

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

December 1, 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 **Monday, December 1, 2008**, at 8:30 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: Dick Yale and Maria Salinas Parker of Coats, Rose, Yale, Ryman & Lee, P.C. ("Coats | Rose"), Attorney for the District; Jon Unterreiner, P.E., of Jones & Carter, Inc. ("Jones & Carter"), Engineer for the District; John Lightfoot with John Lightfoot Investments, L.P. ("Lightfoot"), developer of land in the District; Roger Schuett, Office Manager; Kevin Dice representing The Falls at Champion Forest Property Owners Association (the "POA"); and members of the public listed on the attached Attendance Sheet.

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

THE FALLS AT CHAMPION FOREST AMENITY LAKE/DETENTION POND

The President opened the meeting to discussion by the Directors regarding the District's offer to the POA to purchase and make certain improvements to the 6.5-acre tract in The Falls at Champion Forest ("The Falls") in which the amenity lake/detention pond are located and the adjacent tract in which the sales office for The Falls is located (collectively, the "Property"), both of which are currently owned and maintained by the POA. A list of factors that the Board is taking

into consideration with respect to the proposed purchase of the Property is attached hereto and shall be considered to be part of these minutes.

Next, the President opened the meeting to hear comments from the public regarding the proposed purchase of the Property. Among the concerns expressed during the public comment period were [a] the cost for the District to acquire the Property; [b] the cost for the District to operate and maintain the Property; and [c] the District's long-term plans for the Property, including the possible development of park facilities therein.

CLOSED SESSION

Upon a motion duly made and seconded, the Board voted unanimously to convene in closed session at 9:45 a.m. to discuss contemplated real estate transactions.

OPEN SESSION

Upon a motion duly made and seconded, the Board voted unanimously to reconvene in open session at 10:05 a.m.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to defer action on the acquisition of any detention pond/park facilities until January 22, 2009, and to further clarify that any offer made to the POA, if accepted, must come back to the entire Board for approval at the Board's meeting to be held on January 22, 2009.

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

Approved this 12/18/2008



Rabeil Edmann
Secretary, Board of Directors