

**MINUTES OF MEETING
BOARD OF DIRECTORS
TOWN CENTER IMPROVEMENT DISTRICT
OF MONTGOMERY COUNTY, TEXAS
August 22, 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 August 22, 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:

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 Director Smith, 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 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. Director Kinnear moved that the agenda be adopted. The motion was seconded by Treasurer O'Connor and carried by unanimous vote.

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

Chairman Blair next asked the Board to consider and act upon approval of the minutes of the July 25, 2007, regular meeting of the Board of Directors of the District. Secretary DeGroot moved to approve the minutes of the July 25, 2007 meeting. The motion was seconded by Vice-Chairman Matthews and passed unanimously. A copy of the meeting minutes is attached hereto as Exhibit "A".

Chairman Blair then asked the Board to receive and act upon the Financial Report as of and for the seven months ended July 31, 2007. The Chairman called on Brian Pate, Vice President of Finance & Administration for the District, to present the Financial Report. Director Richmond arrived during the Financial Report. Following the presentation, Treasurer O'Connor moved to accept the Financial Report as presented and the motion was seconded by Director Tarrance. The motion carried unanimously. Attached hereto as Exhibit "B" is a copy of the July 31, 2007 Financial Report.

Next, the Board was asked to consider and act upon the approval of proposed dates for budget meetings in connection with development of the District's 2008

Operating Budget. After reviewing the proposed dates, Vice-Chairman Matthews moved to approve the proposed dates. The motion was seconded by Director Richmond and passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "C".

Chairman Blair then asked the Board to consider and act upon authorizing the President for the District to dispose of one Sharp copier (AR-501) in accordance with District policy. Frank Robinson, President for the District, was called to present this item. Following Mr. Robinson's comments, Director Kinnear moved to authorize the disposition of the copier. The motion was seconded by Treasurer O'Connor and carried unanimously.

The Board was then asked to consider and act upon approval of expenses in connection with the required publishing of the Notice of Public Hearing scheduled for August 29, 2007. Mr. Robinson addressed this item and informed the Board that the notice was posted in *The Houston Chronicle* for a cost of approximately \$41,000. Treasurer O'Connor moved to approve the publication expenses and Vice-Chairman Matthews seconded the motion. The motion carried unanimously. A copy of the Executive Summary is attached hereto as Exhibit "D".

Next, Chairman Blair asked the Board to consider and act upon approval of expenses related to the production of The Ice Rink and The Winter Wonderland for the 2007-08 holiday season. Chairman Blair called Nick Wolda, Vice President of Marketing & Public Relations, to present this item. Mr. Wolda commented on the popularity of the holiday event over the previous eight seasons and informed the Board that *Spectrum Events* would produce the event. Following Mr. Wolda's presentation,

Director Robb moved to approve using *Spectrum Events* to produce The Ice Rink at a cost not to exceed \$304,000 and The Woodlands Winter Wonderland at a cost not to exceed \$53,000. The motion was seconded by Director Tarrance and passed unanimously. Copies of the Executive Summary and a report on the history of The Ice Rink are attached hereto as Exhibit "E".

The Board was then asked to consider and act upon a recommendation to reallocate expenses in the District's 2007 marketing budget from the spring event to the 25th Anniversary of Lighting of the Doves. Chairman Blair asked Nick Wolda to present this item. Following Mr. Wolda's presentation, Director Robb moved to reallocate expenses and the motion was seconded by Secretary DeGroot. A copy of the Executive Summary is attached hereto as Exhibit "F".

Chairman Blair next asked the Board to receive and consider a report from the Committee on Governance and Nominations. She called on Director Kinnear to report to the Board. Director Kinnear stated that the Transition Team will meet on August 27, 2007. He also announced the completion of the expanded boundary map for TCID and praised the survey work performed by Stephen Matovich and Leonard McBee. Mike Page, Legal Counsel for the District, also acknowledged the efforts of the surveyors who will be publicly recognized at the Special Board of Directors' meeting to be held August 29, 2007.

At 7:45 a.m., the Board recessed to Executive Session to discuss matters relating to real property and prospective gifts or donations pursuant to §551.072 and §551.073, Texas Government Code, and to discuss or deliberate commercial or financial information received from a business prospect to be relocated, retained or

expanded in or near the District with which the District is conducting economic development negotiations, or to deliberate an offer of financial or other incentive to the prospect pursuant to §551.087, Texas Government Code.

The Board reconvened in Public Session at 9:10 a.m. Chairman Blair announced that it would not be necessary to take action at this time on real property and gifts, grants and other economic development incentive matters.

Chairman Blair then asked for the administrative reports. Nick Wolda gave an update on the International Winter on the Waterway holiday event. Also, *Opportunity Houston* with the Greater Houston Partnership will tour The Woodlands August 29, 2007. Steve Sumner, Vice President of Operations & Public Safety, gave a report on the trolley service.

Next, the Board was asked if there were any items to be placed on the agenda for the next meeting. As there were none, Chairman Blair called for a motion to adjourn. Director Robb moved to adjourn and Secretary DeGroot seconded the motion. The motion passed unanimously and the meeting adjourned at 9:15 a.m.

(SEAL)

Kemba D. DeGroot
Secretary