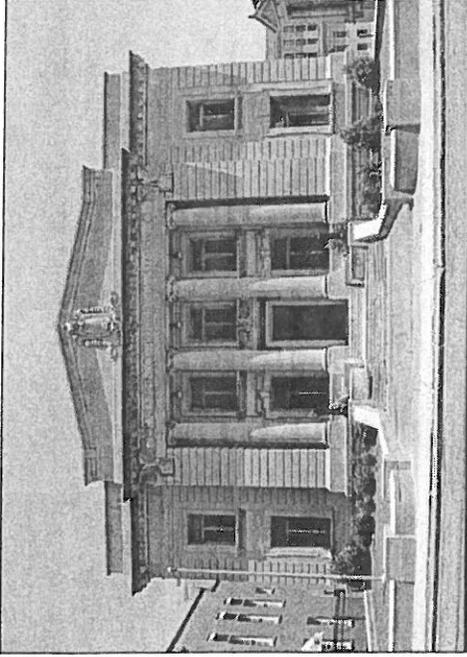


128 Adams Offers to Purchase



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.

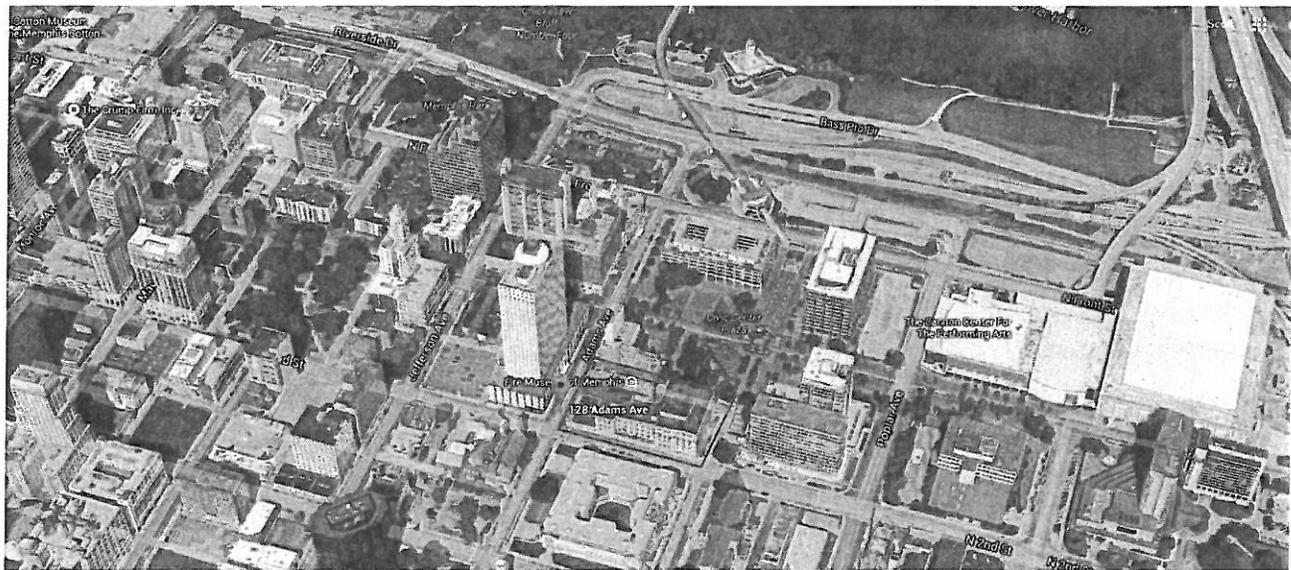
Two offers on the subject property were submitted to the City of Memphis. The terms of those offers are listed below.

	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

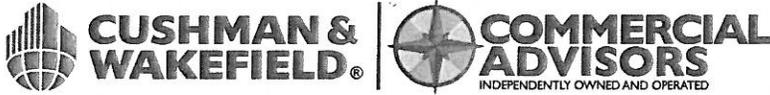
At the culmination of discovery, the Developer will review the most promising redevelopment plans and financial projections with the City.

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



Commercial Advisors, LLC
5101 Wheelis Drive, Suite 300
Memphis, TN 38117
(901) 366-6070 • Fax (901) 366-4617
www.commadv.com

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

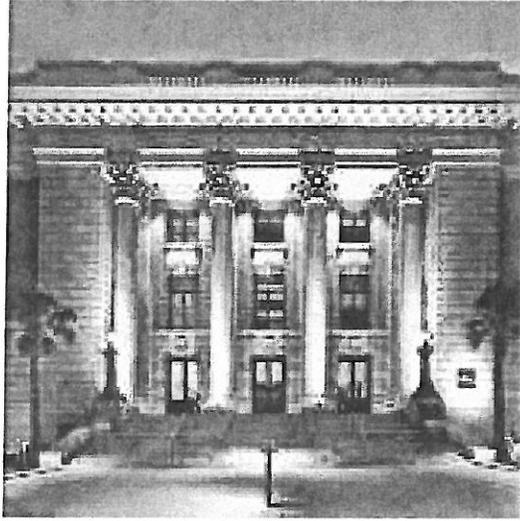
BY: MG Capital, LLC

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 converted, 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

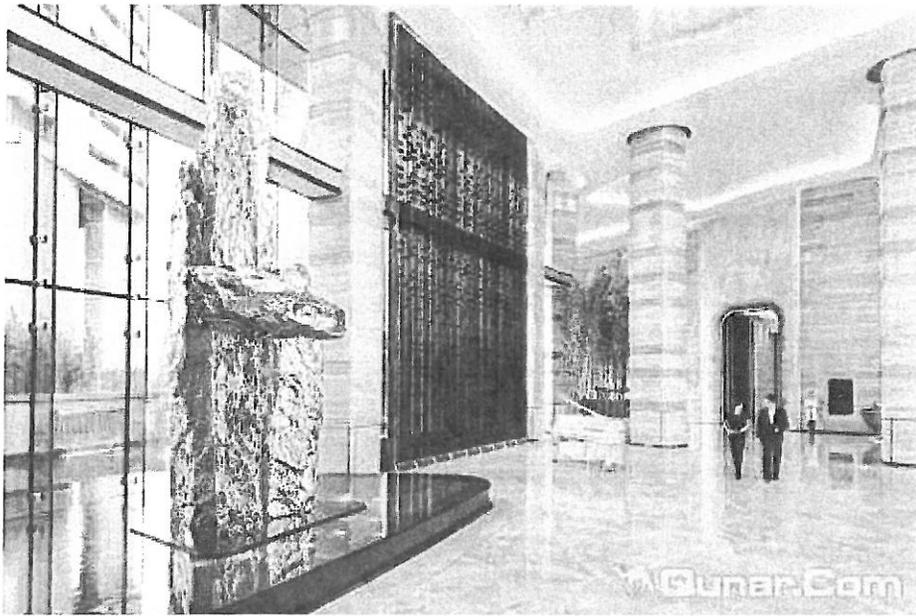
CE-Bio invited by Mississippi State in Jan 2009 from Shenzhen, China to Mississippi to establish a dietary supplement manufacturer. We buy ingredients and other raw material locally, and sell dietary supplement products to China market. Since we built this company, many of my partners, customers and 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:

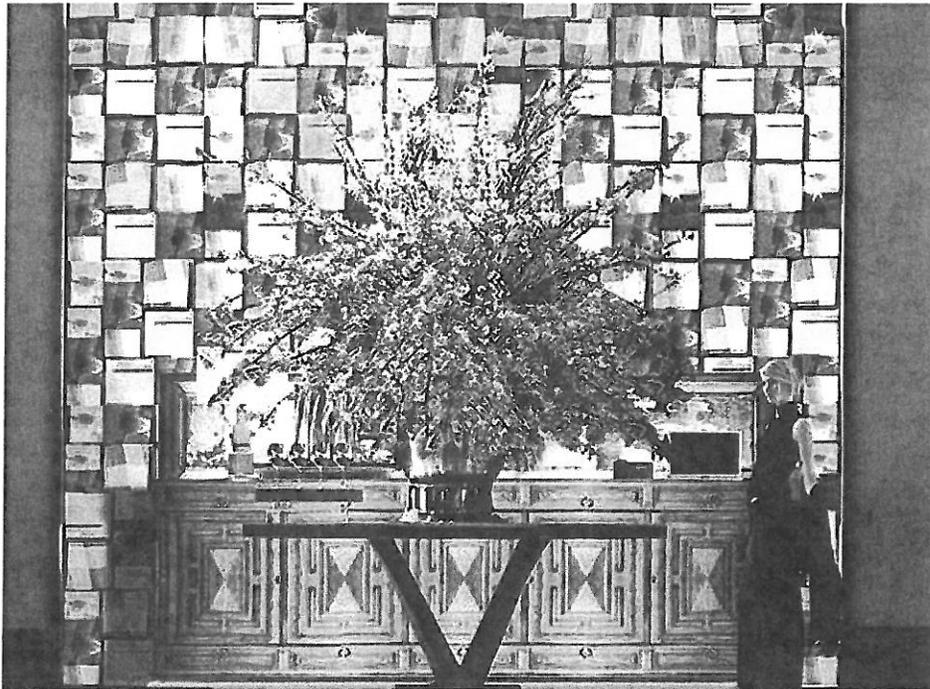




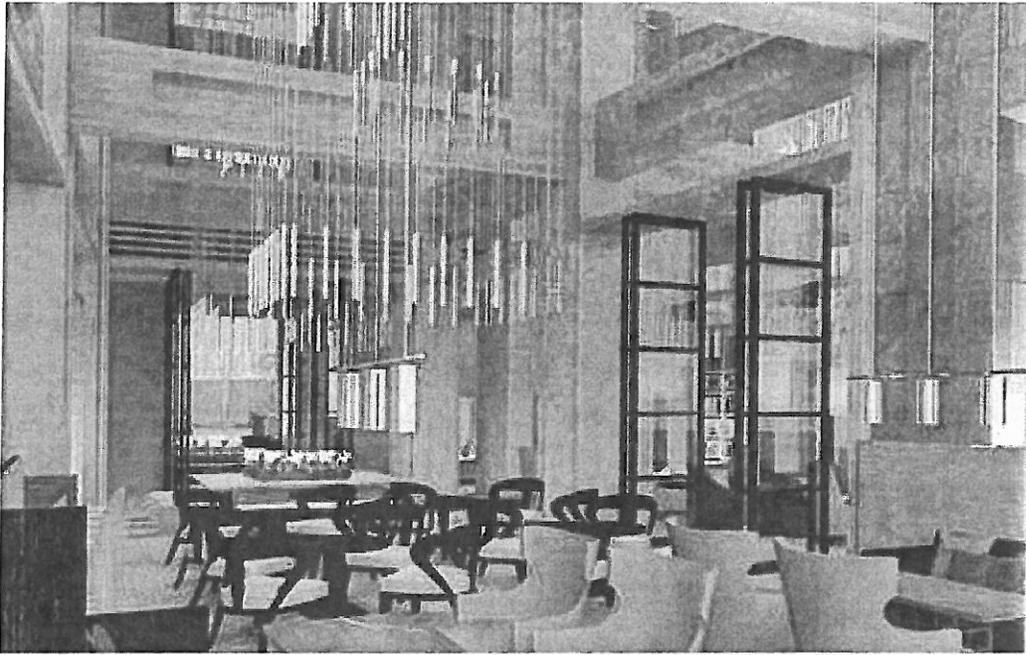
Lobby:



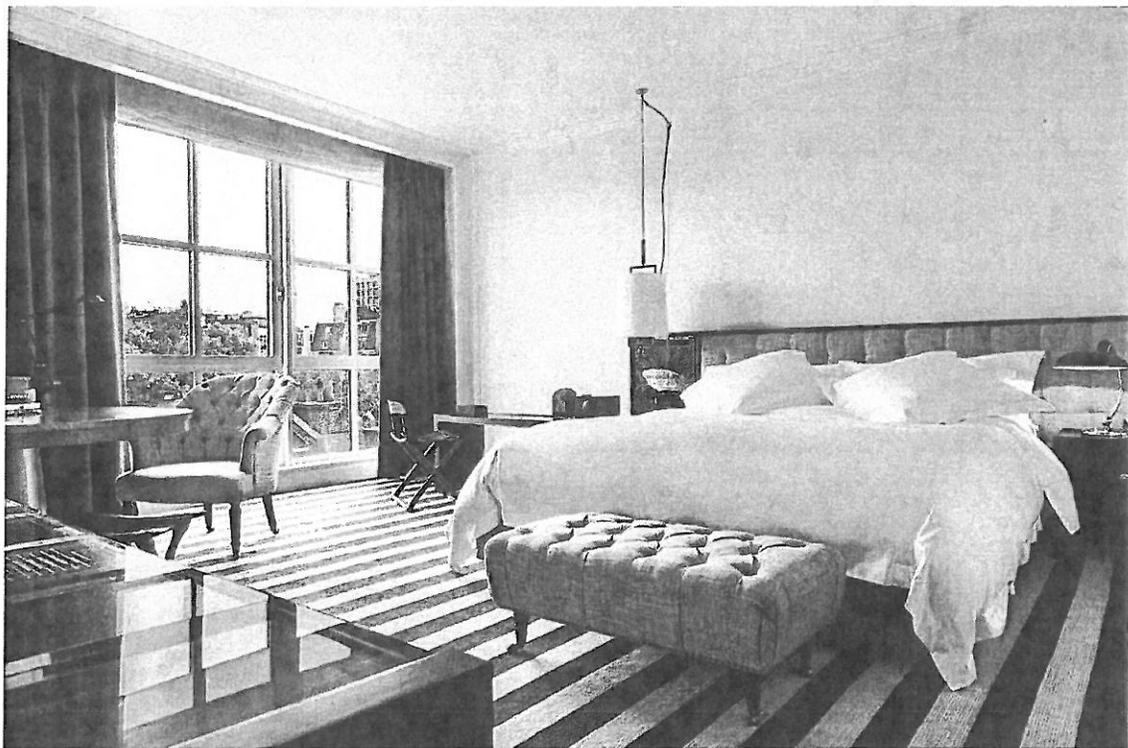
Lobby entrance:



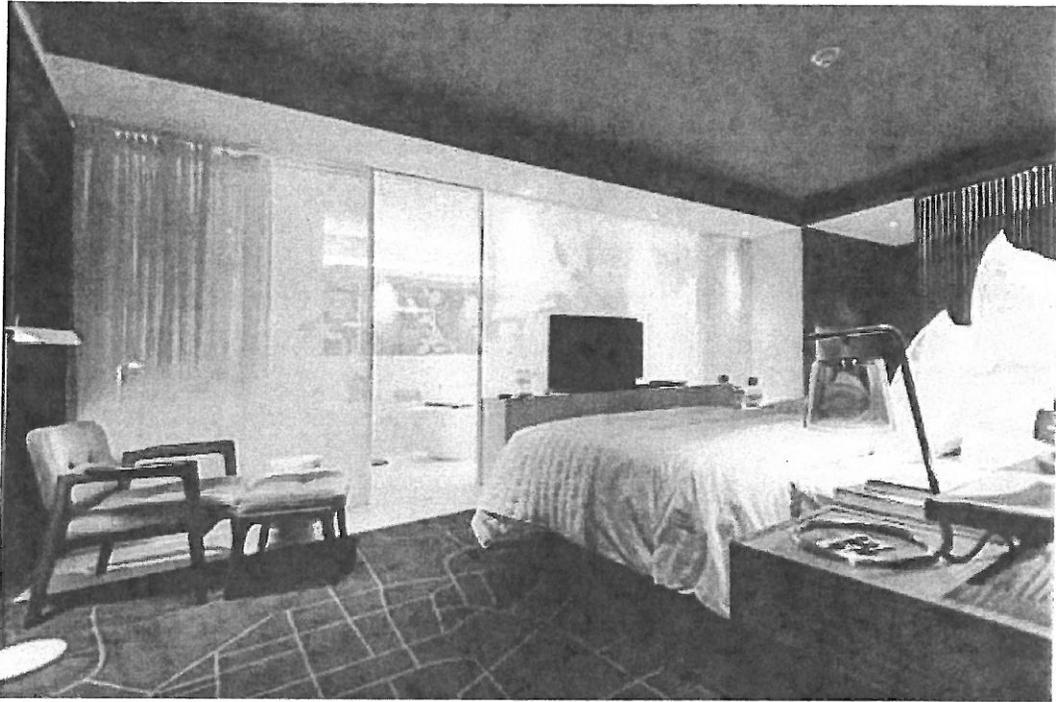
Lobby hallway:



Guest Room — :



Guest Room 二 :



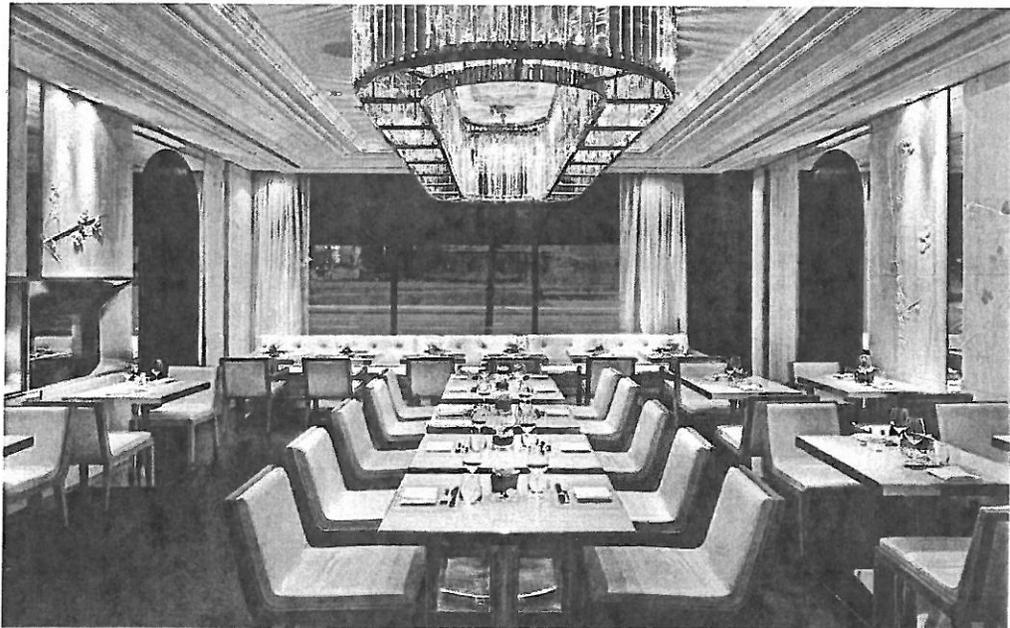
Suits living space 一 :



Suits living space 二 :

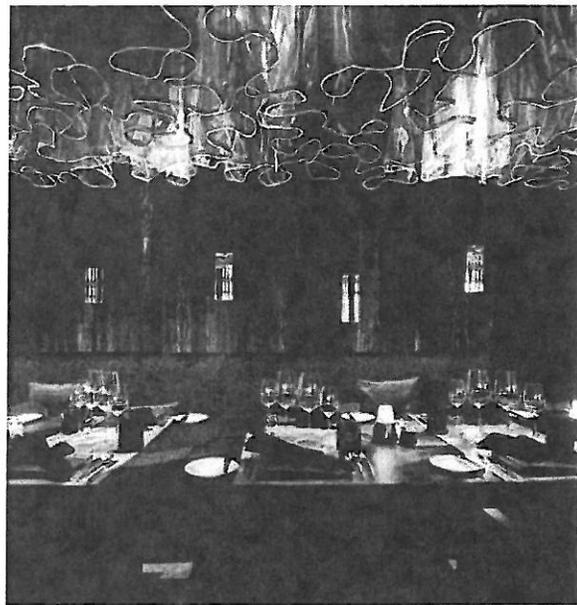
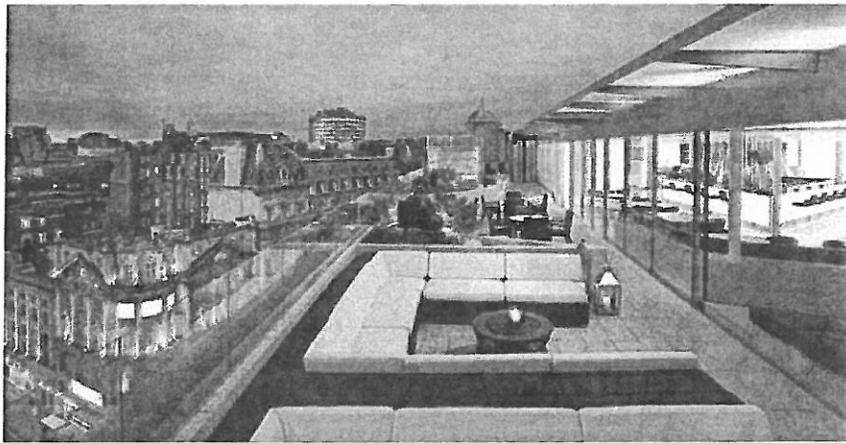


Restaurant and bar:





Roof top bar:



Roof top small pool:

