



Wise Owl Properties  
Board Meeting  
Date: September 9, 2019  
Time: 11:00am  
Agenda

- |                        |            |
|------------------------|------------|
| 1. Call to Order       | Fran Pepis |
| 2. Approval of Minutes | Fran       |
| 3. Building updates    | Fran       |
| 4. Refinancing         | JaLynne    |
| 5. Adjourn             | Fran       |

## **Wise Owl Properties, Inc.**

Board Meeting

Tuesday, August 13, 2019

01:00 PM

### **Present**

President, Fran Pepis  
Bill Ternent- Zoom  
Vice President, Don Roberts-Zoom  
Treasurer, Brenda Ezell, -Zoom  
Secretary, Melissa Gilreath  
Veronica Catoe-Absent

### **Staff**

Linda Levin  
JaLynne Santiago  
Jessica Del Rio

### **Meeting Called to Order**

Ms. Fran Pepis called the meeting to order at 10:10 AM. The purpose of the meeting was to update the Board of the

### **Approval of Minutes**

Bill Ternent moved approval of the minutes of the May 13, 2019 meeting of Wise Owl Board of Directors. Don Roberts seconded the motion. The motion carried without opposition.

### **Financials and Budget**

#### *2019 Draft Budget*

The 2019 Draft Budget is consolidated by the properties, and it is essentially the same as last year. Staff felt there was no reason to change the budget. Fran mentioned we did not approve the budget last year due to the A/C quotes. JaLynne mentioned we will make a transfer in to cover the repairs of the A/C

#### Motion

Fran moved to approve the 2019 Draft Budget. Bill seconded that motion. The motion carried, without opposition.

#### A/C Quotes

On the A/C quotes, JaLynne reviewed the providers and mentioned that McGowan is the provider we currently use for all of our A/C maintenance. The quote we received from McGowan was as

close as possible to the previous quote we received from them over a year ago. It was only \$1,000 difference from the last quote to now, and the work is the same.

### Motions

Fran moved to approve the \$17,655 quote from McGowan to change our A/C units in the 10696 building. Don seconded that motion. The motion carried, without opposition.

### Property 10696 Statement of Activities

JaLynne explained that on the property 10696 statement of activities, since the building is empty we only have a few line items, for example, building maintenance and utilities. The total transferred-in amount is \$129,604; that amount was transferred for rent and other expenses as needed. We will also transfer in another \$17,655 for the building maintenance.

### Property 10688 Statement of Activities

JaLynne explained that on the property 10688 statement of activities we were over budget on the building maintenance, this is due to the building improvements and the build-out to accommodate extra staff. We also did have an unanticipated increase in usage of the elevator phone, and we had to re-order checks. Overall, the budget is very much in line, except for the few line items that are over budget and around this time we should be 50% through our budget. We are waiting on quotes to see how much the build-out of the Board room will cost.

### Motion

Melissa moved to approve the 10696 and 10688 Statement of Activities. Bill seconded the motion. The motion carried without opposition.

### **Update on 10696**

Fran explained that a private school called Center Academy is interested in leasing the building. They have been operational since 1968, and they have about fifth-teen different locations. They are a school for children with learning disabilities such as Attention Deficit Disorder and other neuropsychological processing difficulties.

Center Academy is currently sharing a building with a non-profit down the road. The non-profit is taking a new route with the space Center Academy has utilized. Center Academy's broker requested we send them a lease proposal. They asked for this because the building is not set up for a school, there will have to be construction and demolition.

Fran expressed concerns about a couple of issues. Fran explained that she spoke with the zoning department, and they stated the minimum acres a school can have is two. She explained to the department that Wise Owl owns both of the buildings and the facilities have shared access to both parking lots. The department stated that it would pass; we need to have an administration deviation.

Upon further conversation with the department, they stated that the building is in the flight pattern of NAS Jax. Any school that is in the flight pattern of any aircraft, the zoning moving forward does not allow any school to be in that area. Fran explained that she gathered all the schools that are in the area that are in that flight pattern, and we have a good opportunity to get this zoning issue resolved.

Fran explained that on the lease analysis, we have a current credit line of \$150,000 with a min 5% interest rate. This credit is mostly used for building improvements. On the analysis, we used the line of credit as a model to show the expense if Wise owl was to contribute \$50,000. Fran suggested we contribute \$50,000 to the new tenants, but it is advertised in the tenants rent over the next seven years with an 8% return. The tenants will pay annually \$103,478 and monthly \$8,623. Don suggested we ask Center Academy if they want to do a ten-year lease. All operation expenses will fall on the tenant except for landscaping, parking lot maintenance, external pest control, property liability insurance.

The tenants plan to build out the drive-through lane and make a picnic area. We will lose driving access on that side of the parking lot, and the carpool traffic will circle our building. Linda stressed that we need to have an agreement that on days we have big meetings, we can utilize their parking. Fran advised she will speak with the broker to set up an agreement on parking arrangements.

Fran explained that there is a second opportunity that presented itself, is the broker of another location of Center Academy that contacted us with interest in purchasing the building. They offered us \$700,000 based on their rate of return.

Fran stated that we would not sell the building for for anything less than \$900,000. Fran recommended we counter the offer to \$925,000 as is. The buyer will cover all closing cost, recording of deed, title insurance, and inspections. She also suggested that we pay the broker fees of 5% for the listing agreement.

### Motions

Bill moved to approve that we send the counter offer of \$925,000 to sell the building and send a letter of intent to raise the lease agreement \$18.25/s.f. to \$20/s.f.. Don seconded the motion. The motion carried without opposition.

### Refinancing

JaLynne stated she spoke with Marie Watson from First Atlantic. They offered us a 10-year fixed mortgage with a 3.5 % interest rate and no prepayment penalty for the life of the loan except if we refinance with another bank. On any interest-bearing accounts, they will guarantee 1.5% for the first six months with the expectation for interest rates to rise. They will work with us to lower our bank fees and waive any origination fees. Our current bank with First Citizens, they were going to do the loan for 4.15%, but they are willing to match the offer from First Atlantic.

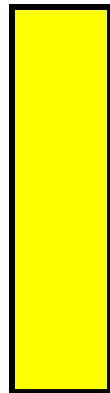
### Motions

Don moves forward to do our refinancing with First Citizens Bank. Brenda seconded the motion. The motions carried without opposition.

**Meeting Adjourned at 2:05 PM**

**Minutes prepared by Jessica Del Rio, Executive Administrative Assistant**

Center Academy	5,670	Rate	Annual	Monthly
Yr 1		\$ 16.50	93,555.00	7,796.25
Yr 2		\$ 17.00	96,361.65	8,030.14
Yr 3		\$ 17.50	99,252.50	8,271.04
Yr 4		\$ 18.03	102,230.07	8,519.17
Yr 5		\$ 18.57	105,296.98	8,774.75



E Pay Rails	34.9% of building	1,978	Rate	Annual	Monthly
Yr 1			\$ 16.50	32,637.00	2,719.75
Yr 2			\$ 17.00	33,616.11	2,801.34
Yr 3			\$ 17.50	34,624.59	2,885.38

<b>Total Revenue</b>	<b>\$ 496,696.20</b>
Brokers Comm	5% \$ 24,834.81

**Out of Pocket \$ 24,834.81**



Year 1	\$ 93,555
Expenses	
Property Maintenance	\$ 14,772
insurance	\$ 6,742
Taxes & Licenses	\$ 555
Mortgage Payment	\$ 69,000
<b>Total Estimated Expense</b>	<b>\$ 91,069</b>

<b>Net Cash Flow</b>	<b>\$ 2,486</b>
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<b>Total Revenue</b>	<b>\$ 100,877.70</b>
5%	\$ 5,043.89
paint	\$ 6,000.00
wall	\$ 1,800.00
<b>Total</b>	<b>\$ 12,843.89</b>



Year 1	\$ 32,637.00
34.90%	\$ 5,155
	\$ 2,353
	\$ 194
	\$ 24,081
<b>Total Estimated Expense</b>	<b>\$ 31,783</b>

<b>Net Cash Flow</b>	<b>\$ 854</b>
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<b>Landlords non reimburseable</b>	<b>\$ 61,610</b>
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September 9, 2019



epayrails  
c/o Daniel Danyus via: email: [danieldanyus@gmail.com](mailto:danieldanyus@gmail.com)  
Agent for 'epayrails'  
Exit Real Estate Gallery

**Colliers International**  
Northeast Florida

70 S Laura Street  
Suite 1500  
Jacksonville, FL 32202  
Office: (904) 358-1206  
Fax: (904) 353 - 4949

RE: 10696 Old St Augustine Rd  
Jacksonville, Florida 32257

Dear Daniel

We are pleased to present the following lease proposal on behalf of Wise Owl Properties

Building Name: ElderSource Institute

Address: 10696 Old St Augustine Rd  
Jacksonville, Florida 32257  
Suite # \_\_\_\_\_

Lessee: E PAY RAILS  
[www.epayrails.com](http://www.epayrails.com)

Premises: 1,978 rentable sq. ft. (as described on proposed floor plan (4) plus Tenant shall have access to common restrooms and common breakroom.

Term: Thirty-six (36) months

Renewal Options: Landlord will grant Tenant one (1) three (3) year option to extend the term of the Lease with no less than six (6) months prior written notice. The rate for the renewal term shall be a continuation of the previous rent schedule with three percent (3%) annual escalations.

Commencement Date: The commencement date shall be the earlier of November 1, 2019 or upon substantial completion of fresh paint and extension of one office wall.

Rent Schedule:

Months	Base Rate/SF	Monthly Base	Annual Rent	Total Rent	Sales Tax 6.7%	Total Check
1-12	\$16.50	\$2,719.75	\$32,637.00	\$2,719.75	\$182.23	\$2,901.98
12-24	\$17.00	\$2,802.17	\$33,626.00	\$2,802.17	\$187.75	\$2,989.92
24-36	\$17.51	\$2,886.24	\$34,634.78	\$2,886.24	\$193.38	\$3,079.62

Tenant Improvements: Landlord shall

- Extend wall in front office as shown on proposed floor plan
- Paint demised area

Operating Expense and

Real Estate Escalations: Tenant to pay pro rata share of utilities and real estate taxes. Tenants proportionate share is equal to 34.9%.

Parking: 4.5/ 1,000 sq ft. to equal approx. 9 spaces

Access: Tenant shall have access to the Premises 24 hours per day, 365 days per year.

Security Deposit: The Tenant will be required to Deposit with the Landlord an amount equal to one months rent as Security Deposit subject to the terms and conditions of the Lease Agreement.

Advanced Rent Deposit: Equal to the first month's rent

Signage: The Tenant at Tenant expense shall have sign panel rights to exterior monument signage on the demised premises based on the percentage of square footage leased to the total square footage of the building. Tenants proportionate share equals 34.9%. Signage shall be according to city code and approved by Landlord.

Commissions: Colliers International is the recognized agent of record representing the Landlord in this transaction and shall



be paid a leasing commission by the Landlord under a separate Listing Agreement... Exit Real Estate Gallery is the recognized agent of record representing the Tenant in this transaction and shall be paid a leasing commission by the Landlord's Broker under a separate Listing Agreement.

This Proposal to Lease sets forth the intent of the parties concerning the contents of a Lease, however, the execution of this letter does not create a lease or a binding agreement to enter into one. Rather, it is an expression of the intent of the parties that they are interested to proceed to the preparation of a lease for review containing the terms contained herein.

Please countersign and return to me a copy of this term sheet to confirm that the proposed lease shall contain terms consistent with this Letter.

Colliers International appreciates your consideration for this proposal. We feel confident we can create an extraordinary work environment for E PAY RAILS .

Sincerely,

Fran Pepis  
Colliers International Northeast Florida

Accepted and agreed to this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

# Proposed Floor Plan-(4)

1,978.S.F

BUILDING OFFICIALS AND APPLICABLE CODES	
Florida Fire Prevention Code	FFM Edition
Building Code	Florida Building Code, 10 Edition 2014
Life Safety Code	2012 NFPA - Life Safety Code
Assembly Code	Florida Building Code 2012
GENERAL DESCRIPTION	
Project Description	Renovation to an existing wood space. Renovation per FBC will be limited to alterations Level F, New paint and carpet only. No new floor work or masonry. Existing space is located on the ground floor and is 100% accessible.
Location	10418 Old St. Augustine Road, Jacksonville, FL 32211
OCCUPANCY AND GENERAL BUILDING REQUIREMENTS	
Occupancy Classification	Group B (Business)
Combustion Type (Section 503)	Existing No Change
Exposures	None
Building Area SF	1558 SF
Tenant Square Footage	1558 SF
Occupancy Load	55 (F308 / 100)
Height Limitation (Floor 100)	Existing No Change
Exterior Fire Impedance (Floor 100)	Existing No Change
Minimum Head of Water (Section 1024)	Existing No Change
Common Path of Egress Travel (Section 1014)	75 Feet
Exit Access (Section 1024)	200 Feet
Dead End Corridor Limit (Section 1024.4)	30 Feet
Min. Exit Corridor Width (F308)	44 inches
Egress Width Limit / Egress (Section 1008)	3 Subpersons
Egress Width (Section 1008)	3 Subpersons

GENERAL NOTES: EXISTING BUILDING IS STAND ALONE AND IS NOT ACCESSIBLE. THERE HAS BEEN DAMAGE THAT HAS OCCURRED AND REPAIRS. GROUND SURFACE OF WORK IS TO BE REPAIRED TO MATCH EXISTING SURFACE. SEE NOTES ON SHEET 02. PAINT WALLS AND NEW FLOORING. CURB IS TO MATCH THE BUILDING AS IS WITH NO NEW WALKWAY BUILT OR NEW FLOORING TO MATCH WALLS.

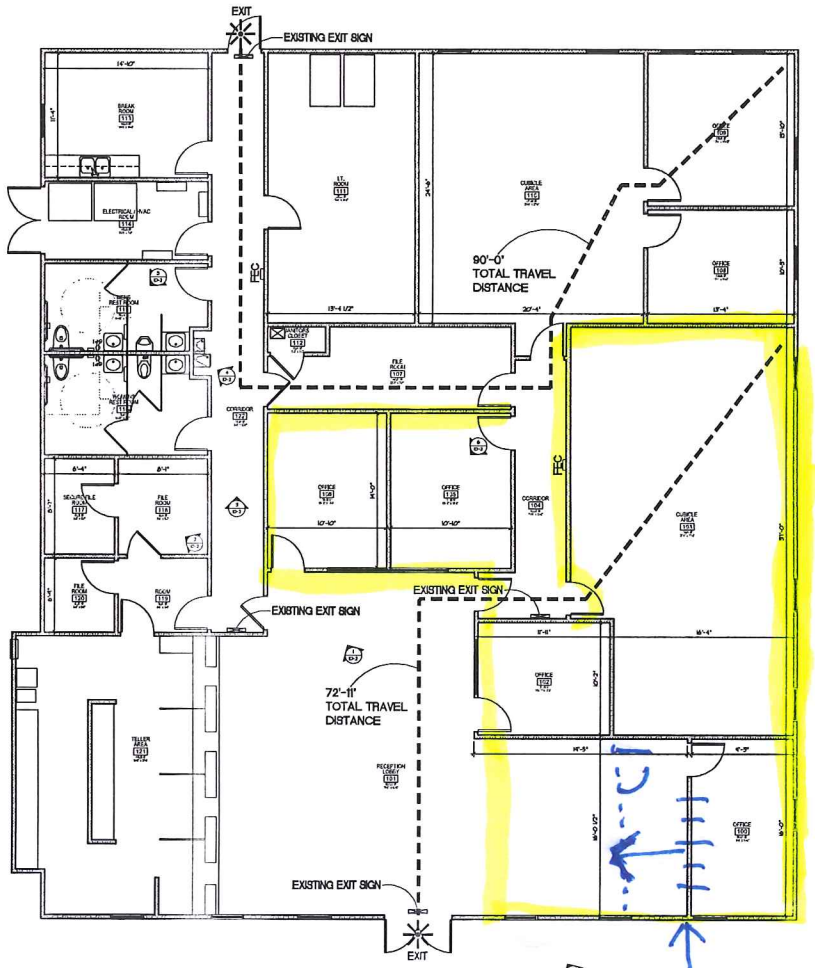
CONTRACTOR TO VERIFY NEW PREPARED WALLS MATCH EXISTING WALL TYPE AND CONDITIONS.

CONTRACTOR TO PATCH AND COVER TO MATCH AS BEST AS POSSIBLE.

CONTRACTOR TO PATCH EXISTING PAINT ON ALL NEW PREPARED WALLS.

CONTRACTOR TO PATCH EXISTING BASE COORDON ON ALL NEW PREPARED WALLS.

NEW EGRESS PAINT IN BATHROOMS AND ALL NEW HALLS.



REMOVE WALL  
External out



ELDER CARE  
10418 OLD ST. AUGUSTINE ROAD  
JACKSONVILLE, FL 32211

REVISIONS:

DATE: 10-2-18  
EXISTING FLOOR PLAN

DESIGNED BY: JOHN PEELE, PE, RUPRECHT

PROJECT NO.: 19

ID-1  
SCHEMATIC DESIGN



Exclusively for Wise Owl Properties Inc.

**Summary of Terms and Conditions**  
**September 5, 2019**

This summary of terms and conditions is presented on a confidential non-binding basis for discussion purposes only and does *not* represent a commitment to lend. It is not meant to be an attempt to define all of the terms and conditions regarding the proposed credit facility. It is intended to summarize the primary business points around which a credit facility may be presented for approval.

<b>Borrower</b>	Wise Owl Properties Inc.
<b>Lender</b>	First-Citizens Bank & Trust Company
<b>Number of Credit Facilities</b>	<input type="text" value="1"/>
<b>Loan Description</b>	A term credit facility of up to \$521,625
<b>Purpose</b>	Proceeds of the Loan are to be used to renew existing facility.
<b>Repayment Terms</b>	Principal and Interest payment for 120 months with a maturity and a 120 month amortization.
<b>Interest Rate</b>	3.25%
<b>Collateral</b>	Continuing security interest in first security interest in commercial real estate located at: 10688 Old St. Augustine Road., Jacksonville, Florida.
<b>Advance Rate</b>	Lender will make advances under the Loan available to Borrower based on the <i>lower</i> of cost or appraised value of the collateral. A maximum Loan-To-Value ratio of 85% will be required.
<b>Loan Fees</b>	0.50% of loan amount
<b>Guarantors</b>	Lender may require certain personal and/or corporate guaranties as provided in a commitment letter and/or definitive loan documents.
<b>Prepayments</b>	The Loan may be voluntarily prepaid, in whole or in part, subject to certain prepayment penalties in accordance with a schedule to be provided in a commitment letter and/or definitive loan documents.



**Exclusively for Wise Owl Properties Inc.**

<b>Representations</b>	The Loan documents will contain usual and customary representations and warranties for financings of this type.
<b>Financial and Other Covenants</b>	<p>The Loan documents will contain affirmative, negative and/or financial covenants for financings of this type, including, but not limited to:</p> <ul style="list-style-type: none"><li>• Financial reporting, which may include monthly, quarterly or annual financial statements of Borrower, its affiliates and/or Guarantors.</li><li>• Minimum cash flow; leverage; and limitations on indebtedness, liens, negative pledges, investments, business combinations, change of control, asset sales, transactions with affiliates, restricted payments, distributions and dividends.</li></ul> <p>Establishing and maintaining Borrower's and/or Guarantor's depository accounts with Lender.</p>
<b>Conditions Precedent</b>	The conditions precedent to the closing of the Loan will be usual and customary for financings of this type, including, but not limited to the negotiation, execution and delivery of definitive loan documents in form and substance satisfactory to Lender and its counsel.
<b>Due Diligence</b>	Borrower will provide due diligence documents and any other information deemed necessary by Lender to conduct its credit review, which if satisfactory to Lender in its sole discretion, Lender may issue a credit approval.
<b>Expiration</b>	This summary of terms and conditions will expire in 15 days from the date stated above.