

**MINUTES OF MEETING
BOARD OF DIRECTORS
TOWN CENTER IMPROVEMENT DISTRICT
OF MONTGOMERY COUNTY, TEXAS
September 26, 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 September 26, 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:

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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 Vice-Chairman Matthews and Treasurer O'Connor, 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, Fred Domenick, Renee Williford, and Kristin Freeman.

Chairman Blair called the meeting to order at 7:38 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 Secretary DeGroot 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 August 22, 2007, regular meeting and the August 29, 2007, special meeting of the Board of Directors of the District. Director Smith moved to approve the minutes of the August 22, 2007 and August 29, 2007 meetings. The motion was seconded by Director Tarrance and passed unanimously. Copies of the meeting minutes are attached hereto as Exhibits "A" and "B", respectively.

Chairman Blair then asked the Board to receive and act upon the Financial Report as of and for the eight months ended August 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 Richmond moved to accept the Financial Report as presented and the motion was seconded by Director Kinnear. The motion carried unanimously. Attached hereto as Exhibit "C" is a copy of the August 31, 2007 Financial Report.

Next, the Board was asked to consider and act upon a recommendation from the Audit Committee on selection of an accounting firm for the 2007 through 2011 audits. Chairman Blair called on Brian Pate to present this item. Following Mr. Pate's presentation, Director Tarrance moved to accept the recommendation from the Audit Committee on the selection of Null-Lairson to serve as the District's financial statement auditors for the years 2007, 2008, and 2009. The motion was seconded by Secretary DeGroot 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 a recommendation from the Executive Committee to amend the District's 2007 Operating Budget and adopt a township transition expense line in connection therewith. Brian Pate was called to present this item. Following Mr. Pate's presentation, Director Kinnear moved to approve an amendment to the 2007 operating budget and adopt a township transition expense line. The motion was seconded by Director Robb and passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "E".

Chairman Blair then asked the Board to consider and act upon approval of expenses related to Town Green Park and adding these expenses to the outstanding balance of the Town Green Park repayment agreement between TCID and Town Center Economic Development Zone No. 2. This item was presented by Brian Pate. After Mr. Pate's presentation, Director Robb moved to approve the addition of project costs of \$17,441.59 to the outstanding principal balance of the Reimbursement Agreement between TCID and Town Center Economic Development Zone No. 2 with

an effective date of December 31, 2007. The motion was seconded by Director Hausman and passed unanimously. A copy of the Executive Summary, including a record of Town Green Park capital expenditures to-date, is attached hereto as Exhibit "F".

Next, Chairman Blair asked the Board to consider and act upon the appointment of Directors to the Board of Directors of Town Center Economic Development Zones (EDZ) Nos. 1, 2, and 3 and re-elect officers to EDZ No. 4. Chairman Blair called on Frank Robinson, President of TCID, to present this item. After a brief explanation of the agenda item, Director Richmond moved to appoint Directors to Town Center Economic Development Zones Nos. 1, 2, 3, re-elect officers to EDZ No. 4, and adopt resolutions as presented. The motion was seconded by Director Sutton and passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "G".

The Board was then asked to receive and consider a report on 2007-2008 convention center activities. Chairman Blair called on Fred Domenick, General Manager of The Woodlands Waterway Marriott Hotel and Convention Center, to present this item. At the conclusion of Mr. Domenick's report, Chairman Blair thanked him for his presentation. No action was needed on this item.

Chairman Blair next asked the Board to consider and act upon a recommendation to retain the services of The Perryman Group to determine the value of tourism in The Woodlands. Chairman Blair called on Nick Wolda, Vice President of Marketing & Public Affairs for the District, to present this item. Following Mr. Wolda's presentation, Director Robb moved to retain the services of The Perryman Group for a tourism impact study at a cost of \$34,650 plus approximately \$500 in expenses. The

motion was seconded by Director Tarrance and passed unanimously. Copies of the Executive Summary and conceptual outline of the project by the Perryman Group are attached hereto as Exhibit "H".

At 8:08 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 8:40 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. Vice-Chairman Matthews arrived during the administrative reports. Marian Leck, Security Manager for the District, reported that she is working with the County Commissioner's Office, the Community Associations, and the Sheriff's Department to establish pre-approved run/walk routes in Town Center. She also informed the Board that Sergeant Brice Herring has been assigned to the motorcycle unit in Town Center. The Marketing department gave an update on holiday events in Town Center. Flavia Bastianelli, an intern at TCID, was introduced to the Board. The Board was shown a brief video in connection with a partnership formed with Continental Airlines titled *Mundo Continental*. The focus group targets top travel agents in Mexico. Frank Robinson distributed the

2006 TCID Annual Report to the Board. An invitation was extended to the Board to tour the Life Flight facility during October or November. Additionally, the Board was reminded of the first Board Budget workshop to be held on Friday, October 12, 2007.

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 Hausman moved to adjourn and Director Smith seconded the motion. The motion passed unanimously and the meeting adjourned at 8:54 a.m.

(SEAL)

Kemba D. DeGroot
Secretary