

**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.

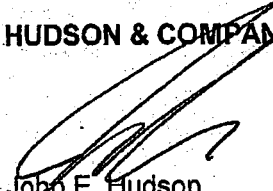
Gainesville Greens would have been a great asset to the City of Gainesville, an asset that we may never have the opportunity to have again. Gainesville has grown without a high-rise building since the construction of the Seagle Building. As you know, we pursued this development in good faith, spending 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

MUTUAL RESCISSION OF AGREEMENT

The parties to this Agreement mutually agree that the written License Agreement for Use of Parking Garage ("License Agreement") dated May 15, 2007, shall be, and is, rescinded. Neither party shall be obligated nor liable one to the other in any way, for any claim or matter arising from said License Agreement or any actions taken by either party hereunder. Each party shall be responsible for its own costs and attorney fees associated with said License Agreement and this rescission.

IN WITNESS WHEREOF, the parties have signed this Agreement, this _____ day of _____, 2008.

WITNESSES:

CITY OF GAINESVILLE

By: _____
Russ Blackburn
City Manager

Approved as to form and legality:

City Attorney

WITNESSES:

LLC

Member

DEVELOPER

By: GG DEVELOPMENT ASSOCIATES,

By: GG TONTINE, INC., its Managing

By:

Barney Danzansky, President

MUTUAL RESCISSION OF SECOND AMENDMENT
TO LICENSE AGREEMENT FOR USE OF PARKING GARAGE

The parties to this Agreement mutually agree that the written Second Amendment to License Agreement for Use of Parking Garage ("Second Amendment") dated May 15, 2007, shall be, and is, rescinded. Neither party shall be obligated nor liable one to the other in any way, for any claim or matter arising from said Second Amendment or any actions taken by either party hereunder. Each party shall be responsible for its own costs and attorney fees associated with said Second Amendment and this rescission.

IN WITNESS WHEREOF, the parties have signed this Agreement, this _____
day of _____, 2008.

WITNESSES:

CITY OF GAINESVILLE

By: _____
Russ Blackburn
City Manager

Approved as to form and legality:

City Attorney

WITNESSES:

MCGURN

By: _____
Kenneth R. McGurn

By: _____
Linda C. McGurn

MUTUAL RESCISSION OF AGREEMENT

The parties to this Agreement mutually agree that the written Option Contract for the Purchase and Sale of Land ("Option Contract") dated June 17, 2005, which was assigned by the Gainesville Community Redevelopment Agency over to GG Development Associates, LLC on September 13, 2006, along with the First Amendment dated May 17, 2007 and Second Amendment dated June 16, 2008, shall be, and are, rescinded. Neither party shall be obligated nor liable one to the other in any way, for any claim or matter arising from said Option Contract or any actions taken by either party hereunder with the exception of any obligations surviving the termination or expiration of that certain License Agreement dated December 20, 2006 pertaining to the use by GG Development Associates, LLC of the City's Lot 10 - Parcel 14574-000-000 for the purpose of locating and operating a sales trailer. Each party shall be responsible for its own costs and attorney fees associated with said Option Contract, the First and Second Amendments, and this rescission.

IN WITNESS WHEREOF, the parties have signed this Agreement, this ____ day of _____, 2008.

WITNESSES:

CITY OF GAINESVILLE

By: _____
Russ Blackburn
City Manager

Approved as to form and legality:

City Attorney

WITNESSES:

DEVELOPER

By: GG DEVELOPMENT ASSOCIATES, LLC

By: GG TONTINE, INC., its Managing Member

By: _____
Barney Danzansky, President