



LEWIS THOMASON

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23 April 2021

Via Email: james.mclaren@arlaw.com

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

Re: Museum Lofts Apartments
138 Huling Avenue, Memphis, TN
68 Units
Request for Approval of Assignment and Assumption of PILOT Lease Agreement

Dear James:

I serve as Tennessee counsel to Sufficient Standing LLC and its principal, Dr. Zell Kravinsky ("Purchaser"). They seek to be placed on the May 11, 2021 Agenda of Center City Revenue Finance Corporation ("CCRFC"). Specifically, they seek approval for a proposed Assignment and Assumption of PILOT Lease Agreement for the property commonly known as 138 Huling Avenue, Memphis, Tennessee. This property consists of 68 residential unit across from The Civil Rights Museum. The development is commonly known as Museum Lofts.

The Purchaser's national counsel is Stephan Cutler of Klehr Harrison Harvey and Branzburg LLP, 1835 Market Street, Suite 1400, Philadelphia, PA 19103, email: scutler@klehr.com.

The proposed "Assignor" is 138 Huling, LLC, a Tennessee limited liability company. The proposed Assignor and Seller is represented by Richard R. Spore, III, attorney at Bass, Berry & Sims, PLC, 100 Peabody Place, Suite 1300, Memphis, Tennessee 38103, email: rspore@bassberry.com.

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

The Purchaser/Assignee has an impressive history of commercial real estate development and investments. Attached is the financial statement of Dr. Zell Kravinsky, individually, together with a brief resume and article with additional background information.

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The Seller, 138 Huling, LLC has entered into that certain Payment In Lieu of Tax Lease Agreement ("PILOT") dated August 30, 2018. The Seller as Assignor plans to assign and convey and Assignee plans to assume and acquire 100% of all right, title, and interest of Assignor in and to this PILOT Lease, pursuant to all of the terms and conditions set forth therein.

It is contemplated by Purchaser that this property will part of a larger Section 1031 Tax Exchange.

I shall plan to be in attendance provided we are able to schedule this request as an Agenda items to be held Tuesday, May 11, 2021. Additionally, Dr. Zell Kravinsky plans to be in attendance. Presumably the meeting is held via conference call and Zoom.

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.

I am providing a duplicate of this request to Seller's counsel, Richard R. Spore and the Broker, Lea Heilig.

I would be grateful if you could confirm our applicant placement on the May 11, 2021 Agenda.

Thank you for your consideration.

Sincerely,

LEWIS THOMASON, P.C.

A handwritten signature in blue ink that reads "Martin Regan, Jr." with a stylized flourish at the end.

J. Martin Regan, Jr.

JMR:tlr
Attachments

cc: Brett Roler, AICP, via email: roler@downtownmemphis.com
Vice President of Planning and Development
Downtown Memphis Commission
114 N Main Street
Memphis, TN 38103

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Richard R. Spore, III, *via email: rspore@bassberry.com*
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Lea Heilig, CCIM, *via email: lea@woodyardrealty.com*
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Stephan L. Cutler, *via email: scutler@klehr.com*
Klehr Harrison Harvey and Branzburg LLP
1835 Market Street, Suite 1400
Philadelphia, PA 19103

Dr. Zell Kravinsky, *via email: kravinsky7@gmail.com*

Real Estate Equity	\$	74,776,558
Non Real Estate Investments	\$	8,175,780
Cash on hand	\$	11,197,109
Net Worth	\$	94,149,446

Cash on Hand:	Amount	Notes
BB&T 1	\$ 3,811,709	Personal Checking
BB&T 2	\$ 3,060	Personal Checking
BB&T 3	\$ 5,765	Personal Checking
BB&T 4	\$ 115,561	Personal Checking
BB&T 5	\$ 275,647	Personal Checking
BB&T 6	\$ 2,424,175	Kravinsky Family Trust
BB&T 7	\$ 4,427,870	Kravinsky CRUT
Firstrust 1	\$ 120,239	Personal Checking
Firstrust 2	\$ 13,083	Personal Checking

Non RE Investments:	Amount	Notes
Oppenheimer	\$ 9,500	
Personal/spouse retirement accounts	\$ 4,143,276	
PA 529	\$ 913,004	
Walmart Carried Interest	\$ 500,000	GP Carried Interest
Towers Carried Interest	\$ 2,500,000	GP Carried Interest
Adria Partners	\$ 110,000	RE fund

REC

Property	Address	SF	Units	Value	NOI	Cap Rate
Villa Park 1031	N/A	N/A	N/A			
Cintas Rochester	2005 Brighton Henrietta Town Line Road, Rochester NY	48,703	1	\$ 78,711,745	\$ 498,838	N/A
Wyoming Hills	2466 Wyoming St, Dayton OH	88,212	115	\$ 6,200,000	\$ 421,963	8.91%
Princeton Place	1700-1800 American Blvd, Pennington NJ	306,534	6	\$ 71,000,000	\$ 4,914,499	6.81%
Towers of Wyncote	8460 Limekiln Pike, Wyncote PA	1,758,471	1,095	\$ 207,000,000	\$ 9,970,387	6.92%
Meadowbrook	1700 Huntingdon Pike, Huntingdon Valley PA	733,545	531	\$ 118,000,000	\$ 5,836,282	4.82%
7400 Roosevelt	7400 Roosevelt Blvd, Philadelphia PA	178,000	196	\$ 27,000,000	\$ 1,567,856	4.95%
Flats on Jefferson	100 N Jefferson St, Dayton OH	38,822	48	\$ 1,500,000	\$ 572,134	5.81%
St. Clair Lofts	35 S St Clair St, Dayton OH	146,275	108	\$ 11,600,000	\$ 435,925	N/A
Trailbridge Townhomes	632 Lafayette Ave, Middletown OH	152,364	111	\$ 8,000,000	\$ 1,230,500	4.93%
Johnson Controls Tarboro	3301 N Main St, Tarboro NC	192,878	1	\$ 17,000,000	\$ 481,096	5.45%
Stone Creek Pointe	13275 Arbor Pointe Cir, Tampa FL	149,510	156	\$ 9,500,000	\$ 360,361	7.24%
Walmart - Saukville	825 E Green Bay Ave, Saukville WI	122,000	1	\$ 6,800,000	\$ 363,272	5.06%
Tractor Supply - Covington	975 Highway 51 N, Covington TN	72,113	2	\$ 1,600,000	\$ 363,272	5.30%
Piazza on the Square	309 Old York Rd, Jenkintown, PA	90,715	6	\$ 4,000,000	\$ 363,272	N/A
Township Line	124 Township Line, Jenkintown PA	4,000	1	\$ 600,000	\$ 363,272	9.08%
Total		4,082,142	2,378	\$ 574,111,745	\$ 26,653,112	N/A

Debt	Equity	Ownership %	ZK Equity	Notes
	N/A		\$ 42,409,888	Funds held by a qualified intermediary for 1031, includes carried interest
\$ 3,640,000	\$ 1,960,000	53.88%	\$ 99,290	Single Tenant NNN, lease expiration 2032
\$ 3,222,000	\$ 2,978,000	47.50%	\$ 1,414,541	Multifamily
\$ 58,880,000	\$ 12,120,000	1.75%	\$ 212,542	Multi-tenant office
\$ 135,000,000	\$ 72,000,000	16.00%	\$ 11,520,000	Multifamily
\$ 76,700,000	\$ 41,300,000	9.79%	\$ 4,041,985	Multifamily
\$ 17,085,100	\$ 9,914,900	14.29%	\$ 1,416,839	Multifamily
\$ 495,675	\$ 1,004,325	15.00%	\$ 150,649	Multifamily - currently under renovation, down units being brought online
\$ 7,500,000	\$ 4,100,000	50.00%	\$ 2,050,000	Multifamily
\$ 5,550,208	\$ 2,449,792	46.30%	\$ 1,134,156	Multifamily
\$ -	\$ 17,000,000	43.65%	\$ 7,420,500	Single Tenant NNN, lease expiration 2033
\$ 5,968,849	\$ 3,531,151	50.00%	\$ 1,765,576	Multifamily
\$ 4,764,811	\$ 2,035,189	20.00%	\$ 407,038	Single Tenant ZCF NNN, lease expiration 2027
\$ -	\$ 1,600,000	20.00%	\$ 320,000	Multi-tenant retail, currently leasing up
\$ 3,031,000	\$ 969,000	16.20%	\$ 156,978	Multi-tenant retail
\$ 343,423	\$ 256,577	100.00%	\$ 256,577	Primary residence
\$ 322,181,066	251,930,679		74,776,558	

Dr. Zell Kravinsky bought his first investment property in 1978 for less than \$10,000. He built a portfolio of apartment buildings in the following years while studying and then teaching at the University of Pennsylvania. He began his involvement in larger commercial properties by purchasing 1m square feet of department stores and distribution centers leased to a discount retailer in the American Midwest. His portfolio has included Walmart stores, AT&T office buildings and call centers, Cargill meat packaging plants, hyperscale data centers, corporate campuses, and similar high-credit double- and triple-net leased properties. He is currently the general partner/lead investor in approximately \$700m worth of real estate assets, comprised of approximately 1,500 apartment homes (including the largest high-rise in Pennsylvania) and 1.5m SF of corporate office, industrial, and retail space.

Dr. Kravinsky is recognized as a philanthropist for having given the vast majority of his wealth away in the early 2000's, as well as being one of the first non-directed kidney donors in the United States. He gave the largest private donation ever received to the Center for Disease Control. In his bestselling book "Giving", President Bill Clinton praised Dr. Kravinsky's activities in philanthropy. Dr. Kravinsky holds two PhDs from the University of Pennsylvania, and served on the board of directors at both the Ohio State University Foundation and the Community College of Philadelphia Foundation.

Zell Kravinsky

Zell Kravinsky is an American investor and utilitarian who is known for making a non-directed kidney donation to a stranger and for donating over \$45 million of his personal wealth to charity, with the largest individual donation going to the Centers for Disease Control and Prevention (CDC).^[1] He is also a poet.

Zell Kravinsky

Nationality	United States
Education	B.A. Dartmouth College PhD University of Pennsylvania
Occupation	real estate developer professor philanthropist

Early life and education

Kravinsky was born to a Jewish family^[2] and earned two Ph.D. degrees from the University of Pennsylvania, one in 1989 in Rhetoric with a dissertation on Aristotle's *topoi*, and the other in 1994 in English Literature with a dissertation on paradoxical polysemy in Milton's *Paradise Lost*. He also completed required courses for a third doctoral degree, in cultural anthropology from The New School For Social Research, but did not take the preliminary examination or write a dissertation. His B.A. from Dartmouth College was in Asian Studies, with a specialty in Indian Studies.^[3]

Career

He lectured full-time at Penn for some years, was a Faculty in Residence for four years, and one year was selected, in the University's published book of student evaluations, as the most overall highly ranked faculty member at Penn. Kravinsky then worked for insurance companies designing and teaching training workshops in management development; taught handicapped ("learning disabled" and "socially and emotionally disturbed," i.e., conduct-disordered) children in inner-city Philadelphia schools; and taught Transcendental Meditation.^[4]

Philanthropy

After amassing a real estate fortune, having started with one thousand dollars, Kravinsky gave away virtually all of it to various charities, concentrating on public health organizations. Specifically, he donated almost all of the \$45 million he amassed in real estate to charities dealing with improving health; he made the largest individual contribution ever to the foundation supporting the United States government Centers for Disease Control and Prevention (CDC), and also made major donations to The Johns Hopkins Bloomberg School of Public Health and to the Ohio State University College of Public Health.^[5]

Kidney donation

After Kravinsky learned that many African-Americans have difficulty obtaining kidneys from family members, he sought out a hospital in Philadelphia that would allow him to donate one of his kidneys to a lower-income black person.^[6]

According to Peter Singer, writing in *The New York Times*, Kravinsky justified the donation mathematically when speaking to Singer's students, noting that the chances of dying as a result of the procedure would have been about 1 in 4,000. Kravinsky believed that, under the circumstances, "to withhold a kidney from someone who would otherwise die means valuing one's own life at 4,000 times that of a stranger", a ratio he termed "obscene."^[7]

Following the kidney donation, Kravinsky did several interviews with the media, including a radio conference with Robert Siegel of NPR and a TV appearance on CBS among others. During some of these public interviews, Kravinsky argued that should someone be, for instance, on the verge of curing cancer but would die unless Kravinsky were to donate his second kidney, that being the only match in the world, that it would be morally correct to donate the kidney in order that millions of people would be saved. Kravinsky has noted that this admittedly theoretical and highly improbable scenario is the logical extension of someone risking his life by jumping into icy water to save a child, or a soldier cradling a hand grenade to save his buddies.

He is mentioned in former President Bill Clinton's book *Giving*, and in an article in the December 10, 2008 issue of the Journal of the American Medical Association, The Economics of Health Equity.

References

1. Parker, Ian (August 2, 2004), "The Gift", *The New Yorker*, **80**: 54–63
2. "Among America's Mega- Donors, Many Jews, but Few Gifts to Jews" . Jewish Telegraph Agency. February 24, 2004.
3. Schwartz, Jerry (November 30, 2003). "Generous to a Fault or Faulty Generosity?" . *Los Angeles Times*.