

HOUSTON FIRST CORPORATION
MINUTES OF HOTEL COMMITTEE
FEBRUARY 4, 2015

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 Wednesday, February 4, 2015, commencing at 1:30 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, Robert Sakowitz, and Dawn Ullrich.

Chairperson Solomon called the meeting to order at approximately 1:38 P.M. and a quorum was established.

1. Public Comments. None.
2. Approval of Minutes. After a motion was made and duly seconded, the minutes of the January 23, 2015 Hotel Committee meeting were approved.
3. Presentations. None.
4. Consideration and recommendation of the terms for a convention services agreement with Houston Hotel Partners, LLC for the development of a Le Meridien Hotel. Gary Prosterman was in attendance via conference call to answer any questions. Mr. Prosterman provided background on the process necessary to receive historic tax credits and also summarized his capital structure. Following discussion on the terms of this agreement, a motion was made and duly seconded to recommend approval to the Board of Directors of a convention services agreement with Houston Hotel Partners, LLC for the development of a Le Meridien Hotel with the following parameters: i) 50% rebate for 15 years; ii) 15-year room block agreement; iii) 30% diversity participation goal; and iv) 12% cash-on-cost return hurdle.
5. Update – aLoft Hotel. William Franks was in attendance on behalf of aLoft Hotel and explained the EDI, Section 108 HUD monies and, further, confirmed a 30% goal in diversity participation. Brenda Bazan confirmed that she had reviewed the financials. Peter McStravick provided an update of the terms with aLoft Hotel, which are as follows: i) 50% rebate for 7 years; ii) 15-year room block agreement; iii) 30% diversity participation goal; and iv) 12% cash-on-cost return hurdle.
6. Announcements. Peter McStravick provided an explanation of the reformulation of the Hilton budget. Further, Mr. Sakowitz requested schedules comparing downtown RevPar/Occupancy versus other areas of town, i.e. energy corridor, Woodlands and Galleria, are provided at the next scheduled Hotel Committee meeting.

The meeting adjourned at approximately 2:20 P.M.

Pamela Walko

Pamela Walko, Secretary