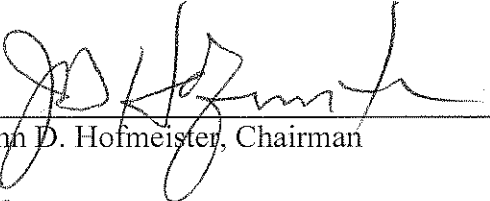


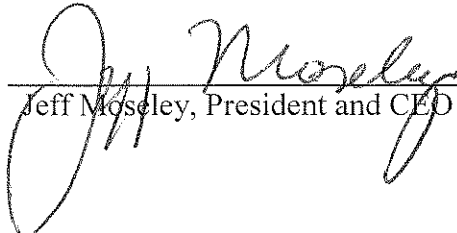
**Resolution of the Board of Directors Supporting the Sale of Certain
Forestland for Conservation Purposes**

The Greater Houston Partnership supports the proposed sale by Temple-Inland Inc. of East Texas forestland for conservation purposes. The Partnership recognizes that conserving the subject forestland will protect our region's drinking water and provides a natural means of improving our air quality. Conservation of our region's forestland is crucial to sustaining Houston as a place to relocate businesses and employees by enhancing the quality of life.

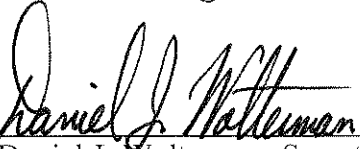
The Greater Houston Partnership supports responsible conservation efforts that substantially impact the long term quality of life of residents, and supports economic growth.



John D. Hofmeister, Chairman



Jeff Moseley, President and CEO



Daniel J. Wolterman, Secretary



MEMORANDUM

DATE: July 18, 2007

TO: Greater Houston Partnership Board of Directors

FROM: Bob Nicholas, Chairman
Quality of Life Committee

SUBJECT: Resolution of the Board of Directors in Support of the Sale of
Temple-Inland Inc. Texas Forestland

RECOMMENDATION

The Greater Houston Partnership supports the proposed sale by Temple-Inland Inc. of forestland for conservation purposes. The Partnership recognizes that conserving the East Texas forestland will protect our region's drinking water and provide a natural means of improving our air quality. Conservation of our region's forestland is crucial to sustaining Houston as a place to relocate businesses and employees by enhancing the quality of life.

The Greater Houston Partnership supports responsible conservation efforts that substantially impact the long term quality of life of residents, and supports economic growth.

BACKGROUND

Temple-Inland is the last forest products company with significant landholdings in East Texas. Many of their lands are considered the most significant forestland from a conservation perspective. From the company's humble beginnings in 1893, when Mr. T.L.L. Temple purchased 7,000 acres of forest land in Angelina County, to their current ownership of two million acres located in Texas, Louisiana, Alabama and Georgia, Mr. Temple's management philosophy is still reflected in the company's long-term commitment to managing a mosaic of southern forest habitats, rather than plantations that are financially lucrative.

Today, Temple-Inland's forestlands contain the most biologically diverse lands in the southeastern United States, including high quality longleaf pine savannah and the state's best remaining bottomland hardwoods along the Neches, Angelina and Sabine rivers. Temple-Inland has declared 10 sites in Texas as Distinctive Sites set aside for management and protection because of their unique biological, geological, archeological or historical significance.

These lands provide critical buffers to four national forests and the Big Thicket National Preserve. More than 14,000 acres are within the boundary of the new Neches River National Wildlife Refuge. Because of their exceptional land stewardship for game, nongame and endangered species, Temple-Inland was awarded the Department of Interior's Conservation Service Award in February of 2005.

Temple-Inland's announcement is the most recent and devastating blow to large commercial timber companies, who have owned millions of acres of East Texas forestlands for decades. These companies, including International Paper, Champion International, Louisiana Pacific and Georgia Pacific, have responded to the relentless pressures for increased profits from Wall Street, in addition to international trade and tariff issues, with a wholesale divestiture of all of their forestlands. From 2000 - 2005, 1.7 million acres of forestland flooded the market. Some of that land has been fragmented into small holdings for single-family homes or weekend getaways. Most acreage has been sold to timber investment or real estate investment companies, whose harvest practices often are geared toward short-term profit as opposed to the long-term sustainable management typically employed by commercial forest products companies.

The Impacts

In 2006, International Paper sold all of its land holdings nationally, including 535,000 acres in Texas. Including Temple-Inland's 1.1 million acre impending sale, more than 3.34 million acres of forestland have changed hands in East Texas since 2000.

Commercial forestlands have been East Texas' economic driver for decades, shaping the region's job base, culture and history. The loss of these significant lands will effect all of Texas and the broader region in three key areas: economics, ecological services and habitat loss.

Economics

According to the Texas Forest Service, the forest sector employs 79,500 workers and paid \$2.9 billion in wages. In 23 of 43 East Texas counties, the two largest manufacturing employers are forest-based industries. With the loss of commercial timber companies and the potential loss or fragmentation of the forestlands themselves, the ability of East Texas communities to thrive in the future will depend on new economies, but hopefully these forests will continue to be the backbone.

Habitat Loss

The news of Temple-Inland's sell-off presents a once in a lifetime challenge and opportunity to Texans to conserve forever the best of the East Texas forests that Temple-Inland has managed and enhanced for decades. At stake is a multitude of endangered and rare plants and animals, miles and miles of Neches River bottomlands and thousands of acres of long-leaf pine and other globally-threatened habitats, and the loss of community identity and population.

Ecological Services

Downstream, these forests and their watersheds provide untold and unquantified ecosystem services to millions of citizens from Beaumont to Houston, who largely is unaware of how these trees protect their drinking water, minimize urban flooding and clean the air they breathe. The potential for this land to be sold to brokers and subsequently broken up for private development would be a tragic loss to the State of Texas.

It is with these consequences in mind that The Conservation Fund is formulating a strategy to conserve the best of Temple-Inland's conservation lands. The Conservation Fund, which already has protected more than 60,000 acres in East Texas since 2003, is working with federal, state and

private partners to identify conservation priorities including Temple-Inland's bottomland hardwood and Longleaf Ridge lands, potentially totaling 250,000 acres.

The protection of these lands cannot be achieved through philanthropy alone. The economic impact of removing such significant acreage from forest production would have a deep impact on the local economy. To leverage each philanthropic dollar we raise, these lands will be protected through a combination of conservation easements, including working forest conservation easements, and fee acquisition. The Conservation Fund's long-term relationship with conservation investors, federal and corporate partners, private foundations, conservation-minded individuals and other conservation organizations will result in an amalgamation of leveraged funding sources directed to both the overall initial protection of the land and a longer-term acquisition of key pieces to be incorporated into existing state and federal landholdings.

Through permanent conservation of critical forestlands and an ongoing commitment to work with local communities to realize an economic benefit from these protected lands, The Conservation Fund aims to make this once-in-a-lifetime conservation opportunity a reality. The protection of the Temple-Inland property protects a way of life, not only for the residents of East Texas and Houston, but also for all Texans. The protection of this property means:

- Jobs will be protected for generations to come.
- With almost 70 percent of the drinking water for Beaumont to Houston flowing through the forests of East Texas, the future health of these residents will be secured through the protection of their drinking water.
- The trees of East Texas act as carbon sinks for surrounding areas from Beaumont to Houston that already are under pressure facing potential future sanctions by the EPA due to air quality issues (non-attainment).

IMPLEMENTATION

Communicate the position of the Greater Houston Partnership to appropriate state and local officials.

RESOURCES REQUIRED

This resolution can be implemented with available Greater Houston Partnership staff and with the current operating budget.