

HOUSTON FIRST CORPORATION
MINUTES OF HOTEL COMMITTEE
JANUARY 7, 2014

The Hotel Committee 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. TRANSP. CODE ANN. §431.101 et seq. and TEX. LOC. GOV'T. CODE ANN. §394.001 et seq., held a meeting in the 3rd Floor Executive Board Room, 1001 Avenida de las Americas, Houston, Harris County, Texas 77010, on Tuesday, January 7, 2014, commencing at 12:30 P.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 members participated in the meeting: David Solomon and Dawn Ullrich. Irma Diaz-Gonzalez and Hasu Patel were absent.

Chairperson Solomon called the meeting to order at approximately 12:33 P.M. without a quorum.

1. Approval of Minutes. Due to the lack of a quorum, the minutes of November 13, 2013 were not approved at this meeting.
2. Convention Services Agreement with ALH Properties No. Twenty One, L.P. Nick and Vickie Massad, American Liberty Hospitality and David Parker, DP Consulting, attended on behalf of ALH Properties No. Twenty One, L.P. Nick Massad provided a summary of the Hampton Inn/Homewood Suites development project. Further, he indicated that without the incentives offered through a Convention Services Agreement, he is doubtful that the project could be developed. At the conclusion of the presentation, Ms. Ullrich and Mr. Solomon agreed that the project falls within the parameters of the policy regarding Convention Services Agreements and will support the project at the upcoming HFC Board meeting on January 13, 2014.
3. Convention Services Agreement with Block 75 LLC Hunter Goodwin, Oldham Goodwin Group and Mark Bramlett, Holiday Finolio Fowler (via conference call) and Randy McCaslin, PKF Consulting, attended the meeting on behalf of Block 75 LLC. Mr. Goodwin provided a summary of the 295-room Hyatt Place development project. He indicated that with the high cost of land, higher rates of return required by lenders/investors, etc., the Convention Services Agreement is integral to the project. Mr. McCaslin added that the Hyatt brand rounded out the hotel brands around the Convention District. Again, Ms. Ullrich and Mr. Solomon agreed that the project falls within the parameters of the policy regarding Convention Services Agreements and will provide their support at the upcoming HFC Board meeting.
4. Audio-Visual Services at Hilton Americas-Houston Jacques D'Rovencourt, Hilton Americas-Houston, gave an overview of the audio-visual services procurement process. Encore Event Technologies, Inc. (a Freeman company) and Presentation Services Audio Visual were both interviewed. Following a thorough review by the Selection Committee, Encore Event Technology was selected for the following reasons: larger

incentive signing bonus, excellent recommendations from other hotels, a better staffing model and easier transition from current audio-visual provider. Ms. Ullrich and Mr. Solomon agreed to support this selection at the upcoming HFC Board meeting.

5. Hilton Operations and Sales Reports Joe Palmieri gave an update on the results of overall hotel operations for 2013. 2013 accomplishments included increases in earnings, sales growth, Rev Par, group room revenue, and transient business, the latter of which increased by the highest percentage ever. Janice O'Neill-Cox provided the booking position for December 2013 for 2014, which was extremely positive. Jacques D'Rovencourt reported on 2013 operations and highlights including an increase in banquet sales, meeting room rental, audio-visual and local catering revenues. In addition, all food and beverage locations increased revenues from the previous year. Hilton Americas-Houston was also ranked No. 1 in Houston by Travel + Leisure, had 451 days of no lost time for injuries/accidents, received the Blue Energy and Spirit Awards, scored 95.85% in 2013 Quality Assurance audit, and rates as #2 in Hilton's "Big Box" overall service.
6. COO Report. Peter McStravick provided the status of the RFQ for Asset Management Services, an update on Pappasito's (should open by late-March, early-April 2014), an update on the Hilton Management agreement, possible options for the Landau space vacated in December 2013, and the upcoming RFP for a parking operator for all HFC owned and leased garages and surface lots.

The meeting adjourned at approximately 2:09 P.M.

Pamela Walko

Pamela Walko, Secretary