

**RESOLUTION OF THE BOARD OF DIRECTORS
OF
MEMPHIS CENTER CITY REVENUE FINANCE CORPORATION
(PEABODY HOTEL SURCHARGE)**

WHEREAS, the Peabody Hotel first opened in 1869 as a symbol of the South's rebirth and quickly became the business and social hub of Memphis;

WHEREAS, in 1925, the Peabody Hotel was rebuilt at its present location at 149 Union Avenue, Memphis, Tennessee;

WHEREAS, in the mid-1970s, downtown Memphis experienced economic decline forcing the Peabody Hotel to close its doors, but the "South's Grand Hotel" would not remain shuttered for long, and was resurrected and faithfully restored by the Belz family - led by Jack Belz - and reopened in 1981, breathing new life into downtown Memphis;

WHEREAS, legendary for its charm, elegance, gracious southern hospitality, and now world-famous ducks, the Peabody Hotel is a Memphis landmark, is on the National Register of Historic Places, and continues to carry the distinction of the "South's Grand Hotel" and is a Forbes Four-Star, AAA Four-Diamond rated property and a member of Preferred Hotels & Resorts Worldwide and National Trust Historic Hotels of America;

WHEREAS, the Peabody Hotel is one of America's premier tourist destinations, a major employer in the Downtown Memphis community and a key economic driver of the City of Memphis;

WHEREAS, this Corporation is the fee owner of certain real property located at 149 Union Avenue, Memphis, Tennessee 38103 (tax parcels nos. 00251A0001 and 00251A0002) ("Hotel Site");

WHEREAS, This Corporation has leased to Hotel Peabody L.P., a limited partnership organized under the laws of the State of Tennessee ("Hotel Developer"), the Hotel Site and the improvements thereon pursuant to that certain Lease Agreement dated as of December 31, 1997, recorded as Instrument No. HB 6476 in the Register's Office of Shelby County, Tennessee (as amended, the "PILOT Lease") under which Hotel Developer has the right to acquire the Hotel Site and the improvements thereon at any time after expiration of the term thereof;

WHEREAS, Hotel Developer has redeveloped and operates on the Hotel Site the Historic Peabody Hotel, a hotel with 464 rooms, more than 80,000 gross square feet of meeting and event space, parking and commercial space, including ancillary dining and retail space, and related amenities ("Peabody Hotel");

WHEREAS, Hotel Developer utilizes in connection with the operation of the Peabody Hotel the adjacent parking facility located at 150 Peabody Place, Memphis, Tennessee (tax parcel no. 005005A00001 ("Parking Site");

WHEREAS, Hotel Developer proposes to make capital investments totaling more than \$125 million over the next thirty (30) years for the redevelopment and long-term preservation of the Peabody Hotel (the “Project”);

WHEREAS, the Local Tourism Development Zone Business Tax Act, Tenn. Code Ann. §§ 67-4-3001 *et seq.* (“Surcharge Act”) authorizes the City of Memphis to designate as a “Qualified Public Use Facility” a full-service hotel with not less than two hundred fifty (250) rooms and related retail, commercial, and parking space that is located in the portion of Downtown Memphis designated as a tourism development zone (“Downtown TDZ”) pursuant to the Convention Center and Tourism Development Financing Act of 1998, which is codified at Tenn. Code Ann. §§ 7-88-101 *et seq.* (“TDZ Act”)

WHEREAS, the Surcharge Act authorizes the City of Memphis to levy a privilege tax (“Tourism Surcharge”) on the sale of certain goods and services within such Qualified Public Use Facility and other related facilities, and to assign (or cause to be assigned) to this Corporation the revenues from such Tourism Surcharge that are paid, remitted or otherwise transferred to the City or City Treasurer to pay or reimburse costs incurred, or to pay debt service on indebtedness incurred to finance or refinance costs, in connection with the acquisition, construction, renovation, and equipping of such Qualified Public Use Facility and other related facilities;

WHEREAS, the Hotel Site, the Parking Site, and the respective improvements thereon, including the Peabody Hotel, are located in the Downtown TDZ and include a full-service hotel of two hundred fifty (250) or more rooms and related retail, commercial, and parking spaces;

WHEREAS, it is proposed that the City of Memphis (i) designate the Hotel Site and the improvements thereon, including the Peabody Hotel, together with the Parking Site, as a Qualified Public Use Facility; (ii) approve and levy a Tourism Surcharge of up to five percent (5%) of the Sales Price (as defined in the Surcharge Act) on Sales (as defined in the Surcharge Act) made by engaging in any Business (as defined in the Surcharge Act) in or upon the Hotel Site, Parking Site, or any portion thereof (“Peabody Hotel Surcharge”); and (iii) assign revenues generated from the Peabody Hotel Surcharge (“Peabody Surcharge Revenues”) to this Corporation to pay or reimburse costs incurred, or to pay debt service on indebtedness incurred to finance or refinance costs, in connection with the Project, all pursuant to and in accordance with the Surcharge Act;

WHEREAS, it is proposed that the City and this Corporation enter into a development agreement (“Development Agreement”) with Hotel Developer in connection with the Peabody Hotel Surcharge and the use of the Peabody Surcharge Revenues to pay, reimburse, or otherwise finance the costs of the Project; and

WHEREAS, it is proposed that this Corporation: (i) make a recommendation to the Memphis City Council that it approve a 5% Peabody Hotel Surcharge, (ii) approve

the execution and delivery by this Corporation of the Development Agreement, and (iii) otherwise provide as further needed with respect to the foregoing.

NOW, THEREFORE, BE IT RESOLVED by this Board of Directors of Memphis Center City Revenue Finance Corporation as follows:

1. The redevelopment of the Peabody Hotel is hereby found to be in furtherance of the public purposes of this Corporation, including without limitation those set forth in Tenn. Code Ann. § 7-53-305, to develop trade and commerce in and adjacent to the City of Memphis and Shelby County and to contribute to the general welfare and alleviate conditions of unemployment.

2. The Peabody Hotel Surcharge, the use of the Peabody Surcharge Revenues to pay, reimburse or otherwise finance the costs of the Project, and the designation of the Hotel Site and the improvements thereon, including the Peabody Hotel, together with the Parking Site, as a Qualified Public Use Facility pursuant to the Surcharge Act are hereby approved by this Corporation and recommended to the Memphis City Council for approval.

3. The execution and delivery of the Development Agreement by this Corporation is hereby authorized and approved. Each of the officers of this Corporation be, and hereby is, authorized and directed to execute and deliver the Development Agreement in the form thereof authorized by such officer, the execution and delivery thereof to be conclusive evidence of the approval by this Corporation and this Board of Directors of the terms and conditions thereof.

4. Each of the officers of this Corporation be, and hereby is, authorized and directed to do any and all other acts, including without limitation, the execution and delivery of any of the documents necessary and desirable to make effective this Resolution, and the execution, delivery and performance thereof by such officer or officers of this Corporation shall be deemed to be conclusive evidence of the approval by this Corporation of the terms and conditions and appropriateness thereof.

Adopted this 9th day of November, 2021.

MEMPHIS CENTER CITY REVENUE
FINANCE CORPORATION

By: _____

Title: _____