

# HOUSTON FIRST CORPORATION

## MINUTES OF HOTEL COMMITTEE

FEBRUARY 26, 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 3<sup>rd</sup> Floor Executive Board Room, 1001 Avenida de las Americas, Houston, Harris County, Texas 77010, on Wednesday, February 26, 2014, 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 members participated in the meeting: David Solomon, Irma Diaz-Gonzalez, Hasu Patel and Dawn Ullrich.

Chairperson Solomon called the meeting to order at approximately 10:35 A.M. and a quorum was established.

1. Approval of Minutes. After a motion duly seconded, the minutes of November 13, 2013 and January 7, 2014 were approved.
2. Consideration of, and possible recommendation on, a term sheet for a proposed extension of the current Hilton Americas-Houston management agreement. Jeff Sachs of Strategic Advisory Group and Peter McStravick briefed the Committee on the proposed extension of the current management agreement for a 15-year term beginning January 1, 2014. Jeff explained the variances between the current and proposed agreement. Following discussion on the item, the Hotel Committee voted to refer this item to the Board of Directors for consideration and approval. Jeff also handed out a Monthly Owner's Report for January 2014 that provided dashboards on various Hilton operations.
3. Hilton Operations and Sales Reports. Joe Palmieri explained that Hilton has gotten off to a very strong start and expects the entire first quarter to be very strong. Jacques D'Rovencourt provided an update on Hilton operations. According to guest surveys, Hilton rates #2 in Hilton's ranking of large hotels. Vitaliy Skripkin indicated that RevPAR was at the highest since 2008. That growth was achieved through occupancy. Janice O'Neill-Cox provided an update on the booking position.
4. COO Report. Peter McStravick discussed requests for incentive packages for some new hotel development. He also updated the committee on the status of Pappasito's construction. It is anticipated that Pappasito's will open for dinner only in early May, followed by inclusion of lunch mid- to end of May. He also let the committee know that retail studies for the Landau space are ongoing.

The meeting adjourned at approximately 11:45 P.M.



Pamela Walko, Secretary