## MINUTES OF MEETING

## **BOARD OF DIRECTORS**

## TOWN CENTER IMPROVEMENT DISTRICT OF MONTGOMERY COUNTY, TEXAS

April 25, 2007

THE STATE OF TEXAS

COUNTY OF MONTGOMERY §

The Board of Directors of Town Center Improvement District (TCID) of Montgomery County, Texas, met in Regular session, open to the public, on April 25, 2007, posted to begin at 7:30 a.m. The meeting was held in the Board Room at 10001 Woodloch Forest Dr., Suite 600, The Woodlands, Montgomery County, Texas, within the boundaries of the District. The roll was called of the duly elected and appointed members of the Board of Directors, to wit:

Edmund W. Robb III Chairman Vicki D. Richmond Vice-Chairman

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Fred R. O'Connor Treasurer/Assistant Secretary

Lloyd W. Matthews Secretary Nelda Luce Blair Director Kemba D. DeGroot 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 Chairman Robb, Secretary Matthews, and Director Smith, thus constituting a quorum. Director Blair arrived shortly after the roll was called. Also present for conducting business and assisting Board members were Frank Robinson, Brian Pate, Nick Wolda, Steve Sumner, Robin Fadal, Renee Williford, and Kristin Freeman.

Vice-Chairman Richmond chaired the meeting and called it to order at 7:31 a.m. She announced that a quorum was present and that sufficient notice of this meeting had been duly posted as required by law. Vice-Chairman Richmond then requested a motion to adopt the agenda. Treasurer O'Connor moved that the agenda be adopted. The motion was seconded by Director Sutton and carried by unanimous vote.

Vice-Chairman Richmond then called on names from the Public Comment Roster. Tom Sifferman, a resident of The Woodlands, addressed the Board. The Public Comment Roster is attached hereto as Exhibit "A".

Vice-Chairman Richmond next asked the Board to consider and act upon approval of the minutes of the March 28, 2007, Regular meeting and the April 18, 2007, Special meeting of the Board of Directors of the District. Treasurer O'Connor moved to approve the minutes of the March 28, 2007 and April 18, 2007 meetings. The motion was seconded by Director Sutton and passed unanimously. Copies of the meeting minutes are attached hereto as Exhibits "B" and "C", respectively.

Vice-Chairman Richmond then asked the Board to receive and act upon the Financial Report as of and for the three months ended March 31, 2007. The Vice-Chairman called on Brian Pate, Vice President of Finance & Administration for the District, to present the Financial Report. Before giving his report, Mr. Pate distributed a letter from the Texas State Comptroller congratulating TCID on the establishment of Economic Development Zone No. 4. A copy of this letter is attached hereto as Exhibit "D".

Mr. Pate then referred the Board to the Financial Statements in the meeting books. After a review of the Financial Statements and Monthly Investment Report, Mr. Pate referred the Board to the sales tax data and graph, the hotel occupancy tax data and graph, and the March 2007 City Sales and Use Tax Comparison Summary. Treasurer O'Connor moved to accept the Financial Report as presented and the motion was seconded by Director Hausman. The motion

carried unanimously and a copy of the March 31, 2007, Financial Report is attached hereto as Exhibit "E".

Next, the Board was asked to consider and act upon the appointment of Directors to the Board of Directors for Town Center Economic Development Zone Nos. 1, 2, and 3. Director Blair moved to appoint the TCID Board of Directors to the Board of Directors for Town Center Economic Development Zone Nos. 1, 2, and 3. Director Sutton seconded the motion and it carried unanimously. A copy of the Executive Summary is attached hereto as Exhibit "F".

Vice-Chairman Richmond then asked the Board to consider and act upon a recommendation from the Special Projects Committee to transfer I-45 Beautification funds from the Capital Projects Fund to the District's 2007 Operating Budget for participation in maintenance of the I-45 Beautification Project. Steve Sumner, Vice President of Operations & Public Safety, was called on to present this item. Mr. Sumner referred the Board to the Executive Summary in their meeting book which outlined the I-45 Beautification Phase II Reallocation of funds. He also presented a Power Point. Mr. Sumner thanked the City of Oak Ridge North, and in particular Paul Mendes, City Manager for Oak Ridge North, for their involvement in the beautification project. Following Mr. Sumner's presentation, Director Blair moved to approve the transfer of \$63,660.80 from the Capital Projects Fund to the 2007 Operating Budget for the I-45 Beautification Project maintenance. Treasurer O'Connor seconded the motion and it carried unanimously. A copy of the Executive Summary is attached hereto as Exhibit "G".

The Board was next asked to consider and act upon adoption of the "Unit Cost Model" for purchasing public safety services for the District. Frank Robinson, President for the District, presented this item. Following Mr. Robinson's presentation, Director Blair moved to adopt the "Unit Cost Model" as the standard for pricing public safety services. Treasurer O'Connor

seconded the motion and it passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "H".

Vice-Chairman Richmond then asked the Board to consider and act upon authorizing the President for the District to execute a service agreement with The Woodlands Convention and Visitors Bureau (CVB). Frank Robinson was called on to present this item. Mr. Robinson referred the Board to the Executive Summary in their meeting book and then introduced Nick Wolda, President of The Woodlands Convention and Visitors Bureau. Mr. Wolda spoke about the purpose of the CVB and its focus on destination marketing. Following Mr. Wolda's presentation, Director Hausman moved to authorize the President for the District to execute a service agreement with The Woodlands CVB for destination marketing services and transfer TCID's destination marketing budget to The Woodlands CVB, contingent upon legal counsel's final approval. The motion was seconded by Director Tarrance and carried unanimously. A copy of the Executive Summary is attached hereto as Exhibit "I".

Next, the Board was asked to consider and act upon approving a service agreement with the Cynthia Woods Mitchell Pavilion for participation in the annual Children's Festival. Frank Robinson was called to present this item. Following Mr. Robinson's comments, Director Blair moved to authorize the President for the District to execute a service agreement in the amount of \$10,000 for the Cynthia Woods Mitchell Pavilion 2007 Children's Festival. Director Sutton seconded the motion and it passed with Director Sutton abstaining. A copy of the Executive Summary is attached hereto as Exhibit "J".

Vice-Chairman Richmond then asked the Board to receive and consider an update report from the Committee on Governance and Nominations and act upon recommendations in connection therewith. Director Kinnear, Chairman of the Committee on Governance and Nominations, presented an update on Committee activity. He read a positive letter from Bob Stout, Government Relations Consultant, regarding the progress of legislation supporting The

Woodlands-City of Houston agreement. A copy of the letter from Bob Stout is attached hereto as Exhibit "K".

Director Kinnear also updated the Board on individuals who had expressed an interest in positions on the Executive Committee for 2007-2008. The following is a list of candidates and the position they are interested in:

- Chairman—Nelda Luce Blair and Vicki Richmond
- Treasurer—Fred O'Connor
- Secretary—Kemba D. DeGroot
- Any Position—Lloyd Matthews

Director Kinnear informed the Board that the Committee will meet on May 23, 2007 to make a decision on recommendations for the four Executive Committee positions. An e-mail will then be sent the same day to all Directors in regard to this decision.

Director Kinnear also stated that the Committee recommends moving the election of officers to the last item on the agenda for the May Board of Directors' meeting. This would allow a smoother transition for the newly elected officers. Director Kinnear made a policy motion to move the election of officers from the first item to the last item on the May Board of Directors' agenda and have newly elected officers assume their duties at the beginning of the regularly scheduled meeting in June. The motion was seconded by Director Hausman and passed unanimously. A copy of the letter with the recommendations from the Committee on Governance and Nominations is attached hereto as Exhibit "L".

Board members were next asked to consider and act upon a recommendation from the Executive Committee to adopt a proclamation in support of Emergency Medical Services Week in The Woodlands Town Center. Treasurer O'Connor recommended that in the future Allen Johnson, Chief Administrative Officer of the Montgomery County Hospital District (MCHD), make a presentation to the Board on the operations of the MCHD. Treasurer O'Connor moved

to adopt the proposed proclamation declaring the week of May 20-27, 2007, as National

Emergency Medical Services Week in The Woodlands Town Center. The motion was

seconded by Director Hausman and passed unanimously. A copy of the Executive Summary,

a letter from the MCHD, and the Proclamation in support of National Emergency Medical

Services Week are attached hereto as Exhibits "M", "N", and "O", respectively.

Vice-Chairman Richmond then asked the Board to receive the administrative reports.

Frank Robinson called on Nick Wolda to present the Marketing report. Mr. Wolda made a

Power Point presentation on the Destination Marketing TV ad campaign. He also highlighted

the following: TCID's website now features The Woodlands Convention and Visitors Bureau's

logo, TCID hosted several writers from various publications from Mexico, and the 2007

Woodlands Waterway Arts Festival was a huge success.

Steve Sumner gave the Operations & Public Safety report. He highlighted the following:

Waterway Square construction progress, Texas Marine monument in Town Green Park, trolley

status, and Good Neighbor Day in Town Center.

The Board was then asked to consider and act upon any old or new business. As there

was none, Vice-Chairman asked if there were any items to be placed on the agenda for the next

meeting. As there were none, Director Blair moved to adjourn the meeting. The motion was

seconded by Director Hausman and passed unanimously. The meeting was adjourned at 8:21

a.m.

Lloyd W. Matthews

Lloyd W. Matthews Secretary

(SEAL)

Board of Directors Regular Meeting April 25, 2007

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