

JAY H. LINDY
495 TENNESSEE STREET, SUITE 152
MEMPHIS, TENNESSEE 38103
TELEPHONE 901-277-8297

February 11, 2019

Jennifer Oswalt
Downtown Memphis Commission
114 North Main Street
Memphis, TN 38103


Re: Somera Road- Gibson Memphis, LLC - PILOT APPLICATION

Dear Jennifer:

Please accept for filing the PIOLT application for Somera Road- Gibson Memphis, LLC ("Applicant"). Attached is the application fee of \$1,000 as well as the requisite number of copies of the application. The Applicant and its developers would like this application's approval to be considered at the February 14, 2019 CCRFC meeting. Please let me know what other information you need.

I look forward to working with you and your staff.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jay Lindy", with a long horizontal stroke extending to the right.

Jay Lindy

Somera Road Gibson Memphis, LLC

c/o Colliers Management Services Memphis, LLC
6363 Poplar Avenue, Suite 400
Memphis, TN 38119



BancorpSouth
6363 Poplar Avenue
Memphis, TN 38119

85-127
842

148

PAY ***** ONE THOUSAND AND 00/100 DOLLARS

TO THE
ORDER OF

DATE

AMOUNT

02/07/2019

\$1,000.00***

Center City Revenue Finance Corporation



⑈000148⑈ ⑆084300603⑆ 7684 511 4⑈

DATE:02/07/2019 CK#:148 TOTAL:\$1,000.00*** BANK:Gibson Memphis Ope(145oper)
PAYEE:Center City Revenue Finance Corporation(ccrfc)

Property Account	Invoice - Date	Description	Amount
145gib 69195-0000	02072019 - 02/07/2019	Application Fee	1,000.00
			<hr/> 1,000.00

APPLICATION TO AMEND PILOT LEASE AGREEMENT
BETWEEN
MEMPHIS CENTER CITY REVENUE FINANCE CORPORATION
AND
SOMERA ROAD-GIBSON MEMPHIS, LLC



Proposed Headquarters
FedEx Logistics, Inc.
145 George W. Lee Avenue
Memphis, Tennessee 38103

February 14, 2019

This is an Application to Amend that certain Lease Agreement of record at HJ 6246, re-recorded at HD 2996, in the Register's Office of Shelby County, Tennessee as amended by First Amendment to Lease Agreement dated December 18, 2003, of record as Instrument No. 03251085, as amended by Second Amendment to Lease Agreement dated December 22, 2017, of record as Instrument No. 17131073, as assigned to Somera Road – Gibson Memphis, LLC by Assignment and Assumption of Lease dated December 22, 2017, of record as Instrument No. 17131072 (collectively, the "Existing PILOT Lease"). In addition to the current PILOT term, the Applicant is requesting an additional 20 years from February 3, 2023 (the current expiration date of the PILOT) plus an additional 2 years for the construction period in accordance with Tenn. Code Ann. § 7-53-305(b)(1)(B).

1. Background Information on Project Principals, Developer and Tenant:

- a. *Name, address and telephone number of the applicant.*

Somera Road-Gibson Memphis, LLC
c/o Somera Road Inc.
130 West 42nd Street, Suite 1001
New York, New York 10036
(646) 766-8184

- b. *Name(s) of the applicant's representatives and any other financial guarantors of the Project and their addresses and telephone numbers:*

Ian Ross
President, Somera Road, Inc.
130 W. 42nd Street, 10th Floor
New York, New York 10036
(646) 766-8181

- c. *Name, address and telephone number of proposed tenant:*

FedEx Logistics, Inc.
6075 Poplar Avenue, Suite 300
Memphis, Tennessee 38119
901-684-4800

- d. *Name(s) of the applicant and tenant representatives and any other financial guarantors of the Project and their addresses and telephone numbers:*

- i. Somera Road – Gibson Memphis, LLC

Ian Ross
President, Somera Road, Inc.
130 W. 42nd Street, 10th Floor
New York, New York 10036
(646) 766-8181

Billy Orgel

495 Tennessee Street, Suite 152
Memphis, Tennessee 38103
(901) 363-7379

ii. FedEx Logistics, Inc.

Tom Norton
Senior Manager – Real Estate/Properties
6075 Poplar Avenue, Suite 300
Memphis, Tennessee 38119
(901) 684-4833

e. *Background information and development experience about the applicant, guarantors, and participants, if any, and all other relevant information this organization may need to consider while reviewing the application.*

i. *Applicant: Somera Road – Gibson Memphis, LLC*

Somera Road – Gibson Memphis, LLC consists of a partnership led by Somera Road Inc., a New York-based commercial real estate investment firm focused on distressed and opportunistic debt and equity transactions, across all asset classes and geographies. Somera targets off-market opportunities in secondary and tertiary markets that are overlooked by institutional investors. Since its inception, Somera has acquired over \$600 million in real estate and currently manages a portfolio of approximately 6.0 million square feet, spread across 20 cities.

Ian Ross founded Somera Road Inc. in 2014 to take an entrepreneurial and creative approach to value-add, opportunistic real estate in non-core markets. Previously, Ian was a Managing Director at Triangle Capital Group, a firm he helped develop shortly after its inception. At Triangle, Ian managed the Acquisitions and Asset Management units, focusing on the purchase of hard asset real estate, non-performing loans, and securitized mortgage products, as well as the conception and execution of value-add business plans. Ian sourced, underwrote and structured investments, in both the CMBS and CRE arenas, and focused on the development of strategic relationships, firm oversight, and risk management. Prior to joining Triangle, Ian spent two years working as an analyst for Jefferies & Company in its Investment Banking Division where he focused on raising both debt and equity, as well as providing advisory services for companies in the financial services and real estate sectors. Ian initially began his professional career working on Morgan Stanley's CMBS origination and securitization platform. Ian received an MBA from University of Pennsylvania's Wharton School of Business and graduated with honors from Emory University with a Bachelors in Business Administration. Ian serves on Manhattan's Community Board 5 and sits on the Public Safety & Quality of Life, and Transportation & Environment committees. Additionally, Ian is the Founder and Chairman of The Asperger's Awareness Council, a 501(c)(3) nonprofit organization founded in 2009

that strives to raise awareness and funding for high-functioning forms of Autism.

The other partners on project are William "Billy" and Benjamin Orgel. The Orgel family are long term Memphis stakeholders who are faithfully committed to the growth and success of Memphis. Billy is a native of Memphis, Tennessee. He received a BBA from the University of Texas at Austin in 1985. After graduation, he moved to Memphis to work at his family business, Majestic Communications, which he helped build into the areas' largest retailer of Motorola two-way radios. Due to the Telecommunications Act of 1996 there was an emergence of new wireless phone carriers across the country, and Billy began to build on his existing portfolio of communications towers by performing build to suit services for these new carriers. His company that he runs with his partners, Tower Ventures, currently own over 580 towers and they have built and sold an additional 400 towers since the company began its operations. Currently, Tower Ventures leases tower space in over 35 states and is one of the largest private tower companies in the country. Billy is a past President of the Board of Trustees at Temple Israel Synagogue in Memphis and former Co-Chair of their \$25 million capital campaign. Recently, he was re-elected to a third term to the Shelby County School Board and served as its Chairman of this body for two years. He is a Past Chairman of the Board of Directors of Bridges, Inc., where he chaired the Building Committee for their new facility. Billy is also a past Board Member of the New Memphis Arena Public Building Authority that oversaw the construction of the FedEx Forum, the home of the University of Memphis Tigers and the NBA's Memphis Grizzlies. He is one of the members of the Grizzlies local ownership group. In addition, he is a member of the Executive Board of the National Civil Rights Museum in Memphis (site of the Lorraine Motel and assassination of Dr. King), a member of the Methodist Hospital Board, a member of the Memphis University School Board of Trustees and a member of the St. Mary's Episcopal School for Girls Board of Trustees. In the past, he was a member of both the Port Commission for Memphis and Shelby County and the Memphis and Shelby County Charter Commission. Billy and his wife, Robin, are also Ambassadors for the University of Memphis Athletic Department. In 1999, Billy was selected by the Memphis Business Journal as one of their "Top 40 Under 40" of local community leaders and was recently selected as a member of the Memphis chapter of the Society of Entrepreneurs, where he now serves on the board. In addition, Billy is an Organizer and Director of the First Capital Bank located in Germantown, Tennessee, a community bank with \$310 million in assets. Over the years, Billy became interested in preserving historic buildings in Downtown Memphis, and to date he and his partners have completed new construction as well as the preservation of 13 buildings, including the recent conversion and renovation of the historic Tennessee Brewery into the centerpiece of a mixture of apartments, office and retail space and a parking garage in the South Bluffs neighborhood and reuse and renovation of Station 3 Fire House at corner of Dr. Martin Luther King Ave. and Third St. He is part of the investment group for South Junction Apartments and Central Station apartments, as well as the investment group for the

development project at 1544 Madison Ave. Billy is also involved in the restaurant business as a franchisee of Ruth's Chris in Rogers, Arkansas.

- ii. *Tenant:* FedEx Logistics, Inc.

See [fedex.com/us/investorrelations](https://www.fedex.com/us/investorrelations)

- f. *Corporate or Partnership Structure.*

- i. *Applicant:* Somera Road – Gibson Memphis, LLC

The applicant is a Delaware limited liability company owned by Somera Gibson Holdings, LLC and 145 Memphis Investors, LLC, an affiliate of Orgel Family, L.P.

- ii. *Tenant:* FedEx Logistics, Inc.

See [fedex.com/us/investorrelations](https://www.fedex.com/us/investorrelations)

2. **Proposed Project.**

- a. *Location of the proposed project by address and legal description:*

145 George W. Lee Avenue
Memphis, Tennessee 38103
Parcel # 002128-00026C
See Exhibit A - Legal Description and Exhibit B – Aerial Photo

- b. *Intended usage:*

FedEx Logistics, Inc. ("FedEx Logistics") desires to consolidate and move its corporate headquarters to 145 George W. Lee Avenue, known as the Gibson Guitar factory, in downtown Memphis.

FedEx Logistics has determined that the downtown location is desirable location for its new and expanded headquarters. The site is in close proximity to the FedEx Forum and other amenities in a revitalized downtown area that are appealing for the recruitment and retention of employees. Although the site is desirable, the building located on this site was designed as a manufacturing facility. Gibson Brands, Inc., formerly known as Gibson Guitar Corp. ("Gibson Guitar"), conducted manufacturing operations on the site until late 2018.

The conversion of the building from manufacturing use to office use presents significant challenges. Because of the high costs of retrofitting the space for office use and expanding the building, the requested public assistance is needed to make the proposed downtown location competitive with alternative locations. The new

headquarters will bring more than 650 jobs to downtown Memphis over the next 5 years.

The building currently consists of two levels and includes an approximately 25,000 square foot roof deck. A new mezzanine area will be built-out to add approximately 40,000 square feet to the Building, and the roof deck will be improved to include outdoor and indoor meeting and work areas. Additionally, the project will include retail space at street level with plans to sublease to a fitness center.

Effective March 1, 2018, FedEx Corporation realigned its specialty logistics and e-commerce solutions in a new organizational structure under FedEx Trade Networks. In January 2019, FedEx Trade Networks, Inc. changed its name to FedEx Logistics, Inc. The new organization provides customs brokerage and global ocean and air freight forwarding through FedEx Trade Networks Transport & Brokerage; cross-border enablement and technology solutions and e-commerce transportation solutions through FedEx Cross Border; integrated supply chain management solutions through FedEx Supply Chain; time-critical shipment services through FedEx Custom Critical; and critical inventory and service parts logistics, 3-D printing and technology repair through FedEx Forward Depots. The proposed consolidation and relocation of the FedEx Logistics headquarters is consistent with this realignment and will improve the company's ability to deliver the capabilities of its specialty services companies to customers.

c. *Economic and environmental impact:*

The currently vacant building will become the corporate headquarters for FedEx Logistics. When the construction and build-out is completed, approximately 323 employees will be relocated to the new corporate headquarters. Over the next five years, FedEx Logistics and its subsidiaries expect to add approximately 339 additional employees to this headquarters location. The projected average annual wage for these approximately 662 jobs is over \$80,000.

A Phase I Environmental Survey has been delivered to Memphis Center City Revenue Finance Corporation.

d. *The square footage of the building and land area to be renovated:*

Total Lot Size	Approximately 101,905 SF
Total Building Area	Approximately 154,000 SF
Total Area After Improvements	Approximately 194,467 SF
Tenant Leased Area	Approximately 194,467 SF

e. *Architectural Plans and Renderings:*

See Exhibit C – Architectural Plans and Renderings

f. *Available history on the subject property:*

The iconic Gibson Guitar Building, located Downtown at 145 Lt. George W. Lee Avenue, will be preserved and converted to an office building. Located one block south of historic Beale Street, the Gibson Guitar Building is directly across from the FedEx Forum and the Rock 'n' Soul Museum. The site features up to 154,000 square feet of available space with immediate access to all of Downtown Memphis' amazing amenities.

The Gibson Guitar Building was constructed in 2001 as a one-story, reinforced concrete and steel framed structure. The exterior walls are comprised of brick veneer and concrete tilt ups. The roof is modified bituminous, standing seam metal with ballast pavers over the patio roof section. The foundation consists of concrete slab-on-grade with spread footings. The building was constructed to specifically for the manufacture, sale and showcase of Gibson Brand Guitars.

In connection with the development of the property by Gibson Guitar, the real property was conveyed to Memphis Center City Revenue Finance Corporation by Quitclaim Deed dated February 3, 1998, of record as Instrument No. HD 2995 in the Register's Office of Shelby County, Tennessee and leased to Gibson Guitar pursuant to the Existing PILOT Lease. A title search has been delivered to Memphis Center City Revenue Finance Corporation.

The property is located in census tract 0114.00 (full tract no. 32820-47-157-0114.00D). The 2015 tract median household income was \$12,214, and the 2015 tract median family income as \$15,574. The 2018 estimated census tract median family income is \$16,966. Based on census data, 64.64% of the residents in this census tract are below the poverty line.

Gibson Guitar, the namesake of the building, announced plans to relocate its manufacturing facility in late 2017 and filed for Chapter 11 bankruptcy protection on May 1, 2018. This has resulted in a vacant manufacturing site in the heart of downtown Memphis.

g. *A letter from a certified engineer, licensed in the State of Tennessee, as to the structural integrity of the building for its intended usage, if applicable.*

Not applicable.

h. *Marketing plans identifying targeted market.*

The property will be fully leased to FedEx Logistics, Inc.

- i. *If the project is speculative, how long full occupancy is expensed to take and who will manage the project.*

Not applicable. See 2(h) above.

- j. *Changes needed to the public space around the project (e.g. sidewalks, lighting, planting).*

Improvements to the public and open areas around the perimeter of the building will be needed for the project. Additionally, certain improvements may be required in connection with access to the parking lot located across the street on the south side of the building.

- k. *All other information needed to fully explain the project.*

PILOT is necessary because:

- The development is not financially viable or justifiable as a reasonable investment without a PILOT.
- Without a PILOT, debt service coverage is less than 1.2 and therefore project financing is not attainable.

The proposed project has methodically optimized value of development features and designs, minimized development cost, maximized projected attainable rent, and minimized projected operating expense.

3. **Site Control**

- a. *Name the property owner at the time of application submittal:*

CCRFC, subject to the Existing PILOT Lease to Applicant.

- b. *If the applicant does not presently own the property(s), state if the applicant has a valid option to purchase the property, and supply a copy of the option if available.*

Not applicable. See 3(a) above.

- c. *Describe any and all existing financing, options and liens of the property:*

Loancore Capital Credit REIT LLC	\$ 8,030,000
Total	\$ 8,030,000

4. Financial Information.

a. *Attach current audited financial statements of the applicant and guarantors. If audited financial statements are unavailable, please submit non-audited statements.*

i. *Applicant:* Somera Road – Gibson Memphis, LLC

Provided under separate cover.

ii. *Tenant:* FedEx Logistics, Inc.

See fedex.com/us/investorrelations

b. *Estimated Project costs broken down by component (i.e., land, buildings, equipment, soft costs, etc.).*

Tenant Improvement Allowance: \$12,200,000

See footnote ¹ below.

c. *Provide the following information about the loan or proposed loan for the Project:*

The Applicant anticipates 75% loan-to-cost funding at a floating rate of LIBOR plus 450.

d. *Attach cash flow pro-forma at least five (5) years along with a statement of Sources and Uses of Funds for the project (this may be prepared by applicant). Sample formats are attached.*

See Exhibit D.

¹ Other costs include (a) property cost when acquired by Applicant in the amount of \$10,000,000; (b) soft costs of approximately \$2,150,000, including items such as loan origination fees, third party reports, lenders, etc.; (c) design, demolition & replacement of existing core and shell improvements of approximately \$10,360,000 and (d) other costs of improvements and upgrades in excess of the tenant improvement allowance, which are estimated to be approximately \$9,750,000.

5. Project Timeline. State the proposed time schedule for the Project including the dates anticipated for the following:

- a. Closing of the loan or contributing financing availability:
150 days after PILOT approval
- b. First expenditure of funds with regard to the project:
Certain project costs related to design, etc. have already been incurred.
- c. Anticipated date construction will begin:
Demolition – February 2019
Construction – July 2019
- d. Anticipated completion date:
First quarter of 2020

In addition to the current PILOT term, the Applicant is requesting an additional 20 years from February 3, 2023 (the current expiration date of the PILOT) plus an additional 2 years for the construction period in accordance with Tenn. Code Ann. § 7-53-305(b)(1)(B).

6. Project Team. Name any of the following that will be involved with the Project (with address and phone numbers):

- a. *Legal Representatives.*

Jay Lindy, Counsel for Applicant
495 Tennessee Street, Suite 152
Memphis, Tennessee 38103
(901) 277-8297

Richard Spore, Counsel for Applicant
Bass, Berry & Sims PLC
100 Peabody Place, Suite 1300, Memphis, TN 38103-3672
(901) 543-5902

Jason Yarbro, Counsel for FedEx Logistics, Inc.
6075 Poplar Avenue, Suite 500
Memphis, Tennessee 38119
(901) 680-7306

b. *Architects and Engineers.*

LRK Inc. – Project Architect
175 Toyota Plaza, Suite 600
Memphis, TN 38103
(901) 521-1440

OGCB, Inc.
3485 Poplar Avenue, Suite 200
Memphis, Tennessee 38111
(901) 452-6283

c. *General Contractor.*

Grinder Taber Grinder
1919 Lynnfield Road
Memphis, Tennessee 38119
(901) 767-2400

d. *Other Professionals.*

7. **Credit References.**

a. *Applicant:* Somera Road – Gibson Memphis, LLC

Credit references provided under separate cover.

b. *Tenant:* FedEx Logistics, Inc.

Not applicable.

8. **State law requires that title to the projects be conveyed to CCRFC in order for it to grant payments in lieu of taxes; CCRFC then leases the property to the applicant or entity designated by the applicant. Indicate who the lessee will be for the Project.**

The property is currently owned by CCRFC and is leased to Applicant, Somera Road – Gibson Memphis, LLC pursuant to the Existing PILOT Lease. The property was previously subleased by Applicant to Gibson Guitar, and they are in the process of moving out of the building. Applicant will enter into a new sublease agreement with FedEx Logistics.

See letter from the Commissioner of the State of Tennessee Department of Economic and Community Development attached hereto as Exhibit E and letter from the Comptroller of the State of Tennessee attached hereto as Exhibit F supporting the extension of this PILOT. [Note: Letters will be provided under separate cover.]

The sublease between Applicant and FedEx Trade Networks will include an option for FedEx Logistics to acquire all of Applicant's interest in the property. Accordingly, FedEx Logistics requests that CCRFC agree to waive any transfer, assignment, assumption or similar fee on the sale, transfer, assignment or assumption of Applicant's interest in the PILOT lease to FedEx Logistics, its subsidiaries and affiliates, or any subsidiaries of FedEx Corporation.

- a. *State the tax parcel number for all property involved with the Project and the current assessed value of the Property.*

Tax Parcel No.: 002129 D0007C
Appraised Value: \$12,995,500
Assessed Value: \$0

- b. *Are any assessments presently under appeal? If so, describe the status of the appeal.*

No

- c. *Will the Project result in the subdivision of any present tax parcel?*

No

9. **Please disclose whether any applicant, guarantor, or any other person involved with the project is currently engaged in any civil or criminal proceeding. Also disclose whether any individual involved with the project has ever been charged or convicted of any felony or currently is under indictment. Please supply detailed information.**

- a. *Applicant:* Somera Road – Gibson Memphis, LLC

None of Somera Road-gibson Memphis, LLC, its officers or members, directors (a) is currently engaged in any civil or criminal proceeding and (b) has ever been charged or convicted of any felony or currently under indictment.

- b. *Tenant:* FedEx Logistics, Inc.

FedEx Logistics and its subsidiaries are subject to other legal proceedings that arise in the ordinary course of business as described in the securities filings of its parent corporation, FedEx Corporation.

10. **Attach information about the financial history of the Project and previous attempts to develop, if possible.**

The Project was opened in 2001 as a manufacturing facility for Gibson Guitar. Gibson Guitar announced plans to relocate its manufacturing facility in late 2017 and filed for Chapter 11 bankruptcy protection in May 2018. These circumstances and the limited demand for a

manufacturing facility in the downtown core have had a serious negative impact on the prospects for the property.

11. EBO.

The project will be compliant with the DMC EBO program. Applicant will make best-faith efforts, including affirmative steps to include at least 25% participation of total contract dollars, by Minority/Women Business Enterprises (MWBE). Applicant will work with the DMC staff along with the Mid South Minority Business Council and other organizations to maximize minority and women owned business participation in the project's development. An EBO Utilization Plan will be provided when construction bidding is complete and contracts are awarded.

12. The following statement on the following page must be included along with a dated signature of the applicant or applicant's representatives.

This application is made in order to induce the Memphis Center City Revenue Finance Corporation (CCRFC) to grant financial incentives to the applicant. The applicant hereby represents that all statements contained herein are true and correct. All information materially significant to the CCRFC in Its consideration of the application is included. The applicant expressly consents to the CCRFC's investigation of its credit in connection with this application. The applicant acknowledges that it has reviewed the descriptions of the CCRFC financial program for which it is applying and agrees to comply with those policies. The applicant shall also be required to show a good faith effort with regard to the employment of minority contractors. The applicant specifically agrees to pay all reasonable costs, fees and expenses incurred by the CCRFC whether or not the incentive is granted or project completed.

[Applicant's signature on next page.]

APPLICANT SIGNATURE:

SOMERA ROAD-GIBSON MEMPHIS, LLC
a Delaware limited liability company

By: Somera Gibson Holdings, LLC,
a Delaware limited liability company,
its sole member

By: Somera Road Investment Management, LLC,
a Delaware limited liability company,
its Manager

By: 
Name: Joe LeMense
Title: Authorized Signatory

Date: 2-11-19

EXHIBIT A

Legal Description

(145 Lt. George W. Lee Avenue: Map/Parcel 002128 00026C)

Leasehold interest created by that certain lease of record in [Instrument HD2996](#), as rerecorded in [Instrument HJ6246](#), and as amended in [Instrument 03251085](#), Register's Office for Shelby County, Tennessee, as assigned by that certain Assignment and Assumption of Lease by and between Gibson Brands, Inc., a Delaware corporation, formerly known as Gibson Guitar Corp.) and Somera Road - Gibson Memphis, LLC, a Delaware limited liability company and Memphis Center City Revenue Finance Corporation, a Tennessee public not-for-profit corporation, of record in [Instrument 17131072](#), said Register's Office, as amended in that certain Second Amendment to Lease Agreement by and between Gibson Brands, Inc., formerly known as Gibson Guitar Corp, a Delaware corporation and Memphis Center City Revenue Finance Corporation, a Tennessee public not-for-profit corporation of record in [Instrument 17131073](#) Instrument 17131073, said Register's Office.

Beginning at the intersection of the northwest line of Third Street (66' wide) and the northeast line of Linden Avenue (86' wide); thence N 56° 54' 50" W along the northeast line of Linden Avenue a distance of 30.95' to an angle point; thence N 26° 54' 50" W a distance of 24.50' to an angle point; thence N 56° 54' 50" W a distance of 160.76' to an angle point; thence N 86° 54' 50" W a distance of 24.50'; thence N 56° 54' 50" W a distance of 76.44' to an angle point; thence N 26° 54' 50" W a distance of 24.50' to an angle point; thence N 56° 54' 50" W a distance of 50.80' to an angle point; thence N 86° 54' 50" W a distance of 24.50' to an angle point; thence N 56° 54' 50" W a distance of 7.84' to a point of intersection; thence N 33° 03' 46" E along the southeast line of Second Street (66' wide) a distance of 264.49' (call= 264.43') to a point of curvature; thence northeastwardly along a curve to the right, having a radius of 30', a distance of 40.20' to a point of tangency; thence S 70° 09' 20" E along the southwest line of Lt. Lee Ave. (80' wide) a distance of 26.26' to an angle point; thence S 40° 09' 20" E a distance of 24.50' to an angle point; thence S 70° 09' 20" E a distance of 113.59' to an angle point; thence N 79° 50' 40" E a distance of 24.50' to an angle point; thence S 70° 09' 20" E a distance of 178.01' to a point of curvature; thence southeastwardly along a curve to the right, having a radius of 30' a distance of 53.97' to a point of tangency; thence S 32° 54' 51" W along the northwest line of Third Street a distance of 347.13' (call= 347 .19') to the point of beginning, containing 133,211.83 sq. ft. or 3.058 acres.

TOGETHER WITH rights benefitting the property setout in Instrument No. HD2993, said Register's Office.

Being the same property conveyed to Memphis Center City Revenue Finance Corporation by Quit Claim Deed dated 02/03/1998 from Gibson Guitar Corp of record in [Instrument HD2995](#), Register's Office for Shelby County, Tennessee. See Articles of Amendment of record as [Instrument 13130288](#), Register's Office for Shelby County, Tennessee.

EXHIBIT B

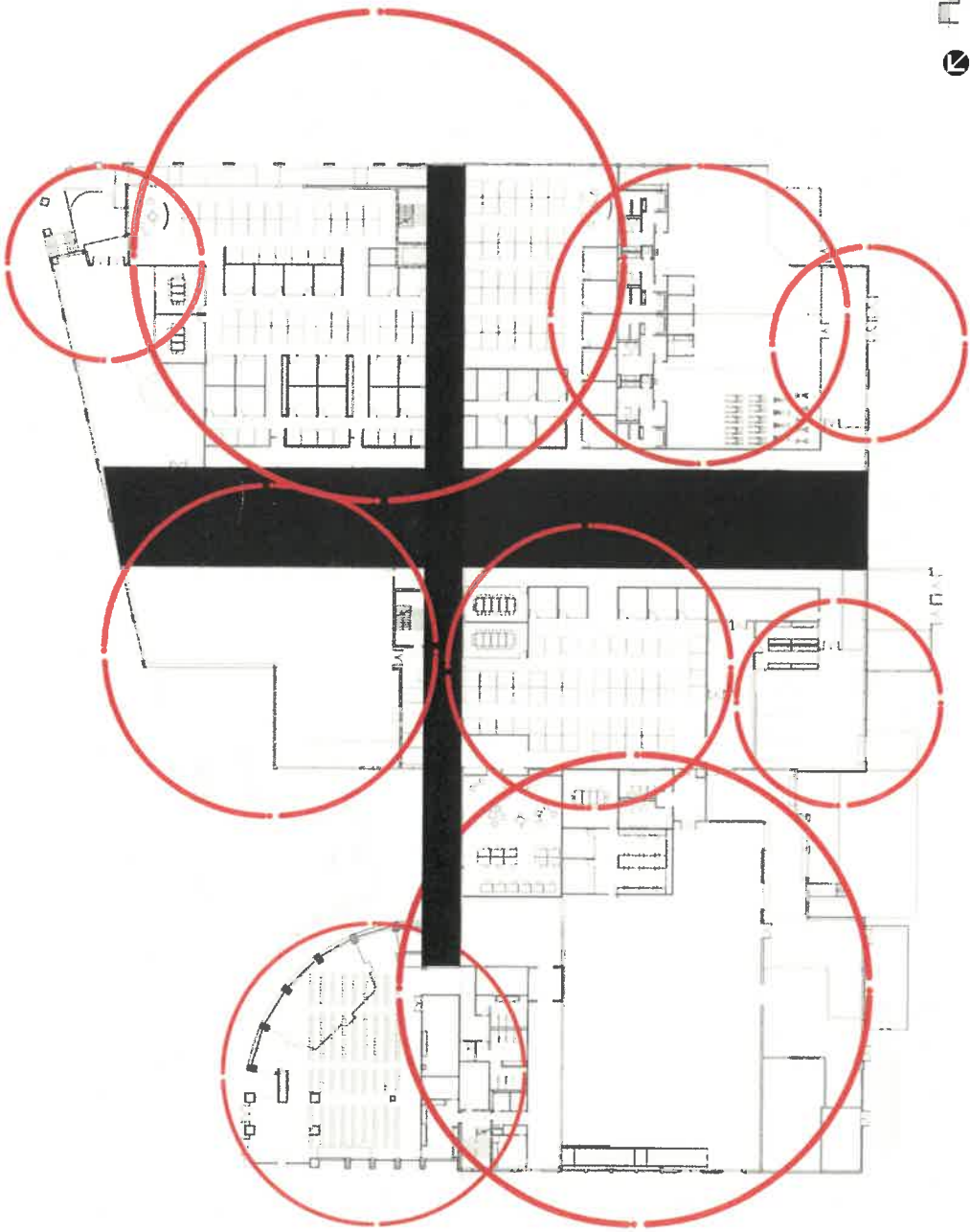
Aerial Photo

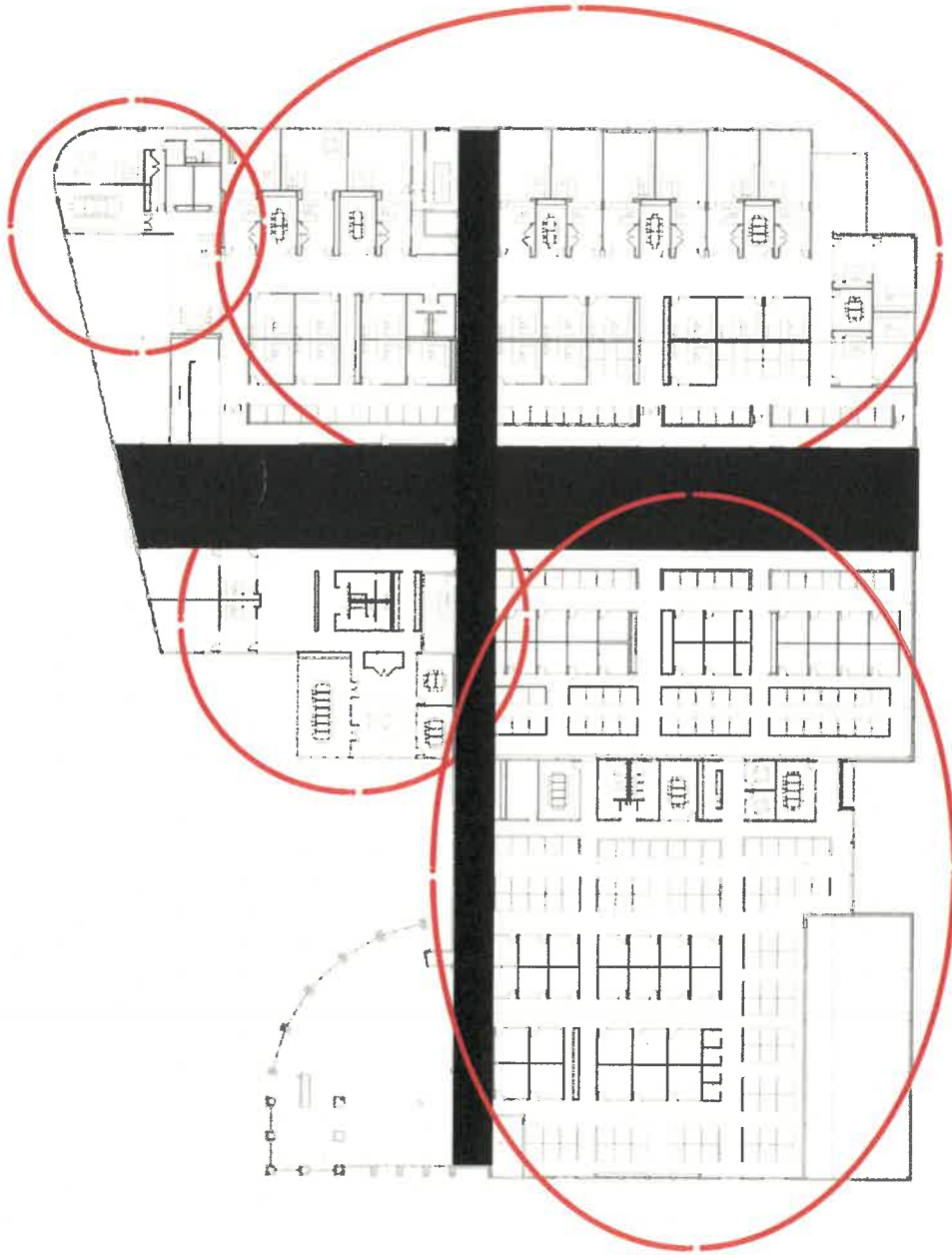


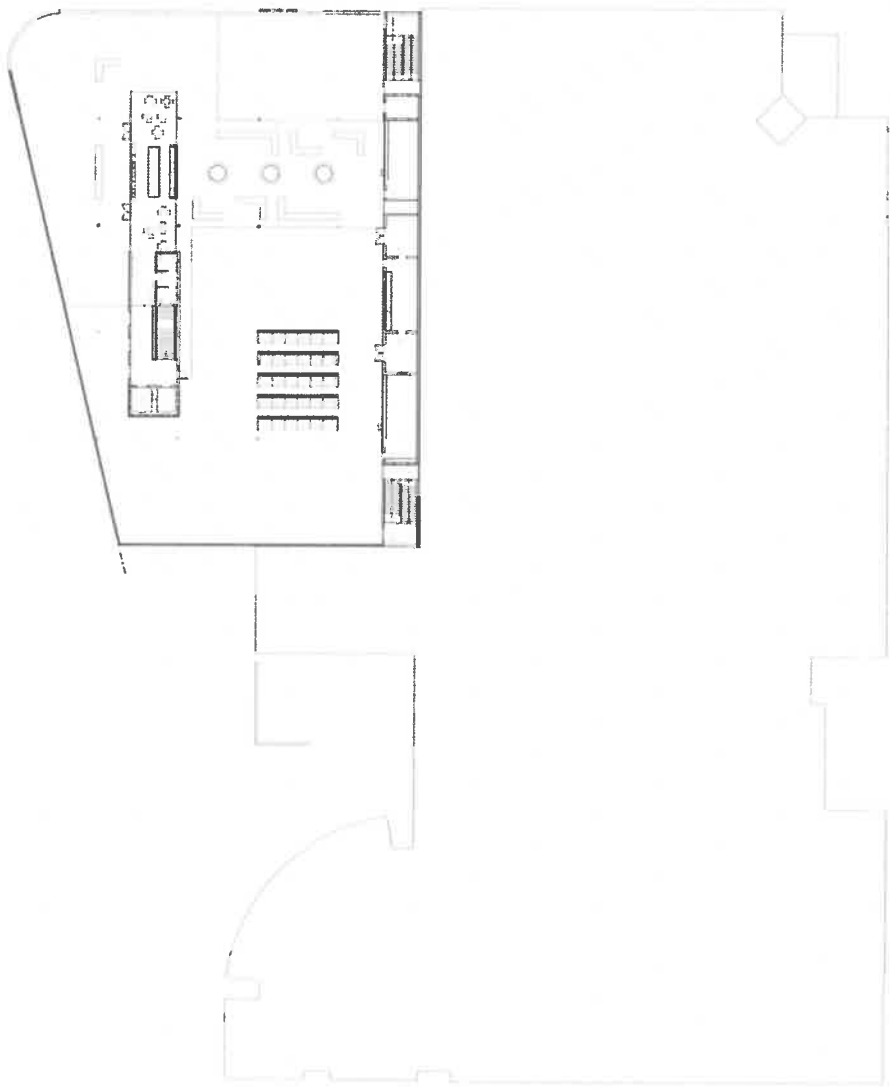
EXHIBIT C
Architectural Plans and Renderings

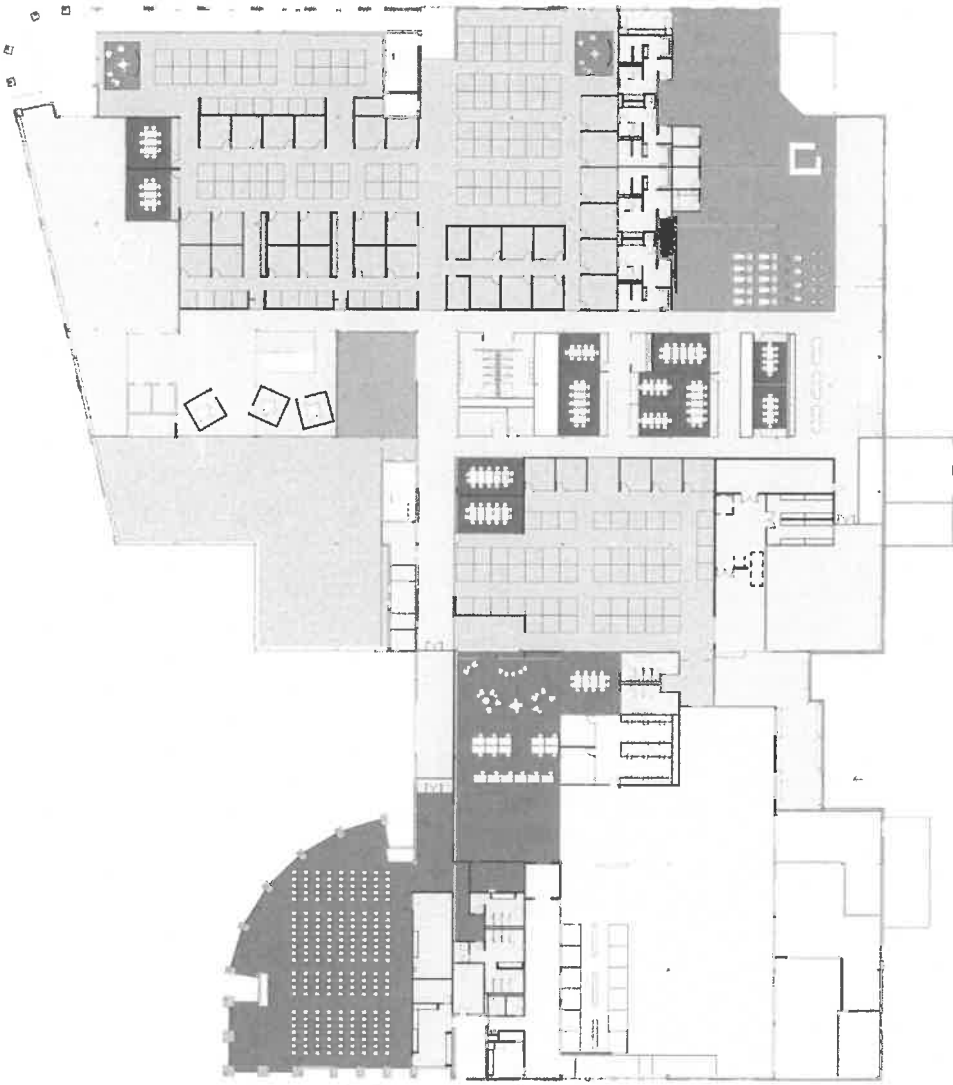














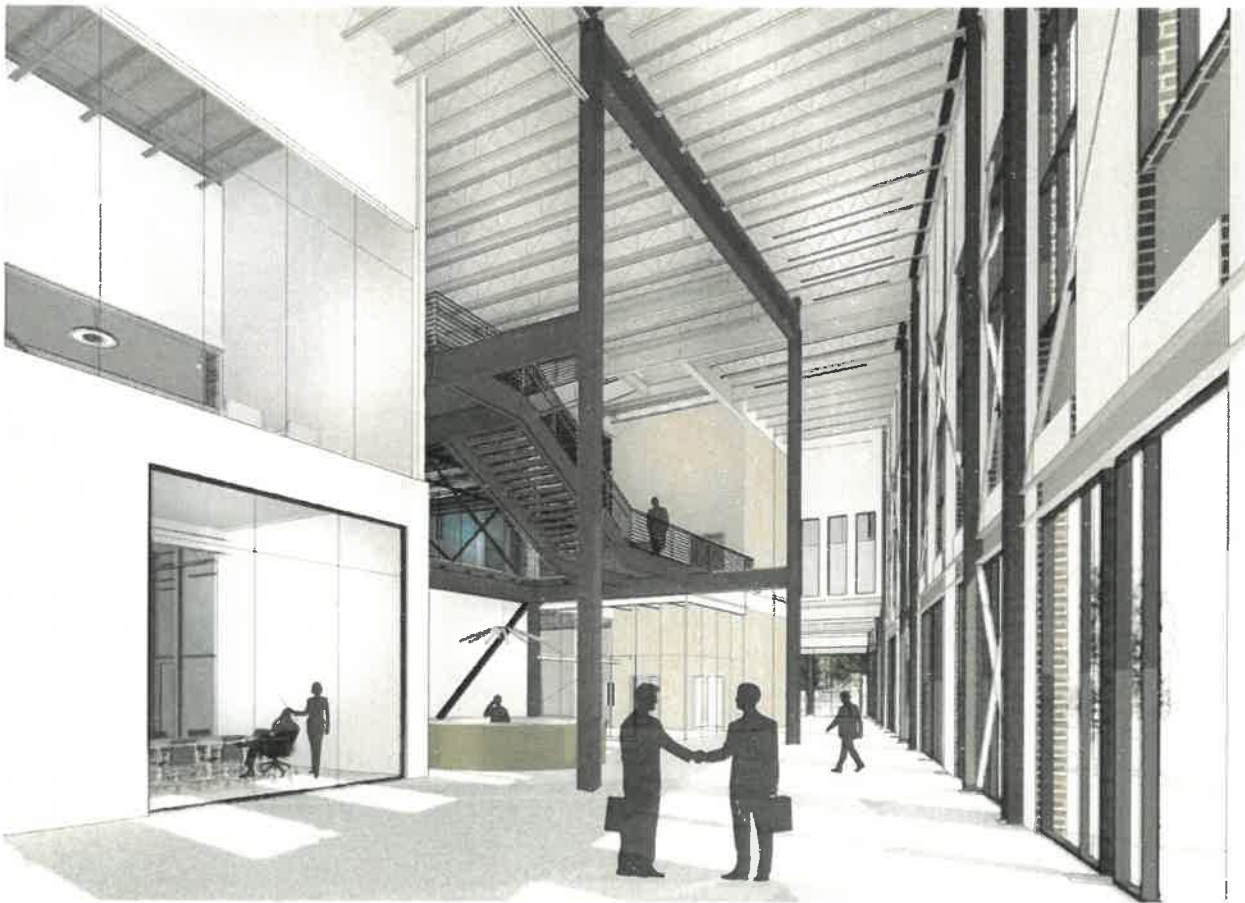




EXHIBIT D

Source and Uses of Funds: Pro-Forma

WITH PILOT

SOURCES OF FUNDS:	\$	%
Project Debt (L + 450)	46,891,877	75.0%
Owner's equity in project	15,630,626	25.0%
Total Sources of Funds	62,522,502	100%

USES OF FUNDS:	\$	%
Land Building Purchase	10,000,000	16.0%
Closing Costs	848,521	1.4%
Capex, Design, Etc.	21,200,000	33.9%
Leasing Costs	26,107,255	41.8%
Interest and Carry Shortfall	4,366,726	7.0%
Uses of Funds	62,522,502	100%

NO PILOT

SOURCES OF FUNDS:	\$	%
Project Debt (L + 450)	48,128,986	75.0%
Owner's equity in project	16,042,995	25.0%
Total Sources of Funds	64,171,981	100%

USES OF FUNDS:	\$	%
Land Building Purchase	10,000,000	15.6%
Closing Costs	870,787	1.4%
Capex, Design, Etc.	21,200,000	33.0%
Leasing Costs	26,107,255	40.7%
Interest and Carry Shortfall	5,993,939	9.3%
Uses of Funds	64,171,981	100%

Cash Flow Summary with P10T

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25		
	Sep-19	Sep-20	Sep-21	Sep-22	Sep-23	Sep-24	Sep-25	Sep-26	Sep-27	Sep-28	Sep-29	Sep-30	Sep-31	Sep-32	Sep-33	Sep-34	Sep-35	Sep-36	Sep-37	Sep-38	Sep-39	Sep-40	Sep-41	Sep-42	Sep-43		
Base Rental Revenue	•	2,103,000	5,980,380	5,713,775	5,799,481	5,886,670	5,974,765	6,064,390	6,155,938	6,247,692	6,341,465	6,438,530	6,538,072	6,639,184	6,741,929	6,847,492	6,955,916	7,067,296	7,181,734	7,299,329	7,420,189	7,544,324	7,671,746	7,802,465	7,941,489	8,088,817	
Reimbursement Revenue	•	•	28,656	275,464	319,932	365,688	412,764	461,220	511,000	562,404	615,216	669,576	725,520	783,096	842,352	903,348	967,024	1,032,512	1,099,856	1,169,104	1,240,308	1,313,526	1,389,816	1,469,245	1,551,889	1,637,827	
Effective Gross Revenue	•	2,103,000	5,980,446	5,980,259	6,119,413	6,252,358	6,387,529	6,525,610	6,666,638	6,810,096	6,956,681	7,106,106	7,258,592	7,414,280	7,574,281	7,737,840	7,905,240	8,076,808	8,251,590	8,429,484	8,610,497	8,794,650	8,981,961	9,172,716	9,367,004	9,564,929	
Total Operating Expenses	(1,003,296)	(1,689,365)	(1,857,571)	(1,908,972)	(1,951,408)	(1,997,122)	(2,044,195)	(2,092,623)	(2,142,408)	(2,193,741)	(2,246,530)	(2,300,882)	(2,356,788)	(2,414,135)	(2,472,993)	(2,534,465)	(2,598,540)	(2,665,220)	(2,734,505)	(2,806,394)	(2,880,772)	(2,957,648)	(3,038,021)	(3,121,891)	(3,209,256)	(3,299,115)	
Net Operating Income	(4,002,296)	499,085	3,956,875	4,002,287	4,068,007	4,255,036	4,343,334	4,432,987	4,523,230	4,614,355	4,707,003	4,802,714	4,900,806	4,999,145	5,098,289	5,198,376	5,299,700	5,403,320	5,509,085	5,617,084	5,727,317	5,839,875	5,954,762	6,071,985	6,192,544	6,315,469	
Less: Capex	(15,200,000)	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
Less: Leasing Costs	(9,161,916)	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	(8,300,622)	•	•	•	•	•	•	•	•	•	
Cash Flow After Debt Service	(25,252,212)	(13,800,911)	3,502,714	4,002,287	4,068,007	4,255,036	4,343,334	4,432,987	4,523,230	4,614,355	4,707,003	4,802,714	4,900,806	4,999,145	5,098,289	5,198,376	(3,007,852)	(3,007,852)	3,207,859	3,408,006	3,613,517	3,824,675	4,041,462	4,263,889	4,491,946	4,725,731	
Loan Funding	19,639,180	12,450,106	293,871	•	•	•	•	•	•	•	•	•	•	•	•	•	6,091,520	•	•	•	•	•	•	•	•	•	
Debt Service	(891,362)	(2,799,233)	(5,081,132)	(5,017,278)	(5,013,095)	(5,022,146)	(5,028,738)	(5,035,472)	(5,042,259)	(5,049,100)	(5,056,016)	(5,063,016)	(5,070,100)	(5,077,278)	(5,084,549)	(5,091,916)	(5,149,970)	(5,158,861)	(5,168,081)	(5,177,634)	(5,187,517)	(5,197,743)	(5,208,311)	(5,219,221)	(5,230,472)	(5,242,064)	
Cash Flow After Debt Service	(6,583,394)	(4,150,038)	722,453	1,055,009	1,054,911	1,232,890	1,314,596	1,398,515	1,474,971	1,554,256	1,634,987	1,718,698	1,805,706	1,896,861	1,991,740	2,090,460	(691,324)	(691,324)	1,755,987	1,909,390	2,071,865	2,243,921	2,426,657	2,620,176	2,824,469	3,039,672	
2020	0.00	0.00	0.21	1.15	1.30	1.71	1.87	1.96	1.99	1.91	1.51	1.57	1.60	1.60	1.60	1.67	1.73	1.73	1.67	1.67	1.65	1.61	1.58	1.56	1.54	1.51	1.47

EXHIBIT E

Letter from Commissioner of the State of Tennessee
Department of Economic and Community Development

Letter will be provided under separate cover.

EXHIBIT F

Letter from Comptroller of the State of Tennessee

Letter will be provided under separate cover.