

**HUDSON &
COMPANY, INC.**
BUILDING CONSTRUCTION CONSULTANTS

352-377-0623

August 29, 2008

Mayor Pegeen Hanrahan
Gainesville City Commission
200 East University Avenue
Gainesville, FL 32601

Attn: Anthony Legans

Re: **Gainesville Greens**

Dear Pegeen,

It is with great regret that I must notify you that Barney Danzansky notified me earlier this week that he will no longer be able to pursue development of Gainesville Greens. I will be providing notification to the CRA, the Building Department and the Planning Department that we will be withdrawing our applications for approval of our project.

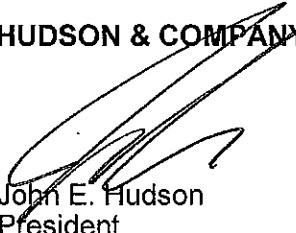
Gainesville Greens would have been a great asset to the City of Gainesville, an asset that we may never have the opportunity to have again. Gainesville has grown without a high-rise building since the construction of the Seagle Building. As you know, we pursued this development in good faith, spending more than 2.5 million dollars on planning, approvals, infrastructure and permitting. We tried to pre-sell as a condominium and set up a sales office the same week that Public Works closed SW 2nd Avenue for renovations. We went through with a massive media campaign the likes of which have never been seen in Gainesville before or since. Needless to say, the potential buyers could not find us, and those that did could not get to our sales center. The project was in the right place at the wrong time.

The events that followed have never been seen in the United States before, and the effects are still being felt worldwide. We certainly are not in the position to build the project on a speculative basis when there is no financing available to do it. On the other hand we cannot find enough buyers to make up 85% of the units who will put down 25% or more on a unit they will not see for two years or more. The real estate market died and it took Gainesville Greens with it as a condominium. Options for other uses within the RFP limited our ability to dynamically adjust to the marketplace.

I most deeply regret the loss to the City of Gainesville this opportunity to build one of the most striking buildings ever contemplated here. It is with a heavy heart that I express our deep appreciation for the consideration granted us by the City Commission and bid you all best wishes in your quest for a replacement project for lot 10. While we are not in a position to move ahead now, Barney has advised me that if the lot remains available when the market does turn around he would look forward to the possibility of resurrecting the project. We hope that our demonstrated work ethic and integrity would afford us that option should it come to pass.

Sincerely,

HUDSON & COMPANY, INC.


John E. Hudson
President
Agent for Gainesville Greens

Cc: Barney Danzansky