MINUTES OF MEETING

BOARD OF DIRECTORS

SPECIAL MEETING

THE WOODLANDS TOWNSHIP

NOVEMBER 16, 2009

THE STATE OF TEXAS §

COUNTIES OF HARRIS & MONTGOMERY

The Board of Directors of The Woodlands Township, met in special session, open to the public, on November 16, 2009, posted to begin at 9:00 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 Bruce Tough 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
Robert C. Kinnear Director
Edmund W. Robb III Director

with all of said persons being present, excluding Directors DeGroot, Kinnear and Robb, thus constituting a quorum. Also present for conducting business and assisting Board

members were Don Norrell, Nick Wolda, Monique Sharp, Anjanette Sauers, Mike Page, Renee Williford, and Kristin Freeman.

Chairman Blair then called the meeting to order at 9:00 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 regular and supplemental agendas. Director Hunter moved to adopt the agendas. The motion was seconded by Director Campbell and passed unanimously.

Next, Chairman Blair recognized public officials attending the meeting. The following public officials were recognized:

• George Van Horn-WCA Board of Directors

The Public Official's Sign in Sheet is attached hereto as Exhibit "A".

Chairman Blair then called on names from the Public Comment Roster. There was no Public Comment.

Next, the Chair moved to the item on the supplemental agenda and asked the Board to consider canvassing the returns of the Bond and Tax Election held within The Woodlands Township on November 3, 2009 and to adopt an Order in connection therewith. Chairman Blair referred the Board to the Order and official voting results found in their meeting book and then called on Mike Page, legal counsel for The Woodlands Township, to present this item. Following a review of this item, Director Hunter moved to canvass returns of the Special Bond and Tax Election held within The

Woodlands Township on November 3, 2009, and to adopt an Order in connection therewith. The motion was seconded by Vice-Chairman Matthews. Discussion followed and then a vote was taken. The motion passed unanimously. The Order Canvassing the Returns and Declaring the Results of a Special Bond and Tax Election is attached hereto as Exhibit "B". Certified copies of the final results of The Woodlands Township Special Bond and Tax Election held in Montgomery County, Texas and Harris County, Texas for Creekside Park Village on November 3, 2009 are attached hereto as Exhibits "C" and "D", respectively.

Chairman Blair then returned to item five on the regular agenda. Board members were asked to consider and act upon approval of the minutes of the October 14, 2009 special meeting and October 28, 2009 regular meeting of the Board of Directors of The Woodlands Township. Director Hunter moved to approve the minutes. The motion was seconded by Director Campbell and passed unanimously. Copies of the October 14, 2009 and October 28, 2009 meeting minutes are attached hereto as Exhibits "E" and "F", respectively.

Chairman Blair next asked the Board to receive and act upon the Financial Report as of and for the ten months ended October 31, 2009. The Chair called on Anjanette Sauers, Financial Services Manager for The Woodlands Township, to present this item.

Ms. Sauers informed Board members that the Financial Statements could be found in a packet outside of their meeting books. Following Ms. Sauers' presentation, Treasurer

Richmond moved to accept the Financial Report as presented. The motion was seconded by Secretary Sutton and passed unanimously. A copy of the Financial Report as of and for the ten months ended October 31, 2009 is attached hereto as Exhibit "G".

The Board was then asked to receive and consider a report from the Community Associations of The Woodlands. Chairman Blair called on John Powers, Co-Interim General Manager of the Woodlands Community Associations, to present this item. Packets of information containing a written summary of the Community Associations' Board agenda matters, Monthly Report for October 2009, and The Woodlands Community Policing Report for October 2009 were distributed to Board members. Additionally, a report on Media Coverage for the dates October 24-November 13, 2009 was presented. The Community Associations' reports are attached hereto collectively as Exhibit "H". No action was necessary on this item.

Next, Chairman Blair recessed the regular meeting of the Board of Directors at 9:12 a.m. to convene and conduct a public hearing on proposed Order Nos. 019-09 and 020-09 adopting rules and regulations governing the use of park, recreation and open space areas and adopting related user fees, respectively. Mike Page was called on to present background information on this item. Following Mr. Page's comments, Chairman Blair called for public comment. A few minor changes to Order No. 019-09 were noted during the public comment period. As there were no further comments, the Chair then ended the public hearing and reconvened the regular meeting of the Board of Directors at 9:19 a.m.

Board members then considered and acted upon adopting Order No. 019-09 relating to rules and regulation governing the use of park, recreation, and open space areas. The Chair called for a motion to adopt the Order. Secretary Sutton moved to adopt Order No. 019-09 relating to rules and regulations governing the use of park, recreation, and open space areas with the provision that the changes discussed earlier be made. Director Campbell seconded the motion and it passed unanimously. Order No. 019-09 is attached hereto as Exhibit "I".

Chairman Blair then asked the Board to consider and act upon adopting Order No. 020-09 relating to user fees for park, recreation, and open space areas. The Chair called on John Powers to present this item. Mr. Powers commented that a user fee structure was added for Town Green Park that is the same user fee charged for Rob Fleming Park. Director Campbell then moved to adopt the Order and the motion was seconded by Vice-Chairman Matthews. The motion passed unanimously. Order No. 020-09 is attached hereto as Exhibit "J".

The Board was next asked to consider and act upon candidate nomination for the Montgomery Central Appraisal District (MCAD) and approve a resolution in connection therewith. Chairman Blair called on Don Norrell, President for The Woodlands Township, to present this item. Mr. Norrell summarized the MCAD election process and then called on Biff Picone, who asked the Board to vote for him as the only "Special District" candidate running for a seat on the MCAD Board of Directors. Following Mr.

Picone's comments, Director Hausman moved to authorize the Resolution Casting Votes for the Special District candidate for the Montgomery Central Appraisal District, Carmen "Biff" Picone, and authorize the Chairman to sign the official ballot. The motion was seconded by Vice Chairman Tough and passed unanimously. Copies of the Executive Summary and correspondence from the office of the Montgomery Central Appraisal District regarding the Board of Directors Election for the 2010-2011 term are attached collectively hereto as Exhibit "K". The Resolution and a copy of the official ballot are attached collectively hereto as Exhibit "L".

Chairman Blair then asked the Board to consider and act upon candidate nominations for the Harris County Appraisal District (HCAD) and approve a resolution in connection therewith. Don Norrell summarized the election process and then the Chair called for a motion and second on this item. Director Hunter moved to authorize the Resolution Casting a Vote for the Special District candidate for the Harris County Appraisal District, Glenn E. Peters, and authorize the Chairman to sign the official ballot. The motion was seconded by Director Campbell. The motion passed with Directors Blair, Campbell, Hunter, Matthews, Richmond, Sutton, and Tough voting "yes". Director Hausman abstained from voting. Copies of the Executive Summary and correspondence from the Harris County Appraisal District regarding the Selection of Appraisal District Board Members are attached collectively hereto as Exhibit "M". The Resolution and a copy of the official ballot are attached collectively as Exhibit "N".

Board members were next asked to consider and act upon approval of the Election Procedures for the Village Associations and the Residential Design Review Committees (RDRC). Chairman Blair called on Karen Dempsey, Management Analyst for the Community Associations of The Woodlands, to present this item. Ms. Dempsey provided background information on the election procedures for the aforementioned groups and also a proposed election schedule. Following Ms. Dempsey's presentation, Director Hunter moved to approve the proposed election schedule and procedures for the 2010 Residential Design Review Committee election and, by agreement, the Village Association elections. The motion was seconded by Vice-Chairman Matthews. Discussion followed and then a vote was taken. The motion passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "O". A "draft" copy of Election Procedures for the Woodlands Village Residential Design Review Committees is attached hereto as Exhibit "P".

Chairman Blair then asked the Board to consider and act upon an amendment and extension of the Streetscape Agreement with The Woodlands Land Development Company, L.P. (TWLDC) through 2014, as provided in the Consent Agreement. Mike Page was called on to present this item. Mr. Page referred Board members to the Executive Summary in their meeting book for review and then provided background information on the item. Following Mr. Page's presentation, Treasurer Richmond moved to accept the written request of TWLDC for the term of the Streetscape Contract to be

extended until May 29, 2014, effective January 1, 2010 and authorize an amendment to the Streetscape Agreement reflecting the extension. Vice-Chairman Matthews seconded the motion. Discussion followed. Director Hausman moved to amend the motion to only a two year extension of the contract. There was no second offered on the amended motion. Following discussion, a vote was taken on the original motion. The motion passed with Directors Blair, Campbell, Hunter, Matthews, Richmond, and Tough voting "yes" and Director Hausman voting "no". Director Sutton abstained from voting. A copy of the Executive Summary is attached hereto as Exhibit "Q". A copy of the written request from TWLDC to extend the term of the aforementioned contract is attached hereto as Exhibit "R".

Next, Chairman Blair asked the Board to consider and act upon terminating or consenting to the termination of commercial land use restrictions on certain properties. Mike Page was called on to present this item. Mr. Page provided background information on this item and then referred Board members to a map showing the size and location of the tracts of land under discussion as well as the forms of document necessary to terminate or consent to the termination of certain restrictions. One tract of land, identified as 2000-073409, 6.279 acres, was excepted from the release of restrictions at this time. Following Mr. Page's presentation, Director Hunter moved to approve the termination or consent to the termination of commercial land use restrictions on certain properties and authorize the President to release these

restrictions on all of the tracts, except the tract identified as 2000-073409, 6.279 acres. Director Hausman seconded the motion. Discussion followed and then a vote was taken. The motion passed with Directors Blair, Campbell, Hausman, Hunter, Matthews, Richmond, and Tough voting "yes". Director Sutton abstained from voting. A copy of the Executive Summary and related documents are attached collectively hereto as Exhibit "S".

The Chair then asked Board members to consider and act upon approval of the Investment Policy Statement for The Woodlands Township 401a and The Woodlands Township 457b Plans. Chairman Blair referred the Board to the Executive Summary in their meeting book and noted that Susan Welbes, Director of Human Resources for The Woodlands Community Associations, was available to address any questions. Director Hunter then moved to approve the Investment Policy Statement for The Woodlands Township 401a and The Woodlands Township 457b Plans, as set forth in the Executive Summary. Secretary Sutton seconded the motion. Following discussion, the Chair called for a vote. The motion passed unanimously. A copy of the Executive Summary and Investment Policy Statement are attached collectively hereto as Exhibit "T".

Next, Chairman Blair asked Board members to consider and act upon the establishment of a Retirement Plan Committee of The Woodlands Township 401a and The Woodlands Township 457 Plans and appoint members to serve on the Retirement Plan Committee. The Chair referred Board members to the Executive Summary in their

meeting book for their review. Susan Welbes was called on to provide clarification as needed. Following review, Vice-Chairman Matthews moved to approve the establishment of a Retirement Plan Committee for The Woodlands Township 401a and 457b Plans and appoint Don Norrell, Monique Sharp, John Powers, Susan Welbes, Anita Courville and Anjanette Sauers to serve on the Retirement Plan Committee. Discussion followed with Treasurer Richmond suggesting that the original motion be amended to appoint committee members by position rather than by individuals. The motion to amend was seconded by Secretary Sutton and passed unanimously. Chairman Blair then restated the motion with the amendment to appoint the President, Assistant General Manager for Finance and Administration, Assistant General Manager for Community Services, Director of Human Resources, Financial Services Manager, and Financial Reporting Manager to serve on the Retirement Plan Committee. The Chair then called for a vote and the amended motion passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "U".

Board members were then asked to consider and act upon approval of expenditures related to the Information Technology consolidation to include the phone system lease, software, hardware, and professional services at an amount not to exceed \$65,000 from the 2009 Transition budget. Chairman Blair called on William Pham, Manager of Information Technology for The Woodlands Community Associations, to present this item. Mr. Pham provided background information related to the

consolidation of information technology systems for The Woodlands Community Associations and The Woodlands Township. Following Mr. Pham's presentation, Director Campbell moved to approve expenditures related to the Information Technology consolidation to include the phone system lease, software, hardware, and professional services at an amount not to exceed \$65,000 from the 2009 Transition budget. The motion was seconded by Director Hunter. Board discussion followed and then a vote was taken. The motion passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "V".

Next, Chairman Blair asked Board members to consider and act upon renewal of service agreements with Stout Government Relations Consulting, LLC, South County YMCA, The Friendship Center, South Montgomery County Woodlands Chamber of Commerce Economic Development Partnership, the Greater Houston Partnership, and The Woodlands Convention and Visitors Bureau. The Chair referred the Board to the Executive Summary in their meeting book. Following review of this item, Director Hunter moved to approve renewal of service agreements for the aforementioned agencies. Treasurer Richmond seconded the motion. Discussion then followed with Steve Sumner, Vice President of Operations & Public Safety for The Woodlands Township, available to answer questions from the Board. Following discussion, the Chair called for a vote on the item. The motion passed with Directors Blair, Campbell, Hunter,

Matthews, Richmond, Sutton, and Tough voting "yes" and Director Hausman voting "no". A copy of the Executive Summary is attached hereto as Exhibit "W".

The Board then was asked to consider and act upon renewal of public safety inter-local and service agreements with the City of Shenandoah, the City of Oak Ridge North, the Constable-Precinct 3, the Justice of the Peace-Precinct 3, Alpha and Omega mounted Patrol, and Industrial Security Services Corporation. The Chair provided a brief overview of the item and then called for a motion and second. Vice-Chairman Matthews moved to approve the renewal of public safety inter-local and service agreements with the aforementioned agencies. Secretary Sutton seconded the motion. Discussion followed and then a vote was taken. The motion passed with Directors Blair, Campbell, Hunter, Matthews, Richmond, Sutton, and Tough voting "yes" and Director Hausman voting "no". A copy of the Executive Summary is attached hereto as Exhibit "X".

Next, the Board recessed to Executive Session at 10:00 a.m. to discuss matters relating to real property pursuant to §551.072, Texas Government Code; deliberation of economic development negotiations pursuant to §551.087, Texas Government Code; discuss personnel matters pursuant to §551.074, Texas Government Code; and to consult with The Woodlands Township's attorney concerning pending litigation pursuant to §551.071, Texas Government Code.

The Board reconvened in Public Session at 11:43 a.m. Chairman Blair then asked the Board to consider and act upon compensation adjustments and related contract amendments for personnel of The Woodlands Township. The following three motions resulted:

- 1. Motion made by Director Hunter to amend the Sponsorship Commission Structure approved by the Board of Directors on July 7, 2004 and replace it with a Pay for Performance Plan as provided in a memo from the Township President dated November 16, 2009 entitled Commission on Sponsorship Sales effective January 1, 2010. Motion seconded by Secretary Sutton and passed unanimously following discussion. A copy of the memo is attached hereto as Exhibit "Y".
- Motion made by Vice-Chairman Matthews to approve an amendment to the employment agreement with the Township President and authorize the Chairman of the Board to execute said amendment. Motion seconded by Director Hunter and passed unanimously following discussion.
- 3. Motion made by Treasurer Richmond to authorize the Chairman of the Board to execute personnel action approving compensation adjustments for the President of The Woodlands Township based on the November 16, 2009 performance review by the Board of Directors. Motion seconded by Director Hunter and passed unanimously following discussion.

Next, Chairman Blair called for Administrative Reports. Nick Wolda, Vice President of Marketing & Public Affair, gave an update on Winter Holiday Events including the Ice Rink, Lighting of the Doves and International Winter on the Waterway. The Board was also informed that the Lighting of the Tree at Market Street would take place on Thursday, November 19, 2009. Steve Sumner reported on the following Operation and Public Safety items: thanked the Community Associations for the tribute honoring veterans; provided an overview of public safety measures for Lighting of the

Doves and International Winter on the Waterway; noted the trolley pick up and drop off

routes for the festivals and lastly; announced that the new parking structure at the

corner of Lake Robbins and Timberloch is now open.

Board members were then asked to consider items to be placed on the agenda

for the next meeting. There were no items mentioned.

Next, Chairman Blair asked for Board announcements. The following

announcements were made:

• Remain after meeting if you need to sign any paperwork

Woodlands Association meeting on Thursday, November 19,

2009 at 7:30 p.m. (possibly the last meeting)

Woodlands Commercial Owners meeting on Thursday,

November 19, 2009 at 3:30 p.m.

Question raised about whether a presentation on bond indebt-

edness is planned for the near future

As there were no further announcements, the Chair called for a motion to

adjourn. Director Hunter moved to adjourn the meeting. The motion was seconded by

Treasurer Richmond and passed unanimously. The meeting was adjourned at 11:46 a.m.

(SEAL)

Alex Sutton III
Secretary, Board of Directors

EXHIBIT OMISSIONS*

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EXHIBIT "B" EXHIBIT "O"

EXHIBIT "C" EXHIBIT "P"

EXHIBIT "D" EXHIBIT "Q"

EXHIBIT "E" EXHIBIT "R"

EXHIBIT "F" EXHIBIT "S"

EXHIBIT "G" EXHIBIT "T"

EXHIBIT "H" EXHIBIT "U"

EXHIBIT "I" EXHIBIT "V"

EXHIBIT "J" EXHIBIT "W"

EXHIBIT "K" EXHIBIT "X"

EXHIBIT "L" EXHIBIT "Y"

EXHIBIT "M"

^{*}To view Exhibits, please contact the Records Management Officer at 281-363-2447.