

HOUSTON FIRST CORPORATION

MINUTES OF BOARD OF DIRECTORS MEETING

May 14, 2012

The Board of Directors (the "Board") meeting 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., was held in 3rd Floor Executive Conference Room, 1001 Avenida de las Americas, Houston, Harris County, Texas 77010, on Monday, May 14, 2012, commencing at 10:30 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 Meetings Act. The following directors participated in the meeting: Ric Campo, David Arpin, Joe Ting, Hasu Patel, Dick Rabinow, Desrye Morgan, David Solomon and Deon Warner. Dawn Ullrich, President, Brenda Bazan, Treasurer, and Peter McStravick Investment Officer, were also in attendance.

Chairperson Campo called the meeting to order at approximately 10:35 a.m. and a quorum was established.

1. 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 23, 2012 were approved. (Due to his absence from the January 23, 2012, meeting, David Solomon abstained)
2. Consideration of, and possible action to accept the financial audit for calendar year ended December 31, 2011. David Arpin advised the Board that the Audit committee met with Deloitte & Touche prior to the board meeting and reviewed the 2011 Audit. Ross Johnson of Deloitte & Touche advised the board that the audit was completed with full cooperation of staff and that there were no uncorrected or material corrected misstatements. After a motion duly seconded the Board accepted the financial audit for calendar year ended December 31, 2011.
3. Consideration of, and possible action, with regard to, approval of an agreement with the Buffalo Bayou Partnership related to the International Coffee Building. Dick Rabinow advised that this item had been reviewed by the Strategic Planning Committee gave a brief overview of the project and Stephen Jacobs explained the finer details of the proposed transaction. Discussion followed by all Board members. After a motion duly seconded the a majority of the Board approved the project and authorized and directed the President to execute and deliver, for and on behalf of the Corporation, said contracts, declarations and any other agreement or instruments deemed necessary or desirable by the President to effect such project, such approval to be conclusively evidenced by her execution for and on behalf of the Corporation. Director David Arpin and Director Desrye Morgan voted nay, all other votes were yea. Director Katy Caldwell was absent.

4. Consideration of, and possible action, with regard to acceptance of a list of obsolete property, at Hilton Americas-Houston. David Solomon advised the Board that a list of certain personal property items at the Hilton Americas-Houston have been identified as obsolete and therefore appropriate for disposal under the policies of the Corporation. After a motion duly seconded the Board approved the list of obsolete property for disposal in accordance with corporate policy.
5. Management and Accountability Report. Brenda Bazan presented the monthly dashboard report. She gave a brief update of the hotel occupancy tax collections for the 1st and 2nd quarters of Fiscal Year 2013. She advised that based on 2nd quarter results, she is expecting HOT will be approximately 8% above budget for calendar year 2012.
Joe Palmieri gave an overview of the performance of the hotel for the first quarter 2012, noting that the hotel is having very strong year due to an increase in short term business.
6. HFC Organizational Framework. Dawn Ullrich gave a brief overview on the "Vision, Mission Statement and Values" of the Corporation. She explained that the Executive Staff had been tasked with creating these concepts.
7. New Hotel Development. Ric Campo explained that the Corporation had received eleven responses to the RFQ for Hotel Developer and from those, six submitters have been selected for oral interviews, scheduled for May 30th and May 31st. After the oral interviews, the developers will then be narrowed and termsheets will be developed with the remaining developer teams. Ric noted that the evaluation committee consists of Ric Campo, David Solomon, Deon Warner, Katy Caldwell, and Andy Icken.
8. Downtown Residential Incentives. Ric Campo advised that a program was being developed that would provide incentives to developers to build residential units in downtown.
9. NYE Live 2012. Sharon Adams explained that planning continues and the Corporation is seeking a major sponsor. In the event funding cannot be identified prior to the next Board meeting, the Board will be asked to make up the difference or to cancel the event.

After a motion duly seconded, the meeting was adjourned at approximately 12:15 p.m.



Dolores Kerr, Secretary