



**PROJECT MANAGER (HILTON GUESTROOM RENOVATION)
REQUEST FOR PROPOSALS (“RFP”)**

ISSUE DATE: October 10, 2018

DUE DATE: **11:00 a.m. on November 7, 2018** (“Submission Deadline”)

INSTRUCTIONS: Proposers must submit 5 paper copies and one electronic copy (on a flash drive) of their proposal in a sealed package or envelope in person, via mail or courier. Please write the proposer’s name, phone number and email address on the outside of the package or envelope.

SUBMIT TO: Houston First Corporation, Attn: Mitch Miskowski, 701 Avenida de las Americas, Ste. 200, Houston, Texas 77010. (Late proposals and submittals received by email or fax are non-responsive and will be rejected without consideration.)

CONTACT INFO: Questions concerning this RFP must be sent by e-mail to bids@houstonfirst.com no later than **11:00 a.m. on November 1, 2018**. Questions will be answered collectively, in the form of a Letter of Clarification, and made available online.

PURPOSE & OVERVIEW

Houston First Holdings LLC (“HFH”) requests proposals from experienced hotel project managers (each a “Proposer”) with the demonstrable ability to provide construction management and consulting services, act as owner’s representative as needed, and assist HFH in the oversight of a planned renovation of 1,200 guestrooms, ancillary public areas and back-of-house space at the Hilton Americas-Houston Hotel (the “Hotel”), located at 1600 Lamar St., Houston, Texas 77010 (the “Project”).

The anticipated duration of the Project is 12-18 months, with the services of the Project Manager to being immediately upon signature of the Project Manager Services Agreement. The Hotel will remain open throughout the Project.

M. Arthur Gensler Jr. & Associates, Inc. has been selected to perform and provide professional architectural and engineering services for this Project. The purpose and scope of this RFP does **not** include, and should not be construed as requiring, professional design services. The Proposer selected as a result of this RFP is prohibited from performing any act or service constituting the practice of engineering or architecture under Title 6 of the Texas Occupations Code or other applicable law.

HFC expects to issue a solicitation for a general contractor for this Project in December 2018 (construction services are **not** included in the scope of this RFP). Construction work is to be phased by section, with anywhere from 25-100 rooms being available, based on events and room occupancy. Substantive work to be performed by the general contractor will involve guestroom and parlor FF&E; lighting; corridor and other common area flooring and façade upgrades; in-room beverage stations; bathroom entry doors; bathroom vanities; and tub-to-shower conversions.

The rough order of magnitude for the entire Hotel renovation Project, including design, project management, and construction services, is approximately \$37 million dollars.

BACKGROUND

Houston First Corporation (“HFC”) is a local government corporation created by the City of Houston to facilitate economic growth through the promotion of the greater Houston area and the business of conventions, meetings, tourism, and the arts. HFC manages and operates more than 10 city-owned facilities, including the George R. Brown Convention Center, Jesse H. Jones Hall for the Performing Arts, Gus S. Wortham Theater Center, and Miller Outdoor Theatre. HFC is the sole member of HFH.

The Hilton-Americas Houston Hotel is located in the heart of downtown Houston and is connected to the George R. Brown Convention Center via two indoor skywalks. This premier Houston hotel is just steps away from Discovery Green Park, Toyota Center, BBVA Compass Stadium, and Minute Maid Park.

PRE-PROPOSAL CONFERENCE

A pre-proposal conference and site tour will be held for the benefit of all potential Proposers at **10:00 a.m.** on **October 30, 2018** in **Room 340** at the **Hilton Americas-Houston Hotel**, located at 1600 Lamar Street, Houston, Texas 77010. Although attendance at the conference is not mandatory, all prospective Proposers are urged to be present.

LETTERS OF CLARIFICATION

Responses to all material questions timely submitted by potential Proposers, as well as revisions incorporated into this RFP by HFC, if any will be confirmed in a letter posted online at <http://www.houstonfirst.com/do-business/> (“Letter of Clarification”). When issued, Letters of Clarification become part of this RFP and automatically supersede any previous specifications or provisions in conflict therewith. By submitting their proposal, Proposers shall be deemed to have received all Letters of Clarification and to have incorporated them into their submittal. Verbal responses will not otherwise alter the specifications, terms and conditions as stated herein. It is the responsibility of Proposers to monitor the foregoing link and ensure they receive any such Letters of Clarification and incorporate them in their proposal.

PROPOSAL FORMAT

Proposers are asked to include all of the following information in their proposal:

- a. **Transmittal Letter:** Briefly summarizing the proposer’s understanding of the work to be completed signed by a person authorized to make representations on behalf of the firm, including a direct phone number and email address. Proposers **must** make a specific, unambiguous statement accepting and agreeing to comply, if selected, with the Project Management Services Agreement.
- b. **Project Team:** An experienced team is an essential element of a successful proposal. Please identify the essential personnel who would be assigned to work with HFC and provide a summary of their qualifications and availability over the next 12-18 months.
- c. **References:** Proposers must have substantial experience in managing projects for hotels with more than 800 rooms. Please identify three projects completed by members of the Project Team that are comparable in scope and complexity to the requirements of this RFP. For each such completed project, provide a reference and contact information for the owner, architect, or both.
- d. **Pricing:** Proposers **must** provide a current hourly rate service schedule for their project

team, including all personnel expected to provide services for HFC. Salaries and other employment costs of the project manager's personnel, overhead, insurance, and other administrative costs must be included in such rates. The Proposer selected will be reimbursed for the actual amount of reasonable expenses incurred in the performance of contractual services for HFC to the extent such expenses are approved in advance and in writing by HFC. HFC intends to and reserves the right to negotiate a not-to-exceed amount with the top-ranked Proposer for the duration of the term, and/or or a fixed per-guestroom fee based on proposed hourly rates.

- e. **Diversity Commitment:** Proposers should indicate how they intend to meet the 35% Diversity Goal for this solicitation.

Proposals should be organized, clear and concise. Although there is no page limit, Proposers are asked to avoid excessive graphics, title pages, or other information other than requested in this Proposal Format section.

EVALUATION

HFC will review and rank every proposal received in response to this RFP based on the following weighted criteria: Transmittal Letter, including expressed acceptance of the Project Management Services Agreement (20 points); Project Team (25 points); References (25 points); Pricing (20 points); and Diversity Commitment (10 points).

HFC reserves the right to interview the top-ranked Proposers, not to exceed five, prior to making a selection. If interviews are scheduled, then up to 20 additional points may be added to the existing proposal scores of the top-ranked proposers, for a maximum possible total of 120 points, based on their responsiveness and interview.

HFC intends to award the contract to the Proposer offering the best value to HFC, as measured by HFC utilizing the foregoing evaluation criteria. HFC reserves the right to select or reject all or part of any proposal, waive minor technicalities, and select a proposal in the manner and to the extent that it serves the best interests of HFC. This RFP does not commit HFC to award a contract, issue a purchase order, or to pay any costs incurred in the preparation of a proposal in response to this RFP. HFC reserves the right to request proposal clarifications/additional information from some or all Proposers.

FORM OF AGREEMENT

By submitting a response to this RFP, Proposer agrees, if selected, to enter into the Project Management Services Agreement set forth below, including the attached Scope of Services.

DIVERSITY COMMITMENT

The Proposer selected will be required to use good-faith efforts to award subcontracts to diversity participants certified by any of the certification agencies as defined in the HFC Diversity Program (See <https://www.houstonfirst.com/static/media/uploads/attachments/supplydiversity.pdf>). HFC has established the following goal for these services: **35%** of the total value of the Agreement. Proposers should note if they are certified as a diversity participant in their proposal; however, such certification shall not lessen or otherwise alter the requirement to use good faith efforts to award subcontracts to diversity participants. All diversity-participation information provided by Proposers, including the required utilization plan, should be delivered with the proposal in a **separately-sealed envelope** labelled "**Diversity**".

VENDOR CODE OF CONDUCT

Proposers who do business or seek to do business with HFC are expected to interact with HFC with high ethics and integrity. To promote ethical conduct by its existing and potential contractors,

HFC has adopted a Code of Conduct for Vendors, available online at www.houstonfirst.com/do-business. HFC requires that all Proposers be familiar with and abide by the Code of Conduct for Vendors.

RESTRICTIONS ON COMMUNICATIONS

From the date issued until the Submission Deadline, Proposers are directed not to communicate with HFC employees, officers or board members regarding any matter relating to this RFP, other than during the Pre-Proposal Meeting or by use of bids@houstonfirst.com.

CONFLICTS OF INTEREST

Proposers are required to disclose affiliations or business relationships that might cause a conflict of interest with HFC. The disclosure form, available at: www.ethics.state.tx.us/forms/CIQ.pdf should be completed and submitted if required. By submitting their proposal, Proposers represent that they are in compliance with the requirements of Chapter 176 of the Texas Local Government Code.

PUBLIC INFORMATION

HFC is subject to the Texas Public Information Act ("TPIA"). Information submitted by Proposers is subject to release under the provisions of the TPIA set forth in Chapter 552 of the Texas Government Code. Each page where confidential or proprietary information appears must be labeled as such clearly and unambiguously. Proposers will be advised of any request for public information that implicates their materials and will have the opportunity to raise objections to disclosure with the Texas Attorney General at their expense.

RFP PACKETS

A complete copy of this RFP, including exhibits, necessary forms and other relevant information is available on-line at <http://www.houstonfirst.com/do-business/>. This RFP provides the information necessary to prepare and submit a proposal for consideration and ranking by HFC.

WITHDRAWAL; ERROR

Proposals may be withdrawn due to errors or for any other reason by a written request received by bids@houstonfirst.com prior to the Submission Deadline.

PROJECT MANAGEMENT SERVICES AGREEMENT

This Project Management Services Agreement (“Agreement”) is made by and between Houston First Corporation (“HFC”), a Texas local government corporation whose address is 701 Avenida de las Americas, Ste. 200, Houston, TX 77010, and [TBD] (“Project Manager”), whose address [TBD]. In consideration of the mutual promises contained herein, the parties hereby agree as follows:

ARTICLE 1: DEFINITIONS

As used in this Agreement, the following terms shall have the meanings assigned below:

“**Applicable Law**” shall mean all applicable federal, state and local laws, statutes, codes, ordinances, rules, regulations, and lawful orders of any governmental agency, authority, court, board, bureau, instrumentality, regulatory body, or other government entity.

“**Architect**” shall mean M. Arthur Gensler Jr. & Associates, Inc., a California corporation doing business in Texas as Gensler, the architectural and engineering firm selected by HFC to perform professional architectural and engineering services in connection with the Project.

“**Hotel**” shall mean the Hilton Americas-Houston Hotel, located at 1600 Lamar St., Houston, Texas 77010.

“**Project**” shall mean the planned renovation of 1,200 guestrooms, ancillary public areas and back-of-house space at the Hotel, including all requisite phases of planning, design, and construction work of any kind or type.

ARTICLE 2: RESPONSIBILITIES OF PROJECT MANAGER

2.1 Services. Project Manager shall provide all personnel, equipment and materials necessary to perform the administrative, managerial, advisory, support, and related ancillary services required by HFC to advance the Project in accordance with this Agreement, including the Scope of Services attached hereto as **Exhibit “A”** and made a part hereof for all purposes (collectively, including all other services to be performed by Project Manager in connection with this Agreement, the “Services”).

2.2 Authorized Representative. Project Manager shall identify a representative authorized to act on behalf of Project Manager with respect to the Services to be performed hereunder.

2.3 Standard of Care. Project Manager represents and warrants to HFC that the Services shall be performed (a) in a good and workmanlike manner, meeting the standards of quality prevailing in Harris County, Texas for comparable services; (b) expeditiously so as to ensure the orderly progress and completion of the Project; and (c) in full compliance with Applicable Law. Contractor further represents and warrants to HFC that the Project Manager (a) possesses the ability to perform successfully under the terms and conditions of this Agreement, including by way of example and not limitation, experience, compliance history, financial means, and technical resources; and (b) is validly formed and in good standing in its state of incorporation.

2.4 Conflicts of Interest. Project Manager represents that it has established and shall maintain written standards of conduct covering conflicts of interest (including organizational conflicts of interest) and governing the performance of employees engaged in the selection, award, and administration of contracts of any tier in connection with this Agreement. Project Manager shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise Project Manager's professional judgment with respect to the Services or this Agreement, nor shall Project Manager take for itself or divert to a third party any corporate opportunity arising out of this Agreement or discovered otherwise through the use of HFC property or information.

2.5 Project Site. Execution of this Agreement by Project Manager is a representation to HFC that Project Manager has inspected the Project site, become familiar with the conditions under which the Services are to be performed, and correlated personal observations with the requirements of this Agreement.

2.6 Supervision. Project Manager shall supervise and control the Services using Project Manager's best skill and attention, including but not limited to the enforcement of strict discipline and good order among Project Manager's employees, agents, contractors, subcontractors, and any other persons carrying out the Services. Project Manager shall not employ, retain or engage unfit persons or persons not properly skilled in the tasks assigned to them. Project Manager shall be solely responsible for, and have control over, means, methods, techniques, sequences and procedures and for coordinating all aspects of the Services, except to the limited extent other, specific instructions concerning such matters are set forth in this Agreement.

2.7 Third-Party Contracts. Project Manager acknowledges that a variety of third-party contractors and consultants will be involved with the Project. All of such contractors and consultants (including, but not limited to, construction contractors, architects, engineers, and specialty consultants) will execute contracts directly with HFC (or the Architect or construction contractor, as the case may be). Project Manager shall assist HFC in assessing such third party contractors and consultants and make recommendations to HFC based on Project Manager's evaluation of bids, proposals or statements of qualifications.

2.8 Monthly Project Report. Project Manager shall create and provide monthly written reports to HFC containing the status of construction; a comparison of the Project budget to construction costs incurred through the date of the report; a comparison of the Project schedule to the work actually completed through the date of the report; a summary of any change orders or change directives made during the month covered by the report; and Project Manager's recommendations regarding any revisions to the Project schedule and/or Project budget.

ARTICLE 3: DURATION OF SERVICES AND PAYMENT

3.1 Duration of Services. Project Manager agrees to and shall commence services on the Effective Date and, unless sooner terminated pursuant to the terms of this Agreement, end its services upon final completion of the Project. As of the Effective Date, HFC has estimated in good faith that the Project will be substantially complete in 12-18 calendar months.

3.2 Payment. Subject to all terms and conditions of this Agreement, HFC agrees to pay Project Manager for services performed based on the hourly fees set forth in **Exhibit "B"** attached hereto

and made a part hereof for all purposes); provided, however, that the parties have agreed to a not-to-exceed amount, having been determined in good faith in the manner set forth herein:

[TBD]

3.3 Expenses. Reasonable expenses incurred by Project Manager directly in the performance of the Services will be reimbursed at cost; provided such expenses are approved in advance and in writing by HFC. Subcontracts for estimators, schedulers, payment-application reviewers, document controllers or other project consultants constitute at-cost reimbursable expenses, provided that the selection process is approved in advance by HFC. For the avoidance of doubt, the parties agree that reimbursable expenses shall not include first-class travel or accommodation, overhead or general administrative costs.

3.4 Invoice Procedures. Project Manager will be paid on the basis of invoices submitted by Project Manager no more than once per month, and approved by HFC, detailing the services provided by Project Manager during the previous month, the attendant fee and reimbursable expenses, if any. HFC shall make payment to Project Manager within 30 calendar days of the receipt and approval by HFC of such invoices.

3.5 Invoice Disputes. If any item in any invoice submitted by Project Manager are disputed by HFC for any reason, including lack of supporting documentation, then HFC shall temporarily delete the disputed item and pay the remaining amount of the invoice; provided, however, that HFC shall promptly notify Project Manager of the dispute and request clarification and/or remedial action. After any dispute shall have been settled, Project Manager shall include the disputed amount on a subsequent regularly scheduled invoice or on an invoice for the disputed item only.

ARTICLE 4: INSURANCE

4.1 Insurance Requirements. With no intent to limit Project Manager's liability under the indemnification provisions, Project Manager shall provide and maintain, and shall require its contractors and subcontractors to maintain, from the Effective Date, until final completion of all services related hereto, at least the following insurance and available limits of liability: Commercial General Liability, including contractual liability, bodily injury/death, property damage, and personal and advertising injury with limits of at least \$1,000,000 each occurrence and \$2,000,000 aggregate; (2) Automobile Liability, with a combined single limit of \$1,000,000; (3) Workers' Compensation with statutory limits (Project Manager shall not self-insure for Worker's Compensation); and (4) Employer's Liability, with limits of \$1,000,000 for each accident, disease limits of \$1,000,000 per policy and \$1,000,000 per employee.

4.2 Rating. The issuer of any policy shall have a Certificate of Authority to transact insurance business in the State of Texas or have a Best's rating of at least A- and a Best's Financial Size Category of Class VI or better, according to the most current edition Best's Key Rating Guide, Property-Casualty United States.

4.3 Additional Insured Parties. Each policy, except those for Workers' Compensation and Employer's Liability, must include an additional insured endorsement in favor of HFC; Houston First Holdings, LLC; Hilton Management, LLC; and the Variable Annuity Life Insurance

Company c/o AIG Asset Management (collectively, as used throughout this Agreement, the “Additional Insured Parties”).

4.4 Waiver of Subrogation. Each policy must contain an endorsement approved by HFC waiving any claim or right in the nature of subrogation in favor of HFC; Houston First Holdings, LLC; and Hilton Management, LLC.

4.5 Premiums and Deductibles. Project Manager shall be solely responsible for payment of all insurance premiums hereunder. Project Manager shall be responsible for and bear any claims or losses to the extent of any deductible amounts and waives any claim it may ever have for same against HFC, its officers or employees.

4.6 Primary Insurance. Each policy hereunder, except Workers’ Compensation, shall be primary insurance to any other insurance available to HFC; Houston First Holdings, LLC; and Hilton Management, LLC with respect to claims arising hereunder.

ARTICLE 5: LIMITATION OF LIABILITY

5.1 Release. **PROJECT MANAGER AGREES TO AND SHALL RELEASE THE ADDITIONAL INSURED PARTIES, INCLUDING THEIR AGENTS, EMPLOYEES, OFFICERS AND DIRECTORS, FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE BY PROJECT MANAGER, INCLUDING ITS EMPLOYEES, AGENTS, CONTRACTORS AND SUBCONTRACTORS, IN CONNECTION WITH THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LIABILITY FOR DAMAGES OR OTHER RELIEF ARISING UNDER FEDERAL OR STATE EMPLOYMENT LAWS RELATING TO OR INVOLVING PERSONNEL EMPLOYED BY PROJECT MANAGER UNDER THIS AGREEMENT.**

5.2 Indemnification. **PROJECT MANAGER AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD THE ADDITIONAL INSURED PARTIES, INCLUDING THEIR AGENTS, EMPLOYEES, OFFICERS AND DIRECTORS (COLLECTIVELY “INDEMNITEES”) HARMLESS FROM AND AGAINST ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, BY REASON OF COPYRIGHT INFRINGEMENT, ATTORNEYS’ FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE BY PROJECT MANAGER, INCLUDING CLAIMS RELATING TO THE ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS OF PROJECT MANAGER, ITS EMPLOYEES, AGENTS, CONTRACTORS AND SUBCONTRACTORS IN CONNECTION WITH THIS AGREEMENT, AND FURTHER INCLUDING LIABILITY FOR DAMAGES OR OTHER RELIEF ARISING UNDER FEDERAL OR STATE EMPLOYMENT LAWS RELATING TO OR INVOLVING PERSONNEL EMPLOYED BY PROJECT MANAGER UNDER THIS AGREEMENT; PROVIDED, HOWEVER, THAT PROJECT MANAGER DOES NOT INDEMNIFY THE INDEMNITEES FOR THEIR SOLE NEGLIGENCE. PROJECT MANAGER SHALL CAUSE ITS CONTRACTORS AND SUBCONTRACTORS TO RELEASE AND INDEMNIFY THE**

INDEMNITEES TO THE SAME EXTENT AND IN SUBSTANTIALLY THE SAME FORM AS ITS RELEASE AND INDEMNITY TO THE INDEMNITEES.

5.3 Indemnification Procedures. If HFC or Project Manager receive notice of any claim or circumstances, which could give rise to an indemnified loss, then the receiving party shall give written notice to the other party within 30 calendar days. The notice must include a description of the indemnification event in reasonable detail, the basis on which indemnification may be due, and the anticipated amount of the indemnified loss. This notice does not stop or prevent HFC from later asserting a different basis for indemnification or a different amount of indemnified loss than that indicated in the initial notice. If HFC does not provide this notice within the 30-day period, it does not waive any right to indemnification except to the extent that Project Manager is prejudiced, suffers loss, or incurs expense because of the delay. Project Manager may assume the defense of the claim at its own expense with counsel chosen by it that is reasonably satisfactory to HFC. Project Manager shall then control the defense and any negotiations to settle the claim. Within 10 calendar days after receiving written notice of the indemnification request, Project Manager must advise HFC as to whether or not it will defend the claim. If Project Manager does not assume the defense, then HFC shall assume and control the defense, and all defense expenses constitute an indemnification loss. If Project Manager elects to defend the claim, then HFC may retain separate counsel to participate in (but not control) the defense and to participate in (but not control) any settlement negotiations. Project Manager may settle the claim without the consent or agreement of HFC, unless it would result in injunctive relief or other equitable remedies or otherwise require the Indemnitees to comply with restrictions or limitations that adversely affect the Indemnitees; would require the Indemnitees to pay amounts that Project Manager does not fund in full; or would not result in the Indemnitees' full and complete release from all liability to the plaintiffs or claimants who are parties to or otherwise bound by the settlement.

ARTICLE 6: DEFAULT AND TERMINATION

6.1 Termination for Cause. If Project Manager is in default under this Agreement, then HFC may, at its option, either terminate this Agreement immediately upon notice to Project Manager, or allow Project Manager the opportunity to promptly to cure the default as provided herein.

6.2 Default. Project Manager shall be deemed to be in default under this Agreement due to the occurrence of any of the following events: (1) Project Manager fails to perform or observe any term, condition or requirement under this Agreement; (2) Project Manager, or an employee, agent, contractor, or subcontractor of Project Manager, violates Applicable Law; (3) Project Manager becomes insolvent; (4) All or a substantial part of Project Manager's assets are assigned for the benefit of its creditors; (5) A receiver or trustee is appointed for Project Manager; or (6) Project Manager assigns this Agreement without the prior written consent of HFC.

6.3 Remedies. If default occurs, then HFC shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, HFC shall have the right, but not the obligation, to cure or cause to be cured on behalf of Project Manager any such default, and Project Manager shall pay HFC on demand all costs and expenses incurred by HFC in effecting such cure, in addition to all damages, losses, costs or expenses incurred by HFC as a result of such default by Project Manager.

6.4 Optional Notice of Default. If a default occurs, HFC may, but shall have no obligation to, deliver notice to Project Manager describing the default and allowing Project Manager at least 10 calendar days to cure the default. If HFC elects to allow the Project Manager the opportunity to cure the default, and Project Manager does so to the satisfaction of HFC before the termination date, then the termination is ineffective; should Project Manager fail to so cure such default prior to the termination date, then this Agreement shall terminate automatically on the termination date without further notice from HFC.

6.5 Termination for Convenience. HFC reserves the right to terminate this Agreement for its convenience at any time by giving 30 calendar days' written notice to Project Manager. HFC's right to terminate this Agreement for convenience is cumulative of all rights and remedies that exist now or in the future. On receiving the notice, Project Manager shall, unless the notice directs otherwise, immediately discontinue all services under this Agreement and cancel all existing orders and subcontracts that are chargeable to this Agreement. As soon as practicable after receiving the termination notice, Project Manager shall submit an invoice showing in detail the services performed under this Agreement up to the termination date. HFC shall then pay the fees to Project Manager for services actually performed, but not already paid for, in the same manner as prescribed herein. **TERMINATION OF THIS AGREEMENT AND RECEIPT OF PAYMENT FOR SERVICES RENDERED ARE PROJECT MANAGER'S EXCLUSIVE REMEDIES FOR HFC'S TERMINATION FOR CONVENIENCE, WHICH DOES NOT CONSTITUTE A DEFAULT OR BREACH OF THIS AGREEMENT. PROJECT MANAGER WAIVES ANY CLAIM (OTHER THAN ITS CLAIM FOR PAYMENT AS SPECIFIED HEREIN), IT MAY HAVE NOW OR IN THE FUTURE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM HFC'S TERMINATION FOR CONVENIENCE.**

6.6 Termination by Project Manager. Project Manager may terminate this Agreement only if HFC defaults and fails to cure the default after receiving written notice thereof. Default by HFC occurs if HFC fails to perform one or more of its material duties under this Agreement. If a default occurs and Project Manager seeks to terminate the Agreement, then Contractor must deliver a written notice to HFC describing the default and the proposed termination date. Such date must be at least 30 days after HFC receives notice. If HFC cures the default before the proposed termination date, then the proposed termination is ineffective. If HFC does not cure the default before the proposed termination date, then Project Manager may terminate this Agreement upon notice to HFC and may seek any remedy available under Applicable Law, subject to the provisions and limitation of this Agreement.

6.7 Final Accounting. Upon termination of this Agreement by either party for any reason, Project Manager shall immediately discontinue all services under this Agreement; promptly cancel all orders or subcontracts chargeable to this Agreement; shall deliver to HFC a final accounting, reflecting the status of the Project and payments made to Project Manager, Architect, and others; and deliver true and correct copies of all documents that include information relating to the Project. Project Manager shall furnish all such other information and cooperate with HFC shall reasonably request in order to effectuate an orderly and systematic termination and/or transfer of Project Manager's duties hereunder.

6.8 Remedies Cumulative. The rights and remedies of HFC under this Agreement shall be cumulative. HFC shall have and may exercise all other rights and remedies not inconsistent

herewith as provided under applicable law, or in equity. No exercise by HFC of one right or remedy shall be deemed an election, and no delay by HFC shall constitute a waiver, election, or acquiescence to any default, breach, violation, or non-performance by Project Manager. To the extent not prohibited by Applicable Law and addition to any other remedy, HFC reserves the right but not the obligation to offset any amount that Project Manager owes HFC against any amounts due Project Manager under this Agreement.

ARTICLE 7: MISCELLANEOUS PROVISIONS

7.1 Diversity Goal. Project Manager shall make good faith efforts to award subcontracts equal to **thirty five percent (35%)** of the value of this Agreement to certified, diverse suppliers of goods and services in accordance with the Diversity Program established by HFC, which is made a part hereof for all purposes. Project Manager shall disclose to HFC the manner and extent to which it has made good faith efforts to achieve such goal and submit reports on forms provided by HFC with each invoice, or as directed by HFC.

7.2 Force Majeure. Timely performance by both parties is essential to this Agreement. However, neither party will be liable for delays or other failures to perform its obligations under this Agreement to the extent the delay or failure is caused by Force Majeure. For purposes of this Agreement, Force Majeure means fires, floods, explosions, and other acts of God, war, terrorist acts, riots, court orders and the acts of superior governmental or military authority. This relief is not applicable unless the affected party does the following: uses due diligence to remove the Force Majeure as quickly as possible; provides the other party with prompt written notice of the cause and its anticipated effect; and provides the other party with written notice describing the actual delay or non-performance incurred within 7 calendar days' after the Force Majeure ceases. If the Force Majeure continues for more than 30 calendar days, then either party may terminate this Agreement by giving 15 calendar days' written notice to the other party; such termination is not a default or breach of this Agreement.

7.3 Changes. This Agreement may not be changed or altered except in the form of a written amendment signed by authorized representatives of Project Manager and HFC. Any such amendment requiring payment of additional fees shall include a defined scope of services and a detailed description of the specific methodology used to determine the additional fees, which Project Manager agrees shall be reasonable and calculated in good faith in a manner substantially similar to the method used to determine the fee under this Agreement.

7.4 Non-Waiver. Failure of either party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on and to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

7.5 Access to Records. Project Manager grants HFC, including any of its authorized representatives, access and the right to examine and review Project Manager's books, documents, papers, and records that are directly pertinent to this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions. Project Manager agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed. Project Manager shall maintain such books, records, and billing documents for three years

after the cessation of Project Manager's services under this Agreement. Nothing in this Section shall affect the time for bringing a cause of action or the applicable statute of limitations.

7.6 Assignment. Project Manager shall not assign this Agreement in whole or in part without the prior written consent of HFC. For purposes hereof, any transfer of ownership interests in Project Manager, direct or indirect, occurring after the Effective Date shall be deemed an assignment by Project Manager requiring prior written consent of HFC. HFC may assign this Agreement in whole or in part, including any enforcement rights granted hereunder, at any time upon written notice to Project Manager.

7.7 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed received when actually received or if earlier, on the third day following deposit in a United States Postal Service post office or receptacle with proper postage affixed (certified mail, return receipt requested) addressed to the other party at the address prescribed in the preamble hereof or at such other address as the receiving party may have theretofore prescribed by notice to the sending party.

7.8 Independent Contractor. The relationship of Project Manager to HFC shall be that of an independent contractor. Project Manager has the authority to select the means, methods and manner of providing services subject to the terms, conditions, and specifications in this Agreement. No principal/agent, partnership, joint venture, joint employer, or other relationship, other than an independent contractor relationship, is created or intended by this Agreement.

7.9 Governing Law/Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas, notwithstanding any choice-of-law or conflicts-of-law rules to the contrary. Any action to enforce this Agreement or any litigation or claims otherwise regarding this Agreement must be brought in a court of competent jurisdiction in Harris County, Texas.

7.10 Severability. Each and every agreement contained in this Agreement is, and shall be construed as, a separate and independent agreement. If any provision of this Agreement should be held to be invalid or unenforceable, then the validity and enforceability of the remaining provisions of this Agreement to another person or circumstance shall not be affected thereby.

7.11 Survival. Project Manager shall remain obligated to HFC under all clauses of this Agreement that expressly or by their nature extend beyond the expiration or termination of this Agreement.

7.12 Extent of Agreement. This Agreement, including the exhibits made a part hereof, represents the entire and integrated agreement between HFC and Project Manager and supersedes all prior negotiations, representations or agreements either written or oral.

The parties hereto have caused this Agreement to be executed by their authorized representatives, to be effective for all purposes as of the date of countersignature by HFC (the "Effective Date"):

[signature block to follow in final Agreement]

**Exhibit “A”
Scope of Services**

[TBD] (“Project Manager”), agrees to and shall, in accordance with the foregoing Agreement, perform and complete the services and tasks set forth below for and on behalf of Houston First Corporation (“HFC”) in connection with the Project, as such term is defined in the Agreement:

A. General Services

1. Publish and maintain a Project directory
2. Prepare agendas, conduct Project meetings and publish minutes
3. Attend meetings and present updates as needed to officers and directors
4. Review consultant/vendor/contractor invoices, releases of liens, and recommend payment
5. Keep Project records
6. Publish the monthly Project report
7. Facilitate Project communications
8. Ensure compliance with prevailing wage and hour requirements
9. Coordinate with owner, hotel operator, consultants, and contractors
10. Update design and Project schedules as required
11. Update cost estimates and Project budget as required

B. Preliminary Services

1. Create and maintain a project-responsibility matrix
2. Prepare a Project management plan outline (to include staffing, communications, budget, schedule, and scope)
3. Review and assist owner and hotel operator with managing quality assurance and contract requirements
4. Recommend solutions to achieve Project goals for design and budget

C. Pre-Construction Services

1. Oversee submittal of documents for review
2. Ensure that appropriate permits are obtained by the general contractor for the Project
3. Manage FF&E orders and delivery
4. Ensure that procurement of long lead items has begun and is in process
5. Assist owner in reviewing questions received from potential contractors during the bidding process

6. Assist owner in evaluating bid packages
7. Prepare a spreadsheet and bid analysis (quantitative and qualitative) for owner review and approval
8. Verify references and submittals from potential contractors
9. Assist owner and hotel operator as needed in considering cost-saving measures, subject to the direction of the Architect

D. Construction Phase Services

1. Monitor approval of shop drawings and samples by consultants for timeliness
2. Monitor procurement of long lead items and assist as needed
3. Monitor consultants' responses to requests for information and change orders for timeliness
4. Recommend safety inspections
5. Monitor quality of construction for conformance with contract documents
6. Perform daily walkthroughs of the project site during construction, evaluate site conditions with Architect as well as general contractor and drive solutions and recommendations to owner
7. Coordinate between contractor and the property with regard to contractor operations
8. Obtain needed certificates from Architect

E. Project Close-Out

1. Monitor completion of punch lists and preparation of record documents, as applicable
2. Direct turnover of warranties and manuals to hotel operator and owner
3. Monitor equipment training as required by contract documents
4. Prepare a final cost forecast
5. Collect final releases of lien from contractors
6. Recommend final payment to contractors
7. Prepare Project review and "lessons learned" report for owner
8. Turnover true , correct and complete Project records to owner

**Exhibit “B”
Hourly Fees for Services**

Project Manager agrees to and shall perform services based on the following hourly rates, subject to and in accordance with the foregoing Agreement:

[TBD]