

City Council Resolution



**A Resolution approving the sale of 128 Adams,
Memphis, Tennessee 38103: “ The Old Central Police Station.”**

WHEREAS, This a Resolution requesting the approval of the sale of the Old Central Police Station acquired by the City of Memphis as shown in Plat Book 3, Page 113, located at 128 Adams Avenue (Adams Historic District) in Memphis, Shelby County, Tennessee and further described as Parcel 002019 00001, which must be subdivided to exclude the Fire Museum and Civic Center Garage; and

WHEREAS, 128 Adams is the former Police Headquarters and has been vacant since 1982 and is currently in great disrepair; the sale will increase the City’s General Fund, generate tax revenue, and eliminate blight and maintenance cost for the City of Memphis ; and

WHEREAS, NCE Realty & Capital Group and MG Capital desire to purchase 128 Adams, and have submitted proposals to the City of Memphis Real Estate Service Center for City Council to consider; and

WHEREAS, it is deemed to be in the best interest of the Citizens of the City of Memphis and County of Shelby that the proposals be considered subject to City Ordinance 2-291.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis that the proposals made by NCE Realty & Capital Group and MG Capital on the above described property are hereby considered subject to the City Ordinance 2-291 which states in part, “properties receiving an initial bid offer exceeding twenty thousand dollars (\$20,000) shall be submitted for approval to the City Council for a first and second reading, which is final upon the second reading. However, at the second reading, subsequent bidders will be permitted to bid in open council session but the first increased bid must be a minimum of five hundred dollars (\$500.00). Thereafter, additional increases must be in minimum increments of fifty dollars (\$50.00).”

BE IT FURTHER RESOLVED, that subject to the ordinance, the City of Memphis Real Estate Department shall prepare and arrange for the execution of the quit claim deed, and any other documents incidental to the completion of the transfer, and the Mayor of the City of Memphis is hereby authorized to execute said deeds or any other documents necessary to complete the sale and conveyance after the proposals have been heard and considered, and a selection has been made.

PURCHASE AGREEMENT

THIS DOCUMENT IS MORE THAN A RECEIPT FOR MONEY. IT IS INTENDED TO BE A LEGALLY BINDING AGREEMENT. READ IT CAREFULLY.

This Real Estate (this "Agreement") is made as of the 18th day of December 2015 by & between City of Memphis ("Seller"), and NCE Realty & Capital Group LLC and or assigns ("Buyer") regarding the purchase and sale of that certain property (referred to as the "Property") located in the City of Memphis, County of Shelby, State of Tennessee, and more particularly described as follows: Central Police Station 128 Adams Memphis TN 38103

TERMS AND CONDITIONS

Seller agrees to sell the Property, and Buyer agrees to purchase the Property, on the following terms and conditions:

1) **PURCHASE PRICE:** The purchase price for the Property is One Million One Hundred Thousand dollars (\$1,100,000.00). The Purchase Price, less the amount of the Deposit paid by Buyer, and subject to appropriate adjustments and prorations as hereinafter provided, shall be paid as follows:

2) **DEPOSIT:**

Upon execution of the Agreement, Buyer shall deposit the sum of Fifty Thousand dollars (\$50,000) in the form of a wire with Buyers Attorney/ Escrow Title Company ("Holder") and said Attorney will notify Seller's Attorney and Broker by email once wire has been received.

This sum is a deposit ("Deposit") to be credited against the purchase price of the Property at closing or otherwise used as set forth in this Agreement and shall be held in trust in a separate account by Agent or Holder.

All notices, demands and instructions with respect to the Deposit must be in writing. In the event that conflicting demands are made or served, the Agent or Holder shall have the absolute right to withhold its performance with respect to the Deposit until it has received written notification satisfactory to the Agent or Holder of an agreement between the parties or by final judgment of the court as to the disposition of the Deposit. All parties to this agreement hereby jointly and severally promise and agree to fully compensate, indemnify and hold Agent or Holder harmless from all liabilities, attorney fees, and other arbitration and litigation costs arising from or related to Agent's or Holder's performance with respect to the Deposit. In the event of conflicting demands, the Agent or Holder may, at its option, institute a suit to determine who is entitled to said Deposit, and the cost of said action, including reasonable attorneys' fees and legal costs incurred by the Agent or Holder, shall be paid out of said Deposit

3) **TITLE:** Buyer shall cause an examination of title to the Property to be made, and a title insurance commitment to be issued by Buyer's Attorney (the "Title Company") on the Property. At Buyer's option and expense, Buyer shall cause an accurate survey to be made of the Property by a registered land surveyor of Buyer's choice. Within Ten (10) calendar days after the Effective Date of this Agreement, Buyer shall deliver a copy of the title commitment to Seller, together with a copy of any survey Buyer shall have prepared, accompanied by a letter to Seller in which Buyer shall either approve in writing any exceptions contained in said title report or specify in writing any exceptions to which Buyer reasonably objects. If Buyer objects to any exceptions, Seller shall, within Ten (10) calendar days after receipt of Buyer's objections, deliver to Buyer written notice that either (i) Seller will, at Seller's expense, attempt to remove the exception(s) to which Buyer has objected before the Closing Date or (ii) Seller is unwilling or unable to eliminate the exception(s). If Seller fails to so notify Buyer or is unwilling or unable to remove any such exception by the Closing Date, Buyer may elect to terminate this Agreement and receive back the entire Deposit, in which event Buyer and Seller shall have no further obligations under this Agreement; or, alternatively, Buyer may elect to purchase the Property subject to such exception(s).

Seller shall convey by warranty deed to Buyer (or such other person as Buyer may specify) marketable fee simple title subject only to the exceptions approved by Buyer in accordance with this Agreement and shall execute and deposit the above instrument with Attorney/Title Company within five (5) days of the removal of contingencies. Title shall be insurable by a standard title insurance policy issued by a title insurance company licensed to do business in the State of Tennessee.

4) **CLOSING:** Closing shall be held on or before February 20th 2016 (the "Closing Date") at Seller/Buyer Attorney's office, and at the time designated by written notice to Buyer and Seller at least five days (5) prior to the Closing Date. At the Closing, Seller shall execute and deliver to Buyer a limited warranty deed subject to those exceptions permitted by this Agreement, and owner's affidavit, a I.R.C. Section 1445 non-foreign affidavit, and an affidavit of seller's residence, all in form satisfactory to the Title Company to remove from Buyer's owner's title policy any exceptions for claims for labor and materials, unpaid federal and Tennessee taxes arising from the sale, and unpaid real estate broker's commissions, and each party hereto shall execute and deliver such other documents necessary or appropriate to effect and complete the Closing.

Real property taxes, premiums on insurance acceptable to Buyer, interest on any debt being assumed or taken subject to by Buyer, and any other expenses of the Property shall be prorated as of the Closing Date. Security deposits, advance rentals, and the amount of any future lease credits shall be credited to Buyer at Closing. If the State or Local municipality requires payment of an intangible tax at closing, Buyer shall pay any and all associated costs. The amount of any assessment which is a lien and not customarily paid with real property taxes shall be paid by Seller.

5) **FINANCING CONTINGENCIES:**

5j. NO FINANCING CONTINGENCY — ALL CASH

6) **PEST CONTROL CONTINGENCIES:**

6c. NO PEST CONTROL CONTINGENCY - "AS IS"

7) **INSPECTION CONTINGENCIES:**

7a. BOOKS AND RECORDS

7b. PHYSICAL INSPECTION

7.1) **PHYSICAL INSPECTION:** Buyer, at Buyer's sole cost and expense, shall have thirty (30) calendar days following the Effective Date to inspect the physical condition of the Property, including, but not limited to the soil conditions and the presence or absence of hazardous materials on or about the Property, and to notify the Seller in writing that Buyer approves same. If Buyer fails to approve the physical condition of the Property within the specified time, this Agreement shall be null and void, Buyer's entire deposit shall be returned, and Buyer and Seller shall have no further obligations hereunder.

7c. STATE AND LOCAL LAWS

8) **DEPOSIT INCREASE/NON-REFUNDABLE DEPOSIT:** Upon removal of the inspection contingencies set forth in paragraphs 7b hereof, Buyer's deposit shall become non-refundable. The Deposit shall be credited to the purchase price at Closing unless otherwise provided herein. Should the Property be made unmarketable by Seller, or acts of God, the Deposit shall be returned to Buyer and the deed shall be returned to Seller.

9) **ESTOPPEL CERTIFICATE CONTINGENCY (Leased Properties):**

9b. ESTOPPEL CERTIFICATES NOT APPLICABLE

10) **LEASED PROPERTY PRORATIONS:** Rents actually collected (prior to closing) will be prorated as of the Closing Date and rent collected thereafter applied first to rental payments then owed the Buyer and their remainder paid to the Seller. All free rent due any tenant at the close of escrow for rental periods after the closing shall be a credit against the Purchase Price. Other income and expenses shall be prorated as follows:

11) **PERSONAL PROPERTY:** Title to any personal property to be conveyed to Buyer in connection with the sale of the Property shall be conveyed to Buyer by Bill of Sale on the Closing Date free and clear of all encumbrances (except those approved by Buyer as provided above). The price of these items shall be included in the Purchase Price for the Property, and Buyer agrees to accept all such personal property in "as is" condition.

12) **CONDITION OF PROPERTY:** It is understood and agreed that the Property is being sold "as is"; that Buyer has, or will have prior to the Closing Date, inspected the Property; and that neither Seller nor Agent makes any representation or warranty as to the physical condition or value of the Property or its suitability for Buyer's intended use.

Buyer's Initials SLF Seller's Initials _____

13) **RISK OF LOSS:** Risk of loss to the Property shall be borne by Seller until title has been conveyed to Buyer. In the event that the improvements on the Property are destroyed or materially damaged between the Effective Date of this Agreement and the date title is conveyed to Buyer, Buyer shall have the option of demanding and receiving back the entire Deposit and being released from all obligations hereunder, or alternatively, taking such improvements as Seller can deliver. Upon Buyer's physical inspection and approval of the Property, Seller shall maintain the Property through close of escrow in the same condition and repair as approved, reasonable wear and tear excepted.

14) **POSSESSION:** Possession of the Property shall be delivered to Buyer on Closing Date.

- 15) **LIQUIDATED DAMAGES:** By placing their initials immediately below, Buyer and Seller agree that it would be impracticable or extremely difficult to fix actual damages in the event of a default by Buyer, that the amount of Buyer's Deposit hereunder (as same may be increased by the terms hereof) is the parties' reasonable estimate of Seller's damages in the event of Buyer's default, and that upon Buyer's default in its purchase obligations under this agreement, not caused by any breach by Seller, Seller shall be released from its obligations to sell the Property and shall retain Buyer's Deposit (as same may be increased by the terms hereof) as liquidated damages, which shall be Seller's sole and exclusive remedy in law or at equity for Buyer's default.

Buyer's Initials SLF Seller's Initials _____

- 16) **SELLER EXCHANGE:** Buyer agrees to cooperate should Seller elect to sell the Property as part of a like-kind exchange under IRC Section 1031. Seller's contemplated exchange shall not impose upon Buyer any additional liability or financial obligation, and Seller agrees to hold Buyer harmless from any liability that might arise from such exchange. This Agreement is not subject to or contingent upon Seller's ability to acquire a suitable exchange property or effectuate an exchange. In the event any exchange contemplated by Seller should fail to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.
- 17) **BUYER EXCHANGE:** Seller agrees to cooperate should Buyer elect to purchase the Property as part of a like-kind exchange under IRC Section 1031. Buyer's contemplated exchange shall not impose upon Seller any additional liability or financial obligation, and Buyer agrees to hold Seller harmless from any liability that might arise from such exchange. This Agreement is not subject to or contingent upon Buyer's ability to dispose of its exchange property or effectuate an exchange. In the event any exchange contemplated by Buyer should fail to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.
- 18) **DISCLOSURE OF REAL ESTATE LICENSURE:**
- 19) **AUTHORIZATION:** Buyer and Seller authorize Agent to disseminate sales information regarding this transaction, including the purchase price of the Property.
- 20) **AGENCY DISCLOSURE:**

20a. EXCLUSIVE LISTING
20b. DUAL AGENCY
20c. BUYER'S AGENT
- 20.1) **BUYER'S AGENT:** Braden, Braden & Braden is the broker representing the Seller in this transaction. Buyer shall Pay Braden, Braden & Braden LLC six percent (6%) of the sale price as a commission at closing.
- 21) **OTHER BROKERS:** Buyer and Seller agree that, in the event any broker other than Agent or a broker affiliated with Agent is involved in the disposition of the Property, Agent shall have no liability to Buyer or Seller for the acts or omissions of such other broker, who shall not be deemed to be a subagent of Agent.
- 22) **LIMITATION OF LIABILITY:** Except for Agent's gross negligence or willful misconduct, Agent's liability for any breach or negligence in its performance of this Agreement shall be limited to the greater of \$50,000 or the amount of compensation actually received by Agent in any transaction hereunder.
- 23) **SCOPE OF AGENT'S AUTHORITY AND RESPONSIBILITY:** Agent shall have no authority to bind either Buyer or Seller to any modification or amendment of this Agreement. Agent shall not be responsible for performing any due diligence or other investigation of the Property on behalf of either Buyer or Seller, or for providing either party with professional advice with respect to any legal, tax, engineering, construction or hazardous materials issues. Except for maintaining the confidentiality of any information regarding Buyer or Seller's financial condition and any future negotiations regarding the terms of this Purchase Agreement, Buyer and Seller agree that their relationship with Agent is at arm's length and is neither confidential nor fiduciary in nature.

- 24) **BROKER DISCLAIMER:** Buyer and Seller acknowledge that, except as otherwise expressly stated herein, Agent has not made any investigation, determination, warranty or representation with respect to any of the following: (a) the financial condition or business prospects of any tenant, or such tenant's intent to continue or renew its tenancy in the Property; (b) the legality of the present or any possible future use of the Property under any federal, state or local law; (c) pending or possible future action by any governmental entity or agency which may affect the Property; (d) the physical condition of the Property, including but not limited to, soil conditions, the structural integrity of the improvements, and the presence or absence of fungi or wood-destroying organisms; (e) the accuracy or completeness of income and expense information and projections, of square footage figures, and of the texts of leases, options, and other agreements affecting the Property; (f) the possibility that lease, options or other documents exist which affect or encumber the Property and which have not been provided or disclosed by Seller; or (g) the presence or location of any hazardous materials on or about the Property, including, but not limited to, asbestos, PCB's, or toxic, hazardous or contaminated substances, and underground storage tanks.

Buyer agrees that investigation and analysis of the foregoing matters is Buyer's sole responsibility and that Buyer shall not hold Agent responsible therefore. Buyer further agrees to reaffirm its acknowledgment of this disclaimer at close of escrow and to confirm that it has relied upon no representations of Agent in connection with its acquisition of the Property.

Buyer's Initials SUF Seller's Initials _____

25) **OTHER BUYERS:**

- 26) **LEAD-BASED PAINT HAZARDS:** Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase. (SELLER TO INITIAL ONE BELOW):

(_____) 2. Seller has reason to believe that lead-based paint hazards may be present. (Attach "LEAD-BASED PAINT DISCLOSURE" ADDENDUM TO PURCHASE AGREEMENT.)

- 27) **MOLD/ALLERGEN ADVISORY AND DISCLOSURE:** Buyer is advised of the possible presence within properties of toxic (or otherwise illness-causing) molds, fungi, spores, pollens and/or other botanical substances and/or allergens (e.g. dust, pet dander, insect material, etc.). These substances may be either visible or invisible, may adhere to walls and other accessible and inaccessible surfaces, may be embedded in carpets or other fabrics, may become airborne, and may be mistaken for other household substances and conditions. Exposure carries the potential of possible health consequences. Agent strongly recommends that Buyer contact the State Department of Health Services for further information on this topic.

Buyer is advised to consider engaging the services of an environmental or industrial hygienist (or similar, qualified professional) to inspect and test for the presence of harmful mold, fungi, and botanical allergens and substances as part of Buyer's physical condition inspection of the Property, and Buyer is further advised to obtain from such qualified professionals information regarding the level of health-related risk involved, if any, and the advisability and feasibility of eradication and abatement, if any.

Buyer is expressly cautioned that Agent has no expertise in this area and is, therefore, incapable of conducting any level of inspection of the Property for the possible presence of mold and botanical allergens. Buyer acknowledges that Agent has not made any investigation, determination, warranty or representation with respect to the possible presence of mold or other botanical allergens, and Buyer agrees that the investigation and analysis of the foregoing matters is Buyer's sole responsibility and that Buyer shall not hold Agent responsible therefore.

- 28) **ARBITRATION OF DISPUTES:** If a controversy arises with respect to the subject matter of this Purchase Agreement or the transaction contemplated herein (including but not limited to the parties' rights to the Deposit or the payment of commissions as provided herein), Buyer, Seller and Agent agree that such controversy shall be settled by final, binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Arbitration shall have the power to resolve any and all disputes between the parties arising out of this Agreement, including the right and power to enforce the Agreement.

We have read and understand the foregoing and agree to submit disputes arising out of the matters included in the "Arbitration of Disputes" provision to neutral arbitration.

Buyer's Initials SUF Seller's Initials _____

- 29) **SUCCESSORS & ASSIGNS:** This Agreement and any addenda hereto shall be binding upon and inure to the benefit of the heirs, successors, agents, representatives and assigns of the parties hereto.
- 30) **ATTORNEYS' FEES:** In any litigation, arbitration or other legal proceeding which may arise between any of the parties hereto, including Agent, the prevailing party shall be entitled to recover its costs, including costs of arbitration, and reasonable attorneys' fees in addition to any other relief to which such party may be entitled.
- 31) **TIME:** Time is of the essence of this Agreement.
- 32) **NOTICES:** All notices required or permitted hereunder shall be given to the parties in writing (with a copy to Agent) at their respective addresses as set forth below. Should the date upon which any act required to be performed by this Agreement fall on a Saturday, Sunday or holiday, the time for performance shall be extended to the next business day.
- 33) **ADDENDA:** Any addendum attached hereto and either signed or initialed by the parties shall be deemed a part hereof. This Agreement, including addenda, if any, expresses the entire agreement of the parties and supersedes any and all previous agreements between the parties with regard to the Property. There are no other understandings, oral or written, which in any way alter or enlarge its terms, and there are no warranties or representations of any nature whatsoever, either express or implied, except as set forth herein. Any future modification of this Agreement will be effective only if it is in writing and signed by the party to be charged.
- 34) **ACCEPTANCE AND EFFECTIVE DATE:** Buyer's signature hereon constitutes an offer to Seller to purchase the Property on the terms and conditions set forth herein. Unless acceptance hereof is made by Seller's execution of this Agreement and delivery of a fully executed copy to Buyer, either in person or by mail at the address shown below, on or before February 5th, 2016, this offer shall be null and void, the Deposit shall be returned to Buyer, and neither Seller nor Buyer shall have any further rights or obligations hereunder. Delivery shall be effective upon personal delivery to Buyer or Buyer's agent or, if by mail, on the next business day following the date of postmark. The "Effective Date" of this Agreement shall be the later of (a) the date on which Seller executes this Agreement, or (b) the date of or written acceptance (by either Buyer or Seller) of the final counter-offer submitted by the other party.
- 35) **COUNTERPARTS:** Buyer and Seller both acknowledge and agree that a facsimile copy of this Agreement with a party's signature is as legally valid and binding as the original Agreement with an original signature. If Buyer is not an individual but a legal entity, Buyer's representative represents that he/she is authorized on behalf of the legal entity to sign this Agreement. **THE PARTIES ARE ADVISED TO CONSULT THEIR RESPECTIVE ATTORNEYS WITH REGARD TO THE LEGAL EFFECT AND VALIDITY OF THIS PURCHASE AGREEMENT. THE PARTIES AGREE THAT THIS AGREEMENT CAN BE SIGNED IN COUNTERPART WITH THE SAME LEGAL FORCE AND EFFECT AS IF NOT SIGNED IN COUNTERPART,**
- 36) **GOVERNING LAW:** This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.
- 37) **OTHER TERMS AND CONDITIONS:** In addition to any and all other remedies Buyer may have at law if Seller should default under this contract, Buyer shall also have the right to Specific Performance of this contract.
- 38) This offer is contingent upon approval of the Memphis City Council and Mayor.

THE PARTIES ARE ADVISED TO CONSULT THEIR RESPECTIVE ATTORNEYS WITH REGARD TO THE LEGAL EFFECT AND VALIDITY OF THIS PURCHASE AGREEMENT.

The undersigned Buyer hereby offers and agrees to purchase the above-described Property for the price and upon the terms and conditions herein stated.

This offer is made by Buyer to Seller on this 18th day of December, 2015. The undersigned Buyer hereby acknowledges receipt of an executed copy of this Agreement, including the Agency Disclosure contained in Paragraph 20, above.

SELLER: _____ ADDRESS: _____

DATE: _____ TELEPHONE: _____

SELLER: _____ ADDRESS: _____

DATE: _____ TELEPHONE: _____

SELLER'S ACCEPTANCE AND AGREEMENT TO PAY COMMISSION

The undersigned Seller accepts the foregoing offer and agrees to sell the Property to Buyer for the price and on the terms and conditions stated herein. Seller acknowledges receipt of an executed copy of this Agreement and authorizes Agent to deliver an executed copy to Buyer.

Buyer reaffirms its agreement to pay to Agent a real estate brokerage commission pursuant to the terms of that certain Representation Agreement between Agent and Buyer which shall remain in full force and effect. Said commission is payable in full on the Closing Date and shall be paid in cash at closing. Closing Attorney is directed to make such payment to Agent from Buyer's funds at Closing. The provisions of this paragraph may not be amended or modified without the written consent of Agent. Agent is made a party to this Agreement for the purpose of enforcing Agent's rights arising hereunder.

Buyer acknowledges and agrees that payment of said commission is not contingent upon the closing of the transaction contemplated by this Agreement, and that, in the event completion of the sale is prevented by default of Buyer, then Buyer shall immediately be obligated to pay to Agent the entire commission. Buyer agrees that in the event completion of the sale is prevented by default of Seller, then Buyer shall be obligated to pay to Agent an amount equal to one half of any damages or other monetary compensation (including liquidated damages) collected from Seller by suit or otherwise as a consequence of Seller's default, if and when such damages or other monetary compensation are collected; provided, however, that the total amount paid to Agent by Buyer shall not in any case exceed the brokerage commission hereinabove set forth. Buyer acknowledges and agrees that the existence of any direct claim which Agent may have against Seller in the event of Seller's default shall not alter or in any way limit the obligations of Buyer to Agent as set forth herein.

BUYER: NCF Realty & Capital Group LLC ADDRESS: 8405 Metro Dr. Olive Branch, MS 38654
Shirley Fan

DATE: 12-18-2015 TELEPHONE: 901-590-7511

BUYER: _____ ADDRESS: _____

DATE: _____ TELEPHONE: _____

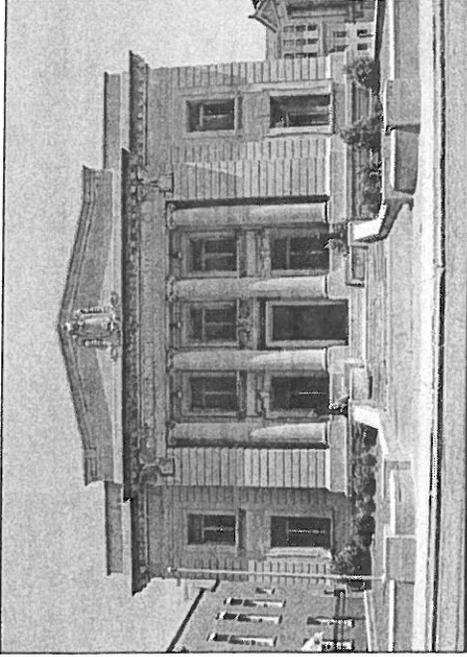
Agent accepts and agrees to the foregoing.

AGENT: Braden, Braden & Braden LLC ADDRESS: 5100 Poplar Suite 2005
BY: [Signature] MEMPHIS, TN 38127

DATE: 12-18-15 TELEPHONE: 901-301-3691

PARTIES UNDERSTAND AND ACKNOWLEDGE THAT BROKER IS NOT QUALIFIED TO PROVIDE, AND HAS NOT BEEN CONTRACTED TO PROVIDE, LEGAL, FINANCIAL OR TAX ADVICE, AND THAT ANY SUCH ADVICE MUST BE OBTAINED FROM PARTIES' ATTORNEY, ACCOUNTANT OR TAX PROFESSIONAL.

128 Adams Offers to Purchase



Historical Facts: The Old Police Station was built in 1911. Additions were made in 1954 and 1961. The Building previously housed Police offices, courts, and the City Jail. It was designed by G.M. Shaw, Architect, and has been vacant since 1982. The Building features Six (6) Stories with 100,000 SF of space.

The building has been treated for lead and asbestos. Previous estimates for the Historic Restoration were upwards of \$40,000,000. The 2015 Appraisals valued the building without the garage at 1.1 Million. Also a Structural Analysis determined that the building needed extensive structural repair.

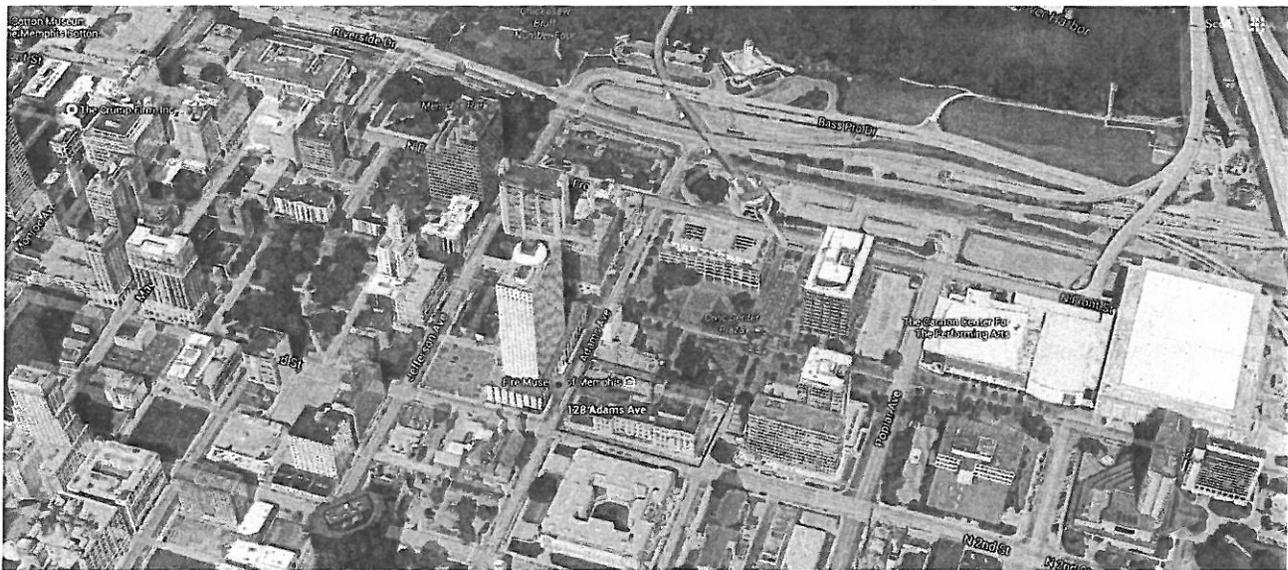
Two offers on the subject property were submitted to the City of Memphis. The terms of those offers are listed below.

	NCE Realty & Capital Group	MG Capital
Potential Purchase Offer	\$1,100,000.00	\$1,000,000.00
Proposed Earnest Money Deposit	\$50,000.00	\$10,000.00
Due Diligence Period	30 Days after acceptance	180 Days after acceptance
Optional Due Diligence Period	0	2
Extended Due Diligence Timeframe	0	60 Days each
Additional Earnest Money	NA	Yes
Additional Earnest Money Amount	NA	\$5,000 each Inspection extension
Assignment	No	Yes
Commission	Paid by Buyer	Paid by Buyer
Closing Date	20-Feb-16	45 Days from end of due diligence period.
Contingencies	Inspection Council & Mayor approval	100 Parking Spaces for evenings & weekends Council & Mayor Approval
	NA	Government approvals
	NA	Subdividing Fire Museum from subject property

Historic Headquarters Memphis Police Department

128 Adams Avenue

Preservation & Redevelopment Opportunity



OPPORTUNITY

This is to outline the opportunity to reimagine and preserve the historic Memphis Police Department headquarters at 128 Adams, transforming the derelict property into a viable, contributing place in the Downtown Civic district.

Built in 1911, and serving as police headquarters and courts through much of the twentieth century, the grand architectural landmark has been abandoned since 1982 – a vacant, deteriorating structure facing City Hall, forming a lifeless block along Second Street from Adams to Washington. Location is central and walkable to government offices, Cannon Center, Court Square Park, St Jude, Convention Center, bus and trolley lines, Bass Pro, The River, AutoZone Park, and the Downtown Core.

To preserve and repurpose a public asset of such historic stature and prominent civic location demands a thoughtful, innovative approach. The property and possibilities are too complex and too important to speculate on specific plans without due deliberation. Therefore, a methodical process will be employed to discover the most promising, viable redevelopment concepts.

GOALS & GUIDING PRINCIPLES

- To transform a deteriorating asset and financial burden into a viable, contributing place
- To introduce active, diverse, and complementary uses to enliven Civic Center Plaza
- To collaborate constructively and transparently to achieve optimum outcomes, both civic & private.

PROCESS

The developer will fund and conduct a methodical discovery process to determine the best redevelopment plans.

- assemble a team of professions accomplished in historic building preservation
- investigate property characteristics and conditions,
- generate schematic design concepts,
- explore alternative uses and design scenarios,
- optimize market & financial viability,
- devise implementation strategies,
- assess feasibility,
- conclude the most promising redevelopment plans.

REDEVELOPMENT STUDY SCOPE

Existing Conditions	Use & Mix Scenarios	Economic Factors
<ul style="list-style-type: none"> • Structural • Environmental • Exterior envelope • Utility services • Public infrastructure • Garage • Basement 	<ul style="list-style-type: none"> • Residential • Office • Retail/ Restaurant • other 	<ul style="list-style-type: none"> • Repair cost • Use adaption cost • Construction finish cost • Professional & financing costs • Financing feasibility • Incentives • Operating income & expense

At the culmination of discovery, the Developer will review the most promising redevelopment plans and financial projections with the City.

CAPABILITY

The MG Capital, LLC team brings

- Business and leadership acumen
- Market & brand vision
- Financial wherewithal
- Community development passion
- Team experienced and accomplished in preserving and redeveloping historic places -- 115 Union Ave, Van Vleet Building, Toof Building, Sears Crosstown, Hotel Chisca, Central Station, ...

Architect	Master plan design studies	Looney Ricks Kiss
General Contractor	Constructability/cost consulting	Montgomery Martin Contractors
Development Consultant	Financial feasibility analysis Implementation strategy	Scott Bojko
Civil Engineer	Site, utilities feasibility	as needed
Structural Engineer	Structural feasibility	as needed
Lender	Financing feasibility	First Alliance Bank
Legal	Legal structuring	Pietrangelo Cook

December 22, 2015

Ms. Deborah Massie
City of Memphis
125 North Main St., Room 568
Memphis, TN 38103

Re: Letter of Intent to Purchase 128 Adams

Dear Ms. Massie:

Our client, MG Capital, ("Purchaser") has exclusively authorized us to present the following Letter of Intent to purchase the above referenced property.

The Purchaser will need to conduct a thorough site investigation to determine, among other items, the environmental condition and the cost of rehab and renovations of the existing structures. Please find following the basic terms and conditions under which Purchaser would acquire the above referenced property.

SITE: 128 Adams Avenue except for the separate Fire Museum Building

Parcel No.: 002019 00001

SELLER: City of Memphis

PURCHASER: MG Capital, LLC

PURCHASE PRICE: One Million Dollars (\$1,000,000)

EARNEST MONEY: Purchaser shall deposit of Ten Thousand Dollars (\$10,000.00) (the "Earnest Money Deposit") within three (3) business days after full execution of Purchase and Sale Agreement. The Earnest Money Deposit, with accrued interest will be applied against the purchase price and will be fully refundable until the end of the Inspection Period.

After the Inspection Period, these funds will be non-refundable (except for Seller default or otherwise as provided in the Purchase and Sale Agreement), but applicable to the purchase price.

INSPECTION PERIOD IN PURCHASE AND SALE AGREEMENT: Purchaser will have one hundred eighty (180) days from the signing of the Purchase and Sale Agreement ("Investigation Expiration Date") to perform any and all inspections of the

Site including, but not limited to, environmental, physical, soil borings and other necessary investigations. Seller shall provide Purchaser with all information available to it pertaining to the Site within three (3) business days of the acceptance of signed LOI and cooperate fully with Purchaser and its representatives and permit such reasonable access to the Site. Should Purchaser, at its sole discretion, find the Site unacceptable, then Purchaser may terminate the agreement by notifying the Seller on or before the Inspection Period Expiration Date. In the event of such notification, the Earnest Money Deposit and any interest earned thereon will be returned to Purchaser and neither Purchaser nor Seller will have any further rights or obligations.

Purchaser will have two options to extend the Inspection Period for sixty (60) days each. Purchaser shall submit Additional Earnest money in the amount of five thousand dollars (\$5,000) for each extension.

CONTINGENCIES:

Closing will be contingent on the following:

- Seller delivering clear title
- Purchaser obtaining suitable financing
- Satisfactory findings of site environmental condition
- Obtaining any required government approvals for renovation of the property
- Seller shall provide up to 100 free parking spaces in the evenings and weekends at the adjacent parking garage under Civic Center Plaza.
- Seller will be responsible for property and utilities subdivision of the Fire Museum Building from the subject property.
- Seller shall clear the Building of any existing furniture and belongings.

CLOSING:

Forty five (45) days from the end of the Inspection period.

**TRANSFER TAXES AND
OTHER MATTERS:**

Purchaser will be responsible for (a) the costs and expenses of architectural, engineering and other inspection and feasibility studies and reports undertaken by and incidental to Purchaser's inspections, (b) the recording costs of the deed to Purchaser, (c) the cost for updating the existing survey, (d) the title insurance premium, and (e) any fees to be paid to Purchaser's broker. Seller will be responsible for (a) the costs necessary to clear title, (b) the recording costs

of any instruments by Seller, (c) the cost of the title search and title commitment, and (d) payment of any brokerage commission due to Seller's Brokers, if any, and (e) real estate taxes prorated as of the date of the closing.

- TITLE EVIDENCE:** Within fifteen (15) business days of the Effective Date of the Purchase and Sale Agreement, Buyer shall obtain an acceptable title insurance commitment and provide a copy of that commitment to Seller.
- GOVERNMENT APPROVALS:** Seller shall fully cooperate with any process by Purchaser to obtain government approvals. However, any cost associated with such applications, will be borne by Purchaser.
- PURCHASE AND SALE AGREEMENT:** To be drafted by Purchaser and delivered to Seller within five (5) business days following full execution of this LOI.
- ASSIGNMENT:** Purchaser may assign its rights under the Purchase and Sale Agreement.
- CONFIDENTIALITY:** Seller and Purchaser agree that they shall not disclose to any person the terms of this LOI. Notwithstanding that this LOI is not binding, this provision is binding.
- AGENCY DISCLOSURE & COMMISSION:** This is to acknowledge that Commercial Advisors, LLC represents the Purchaser.
- RESPONSE DEADLINE:** This offer is valid until 5:00 pm Friday January 8, 2016.

This letter constitutes only an expression of interest and does not constitute a binding agreement between the signatories to consummate the transaction discussed herein. This letter is non-binding (except as expressly set forth above with respect to confidentiality) and is merely a reflection of the parties' understanding of some of the general terms of the proposed transaction and upon which understanding the parties are willing to proceed with further discussions and negotiations. It is agreed that no party to the proposed transaction will be under any legal obligation with respect to the proposed transaction or any similar transactions, and no offer, commitment, estoppel, undertaking or obligation of any nature whatsoever will exist or be implied in fact, law or equity, unless and until a formal written agreement providing for the transaction containing in detailed legal form the terms and conditions of the transaction has been executed and delivered by all parties intended to be bound.

Both parties acknowledge and agree that during the course of negotiations the parties may reach agreement on certain points related to the proposed transaction, but agree that neither party is entitled to rely upon any such agreements, or any statements or representations that may be made during the course of discussions and negotiations, nor will there be any legal obligations related thereto, until the

parties have executed a formal Purchase and Sale Agreement. Both parties executing this LOI below represent that they have the authority to sign this LOI as purchaser, or seller, whichever the case may be.

We look forward to a favorable response to this offer and our client is prepared to move forward immediately. Should you have any questions, please do not hesitate to call me at (901) 362-4317.

Sincerely,

COMMERCIAL ADVISORS, LLC

Matt Weathersby, SIOR, CCIM
Principal

AGREED AND ACCEPTED

BY: City of Memphis

This ___ day of _____ 2015

By: _____

Name: _____

Title: _____

AGREED AND ACCEPTED

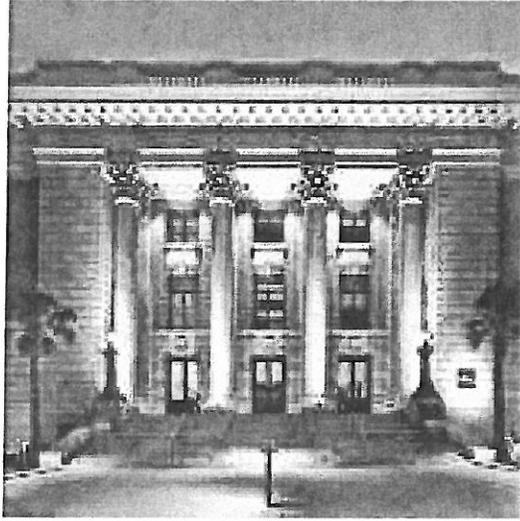
BY: MG Capital, LLC

This ___ day of _____ 2015

By: _____

Name: _____

Title: _____



Investment Proposal

To Convert the Old Memphis Central Police
Station Building into a Boutique Hotel

- **ABOUT US**

NCE Realty & Capital Group LLC, is a California based real estate investment and development company established in 2011, invested office building in Irvine, CA, Winery in Temecula, CA, Apartments and Condos in *New York city*, NY.

NCE also invested in commercial real estate market in Memphis. We purchased the *French Quarter* building in Dec, 2013. We planned to convert it into a high upscale hotel. We hired an architect to map the hotel to get city planning committee approval, we signed a hotel management contract to manage the future hotel, we were interviewing our future employees, and then we received a request from Memphis Ballet to use this building for the ballet studio. It was a very difficult decision for us to make whether we should give up the project and sale. We had invested so much time and resources to the point we were ready to finish the project and convert the French quarter Building to an upscale hotel in the revitalized Memphis Overtone Square area. As a community related real estate Development Company, we realized it is very important to have a ballet program for the children and local community rather than a hotel. Therefore we took the loss and yield the hotel to Memphis ballet Studio.

Now we found this ideal property, old police station in need of renovated and development into an upscale hotel in downtown Memphis, which will fulfill our unrealized business goal in French Quarter and offer another much needed upscale hotel in Downtown Memphis.

- **HOTEL MANAGEMENT TEAM**

- *Hotel Developer*, NCE Realty & Capital
- *Development consultant* Pinkowski and Company
- *Hotel Management*, Peabody hotel (suits), (verbal agreement with General Manager of Peabody hotel Mr. Doug) or join boutique brand Looney,
- *Hotel Designer*, Looney,Ricks, Kiss (LRK) Architects

- *Finance service*, Trump Bank

- **PROJECT SUMMARY**

Budget (3/3/3, 33% NCE invest cash, 33% EB-5 investors, 33% bank loan)

Timeline: Start beginning 2016, finish by 2017

Create job:

Generate tax income for city of Memphis

- **BOUTIQUE HOTEL MODEL:**

Le Méridien boutique hotel located at downtown of Tampa, FL (page 1)

It's a former old courthouse conversed, interior is super modern, exterior is traditional design.

- **EB-5 Regional Center : Focus on Job Creation**

Mid-America Investment Group LLC (MAIG) is an affiliate company of NCE. It is designated for EB-5 related projects. MAIG has received approved letter from USCIS official to be EB-5 Regional Center sponsor company with projects in the hospitality area that are located in approved Targeted Employment Areas (TEAs—following 8 counties including: Crittenden of Arkansas, Desoto Marshall, Tate of Mississippi, Fayette, Tipton, Shelby of Tennessee). It is the only company with approval the regional center in great Memphis area so far. The major goal of the center is to provide service and project for foreign investors who would like to invest \$800,000 to create 10 jobs in order to get Green Card to immigrate to United States (under USCIS EB-5 Visa program).

- **Intention of NCE to get EB-5 regional center:**

Shili Fan, the owner of NCE, also the General Manager of CE-Bio LLC

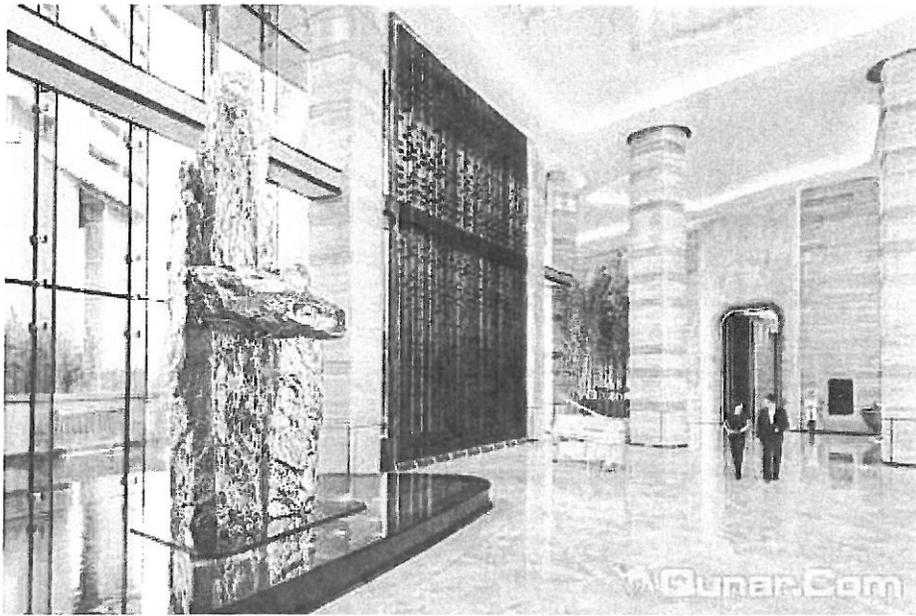
CE-Bio invited by Mississippi State in Jan 2009 from Shenzhen, China to Mississippi to establish a dietary supplement manufacturer. We buy ingredients and other raw material locally, and sell dietary supplement products to China market. Since we built this company, many of my partners, customers and distributors visited Memphis and they all have good impression of Memphis after visit here. Most of my personal friends also like to enjoy relax and comfort life style in Memphis area. Some of them want to immigrate and enjoy life over here by invest EB-5 program. Therefore, we established the EB-5 regional center to help our Chinese friends and business partners in China to live and do business in Great Memphis area.

Exterior:

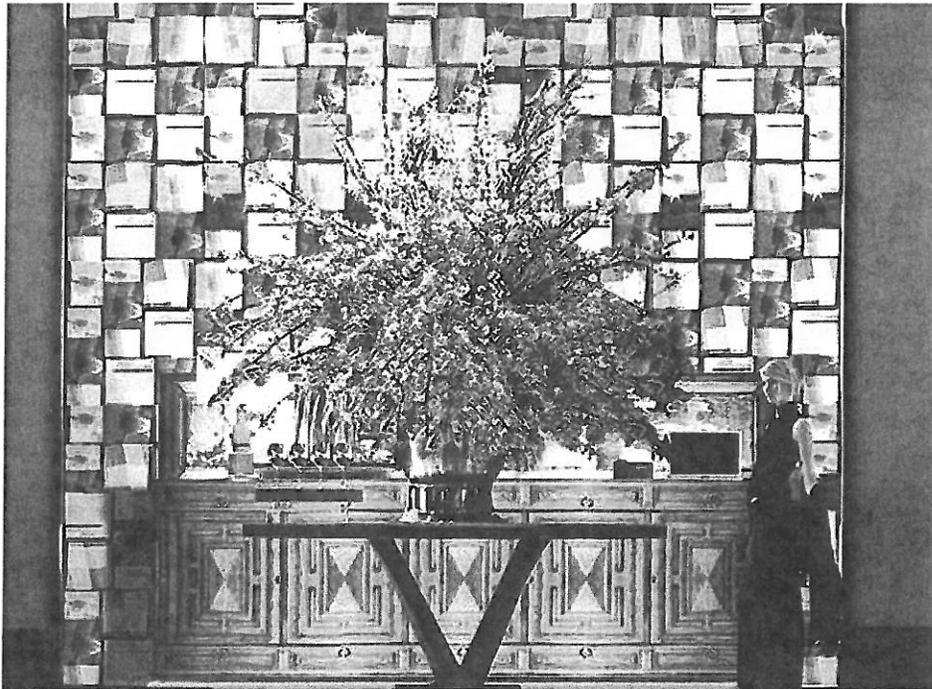




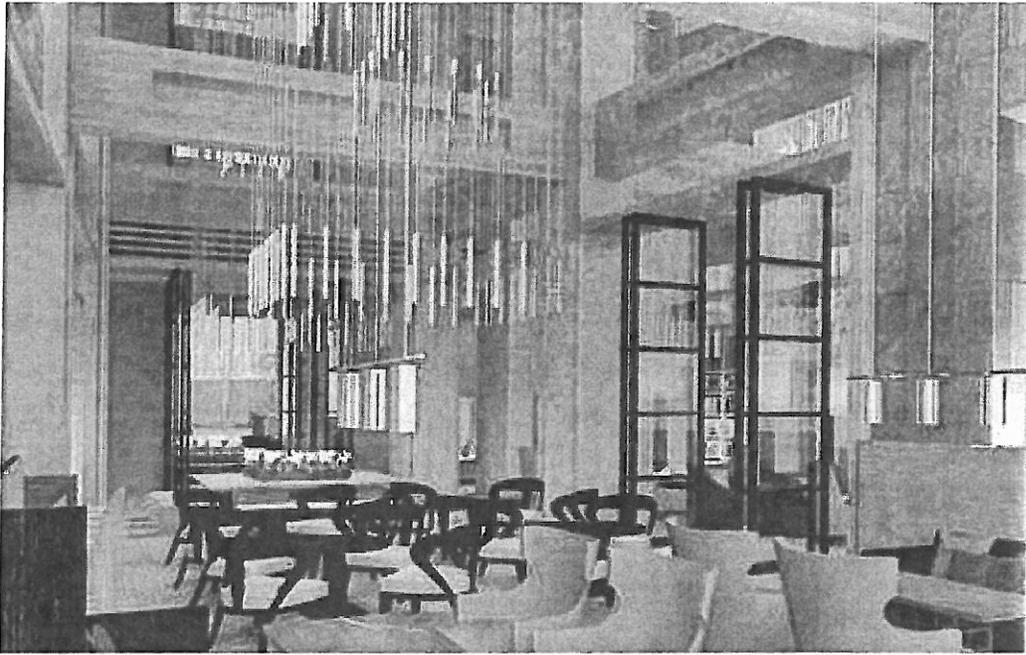
Lobby:



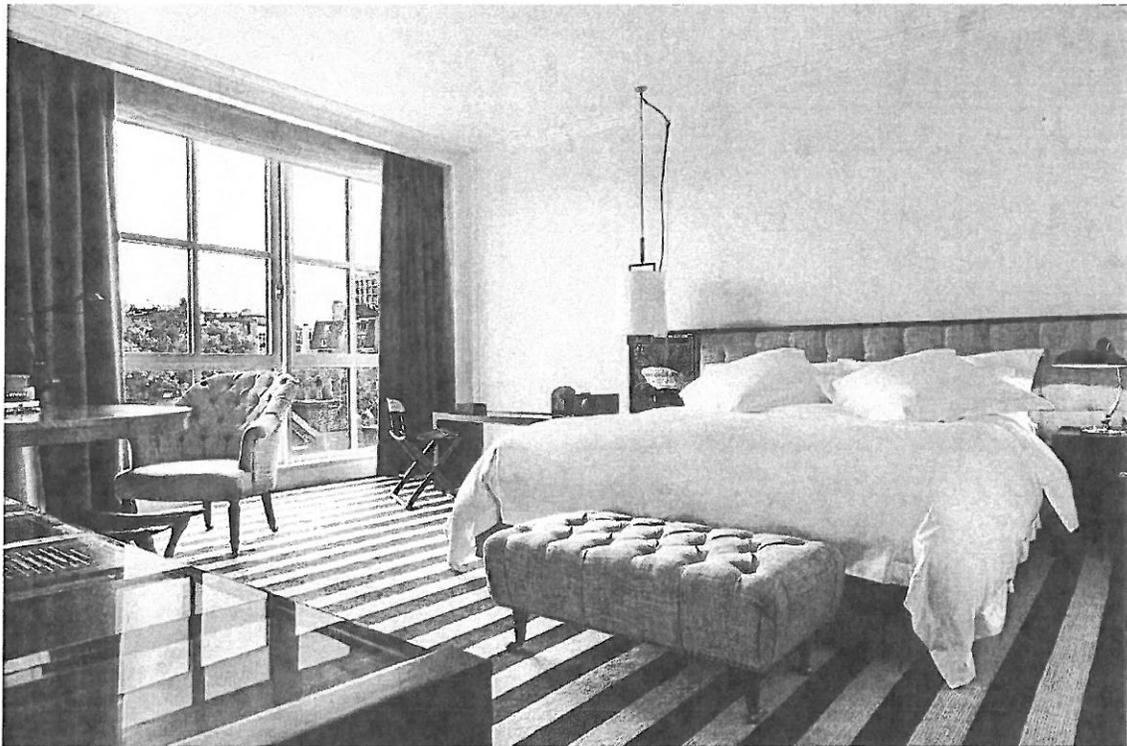
Lobby entrance:



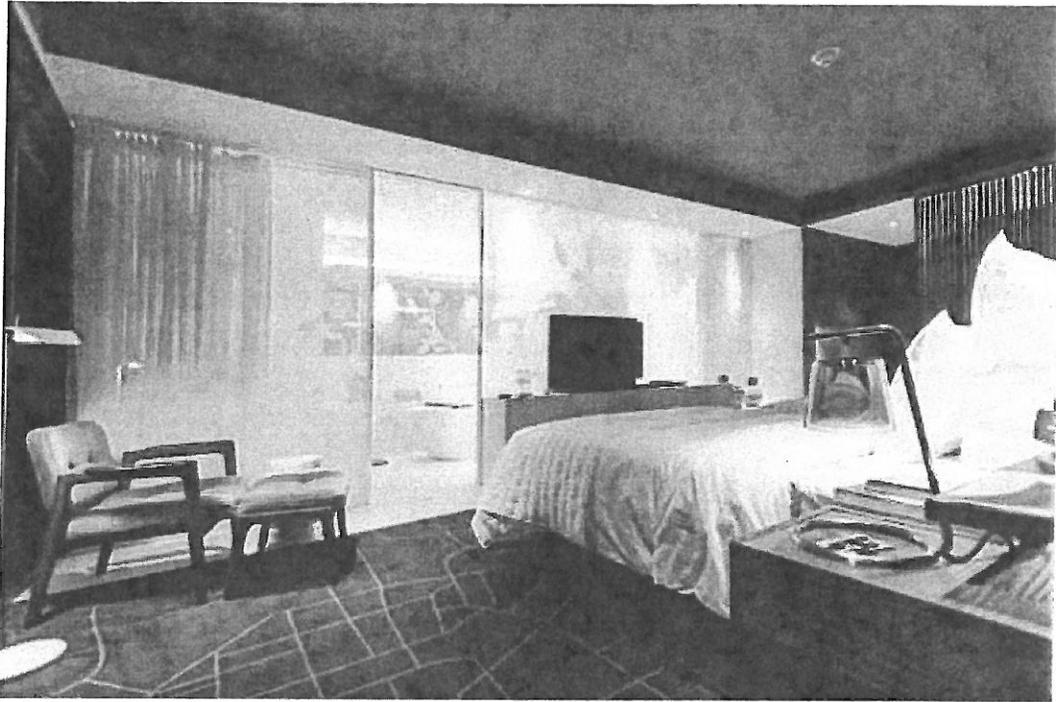
Lobby hallway:



Guest Room — :



Guest Room 二 :



Suits living space 一 :



Suits living space 二 :

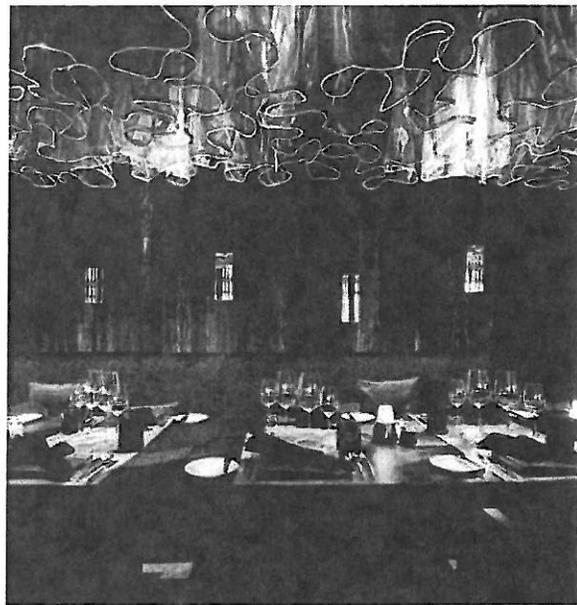
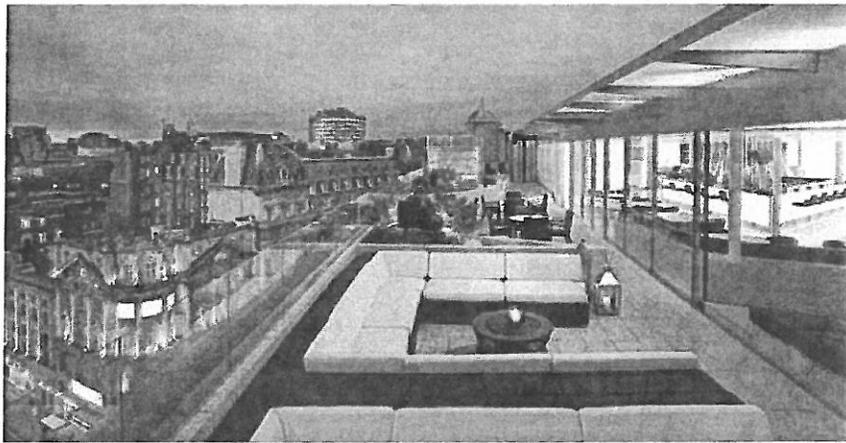


Restaurant and bar:





Roof top bar:



Roof top small pool:



PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made and entered into this day of _____, 2016, by and between City of Memphis (Seller); and Suna Investments LLC or its assigns (Purchaser).

For and in consideration of the mutual covenants and agreements hereinafter contained, the parties agree as follows:

1. **Purchase and Sale.** Seller covenants and agrees to sell and convey certain real property located in Memphis, Shelby County, Tennessee (Old Central Police Station), municipally known as: 128 Adams Avenue, Memphis, Tennessee and known on the records of the Shelby County Assessor of Property as Tax Parcel No. 002019 00001, with improvements located thereon (Property). It is agreed that the parking garage is hereby excluded from the Property. Purchaser agrees to not tear down the building on the Property.
2. **Survey.** At Purchaser's option, the exact legal description of the subject property shall be determined by (1) an as-built survey (Survey) prepared and certified as of current date, at Purchaser's expense, by a Registered Land Surveyor licensed in Shelby County, Tennessee, or (2) Seller's most recent survey, which Seller agrees to provide to Purchaser within 10 days of the date of this Contract. Seller makes no guaranty that Seller is in possession of a survey.
3. **Purchase Price.** Seller agrees to sell and Purchaser agrees to purchase and accept the subject property for a total purchase price (Purchase Price) of \$1,600,000.00.
4. **Terms of Payment.** The Purchase Price shall be paid as follows:
 - A. \$50,000.00 cash to be paid by Purchaser at the time of the execution of this Contract and deposited as Earnest Money and part payment with Purchaser's Attorney (Escrow Agent) who shall hold such Earnest Money in escrow subject to the terms and conditions of this Contract; and
 - B. The balance of the Purchase Price (after giving Purchaser credit at Closing for the Earnest Money) shall be paid by Purchaser in cash at the time of the Closing.
5. **Deed of Conveyance.** Seller shall execute and deliver to Purchaser at Closing a good and valid Warranty Deed.
6. **Conditions to Closing.** It is agreed that the following are Conditions Precedent to Purchaser's obligation to perform under this Contract:
 - (1) Purchaser shall have inspected the physical condition of the Property, the results of which are acceptable to Purchaser in its sole discretion; and
 - (2) Purchaser shall have obtained all necessary governmental approvals in compliance with state and local laws and ordinances for use of the Property; and
 - (3) Seller shall have obtained approval of this Agreement by the Memphis City Council and Mayor.

Sale is considered to be "as-is," subject to Purchaser's inspection for suitability.

Unless mutually extended by written agreement executed by the parties hereto, all of the Conditions Precedent enumerated above shall be satisfied or be waived by Purchaser within forty-five (45) days after the effective date of this Contract (Inspection Period). If the Conditions are not satisfied or waived by Purchaser within the Inspection Period, Purchaser may terminate and cancel this Contract and receive a full and immediate refund of all Earnest Money by sending written notice to Seller with a copy to the Escrow Agent before the expiration of the Inspection Period.

7. **Abstract of Title and Title Insurance.** Within ten (10) days after the date hereof, Purchaser shall obtain adequate abstracts of title, taxes, and judgments covering the subject property. Such abstracts shall be prepared by a national title insurance company with offices in Memphis, Tennessee ("Title Company") and shall provide a sufficient basis for issuance to Purchaser of a standard Owner's Title insurance Policy, insuring marketability of title in a face amount equal to the Purchase Price. Said Owner's Title Insurance Policy shall insure title to the subject property free and clear of any and all liens, claims of creditors, claims or liens for taxes of any type, encumbrances, conditions, easements, assessments, covenants, restrictions, encroachments, exceptions and reservations, except for the Permitted Exceptions, as hereinafter defined. Purchaser shall pay all premiums for said Owner's Title Insurance Policy at Closing.

Within five (5) days after receipt by Purchaser of such abstracts of title, Purchaser shall examine such abstracts, obtain a Commitment for said Owner's Title Insurance Policy from the Title Company, and notify Seller in writing of Purchaser's acceptance or rejection of the title to the subject property. If Purchaser gives notice of acceptance, the Exceptions which are shown in said Title Commitment and have been accepted by Purchaser shall become the "Permitted Exceptions". In the event of notice of rejection, Seller shall be allowed ten (10) days thereafter within which to eliminate such unacceptable defects or objections. In the event that Seller has not accomplished same to Purchaser's satisfaction within said ten (10) day period, Purchaser may elect to accept the status of the title as shown and proceed with the Closing of this Contract in accordance with the time schedule set forth above, or it may, by written notice to Seller, declare this Contract null and void. In such event, Purchaser shall be entitled to an immediate refund of its Earnest Money and shall be freed from all obligations to Seller.

8. **Closing and Possession.** It is agreed that the Closing of this Contract shall take place five (5) days after the end of the Inspection Period, unless extended by written agreement executed by the parties. Closing Attorney for Purchaser to be Glenn Everton of Griffin, Clift, Everton & Maschmeyer, PLLC, 6489 Quail Hollow #100, Memphis, TN 38120, (901) 752-1133. Possession of the subject property shall be given to purchaser at Closing.

9. **Real Estate Commissions.** Seller and Purchaser acknowledge that

neither has dealt with any real estate brokers regarding the proposed transaction and, as such, no commissions are due by either party out of this transaction.

10. **Closing Costs.** Purchaser shall pay for all closing costs.

11. **Prorations.** Any City and County real estate taxes for the then current year and any and all rents and utility charges on the subject property shall be prorated as of the Closing Date and all prior unpaid taxes or liens, shall be paid by Seller at Closing.

12. **Default.** In the event Seller shall breach any provision of this Contract, Purchaser may enforce specific performance of this Contract, or may bring suit for damages against Seller, and, in either event, may recover its reasonable attorneys' fees and litigation expenses incurred. If, after giving notice that all Conditions Precedent have been satisfied or waived, Purchaser shall breach any provision of this Contract, the Earnest Money shall be paid to the Seller as and for liquidated damages against Purchaser and may recover its reasonable attorneys' fees and litigation expenses incurred.

13. **Notices.** All notices required under this Contract shall be sent via certified mail, return receipt requested to the following:

If to Seller City of Memphis

Copy to:

If to Purchaser: Suna Investments LLC
P. O. Box 38328
Germantown, TN 38183

Copy to: Glenn D. Everton
6489 Quail Hollow #100
Memphis, TN 38120

14. **Miscellaneous.**

A. **TIME IS OF THE ESSENCE OF THIS CONTRACT.**

B. All terms and conditions of this Contract are hereby made binding upon and inure to the benefit of the respective heirs, personal representatives, successors and assigns of both parties hereto.

C. This Contract and all obligations hereunder shall be governed by

the laws of the State of Tennessee.

D. Purchaser and Purchaser's agents shall have the right to enter upon the subject property prior to Closing for the purpose of making tests, studies and inspections of said property, so long as Purchaser or its agents do not unreasonably interfere with Seller's use of said property.

EXECUTED, by the undersigned parties, effective as of the day and year first above written.

SELLER:

PURCHASER:

CITY OF MEMPHIS

SUNA INVESTMENTS LLC

BY: _____ BY: _____

Date and Time of Execution:

Date and Time of Execution: