

79 MADISON AVENUE, LLC

c/o Aparium Hotel Group
615 W. Randolph St.
Second Floor
Chicago, IL 60661

May 3, 2016

VIA FIRST-CLASS MAIL

Mr. Terence Patterson, President & CEO
Memphis Center City Revenue Finance Corporation
114 North Main Street
Memphis, TN 38103

Re: Request for consent to assignment and assumption of (i) that certain Lease Agreement dated as of December 30, 1986 by and between Memphis Center City Revenue Finance Corporation ("**MCCRFC**"), as lessor, and Henry M. Turley, Jr. and Meredith L. McCullar, as lessee, as amended by that certain Amendment to Lease Agreement dated as of February 24, 1999, and as assigned to Madison Hotel Memphis, LLC (the "**Madison Seller**") pursuant to that certain Assignment and Assumption of Lease dated as of January 3, 2007 (collectively, the "**Madison Hotel Lease**"); and (ii) that certain Lease Agreement dated as of August 2, 2000 by and between MCCRFC, as lessor, and Wilmont Hotel Limited Partnership (the "**Wilmont Seller**"), as lessee, as amended by that certain Amendment to Lease Agreement dated as of April 1, 2001 (collectively, the "**Wilmont Hotel Lease**" and together with the Madison Hotel Lease, the "**PILOT Leases**")

Dear Mr. Patterson:

Pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated as of January 8, 2016 (the "Purchase Agreement"), by and among the Madison Seller and the Wilmont Seller (collectively, the "**Seller**"), as seller, and 79 Madison Avenue, LLC, as assignee of the original purchaser, Markev Holdings I, LLC (as assigned, the "Purchaser"), as purchaser, Purchaser will be purchasing all of Seller's interest in and to that certain real property, and the improvements situated thereon, commonly known as 1, 3, 5, 9 and 11 South Main, and 79 & 83 Madison Avenue, Memphis, Tennessee 38103 (the "**Property**") depicted at **Exhibit "A"** attached hereto. The Seller is currently operating the Madison Hotel, and related commercial retail space, at the Property and is leasing space to two commercial tenants.

At the closing of the transaction contemplated by the Purchase Agreement, the Seller will assign to Purchaser, and Purchaser will assume from Seller, all of Seller's rights, title and interest in and to the PILOT Leases (the "**Assignment**"). Your consent is required in order to effectuate the Assignment, the closing of which is expected to close on or before May 27, 2016 (the "**Closing**").

Pursuant to Section 3.06 of the PILOT Leases, the undersigned hereby requests your consent to the Assignment. For your review and consideration, attached hereto as **Exhibit "B"** is supplemental information regarding Purchaser and Purchaser's experience in the hospitality real estate sector. Further, attached hereto as **Exhibit "C"** is a copy of the form Assignment and

Mr. Terence Patterson
May 3, 2016
Page 2

Assumption of Lease, which you will be asked to sign at Closing should your consent to the Assignment be granted.

Thank you for your consideration of this matter, which we understand will be discussed at your upcoming May 10th board meeting. If you have any questions or need any additional information related to the Purchaser or the proposed Assignment prior to your meeting, please feel free to contact either me or Seller's legal counsel, John Mauck at Mauck & Baker, LLC via phone at (312) 853-8709, email to jmauck@mauckbaker.com, or mail to One North LaSalle Street, Suite 600, Chicago IL 60602.

Very truly yours,

79 Madison Avenue, LLC

By: 

Name: Mario M. Tricaci

Its: Authorized Signatory

cc: James McLaren, Esq. – Adams and Reese LLP (james.mclaren@arlaw.com)
Lodie V. Biggs, Esq. - Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C.
(lbiggs@bakerdonelson.com)
Brandon K. Hueber, Esq. – Greenberg Traurig, P.A. (hueberb@gtlaw.com)

Exhibit A

The Property

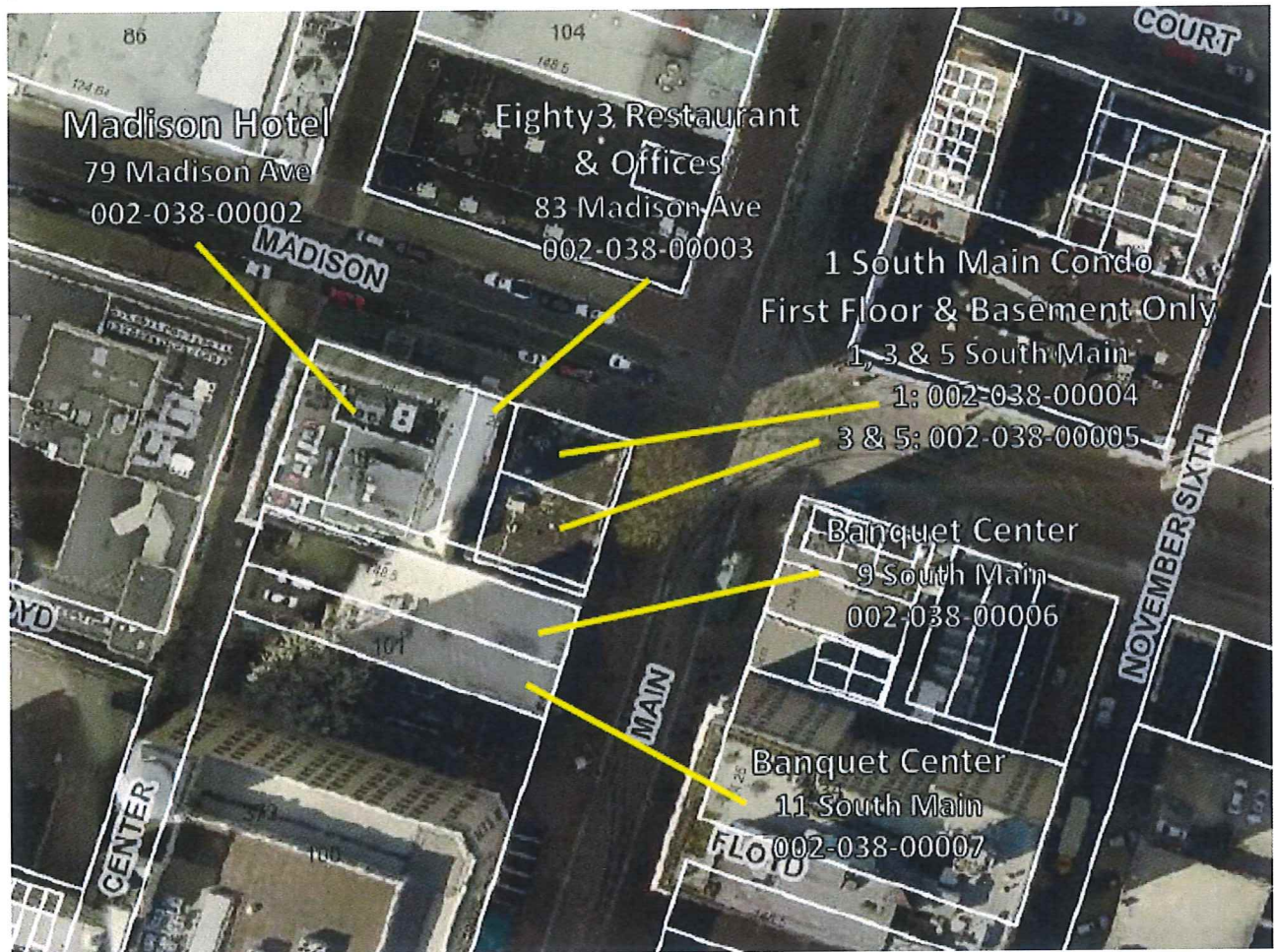


Exhibit B

Supplemental Information Regarding Purchaser and Manager

Madison Hotel - Ownership & Management:

79 Madison Avenue, LLC, a Delaware limited liability company and the proposed Purchaser, is a special-purpose entity created specifically to purchase the interests of Seller in and to Property, and to own and operate the Madison Hotel, and related commercial retail space, located thereon. The Purchaser is a joint venture beneficially owned by principals of Aparium Hotel Group, LLC, a Delaware limited liability company (“**Aparium**”) and G4 Capital Partners (“**G4**”), its equity partner. Aparium will assume the day-to-day management of the Hotel pursuant to a management agreement with the Purchaser.

Aparium Overview

Aparium was founded in 2011 by Chicago hospitality executive and entrepreneur Mario Tricoci and luxury hotel veteran Kevin Robinson. The duo saw a clear need for a company that could bring C-suite service and accommodations to underserved - yet distinct and important - cities while maintaining and celebrating the unadulterated character of each. Driven by the belief that all hospitality experiences should be fueled by the poetics of their surroundings, Aparium was born with an intense focus on unearthing the amazing moments unique to every city.

Since its founding, Aparium has grown into a new kind of hotel brand - one that ventures off the beaten path, both geographically and philosophically. It is a sophisticated hotel brand known for its singular ability to combine the business acumen of large hospitality companies with the charm of boutique hotels, bringing the disparate forces together in bustling, smaller markets.

Tricoci and Robinson’s capabilities and flair were never more prominently on display than during their time as co-developers, owners and operators of the highly acclaimed Elysian Hotel in Chicago. Opening its doors in 2009 on the under-explored outskirts of Chicago’s Gold Coast, the Elysian, with its cobblestone courtyard and allusions to the grand hotels of 1920’s Paris, quickly drew the interest, praise and admiration of most every hotel brand, hotel publication, rating service, and the public at large. With its remarkable designs, operations, and vision, the Elysian won numerous awards including being ranked number one in Travel + Leisure’s World’s Best Awards, earning a AAA 5 Diamond, and in 2013 netting a TripAdvisor Certificate of Excellence.

The Iron Horse Hotel in Milwaukee provided Aparium’s first proving ground for its progressive hospitality philosophy. Recently voted one of the top 25 hotels in the United States, The Iron Horse has become the leader and a standard of excellence in the booming independent hotel industry and remains a prime example of the complete Aparium experience. The Iron Horse is the embodiment of Aparium’s signature Translocal Hospitality, Owner Collaboration, and Intuitive Service model.

A tremendous compliment of openings is scheduled in the coming years in important locations as diverse as the oft written about downtown Detroit; the burgeoning North Loop neighborhood of Minneapolis; the flourishing Crossroads district in Kansas City; the eclectic and diverse town of Montclair; La Crosse - one of the most exciting small cities in America - and Covington, a dynamic urban enclave serving Northern Kentucky and the greater Cincinnati area. Aparium's unexpected experiences are poised to become important catalysts in the resurgence of many great American cities. Aparium aims to celebrate the true entrepreneurial spirit of each city with every new opening while adding the passion, commitment, and care Aparium is known for to the ever-changing cultural landscape.

Aparium's hotel portfolio includes the following:

The Iron Horse Hotel, Milwaukee, Wisconsin
Charmant Hotel, La Crosse, Wisconsin
Hotel Deco XV, Omaha, Nebraska
Hotel Covington, Covington, Kentucky, *Opening Summer 2016*
Pontchartrain Hotel, New Orleans, Louisiana, *Opening June 2016*
Hewing Hotel, Minneapolis, Minnesota, *Opening Fall 2016*
Foundation Hotel, Detroit, Michigan, *Opening Early 2017*
Kansas City Crossroads Hotel, Kansas City, Missouri, *Opening 2017*
MC Hotel, Montclair, New Jersey, *Opening 2017*

G4 Overview

G4 was founded by Louis Silverman. Mr. Silverman has been recognized by Crain's and New York magazine as a visionary for his pioneering investments in Williamsburg, Brooklyn. Mr. Silverman began acquiring tracks of land in Williamsburg in 1998 for use in his family truck leasing company, 4G's Truck Renting Co., Inc. ("4G's Truck Renting"), which he headed with his father. Mr. Silverman had envisioned a higher and better use for the massive waterfront plots that were then trading at paltry sums and began acquiring land for his company's interim use but with the ultimate goal of having the sites rezoned. In 2002, Mr. Silverman partnered with a preeminent New York developer to work with him on his redevelopment design. In 2005, four years after Mr. Silverman acquired a dilapidated 250,000 square foot industrial plot, the property was rezoned to accommodate one million square feet of luxury waterfront residential condominiums and Mr. Silverman sold the majority of his stake in the Williamsburg waterfront project in 2005.

In 2005, Mr. Silverman formed G4, a real estate investment platform, to leverage his operational and real estate background. G4 and its affiliates hold a portfolio of retail, hospitality and residential property throughout the U.S.

Mr. Silverman graduated from Boston University with a degree in marketing and management.

Exhibit C

Form Assignment and Assumption of Lease

[NOTE TO MCCRFC: UPON APPROVAL OF THIS FORM, ASSIGNEE WILL BREAK OUT SEPARATE FORMS, INPUT THE SPECIFIC DETAILS FOR EACH PILOT LEASE AND PROVIDE A BLACKLINE COMPARISON TO MCCRFC]

This Instrument Prepared by:

ASSIGNMENT AND ASSUMPTION OF LEASE
(MCCRFC PILOT Lease # [____])

THIS ASSIGNMENT AND ASSUMPTION is made and entered into effective as of this _____ day of _____, 2016 the ("**Effective Date**"), by and between _____, _____ (the "**Assignor**") and _____, _____ (the "**Assignee**").

W I T N E S S E T H:

THAT the Assignor, for TEN DOLLARS (\$10.00) cash in hand paid and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby GRANT, TRANSFER and ASSIGN to the Assignee all of the Assignor's rights, title and interest in and to the **[INSERT DESCRIPTION OF PILOT LEASE]** (the "**PILOT Lease**") relating to that certain real property and improvements thereon situated in Memphis, Shelby County, Tennessee, as described and set forth on **EXHIBIT A**, attached hereto and incorporated herein by reference (the "**Property**");

TO HAVE AND HOLD FOREVER.

1. The Assignor warrants that the Assignor is the sole owner of all rights, title and interest of "Lessee" under the PILOT Lease; that the Assignor has obtained the proper consent from the MCCRFC to assign Assignor's interest under the PILOT Lease to Assignee; and that the Property is unencumbered except for any and all restrictions, easements and covenants of record including, but not limited to, the matters set forth on **EXHIBIT B**, attached hereto and incorporated herein by reference. This Assignment is being made subject to the foregoing encumbrances and also subject to zoning ordinances or laws of any governmental authority.

2. Assignor and MCCRFC represent and warrant that said PILOT Lease is in full force and effect, has not been amended except as stated above, and that there are no defaults thereunder known to either party.

3. THAT the Assignee, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby accepts the foregoing assignment of the PILOT Lease by Assignor and assumes and agrees to perform, observe and comply with, and to be bound by, all of the agreements, terms, covenants, conditions, and provisions of the PILOT Lease on the part of Assignor, as the Lessee thereunder, to be performed, observed and complied with from and after the Effective Date.

4. Assignor agrees to indemnify and hold Assignee harmless from and against any and all damages, judgments, costs or expenses (including, without limitation, reasonable attorney's fees) incurred by Assignee to the extent caused by any breach by Assignor of any of the terms, agreements, covenants, conditions or provisions of the PILOT Lease to be performed, observed or complied with by Assignor prior to the Effective Date hereof.

5. Assignee agrees to indemnify and hold the Assignor harmless from and against any and all damages, judgments, costs or expenses (including, without limitation, reasonable attorney's fees) incurred by Assignor to the extent caused by any breach by Assignee of any of the terms, agreements, covenants, conditions or provisions of the PILOT Lease to be performed, observed or complied with by Assignee on or after the Effective Date.

6. This Assignment and Assumption has been executed and delivered in, and shall be governed by the laws of, the State of Tennessee.

7. This Assignment and Assumption shall inure to the benefit of, and shall be binding upon, the Assignor and Assignee, and their respective personal representatives, heirs, successors and assigns.

8. By signing below through its duly authorized representative, MCCRFC acknowledges and accepts this Assignment and agrees that its obligations and rights under said PILOT Lease occurring on or after the date hereof are now due to and owing from Assignee. MCCRFC further agrees to release Assignor from any and all liability, loss or damage by reason of any alleged obligation or undertaking to be performed or discharged by Assignor under said PILOT Lease on or after the date hereof.

[SIGNATURE PAGE TO FOLLOW]