

**MINUTES OF MEETING  
BOARD OF DIRECTORS  
REGULAR MEETING  
THE WOODLANDS TOWNSHIP  
MAY 28, 2008**

**THE STATE OF TEXAS   §  
COUNTIES OF HARRIS & MONTGOMERY   §**

The Board of Directors of The Woodlands Township, met in regular session, open to the public, on May 28, 2008, posted to begin at 7:30 a.m. The meeting was held in the Meeting Room at the Township's Office, 10001 Woodloch Forest Dr., Suite 600, The Woodlands, Texas, within the boundaries of the Township. The roll was called of the duly elected and appointed members of the Board of Directors, to wit:

<b>Nelda Luce Blair</b>	<b>Chairman</b>
<b>Lloyd W. Matthews</b>	<b>Vice-Chairman</b>
<b>Fred R. O'Connor</b>	<b>Treasurer/Assistant Secretary</b>
<b>Kemba D. DeGroot</b>	<b>Secretary</b>
<b>Edmund W. Robb III</b>	<b>Director</b>
<b>Vicki D. Richmond</b>	<b>Director</b>

Peggy S. Hausman	Director
Robert C. Kinnear	Director
Ken Smith	Director
Alex Sutton III	Director

with all of said persons being present, excluding Treasurer O'Connor and Director Kinnear, thus constituting a quorum. Also present for conducting business and assisting Board members were Frank Robinson, Brian Pate, Nick Wolda, Steve Sumner, Mike Page, Robin Fadal, Don Norrell, Chuck Yaple, Helen Duvall, Fred Domenick, Renee Williford, and Kristin Freeman.

Chairman Blair called the meeting to order at 7:34 a.m. She announced that a quorum was present and that sufficient notice of this meeting had been duly posted as required by law. Chairman Blair then requested a motion to adopt the agenda. Secretary DeGroot moved to adopt the agenda. The motion was seconded by Vice-Chairman Matthews and passed unanimously.

Next, Chairman Blair called on names from the Public Comment Roster. Tina Araujo and Jim Stiffler addressed the Board. The Public Comment Roster is attached hereto as Exhibit "A". A handout given by Mr. Stiffler to the Board is attached hereto as Exhibit "B".

Chairman Blair then asked the Board to consider and act upon approval of the minutes of the April 30, 2008, regular meeting and May 16, 2008, special meeting of the Board of Directors of the Township. Vice-Chairman Matthews moved to approve the minutes as written. Secretary DeGroot seconded the motion and it passed unanimously. Copies of the April 30, 2008 and May 16, 2008 meeting minutes are attached hereto as Exhibits "C" and "D", respectively.

Chairman Blair next asked the Board to receive and act upon the Financial Report as of and for the four months ended April 30, 2008. The Chairman called on Brian Pate, financial consultant, to present the Financial Report on behalf of the Township. Following the presentation, Director Richmond moved to accept the Financial Report for the four months ended April 30, 2008 as presented. The motion was seconded by Director Smith and carried unanimously. A copy of the April 30, 2008, Financial Report for the four months ended April 30, 2008 is attached hereto as Exhibit "E".

The Board was then asked to receive and consider a report from the Community Associations of The Woodlands. Chairman Blair introduced Don

Norrell, General Manager of The Woodlands Community Associations, who addressed the Board. Mr. Norrell handed out a packet of information containing a written summary of the Associations' Board agenda issues for May 2008, the Community Associations' Monthly Report for April 2008, and Community Policing Report for April 2008. Following the presentation, Chairman Blair thanked Mr. Norrell for his report. The Community Association reports are attached collectively as Exhibit "F". No action was necessary.

Next, the Board was asked to consider an Annual Review of Investment Policies and Strategies, and adoption of a Resolution in connection therewith. Chairman Blair called on Mike Page, legal counsel for the Township, to present this item. Mr. Page gave an overview of the item and following this, Director Richmond moved to accept the Annual Review of Investment Policies and Strategies and adopt the Resolution. The motion was seconded by Director Sutton and passed unanimously. A copy of the Executive Summary and the Resolution are attached hereto as Exhibits "G" and "H".

The Board was then asked to consider and act upon adoption of a Resolution Adopting a List of Qualified Brokers Authorized to Engage in Investment Transaction with the Township. Mike Page presented this item and referred the Board to the List of Qualified Brokers in the meeting books. Vice-Chairman Matthews moved to adopt the Resolution Adopting a List of Qualified Brokers Authorized to Engage in Investment Transactions with the Township. Secretary DeGroot seconded the motion. Director Hausman amended the motion to include Woodforest Financial Services to the List of Qualified Brokers. The motion, as amended, passed unanimously. A copy of the Executive Summary and amended 2008 List of Qualified Brokers are attached hereto as Exhibits "I" and "J", respectively.

Next, the Board was asked to consider and act upon an update to the Township's Official Statement as it relates to the Township's 2001 Bond Issue. Chairman Blair called on Brian Pate to present this item. Following Mr. Pate's presentation, Director Richmond moved to approve the filing of the Annual Report on Financial Information and Operating Data ("Annual Report") and adopt

a Resolution in connection therewith. Director Sutton seconded the motion and it passed unanimously. Copies of the Executive Summary, Resolution, and Annual Report are attached hereto as Exhibits "K", "L", and "M", respectively.

Chairman Blair then asked the Board to consider and act upon a recommendation from the Audit Committee to accept the 2007 Audit Report. Brian Pate addressed the Board briefly and then introduced Chuck Yaple of Null-Lairson, who conducted the audit. Mr. Yaple began by introducing Helen Duvall who worked on the project. Following Mr. Yaple's discussion of the Comprehensive Annual Financial Report (CAFR), Secretary DeGroot moved to accept the 2007 Audit Report. The motion was seconded by Vice-Chairman Matthews and passed unanimously. Chairman Blair congratulated the financial staff for their exemplary work preparing the report. A copy of the Executive Summary is attached hereto as Exhibit "N".

At 8:15 a.m. the Board recessed to Executive Session to discuss personnel matters pursuant to §551.074, Texas Government Code.

The Board reconvened in Public Session at 8:32 a.m. Chairman Blair announced that it would not be necessary to take action at this time on personnel matters.

Next, the Board was asked to consider and act upon a recommendation from the Executive Committee to adopt revisions to the Employee Handbook. Frank Robinson, President for the Township, presented this item. Mr. Robinson referred the Board to their meeting books to review revisions to the Drug and Alcohol Policy, Dress Code, and Educational Assistance Program. Following the presentation, Secretary DeGroot moved to adopt the revisions to The Woodlands Township Employee Handbook. The motion was seconded by Vice-Chairman Matthews. Director Hausman requested an amendment to the motion related to the Educational Assistance Program to require a final grade of at least a 3.0 on a 4.0 scale or equivalent. The amended motion passed unanimously. Copies of the Executive Summary and amended revisions to the Employee Handbook are attached hereto as Exhibits "O" and "P", respectively.

Chairman Blair then asked the Board to receive a recommended slate of officers from the Committee on Governance and Nominations. Director Robb was called on to present the recommended slate of officers. Following the presentation, Chairman Blair advised the Board that election of officers would be the last action item on the meeting agenda. A copy of the Executive Summary and a sample ballot are attached hereto as Exhibits "Q" and "R", respectively.

The Board was then asked to receive and consider an update report from The Woodlands Convention and Visitors Bureau (CVB). Nick Wolda, President of The Woodlands CVB, provided an update on CVB activities with a PowerPoint presentation. Following the presentation, Mr. Wolda introduced Fred Domenick, General Manager of The Woodlands Waterway Marriott Hotel & Convention Center, who also used a PowerPoint presentation in his report of hotel and convention center statistics. No action was required on this agenda item. A copy of Mr. Domenick's PowerPoint presentation is attached hereto as Exhibit "S".

The Board was next asked to consider and act upon adoption of a Township logo as presented by the judges of The Woodlands Township logo

contest. Nick Wolda was called on to present this item. Following his presentation, Mr. Wolda introduced the winning artist, Jeff Peterson. A public unveiling of the new Township logo and presentation of a check to Mr. Peterson followed. Chairman Blair next called for a motion and second on this item. Director Hausman moved to officially adopt the new Township logo as presented. The motion was seconded by Director Richmond and passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "T" and a copy of the logo design is attached hereto as Exhibit "U".

The Board was then asked to consider and act upon approval of the oaths and bonds for newly elected Directors who were Nelda Luce Blair, Thomas Campbell, Peggy S. Hausman, Claude Hunter, and Bruce Tough. Mike Page presented this item. Following Mr. Page's presentation, Director Sutton moved to approve the oaths of office and bonds for the newly elected Directors. The motion was seconded by Vice-Chairman Matthews and passed unanimously. Frank Robinson, Notary Public, administered the Oath of Office to the Directors.

A presentation was then made to retiring Directors Bob Kinnear, Fred O'Connor, and Ken Smith. The Chairman noted the absence of Directors Kinnear and O'Connor. A token of appreciation was then given to Director Ken Smith for his years of service on the Township Board of Directors.

Next, Chairman Blair asked the Board to consider and act upon the appointment of newly elected Directors to The Woodlands Township Economic Development Zone (TWTEDZ) Board of Directors. Director Robb moved to appoint the newly elected Directors to TWTEDZ Board of Directors. The motion was seconded by Vice-Chairman Matthews and passed unanimously.

The Board was then asked to consider and act upon election of officers. Mike Page was called on to explain the election process. After Mr. Page's presentation, the Chairman instructed the Board to complete their election ballot. Director Campbell asked if there was a requirement to ask for nominations from the floor. Chairman Blair stated there was a provision for write-in candidates of eligible members. Director Campbell then respectfully requested that the Board waive the part of the policy established by the

previous Board that a Director must serve at least a year before he/she can become eligible to be considered as an officer. He asked that the Board consider the highest vote recipient in the May election, Bruce Tough. The Chairman stated that there is a process that the Township, as a government, must adhere to that requires there be an agenda item to take such action. She suggested that Director Campbell ask to have his request placed on the agenda for the next meeting to allow for appropriate discussion. Director Hunter voiced additional concerns regarding the election policy. Director Hausman asked if any of the recommended slate of officers had any conflicts, in particular, Director Richmond with Woodforest Bank. Mike Page stated that the Township's Investment Committee handled all investments and that even though the Treasurer of the Board is a member of the Investment Committee, the position was largely ceremonial with no independent authority to place an investment. Additional discussion among the Directors followed for a brief period and then the Chairman reiterated that members needed to focus on the agenda item at

hand. She encouraged Board members to bring forward any concerns they might have and to do so in the manner of a government.

Following discussion, Board members resumed filling out their election ballot. Ballots were returned to Mr. Robinson who tallied the votes. The slate carried as nominated with one write-in vote for Bruce Tough for Vice-Chairman made by Claude Hunter. The following officers for The Woodlands Township Board of Directors were elected by signed ballots:

Nelda Luce Blair	Chairman
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Lloyd W. Matthews	Vice-Chairman
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Vicki D. Richmond	Treasurer/Assistant
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Secretary

Alex Sutton III	Secretary
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The election ballots and tally sheet are attached hereto as Exhibit "V".

Chairman Blair then called on Frank Robinson to present administrative reports.

Director Robb left the meeting during the administrative reports. Mr.

Robinson called on Steve Sumner, Vice President of Operations & Public Safety for the Township, to provide an update on public safety and park activities. Mr. Sumner's annual report included the "*Analysis of Crime & Police Visibility Report*" and also highlighted several public safety initiatives and programs. Following Mr. Sumner's report, Frank Robinson announced his resignation as President for The Woodlands Township. He informed the Board that he had accepted the position of Town Manager for the town of Apple Valley, California. A copy of Mr. Robinson's resignation letter is attached hereto as Exhibit "W". Chairman Blair thanked Mr. Robinson for his leadership and years of service.

Next, Chairman Blair announced a special meeting of the Executive Committee for Monday, June 2, 2008, at 4:00 p.m. Vice-Chairman Matthews added that he would like to have a special meeting/workshop of the Board to discuss transition issues.

The Board was then asked to consider items to be placed on the agenda for the next meeting. Directors Hunter and Campbell asked to include further

discussion and review of election policies. Director Hausman requested that the Board look at an appointment to fill the vacant Board position. Director Tough commented that he was honored to serve on the Board and thanked his supporters. The other newly elected Directors expressed similar sentiments.

As there were no further matters to come before the Board, Chairman Blair called for a motion to adjourn. Director Hausman moved to adjourn the meeting. The motion was seconded by Director Hunter and passed unanimously. The meeting was adjourned at 9:30 a.m.

(SEAL)

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Alex Sutton III  
Secretary, Board of Directors