MINUTES OF MEETING

BOARD OF DIRECTORS

REGULAR MEETING

THE WOODLANDS TOWNSHIP

JUNE 25, 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 June 25, 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:

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

Alex Sutton III	Secretary
Thomas Campbell	Director
Kemba DeGroot	Director
Peggy S. Hausman	Director
Claude Hunter	Director
Edmund W. Robb III	Director
Bruce Tough	Director

with all of said persons being present, excluding Directors Hausman, Robb, and Tough, thus constituting a quorum. Also present for conducting business and assisting Board members were Nick Wolda, Steve Sumner, Brian Pate, Mike Page, Robin Fadal, Don Norrell, Renee Williford, and Kristin Freeman. Director Hausman arrived after the roll call.

Chairman Blair called the meeting to order at 7:30 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 a regular and supplemental agenda. Director Campbell moved to adopt the agendas. The motion was seconded by Vice-Chairman Matthews and passed unanimously.

Next, Chairman Blair called on names from the Public Comment Roster. Director Robb arrived at this point in the meeting. The following residents addressed the Board: Steve Leakey, Mike Gray, Tom Sifferman, Tom Conroy, Jim Upham, Paul Lazzaro, Paul Williams, and Kenny Speight. The Public Comment Roster is attached hereto as Exhibit "A". Handouts distributed to the Board are attached hereto as Exhibit "B".

Chairman Blair then asked the Board to consider and act upon approval of the minutes of the May 28, 2008, regular meeting of the Board of Directors of the Township. Vice-Chairman Matthews moved to approve the minutes as written. Treasurer Richmond seconded the motion and it passed with Director Campbell abstaining. A copy of the May 28, 2008 meeting minutes is attached hereto as Exhibit "C".

Chairman Blair next asked the Board to receive and act upon the Financial Report as of and for the five months ended May 31, 2008. The Chairman called on Brian Pate, financial consultant, to present the

Financial Report on behalf of the Township. Following the presentation, Director Hunter moved to accept the Financial Report as presented. The motion was seconded by Director DeGroot and carried unanimously. A copy of the May 31, 2008, Financial Report for the five months ended May 31, 2008 is attached hereto as Exhibit "D".

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 May 2008, and Community Policing Report for May 2008. Following the presentation, Chairman Blair thanked Mr. Norrell for his report. The Community Association reports are attached collectively as Exhibit "E". No action was necessary.

At 8:14 a.m. the Board recessed to Executive Session to discuss matters relating to real property pursuant to §551.072, Texas Government Code; and to discuss personnel

matters pursuant to §551.074, Texas Government Code.

The Board reconvened in Public Session at 8:50 a.m. Chairman Blair announced that it would be necessary to take action at this time on personnel matters.

Chairman Blair then asked the Board to consider and act upon a recommendation from the Executive Committee to amend a consulting agreement as it relates to personnel needs in the finance department and approve a budget amendment in connection therewith. Director DeGroot moved to authorize the addition of a finance position outsourced to Jefferson Wells, increase the number of consulting hours for Brian Pate from 40 hours to 45 hours per week, and approve a budget amendment in connection therewith. Director Sutton seconded the motion. Discussion

followed with Director Hunter requesting a friendly amendment to the original motion to include a review of the new finance position after ninety days. Staff was asked to see if the Community Associations could assist the Township during the transition period on a contractual basis. After discussion, the Board unanimously approved the original motion as amended.

Next, the Board was asked to consider and act upon approving and authorizing the Chairman to execute a Waterway Maintenance Agreement between The Woodlands Township and The Woodlands Operating Company, pending final legal approval. Steve Sumner, Vice President of Operations & Public Safety, was called on to present this item. Following Mr. Sumner's presentation, Director Hunter moved to authorize the Chairman to execute the Waterway Maintenance Agreement. The motion was seconded by Director DeGroot and passed with Director Sutton abstaining. Director Hausman requested the Affidavit of Director for

Director Sutton be included in the minutes. Copies of the Executive Summary and Director Sutton's Affidavit of Director are attached hereto as Exhibits "F" and "G", respectively.

The Board was then asked to consider and act upon the extension of The Woodlands Township's current banking and depository service agreement with Woodforest National Bank. The Chairman called on Brian Pate to present this item. Following Mr. Pate's presentation, Vice-Chairman Matthews moved to extend the current banking services contract through July 2009. The motion was seconded by Director Robb and passed with Treasurer Richmond abstaining. Copies of the Executive Summary and Treasurer Richmond's Affidavit of Director are attached hereto as Exhibits "H" and "I", respectively.

Next, the Board was asked to consider and act upon a recommendation from the Executive Committee to appoint Robert Kinnear to fill the vacated unexpired term on the Board of Directors of The

Woodlands Township. Director DeGroot moved to appoint Robert Kinnear. Treasurer Richmond seconded the motion. Discussion followed with comments from several of the Directors regarding the Executive Committee's appointee choice. Following discussion, the motion passed with Directors Blair, DeGroot, Matthews, Richmond, Robb, and Sutton voting for and Directors Campbell, Hausman, and Hunter voting against. A copy of the Executive Summary is attached hereto as Exhibit "J".

Chairman Blair then asked the Board to consider and act upon approval of investment training for The Woodlands Township's Investment Officers in accordance with the Investment Policy of The Woodlands Township. Brian Pate presented this item. Following Mr. Pate's presentation, Vice-Chairman Matthews moved to approve investment training for Secretary Sutton and Treasurer Richmond. The motion was seconded by Director Campbell and passed unanimously. A copy to the Executive Summary is attached hereto as Exhibit "K".

Next, the Board was asked to review and discuss policies related to the election of officers of the Board of Directors for The Woodlands Township. Chairman Blair called on Director Hunter to open the discussion. Due to time constraints, Director Hunter agreed to send this item to the Committee on Governance and Nominations for review and discussion. With that being said, Director Hunter also asked permission to be included in the Committee's discussions. No action was taken on this item.

Chairman Blair then asked the Board to consider and act upon committee changes and appointments for The Woodlands Township. Chairman Blair referred the Directors to a summary of proposed committee changes and assignments for 2008-09 and reviewed each committee as outlined. The following committees were presented to the Board for approval:

(1) Audit Committee (Members appointed by Chairman for 2008-09)

Vicki Richmond-Chairman
Kemba DeGroot
Tom Campbell

(2) Museum Ad Hoc Committee formerly Cultural Arts Task Force Committee

(Recommended Members for 2008-09)

Vicki Richmond-Chairman
Ed Robb
Alex Sutton (or designee)
Bruce Tough
(Existing members from the community for 2008-09)
David Gottlieb
Michael Richmond

(3) Project Planning & Development Committee formerly Special Projects Committee

(Recommended Members for 2008-09)

Lloyd Matthews-Chairman
Ed Robb
Alex Sutton
Bruce Tough

(4) Public Facilities Administration Committee formerly Waterway Committee

(Recommended Members for 2008-09)

Kemba DeGroot-Chairman

Nelda Blair
Claude Hunter
Alex Sutton

(5) Transition Team to be discontinued; transfer oversight of Transition Agreement to Executive Committee with consultation from Committee on Governance and Nominations Chair and Government Affairs Consultant

(6) Community Relations Committee to be discontinued; duties handled by Community Associations

(7) Funding Request Committee to be discontinued; duties incorporated into budgeted items and/or other committees

Following Chairman Blair's presentation, Director Hunter moved to accept the proposed committee changes and appointments. Director Campbell seconded the motion. Discussion followed with Director Hunter respectfully requesting to be added to the Museum Ad Hoc Committee and Project Planning & Development Committee. Director Sutton inquired as to what committee was in charge of placement of art and sculpture.

Chairman Blair informed Director Sutton that the Public Facilities Administration Committee would now handle this item. The Board then unanimously voted to approve the motion. A copy of the Executive Summary is attached hereto as Exhibit "L" and a summary of the proposed committee changes and appointments is attached hereto as Exhibit "M".

Next, the Board was asked to consider and act upon election of members to The Woodlands Township's Committee on Governance and Nominations. Chairman Blair explained the election process and then ballots were distributed to the Directors. Following the vote, ballots were turned in to and tallied by Brian Pate. Directors Sutton and Tough were elected with eight votes each to the Committee on Governance and Nominations. As immediate past Chairman of the Township, Director Robb will serve as Chairman on the Governance and Nominations Committee. Director Hausman abstained from voting. The ballots and tally sheet are attached hereto as Exhibit "N".

Chairman Blair then referred the Board to their Supplemental Agenda. She asked the Board to consider and act upon The Woodlands Township's appointments to The Woodlands Convention & Visitors Bureau. Following Chairman Blair's explanation of the voting process, ballots were distributed to the Directors. Ballots were then turned in and tallied by Brian Pate. Directors Blair, Hausman, Hunter and Matthews received nine votes each and were selected for a one year appointment to The Woodlands Convention & Visitors Bureau. The ballots and tally sheet are attached hereto as Exhibit "O".

Returning to the Regular Agenda, Chairman Blair then asked the Board to consider and act upon The Woodlands Township's appointments to The Woodlands Fire Department Board of Directors in accordance with the Transition Agreement. Following Director Blair's explanation of the voting process, ballots were distributed to the Directors. Ballots were then turned in and tallied by Brian Pate. Four Directors receiving the

highest vote count will serve a one year term on The Woodlands Fire Department Board of Directors. Following is the result of the vote count:

- Director Campbell—9 votes
- Director Hausman—3 votes
- Director Hunter-8 votes
- Director Matthews-7 votes
- Director Tough-9 votes

A copy of the Executive Summary is attached hereto as Exhibit "P". The ballots and tally sheet are attached hereto as Exhibit "Q".

The Board was then asked to consider and act upon adoption of a Resolution to grant The Woodlands Township Co-Managers the authority to exercise contractual, banking and purchasing powers as presently held by The Woodlands Township President. Following comments by Chairman Blair, Director Campbell moved to adopt the Resolution as presented. The motion was seconded by Director Robb and passed unanimously. The Resolution Granting Co-Managers Authority to Exercise Contractual, Banking and Purchasing Powers is attached hereto as Exhibit "R".

The Chairman next asked the Board to consider and act upon adoption of a TexPool Resolution Amending the List of Authorized Representatives for The Woodlands Township authorized to engage in transactions with TexPool. Brian Pate was called on to present this item. Following Mr. Pate's presentation, Director Hunter moved to adopt the Resolution as presented. Director Campbell seconded the motion and it passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "S". The Resolution Amending the List of Authorized TexPool Representatives is attached hereto as Exhibit "T".

Chairman Blair then asked the Board to consider and act upon the approval of additional expenses related to Town Green Park and adding these expenses to the outstanding balance of the Town Green Park Reimbursement Agreement between The Woodlands Township and The Woodlands Township Economic Development Zone. Brian Pate was called on to present this item. Following Mr. Pate's presentation, Director Robb

moved to approve the addition of $10,454.49 in project costs to the outstanding principal balance of the Reimbursement Agreement. A copy of the Executive Summary and Town Green Park Capital Expenditures To-Date Report is attached hereto as Exhibit "U".

Next, the Board was asked to consider and act upon a request from the City of Houston to concur with initial selected projects to be funded under the Regional Participation Agreement (RPA) between The Woodlands Township and the City of Houston. Chairman Blair referred the Board to a letter from the City of Houston on pages 29 and 30 of their meeting books. Following discussion centered on the need for more input from the Township regarding future selected projects, Vice-Chairman Matthews moved to concur with the initial selected projects to be funded under the RPA. The motion was seconded by Director Hunter and passed unanimously. A copy of the letter from the City of Houston is attached hereto as Exhibit "V".

The Board was then asked to consider and act upon the approval of The Woodlands Township Logo Standards. Nick Wolda, Vice President of Marketing & Public Affairs, presented this item. Following Mr. Wolda's presentation, Director Hunter moved to approve The Woodlands Township Logo Standards & Guidelines for correct use of the official logo. Director Campbell seconded the motion. The Chairman then called for discussion at which time Director Campbell voiced that the mission statement for The Woodlands Township needed to be updated. Chairman Blair informed Director Campbell that this matter would be addressed by the Board in the very near future. The Chairman next called for a vote on the motion and it passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "W". A copy of The Woodlands Township Logo Standard & Guidelines is attached hereto as Exhibit "X".

Due to time constraints, no Administrative reports were given. Chairman Blair then presented a plaque to Frank Robinson, outgoing

President for The Woodlands Township, in recognition of his fourteen years of service.

The Board was then asked to consider items to be placed on the agenda for the next meeting. Directors Hausman and Campbell asked that the Board discuss a time and a place to hold future meetings.

As there were no further matters to come before the Board, Chairman Blair called for a motion to adjourn. Vice-Chairman Matthews moved to adjourn the meeting. The motion was seconded by Director Sutton and passed unanimously. The meeting was adjourned at 10:00 a.m.

_____
Alex Sutton III
(SEAL) Secretary, Board of Directors