

**RESOLUTION APPROVING VARIOUS LEASE AGREEMENTS AND ESTOPPELS  
NECESSARY TO EFFECTUATE THE SALE OF THE EMBASSY SUITES HOTEL TO  
SH WINSTON CHERRY, LLC**

**WHEREAS**, in February 2004, the Mayor and City Council approved a Memorandum of Understanding (MOU) between the City and Noble Investment Group, LLC regarding the acquisition of the Adam’s Mark Hotel and their management of The Benton; and

**WHEREAS**, Noble Investment Group, LLC acquired the Adam’s Mark Hotel and repositioned the property into two separate hotels—a Marriott and an Embassy Suites; and

**WHEREAS**, under the MOU, the City purchased for \$10 million the 38,000 square feet of renovated meeting/support space in the lower level of the Embassy Suites, as well as the Grand Pavilion Ballroom (formerly Beneath The Elms); and

**WHEREAS**, in June 2016, Noble Investment Group, LLC sold both hotels and transferred management of The Benton to Hospitality Ventures Management Group; and

**WHEREAS**, the City pursuant to a Lease Agreement dated June 30, 2004 (the “Lease Agreement”) currently leases the meeting and ballroom space to HV Winston-Salem II, LLC, the Embassy Suites owner, for \$600,000 per year to cover the City’s annual debt payment from financing the purchase of the space; and

**WHEREAS**, recently, Hospitality Ventures Management Group has been in negotiations with Premier Management, LLC to sell the Embassy Suites Hotel to the new owner, SH Winston Cherry, LLC and assign the Lease Agreement for the City-owned space to PM Meeting Venue, LLC; and

**WHEREAS**, Premier Management, LLC currently manages hotel properties with meeting and banquet facility space in Orlando (FL), Marietta (GA), and Greenville (SC); and

**WHEREAS**, various agreements and estoppels necessary to effectuate the sale of the Embassy Suites Hotel have been prepared and must be executed with the consent of the City of Winston-Salem and SH Winston Cherry, LLC after their finalization and approval by the City Attorney as to form and substance; and

**WHEREAS**, acting upon the advice of legal counsel, City staff has requested language in the assignment and assumption agreement that provides that the City-owned space will continue to be included in the allocation of certain operating expenses currently shared by The Benton, the City-owned leased space and the Marriott Hotel property; and

**WHEREAS**, the assignment and assumption agreement provides that the security for the lease payment due to the City will continue to include the net cash flows from the operation of the Embassy Suites Hotel.

**NOW, THEREFORE, BE IT RESOLVED** that the Mayor and City Council of the City of Winston-Salem, upon the recommendation of the Finance Committee, does hereby approve (i) the assignment of the Lease Agreement to PM Meeting Venue, LLC and (ii) the various estoppel certificates to be executed by the City, all in form and substance to be approved by the City Attorney.

**BE IT FURTHER RESOLVED** that the City Manager is authorized to execute all consents to the assignment and assumption of the Lease Agreement and all estoppel certificates on behalf of the Mayor and City Council after their approval by the City Attorney.

**BE IT FURTHER RESOLVED** that this resolution shall be effective on the date of its adoption.