

HOUSTON FIRST CORPORATION
MINUTES OF BOARD OF DIRECTORS MEETING

May 23, 2013

The Board of Directors (the "Board") of Houston First Corporation (the "Corporation"), a Texas non-profit corporation created and organized by the City of Houston as a local government corporation pursuant to TEX.TRANS.P.CODE ANN. §431.101 et seq. and TEX.LOC.GOV'T.CODE ANN §394.001 et seq., was held in the 3rd Floor Executive Board Room of the George R. Brown Convention Center, Houston, Harris County, Texas 77010, on Thursday, May 23, 2013, commencing at 10:00 A.M. Written notice of the meeting including the date, hour, place and agenda for the meeting, was posted in accordance with the Texas Open Meetings Act. The following directors participated in the meeting: Ric Campo, David Arpin, Katy Caldwell, Dick Rabinow, Desrye Morgan, Hasu Patel, Irma Diaz-Gonzalez, C.C. Conner, Winslow Jeffries and David Solomon. Dawn Ullrich, CEO/President, Brenda Bazan, CFO/Treasurer, and David Stephenson, Assistant General Counsel, were also in attendance.

Chairperson Campo called the open meeting to order at approximately 10:04 A.M. and a quorum was established. Mr. Campo welcomed our new directors C.C. Conner, Irma Diaz-Gonzalez and Winslow Jeffries.

1. **Public Comments.** No speakers were present.
2. **Review and approval of minutes from prior meeting.** After a motion duly seconded, the Minutes of the Meeting of the Board of Directors of January 28, 2013 were approved. (Due to their recent appointment, C.C Conner, Irma Diaz-Gonzalez and Winslow Jeffries abstained)
3. **Presentation –Status of Marriott Marquis Project-Ira Mitzner, Rida Development.** Ira. Mitzner gave a brief update on the progress of the Marriott Marquis project. Mr. Mitzner stated that the project was on schedule for ground breaking in April 2014 and opening for June 2016.
4. **Consideration of, and possible action on, an agreement concerning the Midtown Arts and Theater Center Houston ("MATCH").** Dick Rabinow advised the Board that the Strategic Planning Committee had heard a presentation from Jill Jewett of "MATCH" and, after further discussion and review, was recommending that the Board approve their request for support,

including a proposed \$450,000 per year for the first eight years of operation. After a motion duly seconded, the Board of Directors approved a resolution authorizing the President to finalize an agreement with MATCH on terms substantially similar as presented to the Board. Director Katy Caldwell voted nay, all other votes were yea.

5. **Consideration of, and possible action on, the HFC CY12 Audit.** Katy Caldwell advised the Board that the Audit and Finance Committee had reviewed the CY12 Audit and was recommending the audit be accepted. After a motion duly seconded, the Board of Directors accepted the HFC CY12 Audit.

Mr. Campo requested that the audio recording start at approximately 10:27 A.M. He recited that the open meeting was now being closed pursuant to:

Executive (closed) session pursuant to Texas Government Code Section 551.072 and 551.087 for the purpose of real property and deliberation regarding economic development negotiations.

Mr. Campo requested that the audio recording stop at approximately 10:55 A.M. and resumed the open meeting. No action was taken during the executive session.

6. **Consideration of, and possible action on, negotiations and contracting with regard to development services for a parking garage and improvement to Avenida de las Americas.** Stephen Jacobs advised that the firm being recommended to provide development services for a parking garage and improvements to Avenida de las Americas is Griffin Partners, Inc. After a motion duly seconded, the Board of Directors approved a resolution authorizing the President to enter into a development management agreement with Griffin Partners, Inc. on terms substantially similar as presented to the Board.
7. **Consideration of, and possible action on, the acquisition of a tract of land out of Block 174 S.S.B. located in the Central Business District of Houston, TX.** Stephen Jacobs and Dawn Ullrich explained that acquisition of Block 174 presented an opportunity to relocate the GRB ramp, thereby allowing more efficient use of the parking garage site and improving mobility in the area. After a motion duly seconded, the Board of Directors agreed to enter into an agreement to purchase the western half of Block 174 S.S.B., with such agreement to contain terms and provisions as may be approved by the Chairperson and President of this Corporation.

8. **Consideration of, and possible action on, a policy regarding convention services agreement.** David Solomon advised the Board that the Hotel Committee had reviewed the previous policy that had expired. Mr. Solomon advised the new policy would limit convention services agreements for new hotels in a 4 block radius until, with one possible exception for the new hotel planned for Green Street. After a motion duly seconded, the Board of Directors, upon the recommendation of the Hotel Committee, approved the convention services agreement policy.

9. **Consideration of, and possible action on, a revised resolution with regard to authorizing execution of contracts and taking other action in regard thereto .** Katy Caldwell advised the Board that the Audit and Finance Committee had met earlier and that the committee was recommending that the Board accept a revised general authority resolution. Ms. Caldwell gave a brief overview and explained that the changes will result in more disclosure to the board and reduced existing thresholds for matter not requiring board action.
Ms. Caldwell explained the changes in the attached copy and what had been agreed at the committee meeting. After a motion duly seconded, the Board of Directors agreed to the revised resolution with regard to authorizing execution of contracts. Director Desrye Morgan voted nay, all other votes were yea.

10. **Consideration of, and possible action on, a revised HFC Code of Business Conduct and Ethics.** Katy Caldwell advised that the Audit and Finance Committee was recommending the revised HFC Code of Business Conduct and Ethics. After a motion duly seconded, the Board of Directors agreed to approve the revised HFC Code of Business Conduct and Ethics.

11. **Consideration of, and possible action on, the HFC Compensation Philosophy.** Mr. Campo advised the Board that the Benefits and Compensation Committee had reviewed the HFC Compensation Philosophy and was recommending approval. After a motion duly seconded, the HFC Compensation Philosophy was approved.

12. **Consideration of, and possible action on, a recommendation to the Board of Directors on obsolete items presented by Hilton Americas-Houston.** David Solomon advised the Board that the Hotel Committee had reviewed the items and was recommending the disposal per the Corporation's current policy. After a motion duly seconded, the Board of Directors approved the list of obsolete property for disposal.

13. **Superbowl Bid.** Ric Campo gave a brief overview of the process the Superbowl Bid Committee used to be awarded the 2017 Superbowl. Luther Villagomez added that this will be a better experience than the 2004 Superbowl because of the amenities that have been added to Downtown.
14. **Implementation and status of HFC's Diversity Participation policy.** Brenda Bazan gave a brief update on HFC's diversity program. She explained that HFC has been working with Reuben Brown, the Corporation's Diversity Consultant, to develop greater awareness of the program. Ms. Bazan explained that one of her employees, Cheryl Ross-Josey, was working with Mr. Brown in an outreach program. Ms. Morgan requested a list of organizations; Mr. Brown has met with about the diversity program. Ms. Bazan offered to meet with the new board members to introduce Mr. Brown and review the program in greater detail.
15. **Financial Stress Test Update.** Brenda Bazan gave a brief summary of the financial stress test. After testing a number of scenarios and negative economic forecasts, no vulnerabilities were identified.
16. **Next Board Meeting.** September 16, 2013

After a motion duly seconded, the meeting was adjourned at approximately 11:40 A.M.



Dolores Kerr, Secretary