

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

1 April 2011

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 1 April 2011 at 3555 Timmons, Suite 640, Houston, Texas, a special meeting place outside the boundaries of the District designated for mediation purposes only, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Robert Ehmann
Sherry Allard
Joe Fratangelo
Bernie Bryl

President
Vice President
Secretary/Treasurer
Assistant Vice President & Assistant
Secretary
Assistant Secretary & Investment Officer

Mike Morgan

and all of said persons were present with the exception of Directors Ehmann and Bryl, thus constituting a quorum.

Also present were Fred Stumpf and Jenny Johnson with Boyer Jacobs Short, PC, special Attorney for the District; Mark Jordan representing JP/Raveneaux Partners, LP, and Kera Development, L.P. ("Raveneaux"); Ric Young of Glast, Phillips & Murray, P.C., special counsel for Raveneaux, and Nancy L. Houston, Attorney and Mediator.

MEDIATION OF PENDING LITIGATION

The Board entered into a mediation session on behalf of the District with the representatives of Raveneaux in connection with the pending litigation (the "Litigation") relating to the Development, Financing and Annexation Agreement by and between the District and Raveneaux. After discussion, the Litigation was resolved to the Board's satisfaction, with Raveneaux agreeing to render payment to the District over a 15-month period in an amount sufficient to cover the legal and engineering expenses incurred by the District in pursuing the annexation of property owned by Raveneaux.

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



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Secretary, Board of Directors

Kleinwood Municipal Utility District
Meeting of 1 April 2011
No Attachments