



12895 SW 132 St. – Ste. 202
Miami, FL 33186
Phone 305.255.5527
Fax 305.255.5589

Town Center of the Palm Beach's

Mixed Use Project

Live-Work-Play

ahs RESIDENTIAL and Partners

July 12, 2018

Jay Boodheshwar
Deputy Town Manager
Town of Palm Beach
360 S. County Road
Palm Beach, FL 33480
JBoodheshwar@TownofPalmBeach.com

RE: Letter of Intent - Lease Option to Purchase 27.69 Acres

In Care Of: Robert D. Kelley, Jr., Licensed Real Estate Broker

Dear Mr. Boodheshwar,

Please let the following serve as a basic outline as to our intent to enter into a formal LEASE with an OPTION to Purchase transaction on the Town of Palm Beach land parcels:

Landlord/Seller: Town of Palm Beach

Tenant/Purchaser/Developer: New single purpose entity comprised of ahs RESIDENTIAL principals.

PCN's: 00-42-43-26-05-004-0000, 00-42-43-26-00-000-1300, 00-42-43-26-00-000-1340

Acreage: 27.69 acres

(1) Initial Lease Payment/Total Sale Price: \$715,000/\$14,300,000



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Initial Lease Payment/Total Sale Price contemplates a clean site with minimal remediation costs. In addition, the Initial Lease Payment/Total Sale Price contemplates sufficient concurrency including sufficient traffic capacity. As such, the Initial Lease Payment/Total Sale Price shall be adjusted, dollar for dollar, for all extraordinary expenses. Said expenses to be clearly defined in the Ground Lease/Sales Contract.

Lease Commencement: Upon the execution of a definitive, mutually acceptable, ground lease.

Rent Commencement: Rent shall commence upon the issuance of a Certificate of Occupancy for each component, residential and commercial, but no later than 24 months from final Site Plan Approval.

Lease Term: Renewable 99-year lease.

Due Diligence: 90 days.

Tenant/Buyer Exclusive Period: In consideration of Buyer's willingness to proceed with the negotiation of the Lease Agreement, Landlord/Seller agrees not to solicit, accept, or provide factual information or negotiate any offer to lease or purchase the Property from any person or entity other than the Tenant/Buyer until execution of the Lease Agreement or termination of the negotiations.

Closing: Subject to Site Plan approval for a minimum of 22 Residential Units per acre and 3-5 acres of Commercial Development:

1. Residential: 607 Market Rate Rental Housing Apartments to include a Workforce Housing Component as outlined by PBC and/or a secondary residential use to include Independent Living, Assisted Living and Memory Care (or any combination thereof).
2. Retail/Commercial: 3-5 acres and 50-100,000 SF.

Tenant/Buyer shall submit entitlement application to PBC within 45 days of the expiration of the Due Diligence period.

Closing Date: within 15 days of Final Site Plan Approval.



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Brokerage Commission: Robert D. Kelley, Jr., Licensed Real Estate Broker is the sole Broker in this transaction. The Seller/Landlord shall pay a commission equal to 6% of the total rents called for during the initial ten year term.

DEVELOPMENT TEAM

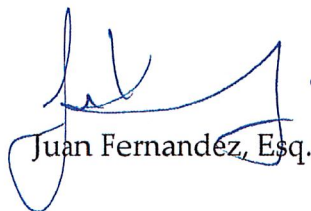
ahs RESIDENTIAL

ahs RESIDENTIAL was founded in 2012 with the goal of providing exceptional living opportunities for America's workforce. The parent company, MRV Engenharia has been building in Brazil for 30 years and is currently the world's second largest home builder measured by units. They consistently deliver 60,000 plus units annually. ahs RESIDENTIAL employs local people and our tenants spend significantly in the local community. The vast majority of our residents are in law enforcement, education, hospitality and the medical industry, as well as government employees. Their residents income typically ranges from \$60,000 to \$98,000.

Ahs' units are richly appointed with granite and stainless steel appliances and all projects have a common area with meeting and recreational space as well as a pool and fitness center. The company designs, entitles, builds, owns and manages all of its properties. Most projects are held in their portfolio long term so attention to detail and pride of ownership are important. Ahs does not require any third party financing, as all debt and equity is sourced in house. Further, ahs uses local materials and labor. The economic impact of our projects is significant.

Ahs' goal is to create exceptional communities for America's Workforce. In fact, our Princeton Groves project received the Product of the Year Award at the 2016 Builders Association of South Florida (BASF) Florida's BEST Awards. In addition, ahs received the 2016 Real Estate Developer of the Year Award presented by Governor Rick Scott at the Latin Builders Association (LBA) 2016 Industry Awards Ceremony. For more information see: www.ahsresidential.com.

Ahs Residential appreciates the opportunity and looks forward to working with Town of Palm Beach.



Juan Fernandez, Esq.