

Offers

Henderson, John

From: Christopher Giunta <cgiunta@pyramidbrokerage.com>
Sent: Tuesday, April 05, 2011 1:47 PM
To: Henderson, John
Cc: jmanilla@pyramidbrokerage.com
Subject: Cataract Street LOI
Attachments: Costanza LOI 3-5.pdf

John –

I just left you a voice mail. Attached please find a Letter of Intent to purchase the Cataract Street properties. The proposed buyer is Costanza Enterprises, a local developer.

You can find some additional information about them here:

<http://www.costanzaenterprises.com/>

I'll follow up with you later after you've had a chance to review the LOI to discuss your thoughts about a counter proposal.

Thanks

Chris

Christopher Giunta
Director, Corporate Services
Pyramid Brokerage Company
255 Woodcliff Drive
Fairport, NY 14450
Office: 585.248.9426
Cell: 585.503.8553



**Pyramid Brokerage
Company**

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No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors omissions, change of price, rental or other conditions, withdrawal without notice, and to any specific listing conditions, imposed by our principals.



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**Pyramid Brokerage
Company**

INDEPENDENTLY OWNED AND OPERATED

Pyramid Brokerage Company
Rochester Market
255 Woodcliff Drive
Fairport, NY 14450
585-248-9426 • Fax: (585) 248-3981

April 5, 2011

High Falls Operating Co, LLC.
c/o Pyramid Brokerage Company
255 Woodcliff Drive
Fairport, New York 14450

RE: Letter of Intent to Purchase 7 & 13 Cataract Street, Rochester, NY (hereinafter "Property")

Gentlemen:

We are pleased to present the following Letter of Intent for the purchase of the Property:

Seller: High Falls Operating Co, LLC owner of the Property (hereinafter "Seller").

Buyer: Costanza Enterprises, or any related entity to be formed (hereinafter "Buyer").

Purchase Price: One Hundred Thousand and 00/100 Dollars (\$100,000.00) cash at closing.

Deposit: Within five (5) business days after full execution and attorney approval of the Purchase Agreement, Buyer will deposit into escrow with Pyramid Brokerage Company, the cash sum of Ten Thousand and 00/100 Dollars (\$10,000.00). This deposit shall be refundable in the event that the Conditions to Buyer's Obligations have not been satisfied or waived by Buyer or if Seller is unable to deliver marketable title.

Conditions to Buyer's Obligations:

Buyer's purchase is contingent upon the satisfaction or waiver by Buyer, in its sole and absolute discretion, within Sixty (60) days after signing the Purchase Agreement, of the following conditions:

1. The receipt by Buyer of satisfactory results of site inspections and any necessary or desirable engineering and environmental studies conducted by Buyer, at Buyer's expense.
2. The receipt by Buyer of confirmation from all necessary governmental agencies that the Property is not historic and can be demolished.
3. Buyer's confirmation from CSX regarding current status of adjacent rail line and any plans for future use of the rail line.
4. Review by Buyer and Buyer's approval of the title report. Seller shall deliver good and marketable title to the Property subject only to beneficial easements provided the same are along the lot lines and not encroaching on the Building improvements.
5. Buyer's review and approval of all Seller's Disclosure Items.

April 5, 2011
Page | 2

- Attorneys Approval:** Provided Buyer and Seller execute a mutually agreeable Purchase Agreement it will be subject to approval by Buyer's and Seller's attorneys within five (5) days after execution of the Purchase Agreement.
- Seller's Disclosure Items:** Seller shall deliver to Buyer within five (5) days after execution of the Purchase Agreement copies of the real estate tax bills, utility bills for the past 12 months, environmental reports, building plans, engineering reports, Certificate of Occupancy, existing property survey, applicable warranties, repair bills and any other documents relating to the Property which are in Seller's possession or control.
- Utilities:** Seller shall, at Seller's expense, disconnect and separate all utilities currently serving the Property.
- Search and Survey:** Seller shall, at Seller's expense, within 20 days after execution of the Purchase Agreement, provide fully guaranteed tax, title and United States District Court searches and an instrument survey of the Property both dated after the date of the Purchase Agreement. The survey shall be certified to Buyer, Buyer's counsel and lender, and the title company selected by Buyer or its lender
- Deed:** At Closing, Seller shall deliver to Buyer a warranty deed conveying good and marketable title free and clear of all liens and encumbrances.
- Closing Costs:** Seller shall pay the real estate transfer tax. Buyer shall pay all recording fees and any mortgage recording fees. ✓
- Closing:** Closing shall take place 30 days after all the conditions set forth above have been satisfied or waived.
- Assignment:** This Letter of Intent may be assigned by Buyer at any time without the written consent of the Seller.
- Brokerage Commission:** Both Buyer and Seller represent and warrant that they have had no dealings with any other real estate brokerage firm except Pyramid Brokerage Company of Rochester and broker's commission shall be paid by Seller.
- Preparation of Contract:** It is the intent of the Buyer and Seller to sign a mutually agreeable Purchase Agreement reflecting the terms and conditions of this Letter of Intent within twenty (20) days after execution of this Letter of Intent by Buyer and Seller, during which time Seller agrees not to negotiate with any other party.
- Counterpart:** This Letter of Intent may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

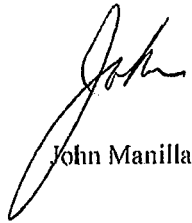
This Letter of Intent is not a contract and not meant to be contractual in nature. These terms are subject to the preparation of a formal Purchase Agreement, review and acceptance by attorneys for both parties, and execution in full by both parties. This Letter of Intent does not, however, create any legal right or obligations between Buyer and Seller.

April 5, 2011
13

If the foregoing terms are acceptable, please execute this Letter of Intent and return it to us. Upon receipt of such executed Letter of Intent, Buyer will prepare for Seller's review and approval a Purchase Agreement consistent with the above terms. This Letter of Intent shall expire at 5:00 p.m. on Friday April 8, 2011 should Seller not approve such Letter of Intent.

Very truly yours,

PYRAMID BROKERAGE COMPANY OF ROCHESTER, INC.



John Manilla, President



Chris Giunta, Director Corporate Services

AGREED AND ACCEPTED:

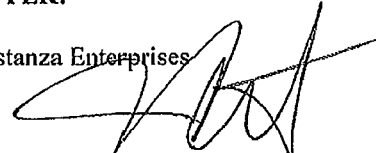
SELLER:

High Falls Operating Co, LLC.

By: _____
Name: _____
Title: _____
Date: _____

BUYER:

Costanza Enterprises



By: _____
Name: JAMES COSTANZA
Title: Pres.
Date: 4/5/11

Henderson, John

From: Minunni, Mark
Sent: Monday, February 07, 2011 9:20 AM
To: Henderson, John
Subject: FW: Cataract Street Property
Attachments: Letter of Intent.doc; Cataract St Proposal Letter.doc

From: John Thomas Property Management [mailto:jthomasproperties@gmail.com]
Sent: Thursday, February 03, 2011 9:52 AM
To: Minunni, Mark
Subject: Cataract Street Property

Dear Mark, Attached is a letter to you and Rich Lozyniak and a letter of intent for the purchase of the Cataract St. property. Please call me to verify receipt of them.
Thanks for all your help,
John

To: Rich Lozyniak, CEO
North American Breweries
High Falls Operating Company LLC
445 St. Paul St.
Rochester, NY 14605

From: John Trickey
Po box 18491
Rochester NY 14618

February 3, 2011

Letter of Intent

My offer is for the two masonry structures known as 10 and 13 Cataract street, along with the 60 car parking located at the corner of St. Paul Street and Cataract Street (believed to be 7 Cataract Street). I am offering to purchase the properties in as-is condition with no contingencies for the purchase price of two hundred seventy-five thousand dollars (\$275,000).

Upon acceptance of this letter of intent, I will have my attorney draw up on official purchase contract. Upon execution I shall present a deposit in the amount of ten thousand dollars (\$10,000) to be held in your attorney's escrow account.

John T. Trickey

To: Rich Lozyniak, CEO and
Mark Minunni, Director of Engineering
North American Breweries
High Falls Operating Company LLC
445 St. Paul St.
Rochester, NY 14605

From: John Trickey
John Thomas Property Management
P.O. Box 18491
Rochester, NY 14618

February 3, 2011

Dear Rich and Mark,

Thank you for the opportunity to view your company's property on Cataract St. and giving me the materials to review so I could analyze it. I have always admired your Cataract Street property. I am a real estate professional whose passion is buying, restoring and managing historic, landmark properties. I have been doing this for most of my adult life. I have a large portfolio of designated landmarks in the City of Rochester. The Hoyt-Pond House, The Churchill House, The Hart-Wiltsie House, Hollister House, Weider Hall, and the latest accusation The James Cunningham, Son and Company's main office on Canal Street.

The referenced properties were all in a state of disrepair or worse when I acquired them. Some people thought I was crazy to attempt the restoration on a couple of them. It is the history of these properties and the past people who lived and worked in them that get me excited and have fueled me through each process. The Hoyt-Pond House is the oldest house in its original location in the City of Rochester. Leonard Jerome, the grandfather of Winston Churchill, lived here.

Weider's Hall third floor houses one of the nicest dance halls in the world. Glen Miller performed here. I have found ticket stub's that had girl's names written on them from 'dime-a-dance' nights during World War II. I also found a secret chute that was used to throw alcohol bottles down during prohibition. People thought it was a nice gesture to restore the dance hall on the third floor but not practical. Investor's wanted to take the 4,500 square feet with twenty five foot ceilings and convert it to four, two story lofts that would completely destroy the charm and history of the building. I finished the dance hall five years ago and am proud to say that the group I rented to, The Tango Café is going strong and have renewed their lease for another 2 years.

I now own a place that Henry Ford, movie stars, and other famous people came to and discussed purchasing a Cunningham Carriage or Cunningham car, or in Henry Ford's case, ask the Cunningham's to consider making the bodies for Ford car's. A lot of people here in Rochester have never heard of The Cunningham Corporation. At the time, the cars made here in Rochester were considered the best made in the country.

I love to restore mixed use properties, and believe that mixed use, would be the best re-development of the Cataract property. I have a vision for the lower levels being turned in to commercial type uses (restaurant/office) space. The third through the fifth floors, with their beautiful views would make great residential space. It's the residential space that gets me excited as well as nervous with the project. The entire inside square footage of the properties is approximately 38,835sq.ft. The third through the fifth floor only make up 7,387 sq.ft. of the buildings. After you take out the space for a second stair and elevator you are left with only 6,000 sq ft. Taking into consideration some of that space is occupied by grain storage bins and there is no existing floor, I would need to build a new floor structure for the third and fourth floors. With the existing layout, I would only be able to put in 6 or 7 apartments. I would consider adding new construction to the project to build up the residential units, even with the cost constraints of new construction.

I would buy the properties in 'as is' condition. There is a lot of debris inside the properties, I would estimate over twenty, forty-yard dumpsters worth. I would take responsibility for their removal. I would also take responsibility for the asbestos and lead paint that is present. I would begin right away on the removal of debris; clean up of the exterior, and repairing the leaking roofs. I would make the property presentable in a reasonable time period. While this was transpiring my architect would be working on plans. I would love to see an exterior masonry stair case going up to the double front doors, with wrought iron railings. Then the transom lights above the doorway restored.

I understand that these properties are part of the make up of your brewery and their development has an impact on you. I want to assure you that I would include you on the development process, and take any concerns you have to heart.

Attached to this letter is my proposal. I'm looking forward to hearing from you. I can be reached at (585) 415-4466.

Sincerely,
John Trickey
John Thomas Property Management