

**MINUTES OF MEETING  
KLEINWOOD MUNICIPAL UTILITY DISTRICT  
HARRIS COUNTY, TEXAS**

**October 10, 2008**

STATE OF TEXAS  
COUNTY OF HARRIS

The Board of Directors (the "Board") of Kleinwood Municipal Utility District (the "District") of Harris County, Texas, met in **special** session, open to the public, on **Friday, October 10, 2008**, at 9:15 a.m. at the District Office, 16530 Kleinwood Drive, Spring, Texas, within the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Stephen E. Williams	President
Vic Fowler	Vice President & Investment Officer
Robert Ehmann	Secretary/Treasurer
Sherry Allard	Assistant Vice President & Assistant Secretary
Joe Fratangelo	Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also present were: Roger Schuett, Office Manager; Fred Stumpf and Clayton Cannon of Stumpf Farrimond, P.C. ("Stumpf"), special counsel to the District; and Dick Yale, Maria Salinas Parker, and David F. Green of Coats, Rose, Yale, Ryman & Lee, P.C. ("Coats|Rose"), Attorney for the District.

The President called the meeting to order in accordance with notice posted pursuant to law, and the following business was transacted.

**DEVELOPMENT, FINANCING AND ANNEXATION AGREEMENT ("Agreement") WITH JP/RAVENEUX PARTNERS, L.P. ("JP/Raveneaux") AND KERA DEVELOPMENT, L.P. ("Kera")**

The Board discussed the status of annexing into the District the tract of land (the "Raveneaux Tract") owned by JP/Raveneaux and Kera. The Board noted that JP/Raveneaux and Kera submitted a letter to the Board stating that construction of the "Facilities" described in Section 6.08 of the Agreement has not commenced, and that pursuant to Section 6.08, the Agreement has automatically terminated. In conjunction with such termination, the letter continues, JP/Raveneaux hereby withdraws its request to annex into the District the approximately 39 acres that are the subject of the Agreement.

**CLOSED SESSION**

Upon a motion duly made and seconded, the Board voted unanimously to convene in closed session at 9:23 a.m. to discuss contemplated litigation.

**OPEN SESSION**

Upon a motion duly made and seconded, the Board voted unanimously to reconvene in open session at 11:35 a.m.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the proposal submitted in closed session by special counsel Stumpf, subject to approval by Stumpf's contingency committee. Revisions to said proposal must be approved by the Board.

**SCHEDULE SPECIAL MEETING OF THE BOARD**

Consideration was then given to scheduling a special meeting of the Board in order to review any revised proposals from Stumpf.

After discussion, the Board agreed to meet at 8:30 a.m. on Wednesday, October 15, 2008.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

Approved this 23 October 2008



Robert Ehnman  
Secretary, Board of Directors