

June 16, 2008

VIA HAND DELIVERY

Office of Planning and Development
City Hall
125 Main Street, Room 476
Memphis, Tennessee 38103

**Re: Neela Hospitality, LLC
3685 American Way, Memphis, Tennessee**

Dear Sir or Madam:

On behalf of my client, Neela Hospitality, LLC, please find enclosed the completed REQUEST FOR WAIVER OF THE SPECIAL USE PERMIT REQUIREMENT FOR NON-HOURLY RATE HOTELS/MOTELS, along with a Cashier's Check in amount of Two Hundred and Fifty Dollars (\$250.00), all pursuant to the new requirements.

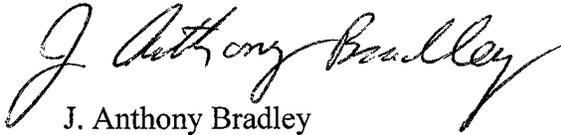
Note, I received this updated REQUEST FOR WAIVER OF THE SPECIAL USE PERMIT REQUIREMENT FOR NON-HOURLY RATE HOTELS/MOTELS last week, thus I was unable to complete and forward the new application more than two (2) weeks prior to the meeting date of June 17, 2008. I have previously spoken with Don Jones with the Office of Planning and Development who has verbally confirmed that the zoning of the above referenced property is correct.

My client Neela Hospitality, LLC is owned by two (2) members, Bharatkumar Patel and Jitendra Desai. Member J. Desai will manage the hotel. My client is currently negotiating with Choice Hotels to receive a Rodeway Inn franchise. We expect that Leslie Kratchner of Choice Hotels will appear before City Council to confirm this information. My client has secured its Sales and Use Tax License with the Tennessee Department of Revenue, its Employer Identification Number with the Internal Revenue Service, and its Business Tax License at the Office of Debbie Stamson, Shelby County Court Clerk. My client will be a non-hourly rate hotel, and as such we request

Page 2

that our REQUEST FOR WAIVER OF THE SPECIAL USE PERMIT REQUIREMENT FOR NON-HOURLY RATE HOTELS/MOTELS be granted by the City Council on June 17, 2008.

Sincerely,

A handwritten signature in cursive script that reads "J. Anthony Bradley". The signature is written in black ink and is positioned above the printed name.

J. Anthony Bradley

JAB/tlb
Enclosure(s)

REQUEST FOR WAIVER OF THE SPECIAL USE PERMIT
REQUIREMENT FOR NON-HOURLY RATE HOTELS/MOTELS

DATE FILED: June 16, 2008

NAME OF APPLICANT: Neela Hospitality, LLC

NAME OF HOTEL/MOTEL: _____

ADDRESS OF HOTEL/MOTEL: 3685 American Way, Memphis, TN 38118

INSTRUCTIONS

Any entity acquiring an existing non-hourly rate hotel/motel may request waiver of the requirement of a Special Use Permit necessary for issuance of a construction and/or Use and Occupancy permit. Each proposed new owner shall execute the attached Application and Agreement and submit, in writing, responses to the questions attached as Exhibit B. The Agreement will be recorded with the Shelby County Register of Deeds at the expense of the waiver applicant.

The original Agreement, exhibits thereto and 14 copies collated into individual packets, the order of which shall follow sequentially as outlined in Exhibit B to the Agreement, shall be delivered to the Office of Planning and Development (OPD), Room 476, City Hall, 125 North Main Street, Memphis, TN 38103 together with a non-refundable application fee of two hundred and fifty dollars (\$250.00), which may be applied against the Special Use Permit fee should the Council refuse to grant a waiver. OPD shall immediately forward the application to the City Council office and Council Records for placement on the next available Planning and Zoning Committee agenda. The submission must be received by OPD at least 2 weeks prior to the meeting date on which the applicant wishes to appear.

The applicant or representative shall appear before the Planning and Zoning Committee on the designated date and time to respond to questions about the Hotel/Motel. A Resolution will be prepared by the City Council office which will go before the City Council for approval the same evening. If approved, the Resolution granting the waiver of a Special Use Permit will then be certified through the Council Records office two weeks later when the minutes from the previous meeting date are read and approved. After approval of the minutes for the meeting at which the waiver was approved, the Hotel/motel owner may call Council Records at 901-576-6140 to obtain a copy of the certified Resolution. Construction Code Enforcement will issue the appropriate permit upon presentation of the certified Council Resolution waiving the requirement of a Special Use Permit. If after the required inspections of the premises all other construction code requirements are met, a new Certificate of Occupancy can be granted.

APPLICANT'S AGREEMENTS

The Applicant, by executing and submitting this request for waiver application to the City of Memphis, agrees the Hotel/ the Motel will not be operated as a public nuisance, or as an adult or "hourly rate" motel. Applicant understands that he/she/it has the absolute right to seek a special use permit and is not required to seek a waiver or to make any of the agreements contained herein, but in order to induce the City to waive the requirement and attendant time and expense of obtaining a special use permit, the Applicant agrees that the following terms, covenants and conditions shall apply to its use, occupancy and operation of the subject Hotel/Motel should the Council determine, in its discretion, to grant the requested waiver.

1. Definitions. For the purpose of this Agreement, the capitalized terms shall mean:

"LAND" means the real estate described in Exhibit "A" attached hereto and made a part hereof by reference.

"ADULT MOTEL" means a hotel, motel or similar commercial establishment which:

- a. Offers accommodations to the public for any form of consideration; sexually-oriented material, devices, or paraphernalia or specified sexual activities, or any combination or form thereof, whether printed, filmed, recorded or live.
- b. Offers a sleeping room for rent more than two times in a period of ten hours; or
- c. Allows a tenant or occupant of a sleeping room to subrent the room for a period of time that is less than 10 hours; or
- d. Offers or allows a discount or refund which is less than half the normal daily rate.

"HOURLY RATE HOTEL/MOTEL"

"Motel" means a building in which lodging, or boarding and lodging, are provided and offered to the public for compensation and in which at least a portion of the rooms are directly accessible from a public or private right-of-way, from a parking lot or space or from the exterior of the building. As such, it is open to the general public in contradistinction to a boarding house or apartment. To be considered an hourly rate motel, such lodging must be offered to the public more than twice within any ten-(10) hour period.

"Hotel" means a building in which lodging or boarding and lodging are provided and offered to the public for compensation, and in which ingress and egress to and from all rooms are made through an inside lobby or office supervised by a person in charge at all contradistinction to a boarding house, a lodging house, or an apartment. To be considered an hourly rate Hotel, such lodging must be offered to the public more than twice within any ten-(10) hour period.

"OPERATES OR CAUSES TO BE OPERATED" means to cause to function or to put or keep in operation. A person may be found to be operating or causing to be operated an Adult Motel whether or not that person is an owner, part-time owner, or permittee of the business.

"PERSON" means an individual, proprietorship, partnership, corporation, association or other legal entity.

"RESIDENTIAL DISTRICT" means a district whose designation begins with the letter "R" according to the Memphis and Shelby County Zoning Ordinances.

2. The Applicant agrees that it will not operate the hotel/ motel or cause the hotel motel to be operated as an hourly rate hotel/motel or as an Adult Motel. For the purposes of monitoring compliance with this Agreement, the Applicant agrees to periodic, random inspections of books and records pertaining to the hotel/motel's operation and rentals. Where there

is an apparent pattern that rooms have been rented and vacated more than 2 times in less than 10 hours, a rebuttable presumption is created that the establishment is an Adult Motel.

3. The Applicant, employee, agent or independent contractor employed on the premises shall not:

- a. Allow excessive use of alcoholic beverages while on the business premises;
- b. Refuse to allow an unimpeded inspection of the business premises as authorized by this Agreement;
- c. Knowingly permit gambling by any person on the business premises;
- d. Demonstrate inability to operate or manage a business in a peaceful and law-abiding manner thus necessitating action by law enforcement officers;
- e. Give false or misleading information in the material submitted during the waiver application process;
- f. Allow possession, use or sale of controlled substances on the premises;
- g. Allow prostitution on the premises;
- h. Operate the business during a period of time when the a required permit is suspended;
- i. Be delinquent in payment to the city for hotel occupancy taxes, ad valorem taxes, or sales taxes related to the business.

4. The Applicant agrees any violation of the Applicant's agreement not to operate the Motel as an Adult Motel will cause irreparable harm to the City and its citizens and damages alone for any such violation will be inadequate and as a result of any breach or threatened breach of this Agreement by the Applicant, its successors and assignees, the City may seek any and all remedies available to it in a court of equity including but not limited to injunctive relief, both affirmative and negative, termination of the Agreement and revocation of the waiver. The Applicant agrees to pay the reasonable attorneys fees and court costs of the City's attorneys should they be successful in obtaining relief against the Applicant for violation of this Agreement.

5. The Applicant's obligations hereunder shall be deemed continuing and shall bind its successors and assignees and to this extent shall run with the land.

6. Each of the covenants contained herein shall be deemed a separate covenant, each being enforceable irrespective of enforceability (with or without reformation) of other covenants contained in this Agreement. If any provision of this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provisions had never comprised a part hereof.

7. This Agreement constitutes the entire understanding and agreement between the Applicant and the City with regard to all matters herein. There are no other agreements, conditions or representations, oral or written, express or implied, between the Applicant and the City concerning matters addressed herein.

8. This Agreement may be amended only in writing and signed by the Applicant with approval of the City Council.

9. This Agreement is executed in and will be performed in the State of Tennessee and shall be construed, controlled and interpreted according to the laws of the State of Tennessee.

10. This Agreement is binding upon and shall inure the benefit of the respective parties hereto, their successors and assignees and this Agreement shall specifically run with the Land and be binding upon the Applicant's successors in interest in the Land and improvements.

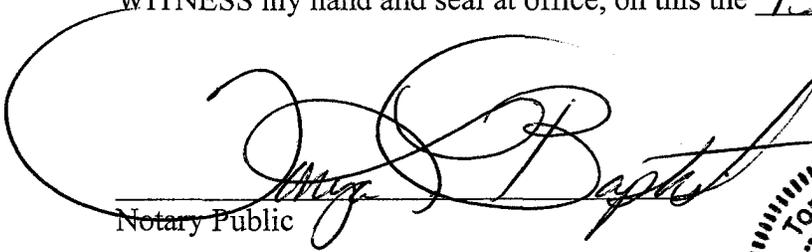
Neela Hospitality, LLC

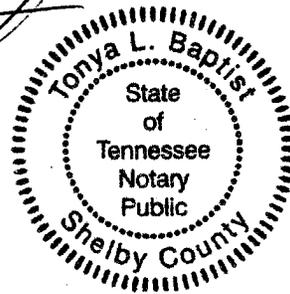
By: 
Jitendra Desai, Secretary

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared Jitendra Desai, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Secretary of Neela Hospitality, LLC, a Tennessee limited liability company, and that he as such Secretary, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as Secretary.

WITNESS my hand and seal at office, on this the 13th day of June, 2008.


Notary Public



My Commission Expires:

My Commission Expires
September 15, 2010

**EXHIBIT A
LEGAL DESCRIPTION**

Surety of a 3.477 acre tract being a part of Parcel Two, OAKVILLE INDUSTRIAL PARK (Instrument No. K6 9346) located south of American Way on the east side of Ten Mile Creek and being more particularly described as follows:

COMMENCING at the intersection of the south line of American Way (90' ROW) and the west line of Robinhood Lane (50' ROW); thence along the east line south 01 degrees 08 minutes 34 seconds east a distance of 77.52 feet to a point; thence south 88 degrees 27 minutes 11 seconds west a distance of 48.94 feet to the POINT OF BEGINNING; thence south 00 degrees 55 minutes 41 seconds east a distance of 752.96 feet to a point in the centerline of Ten Mile Creek; thence north 26 degrees 12 minutes 32 seconds west with the said centerline a distance of 528.40 feet to a point; thence continuing with said centerline north 21 degrees 08 minutes 30 seconds west a distance of 382.54 feet to a point in the south ROW line of American Way; thence north 89 degrees 53 minutes 03 seconds east along the said south line a distance of 279.69 feet to a point; thence south 00 degrees 06 minutes 57 seconds east a distance of 80.71 feet to a point; thence north 88 degrees 27 minutes 11 seconds east a distance of 79.32 feet to the said POINT OF BEGINNING, and containing 3.477 acres, more or less.

Being further identified as Tax Parcel ID No. 07301700238 and 07301700237, in the records of the Tax Assessor's Office for Shelby County, Tennessee.

EXHIBIT B
SUPPLEMENTAL INFORMATION

1. Site Plan – a sketch or diagram must be included with the Agreement showing the configuration of the premises such as a site plan or plot plan taken from a survey of the property and include a building footprint, display of parking areas, landscaping areas, any type of existing or proposed fencing and access to and from the property. The site plan or plot plan need not be professionally prepared but must be drawn to scale of no smaller than 1 inch equaling 100 feet.
2. Identify every person who has an ownership interest in the subject application whether they be the current owners, the contract buyers, or the lenders. If current owner and/or contract buyer is a public corporation, please note the fact and list no other owners. Only lenders which are not institutions (banks, saving and loans or credit unions) need be listed.
3. A statement as to whether or not the applicant or any officer, director, partner, managing agent or manager has been employed at a sexually oriented business as defined in the Tennessee Code Annotated for the previous five (5) years.
4. Whether or not the applicant or any officer, director, partner, managing agent or manager has been convicted of a crime involving the following:
 - a. Aggravated rape;
 - b. Rape;
 - c. Rape of a child;
 - d. Aggravated sexual battery;
 - e. Sexual battery by an authority figure;
 - f. Sexual battery;
 - g. Statutory rape;
 - h. Public indecency;
 - i. Prostitution;
 - j. Promoting prostitution;
 - k. Distribution of obscene materials;
 - l. Sale, loan or exhibition to a minor of material harmful to minors;
 - m. The display for sale or rental of material harmful to minors;
 - n. Sexual exploitation of a minor;
 - o. Aggravated sexual exploitation of a minor;
 - p. Especially aggravated sexual exploitation of a minor;
 - q. Criminal attempt, conspiracy or solicitation to commit any of the foregoing offenses.
5. Whether the hotel, motel or similar commercial establishment offers accommodations to the public for consideration and provides patrons with closed circuit television transmissions, films, motion pictures, videos, slides or any other photographic reproductions which are characterized by the depiction or description of "specified sexual activities" or "specified anatomical areas" as defined by Appendix A – Zoning, Section 2 and whether the hotel, motel or similar commercial establishment displays signs visible from the public right-of-way which advertises the availability of this type of photographic reproduction. This definition shall not include "R-rated" films so defined by the Motion Picture Association.

6. Whether the hotel, motel or similar commercial establishment offers a sleeping room for rent more than two (2) times in a period of less than ten (10) hours.
7. Whether the hotel, motel or similar commercial establishment allows a tenant or occupant of a sleeping room to subrent the room for a period of time that is less than ten (10) hours.
8. Whether the hotel, motel or similar commercial establishment offers or allows a discount or refund which is less than half the normal daily rate.
9. The names of any commercial lenders financing the acquisition, construction and/or renovation of the facility.
10. A copy of the instrument or purchase agreement pursuant to which the owner or applicant acquired or will acquire title to the property and the names and addresses of any lessees or sublessees of the facility including a legal description.

Exhibit B
Supplemental Information

1. **Site Plan.** A full size copy of the original survey of the property is attached hereto as well as a letter size copy of the same.
2. Neela Hospitality, LLC, a Tennessee Limited Liability Company. Bharatkumar Patel and Jitendra Desai are the sole members of Neela Hospitality, LLC. The acquisition of the property shall be financed by First Citizens National Bank of Dyersburg, Tennessee. Jitendra Desai shall be the manager of Neela Hospitality, LLC operating as Rodeway Inn.
3. Neither Neela Hospitality, LLC nor its members, have been employed at a sexually oriented business.
4. Neither Neela Hospitality, LLC nor either of its members have been convicted of a crime listed under question 4 a-q.
5. No.
6. No.
7. No.
8. No.
9. First Citizens National Bank
Attention: Andrew Herrington
P.O. 370
Dyersburg, Tennessee 38025
10. Purchase Agreement Attached

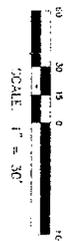
Survey of Lot A and Lot 1, Three Crown Subdivision, as recorded in more particularly described as follows:

Beginning at a point in the south line of American Way (90' R.O.W.) a distance of 1,145' westerly from the west line of (coveal) Road; thence along said South line of American Way (90' R.O.W.) a distance of 238.40' to a point; thence N 20° 13' 37" W a distance of 1,145' to the south line of American Way; thence along said South line of American Way (90' R.O.W.) a distance of 1,145' to the point of beginning containing 1,145 acres more or less.

This property is located in Zone AE which is a Special Flood Hazard E rated Area, for Flood Insurance Risk Map Number 47157C 0220 dated November 1992.

This is to certify that this a Survey of Survey and the ratio of precision of the survey is 1:10000 or greater.

Timothy E. McCall, P.L.S.

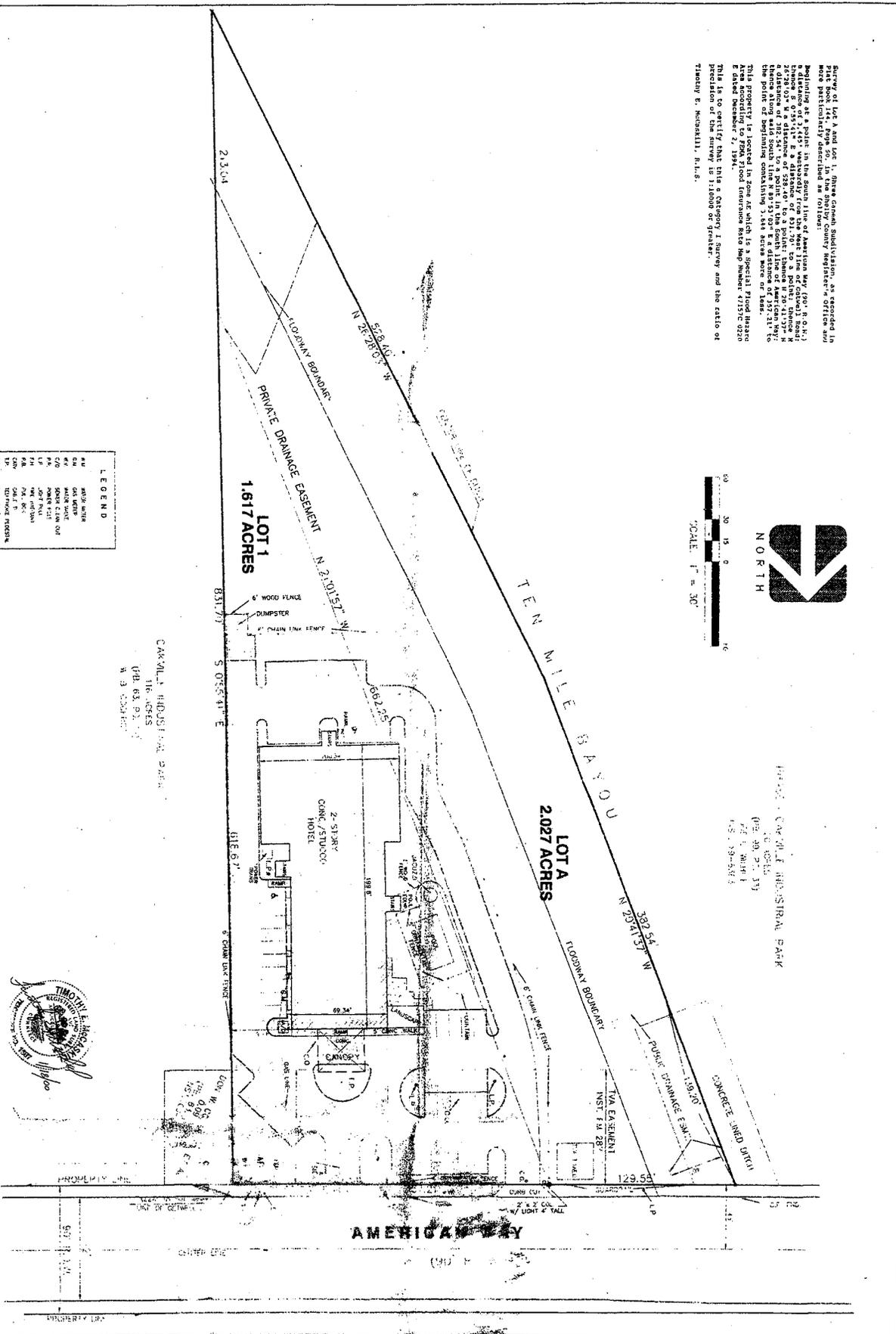


LEGEND	
AW	AS-BUILT WATER
CA	CONCRETE
DA	DRAINAGE
FA	FLOODPLAIN
GA	GRASS
HA	HARDWARE
IA	IRON
JA	JOB
KA	KITCHEN
LA	LAWN
MA	MATERIAL
NA	NOTED
OA	OFFICE
PA	PARKING
QA	QUANTITY
RA	RECORD
SA	SETBACK
TA	TERRACE
UA	UTILITY
VA	VEGETATION
WA	WATER
XA	WOOD
YA	YARD
ZA	ZONING

COMFORT SUITES
116 ACRES
(P.L. 63, P. 1, 1972)
W. J. COOPER

McCASKILL CONSULTANTS
7975 Stage Hills Blvd., Suite 1
Bartlett, Tennessee 38133
901-382-2577

AS-BUILT SURVEY



DATE	10/1/00
BY	T.E. McCall
PROJECT	COMFORT SUITES
NO.	970200

COMFORT SUITES
116 ACRES
1690 AMERICAN WAY
MEMPHIS, TENNESSEE

McCASKILL CONSULTANTS
7975 Stage Hills Blvd., Suite 1
Bartlett, Tennessee 38133
901-382-2577

LAND SURVEYING CIVIL DESIGN

DATE	10/1/00
BY	T.E. McCall
PROJECT	COMFORT SUITES
NO.	970200

This Instrument Was Prepared By William T. Jordan, Jr.
Attorney at Law, Dyersburg, Tennessee

CONTRACT FOR A DEED

This Contract for a Deed made and entered into on this the 26 day of MAY 2008 by and between S.N. PATEL, R.D. PATEL, and K.J. DESAI, hereinafter referred to as Sellers, and NEELA HOSPITALITY, LLC, A TENNESSEE LIMITED LIABILITY COMPANY, hereinafter referred to as Buyer, to-wit:

WITNESSETH

That for and in consideration of the sum of \$1,450,000.00 to be paid in accordance with the terms and conditions set forth hereinbelow, the Sellers hereby agree to sell and the Buyer hereby agrees to buy the following property owned by the Sellers known as Royal Inn and Suites located at 3685 American Way, Memphis, TN, 38118, described as follows:

Lying and being in Shelby County, Tennessee, Being that property known as Royal Inn and Suites, described as follows: Survey of a 3.477 acre tract being a part of Parcel Two, Oakville Industrial Park (Instrument No. K6 9346) located south of American Way on the east side of Ten Mile Creek and being more particularly described as follows: COMMENCING at the intersection of the south line of American Way (90' ROW) and the west line of Robinhood Lane (50' ROW); thence along the east line south 01 degrees 08 minutes 34 seconds east a distance of 77.52 feet to a point; thence south 88 degrees 27 minutes 11 seconds west a distance of 48.94 feet to the POINT OF BEGINNING; thence south 00 degrees 55 minutes 41 seconds east a distance of 752.96 feet to a point in the centerline of Ten Mile Creek; thence north 26 degrees 12 minutes 32 seconds west with the said centerline a distance of 528.40 feet to a point; thence continuing with said centerline north 21 degrees 08 minutes 30 seconds west a distance of 382.54 feet to a point in the south ROW line of American Way; thence north 89 degrees 53 minutes 03 seconds east along the said south line a distance of 279.69 feet to a point; thence south 00 degrees 06 minutes 57 seconds east a distance of 80.71 feet to a point; thence north 88 degrees 27 minutes 11 seconds east a distance of 79.32 feet to the said POINT OF BEGINNING, and containing 3.477 acres, more or less.

Being further identified as Tax Parcel ID No. 073017 00238 and 073017 00237, in the records of the Tax Assessor's Office for Shelby County, Tennessee.

Being the same property conveyed to the Grantors by deed of record as Instrument No. 04057334, in the Register's Office for Shelby County, Tennessee.

The total purchase price of the property is \$1,450,000.00, and the Sellers hereby acknowledge receipt of a down payment from the Buyer in an amount of \$175,000.00, leaving a balance due of \$1,275,000.00 to be paid as set forth herein below. The buyer hereby agrees to pay the sum of \$25,000.00 to the sellers on or before June 1, 2009. The \$25,000.00 financed by the sellers shall bear interest at the rate of 8 1/2% per annum, and shall be due and payable in full on or before June 1, 2009.

The remaining balance of \$1,250,000.00 shall be financed by the sellers at a rate of 8 1/2% per annum and shall be amortized over a period of 15 years, with a monthly payment of \$12,309.25, to be payable in monthly installments beginning the 1st day of July 2008 and on the 1st day of each month thereafter for a period of 59 months, and then one final balloon payment of the total amount due including interest. In other words, the payment is amortized over a period of 15 years, but the total amount financed is due and payable on or before June 1, 2013. If any payment is more than 10 days late, a 5% late charge shall be added to the payment, and if any payment is more than 30 days past due,

may declare this contract of deed null and void and shall be entitled to regain possession of the premises. All payments shall be made by the buyer by an automated debit from the buyers account to the sellers account, said account information to be furnished as of the date of this agreement.

The parties hereby agree that the Shelby County and City of Memphis property taxes will be prorated from January 1 thru May 31, 2008, and the sellers shall pay their prorated share of the 2008 taxes to the buyer at closing. When these tax bills are sent out in 2008, the buyer shall pay the full amount, since it will have received the sellers portion at closing. All future property taxes on the property which come due after the date of this agreement shall be paid by the buyer.

The Buyer hereby agrees to carry general hotel insurance in the amount of \$1,500,000.00, and further agree to carry liability insurance in the amount of \$1,000,000.00/\$3,000,000.00, and agree to show the Seller and First Citizens National Bank, Dyer County, Tennessee, as loss payees under said insurance policies. The Buyer hereby agrees to provide proof of payment of the insurance premiums to the Sellers when requested, and also agree to provide proof of payment of property taxes to the Sellers when requested.

The buyer hereby agrees to comply with all City, State and Federal rules, regulations and laws governing the operation of motels. The buyer hereby agrees to obtain a Federal Tax ID Number in the buyer's name.

The parties hereby agree that the buyer must obtain an OCCUPANCY CERTIFICATE from the City of Memphis on or before ^{JULY} June 1, 2008. If for what ever reason, the buyer is unable to obtain a certificate of occupancy by ^{JULY} June 1, 2008 then the contract shall be null and void, and the \$5,000.00 earnest money paid by the buyer to the seller shall be refunded to the buyer.



The buyer hereby agrees to comply with an Order Modifying Order of Abatement previously filed by the State of Tennessee against the Royal Inn and Suites. The buyer hereby agrees to comply with all 14 provisions of said order, and the buyer hereby acknowledges receipt of a copy of said order and hereby agrees to the provisions set forth in said order . If the buyer fails to comply with the provisions of this order, then the contract shall be null and void, and the sellers shall be entitled to regain possession of the premises.

Also, the buyer agrees to sign a document titled "HOTEL WAIVER INSTRUCTIONS", and agrees to submit this document to the Chairman of The Planning and Zoning Committee of the City of Memphis, and shall use its best effort to obtain approval of this order by the Memphis and Shelby County Office of Planning and Development as soon as possible. The cost of obtaining an OCCUPANCY CERTIFICATE and the cost of obtaining approval of the HOTEL WAVIER INSTRUCTIONS, shall be paid by the buyer.

The parties hereby agree that an inspection of the premises shall be made on or before the date of this document, and if the inspection reveals any defects which must be repaired or remedied, then the sellers hereby agree to pay the cost of any repairs or modification which must be made pursuant to said inspection.

If the Sellers fully pay that mortgage indebtedness owed by the Sellers to First Citizens National Bank, Dyersburg, Tennessee, then at that time, the parties agree that the Sellers will then convey the property to the Buyer by a Warranty Deed, and the Buyer will then execute a note and deed of trust for the amount still owed to the Sellers at that time.

At any time during the term of this contract, the Buyer has the right to pay off the

Sellers and receive a Warranty Deed from the Sellers, with no prepayment penalty.

The Buyer hereby agrees that no sublease of this property and no structural changes to the property can be made without the express written consent of the Sellers. The Buyer hereby agrees to hold the Sellers harmless from any damages or liability incurred because of the negligence of the Buyer, or from any losses or damages claimed by third parties as a result of the operation of the Royal Inn and Suites.

In the event the Buyer shall fail to pay special assessments or other costs, including taxes and insurance, when same become due or, the payments required by this contract within 30 days from the date the payment is due, or in the event the Buyer shall go into bankruptcy or receivership either voluntarily or involuntarily, then, in any of these events, the Sellers may declare the balance of said note due and payable and may proceed to take possession of the premises either peaceable or by law, or the Sellers may declare this Contract for a Deed null and void by a written instrument executed and acknowledged by the Sellers and recorded in the Register's Office for Shelby County, Tennessee, if this contract is recorded in said Register's Office, and all payment made under this contract shall be deemed as liquidated damages for loss of sale of said realty, and shall be retained by the Sellers.

If any payment due under this contract is more than 10 days late, a 5% late charge shall be added to the payment; if any payment is more than 30 days past due, then this contract shall be null and void and the Sellers shall have the right to take possession of the premises, and any payments made by the Buyer shall be retained by the Sellers as rent. The Buyer shall be liable to pay any court costs or attorney's fees incurred by the Seller in enforcing this contract.

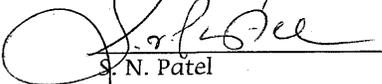
Otherwise, this contract shall remain in full force and effect and shall be binding upon the Sellers, Buyer, their successors, heirs and assigns.

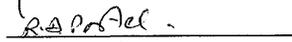
Upon the Buyer keeping all of the terms and conditions of this contract, the Sellers hereby bind themselves, their successors and assigns to perform in accordance with this contract, and will convey the property to the Buyer by a warranty deed free of encumbrances.

A copy of the Order Modifying Order of Abatement which was filed in the General Sessions Court of Shelby County, Tennessee, and a copy of the HOTEL WAVIER INSTRUCTIONS are attached to and are hereby made apart of this contract.

BHARAT PATEL and JITUBHAI DESAI are also signing this contract in their individual capacities, and hereby make themselves liable, on the buyer's side of this contract.

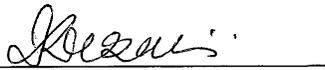
IN WITNESS WHEREOF, WE HAVE HEREUNTO SET OUR HANDS on this the 20
day of May, 2008.


S. N. Patel


R. D. Patel


K. J. Desai


Bharat Patel


Jitubhai Desai

NEELA HOSPITALITY, LLC, a
Tennessee Limited Liability
Company, BY:



ACKNOWLEDGMENTS

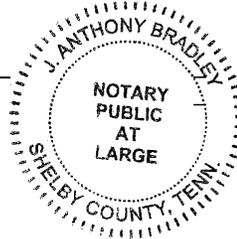
STATE OF Tennessee
COUNTY OF Shelby

PERSONALLY APPEARED BEFORE ME, the undersigned Notary Public in and for the state and county aforesaid, S. N. PATEL and K. J. DESAI, with whom I am personally acquainted and who, acknowledged that they executed the above and foregoing instrument for the purposes therein contained.

WITNESS MY HAND AND NOTARIAL SEAL OF OFFICE this the 20th day of May, 2008.

My Commission Expires:
MY COMMISSION EXPIRES
JANUARY 26, 2011

J. Anthony Bradley
Notary Public



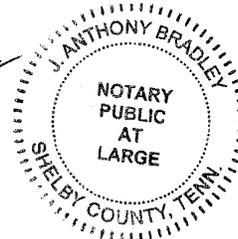
STATE OF Tennessee
COUNTY OF Shelby

PERSONALLY APPEARED BEFORE ME, the undersigned Notary Public in and for the state and county aforesaid, R. D. PATEL, the bargainor hereinabove with whom I personally acquainted and who acknowledge that he executed the above and foregoing instrument for the purposes therein contained.

WITNESS MY HAND AND NOTARIAL SEAL OF OFFICE this the 20th day of May, 2008.

My Commission Expires:
MY COMMISSION EXPIRES
JANUARY 26, 2011

J. Anthony Bradley
Notary Public



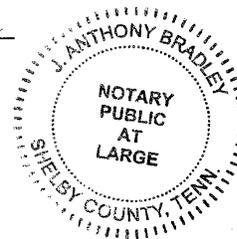
STATE OF Tennessee
COUNTY OF Shelby

PERSONALLY APPEARED BEFORE ME, the undersigned Notary Public in and for the state and county aforesaid, BHARAT PATEL, the bargainor hereinabove with whom I am personally acquainted and who acknowledged that he executed the above and foregoing instrument for the purposes therein contained.

WITNESS MY HAND AND NOTARIAL SEAL OF OFFICE this the 20th day of May, 2008.

My Commission Expires:
MY COMMISSION EXPIRES
JANUARY 26, 2011

J. Anthony Bradley
Notary Public



STATE OF Tennessee
COUNTY OF Shelby

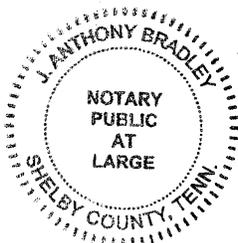
PERSONALLY APPEARED BEFORE ME, the undersigned Notary Public in and for the state and county aforesaid, JITUBHAI DESAI, the bargainer hereinabove with whom I am personally acquainted and who acknowledged that he executed the above and foregoing instrument for the purposes therein contained.

WITNESS MY HAND AND NOTARIAL SEAL OF OFFICE this the 20th day of May, 2008.

My Commission Expires:

MY COMMISSION EXPIRES
JANUARY 26, 2011

J. Anthony Bradley
Notary Public



STATE OF Tennessee
COUNTY OF Shelby

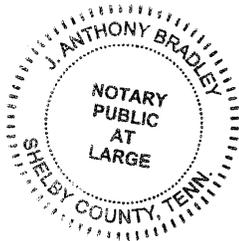
PERSONALLY APPEARED BEFORE ME, the undersigned Notary Public in and for the state and county aforesaid, Bhavad Patel, with whom I am personally acquainted and who, upon his oath, acknowledged himself to be the President of NEELA, HOSPITALITY, LLC, A TENNESSEE LIMITED LIABILITY COMPANY. and that he, as such officer, being authorized so to do, executed the above and foregoing instrument for the purposes therein contained by signing the name of the LLC by himself as President.

WITNESS MY HAND AND NOTARIAL SEAL OF OFFICE this the 20th day of May, 2008.

My Commission Expires:

MY COMMISSION EXPIRES
JANUARY 26, 2011

J. Anthony Bradley
Notary Public



AGREED UPON CONDITIONS TO GRANTING OF WAIVER

Neela Hospitality LLC, that will purchase The Royal Inn & Suites located at 3685 American Way, is seeking a waiver of the special use permit requirement for motels and hotels from the Memphis City Council. To justify this waiver, Neela Hospitality LLC agrees to the following:

1. Within 30 days of approval by the City Council of the waiver, Neela Hospitality LLC will purchase and install two Pelco Spectra IV Day/Night 35X PTZ cameras, said installment to be approved by the Memphis Police Department and connected to the Memphis Police Department's Real Time Crime Tracking Center.
2. Neela Hospitality LLC will employ a person to provide full time security on the premises of the hotel from 6:00 p.m. to 6:00 a.m..
3. Neela Hospitality LLC will keep registration records of all people who rent rooms at 3685 American Way and allow the Memphis Police Department to inspect these records when requested.
4. Neela Hospitality LLC will require that any person who seeks to rent a room at 3685 American Way to produce two forms of identification, one being a valid photo ID.
5. In addition, Neela Hospitality LLC agrees to adhere to all conditions set forth in the order in State of Tennessee v. The Royal Inn & Suites, et al (Case No. 08 702797) entered on May 7, 2008, a copy of which is attached hereto.

IN THE GENERAL SESSIONS COURT OF SHELBY COUNTY, TENNESSEE
THIRTIETH JUDICIAL DISTRICT AT MEMPHIS
DIVISION XIV

STATE OF TENNESSEE, ex rel.
WILLIAM L. GIBBONS
DISTRICT ATTORNEY GENERAL
Petitioner,

vs.

No.

08702797

The Royal Inn & Suites, et al.
Respondents.

ORDER MODIFYING ORDER OF ABATEMENT

This cause came on to be heard pursuant to the Order of Abatement previously entered in this cause in which the court required after closing the above business, that the Respondents submit a plan to prevent further nuisances prior to reopening; and,

The court having found that the Respondents have submitted such a plan in their Petition herein filed and which the court approves with the following requirements, as follows:

- (1) That all motel guest sign the desk register upon registering for a motel room;
- (2) That Respondents lock and secure vacant rooms and laundry rooms;
- (3) That loitering in any common areas of the premises, including hallways, alleyways, carports, driveways, entrances and exits, laundry rooms and the roof be prohibited;
- (4) That anyone known to be engaged in criminal activity of any kind be prohibited from residing at the motel and where necessary, evict or remove all guests and visitors involved in criminal activity or contributing to the nuisances;

- (5) Respondents maintain high intensity lighting throughout the interior and exterior of buildings.
- (6) Respondents must post and maintain in visible and conspicuous locations signs indicating "NO TRESPASSING", "NO DRUGS", "NO DRUG DEALER", "NO LOITERING", "NO ILLEGAL WEAPONS".
- (7) Respondents shall cooperate with police in identifying motel guests who are on probation, or parole, and, when warranted under the law, provide officers with access to these guests' motel rooms;
- (8) Respondents shall obtain proper photographic identification from guests and have motel employees fill out guest registration logs with the proper information.
- (9) Respondents shall immediately report any suspected illegal narcotic or other criminal activity to the police department.
- (10) Respondent shall not demand and/or receive any form of payment from persons using any motel rooms to engage in prostitution or narcotic activities.
- (11) Respondents shall not rent the same room twice within a 10 hour period.
- (12) Respondents shall provide periodic security patrol against loitering and undesirables at motel sight.
- (13) Respondents shall possess a "use and occupancy permit".
- (14) Respondents shall provide all employees with instructions pertaining to these provisions.

IT IS HEREBY ORDERED AND ADJUDGED that the portion of the Order of Abatement closing the above business is hereby lifted and nullified subject to the above provisions with the Respondents being allowed the right to reopen forthwith and resume business at the premises known as The Royal Inn & Suites.

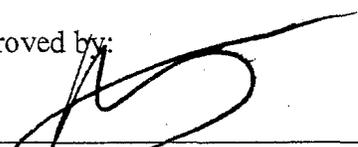


Judge

5/7/08

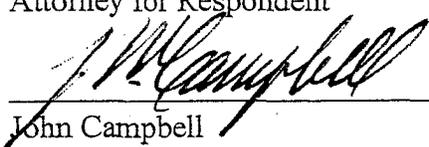
Date

Approved by:



Walter E. Bailey, Jr.

Attorney for Respondent



John Campbell

Assistant State Attorney

June 9, 2008

VIA HAND DELIVERY

Councilman Myron Lowery
Chairman, Planning & Zoning Committee
Memphis City Council
125 North Main Street, 514
Memphis, Tennessee 38103

**Re: Neela Hospitality, LLC
3685 American Way
Application For Waiver of the Special Use Permit**

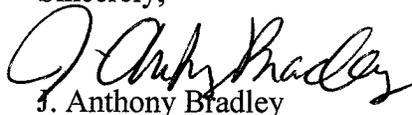
Dear Sir or Madam:

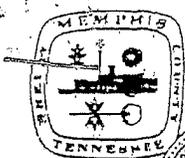
Our firm represents Neela Hospitality, LLC which is owned by Bharatkumar Patel and Jitendra Desai. Neela Hospitality has entered into a contract to purchase the hotel located at 3685 American Way, which was formerly known as Royal Inn & Suites. Said contract is contingent upon the receipt by Neela Hospitality of a Use and Occupancy Permit for this property. Neela Hospitality is prepared through acquisition and remodeling expenditures to invest over One Million Five Hundred Thousand Dollars (\$1,500,00.00) in this property. Neela Hospitality has received a commitment for a franchise this hotel from Rodeway Inn by Choice Hotels. The owners have much experience in hotel management and ownership. Mr. Desai will be the manager of this property and will complete management training through Choice Hotels.

We are aware of the legal issues of the current owners at this location. However, neither Neela Hospitality nor its owners have any family or business relationship with the current owners or former manager of Royal Inn & Suites. We ask that you consider our application separate and apart from the legal issues of prior ownership and management. Neela Hospitality is ready, willing and able to complete its acquisition of 3685 American Way.

Thank you in advance for your attention to this matter. Please contact me at the number above should you have any questions or need additional information.

Sincerely,


J. Anthony Bradley



Memphis and Shelby County Office of Planning and Development

CITY HALL 125 NORTH MAIN STREET MEMPHIS, TENNESSEE 38103-2084 (901) 576-6601

APPLICATION FOR
REQUESTING A WAIVER OF THE SPECIAL USE PERMIT
REQUIREMENT FOR NON-HOURLY RATE HOTELS/MOTELS

Date Filed at OPD: _____ Case No. H/M Waiver _____

Name of Applicant: Neela Hospitality, LLC Name of Hotel/Motel: formerly known as Royal Inn & Suites

Address of Hotel/Motel: 3685 American Way, Memphis, Tennessee

INSTRUCTIONS FOR CONTENT OF THE APPLICATION

Any person or entity desiring to operate a non-hourly rate hotel/motel shall submit this application for waiver of the issuance of a special use permit on the issuance of construction and use and occupancy permits to the Office of Planning and Development (OPD), Room 476, City Hall, 125 North Main Street, Memphis, Tennessee, 38103. OPD shall immediately forward the application to the City Council Office for placement on the next available Planning and Zoning Committee agenda. After the Committee's recommendation, the application will be placed on the next available City Council agenda for consideration. If approved, the application for waiver and approved Council resolution will be forwarded to the Office of Code Enforcement for verification that a waiver has been granted.

The application for waiver must contain the information hereinafter set forth. An original and fourteen (14) copies of this application form and all its required items must be filed with OPD at the above address. The application must be collated into individual packets with the same ordering of all items in each packet, the order which should follow sequentially with the numbered items below. The application must be accompanied by a sketch or diagram showing the configuration of the premises such as a site plan or plot plan taken from a survey of the property and include a building footprint, display of parking areas, any type of existing or proposed fencing, and access to and from the property. The site plan or plot plan need not be professionally prepared, but must be drawn to scale of no smaller than 1 inch equaling 100 feet.

The application must set forth the following information:

1. The site plan as required above.
2. The names and addresses of all natural persons having an ownership interest in the business or in the case of a corporation or other entity, the names and addresses of each officer, director, partner, or managing agent.
3. A statement as to whether or not the applicant or any officer, director, partner, managing agent or manager has been employed in a sexually oriented business in a managerial capacity within the preceding twelve (12) months.

4. Whether the applicant, any officer, director, managing agent or manager has been convicted of a crime involving:
 - a. Prostitution;
 - b. Promoting prostitution;
 - c. Obscenity laws;
 - d. The sale, loan, distribution, or exhibition to one or more minors of material which is harmful to minors;
 - e. Use of minors for obscene purposes;
 - f. Promotion of performances including sexual conduct by minors;
 - g. Indecent exposure;
 - h. Statutory rape;
 - i. Rape, aggravated rape, sexual battery, or aggravated sexual battery;
 - j. Incest;
 - k. Criminal attempt, conspiracy, or solicitation to commit any of the foregoing offenses;
5. Whether the hotel, motel, or similar commercial establishment offers accommodations to the public for consideration and provides patrons with close circuit television transmissions, films, motion pictures, video cassettes, slides or any other photographic reproductions which are characterized by the depiction or description of "specified sexual activities" or "specified anatomical areas" as defined in Ordinance 4013 and displays signs visible from the public right-of-way which advertises the availability of this adult type of photographic reproductions. This definition shall not include "R-rated" films so defined by the Motion Picture Association.
6. Whether the hotel, motel, or similar commercial establishment offers a sleeping room for rent more than Two (2) times in a period of 10 hours.
7. Whether the hotel, motel, or similar commercial establishment allows a tenant or occupant of a sleeping room to subrent the room for a period of time that is less than 10 hours.
8. Whether the hotel, motel, or similar commercial establishment offers or allows a discount or refund which is less than half the normal daily rate.
9. The names of any commercial lenders financing the acquisition, construction and/or renovation of the facility.
10. A copy of the instrument pursuant to which the owner or applicant acquired title to the property and the names and addresses of any lessees or sublessees of the facility.

The application shall be signed on Page 3 of 3 by a natural person who is either the owner, or authorized to sign on behalf of any corporation, partnership or limited liability company and shall specifically state that the applicant agrees to comply with the provisions of Ordinance 4013 and if the waiver is approved, that the owner/applicant agrees in writing in recordable form to be bound by the provisions of Ordinance 4013.

ATTACHMENT TO
APPLICATION FOR WAIVER OF THE SPECIAL USE PERMIT

1. The names and addresses of all natural persons having an ownership interest in the business are:

JITENDRA. D. DESAI.

3419, AMERICANWAY
MEMPHIS, 38118, TN.

BHARAT PATEL
435 50. Franklin st.
Watkins Glen, NY. 14891

2. Neither the applicant nor any officer, director, partner, managing agent or manager has been employed in a sexually oriented business in a managerial capacity within the preceding twelve (12) months.

3. Neither the applicant nor any officer, director, managing agent or manager has been convicted of a crime involving:

- a. prostitution
- b. promoting prostitution
- c. obscenity laws
- d. the sale, loan distribution, or exhibition to one or more minors of material which is harmful to minors
- e. use of minors for obscene purposes
- f. promotion of performances including sexual conduct by minors.
- g. indecent exposure
- h. statutory rape
- i. rape, aggravated rape, sexual battery or aggravated sexual battery
- j. incest
- k. criminal attempt, conspiracy or solicitation to commit any of the foregoing offenses

4. The NEELA HOSPITALITY LLC. Memphis, Tennessee, will not offer accommodations to the public for consideration and provides patrons with close circuit television transmissions, films, motion pictures, video cassettes, slides or any other photographic reproductions which are characterized by the depiction or description of "specified sexual activities" or "specified anatomical areas" as defined in Ordinance 4013 and will not display signs visible from the public right-of-way which advertises the availability of this adult type of photographic reproductions. This definition shall not include "R-rated" films so defined by the Motion Picture Association.

5. The NEELA HOSPITALITY LLC Memphis, Tennessee, will not offer a sleeping room for rent more than two (2) times in a period of 10 hours.

6. The NEELA HOSPITALITY LLC. Memphis, Tennessee, will not allow a tenant or occupant of a sleeping room to subrent the room for a period of time that is less than 10 hours.

7. The NEELA HOSPITALITY LLC. Memphis, Tennessee, will not offer or allow a discount or refund which is less than half the normal daily rate.

8. The name of the commercial lender financing the acquisition, construction and/or renovation of the motel is:

FIRST CITIZEN NATIONAL BANK

DYERSBERG, TN.

OWNER/APPLICANT CERTIFICATION AND SIGNATURE

I(We) JITEN/DRE D'SAI, certify that the above information required in Items 1 through 10 as attached are true and complete to the best of my knowledge. I(We) agree to comply with the provisions of Ordinance 4013 and if the waiver is approved, agree in writing to a recordable form to be bound by the provisions of Ordinance 4013.

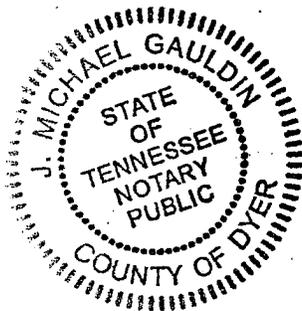
x Roberts SEC.
Sign and Provide Appropriate Title
such as Owner or Authorized Agent

05/13/08
Date

SWORN to and SUBSCRIBED before me this 13th day of MAY, 2008, 1996.

[Signature]
Notary Public (Sign and Affix Seal)
MY COMMISSION EXPIRES:
8-22-10

DOC 6530U
OPD

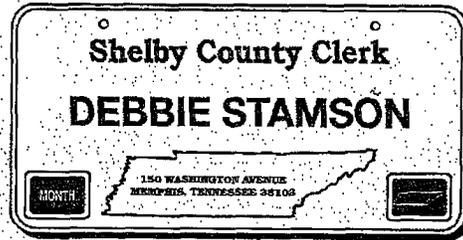


MEMPHIS AND SHELBY COUNTY TENNESSEE
BUSINESS TAX RECEIPT

License/Receipt: 0200818906 NL
06/11/2008
Account Number: 108002885

MUST BE POSTED IN A CONSPICUOUS PLACE

THIS LICENSE EXPIRES 07/01/2008



DEBBIE STAMSON, COUNTY CLERK

Debbie Stamson

RODEWAY INN
LLC NEELA HOSPITALITY
3685 AMERICAN WAY

MEMPHIS TN 38118

By: SSHAW

FOR: 3685 AMERICAN WAY TAXPAYER'S COPY

MEMPHIS AND SHELBY COUNTY TENNESSEE
BUSINESS TAX RECEIPT

TAX PERIOD: _____ TO _____

License/Receipt:

Account Number:

Retail \$
Whse \$

CITY COUNTY

Business Tax
Less Credits
Minimum Bus. Tax
Penalty
Interest
Collecting Fee
Total Received

DEBBIE STAMSON, COUNTY CLERK

Debbie Stamson

By: _____

FOR: _____ TAXPAYER'S COPY