



Andrew M. Dance  
Brand Atlantic Real Estate Partners LLC  
440 Royal Palm Way, Suite 100  
Palm Beach, FL 33480

January 10, 2022

VIA EMAIL

Christopher Roog, CEcD  
Executive Director  
Community Redevelopment Agency  
City of West Palm Beach  
401 Clematis St. West Palm Beach, FL 33401

- Higher + Rent use
- Reasonable cap rate 6%
- \$9 million purchase price  
creation \$10 million
- messaging strategy

RE: Letter of Intent to Purchase 314 Clematis Street ("LOI")

Dear Chris:

The following summarizes the terms of a purchase offer whereby Brand Atlantic Real Estate Partners LLC or assignee ("Buyer") would enter into a purchase and sale agreement (the "Contract") with the Community Redevelopment Agency ("Seller") to acquire the fee simple interest in the real property known as 314 Clematis Street in West Palm Beach, Florida (the "Property").

1. **Business Plan** – Buyer intends to complete a major renovation of the Property in order to modernize the building, address deferred maintenance, and provide the requisite parking to attract quality office and retail tenants. The business plan is attached hereto as Exhibit A (the "Business Plan").
2. **Purchase Price** – \$10,000,000 (TEN MILLION DOLLARS), all cash. <sup>+ \$500k?</sup>
3. **Deposit** – Buyer will deposit \$200,000 (TWO HUNDRED THOUSAND DOLLARS) upon execution of the Contract. Deposit shall be held in escrow by Shutts & Bowen LLP, located at 525 Okeechobee Blvd., Ste. 1100, West Palm Beach, FL 33401, with instructions to be negotiated as part of the Contract.
4. **Financing** – No financing contingency.
5. **Contract** – Buyer will prepare a draft purchase and sale agreement within ten days of the mutual execution of this LOI, and the parties agree to negotiate and execute the final purchase and sale agreement within thirty days thereafter.



6. **Due Diligence Period** – Buyer shall have a 45-day due diligence period (the “Due Diligence Period”) commencing upon the mutual execution of the Contract. Buyer shall have the right to terminate the Contract for any reason prior to the end of the Due Diligence Period and receive a full refund of the Deposit.

Buyer will perform typical diligence during the Due Diligence Period, including, but not limited to, the preparation and review of Phase 1 environmental report, property condition report, structural analysis, and title and survey.

Prior to the expiration of the Due Diligence Period, Seller shall coordinate such that the City of West Palm Beach negotiates and enters into a binding letter agreement with Buyer that confirms, prior to Closing, the City shall provide Buyer (and its assignees and tenants) with a perpetual access easement (or similar) to use the rear alley for vehicle access to the proposed parking garage, as described in the Business Plan.

Prior to the expiration of the Due Diligence Period, Seller shall coordinate such that the City of West Palm Beach Planning and Zoning Division (“City Planning”) issues a written letter to Buyer, with copy to Seller, that confirms the following:

- (i) City Planning has received and reviewed the Business Plan;
- (ii) The Business Plan is compliant with all applicable planning and zoning regulations, and will not require review or approval by the Downtown Action Committee, Historic Preservation Board, or the City Commissioners; and
- (iii) Review of Buyer’s application for approval of the Business Plan, including all requisite architectural and engineering drawings and reports, will be limited to Planning Division’s typical internal staff Plan Review process with final approvals to be issued by the Plans and Plats Review Committee (collectively, the “PPRC Application”).

Except for failure to satisfy the Closing Condition, defined hereafter, the Deposit shall become non-refundable after the expiration of the Due Diligence Period.

7. **Closing Condition** – Final, unappealable approval of the PPRC Application shall be a condition to closing (the “Closing Condition”). Buyer shall submit the PPRC Application within ninety (90) days from the expiration of the Due Diligence Period and shall use commercial reasonable efforts to address and respond to questions and comments raised during the Plan Review process in a timely fashion.
8. **Closing Date** – The Closing Date shall be three (3) business days after PPRC Approval.
9. **Property Information Request** – Within three (3) business days after the mutual execution of this LOI, Seller shall deliver to Buyer copies of all leases, service contracts, property condition reports, zoning applications and approvals, aging reports, property financials for the past 3 years, agreement letters with tenants or others who may have claim to the Property, and any surveys and architectural plans for the Property.



10. **Site Access** - Upon mutual execution of this LOI, Seller shall provide Buyer and its consultants, investors and lenders with access to physically inspect the Property during business hours. Buyer shall provide Seller with two days advanced notice of any scheduled inspection.
11. **Brokerage Fee** – The parties acknowledge that any brokerage fees due in connection with this transaction are an expense of Seller.
12. **Brokerage** – Except as set forth in the Brokerage Fee section, each party represents to the other that it has not dealt with any broker in connection with the transaction contemplated hereby. Each party will indemnify the others against all loss and damage (including, without limitation, reasonable attorneys’ fees) arising out of any claim of commission, fee or other compensation from any broker who claims to have dealt with the indemnifying party. The obligations of the Parties under this paragraph shall survive the expiration of this LOI.
13. **Exclusivity** – Seller acknowledges that by executing this LOI, Buyer will be devoting time and resources to the preparation and execution of the Contract and Business Plan that it otherwise could be devoting to other projects. Therefore, until that date which is 60 days from the execution of this LOI, Seller will not (and will not permit its affiliates or agents to) market the Property, discuss the potential sale of the Property with other parties, in any way attempt to obtain any capital (debt or equity) for the redevelopment or long-term hold of the Property, or obtain or in any way attempt to obtain a development partner for the transactions contemplated hereunder. The obligations of Seller under this paragraph shall survive the expiration of this LOI.
14. **Non-Binding** – This LOI is intended solely as an expression of interest and shall not be a legally binding agreement (except that the “Brokerage” and “Exclusivity” paragraphs above shall be binding on the parties). Each party shall not have any obligation to the other until such time as they, in their sole and absolute discretion, enter into the Contract and, prior to such time, either party may withdraw from the negotiation of the Contract without liability.



If the terms of this LOI described above are acceptable to Buyer, please countersign in the signature block below indicating your intentions to move forward with this transaction.

Sincerely,



Andrew M. Dance  
Managing Member

AGREED TO BY:

\_\_\_\_\_  
By

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date





**EXHIBIT A – BUSINESS PLAN**

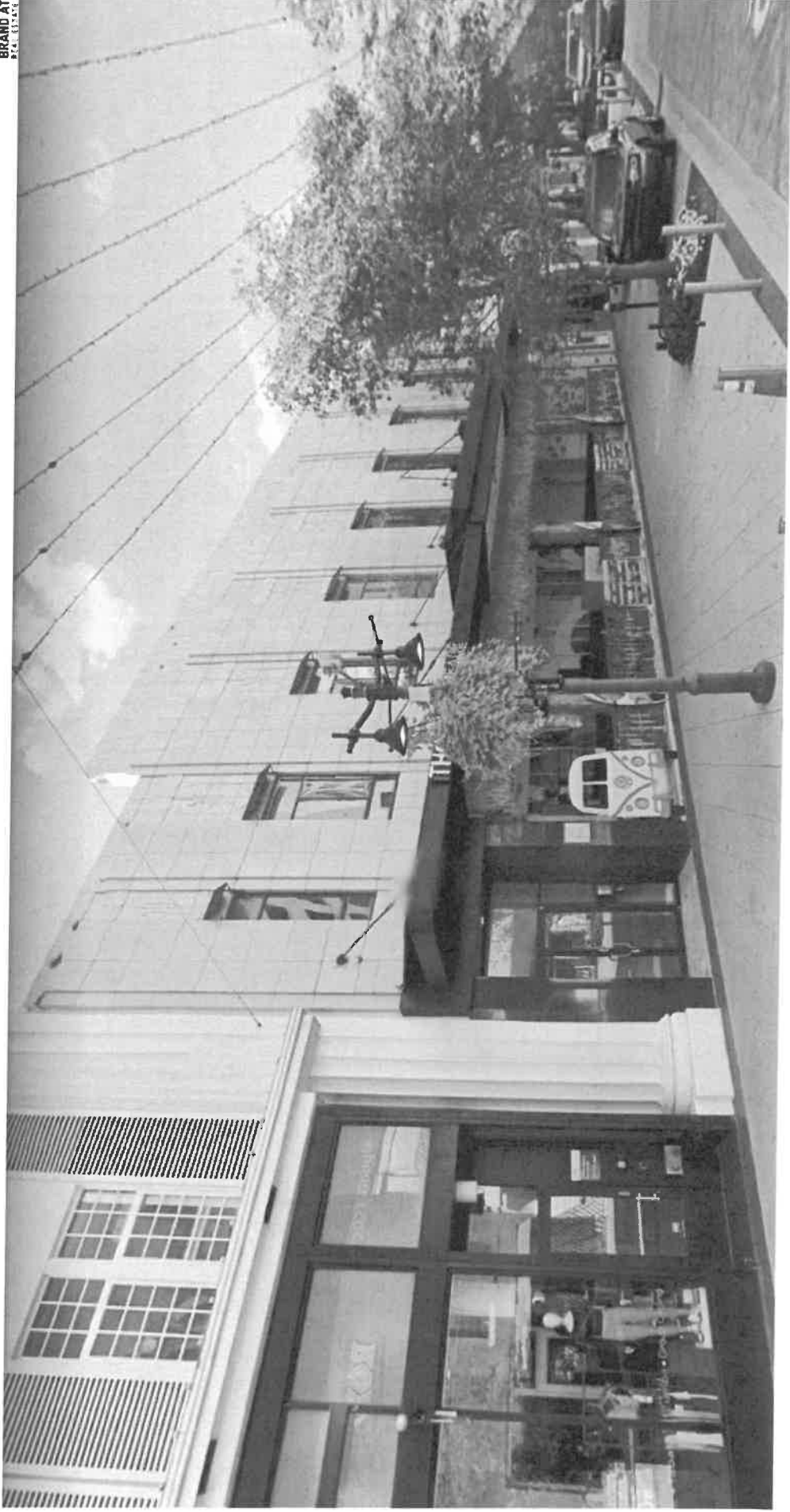
**[INTENTIONALLY LEFT BLANK]**





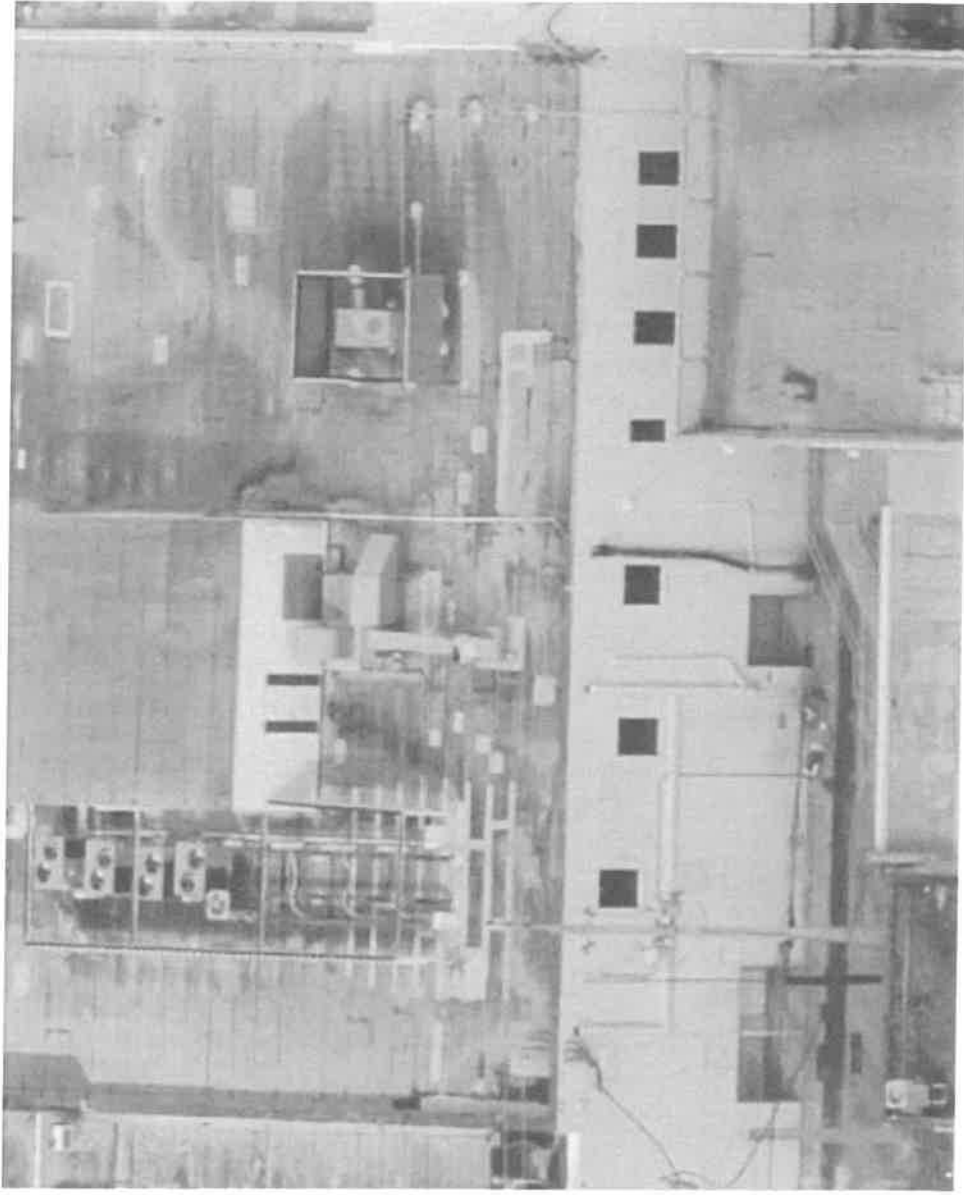


Existing Conditions - Clematis





# Existing Conditions – Alley & Roof

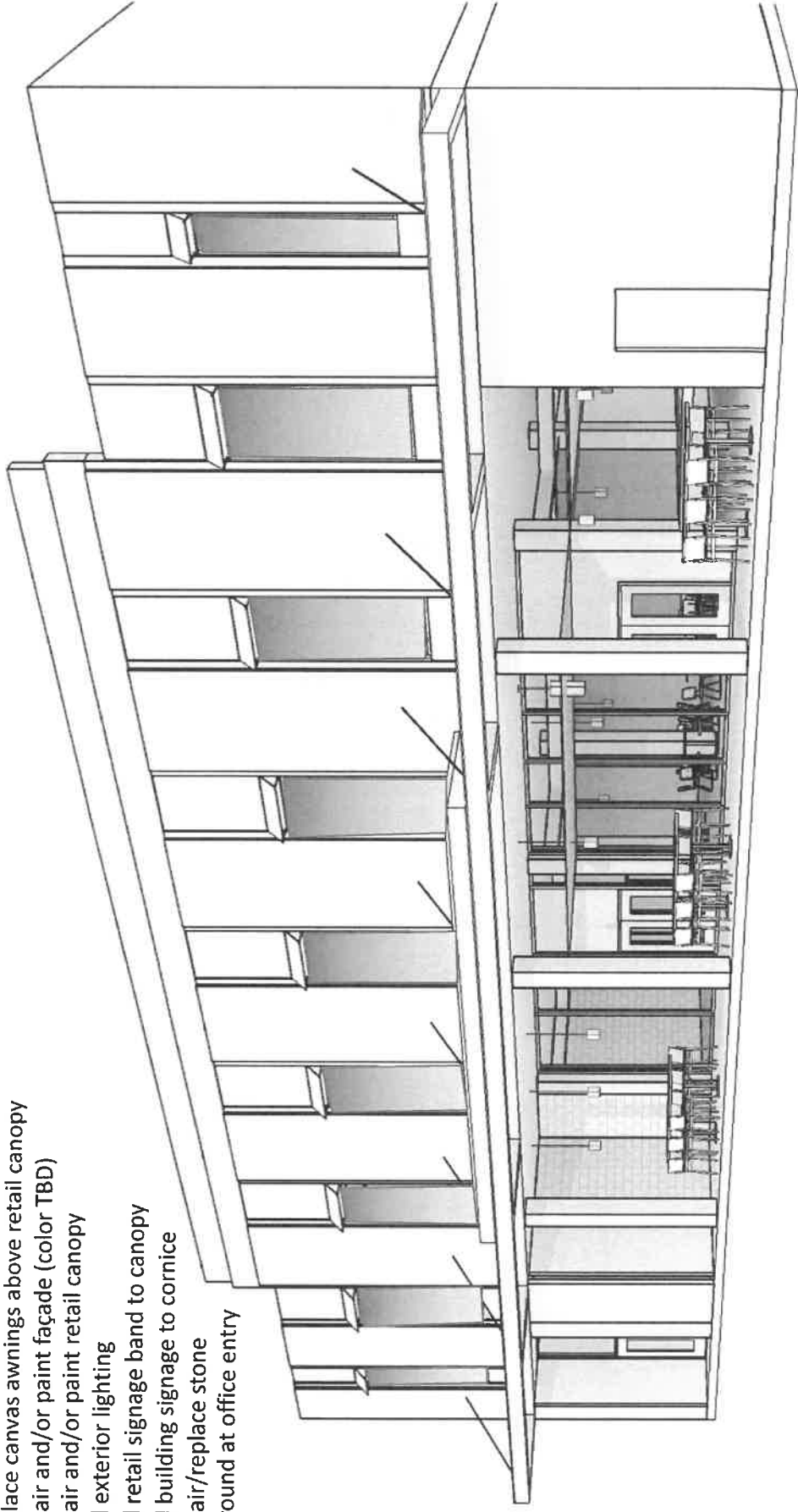






## Exterior Improvement Plan – Clematis Façade

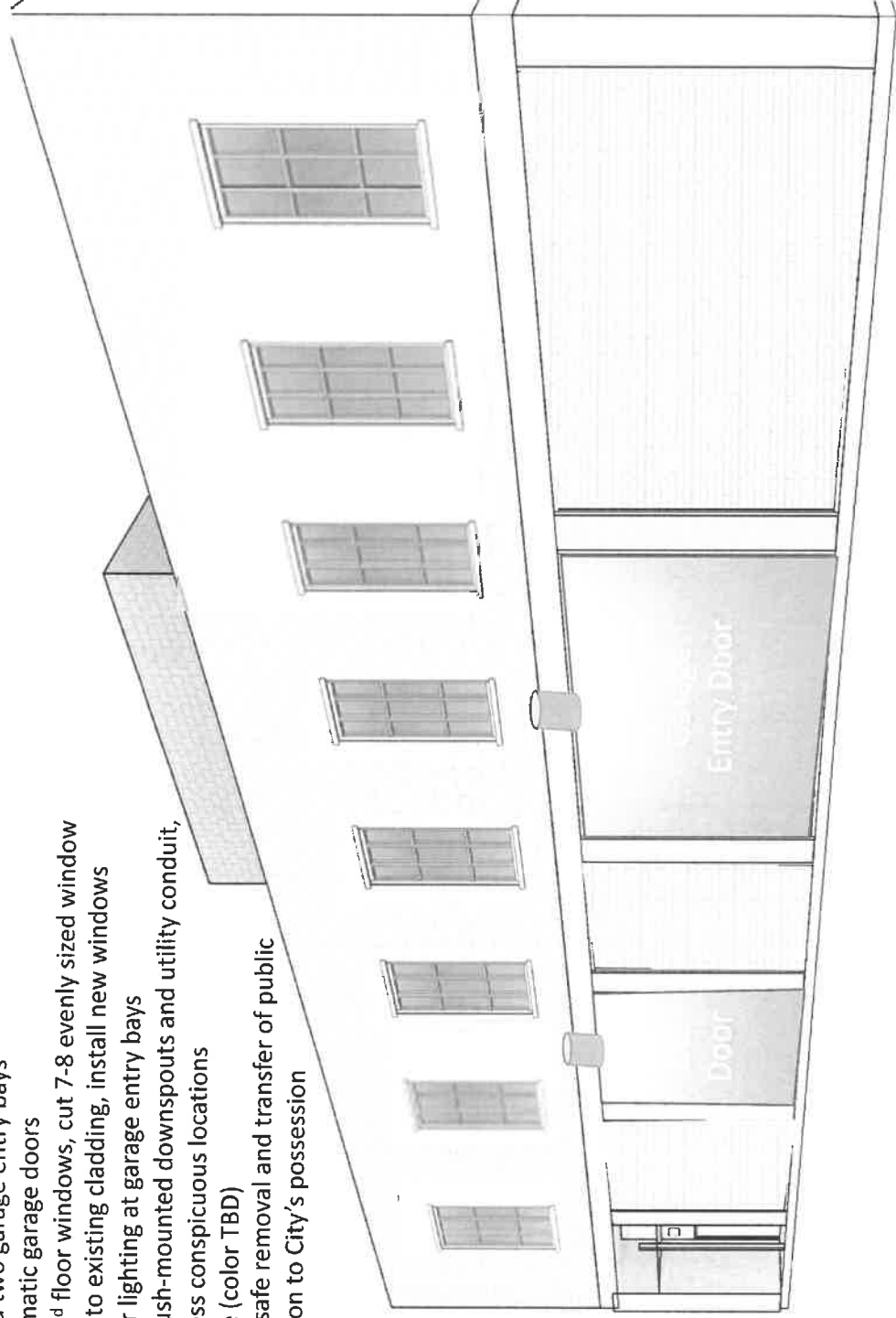
- Repair/replace retail storefront glass
- Replace 2<sup>nd</sup> floor windows and awnings
- Replace canvas awnings above retail canopy
- Repair and/or paint façade (color TBD)
- Repair and/or paint retail canopy
- Add exterior lighting
- Add retail signage band to canopy
- Add building signage to cornice
- Repair/replace stone surround at office entry





## Exterior Improvement Plan – Alley Façade

- Demolish cladding along ground floor, replace with block cladding and two garage entry bays
- Install automatic garage doors
- Demolish 2<sup>nd</sup> floor windows, cut 7-8 evenly sized window apertures into existing cladding, install new windows
- Add exterior lighting at garage entry bays
- Demolish flush-mounted downspouts and utility conduit, replace in less conspicuous locations
- Paint façade (color TBD)
- Coordinate safe removal and transfer of public art installation to City's possession





## Exterior Improvement Plan – Alley Access

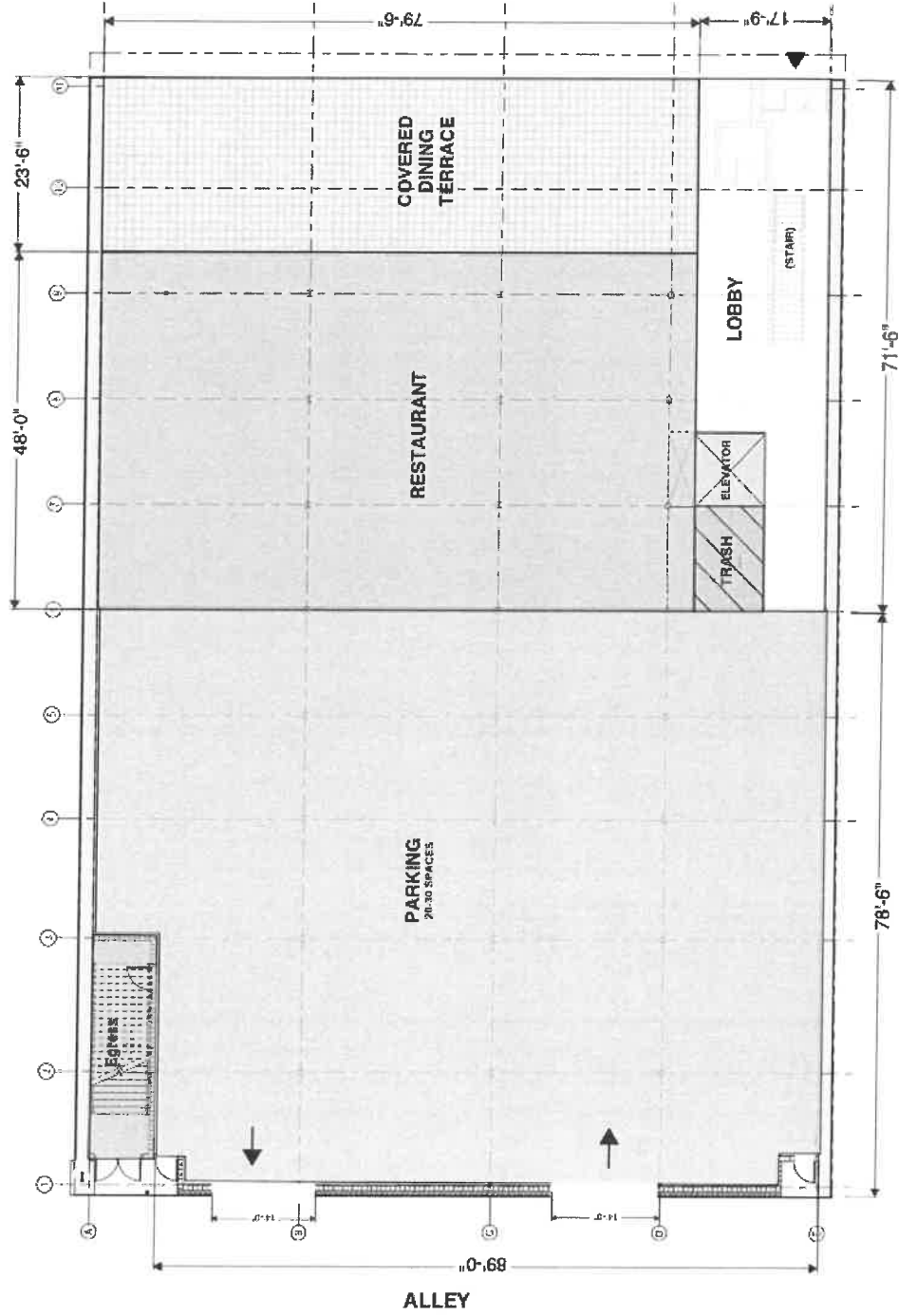
- Remove bollards at S Dixie and Olive alley intersections
- Install automatic swing gate at alley entrance to limit vehicular access to permitted public and private users with RFID tags or access codes, but with a gate arm sized to allow unimpeded access for pedestrians and bicycles





CLEMATIS ST.

Interior Improvement Plan – Ground Floor

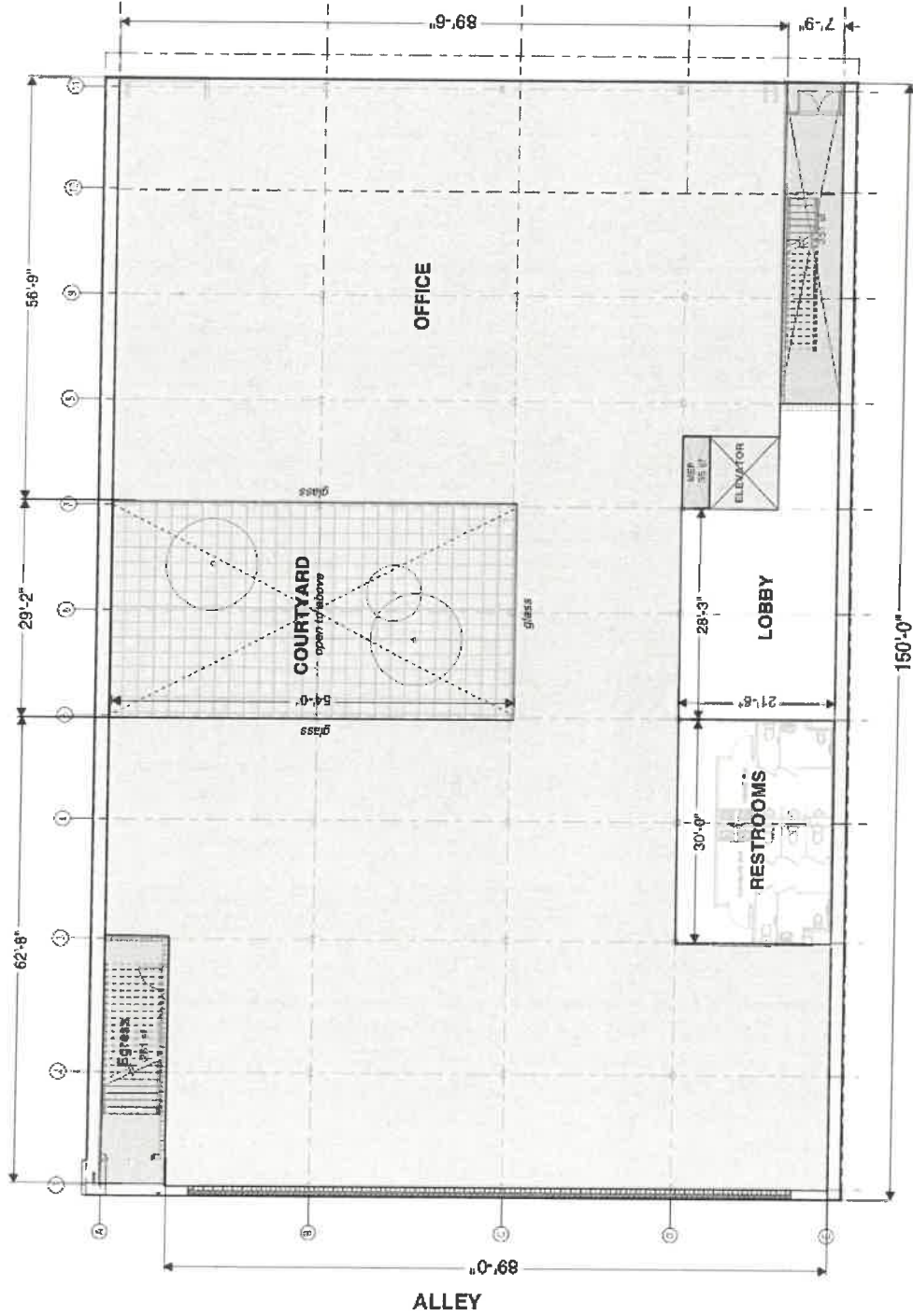


- Demolish existing elevator shaft, install new elevator shaft at rear of office lobby
- Renovate office lobby and existing stairs
- Install demising wall to create retail/restaurant space with leaseable depth dimension
- Install mechanical, electrical and plumbing infrastructure to bring retail/restaurant space to leaseable condition
- Demolish abandoned elevator shaft and relocate structural posts to create functional parking garage layout
- Install mechanical and electrical equipment to support garage operation
- Pave and stripe garage deck





Interior Improvement Plan – 2<sup>nd</sup> Floor

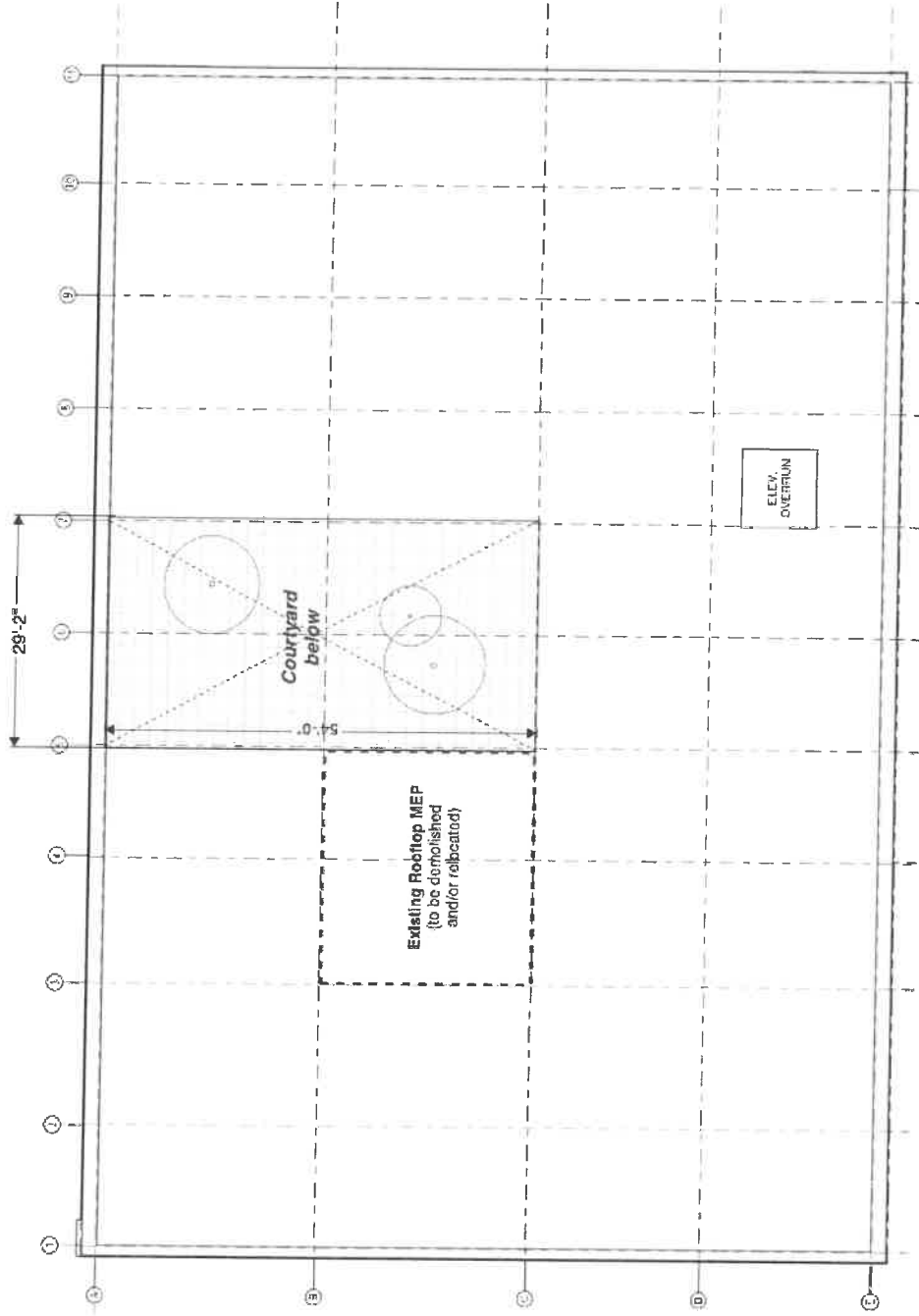


- Demolish all existing improvements, only floor decking, structural, and life safety systems remain in place
- Demolish ceiling/roof to create central courtyard with pavers and landscape elements, surrounded by glass storefront to increase the natural light in the office areas
- Install new lobby, elevator opening, and restrooms
- Install dry wall and ductwork to bring office space to leasable condition



# Roof Improvement Plan

CLEMATIS ST.



- Demolish existing roof and replace with new roofing system
- Install new storm drainage system
- Demolish existing bulkhead structure, relocate to provide upgraded roof access
- Relocate existing mechanical equipment as necessary
- Install new elevator bulkhead as necessary

ALLEY

