April 3, 2017

VIA E-MAIL

Memphis Center City Revenue Finance Corporation
114 North Main Street
Memphis, Tennessee 38103
T: 901-575-0540
Attn: Terence Paterson, President & CEO
patterson@downtownmemphis.com

Adams & Reese LLP
6075 Poplar Avenue, Suite 700
Memphis, Tennessee 38119
T: 901-524-5277
Attn: James McLaren, Esq.
James.mclaren@arlaw.com

Re: Assignment and Assumption Agreement ("**Assignment**"), by and between HOST HOTELS & RESORTS, L.P., a Delaware limited partnership ("**Assignor**"), and HOST MEMPHIS, L.P., a Delaware limited partnership ("**Assignee**"), and joined in for the purposes set forth therein by the CITY OF MEMPHIS, TENNESSEE, a municipal corporation (the "**City**"), and by MEMPHIS CENTER CITY REVENUE FINANCE CORPORATION, a public not-for-profit corporation of the State of Tennessee ("**Ground Lessor**"), relating to the purchase and sale of the leasehold interest in the real property and improvements commonly known as the Sheraton Memphis Downtown Hotel located at 250 North Main Street, Memphis, Tennessee 38103 (the "**Property**")

Ladies and Gentlemen:

Ground Lessor and the City are now the lessor and lessee, respectively, under that certain Amended and Restated Lease Agreement dated as of April 14, 1998, as joined in by the Assignor as applicant (as amended, the "**Ground Lease**"). Pursuant to the Ground Lease, the Ground Lessor is now leasing the Property to the City.

The City and Assignor are now the sublandlord and subtenant, respectively, under that certain Amended and Restated Agreement of Lease dated as of April 14, 1998 (as amended, the "**Ground Sublease**"). Pursuant to the Ground Sublease, the City has subleased the Property to Assignor.

Assignor intends to transfer to Assignee and its affiliates all of Assignor's interest as "Applicant" under the Ground Lease and as "Tenant" under the Ground Sublease. Upon the consummation of the transfer to Assignee, which the parties anticipate will occur on or about April 19, 2017, Assignee will simultaneously remit to Ground Lessor the $670,000 transfer fee required by Section 3.06(a) of the Ground Lease.

In connection with the foregoing transfer, Assignor and Assignee kindly request Ground Lessor's approval of the Assignment and related transaction documents at its next scheduled Board Meeting on April 11, 2017. Additional information on the financial ability and hotel ownership and management experience of Assignee and its affiliates can be found attached hereto as Schedule 1.

We appreciate your assistance in this matter. Should you have any questions whatsoever, please do not hesitate to contact Linda Laniado, a representative of the Assignor, at (240) 744-5215 or linda.laniado@hosthotels.com, and/or Darryl Schulte, a representative of the Assignee, at (502) 489-3737 or darryljr@schultehospitality.com.

[Signatures Follow]

Sincerely,

HOST HOTELS & RESORTS, L.P.

By: Host Hotels & Resorts, Inc., its general partner

Name: Brian G. Macnamara
Title: Senior Vice President

HOTEL MEMPHIS, L.P.,
a Delaware limited partnership

By: Hotel Memphis GP, L.L.C.,
a Delaware limited liability company,
its general partner

By: SHG SCG II Propco Holdings, L.P.,
a Delaware limited partnership,
its sole member

By: SHG SCG II Propco Holdings GP,
L.L.C., a Delaware limited liability
company, its general partner

By: SHG SCG Ventures II, L.P.,
a Delaware limited partnership, its
sole member

By: S & S GP Interests II, LLC, a
Kentucky limited liability
company, its general partner

By: _____
Name: _____
Title: _____

Sincerely,

HOST HOTELS & RESORTS, L.P.

By: Host Hotels & Resorts, Inc., its general partner

_____

Name:
Title:

HOTEL MEMPHIS, L.P.,
a Delaware limited partnership

By: Hotel Memphis GP, L.L.C.,
a Delaware limited liability company,
its general partner

By: SHG SCG II Propco Holdings, L.P.,
a Delaware limited partnership,
its sole member

By: SHG SCG II Propco Holdings GP,
L.L.C., a Delaware limited liability
company, its general partner

By: SHG SCG Ventures II, L.P.,
a Delaware limited partnership, its
sole member

By: S & S GP Interests II, LLC, a
Kentucky limited liability
company, its general partner

By: _____
Name: Ray Schulte
Title: Member

cc: Linda Laniado (via e-mail)
Darryl Schulte (via e-mail)
D. Andrew J. Bullard, Esq. (via e-mail)
Gregory Kay, Esq. (via e-mail)
Kathryn Olson, Esq. (via e-mail)

Schedule 1

Description of the Transaction
and
Information on Assignee

(see attached)

Sheraton Downtown Memphis transaction and ownership/management overview

Through their joint venture (JV), Schulte Hospitality Group (Schulte) and Starwood Capital Group (Starwood) are purchasing the leasehold interest in the Sheraton Memphis Downtown hotel from Host Hotels and Resorts. The JV began its due diligence for this transaction in August 2016, touring the property and engaging local counsel (Joe Aldridge from Apperson Crump PLC). The JV was ultimately awarded the opportunity to purchase the Sheraton in January 2017, and has spent the past 90 days preparing for a successful acquisition and transition of ownership: securing a franchise license agreement from Marriott; conducting diligence on the ground lease, associated sublease, in-place PILOT tax program, and parking and food and beverage (F&B) agreements with the attached Memphis Cook Convention Center (MCCC); understanding the recent and proposed developments at the MCCC, St. Jude's, and the Pinch District; applying for locally required permits and licenses allowing us to both operate the hotel and provide all food and beverage services to the MCCC; and communicating with City of Memphis officials (Doug McGowen, Brian Collins) and city attorneys (James McLaren, Felisa Cox). The parties intend to close on the sale transaction on Wednesday, April 19th.

Schulte and Starwood are excited to be a part of the redevelopment of downtown Memphis and the neighboring Pinch District, working with the MCCC through their upcoming renovation and preparing for the City's bicentennial celebration in 2019. The JV's strategy for operating the hotel is to retain the existing staff, improve operational efficiencies as we have at the other 80 hotels we manage, and leverage our in-house sales and revenue management teams to drive more business to the hotel. We look forward to working with key stakeholders in the community, such as St. Jude's, to ensure the Sheraton is a desirable and inviting place to stay, providing the level of service and hospitality expected of a five star hotel. We welcome open dialogue with the all of the stakeholders in the Hotel and are available to answer any questions that the Memphis Center City Revenue Finance Corporation may have.

Some background on ownership and management as follows:

Schulte Hospitality Group is a fully-integrated hotel investment, development and management company founded in 1999. The company operates 80 hotels spanning over 10,500 rooms in 25 states, acting as third party managers for large institutional clients, private equity firms as well as smaller ownership groups. Schulte Hospitality is a full service hospitality company with experience in all facets of the industry from site selection, franchise affiliation and ground-up development to the operation of limited, select and full service hotels and resorts with over $450m of total revenue and $100m of food and beverage revenue. The Schultes are third generation hoteliers, having been involved in the hotel business for their entire careers.

Starwood Capital Group is a global private equity firm with a 25 year track record and $52 billion of assets under management. Starwood has 2,000 employees in 9 offices worldwide. Starwood has a deep history in hotel investing, having acquired over 2,100 hotels globally. Starwood also founded Starwood Hotels & Resorts (NYSE: HOT), an unrelated hotel franchise and management company with brands such as Westin, W and Sheraton which was recently acquired by Marriott International. Starwood has a strong hotel asset management team focused on driving operational excellence within its hotel investments.

SCHULTE HOSPITALITY GROUP

Schulte Hospitality Group Presentation to Host Hotels & Resorts & The Memphis Cook Convention Center

shg
SCHULTE
hospitality group

DEDICATED MEMPHIS TEAM

Ray Schulte – COO
Prev. Executive Chef at Independent 4 Star Steak & Seafood restaurant in Colorado. Wine Cellar Inventory + 1,000 Bottles.
As a founding partner of Schulte Hospitality, Ray Schulte oversees all operational aspects for SHG's 79 hotel portfolio.

Keith Alexander – SVP of Operations
GM Convention Center Hotel of 488 keys attached To 150,000 SF convention center, 60,000 SF meeting space in hotels, 3 restaurants, dinner & show theater, plus night club. As senior vice president of operations, Keith is responsible for the overall financial and operational performance of Schulte Hospitality's portfolio of hotel assets.

Marty Grant – Senior Dir. Sales & Marketing
Dir. of Sales & Marketing at the 935 room Park Central New York. Oversaw group business for 5 additional NY properties totaling +2,700 keys. Dir. of Sales & Marketing for the Westin LA Airport with total revenue production of +$33M. Directly managed the Director of Catering & Convention services, as well as a team of 17 sales assoc. and catering staff. Dir. of Sales at Starwood Hotels for Specialty Select Service brands totaling 229 Select Service hotels.

Chris Crider – Corp. Director of Food & Beverage
Will be directly responsible for the food service at the convention center.
Previous positions include: VP Waldorf Astoria Conrad Hotels, Corp. Director of Ops Hilton Hotels, GM Beverly Hilton, VP Flamingo, F&B Capital Hilton, F&B McLean Hilton. Wharton, Cornell, and Culinary Institute of America.

Thank you for giving us the opportunity to present an overview of Schulte Hospitality and our depth of experience in Food and Beverage and Catering operations to Memphis Cook Convention Center and the City of Memphis. The leaders of our company have a diverse and long history of work experience in the Hotel, F&B and Convention Center spaces. From our co-founder, Ray Schulte, who was an executive chef at a four star restaurant early in his career, all the way down to our Corporate F&B Director, Chris Crider, who was everything from VP of Dining Services for a $1.125 billion healthcare and hospitality company to GM of a $1 billion Hilton owned Las Vegas strip casino with 77k sf of gaming operations to Director of F&B at several full service Hilton products in Chicago and Washington. Schulte has always been a hands-on management company and all of our executives spend measurable time at all of our properties. We look forward to providing City of Memphis and its visitors with world class dining services when they are visiting Memphis Cook Convention Center.

MEMPHIS
COOK CONVENTION CENTER

SCHULTE HOSPITALITY GROUP

Overview

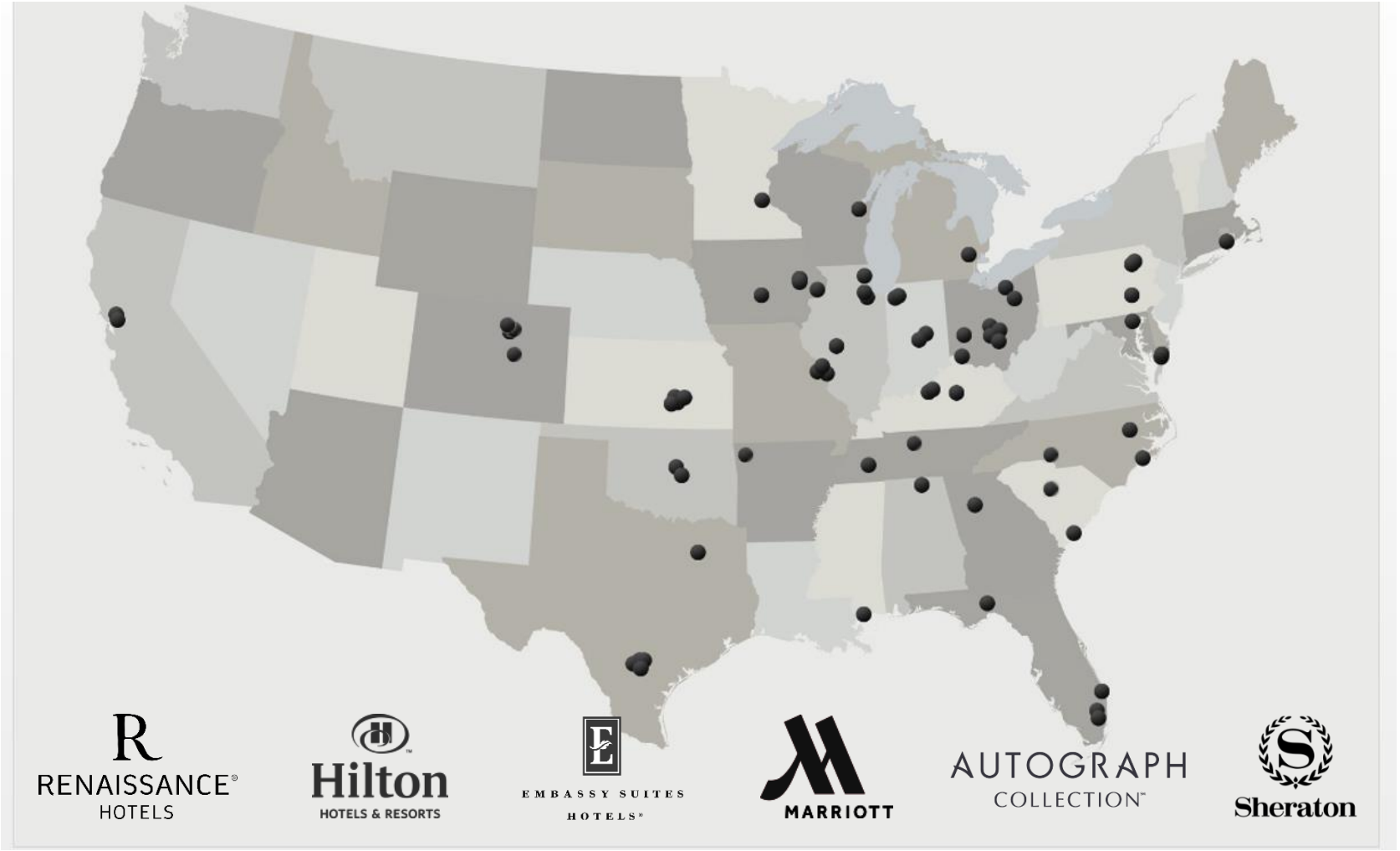
Founded **1999**	**10,660** Keys
Hotels **79**	**3,750+** Associates
States **25**	**110** Corporate Associates
Ground-up constructions **18**	**70** Acquisitions since 2012
Renovations Completed **21**	**20+** Acquisitions targeted in 2017
Total acquisitions since 2012 **$1.1B**	**$450M** Hotel revenue under management

- **$350M** in Room Revenue
- **$100M** in F&B Revenue

Awards/Recognition

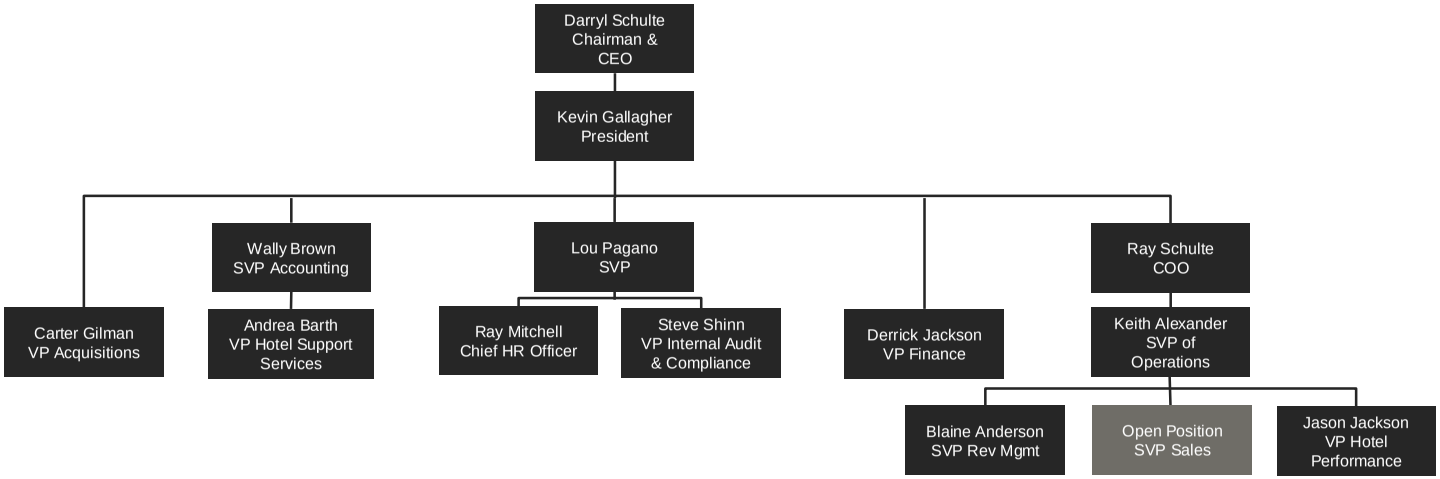
- 9 hotels in top 5% of brand overall satisfaction and customer service
- Hilton Awards Received - Connie Award, Lighthouse Award, Circle of Excellence Award
- IHG Awards Received - 3 SHG Hotels received the Torchbearer Awards
- Executive Leadership sit on multiple brand boards including Embassy Suites owners advisory board, Homewood Suites owners advisory board, and Hilton owners construction advisory board

Locations

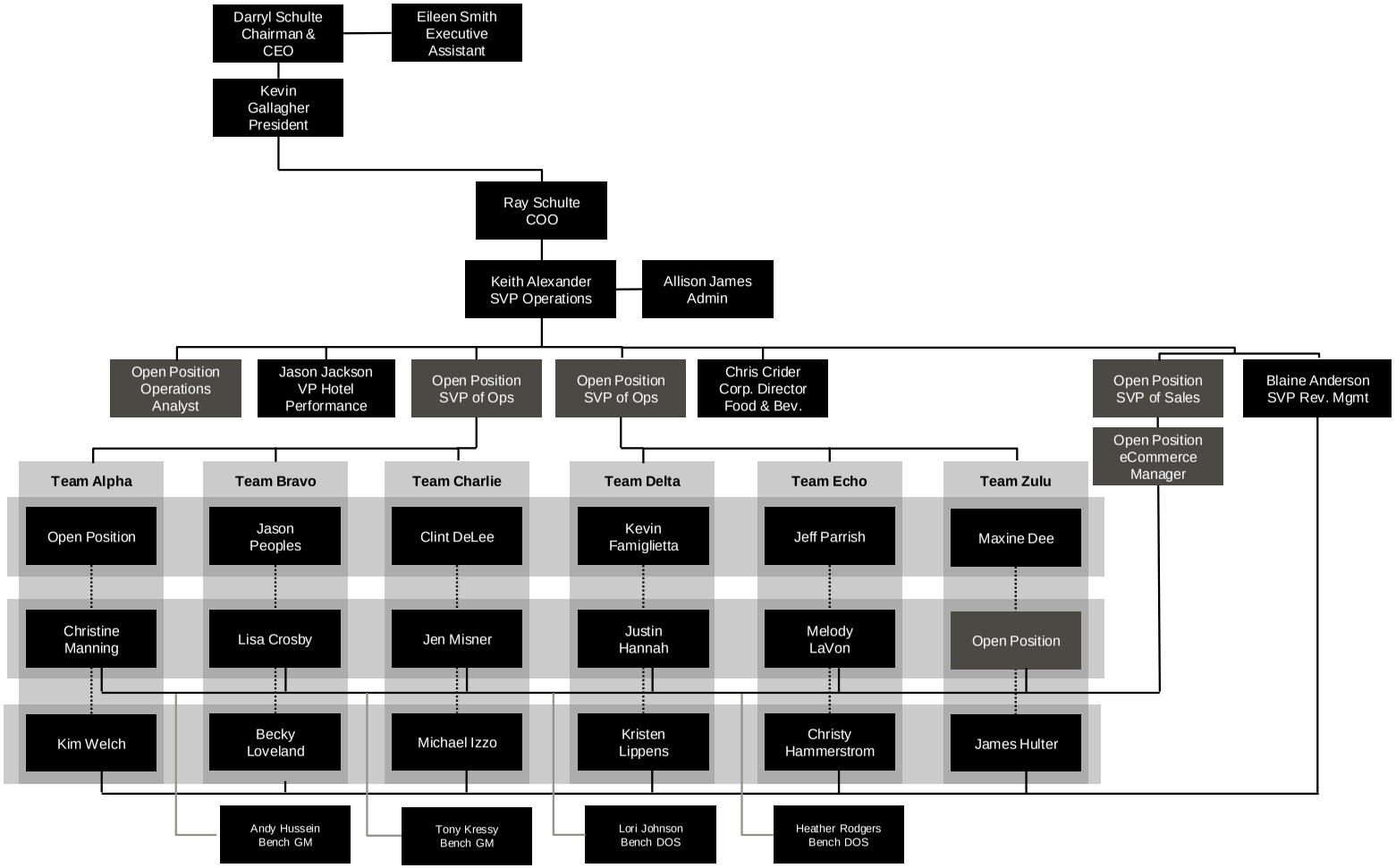


SCHULTE HOSPITALITY GROUP

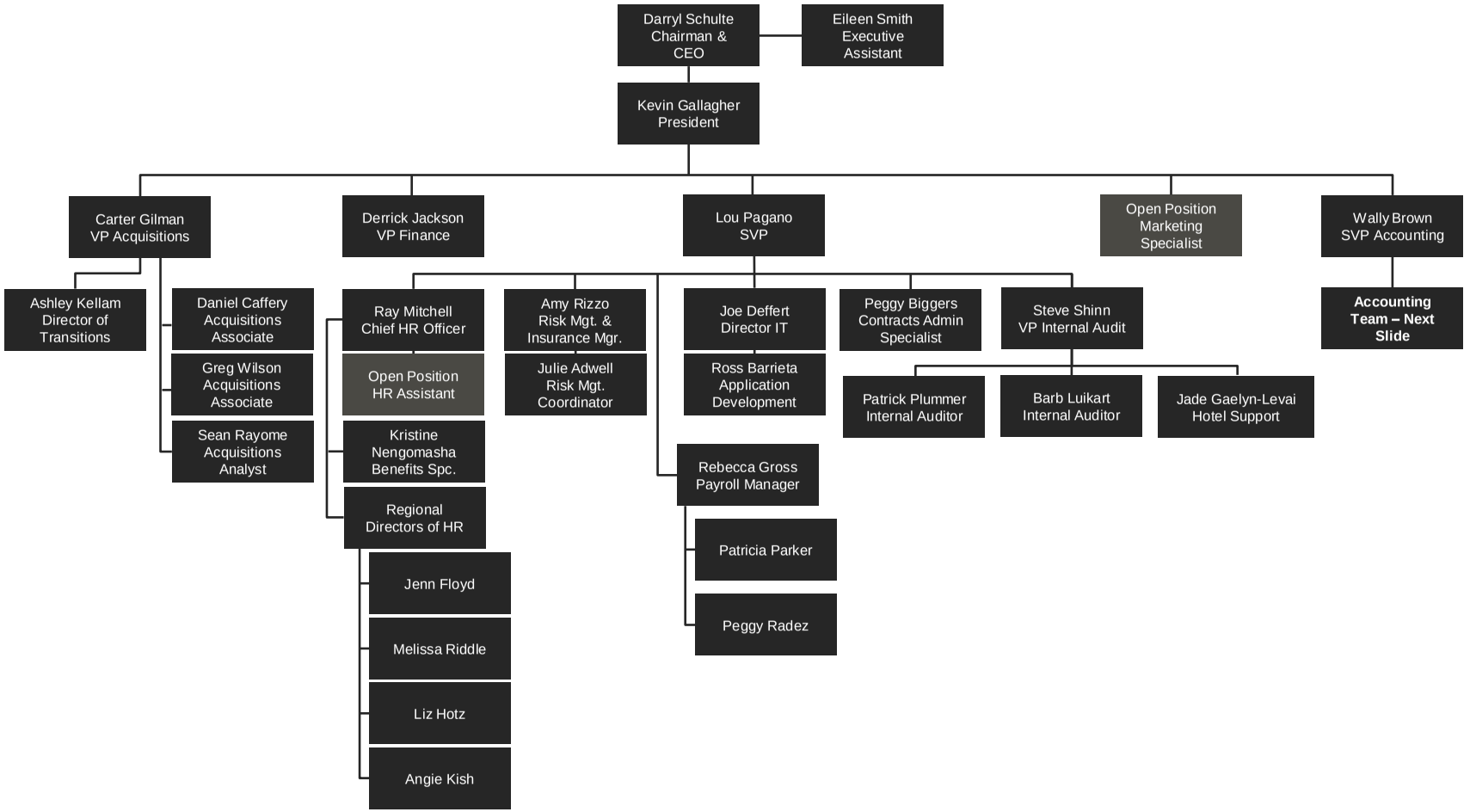
Executive Leadership Team Organizational Chart



Operations/Sales Team Organizational Chart

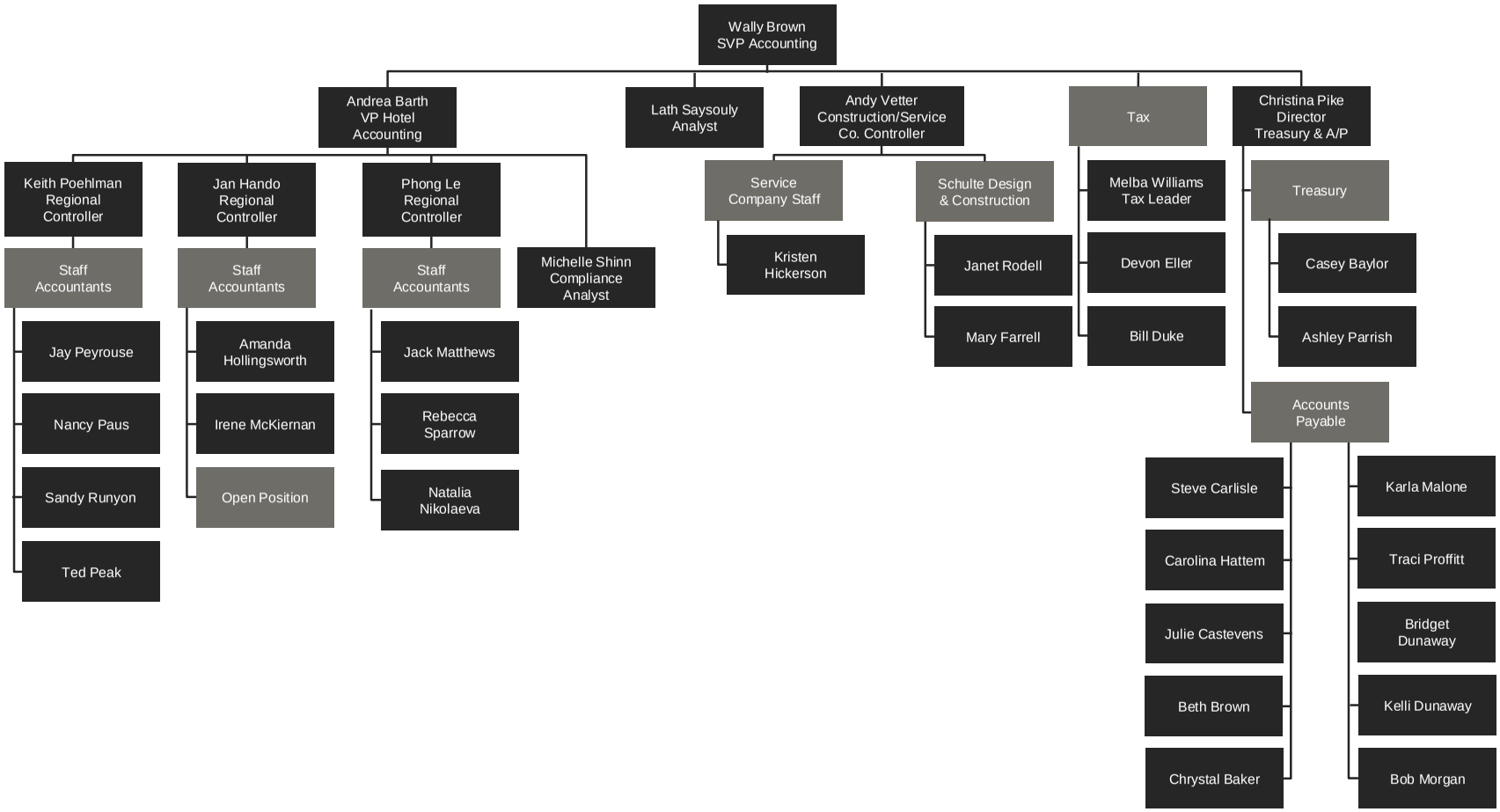


Acquisitions/Finance/Support Services Team Organizational Chart



SCHULTE HOSPITALITY GROUP

Accounting Team Organizational Chart



Executive Team

Darryl Schulte, JR.

Chairman and CEO

Darryl Schulte is a third-generation hotelier. Being an entrepreneur at heart, Darryl decided to build upon his family's knowledge of the hotel business and form the Schulte Hospitality Group with his father and brother in 1999. Since then, Schulte Hospitality has grown to encompass all aspects of hotel management, development and financing. Through Darryl's leadership and staunch commitment to the company's core values, he has successfully grown the company from its first management agreement in Detroit to over 79 properties in 25 states, with ownership interest in 69 of the hotels. Darryl continues to lead Schulte Hospitality's growth through its key institutional partners, Starwood Capital Group and Apple REIT, as well as its various independent owner and investor groups.

Darryl believes that the relationships he creates and nurtures are the company's most valuable asset. Prior to forming Schulte Hospitality Group, Darryl started his career in hospitality as general manager of various franchised hotels in California, Kansas, Missouri and Illinois. He quickly moved from hotel operations to hotel development, becoming a pre-opening, development and construction specialist wherein he worked closely with developers, general contractors, franchisors and financial institutions to ensure timely delivery of a quality finished product.

Darryl's professional achievements include developing, acquiring and financing more than $2.5 billion in real estate transactions, the successful formation and sale of Summit Real Estate Group, a real estate investment company that developed over 4 million square feet of mixed-use space in the greater Chicago area from 2001 to 2006, and the formation of a joint venture with Starwood Capital Group, which currently holds 60hotels and is active today in the hotel space.

Executive Team

Ray Schulte
Chief Operating Officer

As a founding partner of Schulte Hospitality, Ray Schulte oversees all operational aspects for our hotel portfolio. Since the company's inception, he has managed the growth of the company from its first location to a current managed portfolio of over 79 hotels in 25 states, and has been instrumental in implementing and developing the systems and procedures that have allowed the company to streamline its operations and achieve best-in-class results for its investors and ownership groups.

Today he oversees $450 million in top-line revenues, $1.6 billion of asset value and over 3,500 associates. He is also involved in the management of the company's real estate, office and retail holdings. Prior to founding Schulte Hospitality Group with his brother and father, he worked with John Q. Hammons, Summit Hotels and a Dallas-based real estate developer. Ray studied business administration at the University of Colorado. Ray is an avid sports fan and enjoys golf, skiing and traveling. He supports the charity The V Foundation for cancer research (jimmyv.org), named for college basketball coach Jim Valvano. The V Foundation holds a four-star rating (the highest) and 100 percent of its support goes directly to cancer research. Ray uses the inspirational words of Coach Valvano as motivation in his daily life: "Don't give up… don't ever give up!" He resides in Louisville, Ky., is married, and is blessed to have three children.

Executive Team

Kevin Gallagher
President

Kevin Gallagher is president of Schulte Hospitality, and is responsible for overseeing the operations and finances of the company's 79 hotels located in 25 states. As president, Kevin is involved in setting the strategic direction of the company, and co-chairs the firm's investment committee with CEO Darryl Schulte. Prior to his recent appointment as president, Kevin served as the company's chief financial officer. As CFO, Kevin helped grow the company from 18 to 79 hotels by creating a platform for sourcing, underwriting and closing acquisitions for Schulte Hospitality and its affiliates and partners. During his tenure as CFO, Kevin led the team in acquiring more than $1.2 billion in assets, as well as executing on debt procurement of $800 million across multiple portfolios. He also led all capital market, finance, accounting and legal activities for both the real estate development group and hospitality management company, and served as a key member of the executive committee.

Keith Alexander
Senior Vice President of Operations

As senior vice president of operations, Keith is responsible for the overall financial and operational performance of Schulte Hospitality's portfolio of hotel assets. He oversees a team of sales, revenue and operations professionals whose objective is to see that all of the hotel assets are aligned with the company's culture and core values, ensure the delivery of exceptional financial results to our owners, deliver a memorable guest experience and create loyalty among our team members. Keith brings with him over 20 years of industry knowledge and experience with highly reputable hospitality organizations such as Noble Investment Group and GF Management.

Blaine Anderson
Senior Vice President of Revenue Management

Blaine joined Schulte Hospitality Group as the company's corporate revenue director in 2011, and currently holds the title of senior vice president of revenue management. He has developed a corporate and regional sales and revenue team that has grown to over 22 individuals as of 2016. The team has continually produced top-line results that exceed market and national benchmarks, utilizing a combination of internal, brand and industry tools.

Executive Team

Ray Mitchell
Chief Human Resources Officer

As an accomplished certified professional in human resources and summa cum laude graduate from Sullivan University with a master's degree in human resources leadership and a bachelor's degree in business management from McKendree College, Ray brings over 20 years of progressive HR leadership experience in midsized privately-held and large-scale publicly traded global companies. Ray is responsible for all human resources-related functions, and for providing strategic human resources leadership and vision at Schulte. Ray plays an active role within the senior leadership team, providing advice on execution of business strategy and identifying opportunities to help improve Schulte Hospitality Group's organizational effectiveness and growth objectives through its people.

Wally Brown
Senior Vice President of Accounting

In his role as vice president of accounting, Wally oversees the accounting, tax, treasury and internal audit functions for each of the managed hotels, the hospitality management company, the real estate development companies and the design and construction company. His background includes over 20 years of audit, tax and consulting experience, primarily in the arena of public accounting. Prior to joining Schulte, he spent 13 years with Mountjoy Chilton Medley, a large regional CPA and advisory firm in the Louisville, Ky., area, where he worked with business owners in a tax planning and consulting role with the goal of maximizing cash flows.

Carter Gilman
Vice President of Acquisitions and Construction Management

Carter is the vice president of acquisitions and construction management with Schulte Hospitality Group. He works closely with the chief financial officer and president in the underwriting and financial analyses of acquisitions. He also leads the company's construction management team, and provides reporting support for our capital partners and investors. Prior to joining the team, Carter spent seven years in the aviation industry, working on three continents both for and with airlines and airline-service providers in areas such as strategy, finance, technical operations, project management, revenue strategy and human resources.

Featured SHG Properties

Key Stats

- Rooms: 403
- Convention Space: 16,500 sf
- Room Revenue: $14M
- F&B Revenue: $6M

F&B Outlets

- Starbucks
- The Plaza Restaurant

Sheraton Columbus Downtown

Columbus, OH

SCHULTE HOSPITALITY GROUP

Featured SHG Properties

Key Stats

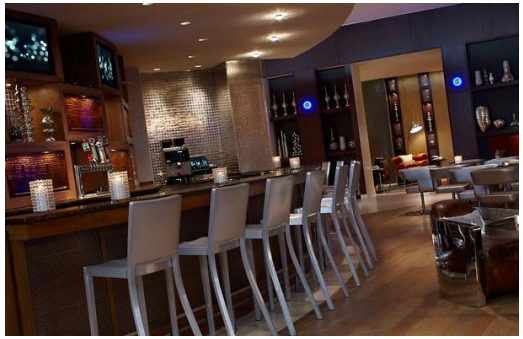
- Rooms: 393
- Convention Space: 34,000 sf
- Room Revenue: $13M
- F&B Revenue: $7M

F&B Outlets

- Starbucks
- Norah's Crafted Food & Spirits

Renaissance St. Louis Airport

St. Louis, MO



SCHULTE HOSPITALITY GROUP

Featured SHG Properties

Key Stats

- Rooms: 252
- Convention Space: 18,509 sf
- Room Revenue: $10.5M
- F&B Revenue: $6M

F&B Outlets

- Charr'd Kitchen
- Charr'd Bourbon Lounge

Marriott Louisville East

Louisville, KY

Featured SHG Properties

Key Stats

- Rooms: 275
- Convention Space: 10,000 sf
- Room Revenue: $11.5M
- F&B Revenue: $4.5M

F&B Outlets

- Portico
- Longitude 84

Le Meridien Atlanta Perimeter

Atlanta, GA

SCHULTE HOSPITALITY GROUP

Featured SHG Properties

Key Stats

- Rooms: 212
- Convention Space: 14,300 sf
- Room Revenue: $7M
- F&B Revenue: $3.5M

F&B Outlets

- BOS Restaurant
- Coda Lounge

Renaissance Savery Hotel

Des Moines, IA

Featured SHG Properties

Key Stats

- Rooms: 117
- Convention Space: 6,500 sf
- Room Revenue: $6M
- F&B Revenue: $6M

F&B Outlets

- Starbucks
- LeRoc Bistro
- Shula's 347 Grill
- Level 8 Lounge

Hotel Duval – Autograph Collection

Tallahassee, FL

SCHULTE HOSPITALITY GROUP

Featured SHG Properties

Key Stats

- Rooms: 194
- Convention Space: 8,100 sf
- Room Revenue: $7M
- F&B Revenue: $2M

F&B Outlets

- President's Dining Room
- President's Lounge

DoubleTree Columbus Downtown

Columbus, OH

SCHULTE HOSPITALITY GROUP