

MINUTES  
CYPRESS FOREST PUBLIC UTILITY DISTRICT

July 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 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 Reed, resident of the District; Don Hand of Greenwood Properties, Inc.; Joe B. Allen (via speakerphone) and Greer Pagan of Allen Boone Humphries Robinson LLP ("ABHR"); and Justine M. Cherne, recording secretary.

PUBLIC COMMENTS

Director Petrick opened the meeting for public comments. Mr. Hand addressed the Board to express his concerns regarding the assignment provision of any proposed development agreement related to the proposed development of a residential subdivision on a portion of the Raveneaux Country Club tract.

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 addressed the meeting attendees and stated that the Board has reviewed and discussed revisions to the District's Development Agreement Term Sheet received last night from the developers of the proposed residential subdivision on a portion of the Raveneaux Country Club

tract, Mr. Bloch and Mr. Jordan of JP/Raveneaux Partners, LP and Kera Development, LP. Following review and discussion, Director Petrick moved to: 1) accept the revisions to the District's Development Agreement Term Sheet received last night from the developers as written; 2) engage Clark Condon Associates for park planning services; 3) engage August Shouse for real estate attorney services; 4) authorize the District's engineers to calculate the cost for construction of water, sewer, and drainage facilities for the proposed development; and 5) include in the transmittal of the revised District's Development Agreement Term Sheet, which incorporates the developers revisions, the requirement that the definitive Development Agreement must be approved and executed by August 26, 2008, prior to any action to be taken by the Board to call a park plan election. Director Lynch seconded the motion, which was approved by unanimous vote. The Board authorized ABHR to revise the District's Development Agreement Term Sheet per the developer's revisions, and forward to the developers and to the District's web site for posting.

Following additional discussion regarding the procedures for considering services with a new financial advisor, the Board concurred to place an item on the next meeting agenda to consider termination of the District's current contract for financial advisory services with First Southwest Company and execution of a new contract for financial advisory services with John Howell of The GMS Group, L.L.C. The Board authorized Director Petrick to contact Debbie Shelton of First Southwest Company to discuss the agenda items. Director Lynch requested that Mr. Jones circulate information regarding Mr. Howell's experience, services, and client base prior to the next meeting.

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

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

---

Secretary, Board of Directors

(SEAL)