

**MINUTES OF MEETING
BOARD OF DIRECTORS
TOWN CENTER IMPROVEMENT DISTRICT
OF MONTGOMERY COUNTY, TEXAS
August 29, 2007**

**THE STATE OF TEXAS §
COUNTY OF MONTGOMERY §**

The Board of Directors of Town Center Improvement District (TCID) of Montgomery County, Texas, met in special session, open to the public, on August 29, 2007, posted to begin at 9:00 a.m. The meeting was held at The Woodlands Waterway Marriott® Hotel and Convention Center, Waterway Ballroom Nos. 4 and 5, 1601 Lake Robbins Drive, The Woodlands, Montgomery County, Texas, within the boundaries of the District.

Chairman Blair called the meeting to order at 9:00 a.m. She explained to the Board that they would conduct business matters first and then recess into a public hearing. Following the public hearing, the Board would then reconvene in special session to conclude the business portion of the meeting.

The roll was called of the duly elected and appointed members of the Board of Directors, to wit:

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| Nelda Luce Blair | Chairman |
| Lloyd W. Matthews | Vice-Chairman |
| Fred R. O'Connor | Treasurer/Assistant Secretary |
| Kemba D. DeGroot | Secretary |
| Edmund W. Robb III | Director |
| Vicki D. Richmond | Director |
| Peggy S. Hausman | Director |
| Robert C. Kinnear | Director |
| Ken Smith | Director |
| Alex Sutton III | Director |
| Les R. Tarrance, Sr. | Director |

with all of said persons being present, excluding Treasurer O'Connor and Directors Hausman and Tarrance, 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, Renee Williford, and Kristin Freeman.

Chairman Blair 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. Director Robb moved to adopt the agenda. The motion was seconded by Director Smith and carried by unanimous vote.

Next, Chairman Blair asked the Board to consider and act upon adoption of a proclamation recognizing significant individual contributions to the development of The Woodlands Town Center. She called Robert J. Heineman, Vice President of Planning for The Woodlands Development Company, to the podium and then read the proclamation in his honor. Following the presentation of the proclamation, Vice-Chairman Matthews moved to adopt the proclamation. Secretary DeGroot seconded the motion and it carried by unanimous vote. An unsigned copy of the proclamation is attached hereto as Exhibit "A".

The Board was then asked to consider and act upon approving and authorizing execution of a Regional Participation Agreement (RPA) with the City of Conroe. Chairman Blair called on Mike Page, Legal Counsel for the District, to present this item. Mr. Page explained the principal terms of the RPA, mutually agreed upon, between TCID and the City of Conroe. Following Mr. Page's presentation, Director Kinnear moved to approve the RPA with the City of Conroe. The motion was seconded by Director Robb and passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "B".

Next, Chairman Blair referred the Board and audience to the framed boundary map in the meeting room. She recognized Stephen Matovich and Leonard McBee, with S & V

Surveying, for their hard work and dedication toward creating the expanded boundary map for TCID. A copy of the proposed boundary map is attached hereto as Exhibit "C".

At 9:12 a.m. the Board recessed to a public hearing on the conditional expansion of the boundaries of TCID. Chairman Blair called on Mike Page to discuss some of the provisions of H.B. 4109. Mr. Page stated that the purpose of the public hearing was for the TCID Board of Directors to determine whether or not the boundaries of TCID should be expanded conditionally and then submit the boundaries to the voters for confirmation and approval at the November 6, 2007 election.

Chairman Blair then formally announced the start of the public hearing. She informed the audience that a public forum will be held on Tuesday, September 25, 2007 at 7:00 p.m. at the Convention Center for anyone wishing to discuss other matters. She further clarified that today's hearing was restricted to testimony on the proposed conditional expansion of TCID's boundaries and nothing else.

Next, Chairman Blair asked attendees wishing to offer testimony, for or against the proposed addition of territory to the boundaries of the District, to sign the witness roster. The following witnesses addressed the Board: Senator Tommy Williams, State Representative Rob Eissler, Jeff Long, Joel Deretchin, Karen Hoylman, James Stilwell, Bruce Tough, John Nanninga, and Jonathan Homeyer. A copy of the roster is attached hereto as Exhibit "D". Copies of resolutions from The Woodlands Community Association, Inc. and The Woodlands Association, Inc., in support of TCID calling an election, are attached hereto as Exhibits "E" and "F", respectively. A letter from The Woodlands Commercial Owners Association, Inc., in support of TCID calling an election, is attached hereto as Exhibit "G".

Chairman Blair then asked the Board to consider and act upon the addition of territory to the boundaries of the District on the Board's own motion, but subject to a confirmation election, as authorized by Section 7-a, Chapter 289, Acts of the 73rd Legislature, Regular Session, 1993,

as added by H.B. 4109, Acts of the 80th Legislature, Regular Session, 2007. She called on Bob Kinnear, Chair of the Committee on Governance and Nominations to offer a recommendation from the committee. Director Kinnear stated that the committee was in favor of the conditional boundary expansion. Director Kinnear then moved to accept the recommendation. The motion was seconded by Director Robb and carried by unanimous vote. The Order Adding Territory to TCID is attached hereto as Exhibit "H".

At 9:29 a.m. the Board reconvened in special session. Chairman Blair announced the conclusion of the public hearing, but informed people in the audience that they were welcome to stay for the remainder of the meeting.

Chairman Blair next asked the Board to consider and act upon calling an election for November 6, 2007, as permitted or required by Sections 7-a and 9, Chapter 289, Acts of the 73rd Legislature, Regular Session, 1993, as added by H.B. 4109, Acts of the 90th Legislature, Regular session, 2007. She called on Mike Page to explain the required actions of the Board. Mr. Page informed the Board of a written Order Calling an Election. He discussed the propositions on the election ballot and then directed the audience's attention to boundary maps with polling locations displayed in the meeting room. The Order Calling Confirmation and Tax Election is attached hereto as Exhibit "I".

Following Mr. Page's presentation, Chairman Blair called on Frank Robinson, President for the District, to present the financial impact of additional sales tax revenue and consideration of an ad valorem property tax to be added to the ballot. Mr. Robinson presented a PowerPoint showing two financial scenarios: a TCID (no change) scenario and The Woodlands Township (expanded boundaries) scenario. Following Mr. Robinson's presentation, Director Kinnear moved to call an election for November 6, 2007 and include an ad valorem property tax on the ballot. Director Robb seconded the motion and it carried unanimously. A copy of the PowerPoint presentation is attached hereto as Exhibit "J".

Next Chairman Blair asked the Board to consider and act upon contracting with Montgomery County for election administration services in connection with the November 6, 2007 election. Chairman Blair called on Brian Pate, Vice President of Finance & Administration, to present this item. Following Mr. Pate's presentation, Secretary DeGroot moved to authorize the District to execute the necessary agreements for the November 6, 2007 election and amend the budget in connection therewith. The motion was seconded by Director Richmond and carried unanimously. A copy of the Executive Summary is attached hereto as Exhibit "K".

Chairman Blair then asked the Board to consider and act upon authorizing a Voting Rights Act submission to the U.S. Department of Justice for pre-clearance of the November 6, 2007 election. She called on Mike Page to present this item. Mr. Page explained that due to changes in past voting practices (expansion of TCID's boundaries and inclusion of more voters and polling places) proposed changes must be submitted prior to the election date. Following Mr. Page's comments, Vice-Chairman Matthews moved to authorize a Voting Rights Act submission. Director Sutton seconded the motion and it passed unanimously. The Voting Rights Act submission is attached hereto as Exhibit "L".

The Board was then asked to consider items to be placed on the agenda for the next meeting. As there were none, Chairman Blair took the opportunity to remind the audience of the public forum to be held Tuesday, September 25, 2007 at the Convention Center. She then called for a motion to adjourn. Secretary DeGroot moved to adjourn the meeting. The motion was seconded by Director Kinnear and the meeting was adjourned at 9:47 a.m.

Kemba D. DeGroot
Secretary

(SEAL)

