

**FIRST AMENDMENT TO
TERMINATION OF CONTRACT AND MODIFICATION AGREEMENT**

Amendment Date: August 23, 2017

Owner: 5 North 5th Hotel, LLC
2140 West Moore Road
Tucson, Arizona 85755
Attention: Ms. Chris Hodgson
Telephone: 520-229-3451
Telecopy: 520-498-6458

Rio Nuevo: Rio Nuevo Multipurpose Facilities District
52 West Congress Street
Tucson, Arizona 85701
Attention: Mark Irvin
Telephone: 520-620-1833
Telecopy: 520-620-1830

1. Background. Owner and Rio Nuevo are parties to that Termination of Contract and Modification Agreement dated June 7, 2017 ("Agreement"). Owner and Rio Nuevo desire to amend and supplement the Agreement in accordance with the terms and conditions of this First Amendment to Termination of Contract and Modification Agreement ("Amendment"). Owner's agreements under Section 1.2 of the Agreement, including its agreement to permit the termination of the Purchase Contract and forego its remedies thereunder, including specific performance, are expressly conditioned on Rio Nuevo's performance under the Agreement, as amended by this Amendment.

2. Pre-Conditions. Owner and Rio Nuevo agree that the conditions described in Section 2.2 of the Agreement have been satisfied or (as provided in this Section) waived. With respect to the condition described in clause (ii) of Section 2.2(a), Owner has agreed to waive such condition, conditioned on the execution by the parties of this Amendment. This Amendment constitutes Owner's Termination Notice pursuant to Section 2.1 of the Agreement.

3. GPLET Lease. Owner and the City of Tucson ("City") are parties to that Broadway & Fifth Development Agreement dated November 5, 2014 ("DA"). Pursuant to the DA, City agreed to accept title to the "Development" and "Property" as requested by Owner, and to lease back such Development and Property pursuant to the terms of a Land and Improvements Lease attached as Exhibit "B" to the DA ("City GPLET"). The DA further provided that the City GPLET would not include the "Property" subject to the Purchase Contract, because it was anticipated that Rio Nuevo would own the Property following its performance under the Purchase Contract.

3.1 Upon conveyance by Owner to the City of the portions of the Property and Development (as defined in the DA) identified by Owner ("City Site") and execution by Owner and the City of the City GPLET, but not less than fifteen (15) days following notice from Owner to Rio Nuevo, (i) Owner shall convey to Rio Nuevo the property subject to the Purchase Contract (i.e., the parking garage known as Unit 2 of Condominium Plat for AC Hotel Tucson

Condominium, recorded at Recording Number 2015-2370543, records of Pima County, Arizona) (“Garage Site”), and (ii) Owner and Rio Nuevo shall enter that Triple Net Government Property Lease Excise Tax, in the form attached as Exhibit “A” (“RN GPLET”), which shall provide for a term ending on the earlier of (i) twenty five years from the execution thereof; (ii) payment to Owner in full of the Rebate Cap, or (iii) expiration of the Rio Nuevo TIF District (each, a “Termination Event”).


3.2 Provided that a Termination Event has not occurred prior to the expiration of the City GPLET, upon expiration of the City GPLET and reconveyance of the City Site to Owner, and as provided in the RN GPLET, Owner shall convey the City Site to Rio Nuevo, and the City Site, along with the Garage Site, shall be subject to the terms and provisions of the RN GPLET, without further act of either party.

4. Miscellaneous. Any capitalized or other defined terms not otherwise defined in this Amendment shall have the meanings ascribed in the Agreement. Except as expressly modified by this Amendment, the terms and provisions of the Agreement shall remain in full force and effect. To the extent of any conflict or inconsistency of any term or provision of this Amendment and any term or provision of the Agreement, the term or provision of this Amendment shall control. This Amendment may be executed in any number of counterparts, each of which when executed and delivered will be deemed to be an original, but all of which together will constitute one binding contract and instrument. Any party may execute this Amendment by facsimile or .pdf signature, and any such facsimile or .pdf signature shall be deemed an original signature and Escrow Agent is hereby authorized and instructed to rely thereon. Reference to the Agreement shall constitute a reference to the Agreement, as amended by this Amendment.

Dated as of the Amendment Date.

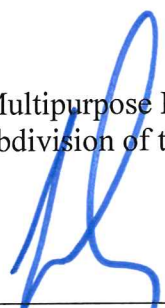
Owner:

5 North 5th Hotel, LLC, an Arizona
limited liability company


By: 
M Scott Stiteler (Dec 20, 2017)
Its manager

Rio Nuevo:

Rio Nuevo Multipurpose Facilities District,
a political subdivision of the State of Arizona

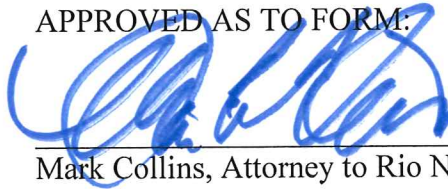
By: 
Fletcher McCusker, Chairman

ATTEST:



Mark Irvin, Secretary

APPROVED AS TO FORM:



Mark Collins, Attorney to Rio Nuevo