyth moved to approve submission of the Voting Rights Act Submission Letter to the U.S. Department of Justice. Director Jones seconded the motion, which was approved by unanimous vote.

SET PAY FOR ELECTION OFFICIALS

The Board next discussed setting pay for the election officials for the Bond Election. Following discussion, Director Smyth moved that the Board set the pay for the election officials at \$15.00 per hour. Director Jones seconded the motion, which was approved by unanimous vote.

VOTING MACHINE REQUIREMENTS

Mr. Allen reported that electronic voting systems are required to conduct elections. He noted that the deadlines for entering into an agreement with Harris County for such a system has passed. He discussed entering into a contract with Premier Election Solutions for lease of electronic voting machines. After discussion, Director Smyth moved to authorize execution of the contract, subject to final approval by ABHR. Director DiCioccio seconded the motion, which was approved by unanimous vote.

RAVENEAU DEVELOPMENT

The Board and meeting attendees 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 exhibits to the agreement and the details of the comments and suggestions were reviewed and discussed at length. Mr. Jordan noted that the exhibit of the tract proposed for development did not contain all of the Country Club building. The Board concurred with revising the exhibit to include the building as discussed. Following review and discussion, Director Smyth moved to approve the Redevelopment Agreement, subject to the revisions discussed. Director DiCioccio seconded the motion, which was approved by unanimous vote.

PUBLIC COMMENTS

Director Petrick opened the meeting to receive public comments. No public comments were made.

The Board concurred to table consideration of a Park Plan for the District and a Resolution Establishing Standards for Recreational Facilities.

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

[SIGNATURE PAGE FOR THE MINUTES OF THE AUGUST 26, 2008, BOARD MEETING]

Secretary, Board of Directors

(SEAL)