

**HOUSTON FIRST CORPORATION**  
**MINUTES OF HOTEL COMMITTEE**

**September 12, 2013**

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.TRANSF.CODE ANN. §431.101 et seq. and TEX.LOC.GOV'T.CODE ANN §394.001 et seq., held a meeting in the 1<sup>st</sup> Floor Conference Room, 1001 Avenida de las Americas, Houston, Harris County, Texas 77010, on Thursday, September 12, 2013, commencing at 11:30 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, Hasu Patel, Irma Diaz-Gonzalez, and Dawn Ullrich .

Chairperson Solomon called the meeting to order at approximately 11:31 A..M. and a quorum was established. Mr. McStravick requested that two items be taken out of order.

1. Consideration of, and possible action on, a recommendation to the to the Board of Directors on a convention services agreement. Peter McStravick introduced Jamie Bryant and Jonathan Brinsden with Midway concerning Midway's request for a convention services agreement. Mr. Brinsden presented an overview of the project now underway in the Green Street complex which is to include a hotel. He outlined the need for the convention services agreement. After a motion duly seconded the committee agreed to recommend to the Board of Directors a convention services agreement for Hotel Alessandra.
2. Pappasito's Renovation and Schedule. Chris Pappas and Dave Richards gave a brief presentation on the progress of the Pappasito renovation at the Hilton. Mr. Richards explained that due to the busy conditions at the Hotel, demolition was progressing, but at a slower pace than previously anticipated. Taking that into consideration the projected completion is now scheduled for late January 2014.
3. Public Comments. None

4. Approval of Minutes. After a motion duly seconded, the May 15, 2013 were approved.
5. Consideration of, and possible action on, approval of a contract regarding night cleaning services. Joe Palmieri advised the committee that he and his staff had issued an RFP for night cleaning services. He explained that only two responses were received and that after reviewing both, Hilton is recommending that the night cleaning service be awarded to ACCS (A Complete Cleaning Service). He explained that this is the same company that has the current contract and this would be a one year contract with four individual one year extensions. Peter McStravick added that since this is not a new service, this item would not need to go to the Board. After a motion duly seconded the committee agreed to the contract with ACCS (A Complete Cleaning Service) for night cleaning services.
6. Hotel Report. Mr. Palmieri gave an update on the Hotel which included results of operations for year to date 2013 and forecasted year end 2013, customer satisfaction scores, group rooms booking for 2014, and hurricane preparedness.
7. Retail Tenant. Peter McStravick advised the committee that the lease for the retail space occupied by Landau's will expire the 1<sup>st</sup> week of December and Hilton along with Ed Wulfe are investigating new opportunities for the space.
8. Management Agreement. Peter McStravick advised that Jeff Sachs with Strategic Advisory Group had started the negotiations with Hilton on the renewal of the management agreement. The current agreement was for a term of 15 years and will expire in 2018. We are currently negotiating a term sheet for a renewal contract for not longer than 15 years and hope to complete it by November 2013 when it will be presented to the Committee and ultimately the Board for approval.
9. COO Report. Peter McStravick advised the committee that Hilton presented a preliminary 2014 budget on August 26<sup>th</sup>. With the assistance of Frank Calaguire and Tom Werner of SCS Advisors, Joe Palmieri and team have made some suggested revisions and have now presented those for Hilton's review.

Peter McStravick advised the progress thus far on the Marriott Marquis noting that the current schedule includes submission of construction documents to the City of Houston for permit in late January 2014 and construction starting in April 2014.

The current contract for Asset Manager with SCS Advisors expires December 31, 2013 without options to extend. We will be going out for an RFP in October and present the results to the committee. At this time we anticipate having a similar scope of service in the new agreement.

During the month of August, Houston First went out with a request for proposal for energy consultants. We received 6 responses and an evaluation team composed of stakeholders for the GRB, Theater District, and Hilton Americas reviewed the proposals and selected Choice Energy based on experience and fees. We will begin to work with them to look at another 12-18 month term for electricity supply contract as well as a contract for supplier of natural gas.

Upcoming Meeting-November 13, 2013

The meeting adjourned at approximately 12:49P.M.



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Dolores Kerr, Secretary