

HOUSTON FIRST CORPORATION

MINUTES OF HOUSTON FIRST CORPORATION BOARD OF DIRECTORS

February 5, 2015

The Board of Directors 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 George R. Brown, 3rd Floor Executive Board Room, 1001 Avenida de las Americas, Houston, Harris County, Texas 77010, on Thursday, February 5, 2015, commencing at 10:00 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: Ric Campo, Chair, Phyllis Bailey, Alex Brennan-Martin, Katy Caldwell, Fernando Cuellar, Irma Diaz-Gonzalez, Harry Greenblatt, Winslow Jeffries, Council Member Dave Martin, Desrye Morgan, David Solomon, Council Member David Robinson and Gerald Womack. Cecil C. Conner, Jr. was absent. Council Members Gallegos and Green were in attendance.

Ric Campo called the meeting to order at approximately 10:04 A.M. and a quorum was established.

1. Public Comments. Comments were received from the following persons:

- William Okeson, HBS
- Maria Xiquin, SEIU Texas

2. Approval of Minutes. After a motion duly seconded, the minutes of the November 17, 2014 were approved. Katy Caldwell and Winslow Jeffries abstained.

3. Presentations. Luke Charlton of RIDA Development Corporation provided an update on the construction of the Marriott Marquis, which is 15% complete. He added that the sales teams were in place and pre-sales were going well. Further, Mr. Charlton advised that they were just below the 30% diversity goal at 28%. Going forward, RIDA was going to move toward a quarterly reporting system and he committed to send the Board a report that outlined their outreach process.

4. Consideration and possible approval of an Event Cleaning and Janitorial Services Agreement with Midwest Maintenance Company, Inc. Desrye Morgan provided a summary of the solicitation process and the basis for the recommendation of Midwest Maintenance Company, Inc. by the Theater and Convention District Operations Committee meeting on February 4, 2015. Following a brief discussion on this item a motion was made and duly seconded to approve the Event Cleaning and Janitorial Services Agreement with Midwest Maintenance Company, Inc.

5. Consideration and possible approval of the 2015-2016 Procurement Plan. Katy Caldwell provided an overview of the 2015-2016 Procurement Plan as discussed in the Governance, Audit & Finance Committee meeting on January 20, 2015. Following brief discussion on this item, a motion was made and duly seconded, to approve the 2015-2016 Procurement Plan as presented.

6. Consideration and possible approval of the 2015 Investment Policy and designation of an Investment Officer. Katy Caldwell provided the Board with an overview of the 2015 Investment Policy as discussed in the Governance, Audit & Finance Committee meeting on January 20, 2015. In addition, a recommendation was made to designate Karen Williams as Houston First Corporation's Investment Officer. A motion was made and duly seconded, to approve the 2015 Investment Policy and to designate Karen Williams as Investment Officer.
7. Consideration and possible approval of the refunding of certain Hotel Occupancy Tax and Special Revenue Refunding Bonds, Series 2011B, the replacement of the Regions Bank note facility, and the issuance of City of Houston, Texas, Convention and Entertainment Facilities Department Hotel Occupancy Tax and Special Revenue and Refunding Bonds, Series 2015. Katy Caldwell and Drew Masterson of First Southwest Corporation provided an overview of the benefits of the 2015 refunding opportunity, which will provide \$482,000 per year in savings and lower exposure from 35% to 25%. A motion was made and duly seconded to approve this item as presented. Desrye Morgan abstained.
8. Consideration and possible approval of the terms for a Convention Services Agreement between Houston First Corporation and Trend Hospitality LP for the development of an aLoft Hotel. David Solomon provided an overview of the terms as discussed in the Hotel Committee meeting on January 23, 2015 and February 4, 2015. The terms provided for approval 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. Following a brief discussion on this item, a motion was made and duly seconded, to approve a Convention Services Agreement between Houston First Corporation and Trend Hospitality LP for the development of an aLoft Hotel.
9. Consideration and possible approval of the terms for a Convention Services Agreement with Houston Hotel Partners, LLC for the development of a Le Meridien Hotel. David Solomon provided the terms as discussed in the Hotel Committee meeting on February 4, 2015 as follows: 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. Following a brief discussion on this item, a motion was made and duly seconded to approve a Convention Services Agreement with Houston Hotel Partners, LLC for the development of a Le Meridien Hotel.
10. Consideration and possible approval of the 2015 Legislative Agenda. Rob Jackson provided a summary of Houston First Corporation's interest in various legislative items on the local, state and federal levels. Following brief discussion on this item, a motion was made and duly seconded, to approve the 2015 Legislative Agenda as presented.

11. Committee Reports. Committee reports were provided as follows:

Benefits & Compensation Committee – Irma Diaz-Gonzalez

Governance, Audit & Finance Committee – Katy Caldwell

Hotel Committee – David Solomon

Joint Entrepreneurial Committee – Phyllis Bailey

Joint Marketing Committee – In C.C. Conner's absence, Holly Clapham-Rosenow provided the report.

Joint Sales Committee – Ric Campo

Joint Tourism Committee – Fernando Cuéllar

Theater and Convention District Operations Committee – Desrye Morgan

12. Updates.

Mario Ariza provided a construction update on the Sunset Coffee Building.

Luther Villagomez provided an update on the Convention District construction projects. Council Member Gallegos asked that Houston First review art projects to compliment the Americas theme.

Ric Campo provided an update on the 2016 Super Bowl and mentioned that the Host Committee was beginning to populate various committees that will focus on the 2017 Super Bowl.

Dawn Ullrich provided the CEO report and mentioned the move to 4 Houston Center, the future scheduling of a Convention District hard hat tour, the Houston First tent at the Houston Livestock Show and Rodeo Bar-B-Q cook off, and future Board and executive staff retreats.

The meeting adjourned at approximately 11:42 A.M.



Pamela Walko

Pamela Walko, Secretary