

**HOUSTON FIRST CORPORATION
AUDIT & FINANCE COMMITTEE
FEBRUARY 1, 2012, 3:30 PM
1ST FLOOR CONFERENCE ROOM
GEORGE R. BROWN CONVENTION CENTER**

- I. Call to Order
- II. Review and Approval of Minutes from Prior Meeting of November 7, 2011
- III. Committee Business
 - A. Consideration of and possible action with regard to obtaining electricity.
- IV. Updates
 - A. New accounting system
 - B. 2011 Audit
- V. Announcements
- VI. Upcoming Meetings
- VII. Adjournment

For special needs assistance, please contact Dolores Kerr at 713/577-6153 prior to the scheduled meeting.

HOUSTON FIRST CORPORATION
MINUTES OF THE
AUDIT AND FINANCE COMMITTEE

November 7, 2011

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 November 7, 2011, commencing at 2:30 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 2:35 p.m. and a quorum was established.

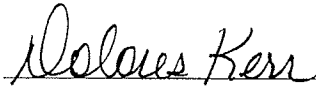
1. Review and Approval of Minutes from Prior Meeting. After a motion duly seconded, the minutes from the October 21, 2011, meeting were approved.
2. Discussion of and possible action on a recommendation to the Board of Directors with regard to the approval of Houston First Corporation CY12 Budget. Brenda Bazan gave a brief overview of the changes in the operating and capital budgets from what had been presented at the October 21st meeting. A copy of such budget is attached hereto as Exhibit A. Peter McStravick presented the Hotel Administrative operating and capital budgets for CY12. After a motion duly seconded, the committee agreed to recommend to the Board of Directors the CY12 budget as presented.
3. Discussion of, and possible action on, the recommendation to the Board of Directors with regard to the approval of Hilton's operating and capital budgets for calendar year 2012. Peter McStravick gave a brief overview of Hilton's proposed CY12 operating and capital

budgets. After a motion duly seconded, the committee agreed to recommend to the Board of Directors the approval of Hilton's operating and capital budgets for CY12.

4. Discussion of, and possible action on, the recommendation to the Board of Directors with regard to the Policy Regarding Disposition of Obsolete or Excess Personal Property. Dawn Ullrich advised the committee that Steve Lewis was working on a new policy that would include both the hotel and leased facilities and it would be presented to the committee at the next meeting.

5. Property Insurance. Peter McStravick advised the committee that the proposed property policy summarized at the last meeting, including the saving, now need to be approved by the Mayor.

After motion duly seconded, the meeting was adjourned at approximately 3:05 p.m.



Dolores Kerr, Secretary