

HOUSTON FIRST CORPORATION
MINUTES OF THE
AUDIT AND FINANCE COMMITTEE

February 1, 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 February 1, 2012, commencing at 3:30 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 Meeting Act. The following committee members participated in the meeting: Katy Caldwell, David Arpin and Dawn Ullrich.

Chairperson Caldwell called the meeting to order at approximately 3:30 p.m. and a quorum was established.


1. Review and Approval of Minutes from Prior Meeting. After a motion duly seconded, the minutes from the November 7, 2011, meeting were approved.

2. Consideration of and possible action with regard to obtaining electricity. Peter McStravick introduced Sean Franke of American Energy to the committee, explaining that he has been the Hotel's consultant since 2006 and had been engaged to review and make a recommendation concerning procurement of electricity for the leased properties. Mr. Franke presented to the Committee an outline of the current programs utilized by City for the leased assets and the program used by the Corporation for the the hotel explaining the overall differences between the two programs. He recommended that the leased properties be handled by the Corporation independent of participation in the City's master procurement program. Discussion followed and it was noted that Jim Moncur of the City has advised that the withdrawal of the leased

properties would not increase the cost of the City's electricity. After a motion duly seconded, the Committee agreed to accept the recommendation.

3. New Accounting System. Brenda Bazan advised the committee that the contract for the new accounting system was in the final stages. She noted, July 1, 2012 is the target date for implementation of the system and at this time still is obtainable.
4. 2011 Audit. Brenda Bazan advised the committee that the Audit is scheduled to begin in March and that the Corporation has received the Engagement Letter from Deloitte. She explained that the 2011 audit is at the same price as the 2010 audit, \$75,000 and that Deloitte would revisit the cost after the 2011 audit completion.

After motion duly seconded, the meeting was adjourned at approximately 4:25 p.m.



Dolores Kerr, Secretary