

July 14, 2011

Cynthia S. Birdsill
Economic Sustainability Director
City of Coral Gables
1 Alhambra Plaza
Suite 617
Coral Gables, Florida 33134

**Re: 4133 Le Jeune Road and 3320 Douglas Road / Proposed
Exchange of Properties / Letter of Intent**

Dear Ms. Birdsill:

My client, Astor Development (Astor) proposes that in exchange for the City transferring fee simple title to the City owned property located at 4133 Le Jeune Road, which property includes tax parcels 03-4120-017-0180 (approx. 5,880 sf), 03-4120-017,0190 (approx. 2,450 sf), 03-4120-017-0200 (approx. 2,450 sf), and vacation of an alley area of approximately 4,650 square feet (sf), such alley to be relocated (collectively "4133 Le Jeune"), Astor is prepared to offer to convey to the City the property which it owns or has under contract at 3723 Frow Avenue (tax parcel 01-4120-006-0560 of approx. 5,000 sf), 3320 Douglas Road (tax parcel 01-4120-006-0540 of approx. 3,360 sf), 3340 Douglas Road (tax parcel 01-4120-006-0550 of approx. 7,600 sf), 3724 Oak Avenue (tax parcel 01-4120-006-0750 of approx. 4,400 sf), and 3722 Oak Avenue (tax parcel 01-4120-006-0530 of approx. 5,065 sf) (collectively "3320 Douglas Road") complete with a new municipal trolley car building on said 3320 Douglas Road to be built to the specifications of the City.

The swap of these properties would be memorialized in an agreement to be negotiated by the parties, and then presented to the City Commission for its consideration. It is understood that with the exception of numbered paragraph 5 below, which provision is intended to be binding, this letter is a proposal only, and is not legally binding on either party unless and until the parties enter into a fully executed agreement that has previously been approved by the City Commission in accordance with applicable codes, resolutions and ordinances. Prior to execution of such an agreement, either party shall be entitled to discontinue negotiations or discussions for any reason or for no reason, and all work undertaken by Astor in preparation of any such agreement shall be at its own cost and risk without creating any liability or obligation of the City. The parties recognize that there are many terms, including the ones mentioned herein, that will need to be negotiated if a final agreement is to be reached.

MIA 181,981,278v1 7-8-11

It is anticipated that the agreement would *inter alia* address the following:

1. Exchange of Properties: The City shall convey the 4133 Le Jeune property in fee simple to Astor in exchange for Astor's conveyance of the 3320 Douglas Road property to the City in fee simple.
2. Construction of New Trolley Building: Astor shall construct, at its own cost and expense, a new municipal trolley building upon the 3320 Douglas Road property to be conveyed to the City. Said municipal trolley building shall be built generally according to the specifications which are indicated on the preliminary plans prepared by Behar Font and Partners, P.A., entitled "Proposed Trolley Station", and dated April 20, 2011, and which will include a built-in lift. The parties would work towards a final set of construction drawings acceptable to the City. The responsibility and costs of obtaining the necessary administrative building and zoning approvals for the new municipal trolley building will be assumed by Astor.
3. Costs of Temporary Relocation of Trolley Facility: In the event that the City is required to temporarily relocate its trolley car facility because the new facility at 3220 Douglas Road has not yet been completed, Astor shall pay the costs due to the additional commute of the trolley cars between the temporary location and the existing route.
4. Contingencies: Astor shall not be required to close unless and until it has obtained all the necessary zoning approvals, including the vacation of the abutting alley area, for Astor's proposed "Merrick Manor" mixed use residential / retail project to be located at 4111 Le Jeune Road and the appeal period for said zoning approvals has expired or, if any appeal of said zoning approvals has been filed, the appeal has been denied and such denial is final.
5. Reimbursement of Costs: There is a significant amount of work that remains for the City to do to determine whether this transaction will be acceptable. Astor shall reimburse all attorney and consultant fees and expenses that the City incurs with regard to attempting to negotiate an agreement for the transaction described herein and, in the event that Astor agrees to terms that City staff would recommend to the City Commission, presentation of such agreement to the City Commission for its consideration. In the event the City Commission authorizes City staff to proceed to attempt to negotiate an agreement with Astor, Astor shall provide a retainer to the City in the amount of \$50,000 towards reimbursement of these fees. In no event shall the retainer drop below \$15,000 at any time, and Astor shall replenish the retainer so that it is always at least \$15,000.

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We respectfully request that this Letter of Intent be scheduled for consideration by the City Commission at its July 19, 2011, meeting, so that the City Commission may authorize you to enter into the necessary negotiations with regard to this proposed exchange of properties. If you any questions or would like to discuss this offer further, please contact me at 305-579-0837. Thank you for your attention and assistance with this matter.

Best regards,



Mario J. Garcia-Serra

cc: Mr. Henry Torres
Mr. Peter Torres
Mr. Phillip Parenteau
Mr. Javier Font