



LEWIS THOMASON

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8 February 2021

James B. McLaren, Jr.
Attorney at Law
Adams and Reese, LLP
6075 Poplar Avenue, Suite 700
Memphis, TN 38119

Re: Court Square Center – Request for Approval of Assignment of PILOT Lease

Dear James:

I serve as Tennessee counsel to LHU Capital Region, LLC, a New York limited liability company as “Purchaser”. Purchaser is represented nationally by Barry Konigsberg, Esq. of Konigsberg Law, P.C., 500 River Avenue, Suite 250, Lakewood, NJ 08701, email: barry@konigsberglaw.com. The Sellers are Court Square Associates, LLC, a Delaware limited liability company and Court Square Investment Fund, LLC, a Delaware limited liability company, and Court Square Center, LLC, a Delaware limited liability company, collectively the “Seller”. The Seller is represented by Stewart G. Austin, Jr. of Glankler Brown, PLLC law firm, 6000 Poplar Avenue, Suite 400, Memphis, TN 38119, email: saustin@glankler.com.

Purchaser desires to acquire one hundred percent (100%) of the Membership Interest of the real property of which Seller is the Leasehold Owner under a Lease Agreement with Memphis Center City Revenue Finance Corporation (“CCRFC”) on the real property commonly known as 66 N Main, Memphis, Tennessee 38103 and also known as Court Square Center. The Lease is of record in the Register’s Office of Shelby County, Tennessee at Instrument Number 06123933 dated July 31, 2006, with further recording in the Shelby County Register’s Office at Instrument Number 06123934, with a First Amendment to Lease Agreement entered into as of April 13, 2015 of record in the aforesaid Register’s Office at Instrument Number 15033178. The PILOT benefits are extended under the First Amendment to Lease Agreement through December 23, 2026.

Purchaser is familiar with the provisions of Section 3.06 of the Lease with regard to Assignment of Interest and believes it satisfies the requirements subject to your Board’s approval. The Membership Interest assignment contemplated is one hundred percent (100%) of the LLC. Purchaser understands the assignment of the Lessee’s interest in the PILOT requires both the approval of the CCRFC and a transfer fee equal to one percent (1%) of the project value which shall be due at the closing of the sale, transfer, or assumption of Lessee’s interest in the PILOT. Purchaser further understands that this transfer fee shall not be prorated based upon an expired portion of the PILOT but shall be due upon the full project value without proration.

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Purchaser understands the historic significance of the structure in downtown Memphis and views this as an asset which it respects and shall maintain.

Purchaser is mindful of the assignment requirement that it shall have a financial worth and experience level satisfactory to the Lessor. I believe this Purchaser meets all such conditions.

The Purchaser, through Jeff Yoffe of G.F. Financial is engaged under a Letter of Intent to arrange a Borrower loan under the FannieMae Program through Arbor Commercial Funding I, LLC as a twelve (12) year term loan. I believe Purchaser's qualification for financing under this program evidences its significant financial strength.

The key principal of Purchaser is Ephraim Hasenfeld & Hudson Equities Management Company. I enclose for your information a brief resume on this principal together with an attachment listing the properties of Hudson Equities Management Corp. This includes the 100,000 square foot Class A office building in Memphis, Shelby County, Tennessee, at the address commonly known as 6525 Quail Hollow Road. Purchaser has a 100% Ownership Interest in this investment property. Among other properties it has a majority 84% Ownership Interest in a 250,000 + square foot office complex in Nashville, Davidson County, Tennessee, commonly known as Two Rivers Corporate Center. A successful Assignment of Membership Interest and the PILOT Lease to this applicant will increase its owned and managed properties in Tennessee.

The broker in this transaction is Lea Heilig, CCIM, Multi-Housing Investments at Woodyard Realty Corporation, 5865 Ridgeway Center Parkway, Suite 300, Memphis, TN 38120, email: lea@woodyardrealty.com.

This is to request that our Application be scheduled for the meeting set to be held Tuesday, March 9, 2021 commencing at 9:00 a.m., Memphis time. I assume this meeting like others during COVID will continue to be held via conference call and Zoom meeting, i.e., via electronic means only. Barry Konigsberg as General Counsel and I as Tennessee Counsel will plan to present the request for approval. We shall seek at the meeting the approval for Assignment of Lease and the Board's authorizing of execution of necessary documents and consideration of any other matters related to this proposed Assignment of Membership Interest to Applicant for Court Square Center.

I am best reached by cell phone at 901.481.1582 or email, mregan@lewisthomason.com if there are questions or if anything further is required.

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I am providing a duplicate of this request to Brett Roler, AICP, Vice President of Planning and Development at DMC. I appreciate the assistance he had provided to us in producing copies of relevant documents pertaining to the PILOT and Lease.

I would be grateful if could confirm our Applicant placement on the March 9, 2021 Agenda.

Thank you for your consideration.

Sincerely,

LEWIS THOMASON, P.C.



J. Martin Regan, Jr.

JMR:tlr
Enclosures

cc: Brett Roler, AICP, *via email:* roler@downtownmemphis.com
Vice President of Planning and Development
Downtown Memphis Commission

Shmuel Freund, *via email:* sfreund@islandsupplyinc.com
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**Ephraim Hasenfeld
&
Hudson Equities Management Company**

Mr. Hasenfeld holds an MBA from Long Island University, and completed the New York University Real Estate Institute course of study in real estate and real estate finance in 1983. Aside from his business interests, Mr. Hasenfeld is an accomplished musician, and is involved in numerous community activities. Mr. Hasenfeld worked for his family owned business, Alexander Hasenfeld, Inc., prior to forming Hudson Equities in 1985.

Alexander Hasenfeld, Inc., through its wholly owned subsidiary, Hasenfeld-Stein, Inc., is one of the largest sources of gem grade diamonds in the world, and counts the trade's largest jewelers among its clients. HSI maintains two diamond polishing factories – one in New York and one in China, and is a DeBeers Site Holder. In addition, the family owns a majority interest in three insurance companies -- American European Group, Rutgers Casualty, and Kentucky National Insurance Company (all of which have been consolidated into American European Group). The family also owns several New York City apartment buildings, recently sold a major interest in 444 Madison Avenue - a prime New York City office building, as well as its interest in 300 South Riverside Plaza, a 1.1 million square foot office building in Chicago. The family is also heavily involved in the stock market and other miscellaneous investments.

The family recently sold its remaining 50% stake in Coleman Cable, a leading manufacturer of electrical and electronic wire and cable products that was brought public by the family. Ephraim Hasenfeld is an officer and shareholder in all of the Hasenfeld family interests.

In 1985 Mr. Hasenfeld entered the real estate business with an initial purchase of 47 apartment buildings throughout northern New Jersey. In the mid 1990's, Mr. Hasenfeld began syndicating properties, whereby the Hasenfeld family would own approximately 25% - 30% of the property and other investors would comprise the balance of the ownership. All local real estate (both wholly owned and syndicated) is managed by Hudson Equities Management Corp (HEMC).

HEMC employs approximately 15 people in professional, administrative and maintenance positions, and manages apartment buildings, office buildings, and shopping centers throughout New Jersey, Pennsylvania, Florida, and in Omaha, NE.

Development Work

- 115 Christopher Columbus Drive was a vacant nondescript warehouse in a historic district of Jersey City. HEMC had the building decertified thus allowing the construction of a new façade, performed a full-gut rehab on the building, and transformed it into a modern fully-leased office building.
- 1255 Broad Street was a retail and manufacturing facility for an eyeglasses manufacturer. HEMC did a full-gut rehab, leased space to a state-of-the-art surgery center and to other related tenants in the medical field, and created a modern professional office building. From purchase to lease-up took 14 months.
- 5-15 and 5-25 Borden Avenue, Long Island City, NY - These adjacent lots on the East River overlooking Manhattan's East Side were occupied by a trucking firm. The buildings were demolished and a luxury 76 unit condominium from the ground up development is currently standing in its place. All of the condominiums were successfully sold out.
- 106 Apple Street is a 120,000 office building in Tinton Falls, NJ. Since purchasing the building HEMC has fully renovated over 70,000 *sf* of office space and has remodeled all of the mechanicals and public areas.
- Westside Plaza, Orlando, FL This 8 acre site was developed by Hudson Equities and is now improved with a 23,000 *sf* PEP Boys, and 47,000 square feet of retail space. It is 100% leased.
- The Fitzroy – 514 West 24th Street, from the ground up luxury condominium development. Mr. Hasenfeld is a 20% investor/partner. (website: www.fitzroy.nyc)

**The following properties were/are owned and/or managed by
Hudson Equities Management Corp**

<u>Property</u>	<u>Description</u>
<u>Bloomfield, NJ</u> 1255 Broad Street	Medical Office Building, 45,000sf
<u>Cherry Hill, NJ</u> 2250 Chapel Avenue	Office Building, 40,000sf
<u>Jersey City, NJ</u> 115 Christopher Columbus Drive	Office Building, 45,000 sf
<u>Old Bridge, NJ</u> 90 Matawan Road	225,000 sf Class A+ Office Building
<u>Tinton Falls, NJ</u> 106 Apple Street	125,000 sf Class B+ Office Building
<u>Woodcliff Lake, NJ</u> 300 Tice Boulevard	240,000 sf Class A+ Office Building
<u>Long Island City, NY</u> 5-15 and 5-25 Borden Avenue SOLD ALL UNITS	76 Unit Luxury Condominium
<u>Blue Bell, PA</u> Sentry Drive Portfolio	3 Class A Office Buildings totaling 200,000 sf
<u>Bristol, PA</u> 1414 Radcliff Avenue	180,000 sf Class A Office Building
<u>Easton, PA</u> 250 Line Street	94,000 sf Shopping Center
<u>Horsham, PA</u> 100 Tournament Drive	115,000 sf Class A Office Building
<u>Norristown, PA</u> 1000 Madison Avenue	103,000 sf Class A Office Building
<u>Memphis, Tenn</u> 6525 Quail Hollow Road	100,000 sf Class A Office Building

Orlando, FL

601 North Powers Drive

Retail Strip Mall, 70,000 sf

Omaha, NE

Old Mill Apartments, 10905 North Mill Court	248 Garden Apartments
Hearthside Apartments, 8214 Wilson Drive	180 Garden Apartments SOLD
Chateau Apartments, 401 Chateau Drive	115 Garden Apartments SOLD
City View Apartments, 604 South 22 nd Street	224 High Rise Apartments SOLD
Riviera Apts (Lloyd Place) 1805 Lloyd Street	48 Garden Apartments SOLD
Tara Heights Apartments	142 Garden Apartments

Kansas City, MO

The Reserve @ South Pointe, 8900 Old Santa Fe Road 301 Garden Apartments

Nashville, Tenn.

* Two Rivers Corporate Center

Office Complex - 250,000sf

New York, NY

* Rachel Bridge Apartments

700 unit high rise apartments

* Investment Property. Not wholly owned by Hudson Equities; managed by others.

1	1255 Broad Street, Bloomfield, NJ	Office	38000 SF	Renovated 2005	100.0%
2	115 Columbus Dr., Jersey City, NJ	Office	45000 SF	Renovated 1989	100.0%
3	2250 Chapel Ave, Cherry Hill, NJ	Office	33000 SF	1975	95.0%
4	120 Parkway, Old Bridge, NJ	Office	222000 SF	2001	91.0%
5	300 TICE BLVD, WOODCLIFF LAKE, NJ	Office	241,000 SF	1990	77.0%
6	1414 Radcliffe Street, Bristol, PA	Office	180,000 SF	2005	100.0%
7	1000 Madison Avenue, Norristown, PA	Office	103,000	1992	100.00%
8	Westside Plaza Shopping Ctr, Orlando, FL	Retail	70000 SF	2007	100.0%
9	6525 QUAIL HOLLOW ROAD, MEMPHIS, TN	Office	96,096	1991	100.0%
10	Two Rivers Corporate Ctr, Nashville, TN	Office	280000 SF	Renovated 2001	84.0%
11	4-5 Sentry Pkwy, Blue Bell, PA	Office	198,500sf	Renovated 2015-2016	92.0%
12	Old Mill Apartments, Omaha, NE	MFR	248	1980's	98.0%
13	Reaerve @ South Pointe, Kansa City, MO	MFR	301	1985	90.0%
14	TARA HEIGHTS APTS, OMAHA, NE	MFR	141	1972	92.0%