

**MINUTES OF MEETING
BOARD OF DIRECTORS
TOWN CENTER IMPROVEMENT DISTRICT
OF MONTGOMERY COUNTY, TEXAS
June 27, 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 June 27, 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 Richmond, 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, Robert Heineman, Juliana Marek, Renee Williford, and Kristin Freeman.

Prior to the start of the meeting, Chairman Blair called on immediate past Chair, Ed Robb. As outgoing Chairman, Director Robb congratulated the newly elected slate of officers

and expressed his appreciation to the staff of TCID. Chairman Blair, likewise, thanked Director Robb for his two years of leadership as Chair of TCID's Board of Directors.

Chairman Blair then called the meeting to order at 7:32 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 O'Connor moved that the agenda be adopted. The motion was seconded by Director Tarrance and carried by unanimous vote.

Chairman Blair then called on names from the Public Comment Roster. There were no names on the roster. Attached hereto as Exhibit "A" is the Public Comment Roster.

Chairman Blair next asked the Board to consider and act upon approval of the minutes of the May 30, 2007, Regular meeting of the Board of Directors of the District. Director Smith moved to approve the minutes of the May 30, 2007 meeting. The motion was seconded by Vice-Chairman Matthews and passed unanimously. A copy of the meeting minutes is attached hereto as Exhibit "B".

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

Next, the Board was asked to consider and act upon a recommendation from the Executive Committee to approve investment training for the District's Investment Officers. Vice-Chairman Matthews moved to approve investment training for the District's Investment Officers. The motion was seconded by Director Tarrance and passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "D".

Chairman Blair then asked the Board to consider and act upon committee appointments. Director Kinnear moved to approve the proposed committee assignments. The motion was seconded by Secretary DeGroot and passed unanimously. Copies of the Executive Summary and the proposed standing committee appointments are attached hereto as Exhibits "E" and "F", respectively.

The Board was then asked to consider and act upon a recommendation to authorize the President for the District to execute a limited service agreement with the Brazos Transit Authority for trolley service operations within the boundaries of the District. The Chairman called on Steve Sumner, Vice President of Operations & Public Safety to present this item. Mr. Sumner gave an overview of the item and Frank Robinson, President for the District, explained that the interim agreement would be in place until legal counsel on both sides formally negotiated an interlocal agreement. Director Kinnear moved to authorize a temporary service agreement with the Brazos Transit Authority to provide trolley service. The motion was seconded by Treasurer O'Connor and passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "G".

Next, the Board was asked to consider and act upon a proposal from the Special Projects Committee to update the District's existing wayfinding system and authorize the District to advertise for bids to fabricate and install replacement signage, employ the services of Marek-Hill for design and project management, and amend the District's 2007 Operating Budget in connection therewith. Chairman Blair called on Frank Robinson to provide background information on this item to the Board. Following Mr. Robinson's comments, Mr. Robert Heineman, Vice President of Planning for The Woodlands Development Company, made a brief presentation regarding the wayfinding signage project. Juliana Marek with Marek-Hill Design was then introduced to present a more detailed explanation of the project.

Following this presentation, Director Hausman asked Mr. Heineman if the signage in the Town Center would in any way conflict with The Woodlands Community Associations' signage. If so, she asked that Don Norrell, General Manager of the Community Association, be consulted. Mr. Heineman said the signage would coordinate.

Vice-Chairman Matthews, Chair of the Special Projects Committee, then moved to authorize the President for the District to contract with Marek-Hill for project management of the Town Center wayfinding system at a cost not to exceed \$28,000, authorize the District to advertise for bids for fabrication and installation of the signage, and amend the 2007 Operating Budget by \$275,000 for the capital cost of this project. The motion was seconded by Director Hausman and passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "H". Attached hereto as Exhibit "I" is a handout of the proposed wayfinding signage designed by Marek-Hill.

Chairman Blair then asked the Board to consider and act upon a recommendation from the Cultural Arts Task Force to authorize the President of the District to execute an independent market feasibility study with PKF Consulting. Director Sutton presented this item. Following his presentation, Director Sutton moved to authorize the President for the District to execute an independent market feasibility study with PKF Consulting for a proposed partnership with the Houston Museum of Natural Science at a cost not to exceed \$40,000. The motion was seconded by Director Robb and passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "J". A copy of the proposal letter from PKF Consulting is attached hereto as Exhibit "K".

Next, Chairman Blair asked the Board to consider and act upon a recommendation from the Cultural Arts Task Force to adopt a policy in connection with receiving donations of art, sculptures, and other gifts. Nick Wolda, Vice President of Marketing and Public Relations, presented this item. He reported to the Board that the Cultural Arts Task Force is not ready to

make a recommendation to the Board. Mr. Wolda informed the Board that the Task Force is in the process of soliciting art policies from other cities. After reviewing these policies and working with TCID's legal counsel, a formal policy and recommendation will be brought to the Board. No action was necessary on this item.

Chairman Blair asked the Board next to receive and consider a report from the Committee on Governance and Nominations. Director Kinnear informed the Board that the Governor signed local House Bill 4109 on June 15, 2007. He also reported that the Transition Team has met several times and is moving forward with their work. No action was necessary on this item.

The Board was next asked to consider and act upon the resignation of Director Alex Sutton from the Committee on Governance and Nominations and the Committee's recommendation to appoint Director Bob Kinnear to fill the unexpired term. Director Smith moved to accept Director Sutton's resignation and appoint Director Kinnear to fill the unexpired term. The motion was seconded by Vice-Chairman Matthews and passed unanimously. Copies of the Executive Summary and a letter from Director Sutton are attached hereto as Exhibits "L" and "M", respectively.

Chairman Blair next asked the Board to consider and act upon a recommendation to appoint government affairs consultant, Bob Stout, to the District's Governance Transition Team. The Chairman addressed this item and explained to the Board the appropriateness of appointing Mr. Stout to the Transition Team. Following the Chairman's comments, Director Kinnear moved to appoint Bob Stout to the District's Governance Transition Team. The motion was seconded by Vice-Chairman Matthews and passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "N".

At 8:00 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 8:36 a.m. Chairman Blair announced that it would be necessary to take action at this time on real property and gifts, grants and other economic development incentive matters. Director Blair asked the Board to consider and act upon authorizing the preparation of any appropriate regional participation agreement(s) pursuant to Senate Bill 1012. Mike Page, legal counsel for the District, was called on to make a few comments. Following his comments, Director Kinnear moved to authorize the District's legal counsel to prepare an appropriate regional participation agreement with the City of Conroe for consideration by the Board. The motion was seconded by Director Tarrance and passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "O".

Chairman Blair then asked for the Administrative reports. Frank Robinson called on the District's legal counsel to speak to the Board about proper conduct during a referendum election. Nick Wolda presented the report for the Marketing Department highlighting the Red, Hot & Blue Festival and Wine Week. He also reminded the Board to update their photos following the meeting. Steve Sumner presented the report for the Operations & Public Safety Department. Mr. Sumner gave an update on Waterway Square and Town Green Park. He also informed the Board that Russell Davis has been hired as the Public Facilities Manager for TCID. Mr. Sumner also commented on the Twelfth Annual Public Safety Appreciation Banquet. Lastly, Frank Robinson commented that *Opportunity Houston* has almost reached 60% of their goal toward raising \$40 million in their regional efforts to broadcast the message of Houston. Mr. Robinson stated that TCID's participation is a very good thing and very much appreciated.

Next, the Board was asked if there were any items to be placed on the agenda for the next meeting. As there were none, Director Smith moved to adjourn the meeting. Director Tarrance seconded the motion and it passed unanimously. The meeting was adjourned at 8:45 a.m.

Kemba D. DeGroot
Secretary

(SEAL)