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Preferred Property Investments, LLC
7280 W Palmetto Park Road, Suite 105
Boca Raton, Florida 33433
Tel 561 325 6600

PROPOSAL TO PURCHASE & DEVELOP

February 18, 2021

Colliers International
Attn: Jason Hurst
107 SW 7th Street
Gainesville, FL 32601
352-254-3304

Via email: Jason.hurst@colliers.com

RE: 104 SOUTHWEST 1st AVENUE, GAINESVILLE FL 32601

Mr. Hurst:

This letter shall serve as our proposal submittal of terms and conditions that the Purchaser will consider to enter into a Purchase and Sale Agreement (“Agreement”) to acquire the Property noted above. This letter is intended to offer the basic terms for the negotiation of an Agreement and is to be considered non-binding to either party. It is in no manner intended to obligate either party in any way whatsoever, until a mutually agreed upon Agreement has been reached and fully executed.

COMPANY PROFILE & BACKGROUND INFORMATION

Purchaser: Predesco Property Investments, LLC and/or assigns
Attn: Rod Sheldon / Mike Kenney
7280 West Palmetto Park Road, Suite 105
Boca Raton, FL 33433
Rod@predesco.com / Mike@predesco.com
Rod: 561-325-6601 / Mike: 561-325-6602

Ownership Structure: 100% Predesco Property Investments, and/or assigns

Parent Company: N/A

Personnel: Rod Sheldon (Principal) & Michael Kenney (Principal)

PRICE PROPOSAL

Purchase Price: \$2,950,000.00

Investigation Period: Purchaser shall have sixty (60) days from execution of the Agreement within which to conduct such studies, make such investigations, and take such actions as Purchaser may deem necessary regarding the Property.

On or before the Effective Date of the Agreement, Seller shall furnish (to the extent in Seller's possession), all leases, operating expenses, surveys, building plans, service contracts, environmental/soil reports, elevation certificates, appraisals, engineering studies, outstanding claims/litigation, the owner's title policy as well as any other reports or pertinent information in connection with the Property. The Initial Deposit is fully refundable if the Purchaser serves written notice to cancel the Agreement at any time prior to the expiration of the Inspection Period.

Title: At closing, the Property shall be conveyed free of all liens, encumbrances and encroachments except those specifically approved by Purchaser during the Investigation Period. Purchaser shall have until the expiration of the Investigation Period to examine title and notify Seller in writing of any objections. Subject to the terms hereof and subject to the terms of the Agreement, Seller shall cure any objections on or before Closing.

Closing Contingencies: i) All rights of first refusal to purchase the Property shall be waived, if any; (ii) The Seller shall obtain an Estoppel Certificate with respect to any REA's or CC&R's affecting the Property to confirm that the Property is in good standing and identifying any assessments or other so called CAM charges applicable to the Property; (iii) Seller and the Property shall be in full and complete compliance with any and all laws, regulations, etc. of all governmental authorities with respect to zoning, use, building, health, the environment, hazardous materials, waste, code enforcement and any other matters affecting the Property; (iv) That any open building permits have been finalized and closed and at the time of Closing there shall be no violations of municipal, building or zoning codes; (v) final, non-appealable site plan approval from the City of Gainesville.

Closing & Costs: Closing shall take place thirty (30) calendar days following Site Plan Approval and the cure of all title defects objected to that Seller elects or is obligated to cure during the Investigation Period and the satisfaction of each of the Closing Contingencies.

Seller shall pay for all Documentary Stamp Tax payable upon the recording of the Deed in connection with the conveyance of the Property, its costs of document preparation and its attorneys' fees, all costs related to curing title defects and all costs associated with obtaining an estoppel for each Tenant and under any declaration of easements, covenants or restrictions which the Property is subject to. Purchaser shall pay for recording fees (other than Seller's obligation) in connection with the Warranty Deed, the premiums payable for the owner's policy of title insurance, any costs incurred by Purchaser's investigation of the Property, its cost of document preparation and its attorneys' fees.

QUALIFICATIONS, EXPERIENCE, REFERENCES, & COMPARABLE PROJECTS

Qualifications / Experience: See Company Bio (Exhibit 1.1)

Past Similar Projects: See South Florida Business Journal Article Regarding Cornerstone Commons (Exhibit 1.2)

References: 1) Gil Levy – Vystar Credit Union – President
Phone: (352) 258-1656

2) Nick Banks – Avison Young – Managing Director
Phone: (352) 682-3700

PROJECT

Description: Ground Floor Retail @ 25,000 sf eg.(discount grocer);
 Floors 2-7 @ 25,000 sf each with 27 apartment dwellings averaging
 950 sf, all of which will accommodate inclusionary zoning (total 162
 units);
 Adjacent garage to accommodate all parking needs for the project.

Proposed Use(s): Mixed-Use: **Workforce Housing** / Ground Floor Retail

Anticipated Timeline: 22 Months from Permit Issuance (OR – All Approvals Necessary) *

Detailed Proforma: See Exhibit 1.3

Affordable Housing: See ‘Description’ above

FINANCIAL CAPABILITY

Proof of Funds: See Exhibit 1.4

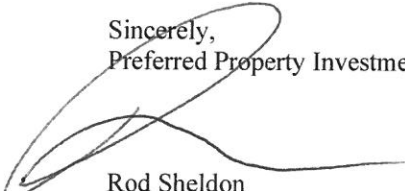
Additional Resources: Experience in the Gainesville market – Re-Development of the Former
 UF Bookstore located at 1614 W. University Avenue and Re-
 Development of Remote Parking Lot Thereto with Car Carousels which
 will serve as focal point/landmark in midtown

Bank References: See Exhibit 1.5 – Legacy Bank of Florida

BROKERAGE ACKNOWLEDGEMENT

We hereby acknowledge that if successful in our bidding, we will be responsible for brokerage fees in the amount of four percent (4%) of the Gross Purchase Price due to the City’s broker of record and two percent (2%) of the Gross Purchase Price to Buyer’s Broker, upon successful closing.

Sincerely,
Preferred Property Investments, LLC



Rod Sheldon
Managing Partner

Agreed and Accepted:
 SELLER
 By: _____
 Name: _____
 Title: _____
 Date: _____

EXHIBIT 1.1 – COMPANY BIOGRAPHY & PROFILE



PREDESCO, PROPERTY INVESTMENTS, LLC
7280 WEST PALMETTO PARK ROAD, SUITE 105
BOCA RATON, FLORIDA 33433
TEL 561 325 6600
WWW.PREDESCO.COM

Current projects include a 120,000 square foot grocery-anchored shopping center in Boynton Beach, Florida, which broke ground in January of 2018 and is nearing completion. In May of 2018, the company completed the redevelopment of a retail site in Bristol, Connecticut for Hartford Health as an urgent care medical facility. Starbucks and Blaze Pizza opened in a building the company completed in November of 2018 in Boca Raton, Florida.

Other projects underway include the redevelopment of the original University of Florida bookstore in Gainesville, Florida, a 105 unit assisted living facility in Boca Raton, Florida, a Taco Bell in Freeport, NY and a PDQ in Palm Beach Gardens, Florida.

Over the past ten years, Rod and his team have completed more than sixty development projects featuring national retail tenants such as Vitamin Shoppe, Sleep Number, Walgreens, TD Bank, JP Morgan Chase, Burger King, The Fresh Market, Chili's, Chipotle, Earth Fare, Sport Clips, UPS, Red Robin, Aspen Dental, Petsmart and Wawa.

Rod Sheldon is the company's founder and serves as its managing director. His expertise extends across commercial, residential and healthcare sectors with a unique eye for value-add opportunities. He holds a bachelors degree in Public Communication from The American University in Washington, DC.

Having developed hundreds of thousands of square feet during his career, Rod and his team are incredibly excited to be sponsoring the redevelopment of the Coral Springs Financial Plaza into the city's first downtown gathering place; Cornerstone at Downtown Coral Springs.

The project will feature 352 luxury rental apartments by best-in class multi-family developer Mill Creek, between five (5) and seven (7) eating and drinking establishments along our Main Street corridor, a 200,000 square foot Class A office complex and a Hyatt Place limited service hotel.

Developer files plan for downtown project in Broward

Jan 10, 2020, 1:27pm EST

PreDESCO has filed plans for a mixed-use project under the new downtown zoning code for Coral Springs.

Officials in the suburban city created a downtown district to encourage mixed-use developing and create a live-work-play environment. The Cornerstone at Downtown Coral Springs would be the first project under those guidelines.

La Boca Partners, an affiliate of Boca Raton-based PreDESCO, filed a site plan for the 7.09-acre property at 3300 University Drive. It acquired the 145,465-square-foot office building there for \$7.8 million in 2018 and intends to knock it down.



DORSKY + YUE INTERNATIONAL

In its place, the company would develop 352 apartments, about 85,000 square feet of restaurants/commercial space, 209,279 square feet of offices, and a hotel of 80 to 138 rooms. There would be 1,468 parking spaces, with most in two parking garages and additional parallel parking spaces along the new streets going through the property.

The buildings would be up to six stories tall.

Apartments would range from 619 square feet with one bedroom to 1,438 square feet with three bedrooms.

Rod Sheldon, principal of PreDESCO, said Mill Creek Residential would develop the apartments while his company would handle the other elements of the project. Cornerstone was initially going to have more apartments and retail and no office space, but Sheldon said he was repeatedly getting calls for prospective office tenants, so he decided the market demand justified an office building there.

"It was a live shop-play-model before, and the live-work-play model is just more in accord with the needs of the community and market-driven forces for us to have a successful project," Sheldon said.

The developer hired Tom Prakas, of Prakas & Co., to broker the restaurant leases at Cornerstone. Sheldon said they've already received a tremendous amount of interest.

PreDESCO has yet to sign on a hotel brand for Cornerstone. Sheldon said the hotel plan is more tentative and could be replaced by apartments.

Boca Raton attorney Scott Backman represents PreDESCO in the application. Dorsky + Yue International is the architect.

Sheldon said the old office building will be demolished in July. He would like to start construction by the end of 2020 and complete the project by the end of 2022.

To receive text alerts with breaking news from South Florida Business Journal Senior Reporter [Brian Bandell](#) about the latest real estate news (with a side of health care and universities), join Subtext.

EXHIBIT 1.3 – DETAILED PROJECT PROFORMA

no.	Description			Budget Amount	Approved Invoice	Paid Invoice	Balance
1.00	Land			3768750.00	0.00	0.00	3768750.00
2.00	On-Site Improvements			281250.00	0.00	0.00	281250.00
3.00	Off-Site Costs			0.00	0.00	0.00	0.00
4.00	Building Construction			21036093.75	0.00	0.00	21036093.75
5.00	Impact & Permit Fees			60000.00	0.00	0.00	60000.00
6.00	Tenant Allowance			0.00	0.00	0.00	0.00
7.00	Development Soft Costs			2163824.53	0.00	0.00	2162824.53
8.00	Construction Interest			727751.59	0.00	0.00	727751.59
9.00	Contingency			1213445.99			1213445.99
	Total Costs			29251115.86	0.00	0.00	29250115.86
1.00	Land						
1.01	Purchase Price-Land			3750000.00			3750000.00
1.02	Acquisition Fee	PREB	Paid by Buyer	0.00			0.00
1.03	Closing	5%		18750.00			18750.00
1.04							
1.05							
	Total Land Cost			3768750.00	0.00	0.00	3768750.00
2.02	On-Site Improvement						
2.04	Demolition			0.00			0.00
2.05	Environmental / Asbestos Remediation			0.00			0.00
2.06	Earthwork/Grading/Fill			25000.00			25000.00
2.07	Storm Drainage			25000.00			25000.00
2.08	Sanitary Sewer			25000.00			25000.00
2.09	Water & Fire System			10000.00			10000.00
2.10	Paving/Sidewalks/Curbing			75000.00			75000.00
2.11	Landscape & Irrigation			30000.00			30000.00
2.12	Site Lighting			20000.00			20000.00
2.13	Utility Service Extensions			25000.00			25000.00
2.14	Signage			10000.00			10000.00
2.15	Staking & Testing			0.00			0.00
2.16	Erosion Control			0.00			0.00
2.17	Construction Fencing			5000.00			5000.00
2.18	Bicycle Rack			0.00			0.00
2.19	Dumpster			0.00			0.00
2.20							
2.19	General Conditions & Overhead			18750.00			18750.00
2.20	GC Profit			12500.00			12500.00
	Total On-Site Improvement Cost			281250.00	0.00	0.00	281250.00

3.00	Off-Site Cost					
3.01						
3.02						
3.03						
3.04						
3.05						
3.06						
3.07						
3.08						
3.09	General Conditions & Overhead					
3.10	GC Profit					
	Total Off-Site Cost					
4.00	Building Construction	<u>SqFt</u>	<u>\$ / SqFt</u>			
4.01	Vertical Construction	175,000	\$106.85	18698750.00		18698750.00
4.02						
4.03						
4.04						
4.05	General Conditions & Overhead			1402406.25		1402406.25
4.06	GC Profit			934937.50		934937.50
	Total Building Construction Cost			21036093.75	0.00	0.00 21036093.75
5.00	Impact & Permit Fees					
5.01	Water & Sewer Fees			40000.00		40000.00
5.02	Building Permit Fees			20000.00		20000.00
5.03	Transportation Fees			0.00		0.00
5.04						
5.05				0.00		
	Total Impact & Permit Fees			60000.00	0.00	0.00 60000.00
6.00	Tenant Allowance					
6.01						
6.02						
6.03						
6.04						
6.05						
	Total Tenant Allowance Cost			0.00		0.00

7.00	Development Soft Cost					
7.01	Points Const. Loan (1%)			153909.42		153909.42
7.02	Title Insurance Const. (.7%)			165748.61		165748.61
7.03	Doc Stamps / Intangible Tax / Fees			8500.00		8500.00
7.04	Lenders Legal			5500.00		5500.00
7.05	Architectural			400000.00		400000.00
7.06	Special Inspection Fees			0.00		0.00
7.07	Civil & Landscape Engineering			150000.00		150000.00
7.08	Land Planning			50000.00		50000.00
7.09	Site Inspections-Lender			0.00		0.00
7.10	Environmental Audit - Phase I & ACM			3500.00		3500.00
7.11	Environmental Audit - Phase II			0.00		0.00
7.12	Property Condition Report			3000.00		3000.00
7.13	Appraisal			4000.00		4000.00
7.14	Soil Testing & Reports			0.00		0.00
7.15	Survey-Boundary/TOPO/ALTA			3600.00		3600.00
7.16	Survey - As Built			1000.00		
7.17	Legal, Accounting & Admin			50000.00		50000.00
7.18	Travel			0.00		0.00
7.19	Real Estate Taxes			30000.00		30000.00
7.20	Insurance-Liability			4500.00		4500.00
7.21	Tenant Lease Commissions			1130566.50		1130566.50
7.22	Construction Management (PPG)			0.00		0.00
7.23	Development Design Fee (Keen)			0.00		0.00
Total Development Soft Cost				2163824.53	0.00	0.00 2162824.53

8.00	Construction Interest					
		<u>rate</u>	<u>months</u>	<u>usage</u>		
8.01	Land	4.13%	15	100%	194326.17	194326.17
8.02	On-Site Costs	4.13%	9	50%	4350.59	4350.59
8.03	Off-Site Costs	4.13%	9	50%	0.00	0.00
8.04	Building Construction	4.13%	9	70%	455562.91	455562.91
8.05	Impact & Permit Fees	4.13%	9	70%	1299.38	1299.38
8.06	Tenant Allowance	4.13%	9	70%	0.00	0.00
8.07	Development Soft Costs	4.13%	9	70%	46860.32	46860.32
8.08	Interest Reserve	4.13%	15	70%	25352.23	25352.23
Total Construction Interest					727751.59	0.00 0.00 727751.59

PROJECT PRO-FORMA

Lot 10

Gainesville

Mixed Use Workforce Housing/GF Retail

2/18/21

NET PROJECT COSTS		\$/SF	Proposed Budget
1. Land	0.91 Acres	\$95.08	\$ 3,768,750.00
2. On Site Improvements			281,250.00
3. Off Site Costs			-
4. Building Construction			21,036,093.75
5. Impact & Permit Fees			60,000.00
7. Development Soft Costs			2,163,824.53
8. Construction Interest			727,751.59
9. Contingency			1,213,445.99
Total Project Costs:			\$ 29,251,115.86
LOAN AMOUNT			Project 65% \$ 19,013,225.31
EQUITY REQUIRED			\$ 10,237,890.55

REVENUE					Proposed Amount
Income					
Residential	162 Units	\$ 11,400.00	Average Annual Rental		\$ 1,846,800.00
Retail	21,000 SF	\$ 20.00	Per Square Foot Rental		420,000.00
Vacancy			5% Vacancy		(113,340.00)
Total Income:					\$ 2,153,460.00
Return on Cost:					7.36%

EXHIBIT 1.4 – PROOF OF FUNDS



ARCTRUST

Reply to: ARCTRUST Equities, LLC

February 18, 2021

Via Email Only

City Commission of Gainesville Florida

Re: Development Site – 104 SW 1st Avenue, Gainesville FL

To Whom It May Concern:

This letter is written with respect to the parties' interest in the potential purchase of the above-mentioned redevelopment site (the "Project") jointly by ARCTRUST Equities, LLC ("ARCT") and Predesco Property Investments, LLC ("Predesco").

ARCT and Predesco, through their affiliates, are joint venture partners on various real estate development matters, wherein ARCT funds certain amounts of the equity necessary for those projects. ARCT, through its affiliates, has capital available should it choose to invest in the potential acquisition of the above-referenced project.

This letter is non-binding and for informational purposes only. It does not create any rights or obligations between ARCT, Predesco, or Seller, as the case may be, and may be rescinded, revised, or modified at any time and for whatever reason by ARCT.

Please call or email me with any questions or comments. Thank you.

Sincerely,
ARCTRUST Equities, LLC

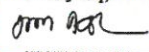
By: 
Jason Kessler

EXHIBIT 1.5 – REFERENCE LETTER FROM LEGACY BANK OF FLORIDA



Legacy Bank of Florida
2300 Glades Road
Suite 140 West
Boca Raton, Florida 33431-8516
(561) 544-8400
www.LegacyBankFL.com

November 6, 2020

Palm Beach County Department of Airports
846 Palm Beach International Airport
West Palm Beach, FL 33406-1470
ATT: Rebecca Reed
RFP No LN 20-8

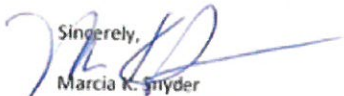
Re: Lantana Non-Aviation Parcel

Dear Ms. Reed,

I am writing in reference to Rod Sheldon and PreDesco Property Investments, LLC. Legacy Bank has enjoyed an excellent, long term relationship with Rod/PreDesco, and has provided numerous loan facilities over the last 10 years, all of which have been paid as agreed. We hope to continue to expand the relationship and provide new loans to PreDesco, as real estate financing opportunities arise. Based upon the outstanding relationship we have had over the years, the Bank invited Rod to serve as a Legacy Bank Advisory Board member in 2018, and he continues to serve in that role today.

I would highly recommend Rod/PreDesco to anyone who is considering a business relationship with them. They have demonstrated a very high level of integrity in all of our business transactions together, and we have never experienced any problems over the 10-year relationship.

Sincerely,


Marcia K. Snyder
Chief Operating Officer
Chief Lending Officer