

HOUSTON FIRST CORPORATION

MINUTES OF THE

HOTEL COMMITTEE

AUGUST 31, 2011

The Hotel 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.TRANSF.CODE ANN. §431.101 et seq. And TEX. LOC. GOV'T. CODE ANN §394.001 et seq., held a committee meeting in Room 331 at the Hilton Americas-Houston Hotel, 1600 Lamar, Harris County, Texas 77010, on August 31, 2011, 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 Meeting Act. The following committee members participated in the meeting: David Solomon, Hasu Patel, Joe Ting and Dawn Ullrich. Deon Warner also attended.

Chairperson Solomon called the meeting to order at approximately 11:40 a.m. and a quorum was established.

1. Discussion of and possible action on, the recommendation to the Board of Directors with regard to the acceptance of the list of obsolete property, presented by Hilton. Joe Palmieri, Hilton Americas' General Manager explained to the committee that periodically the hotel compiles a list of items that are no longer in use due to age or condition and these items are presented for approval to be liquidated per the Corporation's policy. Mr. Palmieri reviewed the proposed list with the committee. After a motion duly seconded, the committee agreed to recommend to the Board that the list of items presented be accepted.
2. Block 99 Report. Chairperson Solomon briefed the committee on the recent meeting with Sheryl Johns of the Houston Endowment concerning the purchase of Block 99. He explained that the meeting with Ms. Johns, Stephen Jacobs and himself was productive and that the Corporation had presented a proposal to Ms. Johns. Mr. Solomon advised that he anticipated a response by the middle of September.
3. Street and Sidewalk Project. Peter McStravick gave an overview of the status of the design of the project previously approved by the Board. He also explained that Shelia Condon had been contracted to develop ideas and design enhancements. He presented her plan which included changes to portion of the project along the sidewalk on the Hotel side of Crawford. The thrust of

those changes are to expand the area by 25 feet in width by elimination the parking meters on the opposite side of the street and narrowing the street to two lanes of traffic. Mr. McStravick advised that the design remained under review as did pricing for the changes in scope and that he anticipated another presentation and possible request for additional funding for these updates. Discussion followed with significant focus and discussion regarding relocation of the cab stand now located on Lamar across from the Embassy Suites Hotel. Lonnie Hoogetboom of the Downtown Management District was in attendance and addressed this issue stating that areas had been looked into but they had not been able to come up with another location. He said they would revisit the issue.

4. Hilton. Joe Palmieri advised the committee that Hilton Americas first half of the year had been very busy but that the last half of the year is experiencing softness compared to budget. He explained that the renovation was going smoothly and that we were below budget by approximately \$250,000 and should finish on time. He also advised that 2012 is looking very bright. Discussion followed by all.

6. SCS Hotels, Inc. Frank Calaguire gave a brief update of the first budget meeting which took place on August 30, 2011. Discussion followed concerning the year 2014 which at this time looks to be a challenge. Mr. Calaguire advised he would share some of the ideas of other properties he has with Hilton.

After motion duly seconded, the meeting was adjourned at approximately 1:00 p.m.



Dolores Kerr, Secretary