

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 24th DAY OF FEBRUARY 2003 AT 9:00 A.M.

The call of the roll disclosed the presence of the Directors as follows:

Present

George W. Shannon
Victor W. Henderson
Hal S. Sparks III
Brian C. Newby
Gina Puente-Brancato

Also present were Ken Brummett and Wayne P. Owen.

Also in attendance were James Toal, and David Pettit representing Gideon Toal, and Bill Boecker representing Sundance, Tony Landrum representing TLC Greenfield Properties I, L.P. and David Porter representing PNL Fort Worth.

With the assurance from management that all requirements of the "open meetings" laws had been met, Director Shannon convened the meeting.

1.

With the recommendation of management, Director Sparks moved to approve a resolution approving tax abatement agreements between TLC Greenfield Properties Associates I, L.P. and the City of Fort Worth and any other taxing jurisdictions participating in City of Fort Worth Tax Increment Reinvestment Zone Number Three, City of Fort Worth, Texas (Downtown TIF) for the redevelopment of the former Bank One Tower subject to the review of the draft resolution by legal counsel. Director Henderson seconded the motion and the vote in favor was unanimous.

**A RESOLUTION APPROVING TAX ABATEMENT AGREEMENTS BETWEEN
TLC GREEN PROPERTY ASSOCIATES I, L.P. AND THE CITY OF FORT WORTH
AND ANY OTHER TAXING JURISDICTIONS PARTICIPATING IN
CITY OF FORT WORTH TAX INCREMENT REINVESTMENT ZONE NUMBER
THREE, CITY OF FORT WORTH, TEXAS (DOWNTOWN TIF)
FOR REDEVELOPMENT OF FORMER BANK ONE TOWER**

WHEREAS, on or about May 10, 1996, Tarrant Regional Water District (“Water District”) entered into a written agreement with the City to contribute certain tax increments generated by property located within the boundaries of Tax Increment Reinvestment Zone Number Three, City of Fort Worth, Texas (the “Downtown TIF”); and

WHEREAS, an affiliate of TLC Green Property Associates I, L.P. (“Developer”) is under contract to purchase real property within the Downtown TIF that includes the former Bank One Tower (the “Tower”); and

WHEREAS, the Tower, which was severely damaged in a tornado, has been vacant since March 28, 2000 and, unless redeveloped, could adversely affect the revitalization of that portion of downtown Fort Worth; and

WHEREAS, Developer plans to undertake at least a \$50 million construction project to redevelop the Tower, as more particularly described in the attached City tax abatement agreement (the “Project”); and

WHEREAS, the Project would not be feasible without tax abatements granted by the City and that may be granted by other taxing jurisdictions in accordance with Chapter 312 of the Texas Tax Code; and

WHEREAS, the Project will serve as a catalyst for increased property taxes payable to taxing entities with jurisdiction in the Downtown TIF, both from Developer’s property and property in the vicinity of the Tower, thereby directly benefiting all taxing jurisdictions participating in the Downtown TIF, including the Water District; and

WHEREAS, pursuant to Section 311.0125(b)(2) of the Texas Tax Code, in order for a taxing unit’s agreement to abate taxes on property located within a TIF to take effect, such tax abatement agreement must be approved by the governing body of each taxing entity that contributes tax increment to the tax increments fund of the TIF;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TARRANT REGIONAL WATER DISTRICT:

That the attached tax abatement agreement between the City of Fort Worth and TLC Green Property Associates I, L.P. is hereby approved in accordance with Section 311.0125(b)(2) of the Texas Tax Code, and that any tax abatement agreement entered into by another taxing jurisdiction participating in the Downtown TIF and relating to the same subject property to the same party is hereby approved, provided the terms are consistent with those set forth in the attached tax abatement agreement.

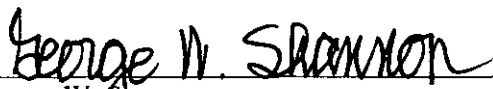
BE IT FURTHER RESOLVED that a copy of this Resolution be placed in the minutes of the Board.

Motion was made by Director Sparks, and seconded by Director Henderson, that the Resolution, above and foregoing, be adopted.

AYES: Five

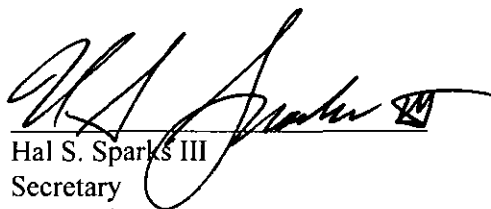
NOES: None

The vote being in favor of adoption of the Resolution, this Resolution is hereby adopted on the 24th day of February 2003.



George W. Shannon
President
Board of Directors

ATTEST:



Hal S. Sparks III
Secretary
Board of Directors

With the recommendation of management, Director Henderson moved to approve Amendment Number One to the Tax Increment Reinvestment Zone Number Three, City of Fort Worth, Texas Participation Agreement, subject to the review of the amendment and resolution by legal counsel and that President George W. Shannon is authorized to execute the amendment. Director Sparks seconded the motion and the vote in favor was unanimous.

**A RESOLUTION AUTHORIZING EXECUTION OF AN AMENDMENT TO
AGREEMENT TO PARTICIPATE IN
TAX INCREMENT REINVESTMENT ZONE NUMBER THREE,
CITY OF FORT WORTH, TEXAS (DOWNTOWN TIF)**

WHEREAS, pursuant to Ordinance No. 12324, adopted by the City Council of Fort Worth, Texas (the "City") on December 19, 1995, the City created Tax Increment Reinvestment Zone Number Three, City of Fort Worth, Texas, as previously enlarged pursuant to both Ordinance No. 14795, adopted on October 2, 2001, and Ordinance No. 14839, adopted on October 30, 2001 and as previously reduced pursuant to Ordinance No. 15317, adopted on November 5, 2002, and pursuant to Ordinance No. 15442 adopted on February 18, 2003 (the "Downtown TIF"); and

WHEREAS, on or about May 10, 1996, Tarrant County Water Control and Improvement District Number One (the "District") entered into a written agreement with the City (the "Agreement") to contribute certain tax increments generated by property located within the boundaries of the Downtown TIF; and

WHEREAS, pursuant the Agreement, the District agreed to contribute tax increment up to the point at which the Downtown TIF had committed or otherwise obligated itself to \$50 million in project costs, as defined in Section 311.002 of the Texas Tax Code; and

WHEREAS, the District wishes to amend the Agreement to provide that the District will contribute certain tax increment up to the point at which the Downtown TIF has committed or otherwise obligated itself to \$72 million in project costs, as defined in Section 311.002 of the Texas Tax Code;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TARRANT REGIONAL WATER DISTRICT:

That the President is hereby authorized to execute the attached amendment to the Agreement providing that the District will contribute one hundred percent (100%) of the tax increment generated by property located in the Downtown TIF to the Tax Increment Fund of the Downtown TIF (the "TIF Fund") until such time as the Downtown TIF has committed or otherwise obligated

obligated itself to \$72 million toward project costs, as defined in Section 311.002 of the Texas Tax Code, or other financial obligations; *provided, however*, that after the Downtown TIF has committed \$50 million toward project costs or other financial obligations, any tax increment contributions by the District to the TIF Fund shall be reserved solely for new project costs or other financial obligations committed to by the Downtown TIF on or after February 17, 2003 and may not be applied toward any project costs or other financial obligations committed by the Downtown TIF that were existing before February 17, 2003.

BE IT FURTHER RESOLVED that a copy of this Resolution be placed in the minutes of the Board.

Motion was made by Director Henderson, and seconded by Director Sparks, that the Resolution, above and foregoing, be adopted.

AYES: Five

NOES: None

The voting being in favor of adoption of the Resolution, this Resolution is hereby adopted on the 24th day of February 2003.



George W. Shannon
President
Board of Directors

ATTEST:



Hal S. Sparks III
Secretary
Board of Directors

3.

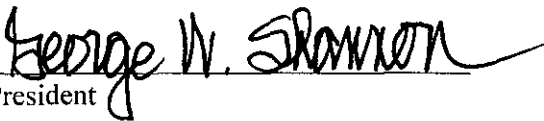
With the recommendation of management, Director Newby moved to approve a proposed Tax Abatement Agreement between Tarrant Regional Water District and TLC

Greenfield Properties I, L.P. subject to the review of the draft agreement by legal counsel.

Director Sparks seconded the motion and the vote in favor was unanimous.

4.

There being no further business before the Board of Directors, the meeting adjourned.


President


Secretary