

RESOLUTION NO. 002-07

ENDORISING AND SUPPORTING LEGISLATION TO AUTHORIZE A REGIONAL PARTICIPATION AGREEMENT WITH THE CITY OF HOUSTON AND TO ENABLE TOWN CENTER IMPROVEMENT DISTRICT OF MONTGOMERY COUNTY, TEXAS, TO ENTER INTO AND PERFORM SUCH AN AGREEMENT

WHEREAS, on December 7, 2006, a tentative agreement was announced between the City of Houston, Texas, and The Woodlands community for their joint participation in certain regional improvement projects of mutual benefit to both Houston, The Woodlands and the larger regional area; and

WHEREAS, the tentative agreement contemplates the passage of legislation to authorize Houston and The Woodlands community to enter into and perform their respective obligations under a regional participation agreement ("RPA") and envisions that Town Center Improvement District of Montgomery County, Texas ("TCID"), would be authorized through changes to its current enabling legislation to enter into and perform such an RPA with Houston on behalf of The Woodlands community; and

WHEREAS, the Board of Directors of TCID has concluded and determined that it would be in the best interests of The Woodlands community and TCID to make and enter into such an RPA with Houston and to seek and support passage of necessary legislation for such purposes; and

WHEREAS, the Board of Directors of TCID has also reviewed and considered a summary of the necessary features of such proposed legislation, as well as certain other features which would be appropriate and convenient in the administration and performance of TCID's functions and responsibilities under such an RPA; Now, Therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TOWN CENTER IMPROVEMENT DISTRICT OF MONTGOMERY COUNTY, TEXAS, THAT:

Section 1: The Board of Directors of TCID of Montgomery County, Texas, does hereby enthusiastically endorse and support legislation amending and revising the current enabling legislation of TCID and authorizing certain large cities and certain large, planned communities to enter into and perform RPA's if, and so long as, such proposed legislation includes each and all of the necessary features described in ATTACHMENT I hereto.

Section 2: The Board of Directors of TCID does hereby further endorse and support and respectfully requests the inclusion in such proposed legislation of the related ancillary and convenience features described in ATTACHMENT I hereto and hereby finds and determines that each and all of such related and ancillary features would be appropriate and convenient to enable TCID to efficiently and effectively perform its duties and responsibilities under such a RPA in a manner consistent with the tentative agreement between the City of Houston and The Woodlands community.

Section 3: A certified copy of this Resolution shall be furnished to the Montgomery County delegation to the Texas Legislature and to all other interested persons, and all officers, directors, agents, and representatives of TCID are hereby authorized and requested to communicate and publicize this endorsement and declaration of support for such proposed legislation upon and subject to the terms and conditions herein set forth.

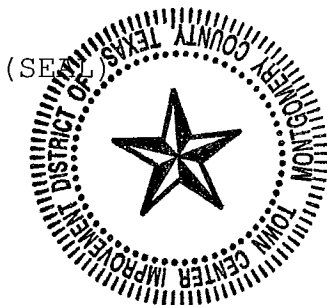
PASSED AND APPROVED this 28th day of February, 2007.

Edmund W. Roll

Chairman, Board of Directors

Clayd W. Matthew

Secretary, Board of Directors



ATTACHMENT I

REGIONAL PARTICIPATION AGREEMENT ("RPA") LEGISLATION

Necessary Features

- Defines TCID and Houston as authorized parties to RPA
- Defines eligible regional participation projects consistent with tentative Houston/Woodlands agreement
- Authorizes funding of RPA's by any unencumbered funds of TCID
- Permits mutually agreeable procedures for funding, selecting, prioritizing, implementing and accounting for eligible projects
- Provides safeguards or credits against overlapping regional taxes, assessments or fees for similar regional projects
- Allows for deferral of municipal annexation
- Allows for pre-determined date or circumstances for release from ETJ
- Allows simultaneous election for incorporation or adoption of alternative governance form
- Binding upon included lands and landowners
- Prevents premature release from ETJ or annexation by petition
- Provides enforceable remedies
- Prevents TCEQ appeals

Ancillary and Convenience Features

- Permits joinder by other persons
- Must be recorded
- Need not contain a formal boundary description
- Permits amendments, removals or exclusions by mutual consent

TCID ENABLING LEGISLATION AMENDMENTS

Necessary Features

- Authorizes use of all unencumbered funds/bonds for RPA/debt service payments
- Permits alternate annexation procedure without petitions after a public hearing and subject to a confirmation election
- Provides for complete reorganization of the Board of Directors to a 7-member, elected Board by May, 2010, with 5 members elected in May, 2008
- Changes director qualifications to 18 years of age and a resident
- Permits/requires elections for confirmation of Board transition and annexations of territory without petitions, staggered director elections each year, release from ETJ, incorporation, adoption of alternate government forms, ad valorem taxes/indebtedness, or submission of other propositions to voters
- Authorizes Woodlands area EDZ creation for continuing service programs
- Authorizes dissolution and assumption of obligations of existing EDZ's
- Modifies current TCID dissolution procedures
- Returns status quo if confirmation election fails
- Preserves existing economic development powers and functions of TCID

Ancillary and Convenience Features

- Incorporates references to Article III, Section 52-a
- Expands legislative findings of benefit
- Repeals references to a primarily commercial or business district
- Repeals impact area restrictions on spending
- Repeals periodic accounting calculations for use of hotel occupancy tax

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

I, the undersigned member of the Board of Directors of Town Center Improvement District of Montgomery County, Texas (the "District"), hereby certify as follows:

1. That I am the duly qualified and acting Secretary of the Board of Directors of the District, and that as such, I have custody of the minutes and records of the District.

2. That the Board of Directors of the District convened in Regular Session, on February 28, 2007, at the regular meeting place thereof, within the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board of Directors, to-wit:

| | |
|-------------------|-------------------------------|
| Ed Robb | Chairman |
| Vicki Richmond | Vice Chairman |
| Lloyd Matthews | Secretary |
| Fred O'Connor | Treasurer/Assistant Secretary |
| Bob Kinnear | Director |
| Nelda Luce Blair | Director |
| Peggy Hausman | Director |
| Alex Sutton | Director |
| Ken Smith | Director |
| Kemba DeGroot | Director |
| Les Tarrance, Sr. | Director |

and all of said persons were present, except Director Smith, thus constituting a quorum, whereupon, among other business, the following was transacted at such meeting: a written

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was duly introduced for the consideration of the Board of Directors. It was then duly moved and seconded that such Resolution be adopted and, after due discussion, such motion, carrying with it the adoption of such Resolution, prevailed with all Directors present voting "Aye".

3. That a true and correct copy of such Resolution adopted at such meeting is attached to and follows this certificate; that such Resolution has been duly recorded in the minutes of the Board of Directors for such meeting; that the persons named in the above and foregoing Paragraph 2 were the duly chosen, qualified and acting officers and members of the Board of Directors as indicated therein, that each was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of such meeting, and that such Resolution would be introduced and considered for adoption at such meeting, and that each consented in advance, to the holding of such meeting for

such purpose; that the canvassing of the officers and members of the Board of Directors present at and absent from such meeting and of the votes of each on such motion, as set forth in the above and foregoing Paragraph 2, is true and correct; that such meeting was open to the public as required by law; and that sufficient and timely notice of the hour, date, place and subject of such meeting was given and posted, as required by Chapter 551, Texas Government Code, as amended.

SIGNED AND SEALED the 28th day of February, 2007.

Lloyd W. Matthew
Secretary, Board of Directors

