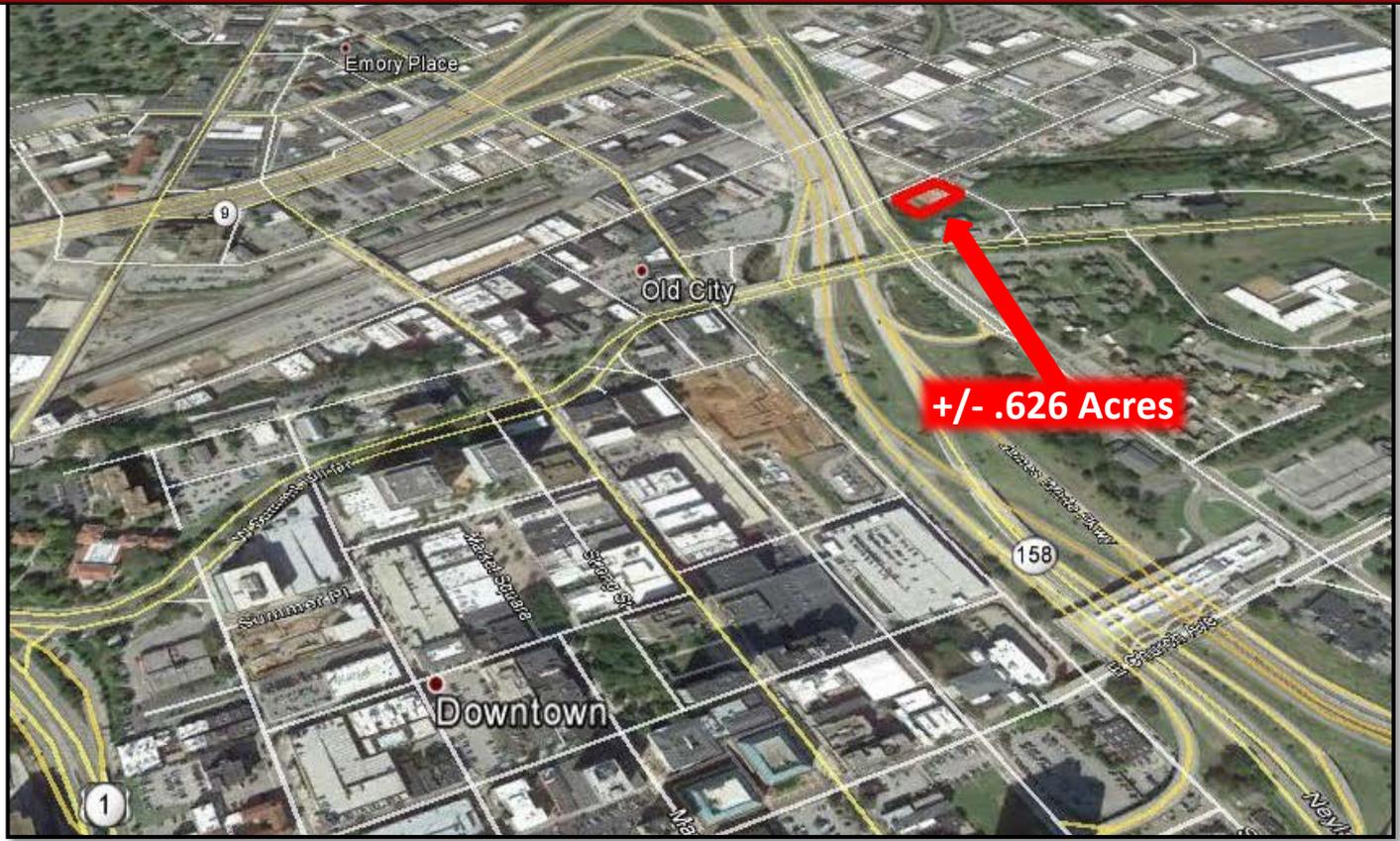


Knoxville Industrial Site



**S/W Corner of Willow Avenue and Patton Street,
Knoxville, TN (Knox County)**

FOR SALE – Offering Memorandum

Toll Free (844) 660-8100
Jeff G. Jones at (615) 445-9984
Bruce Nelson at (615) 651-4677

**State of Tennessee Real Estate Asset Management
Department of General Services
WRS Tennessee Tower, 24th Floor
312 Rosa L. Parks Ave. , Nashville, TN 37243**

The State will accept sealed bids until 1:30 p.m. Central Time on August 30, 2016. The State reserves the right to reject any and all bids. Please contact us (or visit our website) for bid package and additional information.

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CONFIDENTIALITY AND DISCLAIMER AGREEMENT

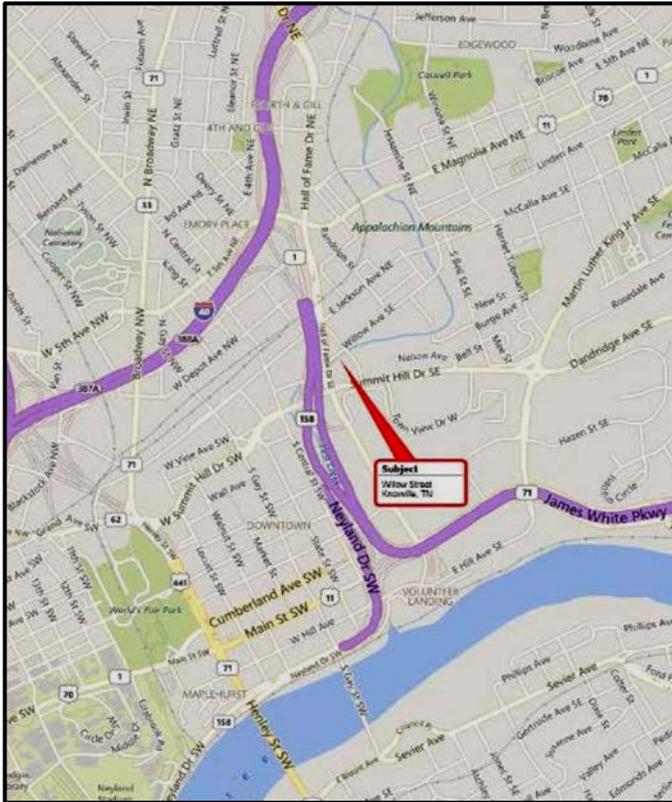
CONFIDENTIALITY - The enclosed information (“Presentation”) is provided to you, strictly for your own personal use in determining whether to pursue negotiations to acquire certain properties (defined as the “Property”) in which The State of Tennessee, on behalf of its Agencies (both defined as “Seller”) own. Further distribution of the information contained herein without prior written permission from Seller is strictly prohibited. If you decide not to pursue an acquisition of the Property, please return this Presentation immediately to Seller.

INFORMATION DEEMED CORRECT, THOUGH NOT WARRANTED - This Presentation contains select information that Seller believes to describe the Property adequately. We do not present this information as being all-inclusive or as containing all pertinent information necessary to a prudent acquisition decision. Interested parties are advised to confirm all facts, figures, and representations contained herein for themselves. Any prudent buyer should include an independent investigation of this Presentation and the Property.

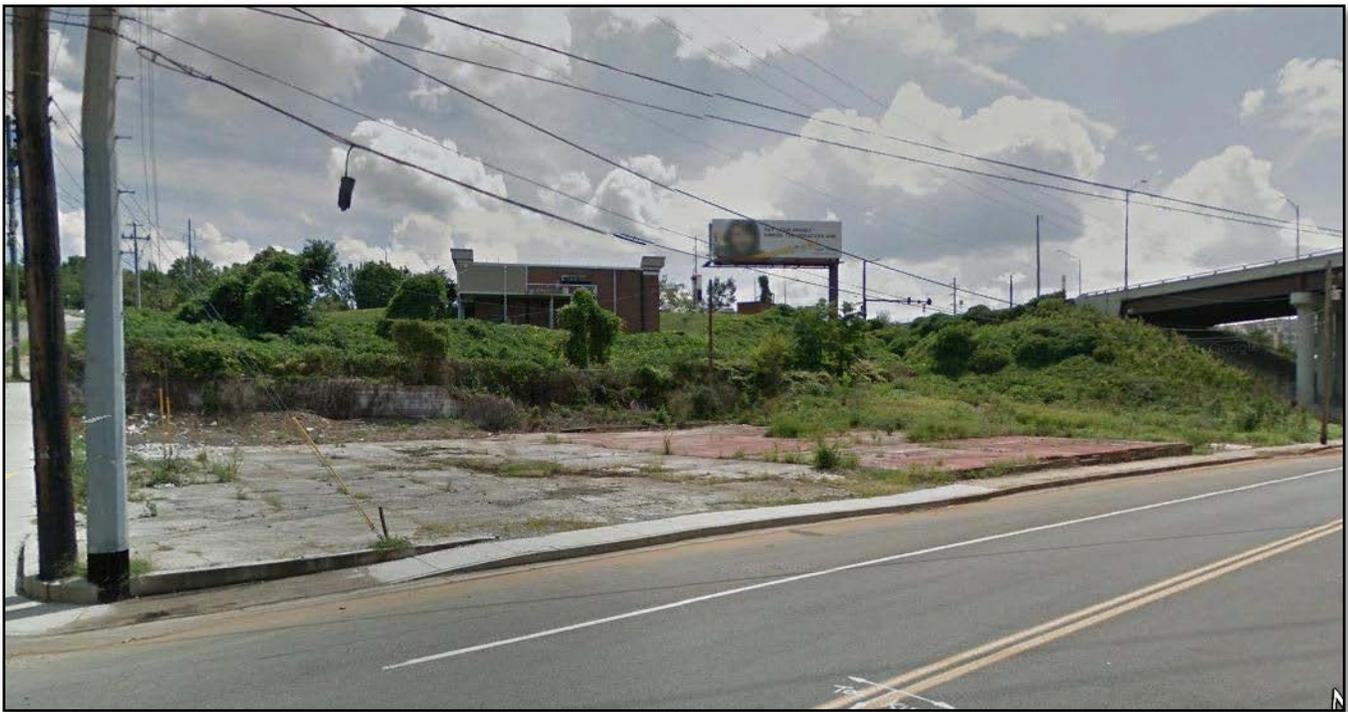
INDEPENDENT INVESTIGATION REQUIRED - This Presentation should not be considered an all-inclusive representation of the state of affairs of the Property. The fact that errors, omissions and changes are possible require that a prudent buyer **MUST** independently confirm all information pertinent to the condition and affairs of the Property.

PACKAGE DELIVERED SUBJECT TO PRECEDING CONDITIONS - In accepting this package, you agree to be bound by the conditions and requirements detailed in this Confidentiality And Disclaimer Agreement.

SUMMARY



The site is located on the southwest corner of Willow Avenue and Patton Street. The property is located in Knox County, Tennessee just northeast of downtown Knoxville and the “Old City”. The property is a +/- .626 acre site which is zoned industrial. It is Right-of-Way property that has been deemed surplus by the Tennessee Department of Transportation.



PROPERTY INFORMATION

Site Data

The subject is a rectangular shaped tract containing approximately 27,270 sq. ft. or ± 0.626 acres. The site has $\pm 206.82'$ along the south side of Willow Avenue and $\pm 118.40'$ along the west side of Patton Street. The site is generally level to gently rolling upward to the rear boundary to the location of the retaining walls.

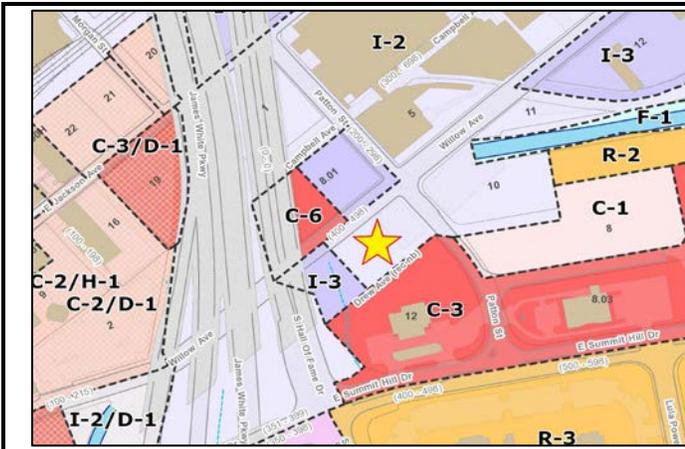
The property is improved with asphalt paving along the eastern 1/3 of the site, concrete slab in the center 1/3 of the site and dirt along the western 1/3 of the site. The slab is where an old industrial building was once located.



Zoning and Utilities

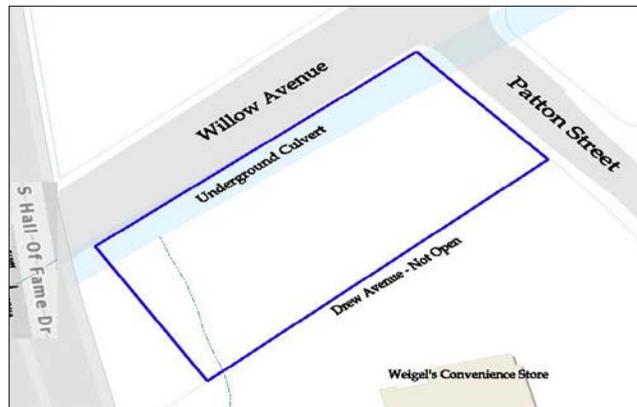
The subject property is zoned I-2, Restricted Manufacturing and Warehousing District and I-3 General Industrial District by the Metropolitan Planning Commission of Knoxville/Knox County. Most of the site is zoned I-2. This industrial district provides for a variety of light industrial uses and some commercial uses.

Utilities available to the site include electricity, natural gas, water, sewer and telephone



Flood Map

According to Federal Emergency Management Agency (FEMA) Map Number 47093C0282F, revised May 2, 2007, the property is not located within a flood designated area.



MARKET AREA OVEVIEW

Knoxville:

The city of Knoxville, Tennessee, is almost in the center of Eastern America, equally distant from the Atlantic Coast and the Mississippi River; or from the Gulf of Mexico and the Great Lakes. Situated in the Eastern Division of the State, Knoxville is approximately 185 miles east of Nashville, Tennessee; 200 miles north of Atlanta, Georgia; 110 miles west of Asheville, North Carolina and 249 miles south of Louisville, Kentucky. This central location, with respect to the competitive centers of commerce indicated above, is basic to Knoxville's strategic position as the key city of a wide area.

For many years, Knoxville has been known as one of the South's leading wholesale and jobbing centers, the first wholesale house being established in 1837. According to the latest Census of Business, Knox County now has 862 wholesale and distributing houses; 2,366 retail and 2,813 service providing establishments. Knoxville is the trading center for 1.5 million people in 42 counties of Tennessee, Kentucky, Virginia and North Carolina.

Knoxville is a junction for much of the interstate highway travel in the eastern United States. Three major routes: Interstate 75 (north-south), Interstate 40 (east-west) and Interstate 81 (north-south) intersect in or near the city. Six U. S. highways pass through the city, and ten state highways complete the local road system.

Knoxville is also nationally recognized as an education center, as it is the home of the fifteenth largest state university in the country, the main campus of the University of Tennessee, with an enrollment of about 25,000 students. One of the nation's major research universities, UT offers 110 undergraduate and 172 graduate degree programs.

Population:

The population of the greater Knoxville area, estimated by the Bureau of Census, as of 2012 was as follows:

Knoxville	182,200
Knox County	441,132
Metropolitan Area (CSA)	1,092,370

Neighborhood:

The CBD consists primarily of governmental, legal, financial facilities, and service businesses related to the first three categories.

The general neighborhood is improved with a variety of retail, commercial and light industrial uses. The area to the west of the subject is known as "Old City" where there are numerous restaurants, nightclubs, antiques stores, residential lofts and other related business in the general area.

The trend for the CBD is that many of the office buildings being converted to residential condominiums, such as the Holston National Bank Building with 43 residential condominium units, The Gallery Lofts above the Mast General Store with more than 12 units, Burwell Building with 20 units, 48 units in the Candy Factory on the World's Fair Site, Crown Court Condos with 14 units, Fire Street Lofts on Jackson Avenue with 28 units, 8 units at the Jackson Atelier Lofts, and 30 undeveloped units at the Penney's Building, plus many other small developments. Regal Cinemas has also recently opened an eight (8) screen theater in the 500 block of Gay Street.

SPECIAL CONDITIONS

Language in the Deed will include the following language:

This conveyance is made and accepted subject to the following conditions which will be binding upon the Grantees, their successor and assigns, and shall run with the land in perpetuity.

Said conditions are as follows:

- (1) no person, on the grounds of sex, handicap, race, color, religion, age, or national origin shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in the use of any public accommodations which may be constructed on the above described land;
- (2) that in connection with the construction of any improvements on said lands and the furnishings of services thereon, no discrimination shall be practiced and in the selection of employees and contractors, by contractors in the selection and retention of first-tier subcontractors and by first-tier subcontractors in the selection of the retention of second-tier subcontractors;
- (3) that such discrimination shall not be practiced against the public in their access to and use of the facilities and services provided for public accommodations (such as eating, sleeping, rest, recreation, and vehicle servicing) constructed or operated on the above described land;
- (4) that the Grantees comply with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, Title 49, Code of Federal Regulations, Part 27, Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance; and 23 U.S.C., Section 324;
- (5) that this conveyance is subject to any interest a utility may have in the placement and maintenance of existing utility facilities located on the property;
- (6) No junkyards, as defined in 23 U.S.C., Section 136 shall hereafter be established or maintained on land released as excess to highway needs. No signs, billboards, outdoor advertising structures or advertisement of any kind as provided for in 23 U.S.C., Section 131 shall be hereafter erected, displayed, placed or maintained upon or within the land released, except that signs may be erected and maintained to advertise the sale, hire or lease of the property, or the principal activities conducted on the land upon which the signs are located.

TERMS OF OFFERING

ALL CASH - "AS IS"

The State of Tennessee requests sealed bids for the purchase of the Real Estate located at the S/W corner of Willow Avenue and Patton Street – Knoxville, Tennessee.

NO MINIMUM BID

The State will accept sealed bids until **1:30 p.m. Central Time on August 30, 2016**. The State reserves the right to reject any and all bids. Please contact us (or visit our website) for bid package and additional information.

BID PROCEDURE

METHOD: Sale is to be by the sealed bid method. The State reserves the right to refuse or reject any or all bids.

OPENING: Sealed bids will be opened **August 30, 2016 at 1:30 p.m.** (Central Time) at the State of Tennessee Real Estate Asset Management office in Nashville, Tennessee. Bids must be received by Real Estate Asset Management no later than the opening time and date. Late bids will be returned unopened.

FORMAT: The bid must state the amount of the bid and identify the party or entity to whom the property will be conveyed. Bids must be sealed and contain the following information on the bottom left hand corner of the envelope:

BID ENCLOSED: TR. 16-02-012
BID OPENING TIME: 1:30 PM CT
BID OPENING DATE: AUGUST 30, 2016

SECURITY DEPOSIT: The bid must include a security deposit by cashier's check, in the amount of five (5%) of the total bid, payable to the State of Tennessee. Security deposits will be deposited the next business day. The security deposit will be applied to the purchase price for the successful bidder. The security deposit will be forfeited if the successful bidder fails to perform. Security deposits will be returned to unsuccessful bidders by separate State warrants within three weeks. ***Additional fees shall be set forth on the Bid Form.***

AWARD OF BID: Bids will be either accepted or rejected within forty-five (45) days from the bid opening date.

TERMS OF SALE: The property will be sold "as is" for cash due upon closing. The balance of the purchase price shall be paid by cashier's check payable to the State of Tennessee. All of the State's right, title and interest will be conveyed to buyer by quitclaim deed without any warranties or covenants.

FORWARD BIDS TO:

Mr. Frank Baugh
State of Tennessee Real Estate Asset Management
312 Rosa L Parks Ave, 24th Floor
Nashville, TN 37243-0299

PROPERTY CONDITION DISCLOSURE

All information is provided so that interested parties may make informed decisions regarding this property. Accuracy is not guaranteed and it is not intended to be all inclusive. This is not a warranty or a substitute for any professional inspections or warranties that purchasers may wish to obtain. Purchasers agree to accept the property "as is."

STATE OF TENNESSEE TR. 16-02-012
 +/- .626 acres of land located at the
 South West Corner of Willow Avenue and Patton Street
 Knoxville, Knox County, TN

BID FORM

I, _____, submit a bid of \$ _____, for the +/- .626 acres located at the south west corner of Willow Avenue and Patton Street, Knoxville, TN, being the same property identified by the proposal information for STREAM Transaction Number 16-02-012. The amount of the bid is as follows:

Line	Line Item	Amount
1	Bid Amount	\$
2	REM Fee (5% of Bid Amount - Line #1 above)	\$
3	Appraisal Fee	\$ 2,450.00
Total Bid (Please add lines 1, 2 and 3)		\$

Enclosed is a cashier's check payable to the **State of Tennessee** in the amount of \$ _____ which constitutes the required bid deposit of five (5) percent of my total bid. The balance to be paid upon notification by the State of Tennessee that the deed has been fully executed and is ready for delivery.

Please **Print** Name(s) Below:

Please **Sign** Name(s) Below:

Please provide below the exact name of the Grantee(s) and the address for notification of property taxes to be used if you are the successful bidder.

_____ Grantee Name

_____ Grantee Address

_____ City/State/Postal Code

_____ Phone Number

_____ Email