

MIDTOWN APARTMENTS  
Gainesville, Florida  
by  
MIDTOWN PROPERTIES, LLC  
Project Status Report



November 4, 2021

# Midtown Campus Properties, LLC

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782 NW 42<sup>nd</sup> Avenue  
Suite 550  
Miami, FL 33126  
Bus. (305) 448-4091  
Fax (305) 448-4916

November 4, 2021

Attn: Mary Wyatt  
Digital Assurance Certification (DAC)  
315 East Robinson Street, Suite 300  
Orlando, FL 32801

Re: Monthly Report - Midtown Apartments, Gainesville, Florida 32603.

Dear Ms. Wyatt,

In accordance with the Disclosure Agreement please find attached Midtown's Monthly Construction Report No. 34 This report provides a progress of the project's construction and the undersigned certifies that the attached report is a factual status of the project.

As of the September 1 2021, the agent /manager confirmed 434 leases or Fall.

The project is 99.9% complete waiting final inspections starting this morning for Certificate of Occupancy of the entire building.

If you have any questions or comments, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'O. Roger', is positioned above the printed name.

Oscar Roger  
Manager  
Midtown Campus Properties, LLC

## EXECUTIVE SUMMARY AND INTRODUCTION

The construction of Midtown Apartments Student Housing Project is being built by Midtown Campus Properties, LLC. The Project located at 104 NW 17<sup>th</sup> Street, Gainesville, FL. 32603 was initially awarded to Bradenton Cove Construction, LLC ("BCC"). BCC was later replaced by Sauer Incorporated ("Sauer"), as Construction Manager. Sauer posted a \$32 million dollar bond, as the completion Contractor. The Total Project Construction Hard Cost Amount for both Contractors adds to \$45,012,943.70. Change orders in the amount of \$1,721,242.00 have been issued and approved for Sauer's Contract, and are included in this amount. Additional Change Orders were submitted but at the current time they have not been justified and/or submitted in proper form.

Midtown closed a re-financing facility in the amount of \$78M on January 31 2019, to pay the extra costs for delays, contractor change orders, delayed management, etc. Sauer's progress kept on being delayed and additional millions of dollars in Change Orders were constantly presented without justification. The project was not moving forward in fact slower than ever, and Sauer increased their notices, and letter campaign instead of proceeding to completion. After repeated demands from Midtown to finalize the project, Midtown had no other alternative than terminate Sauer. Sauer stated publicly that the project completion would not occur until 1 more year May 2021 (Sauer's statement was made May 2020 in court).

After Sauer's termination, Midtown has achieved completion of 3 out of the 3.5 residential phases; Phase 1 July 31, 2020, and Phase 2A October 2, 2020, and Phase 2B and rents commenced in Phase 1 August 2020, and August of 2021.

### CURRENT STATUS PER PERMIT AREA:

#### Completed currently:

#### Completions of Parking Garage, 3 phases of Apartments 449 Beds and Study Halls as follows:

100% Area 3- Garage Parking Completed ( main electrical, fire, pump and garage rooms, generator the and 4 elevators (elevator 3 and 4 waiting adjustment from Schindler Elevator Company).

100% Area 1- and partial 2 Apartments Completed (170 beds) and rented partial, and ground floor retail.

100% Area 4, and 5- Apartments Completed , (324 beds, 2 study halls, fitness room, and club room).

100% Exterior- Completed, including storefront installed after steel stair #5 completion. Steel stair completion 100%, final completion.

#### Phase 2C (Area 2 Final Area )

#### Materials on site, pre- paid upfront 100%:

All doors, including installation on site and pre-paid.

All water heaters on site and pre-paid.  
All HVAC on site and pre-paid.  
All appliances on site and pre-paid.  
All Tubs on site, majority installed and pre-paid.  
50% drywall on site, on floors, and pre-paid.  
All Fire Sprinklers in progress pre-paid.  
All Fire Alarm in progress pre-paid.  
Site Work 100% completed and paid.  
Right of way light poles pre-paid.

Currently project has received an additional credit facility of approximately \$7.4M, and a proposed balance of approximately \$1.4M for construction balance of the project.

The project consists of a total of 310 Apartments with 589 beds and was to be completed in 3 phases with 5 areas. (Refer to Areas Diagram on page 3).

The Milestones of the Project required the Parking Garage (Phase 1, Area 3) to be completed first, with Phase 1A following concurrently but completing a few months later. Thereafter, Phase 2, including Areas 2, 4 & 5 were to be completed as the last Milestone.

Currently the percentage of completion for the Parking Garage and Phase 1, 2A, 2B are at 100%. All inspections are completed; TCO was obtained in Garage (May 24<sup>th</sup>, 2019), (July 31, 2020) and July 31, 2021. Both Parking Garage and Apartments are fully operating for all 3 phases. Property Manager has 404 rentals reported.

Area 4, floors 2 thru 6 have achieved completion TCO October 2, 2020, and is currently being occupied for Spring tenants. Area 5 of new Phase 2B was completed July 31 of 2021 due delays and of the material and labor forces.

Area 2 are currently achieving 90% progress. All interior framing for Area 2 has achieved 100% and Drywall 75% Area 5 is at 100% framing, drywall. Sidewalks on 1<sup>st</sup> Avenue have been poured, and paving for 18<sup>th</sup> St and 2<sup>nd</sup> Ave is 100% completed. All right of way pavers, and oak trees 100% completed. All roofing material on Area 5 and Area 2 have been installed 100%, parapets on the 2<sup>nd</sup> floor roof levels are restarted, and completed. At this time the rest of all parapets are completed by Midtown since the previous contractor had left unfinished. Area 5 and Area 2 windows are 100% installed and interior drywall has commenced in Area 2, and completed in Area 5. Area 5 Plumbing is completed. Area 2 Plumbing rough is completed inspections approved, floors 2 through 6. 100% Railings installed at bridges floors 2 through 6, and additional balcony railings are 100% completed.

Area 5 and 2 has suffered further delays for lack of workers, materials and prices skyrocketing. Insulation for walls is non-existent in Gainesville, but we were able to purchase at a high premium from South Florida. Drywall shortages and vendor allocation is preventing materials to be received timely, as well as cost of over 30% more. Drywall is being purchased in south, north and west Florida from different vendors at higher costs in material and transportation. The upgraded drywall material is also being purchased to be able to get what

ever is available. Labor shortages have also presented many challenges in availability of skilled labor, and pricing increases.

Although AC was previously purchased at 100%, other equipment, and warranty repairs have been difficult since manufacturers are experiencing the labor and material shortages creating delays in existing units, and retail areas.

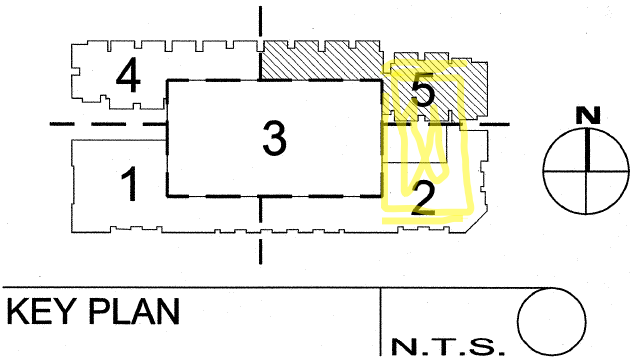
Time wise, the Project has suffered from COVID 19 delays. Said delays relate to the Virus, employment decrease, extreme weather, unforeseen conditions, and past delays related to manpower issues associated with market conditions and other causes. At the current time, additional subcontractors and laborers have continue to increase their presence in the Project, and the Project is moving forward at gradual pace. We had brought in accelerating Contractors from Atlanta with multiple workers referred by ACH, ( the Leasing and Management Co) but had to close down the job for 2.5 weeks due COVID 19 precaution as a few workers were sick with severe colds. The project is picking up the pace gradually for another acceleration to occur.

Financing, currently the project filed chapter 11 to reorganize and allow time for the completion of the project and avoid further delays. The Debtor Midtown Campus Properties has obtained a Debtor in Possession Loan to complete the project.

Leasing, is aggressively marketing weekly to complete the leasing of 494 Beds, for Fall 2021, and 95 Beds for October 2021.

MIDTOWN APARTMENTS

This report is intended to highlight the current status of the Midtown Apartments Project being constructed at 104 NW 17<sup>th</sup> Street, Gainesville, FL. 32603. The Project is divided by 3 Phases and 5 Areas according to the below diagram. Note that areas 2 and 5 are now limited to the extreme right East side of the Building as per highlighted areas.



CURRENT PROJECT ESTIMATED COMPLETIONS

### Milestones

Garage Completion - Completed May 24<sup>th</sup>, 2019 (TCO obtained)  
Phase 1A Completion - Completed July 31, 2020 (TCO obtained)  
Phase 2A Completion - Completed October 2, 2020 (TCO obtained)  
Phase 2B Completion (Area 5) - July 31, 2021  
Phase 2C (Area 2) October 31, 2021

### Garage Trade Components - Estimated % Completion

Concrete and Masonry Work – 100%  
Lighting Work - 100%  
Fire Alarm Work - 100%  
Electrical Rooms and Electrical Work – 100%  
Louvers and Grilles – 100%  
Mechanical Shafts - 100%  
Rain Tanks – 100%  
Fire Protection – 100%  
Elevators 1 & 2 Installation – 100% (Elevator controls on top of the elevator cabs were damaged by mortar and are currently being repaired / cleaned up)  
Elevators 3 & 4 Installation – 10% (Elevators were started April 27. They were to start early April but due to the project shut down per COVID 19 the date was changed and are currently performing the installation of both elevators are 99% complete and were approved for construction operation.  
Garage Entrance Drives – 100%  
Cable Barriers - 100%  
Final Storm Sewer Connection – 100%  
Stripping and Signage – 100%  
Fencing and Gates – 100%

\*\* Note that some of the percentages include purchased and stored materials.

### Phase 1A Trade Components Estimated % Completion

Concrete Work – 100%  
Interior Partitions – 100%  
Rough Electrical – 100%  
Rough Plumbing – 100%  
A/C Rough – 100%  
Plumbing Fixtures – 100%  
Lighting Trim and Lighting Fixtures – 100%  
Fire Protection Rough – 100%  
Fire Protection Trim – 100%  
Drywall Hanging and Finishing – 100%  
Windows and Storefronts – =100% (Storefronts needed adjustments and are currently being completed)  
Exterior Rain system Installation (Densglass/STO) – 100% as reworking 2nd floor.  
Entry doors and Interior Doors- 100%  
Keying – 100%  
Cabinets and Vanities – 100%

Flooring / Units – 100%  
Flooring / Corridors and Common Areas – 100%  
Painting – 100%

\*\* Note that some of the percentages include purchased and stored materials.

Phase 2 A Components – Area 4 Estimated % Completion

Concrete Work – 100%  
Interior Partitions –100%  
Rough Electrical – 100%  
Rough Plumbing – 100%  
A/C Rough – 100%  
Plumbing Fixtures – 100%  
Lighting Trim and Lighting Fixtures – 100%  
Fire Protection Rough – 100%  
Fire Protection Trim – 100%  
Drywall Hanging– 100%  
Drywall Finishing – 100%  
Windows and Storefronts – 100%  
Exterior Rain system Installation (Densglass/STO) – 100%  
Entry doors and Interior Doors- 100%  
Keying – 100%  
Cabinets and Vanities – 100%  
Flooring Units – 100%  
Flooring Corridors and Common Areas – 100%  
Painting – =100%

\*\* Note that some of the percentages include purchased and stored materials.

Phase 2C Components – Area 2 Estimated % Completion

Concrete Work – 100%  
Interior Partitions – 100%  
Rough Electrical – 100%  
Rough Plumbing – 100%  
A/C Rough – 100%  
Plumbing Fixtures –100%  
Lighting Trim and Lighting Fixtures – 100%  
Fire Protection Rough – 100%  
Fire Protection Trim – 100%  
Drywall Hanging– 100%  
Drywall Finishing – 100%  
Windows and Storefronts – 100%  
Exterior Rain system Installation (Densglas /STO) – 100%  
Entry doors and Interior Doors- 100%  
Keying – 99%

Cabinets and Vanities – 90%  
Flooring Units – 0%  
Flooring Corridors and Common Areas – 0%  
Painting – 0%

Phase 2B Components – Area 5 Estimated % Completion

Concrete Work – 100%  
Interior Partitions – 100%  
Rough Electrical – 100%  
Rough Plumbing – 100%  
A/C Rough – 100%  
Plumbing Fixtures – 100%  
Lighting Trim and Lighting Fixtures – 100%  
Fire Protection Rough – 100%  
Fire Protection Trim – 100%  
Drywall Hanging – 100%  
Drywall Finishing – 100%  
Windows and Storefronts – 100%  
Exterior Rain system Installation (Densglass /STO) – 100%  
Entry doors and Interior Doors- 100%  
Keying – 100%  
Cabinets and Vanities – %  
Flooring Units – 100%  
Flooring Corridors and Common Areas – 100%  
Painting – 100%

\*\* Note that some of the percentages include purchased and stored materials.













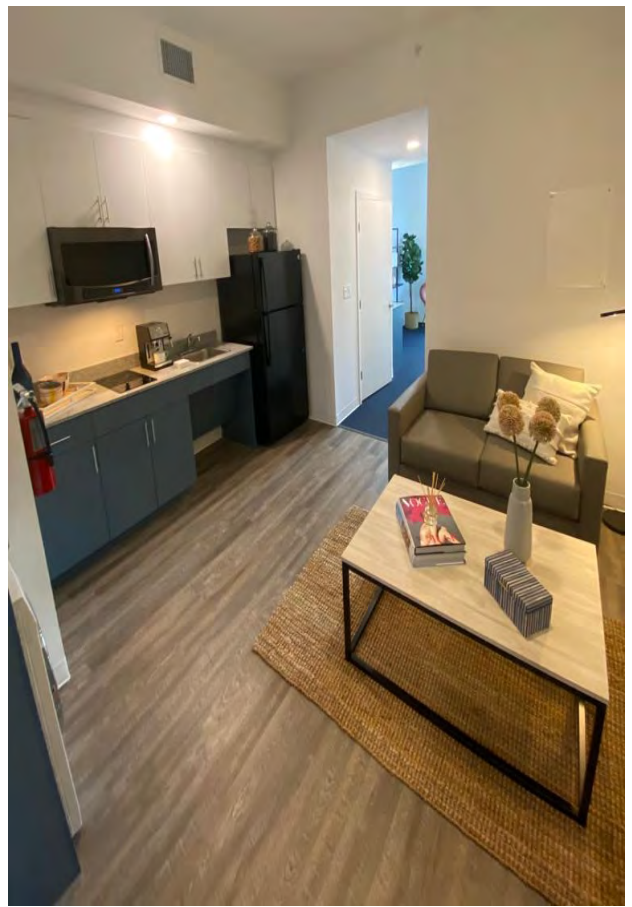
















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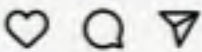
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