NOTICE OF SALE
AND
BIDDING INSTRUCTIONS

ON

$34,800,000
THE WOODLANDS TOWNSHIP
UNLIMITED TAX BONDS, SERIES 2010

Sealed Bids Due Wednesday, March 24, 2010, at 10:00 A.M., C.D.S.T.

THE BONDS WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

THE SALE

BONDS OFFERED FOR SALE AT COMPETITIVE BIDDING. . . The Woodlands Township (the "Township") is offering for sale its $34,800,000 Unlimited Tax Bonds, Series 2010 (the "Bonds"). Bidders may submit bids for the Bonds by any of the following methods:

(1) Deliver bids directly to the Township as described below in “Bids Delivered to the Township;”
(2) Submit bids electronically as described below in “Electronic Bidding Procedures;” or
(3) Submit bids by telephone or facsimile as described below in “Bids by Telephone or Facsimile.”

BIDS DELIVERED TO THE TOWNSHIP . . . Sealed bids, plainly marked "Bid for Bonds", should be addressed to "Board of Directors, The Woodlands Township", and delivered in care of Monique Sharp, Assistant General Manager-Finance and Administration, The Woodlands Township, 10001 Woodloch Forest Drive, Suite 600, The Woodlands, Texas 77380, prior to 10:00 A.M., C.D.S.T., on the date of the bid opening. All bids must be submitted on the Official Bid Form, without alteration or interlineation.

ELECTRONIC BIDDING PROCEDURE . . . Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. **Bidders submitting an electronic bid shall not be required to submit Official Bid Forms.** Subscription to the i-Deal LLC's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The Township will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale and Bidding Instructions, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Township. The Township shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Notice of Sale and Bidding Instructions shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Notice of Sale and Bidding Instructions shall control. Further information about PARITY, including any fee charged, may be obtained from Parity Customer Support, 40 West 23rd Street, 5th Floor, New York, New York 10010, (212) 404-8102.

For purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by PARITY shall constitute the official time. **For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the Township, as described under "CONDITIONS OF THE SALE - Basis for Award" below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and Bidding Instructions and the Official Bid Form.**

BIDS BY TELEPHONE OR FACSIMILE. . . Bidders must submit, on or before March 24, 2010, two SIGNED Official Bid Forms to Drew K. Masterson, First Southwest Company, 1021 Main St., Suite 2200, Houston, TX 77002, and submit their bid by telephone or facsimile (fax) on the date of the sale.

Telephone bids will be accepted at (281) 210-3831, between 9:00 A.M. and 10:00 A.M., C.D.S.T. Bids will not be accepted by voicemail.

Fax bids must be received between 9:00 A.M. and 10:00 A.M., C.D.S.T., on the date of the sale at (281) 210-3978, attention Drew K. Masterson c/o Monique Sharp.

The Township and First Southwest Company are not responsible if such telephone or fax numbers are busy which prevents a bid or bids from being submitted on a timely basis. First Southwest Company will not be responsible for submitting any bids received after the above deadlines. First Southwest Company assumes no responsibility or liability with respect to any irregularities associated with the submission of bids if telephone or fax options are exercised.

PLACE AND TIME OF BID OPENING. . . The bids for the Bonds will be publicly opened and read in 10001 Woodloch Forest Drive, Suite 600, The Woodlands, Texas 77380 at 10:00 A.M., C.D.S.T., March 24, 2010.

AWARD OF THE BONDS. . . The Township Board will take action to award the Bonds (or reject all bids) at a meeting scheduled to convene at 9:00 A.M., C.D.S.T., on the date of the bid opening, and will adopt a resolution authorizing the Bonds and approving the Official Statement (the "Bond Resolution").

THE BONDS

DESCRIPTION. . . The Bonds will be dated April 1, 2010 (the "Dated Date"). Interest will accrue from the Delivery Date and will be due on March 1, 2011, and each September 1 and March 1 thereafter until the earlier of maturity or prior redemption. The Bonds will be issued only in fully registered form in any integral multiple of $5,000 for any one maturity. The Bonds will mature on March 1 in each year as follows:

MATURITY SCHEDULE

Principal	Maturity March 1	Principal	Maturity March 1
$ 835,000	2011	$ 1,695,000	2021
1,335,000	2012	1,750,000	2022
1,360,000	2013	1,815,000	2023
1,385,000	2014	1,895,000	2024
1,415,000	2015	1,995,000	2025
1,450,000	2016	2,095,000	2026
1,490,000	2017	2,205,000	2027
1,535,000	2018	2,320,000	2028
1,585,000	2019	2,440,000	2029
1,635,000	2020	2,565,000	2030

OPTIONAL REDEMPTION . . . The Township reserves the right, at its option, to redeem Bonds having stated maturities on and after March 1, 2020, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, on March 1, 2019, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption.

SERIAL BONDS AND/OR TERM BONDS…Bidders may provide that all the Bonds be issued as serial Bonds or may provide that any two or more consecutive annual principal amounts be combined into one or more Term Bonds.

MANDATORY SINKING FUND REDEMPTION . . . In addition to the foregoing optional redemption provision, if principal amounts designated in the serial maturity schedule above are combined to create Term Bonds, each such Term Bond shall be subject to mandatory sinking fund redemption commencing on March 1 of the first year which has been combined to form such Term Bond and continuing on March 1 in each year thereafter until the stated maturity date of that Term Bond, and the amount required to be redeemed in any year shall be equal to the principal amount for such year set forth in the serial maturity schedule above. Term Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot from and among the Term Bonds then subject to redemption.

The principal amount of the Term Bonds required to be redeemed pursuant to the operation of such mandatory sinking fund redemption provisions may be reduced, at the option of the Township, by the principal amount of the Term Bonds of the same maturity which, at least forty-five (45) days prior to a mandatory redemption date (i) shall have been acquired by the Township at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase and delivered to the Paying Agent/Registrar for cancellation or (ii) shall have been redeemed pursuant to the optional redemption provisions and not previously credited against a mandatory sinking fund redemption requirement.

BOOK-ENTRY-ONLY SYSTEM. . . The Township intends to utilize the Book-Entry-Only System of The Depository Trust Company ("DTC"). See "THE BONDS - BOOK-ENTRY-ONLY SYSTEM" in the Official Statement.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar shall be The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (See "THE BONDS - PAYING AGENT/REGISTRAR" in the Official Statement).

SOURCE OF PAYMENT. . . All taxable property within the Township is subject to a continuing direct annual ad valorem tax levied by the Township sufficient to provide for the payment of principal of and interest on all Bonds. (See "SECURITY FOR THE BONDS" in the Official Statement). Further details regarding the Bonds are set forth in the Official Statement.

CONDITIONS OF THE SALE

TYPE OF BIDS AND INTEREST RATES. . . The Bonds will be sold in one block on an "All or None" basis, and at a price of not less than their par value plus accrued interest from the date of the Bonds to the date of delivery of the Bonds, or greater than their par value plus a cash premium not to exceed $5,000, and accrued interest from the date of the Bonds to the date of delivery of the Bonds. Bidders are invited to name the rate(s) of interest to be borne by the Bonds, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/100 of 1% and the net effective interest rate must not exceed 15%. The highest rate bid may not exceed the lowest rate bid by more than 1.5% in rate. Using the interest rate established for the March 1, 2019, maturity as the base year, interest rates for successive maturities shall be structured in ascending order such that for each succeeding maturity, rates shall be equal to or greater than the interest rate for the maturity of the preceding year. No limitation is imposed upon bidders as to the number of rates or changes which may be used. All Bonds of one maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered. Each bidder shall state in the bid the total interest cost in dollars and the effective interest rate determined thereby (calculated in the manner prescribed by Section 1204.004, Texas Government Code), which shall be considered informative only and not as a part of the bid.

BASIS FOR AWARD. . . Subject to the Township's right to reject any or all bids and to waive any irregularities except time of filing, the sale of the Bonds will be awarded to the bidder or syndicate account manager whose name first appears on the Official Bid Form (the "Initial Purchaser") making a bid that conforms to the specifications herein and which produces the lowest “True Interest Cost” rate to the Township. The “True Interest Cost” rate is that rate which, when used to compute the total present value as of the Dated Date of all debt service payments on the Bonds on the basis of semi-annual compounding, produces an amount equal to the sum of the par value of the Bonds plus premium bid, if any (but not interest accrued from the Dated Date to the date of their delivery). In the event of a bidder's error in interest cost rate calculations, the interest rates, and premium, if any, set forth in the Official Bid Form will be considered as the intended bid.

GOOD FAITH DEPOSIT. . . A Good Faith Deposit, payable to "The Woodlands Township," in the amount of $696,000, is required. Such Good Faith Deposit shall be a bank cashier's check or certified check, which is to be retained uncashed by the Township pending the Purchaser's compliance with the terms of the bid and this Notice of Sale and Bidding Instructions. The Good Faith Deposit may accompany the Official Bid Form or it may be submitted separately. If submitted separately, it shall be made available to the Township prior to the opening of the bids, and shall be accompanied by instructions from the bank on which drawn which authorize its use as a Good Faith Deposit by the Initial Purchaser who shall be named in such instructions. **The Good Faith Deposit of the Initial Purchaser will be returned to the Initial Purchaser upon payment for the Bonds.** No interest will be allowed on the Good Faith Deposit. In the event the Initial Purchaser should fail or refuse to take up and pay for the Bonds in accordance with the bid, then said check shall be cashed and accepted by the Township as full and complete liquidated damages. The checks accompanying bids other than the winning bid will be returned immediately after the bids are opened, and an award of the Bonds has been made.

DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS

CUSIP NUMBERS. . . It is anticipated that CUSIP identification numbers will appear on the Bonds, but neither the failure to print or type such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Sale and Bidding Instructions and the terms of the Official Bid Form. All expenses in relation to the printing or typing of CUSIP numbers on the Bonds shall be paid by the Township; provided, however, that the CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid for by the Initial Purchaser.

DELIVERY OF BONDS . . . Initial Delivery will be accomplished by the issuance of one Initial Bond (also called the "Bond" or "Bonds"), either in typed or printed form, in the aggregate principal amount of $34,800,000, payable in stated installments to the Initial Purchaser, executed by the manual or facsimile signature of the Township Secretary of the Board of Directors, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of Texas. Upon delivery of the Initial Bond, it shall be immediately cancelled and one definitive Bond for each maturity will be registered and delivered only to Cede & Co., and deposited with DTC in connection with DTC's Book-Entry-Only System. Delivery will be at the designated office of the Paying Agent/Registrar. Payment for the Bonds must be made in immediately available funds for unconditional credit to the Township, or as otherwise directed by the Township. The Initial Purchaser will be given six business days' notice of the time fixed for delivery of the Bonds. It is anticipated that delivery of the Bonds can be made on or about April 22, 2010, and it is understood and agreed that the Initial Purchaser will accept delivery and make payment for the Bonds by 10:00 A.M., C.D.S.T., on April 22, 2010, or thereafter on the date the Bond is tendered for delivery, up to and including May 20, 2010. If for any reason the Township is unable to make delivery on or before May 20, 2010, the Township shall immediately contact the Initial Purchaser and offer to allow the Initial Purchaser to extend its offer for an additional thirty days. If the Initial Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the Township and the Initial Purchaser shall be relieved of any further obligation. In no event shall the Township be liable for any damages by reason of its failure to deliver the Bonds, provided such failure is due to circumstances beyond the Township's reasonable control.

CONDITIONS TO DELIVERY . . . The obligation of the Initial Purchaser to take up and pay for the Bonds is subject to the Initial Purchaser's receipt of (a) the legal opinion of Schwartz, Page & Harding, L.L.P., Houston, Texas, Bond Counsel for the Township ("Bond Counsel"), and (b) the no-litigation certificate.

To provide the Township with information to enable it to comply with certain conditions of the Internal Revenue Code of 1986 relating to the exemption of interest on the Bonds from gross income for federal income tax purposes, the Initial Purchaser will be required to complete, execute, and deliver to the Township (on or before the close of business on the day following the award of the sale of the Bonds) a certification regarding "issue price" substantially in the form and to the effect attached hereto or accompanying this Notice of Sale and Bidding Instructions. In the event the successful bidder will not reoffer the Bonds for sale or has not sold a substantial amount of Bonds of any maturity by the date of delivery, such certification may be modified in a manner approved by the Township. **In no event will the Township fail to deliver the Bonds as a result of the Initial Purchaser's inability to certify actual sales of Bonds at a particular price prior to delivery.** Each bidder, by submitting its bid, agrees to complete, execute, and deliver such a certification by the date specified above, if its bid is accepted by the Township. It will be the responsibility of the Initial Purchaser to institute such syndicate reporting requirements to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel.

LEGAL OPINION. . . The Bonds are offered when, as and if issued, subject to the approval of the Attorney General of Texas. Delivery of and payment for the Bonds is subject to the receipt by the Initial Purchaser of the opinion of Schwartz, Page & Harding, L.L.P., Bond Counsel, substantially to the effect that based upon an examination of a transcript of certified proceedings of the Township relating to the authorization and issuance of the Bonds, the Bonds are validly issued under the Constitution and laws of the State of Texas and to the effect that interest on the Bonds is excludable from gross income for federal income tax purposes under existing law, subject to the matters described under “TAX EXEMPTION MATTERS” in the Official Statement.

CHANGE IN TAX EXEMPT STATUS . . . .At any time before the Bonds are tendered for delivery, the Initial Purchaser may withdraw its bid if the interest received by private holders on obligations of the same type and character as the Bonds shall be declared to be includable in gross income under present federal income tax laws, either by ruling of the Internal Revenue Service or by a decision of any Federal court, or shall be declared taxable or be required to be taken into account in computing any federal income taxes, by the terms of any federal income tax law enacted subsequent to the date of this Notice of Sale and Bidding Instructions.

GENERAL

FINANCIAL ADVISOR. . . First Southwest Company is employed as Financial Advisor to the Township in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. First Southwest Company has agreed, in its Financial Advisory contract, not to bid for the Bonds, either independently or as a member of a syndicate organized to submit a bid for the Bonds. First Southwest Company, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

BLUE SKY LAWS. . . By submission of its bid, the Initial Purchaser represents that the sale of the Bonds in states other than Texas will be made only pursuant to exemptions from registration or, where necessary, the Initial Purchaser will register the Bonds in accordance with the securities law of the states in which the Bonds are offered or sold. The Township agrees to cooperate with the Initial Purchaser, at the Initial Purchaser's written request and expense, in registering the Bonds or obtaining an exemption from registration in any state where such action is necessary, provided, however, that the Township shall not be obligated to execute a general or special consent to service of process in any such jurisdiction.

NOT AN OFFER TO SELL. . . This Notice of Sale and Bidding Instructions does not alone constitute an offer to sell the Bonds, but is merely notice of the sale of the Bonds. The offer to sell the Bonds is being made by means of this Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement. Prospective purchasers are urged to carefully examine the Official Statement to determine the investment quality of the Bonds.

ISSUANCE OF ADDITIONAL DEBT . . .The Township does not anticipate the issuance of additional general obligation debt within the next 12 months.

RATINGS. . . Application for a rating on the Bonds has been made to S&P. The rating reflects only the respective view of such organization, and the Township makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating company, if in the judgment of such company, circumstances so warrant. Any such downward revision or withdrawal of such rating, may have an adverse effect on the market price of the Bonds.

MUNICIPAL BOND INSURANCE. . . In the event the Bonds are qualified for municipal bond insurance, and the Initial Purchaser desires to purchase such insurance, the cost therefore **will be paid by the Initial Purchaser.** Any fees to be paid to the rating agencies as a result of said insurance **will be paid by the Township.** It will be the responsibility of the Initial Purchaser to disclose the existence of insurance, its terms and the effect thereof with respect to the reoffering of the Bonds.

In the event the Initial Purchaser indicates in its bid that it has elected to purchase a municipal bond insurance policy insuring all or part of the Bonds, the Initial Purchaser shall bear the risk of nondelivery of such insurance policy by the insurer and the risk that prior to the delivery of the Bonds there may occur a downgrading, or notice may be given of an intended or potential downgrading, in the rating accorded to the insurer by any Rating Agency, and no such downgrading or notice of an intended or potential downgrading of the insurer shall relieve the Initial Purchaser of its obligation to purchase the Bonds on the terms specified in its bid.

MINORITY AND WOMEN PARTICIPATION. . . The Township encourages women-owned and minority-owned enterprises to submit bids for the Bonds. Each senior manager of any underwriting syndicate that submits a bid for the Bonds is strongly encouraged to use its best efforts to include certified women-owned and minority-owned business enterprises in its syndicate. The successful bidder will be requested to discuss its efforts in this regard with Township staff.

As used herein, "minority-owned business" means a business entity at least 51% of which is owned by members of a minority group and this is managed and, in daily operations, is controlled by minority group members. "Minority group members" include African-Americans, Mexican Americans and other Americans of Hispanic origin, Asian Americans, and American Indians. "Women-owned business" means a business entity at least 51% of which is owned by women or, in the case of a corporation, at least 51% of the shares of which are owned by women, and that is managed and controlled by women in its daily operations.

THE OFFICIAL STATEMENT AND COMPLIANCE WITH SEC RULE 15C2-12 . . The Township has prepared the accompanying Official Statement and, for the limited purpose of complying with SEC Rule 15c2-12, deems such Official Statement to be final as of its date within the meaning of such Rule for the purpose of review prior to bidding. To the best knowledge and belief of the Township, the Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person that is material to an evaluation of the offering of the Bonds. Representations made and to be made by the Township concerning the absence of material misstatements and omissions in the Official Statement are addressed elsewhere in this Notice of Sale and Bidding Instructions and in the Official Statement.

The Township will furnish to the Initial Purchaser, in accordance with instructions received from the Initial Purchaser, within seven (7) business days from the sale date an aggregate of 250 copies of the Official Statement reflecting interest rates and other terms relating to the initial reoffering of the Bonds. The cost of any Official Statement in excess of the number specified shall be prepared and distributed at the cost of the Initial Purchaser. The Initial Purchaser shall be responsible for providing in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award. Except as noted above, the Township assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement in connection with the offering or reoffering of the subject securities.

CONTINUING DISCLOSURE AGREEMENT. . . The Township will agree in the Order to provide certain periodic information and notices of material events in accordance with Securities and Exchange Commission Rule 15c2-12, as described in the Official Statement under "CONTINUING DISCLOSURE." The Initial Purchaser's obligation to accept and pay for the Bonds is conditioned upon delivery to the Initial Purchaser or its agent of a certified copy of the Order containing the agreement described under such heading.

COMPLIANCE WITH PRIOR UNDERTAKINGS. . . The Township has complied in all material respects with all continuing disclosure agreements made by it in accordance with SEC Rule 15c2-12.

ADDITIONAL COPIES OF NOTICE, BID FORM AND STATEMENT. . . A limited number of additional copies of this Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement, as available over and above the normal mailing, may be obtained at the offices of First Southwest Company, Investment Bankers, 1021 Main Street, Suite 2200, Houston, TX 77002, Financial Advisor to the Township.

The Township Board has approved the form and content of the Notice of Sale and Bidding Instructions, the Official Bid Form and Official Statement, and authorized the use thereof in its initial offering of the Bonds. On the date of the sale, the Township Board will, in the Order authorizing the issuance of the Bonds, confirm its approval of the form and content of the Official Statement, and any addenda, supplement or amendment thereto, and authorize its use in the reoffering of the Bonds by the Initial Purchaser.

_____
Chairman, Board of Directors
The Woodlands Township

ATTEST:

_____
Secretary, Board of Directors
The Woodlands Township

OFFICIAL BID FORM

Board of Directors
The Woodlands Township

March 24, 2010

Members of the Board of Directors:

Reference is made to your Official Statement and Notice of Sale and Bidding Instructions, dated March 17, 2010, of $34,800,000 THE WOODLANDS TOWNSHIP UNLIMITED TAX BONDS, SERIES 2010, both of which constitute a part hereof.

For your legally issued Bonds, as described in said Notice of Sale and Bidding Instructions and Official Statement, we will pay you par and accrued interest from date of issue to date of delivery to us, plus a cash premium, not to exceed $5,000, for Bonds maturing and bearing interest as follows:

Maturity March 1	Principal	Interest Rate	Maturity March 1	Principal	Interest Rate
2011	$ 835,000	_____ %	2021	$ 1,695,000	_____ %
2012	1,335,000	_____ %	2022	1,750,000	_____ %
2013	1,360,000	_____ %	2023	1,815,000	_____ %
2014	1,385,000	_____ %	2024	1,895,000	_____ %
2015	1,415,000	_____ %	2025	1,995,000	_____ %
2016	1,450,000	_____ %	2026	2,095,000	_____ %
2017	1,490,000	_____ %	2027	2,205,000	_____ %
2018	1,535,000	_____ %	2028	2,320,000	_____ %
2019	1,585,000	_____ %	2029	2,440,000	_____ %
2020	1,635,000	_____ %	2030	2,565,000	_____ %

Of the principal maturities set forth in the table above, Term Bonds have been created as indicated in the following table (which may include multiple Term Bonds, one Term Bond or no Term Bond if none is indicated). For those years which have been combined into a Term Bond, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term Bond maturity date shall mature in such year. The Term Bonds created are as follows:

Term Bond Maturity Date March 1	Year of First Mandatory Redemption	Principal Amount of Term Bond	Interest Rate
		$	%
		$	%
		$	%
		$	%

Our calculation (which is not a part of this bid) of the interest cost from the above is:

TRUE INTEREST COST _____%

We are having the Bonds of the following maturities _____insured by _____ at a premium of $_____, **said premium to be paid by the Initial Purchaser.** Any fees to be paid to the rating agencies as a result of said insurance **will be paid by the Township.**

The Initial Bond shall be registered in the name of _____, which will, upon payment for the Bonds, be cancelled by the Paying Agent/Registrar. The Bonds will then be registered in the name of Cede & Co. (DTC's partnership nominee), under the Book-Entry-Only System.

A bank cashier's check or certified check of the Bank, in the amount of $696,000, which represents our Good Faith Deposit (is attached hereto) or (has been made available to you prior to the opening of this bid), and is submitted in accordance with the terms as set forth in the Notice of Sale and Bidding Instructions and Official Statement.

We agree to accept delivery of the Bonds utilizing the Book-Entry-Only System through DTC and make payment for the Initial Bond in immediately available funds in the Corporate Trust Division of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, not later than 10:00 A.M., C.D.S.T., on April 22, 2010, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the Notice of Sale and Bidding Instructions and Official Statement. It will be the obligation of the Initial Purchaser of the Bonds to complete the DTC Eligibility Questionnaire.

The undersigned agrees to complete, execute, and deliver to the Township, not less than close of business on the day following the award of the sale of the Bonds, a Bond relating to the "issue price" of the Bonds in the form and to the effect accompanying the Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable to the Township.

We agree to provide in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award.

Respectfully submitted,

Syndicate Members:

_____
Name of Underwriter or Manager

_____
Authorized Representative

_____
Phone Number

_____
Signature

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by The Woodlands Township, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the 24th day of March, 2010.

ATTEST:

_____
Chairman, Board of Directors
The Woodlands Township

_____
Secretary, Board of Directors
The Woodlands Township

CERTIFICATE OF UNDERWRITER

The undersigned hereby certifies as follows with respect to the bid and purchase of the $34,800,000 THE WOODLANDS TOWNSHIP UNLIMITED TAX BONDS, SERIES 2010 (the "Bonds"):

1. The undersigned is the duly authorized representative of the purchaser (the "Purchaser") of the Bonds from The Woodlands Township (the "Issuer").

2. All of the Bonds have been offered to members of the public in a bona fide initial offering. For purposes of this Bond, the term "public" does not include any bondhouses, brokers, dealers, and similar persons or organizations acting in the capacity of underwriters or wholesalers (including the Initial Purchaser or members of the selling group or persons that are related to, or controlled by, or are acting on behalf of or as agents for the undersigned or members of the selling group).

3. Each maturity of the Bonds was offered to the public at a price which, on the date of such offering, was reasonably expected by the Initial Purchaser to be equal to the fair market value of such maturity.

4. Other than the obligations set forth in paragraph 5 hereof (the "Retained Maturity" or "Retained Maturities"), the first price/yield at which a substantial amount (i.e., at least ten (10) percent) of the principal amount of each maturity of the Bonds was sold to the public is set forth below.

Maturity March 1	Principal	Price/Yield	Maturity March 1	Principal	Price/Yield
2011	$ 835,000	_____ %	2021	$ 1,695,000	_____ %
2012	1,335,000	_____ %	2022	1,750,000	_____ %
2013	1,360,000	_____ %	2023	1,815,000	_____ %
2014	1,385,000	_____ %	2024	1,895,000	_____ %
2015	1,415,000	_____ %	2025	1,995,000	_____ %
2016	1,450,000	_____ %	2026	2,095,000	_____ %
2017	1,490,000	_____ %	2027	2,205,000	_____ %
2018	1,535,000	_____ %	2028	2,320,000	_____ %
2019	1,585,000	_____ %	2029	2,440,000	_____ %
2020	1,635,000	_____ %	2030	2,565,000	_____ %

5. In the case of the Retained Maturities, the Initial Purchaser reasonably expected on the offering date to sell a substantial amount (i.e., at least ten (10) percent) of each Retained Maturity at the initial offering price/yield as set forth below:

Maturity March 1	Principal	Price/Yield	Maturity March 1	Principal	Price/Yield
2011	$ 835,000	_____ %	2021	$ 1,695,000	_____ %
2012	1,335,000	_____ %	2022	1,750,000	_____ %
2013	1,360,000	_____ %	2023	1,815,000	_____ %
2014	1,385,000	_____ %	2024	1,895,000	_____ %
2015	1,415,000	_____ %	2025	1,995,000	_____ %
2016	1,450,000	_____ %	2026	2,095,000	_____ %
2017	1,490,000	_____ %	2027	2,205,000	_____ %
2018	1,535,000	_____ %	2028	2,320,000	_____ %
2019	1,585,000	_____ %	2029	2,440,000	_____ %
2020	1,635,000	_____ %	2030	2,565,000	_____ %

6. Please choose the appropriate statement:

( ) The Initial Purchaser will not purchase bond insurance for the Bonds.

( ) The Initial Purchaser will purchase bond insurance from _____ (the "Insurer") for a fee/premium of $_____ (the "Fee"). The Fee is a reasonable amount payable solely for the transfer of credit risk for the payment of debt service on the Bonds and does not include any amount payable for a cost other than such guarantee, e.g., a credit rating or legal fees. The Initial Purchaser represents that the present value of the Fee for each obligation constituting the Bonds to which such Fee is properly allocated and which are insured thereby is less than the present value of the interest reasonably expected to be saved as a result of the insurance on each obligation constituting the Bonds. The Fee has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Bonds. In determining present value for this purpose, the yield of the Bonds (determined with regard to the payment of the guarantee fee) has been used as the discount rate. No portion of the Fee is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such Fee that has not been earned.

7. The Initial Purchaser understands that the statements made herein will be relied upon, by the Issuer in its effort to comply with the conditions imposed by the Internal Revenue Code of 1986, and by Bond Counsel in rendering their opinion that the interest on the Bonds is excludable from the gross income of the owners thereof.

EXECUTED and DELIVERED this _____ day of _____, 2010.

_____
(Name of Purchaser or Manager of Purchasing Syndicate)

By:_____

_____
(Title)