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LEASE AGREEMENT

Between the

CITY OF HOUSTON

and

HOUSTON CONVENTION CENTER HOTEL CORPORATION

LEASE AGREEMENT
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EXHIBITS:

- A Legal Description of Leased Premises
- A-1 Other Premises

LEASE AGREEMENT

THIS **LEASE AGREEMENT** (the "Agreement") is by and between the CITY OF HOUSTON, a Texas home rule municipality (the "City") and the HOUSTON CONVENTION CENTER HOTEL CORPORATION, a Texas local government corporation ("Corporation") and is effective as of the Countersignature Date (defined below).

WITNESSETH:

WHEREAS, City owns and operates various convention and entertainment facilities for the benefit of its residents, tourists, convention attendees and other visitors through its Convention and Entertainment Facilities Department ("CEFD"); and

WHEREAS, City created the Corporation to develop, construct and operate a 1200 room hotel known as Hilton Americas – Houston to enhance the appeal of Houston as a convention and corporate meeting site; and

WHEREAS, improvements to the manner in which the Houston region is marketed for conventions, tourism and major sporting events is in the best interests of City's citizens; and

WHEREAS, concurrent herewith, the formation and other governance documents of the Corporation have been (or are being) amended and restated to broaden its authority to include the lease and operation of the various assets, and assumption and administration of the various contracts and agreements, including but not limited to the operation, maintenance, management, development and redevelopment of the Leased Premises and the continued operation and oversight of the Hilton Americas-Houston; and

WHEREAS, in order to effect the consolidation of CEFD with Corporation, City desires to lease the Leased Premises to Corporation and Corporation desires to accept the Leased Premises and, as more particularly described in the Interlocal Agreement, to undertake the performance of certain other duties and obligations on behalf of City that had been performed by the CEFD, the lease of the Leased Premises to be under the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual covenants, conditions and promises hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Parties hereby covenant and agree as follows:

ARTICLE 1. – DEFINITIONS.

Capitalized terms used in this Agreement have the meanings specified below:

"Adjustment Date" means July 1, 2016 and July 1 of each fifth (5th) year thereafter during the Term.

"Adjustment Factor" means the number obtained by applying the following formula: $1 + [A-B]/B$, where A = the CPI Index on the applicable Adjustment Date and B = the CPI Index as of the Countersignature Date.

"Agreement" means this Lease Agreement, dated effective as of the Countersignature Date, between the City, as landlord, and Corporation, as tenant, together with all exhibits and other attachments thereto, as the same may be amended or restated from time to time after the Countersignature Date.

"Agreement Year" means each full 12 month period beginning on each July 1 occurring during the Term, and the full or partial years consisting of the first Agreement Year beginning on July 1, 2011 and ending on June 30, 2012, and the last Agreement Year being a full or partial year beginning on July 1 of the year in which this Agreement expires or is terminated and ending on the date of such expiration or termination.

"Alterations" is defined in Section 9.01 hereof.

"Annual Budget" means the budget of the Corporation for each of its Fiscal Years approved by the City in accordance with the Interlocal Agreement.

"Applicable Laws" means (i) any law, legislation, statute, act, rule, ordinance, decree, treaty, regulation, order, judgment, holding of a judicial or administrative tribunal, or other similar legal requirement, or (ii) any legally binding announcement, directive or published practice or interpretation thereof, enacted, issued or promulgated by any Governmental Authority.

"Bonds" shall have the meaning ascribed to it in the Interlocal Agreement.

"Business Day" means a day that is not a Saturday, Sunday or legal holiday recognized as such by the City.

"Capital Expenditures" shall have the meaning ascribed to it in the Interlocal Agreement.

"Casualty" means damage, destruction or other property casualty resulting from any fire or any Force Majeure or other sudden, unexpected or unusual cause.

"Casualty Affected Premises" means any parcel of the Leased Premises affected by a Casualty.

"CEFD" is defined in the Recitals above.

"City" means City of Houston, Texas.

"City Bond Documents" means all of the instruments, agreements, indentures and other documents evidencing indebtedness of City from time to time secured in whole or in part by HOT or parking revenues from any of the garages or surface parking facilities that are part of the Leased Premises.

"City Council" means the city council of City.

"Corporation Facilities" means the Leased Premises and the Corporation Personal Property. For the avoidance of doubt, the term "Corporation Facilities" does not include the Hotel or Hotel Garage.

"Corporation FF&E" means all of the fixtures, furnishings, equipment, feed, supplies and other tangible personal property associated with the Leased Premises or owned or leased by the Corporation.

"Corporation Fiscal Year" means the period January 1 of each year until December 31 of such year.

"Corporation Personal Property" means all tangible and intangible personal property owned or used by City (through the CEFD) in the current operation of the Leased Premises, including, but not limited to the Corporation FF&E, the Contracts, the Permits, the Intellectual Property and Corporation Vehicles. For the avoidance of doubt, the term "Corporation Personal Property" does not include any of furniture, furnishings, fixtures or other personal property of Corporation located in or about either the Hotel or Hotel Garage.

"Corporation Vehicles" means all of the trucks, cars, carts, trailers, golf carts, trams, and other vehicles used by the City (through the CEFD) in the operation of the Leased Premises.

"Condemnation" means a taking of title and possession of property by any entity having the power of eminent domain, either by proceedings in eminent domain under Applicable Laws or any voluntary conveyance in lieu or under threat of eminent domain.

"Condemnation Affected Premises" means any parcel of the Leased Premises affected by a Condemnation.

"Countersignature Date" means the date this Agreement is countersigned by the City Controller of the City.

"CPI Index" means the Consumer Price Index for All Urban Cities (CPI-U): U. S. City Average (1982- 84 = 100), not seasonably adjusted, most recently published as of the date in question by the United States Department of Labor, Bureau of Labor Statistics or its successor, or if the same is no longer published, such other similar index reasonably acceptable to the Parties.

"Default Rate" means, for both the City and the Corporation, the maximum annual rate of interest allowed under the Prompt Payment Act, Chapter 2251, Texas

Government Code, as amended, accruing on any amount due from the date that is 31 days after such amount becomes due, pursuant to the terms of this Agreement.

"Director" means the director of CEFD.

"Event of Default" means either a Corporation Default or a City Default.

"Existing Contracts" means those contracts, purchase orders and agreements between the CEFD and third parties for concessions, services, supplies or other items or matters relating to the operation of the Leased Premises as in effect on July 1, 2011.

"Force Majeure" means an event or circumstance beyond the reasonable control of and without the fault or negligence of the Party claiming Force Majeure. It shall include an act of God; war (declared or undeclared); sabotage, riot; insurrection; civil unrest or disturbance; military or guerrilla action; economic sanction or embargo; civil strike, work stoppage, slow-down, or lock-out; explosion; fire; earthquake; abnormal weather condition; hurricane, flood; the binding order of any Governmental Authority; the failure to act on the part of any Governmental Authority (other than City or political or other entities subject to the direct control of the City); unavailability of supplies or products necessary for the operation of the Leased Premises; failure of the equipment not utilized by or under control of a Party; and failure of equipment utilized by and under the control of a Party, provided that such equipment has been designed, constructed, operated, and maintained in accordance with prudent operating practice. Notwithstanding the foregoing, nothing related to market conditions shall constitute Force Majeure and settlement of a strike or lockout shall be deemed beyond the control of the Party claiming excuse thereby regardless of the cause of, or the ability of such Party to settle such strike or lockout.

"GAAP" means generally accepted accounting principles, consistently applied.

"Governmental Approvals" means any license, permit, approval, clearance, consent, certificate or other authorization of any Governmental Authority required under Applicable Laws.

"Governmental Authority" means the federal government of the United States, and any state, county, municipal or local government or regulatory department, body, political subdivision, commission, agency, instrumentality, ministry, court, judicial or administrative body, taxing authority, or other authority thereof having jurisdiction over either Party or any of the Leased Premises, whether acting under actual or assumed authority.

"Hazardous Material" means any chemical, substance, material or waste or component thereof which is now or hereafter listed, defined or regulated as a hazardous or toxic chemical, substance, material or waste or component thereof by any Governmental Authority having jurisdiction, or which would trigger any employee or community "right-to-know" requirements adopted by any such body, or for which any such body has adopted any requirements for the preparation or distribution of a material safety data sheet ("MSDS"), under Applicable Laws.

"HOT" means the hotel and occupancy tax levied by City under Chapter 351 of the Texas Tax Code, as amended. Pursuant to the Interlocal Agreement, City has contract with Corporation to administer the collection of HOT and disbursement thereof in the order of priority more particularly set forth therein.

"Hotel" means the hotel located at 1600 West Lamar, Houston, Texas owned by Corporation and presently known as the "Hilton Americas Hotel".

"Hotel Garage" means the eight level, structured parking garage located immediately to the south of the Hotel and connected to the Hotel and the George R. Brown Convention Center by an elevated pedestrian walkway.

"Improvements" means all structures or other improvements of any kind whatsoever, whether above or below grade, whether now existing or hereafter constructed, and including buildings, the foundations and footings thereof, utility installations, storage, loading and parking facilities, walkways, driveways, landscaping signs, site lighting, site grading and earth movement and all fixtures, plants, apparatus, appliances, furnaces, boilers, machinery, engines, motors, compressors, dynamos, elevators, fittings, piping, connections, conduits, ducts and equipment of every kind and description now or hereafter affixed or attached to any of the Leased Premises, structures or improvements and used or procured for use in connection with the heating, cooling, lighting, plumbing, ventilating or general operation of any of such Leased Premises.

"Intellectual Property" means the right to use the names that as of July 1, 2011 are associated with the various Leased Premises; all domain names reserved by City in connection with the Leased Premises; all rights to use trade names, trademarks, service marks, copyrights, and other such rights owned by City for the benefit of or in connection with the Leased Premises.

"Interlocal Agreement" means that certain Interlocal Agreement dated as of the Countersignature Date between the City and Corporation, as the same may hereafter be amended and modified from time to time.

"Leased Premises" means (i) the various parks and facilities operated by CEFD on the Countersignature Date of this Agreement as described on Exhibit "A" attached hereto; (ii) the properties subject to certain leases by City, as landlord, and as to which CEFD has, prior to July 1, 2011, been designated as the City's representative in such leases, such properties and such leases being described on Exhibit "A-1" attached hereto; (iii) any new or additional properties or improvements owned by City and hereafter designated by City Council, and accepted by Corporation, in writing after the Countersignature Date as being leased to Corporation by City subject to the terms and provisions of this Agreement. "License" means a license or other agreement permitting use or occupancy by such Person of any part of the Leased Premises.

"Mayor" means the mayor of the City of Houston, Texas.

"Operating Expenses" means all expenses, costs, and disbursements of every kind and nature relating to or incurred or paid in connection with the operation, repair, maintenance, marketing, licensing, or use of the Leased Premises, determined in accordance with GAAP, including by way of example and not limitation the following: (i) wages and salaries (including all taxes, insurance and benefits) payable by Corporation, including City employees working for Corporation, training expenses and expenses related to dues and memberships, where applicable, of all Persons employed by Corporation, including City employees working for Corporation; (ii) all supplies, tools, equipment and materials used in the operation and maintenance of the Leased Premises; (iii) cost of all maintenance and service agreements for the Leased Premises and the mechanical systems and equipment therein; (iv) cost of repairs, maintenance and additional Improvements to the Leased Premises; (v) cost of all insurance required or permitted under this Agreement and all accounting, legal and other professional or consulting services; and (vi) such reserves for working capital and long term maintenance items as Corporation may deem reasonable and appropriate. The term "Operating Expenses" additionally includes all expenses, costs and disbursements of every kind and nature relating to or incurred or paid in connection with the marketing and licensing of the Leased Premises, protocol and film commission activities or any other activities as for which HOT may be properly utilized and that are undertaken or expended by Corporation in accordance with the Annual Budget including, but not limited to, payment under this Agreement.

"Party" means City or Corporation and "Parties" means both of such entities.

"Permits" means those Governmental Approvals relating to the Leased Premises and Corporation Facilities as in effect on the Countersignature Date.

"Permitted Encumbrances" means each of the easements, restrictions, reservations and other encumbrances upon title to the Leased Premises as would be reflected or revealed in an examination of the real property records of Harris County, Texas as of the Countersignature Date.

"Person" means any natural person, corporation, limited partnership, general partnership, joint stock company, limited liability company, limited liability partnership, joint venture, association, company, trust, bank, trust company, land trust, business trust or other organization, whether or not a legal entity, or any other nongovernmental entity, or any Governmental Authority.

"Term" means the term during which this Agreement is in effect, as set forth in Section 4.01 of this Agreement.

"TXDOT Rights" means all rights of City under the instruments, documents, agreements between City and the Texas Department of Transportation (the "TXDOT Documents") relating to the use by City of the land area located within, and under the elevated highway over, the portions of the U.S. Highway 59 right-of-way located immediately to the east of the George R. Brown Convention Center and lying between Texas Avenue and Clay Street.

ARTICLE 2. – LEASE OF CEFD FACILITIES.

2.01 Leased Premises.

a. Subject to the terms and conditions set forth herein, and subject to all Permitted Encumbrances, as of the beginning of the Term, City hereby leases to Corporation the Leased Premises together with all buildings, structures, permanent fixtures, pavement, fencing, and other Improvements, (and grants Corporation the non-exclusive right to use all underground utility lines serving only the Leased Premises), now situated or hereafter constructed on or under the Leased Premises and all landscaping now or hereafter installed or situated on such Leased Premises. City hereby delegates to Corporation the full power and authority to manage, operate, maintain, license, sublease, modify, redevelop, and improve the Leased Premises, subject to the terms and provisions of this Agreement. City also hereby delegates to Corporation the full right and authority to exercise all of the City's rights, duties and obligations under or in connection with the TXDOT Rights, and Corporation hereby agrees to observe and perform all of City's obligations arising under the TXDOT Documents on and after July 1, 2011 (excluding those obligations arising out of a default by City under the TXDOT Documents occurring prior to July 1, 2011).

b. Corporation, and its contractors, subcontractors, materialmen, laborers, licensees, employees, guests, visitors and invitees will have, as an appurtenance to the Leased Premises, all reasonable access thereto over and by the public walks, driveways and roads within and around the Leased Premises as same now exist or may be hereafter opened and provided by City; but this will not prevent City from vacating, closing or relocating any such walk, driveway or roadway, provided there remains or is then provided reasonable access to the Leased Premises.

c. If City, in its sole and absolute discretion, elects to abandon any part of any street right-of-way adjacent to any part of the Leased Premises then, at the request of Corporation following such abandonment, such abandoned right-of-way shall become part of the Leased Premises at no additional rent or other charge to Corporation.

2.02 Disclaimer of Warranties, AS-IS CONDITION. City has not made, does not make and hereby specifically disclaims any representations, warranties, promises, covenants, agreements or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to: (a) the nature, quality or condition of the Leased Premises, including, without limitation, the water, soil and geology; (b) the suitability of the Leased Premises for any and all activities and uses which Corporation may conduct thereon; (c) the compliance of or by the Leased Premises or of operations on the Leased Premises with any laws, rules, ordinances or regulations of any applicable government or body; (d) the habitability, merchantability or fitness for a particular purpose of the Leased Premises; (e) the accuracy or completeness of any materials provided to Corporation under the provisions of this Agreement or otherwise; or (f) any other matter with respect to the Leased Premises. **WITHOUT LIMITING THE FOREGOING, CITY DOES NOT MAKE AND**

HAS NOT MADE ANY REPRESENTATION OR WARRANTY REGARDING THE PRESENCE OR ABSENCE OF ANY HAZARDOUS MATERIAL ON, UNDER OR ABOUT THE LEASED PREMISES OR THE COMPLIANCE OR NON-COMPLIANCE OF THE LEASED PREMISES WITH ANY AND ALL APPLICABLE LAWS REGULATING, RELATING TO OR IMPOSING LIABILITY OR STANDARDS OF CONDUCT CONCERNING ANY HAZARDOUS SUBSTANCES. Corporation acknowledges and consents to such disclaimer of warranties by City, and the Leased Premises are accepted by Corporation AS IS, WHERE IS, WITH ALL FAULTS.

ARTICLE 3. – TITLE MATTERS.

3.01 Permitted Encumbrances. Corporation takes the Leased Premises subject to, and admits notice of the existence of, any and all water, storm sewer, sanitary sewer, gas, electric and other utility lines, wires and other facilities, whether recorded or unrecorded, located beneath, upon or above the Leased Premises, all of which are deemed to be Permitted Encumbrances (except for those underground utility lines within the Leased Premises serving only the Leased Premises). The existence of same will not constitute any breach of covenant on the part of City, nor will Corporation be entitled to require the removal of any thereof. City reserves the right, for itself or any other owner of any of such utility lines, wires and other facilities, at all times to have reasonable access thereto for the purposes of operation, maintenance, repair, replacement or removal of any thereof; *provided, however*, that upon completion of any such work for which access is obtained, City shall, at no cost to Corporation, restore the affected Leased Premises and/or the surface of the Leased Premises to substantially the condition in which it or they existed immediately prior to such access and work, to the extent that the restoration to such condition is reasonably practicable.

3.02 Warranty of Quiet Enjoyment. So long as no Corporation Default has occurred and is continuing under this Agreement, City warrants that Corporation may peaceably and quietly have, hold and enjoy the Leased Premises for the entire Term, subject to all of the terms and provisions of this Agreement.

3.03 Property of Corporation. Title to personal property placed in the Leased Premises by Corporation will continue to be owned by Corporation throughout the Term.

3.04 Property of Third Parties. Title to trade fixtures and other personal property placed in the Leased Premises by Persons contracting with Corporation as contractors or concessionaires in the Leased Premises will be subject to the terms of the applicable contract or concession agreement or other agreement.

3.05 Landlord's Right of Re-Entry. City and its duly authorized employees, agents and contractors will have access to the Leased Premises during Corporation's business hours, or at such other times with the consent of Corporation, to inspect the Leased Premises and to verify compliance with the terms of this Agreement. City will have the right to re-enter the Leased Premises to relocate any of its utility lines, wires or other facilities existing in the Leased Premises as of July 1, 2011 or to install additional utility

facilities owned by City within the Leased Premises, subject to the prior reasonable approval of Corporation thereof; *provided, however*, that such work will be coordinated with the event or operating schedules in the Leased Premises and that, upon completion of such installation work, City shall, at no expense to Corporation, restore the Leased Premises to substantially the condition in which it or they existed immediately prior to such re-entry and installation work, to the extent that the restoration to such condition is reasonably practicable.

ARTICLE 4. – TERM; TERMINATION; RENT.

4.01 Term.

a. This Agreement shall be effective on the Countersignature Date. The term of the lease set forth in this Agreement shall commence on July 1, 2011 and end at midnight on the first to occur of (i) December 31, 2026 (subject to extension pursuant to Section 4.01b. below); (ii) the termination of this Agreement by either Party as expressly provided herein; (iii) the termination of this Agreement by the mutual agreement of City and Corporation or (iv) the termination of the Interlocal Agreement.

b. The term of the lease set forth in this Agreement shall automatically extend for a period commencing on January 1, 2027 and ending June 30, 2041, unless either Party provides written notice to the other on or before June 30, 2026 of its election to terminate this Agreement as of December 31, 2026.

c. In order to provide for the orderly transition and re-conveyance of the Leased Premises to City upon the termination of this Agreement for any reason prior to the scheduled expiration of the Term, then notwithstanding any provision contained in this Agreement to the contrary, the provisions of this Section 4.01.c shall apply. Any termination of this Agreement will be effective no sooner than 90 days after written notice thereof given by the terminating Party to the other. During the period between the date such termination is given and the effective date of such termination, the Parties will cooperate with each other reasonably and in good faith to arrange for the transition of operations of the Leased Premises back to the City; *provided, however*, that such duty to cooperate will not preclude any Party from disputing the termination of this Agreement as a result of such Party's alleged default under such agreement. From and after the date on which a notice of termination is given, Corporation will not have the right to enter into any new contract for the construction, remodeling or repair of the Leased Premises unless all such work under such contract is required to be, and can reasonably be expected to be, completed by the 60th day after such termination notice is given, and unless such contract is otherwise permitted under this Agreement. If any contract for the construction, remodeling or repair of the Leased Premises is in effect on the day such termination notice is given and (1) any procurement or construction work under such contract has commenced prior to the day such termination notice is given, and (2) the work under such contract is not scheduled to be, and can not reasonably be expected to be, completed by a date that is at least 30 days prior to the effective date of termination specified in such notice, then the termination of this Agreement will become effective on the 30th day after the earlier of (i) the scheduled

completion date under such contract, or (ii) substantial completion of all work under such contract. In such event, Corporation shall continue to administer such contract, supervise the work and pay all sums due under such contract in accordance with the terms thereof until such extended termination date of this Agreement.

4.02 Effect of Termination; Reversion of Title.

a. Upon the expiration or termination of this Agreement, (1) Corporation will surrender possession of the Leased Premises to City in accordance with Section 4.03 below; (2) City will immediately take over the operation of the Leased Premises and Corporation will not have any liability for any costs or expenses incurred or arising after the date of such expiration or termination of this Agreement; and (3) City will assume and become liable for all indebtedness evidenced by Bonds issued by Corporation with City's approval as contemplated herein; *provided, however*, that Corporation will (i) transfer to City any private donations or pledges of contributions held by Corporation, to the extent that the proceeds thereof are pledged or otherwise intended to repay or defease such Bonds and applicable tax laws and/or the terms of such private donations or pledges of contributions permit such transfer; and (ii) remain in existence after the termination or expiration of this Agreement and administer and apply to the debt service of such Bonds any private donations or pledges of contributions held by Corporation, to the extent that the proceeds thereof are pledged or otherwise intended to repay or defease such Bonds but applicable tax laws and/or the terms of such private donations or pledges of contributions do not permit a direct transfer thereof to City. The provisions of this Section 4.02.a shall survive the expiration or termination of the Agreement until such Bonds are fully repaid.

b. All Operating Expenses and debt service on any Bonds outstanding at the time of such expiration or termination will be pro-rated as of the date of such termination or expiration. All revenues derived from operating the Leased Premises and received by Corporation prior to such termination or expiration shall be applied by Corporation to pay, satisfy and discharge any Operating Expenses, debt service on the Bonds and other liabilities and obligations relating to the Leased Premises and accruing with respect to periods up to and including the effective date of such termination or expiration subject, in all cases, to the provisions of the Interlocal Agreement regarding application, and priority of application, of HOT. All such revenues received by Corporation after such termination or expiration shall be paid over to City within ten Business Days after receipt thereof except for any amounts of such revenues that arise out of events that occurred, and the Operating Expenses for which were incurred, before the date of the expiration or termination of this Agreement, which amounts may be retained by Corporation and used solely for the purpose of paying, satisfying and discharging such Operating Expenses.

4.03 Surrender of Possession. Effective at midnight of the date on which the Term expires or is otherwise terminated as contemplated herein, Corporation will surrender possession of the Leased Premises to City in a condition at least as safe and orderly as the Leased Premises existed on the date signifying the beginning of the Term, subject

to ordinary wear and tear, damage from casualty or condemnation, and subject to Alterations made in accordance with this Lease.

4.04 Rent. In consideration for this Agreement, Corporation agrees to pay, in addition to all other charges, costs and expenses provided for in this Agreement, rent to City for all of the Leased Premises in the amount of \$1,380,000 for each Agreement Year; provided, that, on each Adjustment Date, the rent described in this clause shall be adjusted to an amount equal to the lesser of (1) one hundred five percent (105%) of the rent in effect for the Agreement Year immediately preceding the Adjustment Date and (2) the product of the rent in effect for the Agreement Year immediately preceding the Adjustment Date multiplied by the Adjustment Factor. Rent shall be due and payable annually in advance on July 1 (with the first such payment being due and payable on July 1, 2011). Rent for the Agreement Year in which the Term of this Agreement expires or otherwise terminates shall be prorated based upon the number of months in such last Agreement Year that follows within the Term.

ARTICLE 5. – PERMITTED USE.

5.01 Permitted Use. The Leased Premises will be used solely for the purposes for which they were designed and related and appurtenant activities (and such other uses as may be approved by Mayor), including, without limitation, conventions, consumer shows, corporate meetings, theatrical and musical performances, outdoor events, trade shows, concessions, parking, and other related support facilities and activities, and marketing, promotion and development, whether or not on site, all in accordance with the terms and conditions of this Agreement and all other purposes and uses consistent with uses made of the Leased Premises prior to the Countersignature Date and such other uses that contribute to the hospitality or arts communities or promote the convention and tourism industries (the "Permitted Use"), and for no other purpose without the prior written consent of City. Corporation will not at any time during the Term abandon the Leased Premises, and will in good faith, continuously throughout the Term, attempt in good faith to conduct the type of activities for which the Leased Premises are leased, save and except during such periods of time when the construction, reconstruction or renovation of the Leased Premises render impractical the use for the Permitted Use.

5.02 No Nuisance. All operations on the Leased Premises will be conducted in an orderly and proper manner so as not to unreasonably annoy, disturb, endanger or be offensive to others. Corporation will not do or permit to be done anything which may result in the creation, commission or maintenance of a nuisance, unsanitary condition, waste or injury on the Leased Premises. City agrees to allow Corporation to participate, at Corporation's election, in City's waste and disposal agreements, including recycling.

5.03 Compliance with Laws. Throughout the Term, Corporation will comply or cause compliance with all Applicable Laws, Governmental Approvals and the terms of this Agreement. Corporation will, at Corporation's sole cost, procure all Governmental Approvals, pay any charges, license fees, or taxes incident to its activities under this

Agreement and give all notices necessary and incident to the lawful and proper execution of its activities under this Agreement.

5.04 Net Lease. This Agreement shall be deemed and construed to be a "net lease", and Corporation shall pay to City, net throughout the Term, all rent and other payments due hereunder, free of any deductions without abatement, deduction or set-off; and under no circumstances or conditions, whether now existing or hereafter arising, or whether or not beyond the present contemplation of the parties, shall City be expected or required to make any payment of any kind whatsoever or be under any other obligation or liability hereunder except as herein otherwise expressly set forth. City shall not be required to furnish any services or facilities or to make any repairs or alterations in or to the Leased Premises throughout the Term, Corporation hereby assuming the full and sole responsibility for the condition, construction, operation, repair, replacement, maintenance and management of the Leased Premises, as herein stated. Notwithstanding the foregoing, for so long as the indebtedness evidenced by one or more of the bonds of City issued pursuant to the City's Ordinance No. 2001-0224 (the "2001 Ordinance") remains outstanding, upon request of Corporation made in connection with the submittal of any annual budget to City under the Interlocal Agreement (or any supplement thereto) and approval by City of such budget (or supplement thereto), City shall, to the extent of any available funds in the Operation and Maintenance Account (as defined in the 2001 Ordinance) pay (or provide to Corporation to pay on behalf of City) Operation and Maintenance Expenses (as defined in the Ordinance) with respect to the Leased Premises.

ARTICLE 6. – OPERATIONS.

6.01 Performance Standards. Corporation will at all times cause the Leased Premises to be operated in accordance with the following performance standards:

a. The Leased Premises will be maintained and operated in accordance with high standards of cleanliness and appearance and operations and in a state of good order and repair, including replacements and renewals and all such repairs made by Corporation shall be at least equal in quality and class to the original work.

b. The Leased Premises will be operated in conformance to all City obligations related to the Leased Premises including but not limited to, covenants of the City Bond Documents and the Existing Contracts.

6.02 Contracts.

a. Corporation shall have the exclusive right during the Term to enter into agreements with Persons for the use of the Leased Premises, or any part thereof, including without limitation, subleases, Licenses, concessions and other activities for the purpose of providing ancillary goods and services to the licensees and invitees of the Leased Premises, including, but not limited to, food and beverage concessions, utility services, AV services, communication services, gift shops, cart or stroller rentals, ticket

vending services, and other similar or dissimilar services deemed by Corporation to be necessary or desirable in connection with the operation of the Leased Premises.

b. City will not authorize, permit or enter into any concessions or other agreements that (i) give rights to any concessionaire of City to offer or sell tickets for events or admissions in the Leased Premises; (ii) give exclusive or any other rights to any concessionaire or other Person with regard to the Leased Premises or that would operate to restrain or prohibit Corporation from entering into a concessions or other agreements with regard to use, or exclusive rights to conduct certain businesses from within, any of the Leased Premises; (iii) give rights to any Person to operate within, or have the right to use, the Leased Premises, or (iv) would violate any agreements entered into by Corporation with respect to any of the Leased Premises.

6.03 No Naming Rights.

Corporation will not grant any Person the right to name, or change the name of, any of the Leased Premises from the name thereof known as of the Countersignature Date except with the consent of the City. Corporation will have the right, without the need of consent from City, to incorporate donor recognition programs, including naming rights, with regards to particular exhibits, installations, (and portions of Improvements) at the Leased Premises in connection with any fund-raising or capital campaigns from time to time.

ARTICLE 7. – TAXES AND ASSESSMENTS.

Corporation shall be responsible for any and all sales taxes, licenses, permits, assessments and fees or other taxes incumbent upon Corporation's operations. City acknowledges that Corporation is a tax-exempt entity.

ARTICLE 8. – INSURANCE.

At Corporation's request and expense, City will all times keep the Leased Premises insured under its property damage insurance policy or policies in the same manner as City's other public improvements; provided, however, that at Corporation's request and upon Corporation's acquiring property insurance for the Leased Premises at Corporation's cost, in amounts, on terms and from insurers reasonably acceptable to the Mayor, City will exclude the Leased Premises from City's property insurance policies. In the event of any damage to the Leased Premises for which proceeds of insurance are paid to City, City will make available proceeds of its insurance required hereunder for such damage to Corporation for the repair of such damage in the same manner and with the same priority as such proceeds would be made available to any other public improvements of City at the time of such loss, unless, in respect to any Casualty Affected Premises, this Agreement is terminated as permitted under Section 10.01 below.

ARTICLE 9. – MAINTENANCE, ALTERATIONS AND CONSTRUCTION.

9.01 Additions and Alterations. To the extent moneys are available therefor in any Annual Budget, Corporation has the right to make such additions, deletions, modifications, replacements, renovation, rehabilitation, development, redevelopment, expansions and enhancements, including remodeling, demolishing and removing any then existing Improvements, and constructing and installing new Improvements (collectively, "Alterations") to the Leased Premises as Corporation deems necessary or desirable for the operation, maintenance, development and redevelopment of the Leased Premises, substantially consistent with Corporation's capital improvements plan in effect for the period in which such Alterations are intended to be performed. Immediately upon completion, all Alterations to the Leased Premises and new or renovated Improvements will become part of the Leased Premises. Notwithstanding the foregoing, Corporation may not undertake any of the following described Alterations without the prior written approval of Mayor:

a. As to any parcel of the Leased Premises that is improved with buildings or other structures as of the Countersignature Date hereof, any Alteration thereof that would fundamentally change the nature and character of such Improvements so that the same could no longer be used for the purposes for which the same are being used as of the Countersignature Date.

b. As to any parcel of the Leased Premises that is improved with buildings or other structures as of the Countersignature Date, any Alteration thereof that would materially and adversely affect the structural integrity thereof.

c. Title to all new facilities constructed on City property will be retained by Corporation during construction, but such title will automatically vest in City immediately as such construction is completed.

9.02 Construction.

a. Corporation has the right and obligation to manage all construction and repair relating to existing or future Leased Premises. All plans and specifications and any new facilities constructed in connection therewith will be designed and built in substantial compliance with all Applicable Laws and Governmental Approvals. Title to all new facilities constructed on City Property will be retained by Corporation during construction, but such title will automatically vest in City immediately as such construction is completed.

b. At any time Corporation undertakes construction of any Improvements or new facilities in excess of \$1,000,000 in hard construction costs, Corporation will contractually require the construction contractor(s) to provide separate payment and performance bonds in accordance with Applicable Laws (including Article 2253, Texas Government Code, as amended).

c. Corporation will keep the Leased Premises and any new construction free from any liens arising out of any work performed, material furnished or obligations incurred by or for Corporation and any other liens or encumbrances.

ARTICLE 10. - DAMAGE FROM CASUALTIES.

10.01 Substantial Destruction. The provisions of this Article 10 shall be applied separately to each Casualty Affected Premises. If as a result of a Casualty a Casualty Affected Premises is damaged to such an extent that the reasonable estimate of the time of repair is greater than one (1) year or the costs of restoration will exceed fifty percent (50%) of the replacement cost or if City elects not to restore the same, City shall have the right to terminate this Agreement as to such Casualty Affected Premises. The termination will be effective on the date specified in such notice but in no event later than the 90th day after such Casualty. During the period between the date of such Casualty and the date of such termination, Corporation will close the Casualty Affected Premises as may be necessary or appropriate to protect the health and safety of the patrons and visitors.

10.02 Restoration. If this Agreement is not terminated as to a Casualty Affected Premises as permitted under Section 10.01, Corporation will proceed with reasonable diligence, at its sole cost and expense, to rebuild and repair the Leased Premises to substantially the condition as existed prior to the Casualty (with such changes thereto as approved by Mayor and the Corporation); provided, that if the Casualty Affected Premises was insured by City at the time of such Casualty, City shall make available to Corporation the proceeds of such insurance and pay to Corporation the amount of the deductible but Corporation's rights thereto shall be limited to the proceeds actually used for repair and restoration and the balance shall be retained by City.

10.03 Affect on Rent. If this Agreement is terminated after July 1, 2016 as to any Casualty Affected Premises, rent payable under this Agreement for each Agreement Year thereafter shall be equitably adjusted between Mayor and Corporation to reflect the removal of such Casualty Affected Premises from this Agreement.

ARTICLE 11. - CONDEMNATION.

11.01 Notice of Condemnation. The provisions of this Article 11 shall be applied separately to each Condemnation Affected Premises. Promptly upon its becoming aware of the commencement of any effort to acquire any substantial portion of the Leased Premises by Condemnation, Corporation will give notice to City thereof. City will participate in the Condemnation proceedings for all purposes, including without limitation, for purposes of asserting defenses against such Condemnation on grounds of paramount public necessity or other theories available under Applicable Laws.

11.02 Substantial Condemnation. If any material part of a Condemnation Affected Premises has been taken through a Condemnation, then City may terminate this Agreement as to such Condemnation Affected Premises by giving notice to Corporation within 60 days after the date on which possession is taken through such Condemnation.

If this Agreement is so terminated, all compensation awarded for any Condemnation with regard to such Condemnation Affected Premises will be the property of City (subject to the rights of the holders of any Bonds and subject to the City Bond Documents).

11.03 Partial Condemnation. If this Agreement is not so terminated as provided in Section 11.02 above, the portion of compensation awarded in such Condemnation will be the property of City (although such portion of the award may, shall be paid over to Corporation for the restoration of the remaining portion of the Condemnation Affected Premises).

11.04 Affect on Rent. If this Agreement is terminated after July 1, 2016 as to any Condemnation Affected Premises, rent payable under this Agreement for each Agreement Year thereafter shall be equitably adjusted between Mayor and Corporation to reflect the removal of such Condemnation Affected Premises from this Agreement.

ARTICLE 12. – ASSIGNMENTS, SUBLEASES.

12.01 Assignments Prohibited. Corporation will not assign this Agreement in whole or in part, without obtaining the prior written consent of City. However, Corporation shall have the right to execute Licenses, concession agreements, rights of entry agreements, and other agreements permitting others to use or occupy any portion of any of the Leased Premises. In no event shall Corporation have the right to grant any deed of trust lien or mortgage against any of its leasehold estate, rights, or interests in any of the Leased Premises, nor to encumber fee title to any of the Leased Premises without the consent of City.

12.02 Transfers by City. If City conveys, assigns or otherwise transfers the Leased Premises or its interest as landlord under this Agreement, or any interest therein or part thereof, such transfer will expressly be made subject to the terms of this Agreement, and City will remain fully and primarily liable for all of its obligations hereunder, including those obligations that may arise after the effective date of the transfer unless expressly released from this Agreement in writing by Corporation.

ARTICLE 13. – DEFAULTS AND REMEDIES.

13.01 Defaults by Corporation. The occurrence of any of the following events and the expiration of the applicable cure period set forth below without such event being cured or remedied will constitute a "Corporation Default":

a. Failure of Corporation to perform or comply with any covenant or condition made under this Agreement, which failure is not cured within 60 days from the date of notice from City, *provided, however*, that if such default is not capable of being cured within such 60-day period, Corporation will have a reasonable period (not to exceed an additional 120 days) to complete such cure if Corporation promptly undertakes action to cure such default within such 60-day period and thereafter diligently prosecutes the same to completion;

- b. The Leased Premises are abandoned by Corporation;
- c. An Event of Default by Corporation under, and as defined in, the Interlocal Agreement;
- d. Any lien is filed against the Leased Premises or Corporation's interest therein or any part thereof in violation of this Agreement and same remains unreleased for a period of 60 days from the date of such filing unless within such period Corporation contests in good faith the validity of such lien and such lien is appropriately bonded; or
- e. The dissolution or liquidation of Corporation or the filing by Corporation of a voluntary petition in bankruptcy; the failure by Corporation promptly to remove any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Leased Premises; the issuance of an order or decree by any court of competent jurisdiction providing for the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of Corporation or any substantial part of Corporation's property or ordering the winding up or liquidation of Corporation's affairs; the general assignment by Corporation for the benefit of its creditors; the entry by Corporation into an agreement of composition with its creditors; the approval by a court of competent jurisdiction of a petition applicable to Corporation in any proceeding for its reorganization instituted under the provisions of Title 11, United States Code, as amended, or under any similar act in any domestic or foreign jurisdiction, which may now be in effect or hereafter enacted (other than a reorganization not staying or impeding the collectability or enforceability of the liabilities or obligations of Corporation).

13.02 City's Remedies. In the event of any Corporation Default, City will have the following rights and remedies, together with any other rights or remedies to which it may be entitled at law or in equity:

- a. City may, upon notice to Corporation, terminate this Agreement effective not less than 90 nor more than one hundred 180 days after the date of such notice, and exclude Corporation from possession of the Leased Premises.
- b. If such Corporation Default creates a situation or condition that the Mayor reasonably determines is a threat to the health or safety of the patrons and visitors of the Leased Premises, City may enter the Leased Premises (without such entering causing or constituting a termination of this Agreement or an interference with the possession of the Leased Premises by Corporation) and cure such Corporation Default and do all reasonably necessary work and make all reasonably necessary payments on behalf of and at the expense of Corporation. Corporation will pay City on demand the costs incurred and any amounts so paid by City on behalf of Corporation, together with all interest accrued thereon at the Default Rate from the date so incurred until City has been completely reimbursed.

13.03 Defaults by City. The occurrence of any of the following events and the expiration of the applicable cure period set forth below without such event being cured or remedied will constitute a "City Default":

a. Failure of City to fully and timely pay, without offset or claim (except for the credits expressly described below), any monetary obligation due by City under this Agreement, which failure is not cured within 30 days from the date when such payment is due; or

b. Failure of City to perform or comply with any non-monetary covenant or condition made under this Agreement, which failure is not cured within 60 days from the date of notice from City, *provided, however*, that if such default is not capable of being cured within such 60-day period, City will have a reasonable period (not to exceed an additional 120 days) to complete such cure if City promptly undertakes action to cure such default within such 60-day period and thereafter diligently prosecutes the same to completion.

c. An Event of Default by City under, and as defined in, the Interlocal Agreement;

13.04 Corporation's Remedies. In the event of any City Default, Corporation will have the following rights and remedies, together with any other rights or remedies to which it may be entitled at law or in equity (except that the sole remedy for the City Default described in Section 13.03.(a) is as set forth in Section 13.04(a) below):

a. Corporation may, upon notice to City, terminate this Agreement and the Agreement shall be effective not less than 90 nor more than 180 days after the date of such notice (subject to the extension of such termination date as set forth in Section 4.01(b), and surrender possession of the Leased Premises to City on the effective date of such termination.

b. Corporation may cure such City Default and pay all sums or do all reasonably necessary work and incur all reasonably necessary costs on behalf of and at the expense of City.

13.05 Annual Appropriations. In the event of the failure of City to include in any City budget the amounts set forth in the Approved Budget, or to make annual appropriations in any Agreement Year for the amounts set forth in the Approved Budget, Corporation will have the right to terminate this Agreement as set forth in Section 15.04(a) above.

13.06 Default Rate. Any sum due and payable hereunder will bear interest at the Default Rate from the earlier of (i) the date on which the failure to pay such sum becomes an Event of Default under this Agreement, or (ii) the date otherwise specified in this Agreement for commencement of interest at the Default Rate, until such sum and accrued interest thereon is paid.

13.07 No Remedy Exclusive. No remedy herein conferred upon or reserved to either Party is intended to be exclusive of any other available remedy or remedies, but each

and every such remedy will be cumulative and will be in addition to every other remedy given under this Agreement or hereafter existing under law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default will impair any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

13.08 Non-Waiver. Every provision hereof imposing an obligation upon City or Corporation is a material inducement and consideration for the execution of this Agreement by City and Corporation. No waiver by City or Corporation of any breach of any provision of this Agreement will be deemed for any purpose to be a waiver of any breach of any other provision hereof nor of any continuing or subsequent breach of the same provision.

13.09 Limitation of Liability. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER THE CORPORATION NOR THE CITY WILL BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGE, COST, EXPENSE OR OTHER LIABILITY, INCLUDING LOSS OF REVENUE OR PROFITS, WHETHER ARISING OUT OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR ANY OTHER CAUSE OF OR FORM OF ACTION WHATSOEVER. Nothing contained in this Agreement is intended to waive, nor will be construed as waiving, any Party's statutory limitation of liability for actual damages provided by Applicable Laws.

ARTICLE 14. – RELEASE AND INDEMNIFICATION.

14.01 Release by Corporation. TO THE EXTENT ALLOWED BY THE CONSTITUTION AND THE LAWS OF THE STATE OF TEXAS, CORPORATION ACKNOWLEDGES THE FOLLOWING LIMITATION OF LIABILITY PROVISION. CORPORATION HEREBY RELEASES AND DISCHARGES CITY, ITS AGENTS, OFFICERS, DIRECTORS, OFFICIALS, EMPLOYEES AND ASSIGNS (COLLECTIVELY REFERRED TO IN THIS ARTICLE AS "CITY RELEASED PARTIES") FROM ANY AND ALL FINES, DEMANDS, DAMAGES, INJURIES OR CLAIMS ARISING BY REASON OF OR IN CONNECTION WITH ANY ACTUAL OR ALLEGED ERRORS, OMISSIONS, NEGLIGENT ACTS OR FAILURE TO ACT BY ANY CITY RELEASED PARTY (INCLUDING WITHOUT LIMITATION, CITY'S CONCURRENT OR SOLE NEGLIGENCE) IN ANY WAY RELATING TO THE ISSUANCE OR ADMINISTRATION OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, CITY'S APPROVAL OF PLANS, INSPECTIONS, RECEIPT OF INSURANCE POLICIES, TERMINATION OF THIS AGREEMENT IN ACCORDANCE WITH THE TERMS HEREOF AND ANY OTHER SIMILAR ACT OF THE CITY IN CONNECTION WITH FULFILLING ITS DUTIES OR ENABLING CORPORATION TO BENEFIT FROM THIS AGREEMENT.

14.02 Corporation to Require Indemnification of City in its Contracts with Contractors. Corporation agrees to use its reasonable efforts to include in every contract with any party contracted by Corporation to perform under this Agreement or in connection with

the Leased Premises a requirement that such party release, indemnify and hold each City Released Party harmless from all claims for bodily injury or property damage (including costs and expenses of defending against such claims) arising or alleged to arise from any act or omission of any City Released Party and relating to the Leased Premises or this Agreement. Each such indemnity shall expressly provide that the party shall indemnify and release each City Released Party from the sole or concurrent simple negligence of such City Released Party.

ARTICLE 15. – ENVIRONMENTAL MATTERS.

15.01 Restrictions on Hazardous Materials. Corporation will not transport, use, store, maintain, generate, manufacture, handle, dispose, release or discharge any Hazardous Material upon or about the Leased Premises, nor permit their employees, agents, and contractors to engage in such activities upon or about the Leased Premises. However, the foregoing provisions will not prohibit the transportation to and from, and use, storage, maintenance and handling within, the Leased Premises of substances customarily used in owning, managing, repairing, or operating similar premises devoted to similar uses; provided (i) such substances will be used and maintained only in such quantities as are reasonably necessary and in accordance with applicable laws and the manufacturers' instructions therefor and (ii) such substances will be disposed of, released or discharged at the Leased Premises in compliance with Applicable Laws, and will be transported to and from the Leased Premises in compliance with Applicable Laws.

15.02 Environmental Notices. Each Party will promptly notify the other Party upon the notifying Party's becoming aware of: (i) any enforcement, cleanup, or other regulatory action taken or threatened against either party by any governmental or regulatory body with respect to the presence of any Hazardous Material on the Leased Premises, (ii) any demands or claims made or threatened by any person against City or Corporation relating to any Hazardous Material (iii) any unlawful release, discharge or nonroutine, improper or unlawful disposal or transportation of any Hazardous Material on or from the Leased Premises, and (iv) any matters where the Party is required by law to give a notice to any governmental or regulatory body respecting any Hazardous Materials in the Leased Premises. At such times as City may reasonably request, Corporation will provide City with a written list identifying any Hazardous Material then actually known to Corporation to be then used, stored, or maintained upon the Leased Premises, a copy of any MSDS issued by the manufacturer therefor, written information concerning the removal, transportation and disposal of the same, and such other information as the City may reasonably require or as may be required by laws.

15.03 Remediation. If any Hazardous Material is released, discharged or disposed of by Corporation or its employees, agents or contractors, on or about the Leased Premises in violation of the foregoing provisions, Corporation will immediately, properly and in compliance with all Applicable Laws and ordinances, remediate the Hazardous Material on the Leased Premises and any other affected property, at Corporation's sole cost and expense. Such remediation work will be subject to City's prior written approval, and will include, without limitation, any testing, investigation and/or

preparation and implementation of any remedial capital improvements plan required by any governmental body having jurisdiction. If Corporation fails to comply with the provisions of this Section within five days after written notice by City, or such shorter time as may be required by law, City may (but will not be obligated to) arrange for such compliance through contractors or other parties selected by City, at Corporation's expense.

ARTICLE 16. – [INTENTIONALLY OMITTED]

ARTICLE 17. – NOTICES.

Whenever any notice, consent, approval or other communication is required or permitted under this Agreement (a "notice"), such notice will be in writing and will be deemed to be delivered (i) five (5) days after being deposited in the United States mail, postage prepaid, Certified Mail, Return Receipt Requested, or (ii) upon actual receipt by such party at its designated address if delivery is by courier, in either case addressed to the party to be notified at its respective address set forth below, or at such other address as it may have hereinafter specify by ten days' prior notice given in accordance herewith:

If to City:

Mayor
City of Houston
901 Bagby
Houston, Texas 77002

with a copy to:

City of Houston
900 Bagby, 4th Floor
Houston, Texas 77002
Attention: City Attorney

If to Corporation:

Houston Convention Center Hotel Corporation
George R. Brown Convention Center
1001 Avenida de las Americas
Houston, Texas 77010
Attention: President

ARTICLE 18. – FORCE MAJEURE.

Neither Party will be liable for any delay in performance of any obligation under this Agreement (other than the payment of money) or any inability to perform an obligation under this Agreement (other than the payment of money) if and to the extent that such delay in performance or inability to perform is caused by Force Majeure, so long as the Party claiming Force Majeure is working diligently to terminate Force Majeure. A Party claiming Force Majeure as an excuse for delay or nonperformance under this Agreement will provide the other Party with prompt notice of the initiation of Force Majeure, when it is expected to terminate, and of the termination of Force Majeure. Force Majeure will be deemed to be terminated with respect to a particular delay or nonperformance when its effects on such future performance have been substantially eliminated. If it is reasonably estimated by the Parties that the Force Majeure will not terminate, or it does not in fact terminate, until at least 180 days after it occurs, then at any time while Force Majeure continues the Party not claiming Force Majeure may terminate this Agreement by notice to the Party claiming Force Majeure.

ARTICLE 19. - GENERAL PROVISIONS.

19.01 Time is of the Essence. Time is of the essence in the doing, performance and observation of each and every term, covenant and condition of this Agreement by City and Corporation.

19.02 Severability. If any provision of this Agreement is held to be unlawful, invalid, or unenforceable under any present or future laws, such provision will be fully severable and this Agreement will then be construed and enforced as if such unlawful, invalid, or unenforceable provision had not been a part hereof. The remaining provisions of the Agreement will remain in full force and effect and will not be affected by such unlawful, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such unlawful, invalid, or unenforceable provision, there will be added automatically as part of this Agreement a provision as similar in terms to such unlawful, invalid, or unenforceable provision as may be possible, and be legal, valid, and enforceable.

19.03 Resolution of Disputes. City and Corporation have entered into this Agreement in good faith and in the belief that it is mutually advantageous to them. It is with that same spirit of cooperation that they pledge to attempt to resolve any dispute amicably without the necessity of litigation. Accordingly, if any dispute arises between them relating to this Agreement, they may, but are not obligated to, seek non-binding mediation to resolve any dispute between them concerning this Agreement before commencing any litigation.

19.04 Venue, Choice of Law. Harris County, Texas will be the proper place of venue for suit on or in respect of this Agreement. Any legal proceeding in respect of this Agreement will be brought in the state district courts of Harris County, Texas, or in the United States District Court for the Southern District of Texas, Houston Division (collectively, the "Specified Courts"). Each of the Parties hereby irrevocably submits to

the nonexclusive jurisdiction of the state and federal courts of the State of Texas. Each of the Parties hereby irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement brought in any Specified Court, and hereby further irrevocably waives any claims that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Corporation further (1) agrees to designate and maintain an agent for service of process in Houston, Texas in connection with any such suit, action or proceeding and to deliver to Agent evidence thereof and (2) irrevocably consents to the service of process out of any of the Specified Courts in any such suit, action or proceeding by the mailing of copies thereof by certified mail, return receipt requested, postage prepaid, to Corporation. **THIS AGREEMENT WILL BE SUBJECT TO AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF TEXAS WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAWS PRINCIPLES.**

19.05 Authorization to Enter Agreement. Each Party represents and warrants to the other Party that the execution and delivery of the Agreement by it has been duly authorized by all proper actions and proceedings, including approval of this Agreement and all exhibits and attachments hereto by City Council, and that this Agreement constitutes the legal, valid and binding obligation of such Party.

19.06 Authority of Mayor. Any consent, decision, waiver, approval or determination by City hereunder may be made by the Mayor in writing; provided; that the Mayor shall not be authorized to provides any consent, decision, waiver, approval or determination with regard to any of the following matters:

- a. Any matter related to or arising out of an Event of Default, or any determination as to the occurrence of an Event of Default.
- b. Any matter related to any assignment of this Agreement or the granting of liens or security interests upon the leasehold estate of Corporation hereunder.
- c. The settlement with regard to, or the application of proceeds from, any condemnation or event of casualty.
- d. The issuance, refunding or refinancing of Bonds.

19.07 Further Assurances. Each of the parties, at all times and from time to time hereafter, and upon reasonable written request to do so, will make, do, execute, deliver, or cause to be made, done, executed and delivered, all such further acts, deeds, instruments, assurances, and things as may be required for more effectually implementing and carrying out the true intent and meaning of this Agreement.

19.08 Memorandum of Agreement. Corporation will have the right to record a memorandum of this Agreement in the Real Property Records of Harris County, Texas.

19.09 Reasonableness. The Parties will act in accordance with the principles of good faith and fair dealing in the performance of this Agreement. Unless expressly provided otherwise in this Agreement, (i) where the Agreement requires the consent, approval, or similar action by a Party, such consent, approval, or other similar action will not be unreasonably withheld, conditioned, or delayed, and (ii) wherever the Agreement gives a Party a right or obligation to determine, require, specify, or take similar action with respect to a matter, such determination, requirement, specification, or similar action will be reasonable and timely.

19.10 Waiver of Liens. City and Corporation each hereby waive any statutory lien or security interest that such Party may have against any real or personal property of the other Party hereto by reason of this Agreement, whether under the Texas Property Code, by operation of Applicable Laws, or otherwise.

19.11 Estoppel Certificates; Non Disturbance Agreements. Within 15 days after notice by one Party to the other Party, Corporation or the City will execute and deliver such estoppel certificates as the requesting Party may reasonably require, which may be relied upon by the requesting Party, certifying to such facts (if and to the extent true) and agreeing to such reasonable notice provisions and other matters as such Party may reasonably require in connection with the business dealings of the requesting Party. The Mayor will have authority to execute such estoppel certificates or third-party agreements on behalf of City except for any agreements that increase the monetary obligations of City over those arising under this Agreement.

19.12 Recourse. Notwithstanding any contrary provision hereof or in the Interlocal Agreement, no director, officer, agent, or employee of Corporation shall ever have any personal liability for the payment of any sum due by Corporation hereunder or performance of any of the covenants, obligations or agreements of Corporation hereunder. Similarly, notwithstanding any contrary provision hereof or in the Interlocal Agreement, none of the Mayor of the City, any member of City Council, the Director or any other public official or employee of the City shall ever have any personal liability for the performance of the covenants, obligations, or agreements of the City hereunder.

19.13 Rules of Interpretation.

a. Unless otherwise required by the context in which any term appears:

i. The singular will include the plural and the masculine will include the feminine and neuter.

ii. References to "Articles," "Sections," or "Exhibits" will be to articles, sections, or exhibits of this Agreement, and references to "Paragraphs," "Subparagraphs," or "Clauses" will be to separate paragraphs, subparagraphs, or clauses of the section in which the reference occurs.

iii. The words "herein," "hereof" and "under this Agreement" will refer to this Agreement as a whole and not to any particular section or subsection of

this Agreement; the words "include," "includes" or "including" will mean "including, but not limited to" and the words "best efforts" will mean a level of effort which, in the exercise of reasonable judgment in the light of facts known at the time a decision is made, can be expected to accomplish the desired result at a reasonable cost, in a timely manner, and consistent with prudent operating practice.

iv. The term "day" will mean calendar day. The term "month" will mean a calendar month; provided that where a period measured in months commences on a date other than the first day of a month, the period will run from the date on which it starts to the corresponding date in the next month and, as appropriate, to succeeding months thereafter. The term "year" will mean a calendar year. Where the context requires, whenever an event is to be performed by a particular date, or a period ends on a particular date, and the date in question falls on a weekend, or on a day that is not a business day, the event will be performed, or the period will end, on the next succeeding Business Day.

v. All accounting terms not specifically defined herein will be construed in accordance with generally accepted accounting principles as in effect from time to time in the United States of America, consistently applied.

vi. All references to a particular Person will include such Person's successor and permitted assigns.

vii. All references herein to any contract or other agreement will be to such contract or other agreement as amended, supplemented, or modified to the date of reference.

viii. All references herein to any Applicable Law will be to such Law as amended, supplemented, modified, or replaced from time to time.

ix. Reference to Force Majeure as an excuse of non-performance in any provision will not be interpreted to mean that Force Majeure is not an excuse with respect to other provisions where it is not specifically mentioned.

x. The titles of the articles and sections herein have been inserted as a matter of convenience of reference only, and will not control or affect the meaning or construction of any of the terms or provisions hereof.

xi. The exhibits hereto are incorporated in and are intended to be a part of this Agreement; *provided, however*, that if a conflict between the terms of any exhibit and the terms of this Agreement, the terms of this Agreement will take precedence.

19.14 City Council Approvals and Appropriations. This Agreement is subject to approval by the City Council and shall not be effective until signed by the Mayor and countersigned by the Controller of the City. Notwithstanding anything contained in this Agreement to the contrary, this Agreement does not, nor shall it be construed to, foreclose or waive the application of all lawful requirements under Applicable Laws for

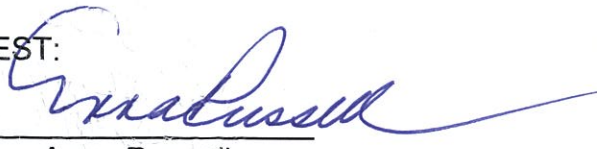
(i) the appropriation and payment of funds by City, or (ii) the approval or issuance of future agreements, permits or licenses by City. Any provision of this Agreement which contemplates (x) the payment of money by City, which payment would require the appropriation of funds over and above any sums appropriated prior to the Countersignature Date in connection with this Agreement (and the transactions contemplated herein), or (y) any other future action, decision, agreement, waiver or approval which by its nature or by the terms hereof must be approved by City Council, including without limitation, the issuance of permits or licenses, shall be subject to the approval of any subsequent City Council to which such matter is presented and to the appropriation by such City Council of the required funds.

19.15 Entire Agreement, Amendments. This Agreement, together with the Interlocal Agreement, constitutes the entire agreement among the parties as to the subject matter hereof. This Agreement will not be amended, restated or replaced *except* by written instrument duly executed by Corporation and City. To the extent of any conflict between the terms and provisions of this Agreement and the terms and provisions of the Interlocal Agreement, the terms and provisions of the Interlocal Agreement shall control.

[Signature Page to Follow]

EXECUTED in multiple counterpart originals as of the Countersignature Date.

ATTEST:

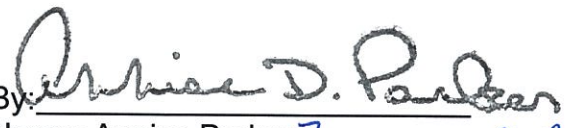
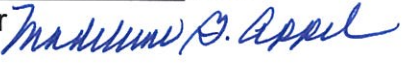
By: 
Name: Anna Russell
Title: City Secretary

CITY:

CITY OF HOUSTON, TEXAS,
a Texas home rule municipality

COUNTERSIGNED:


By: 
Name: Ronald Green
Title: City Controller 

By: 
Name: Annise Parker
Title: Mayor 

DATE OF COUNTERSIGNATURE


6-9, 2011

Approved as to form:


Sr. Assistant City Attorney
LD# 025.0900023.001

CORPORATION:

HOUSTON CONVENTION CENTER
HOTEL CORPORATION,
a Texas local government corporation.

By: 
Name: Dawn Ulrich
Title: President

Approved as to form:

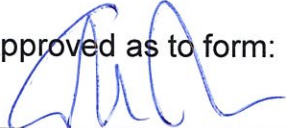

Counsel to Corporation

EXHIBIT A
TO
LEASE AND SERVICES AGREEMENT

LEGAL DESCRIPTION OF LEASED PREMISES

(See Following Four Pages)

City of Houston
Convention and Entertainment Facilities Department
Properties

Location / Description	Address
Civic Center / Tranquillity Garages (or "Theater District Garages") include the Tunnels listed below.	511 Rusk (Civic Center garage) 510 Rusk (Large and Small Tranquillity garages)
Convention District Parking Garage	1002 Avenida de las Americas
George R. Brown Convention Center including associated surface parking lots and rights-of-way located nearby	1001 Avenida de las Americas
Gus Wortham Theater Center, including park-like areas nearby, namely Ray C. Fish Plaza, Sesquicentennial Park I, Sesquicentennial Park II, and statues (George H. W. Bush and James Baker statues)	510 Preston Ave.
Historic House, Cohen (house only – no land)	to be relocated
Historic House, Foley (house only – no land)	to be relocated
Houston Center for the Arts and its surface parking lot, located nearby.	3201 Allen Parkway
Houston Center for the Arts Warehouse	3201 Allen Parkway
Jesse H. Jones Hall	615 Louisiana St.
Jones Plaza	614 Louisiana St.
Miller Outdoor Theatre	100 Concert Drive
Root Square Memorial Park	1400 Clay St.
Talento Bilingue de Houston	333 South Jensen

**City of Houston
Convention and Entertainment Facilities Department
Properties**

Parking Facilities include the following:

"Theater District Parking Garages" include the Civic Center and Tranquillity Garages and the tunnels listed below.

George R. Brown Convention Center Surface Parking Lots are six parking lots surrounding the George R. Brown Convention Center ("GRBCC"). Of the six surface parking lots, lot numbers four, five, six, and seven are located within the Texas Department of Transportation's ("TxDOT's") right-of-way. Lot one is the surface lot bounded by Hamilton, Rusk, and Capitol. Lot 2 is bounded by Hamilton, Polk, and Chenevert. Lot four is bounded by Chartres, Polk, and Hamilton, and is used for employee parking. Lot five is the entirety of the surface lots behind the GRBCC including areas within TxDOT's right-of-way for U.S. Highway 59. Lot six is the surface parking lot bounded by Chartres, Texas, and Capitol. Lot seven is bounded by Chartres, Capitol, Hamilton, and Rusk, and is used by the Houston Police Department. (There is no Lot 3—see the attached drawing.)

Convention District Parking Garage is located at 1002 Avenida de las Americas.

Lots C and H:

Lot C is a parking lot bounded by Memorial Drive, West Capitol, Buffalo Bayou, and Interstate 45.

Lot H is a parking lot bounded by Memorial Drive, Interstate 45, and Fonde Recreation Center.

The Houston Center for the Arts Parking Lot is the parking lot on the south side of D'Amico Street between Rosine Street and Rochow Street.

Houston Police Department Parking Lot is the C&EF Department's parking facility located at Preston and Artesian, which is used by Houston Police Department employees during weekdays, and may be used for public parking after 6:00 p.m. Monday through Friday, and all day on weekends and holidays, for special events.

"Tunnels"—The term "Tunnels" means any one or all of the tunnel locations listed below. A map of the Tunnels is available in the Department's Parking Operations offices.

1. "Alley Theatre Tunnel" (or "Alley Corridor")—a tunnel beginning at the termination of the Bank of America Center tunnel, running along the east wall of the Civic Center Garage and ending at the south end of the tunnel under Texas Avenue (at the commencement of the existing Alley Tunnel).
2. "City Hall Basement Tunnel" refers to a tunnel leading from the south wall of the Large Tranquillity Garage into the basement of the City Hall.
3. "Jones Hall Tunnel"—a section of tunnel from the Jones Hall courtyard to the base of the stairs at the tunnel entrance to Bank of America.
4. "Orange Concourse Tunnel"—a section of tunnel beginning at the double doors of the Bank of America tunnel and ending at the west end of the Civic Center Garage.
5. "T-Tunnel"—refers to tunnel from Large Tranquillity Garage to City Hall Annex Garage. The tunnel also has an entrance into the Hobby Center for the Performing Arts.
6. "Y-Tunnel" refers to the section of tunnel from the west wall of the Civic Center Garage, and under Bayou Place Phase II.
7. "611 Walker Tunnel Drop-Off Area"—a glass enclosed transition area located in the southeast corner of the Yellow Level of the Theater District Garage.

**City of Houston
Convention and Entertainment Facilities Department
Properties**

"Theater District Parks," landscaped areas, and rights-of-way under the Department's management include the following:

"George R. Brown Convention Center" includes the landscaped areas on or near the George R. Brown Convention Center, including all forms of landscaping in the median along Avenida de las Americas, from Polk Street to Texas Avenue; the Chenevert pedestrian walkway and the block ending at Texas Avenue; the median between McKinney and Walker from Crawford to Avenida de las Americas; the median between Dallas and Lamar from Crawford to Avenida de las Americas; and the two staging lots at 2200 Dallas Street. (The two staging lots at 2200 Dallas Street are leased from All-Star Parking.)

"The Hanging Tree" landscaped area means landscaping at the location of the historic oak tree located near the old Albert Thomas Convention Center, near the corner of Capitol and Bagby streets in downtown Houston, and the four large 20-inch terra cotta pots located nearby at the Theater District Parking Garage's Capitol Street entrance and exit.

"The Houston Center for the Arts" includes all landscaped areas surrounding the City-owned building located at 3201 Allen Parkway and landscaping surrounding the parking lot.

"Jones Hall" includes the landscaped areas and plantings in the exterior levels of Jones Hall, all trees surrounding the building, including 18 exterior trees and 18 exterior tree wells, the Courtyard planters, and other containerized plants.

"Jones Plaza" is the downtown plaza located between Bayou Place and Jones Hall. Landscaping of Jones Plaza encompasses all landscaped areas including containerized plants, and trees surrounding and located on Jones Plaza.

"Miller Outdoor Theatre" includes the landscaped areas surrounding the outdoor theater located in Hermann Park at 100 Concert Drive, Houston, Texas.

"Root Memorial Square Park" is the downtown park located near the Toyota Center basketball arena. It is bordered by Clay, Bell, Austin, and La Branch streets.

"Sabine Promenade" is a 23-acre waterfront area adjacent to Buffalo Bayou (the "Bayou") that includes abundant native perennials flanking the park's stairways, a variety of trees and sun and shade gardens placed throughout to provide continual color. On both sides of the Bayou, it also includes hike and bike trails, 12 street-to-Bayou access points, dramatic lighting, canoe launches and civic artwork. It links the Allen Parkway/Memorial Drive trails at the Sabine Street Bridge with Sesquicentennial Park in downtown.

"Sweeney Clock Triangle" is a small landscaped area located on a triangular esplanade between Capitol Street and Rusk Street, on Bagby Street.

"Talento Bilingue de Houston" is a City-owned facility located at 333 S. Jensen.

"Wortham Theater Center" includes all landscaped areas, trees, and any hanging baskets and plants in containers surrounding the Wortham Theater Center, including Fish Plaza, Sesquicentennial Parks I and II.

"Rights-of-way" are the street areas described below, to the extent that City owns fee title to the land subject to such rights-of-way:

1. Chenevert Street from Texas Avenue to Capitol Street;
2. Chenevert Street from Capitol Street to Rusk Street;
3. Hamilton Street from Capitol Street to Rusk Street; and
4. The two eastern-most lanes of Avenida de las Americas from Polk Street to Texas Avenue.

**City of Houston
Convention and Entertainment Facilities Department
Properties**

"Fountains" means Sesquicentennial Park I fountains (2 fountains), the Sesquicentennial Park II fountain near the George H.W. Bush statue, the Houston Center for the Arts Courtyard fountain, Jones Hall Courtyard fountain, the Jones Plaza fountain, the Preston Street Cotswold fountains (12 fountains), and the Root Memorial Square Park fountain.

Fountains:	
Fountain 1	600 Block Preston at Smith
Fountain 2	700 Block Preston at Louisiana
Fountain 3	800 Block Preston at Market Square
Fountain 4	900 Block Preston at Main
Fountain 5	1000 Block Preston at Main
Fountain 6	1100 Block Preston at Main
Fountain 7	1300 Block Preston at Caroline
Fountain 8	1500 Block Preston at Crawford
Fountain 9	800 Block on Congress
Fountain 10	900 Block on Congress
Fountain 11	1000 Block on Congress
Fountain 12	700 Block on Prairie
Houston Center for the Arts Fountain	3201 Allen Parkway 77019
Jones Hall courtyard fountain	615 Louisiana 77002
Jones Plaza Fountain	600 Louisiana 77002
Root Memorial Square Park fountain	bordered by Clay, Bell, Austin and La Branch streets
Sesquicentennial Park 1 Fountains (2)	500 Texas 77002
Sesquicentennial Park 2 Fountain	corner of Bagby and Franklin (near George Bush statue)

**EXHIBIT A-1
TO
LEASE AND SERVICES AGREEMENT**

DESCRIPTION OF MANAGED PROPERTIES

Convention & Entertainment Facilities Department Managed Properties				
Title of Agreement	Parties (in addition to the City of Houston Convention & Entertainment Facilities Department)	City of Houston Contract #	Effective Date	Description
Lease and Development Agreement, as amended by First, Second, Third, and Fourth Amendments	The Cordish Company, whose General Partner is 500 Texas Avenue Limited Partnership	31015	countersigned 11/8/1991	Agreement for the development and lease of Bayou Place
Lease and Development Agreement for Tract II, as amended by First Amendment	The Cordish Company, also known as Bayou Place Limited Partnership	52165	commencement of Primary Term: 2/4/2006	Agreement for the development and lease of "Tract II" (the western half of the former Albert Thomas Convention Center)
Arena Ground Lease	Harris County-Houston Sports Authority	53548	countersigned 3/4/2002	Arena/Toyota Center Ground Lease
Lease and Development Agreement, as amended by First Amendment	Houston Aquarium, Inc.	52490	commencement of Delivery Term: 3/21/2001	Aquarium restaurant and shark tank lease and development agreement and related amendment adding the former Fire Alarm Building to the lease.
Lease, Development and Grant Agreement, as amended by First Amendment	Houston Music Hall Foundation	38701	7/1/1998	Hobby Center