

**MINUTES OF MEETING
BOARD OF DIRECTORS
SPECIAL MEETING
THE WOODLANDS TOWNSHIP
AUGUST 6, 2008**

**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 August 6, 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
Robert Kinnear	Director
Edmund W. Robb III	Director

Bruce Tough

Director

with all of said persons being present, thus constituting a quorum. Also present for conducting business and assisting Board members were Steve Sumner, Brian Pate, Mike Page, Robin Fadal, Drew Masterson, Renee Williford, and Carolyn Pennell.

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 the agenda. Treasurer Richmond moved to adopt the agenda. The motion was seconded by Director Hunter and passed unanimously.

Next, Chairman Blair called on names from the Public Comment Roster. There were no names on the roster.

Chairman Blair then asked the Board to consider and act upon a recommendation from the Executive Committee confirming the engagement of First Southwest Company to serve as financial advisors in connection with the issuance, sale, and delivery of bonds to be sold by The Woodlands Township. The Chairman provided the Board with

background information on the item. She then called for a motion and second on the item. Director Hunter moved to accept the recommendation from the Executive Committee to engage First Southwest Company to serve as financial advisors with the impending issuance of bonds for the regional participation agreements with the cities of Houston and Conroe. The motion was seconded by Secretary Sutton. The floor was then opened to questions and discussion.

After some initial Board discussion, Drew Masterson, Managing Director of First Southwest Company, was then asked to address the Board on the bond issue. Mr. Masterson presented a brief overview of the services provided by his company and then entertained questions from the Board. Director Tough asked Mr. Masterson to describe the process involved in selling bonds. Following Mr. Masterson's presentation, Chairman Blair called for a vote. The motion passed unanimously.

Next, the Committee was asked to consider and act upon a recommendation from the Executive Committee confirming the engagement of Schwartz, Page & Harding, L.L.P. to serve as bond counsel and project counsel in connection with the issuance, sale, and delivery of

bonds to be sold by The Woodlands Township. Director Campbell moved to accept the recommendation from the Executive Committee to engage Schwartz, Page & Harding, L.L.P. The motion was seconded by Director Hunter. Chairman Blair asked if there were any questions. As there were none, the Chairman then called for a vote. The motion passed unanimously. A copy of the Executive Summary for the financial advisor and bond/project counsel is attached hereto as Exhibit "A".

Chairman Blair then asked the Board to consider and act upon modification of the contract with Right Management. Director Hunter moved to table this item and send it to the Executive Committee for further review. The motion was seconded by Secretary Sutton and passed unanimously.

The Board recessed to Executive Session at 8:00 a.m. to discuss personnel matters pursuant to §551.074, Texas Government Code.

The Board reconvened in Public Session at 9:37 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 modification of management personnel for The Woodlands Township.

First, Chairman Blair explained that during the past sixty days leadership of The Woodlands Township had been handled by three Co-Managers: the Vice President of Operations & Public Safety, Steve Sumner, Vice President of Marketing & Public Affairs, Nick Wolda, and former Vice President of Finance & Administration, Brian Pate. The Co-Managers were recognized for their leadership and then informed they could return to their regular duties. The Chair then entertained a motion by Director Robb to appoint Director Kinnear to act as interim President for The Woodlands Township on a month to month basis on terms to be reduced to writing and approved by the Chairman and Vice-Chairman of the Board. The motion also included that the appointment be made on the condition that Director Kinnear recuse himself from directorship and not participate as a director during the term that he is the interim President. The motion was seconded by Director Hunter and passed with Directors Blair, Campbell, DeGroot, Hunter, Matthews, Richmond, Robb, Sutton, and Tough voting in favor, Director Hausman opposed, and Director Kinnear abstained.

The Board was next asked to consider and act upon management positions for The Woodlands Township. The Chair entertained a motion

by Director Robb for the Executive Committee to pursue the search for an internal candidate and to negotiate terms of employment with an internal candidate for President to be presented to the Board. The motion was seconded by Director Hunter and carried unanimously.

Chairman Blair then asked the Board to consider items to be placed on the agenda for the next meeting. Director Robb stated that the Governance & Nominations Committee would be ready to make a report at the next meeting.

As there were no further matters to come before the Board, Chairman Blair 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 9:45 a.m.

(SEAL)
Directors

Alex Sutton III
Secretary, Board of

