

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

WHEREAS, the City of Memphis has invested \$200,000,000 in the renovation of the Renasant Convention Center (“RCC”);

WHEREAS, the Sheraton Memphis Downtown Hotel is the largest hotel in the City of Memphis, is physically connected to the RCC;

WHEREAS, this Corporation is the fee owner of certain real property located at and adjacent to 250 North Main Street, Memphis, Tennessee 38103 (current tax parcel nos. 001030 00001L, 001030 00001Z, 001029 00004, 001029 00005, 001030 00002, and 001030 00003) (collectively, the “Hotel Site”);

WHEREAS, the Sheraton Memphis Downtown Hotel is located on the Hotel Site and currently includes 600 hotel rooms, more than 16,000 square feet of meeting and function space, parking, commercial space, ancillary dining and related amenities, and ancillary ground-level retail (the “Convention Center Hotel,” and together with the Hotel Site, the “Hotel Development”);

WHEREAS, this Corporation and the City of Memphis (the “City”) are the lessor and lessee, respectively, under that certain Amended and Restated Lease Agreement dated as of April 14, 1998, and joined in by the predecessor-in-interest of Hotel Memphis, L.P. (“Hotel Memphis”) as applicant, as affected by Assignment and Assumption of Interest in Lease dated as of September 30, 2011 by and between the County of Shelby, Tennessee, as assignor, and the City, as assignee, joined in by this Corporation and Hotel Memphis’ predecessor-in-interest, as amended by First Amendment to Lease Agreement dated November 9, 2012 by and among this Corporation, the City, and Hotel Memphis’ predecessor-in-interest, as further amended by Second Amendment to Lease Agreement dated as of April 19, 2017 by and among this Corporation, the City, and Hotel Memphis’ predecessor-in-interest (the aforementioned documents being collectively referred to herein as the “PILOT Lease”);

WHEREAS, the City, as landlord, and Hotel Memphis, as tenant, are the present parties in interest to that certain Amended and Restated Agreement of Lease, dated as of April 14, 1998, between the City and Hotel Memphis’ predecessor-in-interest, as affected by Assignment and Assumption of Interest in Sublease dated as of September 30, 2011 by and between the County of Shelby, Tennessee, as assignor, and the City, as assignee, as amended by that certain First Amendment to Amended and Restated Agreement of Lease, dated as of November 9, 2012, as further affected by Letter Agreement between the City and Hotel Memphis dated May 14, 2013, and as further amended by that certain Second Amendment to Amended and Restated Agreement of Lease, dated as of April 19, 2017 (the aforementioned documents being collective referred to herein as the “Sublease”);

WHEREAS, the City and Hotel Memphis have agreed to terminate the Sublease pursuant to a lease termination agreement pursuant to which Hotel Memphis will give possession of its interest under the Sublease to the City and the City will accept possession of such interest;

WHEREAS, the City has agreed, pursuant to that certain Resolution of the Memphis City Council dated as of March 3, 2020, to assign to Hotel Memphis all of its right, title and interest in, to and under the Lease and this Corporation has consented to the assignment of the City’s right, title and interest in, to and under the Lease to Hotel Memphis;

WHEREAS, the original portion of the Convention Center Hotel was built in 1985 and the additional tower with 207 rooms was constructed in 2004;

WHEREAS, Hotel Memphis is considering a renovation of the Convention Center Hotel (the “Renovation”) with capital investment (real property and tangible personal property) totaling approximately \$86 million, plus an additional \$37 million over the next thirty (30) years for future refreshes of guestrooms and public spaces, for a total Renovation cost of approximately \$123 million;

WHEREAS, Hotel Memphis also is considering, based on certain market conditions, the potential construction of 300 additional rooms to the Convention Center Hotel (the “Expansion” and, together with the Renovation, the “Project”) with capital investment (real property and tangible personal property) totaling approximately \$103 million, for potential total Project cost of approximately \$226 million;

WHEREAS, the success of the Project will have a significant positive impact on the tourism industry and other related industries in the City;

WHEREAS, Hotel Memphis has submitted to this Corporation an Application for Tourism Surcharge Incentives and Payment-In-Lieu-Of-Tax-Incentives (the “Application”) whereby Hotel Memphis has requested, in part, that this Corporation amend the PILOT Lease and extend the Term (as defined in the PILOT Lease) in order to provide new PILOT incentives to the Project for a period of thirty (30) years with respect to all real property parcels comprising the Project, including the Hotel Site (the “PILOT Incentive”);

WHEREAS, Hotel Memphis has requested pursuant to the Application that this Corporation grant certain requests with respect to the PILOT Incentive; and

WHEREAS, the PILOT Incentive is subject to the approval of the PILOT Incentive by the Tennessee Comptroller of the Treasury and the Commissioner of the Tennessee Department of Economic and Community Development.

NOW, THEREFORE, this Board of Directors of Memphis Center City Revenue Finance Corporation hereby resolves that:

1. The Project 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. Subject to the approval of the PILOT Incentive by the Tennessee Comptroller of the Treasury and the Commissioner of the Tennessee Department of Economic and Community Development, the PILOT Incentive for the Project is hereby approved, and such PILOT Incentive shall be made effective pursuant to an amendment of the PILOT Lease (the “Amendment”) which Amendment shall provide as follows:

- a. A freeze on the taxes due on the real property comprising the Project with such tax freeze to be for a period of 30 years from the Expansion being placed in service, subject to the approval of the Comptroller of the State of Tennessee and the Tennessee Commissioner of Economic and Community Development.
- b. A “frozen” base assessment of \$4,000,000 such that the annual PILOT payments to be made for the Project shall be calculated as follows:
 - i. From September 2, 2023 until the date the Expansion is placed in service, PILOT payments shall be based on 100% of the then-current

assessment of the real property subject to the Lease, as amended, times the then current mileage rates (for the City and the County); and

- ii. From the date the Expansion is placed in service until the thirtieth (30th) anniversary thereof, PILOT payments shall be based on 100% of the base assessment of \$4,000,000 times the then current mileage rates (for the City and the County), *plus* 25% of the then current increase in assessment of the Project above the base assessment of \$4,000,000 times the then current mileage rates (for the City and the County).
- c. Hotel Memphis shall have the option to purchase the Hotel Development, including the Expansion (if undertaken, in Hotel Memphis's sole discretion), for the sum of One Thousand Dollars (\$1,000.00) at any time after September 2, 2023.
- d. Basic Rent shall equal One Hundred and No/100 Dollars (\$100.00) per annum.
- e. In the event Hotel Memphis, in its sole and absolute discretion, undertakes the Expansion, then (i) financing for the construction of the Expansion shall close no later than December 1, 2026; (ii) construction of the Expansion shall commence no later than December 31, 2026; and (iii) the Expansion shall be placed in service no later than March 31, 2029. [For the avoidance of doubt, Hotel Memphis shall not be obligated to undertake or complete the Expansion.]
- f. The conceptual design drawings and specifications for the Expansion shall be subject to approval by the President of this Corporation by December 31, 2025 and the plans and specification for the Expansion shall conform to the conceptual drawings and specification so approved, including the schematic design, design development documents, construction documents and landscaping plans.
- g. The Expansion shall be developed and maintained as an Upper Upscale or Luxury hotel.

3. The fees of this Corporation shall be payable as provided in the PILOT Program Policies and Procedures of this Corporation, provided that the closing fee of 1% of the cost of the Project shall be paid one-half upon the closing of the Amendent and one-half upon the earlier of the closing of the financing for the Expansion or the commencement of construction of the Expansion.

4. The approval by this Corporation is subject to approval of the plans and specifications for the Project by the Design Review Board.

5. Subject to the approval of the PILOT Incentive for the Project by the Comptroller of the State of Tennessee and the Tennessee Commissioner of Economic and Community Development, each of the officers of this Corporation be, and hereby is, authorized and directed to execute and deliver the Amendment 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.

6. 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 these Resolutions, 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 and this Board of Directors of the terms and conditions and appropriateness thereof.

ADOPTED the 13th day of September, 2022.

**MEMPHIS CENTER CITY REVENUE
FINANCE CORPORATION**

By: _____

Title: _____