

HOUSTON FIRST CORPORATION
MINUTES OF THE
AUDIT AND FINANCE COMMITTEE

September 5, 2012

The Audit and Finance Committee of the 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.TRANSP.CODE ANN. §431.101 et seq. And TEX. LOC. GOV'T. CODE ANN §394.001 et seq., held a committee meeting in the 1st Floor Conference Room at the George R. Brown Convention Center, 1001 Avenida de las Americas, Houston, Harris County, Texas 77010, on September 5, 2012, commencing at 11:30 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 Meeting Act. The following committee members participated in the meeting: Katy Caldwell, David Arpin, Desrye Morgan and Dawn Ullrich.

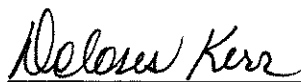
Chairperson Caldwell called the meeting to order at approximately 11:40 a.m. and a quorum was established.

1. Review and Approval of Minutes from Prior Meeting. After a motion duly seconded, the minutes from the May 9, 2012 meeting were approved.

2. HFC Diversity Program. Brenda Bazan introduced Gene Locke of Andrews Kurth as outside council that has provided HFC with guidance in creating a diversity program. Mr. Locke gave a brief overview of how HFC's diversity program would work. He then introduced Ruben Brown, with BWA Diversity Consulting, LLC, who will administer the program. Mr. Brown presented a slide presentation outlining the steps that will be taken on each project by his organization. Discussion followed by all, with concerns on how to determine what would be an eligible project. Chairperson Caldwell requested that a vote be taken on this and that this item be added to the Board of Directors' agenda for the upcoming board meeting. After a motion duly seconded, the Committee agreed to recommend the HFC Diversity Program to the Board of Directors for approval.

3. Financing Update. Brenda Bazan advised that a bond refunding had been completed with a savings of \$1.9mm of which \$1mm would be realized in 2013.
4. New software systems. Brenda Bazan advised the Committee that Microsoft Dynamix, the new accounting software, went live on July 1, 2012 as anticipated. She explained that only a few minor bugs were encountered and she anticipated the problems to be alleviated soon. Luther Villagomez explained the purchase of the new booking software that would integrate with the new accounting software and provide a more streamline system. The new system would be available for all HFC locations. Brenda explained that software for collecting the HOT had not been found and Tribridge, the supplier of Microsoft Dynamix, was requesting that HFC partner with them to create such a package. This item is being pushed to 2013 and the partnership offer is being explored.
5. Financial Workshop overview and agenda review. Brenda Bazan presented the Committee with an agenda for the Financial Workshop that is scheduled for October 8, 2012. She explained that the items on the agenda were planned for 2 days with each session lasting 3 hours or they could decide which items would provided the Committee with the information requested. It was decided that they would only want 1 session and the items for discussion would be; (1) Original Interlocal Agreement between HCCHC and City CEFD, (2) Debt, (3) Long-term Consolidated Financial Model, and (4) Capital Projects/Planning.

After motion duly seconded, the meeting was adjourned at approximately 12:22 p.m.



Dolores Kerr, Secretary