

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

August 8, 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 8th 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, Dave Norman, Chris Norman, Ross Richardson, Alice D. Kanayan, and Jim Reed, residents of the District; John Howell of The GMS Group, LLC; Nabil Joubran of Pepe Engineering, Ltd. ("Pepe Engineering"); Greer Pagan of Allen Boone Humphries Robinson LLP ("ABHR"); and Justine M. Cherne, Recording Secretary.

RAVENEAU DEVELOPMENT

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

The Board next discussed funding options for the proposed development of a residential subdivision, Kera Village, on a portion of the Raveneaux Country Club tract. Mr. Howell reviewed with the Board a document entitled, "Alternative Funding Ideas Points for Discussion," a copy of which is attached. He stated that the document contains all conceivable financing options, some of which are not practical. He cautioned that the numbers he uses in examples are purely for comparison purposes. To raise an estimated \$6,000,000, he estimated that the District would need to raise utility rates approximately \$40.00 per month per equivalent single family connection for a ten-year revenue note, and approximately \$23.00 per month per equivalent single family connection for a 25-year water and sewer revenue bond. He stated that the District could issue traditional, long-term utility district tax secured bonds for no increase in the District's tax rate. He discussed coverage requirements for revenue notes and issuance costs for bonds. He responded to questions from the Directors and

meeting attendees regarding debt structure and costs. Mr. Pagan briefly discussed state laws related to issuing park bonds.

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

[SIGNATURE PAGE FOR THE MINUTES OF THE AUGUST 8, 2008, BOARD MEETING]

Secretary, Board of Directors

(SEAL)

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