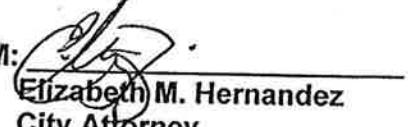


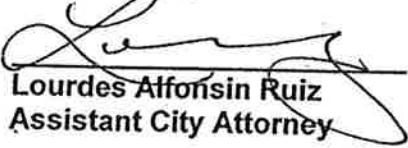
CITY OF CORAL GABLES
OFFICE OF THE CITY ATTORNEY

-MEMORANDUM-

TO: HISTORIC PRESERVATION BOARD **DATE: August 3, 2006**

FROM: 
Elizabeth M. Hernandez
City Attorney

SUBJECT: Undue Economic Hardship


Lourdes Alfonsin Ruiz
Assistant City Attorney

You asked, how does the Board determine whether an applicant claiming undue economic hardship meets the required criteria under Section 31-5.9 of the Code? In order to answer your question, to follow is an outline with criteria to determine the request:

I. What is undue economic hardship in Coral Gables?

In the City of Coral Gables the definition states as follows:

"In any instance where there is a claim of undue economic hardship, the property owner may, submit, by affidavit, to the board at least fifteen (15) days prior to the public hearing, the following information:

For all property:

The amount paid for the property, the date of purchase and the party from whom purchased.

The assessed value of the land and improvements thereon, according to the two (2) most recent assessments.

Real estate taxes for the previous two (2) years.

Annual debt service, if any, for the previous two (2) years.

All appraisals obtained within the previous two (2) years by the owner or applicant in connection with his or her purchase, financing or ownership of the property.

Any listing of the property for sale or rent, price asked and offers received, if any.

Any consideration by the owner as to profitable adaptive uses for the property.

For income producing property:

Annual gross income from the property for the previous two (2) years.

The assessed value of the land and improvements thereon, according to the two (2) most recent assessments.

Annual cash flow, if any, for the previous two (2) years.

The board may require that an applicant furnish such additional information, as the board believes is relevant to its determination of undue economic hardship and may provide, in appropriate instances that such additional information be furnished under seal. In the event that any of the required information is not reasonably available to the applicant and cannot be obtained by the applicant, the applicant shall file with his affidavit a statement of the information which cannot be obtained and shall describe the reasons why such information cannot be obtained."

See, § 31-5.9, City of Coral Gables, Zoning Code (Emphasis added).

II. What is the definition of undue economic hardship under Florida Statutes?

- [A]n action of one or more governmental entities has directly restricted or limited the use of real property such that the property owner is permanently unable to attain the reasonable, investment-backed expectation for the existing use of the real property or a vested right to a specific use of the real property with respect to the real property as a whole, or that the property owner is left with existing or vested uses that are unreasonable such that the property owner bears permanently a disproportionate share of a burden imposed for the good of the public, which in fairness should be borne by the public at large. See, Florida Statutes, Section 70.001.

III. Why is the review important?

- Violation of the "takings clause" of the Fifth Amendment, made applicable through the 14th Amendment to the states.
- The 5th Amendment prohibits the taking of private property for public use without just compensation. This provision has been interpreted to mean that compensation is required when a regulation goes so far as to deny an owner the "economically viable use of his property." However, the U.S. Supreme Court has stated that the fact that a historic preservation law may have a "more severe impact on some landowners than others" does not mean, "in itself... that the law effects a 'taking.'" *Penn Central Transportation Co. v. City of New York*, 438 U.S. 104 (1978).¹ Also see, *Agins v. City of Tiburon*, 447 U.S. 255, 260 (1980); *First English Evangelical Lutheran Church v. County of Los Angeles*, 107 S. Ct. 2378, 2388 (1987).

¹ In Penn Central, supra, the Supreme Court upheld a historic preservation ordinance regulating property by finding that a taking did not arise.

IV. What are the factors to consider when making a determination of undue economic hardship?

(A) Commercial Properties, look at:

- Revenue
- Vacancy rates
- Operating expenses
- Financing
- Tax incentives
- Effect of a particular course of action on a property's overall value or return
- Compare alternative courses of action and their anticipated rates of return
- Look at the reasonable or beneficial use of the property, i.e. may the owner continue to use and carry out the traditional use of the property or whether a viable use remains.
- Whether the owners' objective was reasonable at the time of purchase, or whether the owner simply overpaid for the property.
- Whether an applicant's expectation of demolishing a historic property subject to a preservation ordinance at the time of purchase is not reasonable.
- Whether the owner's objectives were realistic given the condition of the property at the time of purchase, or whether the owner simply overpaid for the property.
- Whether the alleged hardship was self-created. Whether the owner allowed the property to deteriorate causing property value to decline or rehabilitation expenses to increase.
- Whether the applicant has made any efforts to sell or rent the property at issue or the feasibility of other alternative uses.

Note that Government is not required to compensate property owners for bad decisions or required to investment guarantee a return on a speculative investment

(B) Homeowner-owned property, look at:

- The fact that repairs may be more costly is not enough.
- What is the reasonable or beneficial use of the property?

- Even if extensive rehabilitation is required, the applicant must show that the house cannot be sold "as is" or that the fair market value of the property in its current condition plus rehabilitation expenditures will exceed the fair market value of the house upon rehabilitation.
- Owners often invest in home improvements or renovations without the expectation of recouping the full cost of the improvement in the form of increased property value.
- Can the applicant still live in the house?
- An applicant's expectation of demolishing a historic property subject to a preservation ordinance at the time of purchase is not reasonable.
- Whether owner's objectives were realistic given the condition of the property at the time of purchase, or whether the owner simply overpaid for the property.
- Whether alleged hardship was self-created. Owner allowed the property to deteriorate causing property value to decline or rehabilitation expenses to increase.

Please note that it is more difficult for applicant to establish that he or she has been denied all reasonable use of property in this situation.

(C) Nonprofit organizations – special standards, look at:

- What is the organization's charitable purpose?
- Whether regulation interferes with the organization's ability to carry out its purpose.
- The condition of the building and the need and cost of repairs.
- Whether the organization can afford to pay for the repairs.

V. Economic hardship proceedings.

(A) Burden of proof.

- Rests on property owner.
- Must be established by dollar and cents proof in the context of a specific proposal for alterations or demolition and not when a property has been designated historic.
- Requires a high showing of hardship to justify overriding a Board determination.
- The impact must be substantial.

(B) Types of evidence.

(1) Applicant may bring:

Expert testimony on issues such as:

- ◆ Structural integrity of historic building.
- ◆ Estimated costs of rehabilitation.
- ◆ Project market value of the property after rehabilitation.

(2) Parties in opposition or others may present their own evidence.

(3) Board may also bring its own expert witnesses to testify.

(C) Decisions by Board.

(1) Board must:

(a) Weigh the evidence.

(b) Make specific findings on the relative credibility or competency of expert witnesses.

(c) Make findings on whether the evidence is sufficient.

(1) All required information must be submitted.

(2) Information must provide Board with entire picture.

(3) If information is missing, ask for it.

(d) Make findings on whether evidence is relevant.

(1) Property owner is not entitled to the highest and best use of the property.

(2) Weed out information that is not germane to the issue (i.e., how much money project could make if historic property is demolished).

(e) Whether evidence is competent.

(1) Evidence must establish what it purports to show.

(f) Whether evidence is credible.

(1) Whether figures make sense.

(2) Consider source of evidence.

(g) Whether expert is biased or qualified.

(h) Whether evidence is consistent.

(1) Request explanation of all inconsistencies.

(2) If contradictory evidence exists, Board must determine which evidence is credible and why.

The Board should be prepared to hire or obtain its own experts to make independent determinations as to the accuracy of evidence.

EVIDENTIARY CHECKLIST

The following checklist is a useful tool for local commissions and other regulatory agencies considering economic hardship claims:

1. Current level of economic return

- Amount paid for the property, date of purchase, party from whom purchased, and relationship between the owner of record, the applicant, and person from whom property was purchased;
- Annual gross and net income from the property for the previous three years; itemized operating and maintenance expenses for the previous three years, and depreciation deduction and annual cash flow before and after debt service, if any, during the same period;
- Remaining balance on the mortgage or other financing secured by the property and annual debt-service, if any, during the prior three years;
- Real estate taxes for the previous four years and assessed value of the property according to the two most recent assessed valuations;
- All appraisals obtained within the last two years by the owner or applicant in connection with the purchase, financing, or ownership of the property;
- Form of ownership or operation of the property, whether sole proprietorship, for-profit or not-for-profit corporation, limited partnership, joint venture, or other;
- Any state or federal income tax returns relating to the property for the last two years.

2. Any listing of property for sale or rent, price asked, and offers received, if any, within the previous two years, including testimony and relevant documents regarding:

- any real estate broker or firm engaged to sell or lease the property;
- reasonableness of price or rent sought by the applicant;
- any advertisements placed for the sale or rent of the property.

3. Feasibility of alternative uses for the property that could earn a reasonable economic return:

- Report from a licensed engineer or architect with experience in rehabilitation as to the structural soundness of any buildings on the property and their suitability for rehabilitation;
- Cost estimates for the proposed construction, alteration, demolition, or removal, and an estimate of any additional cost that would be incurred to comply with the requirements for a certificate of appropriateness;
- Estimated market value of the property: (a) in its current condition; (b) after completion of the proposed alteration or demolition; and (c) after renovation of the existing property for continued use;
- Expert testimony or opinion on the feasibility of rehabilitation or reuse of the existing structure by an architect, developer, real estate consultant, appraiser, and/or other real estate professional experienced in historic properties and rehabilitation.

4. Any evidence of self-created hardship through deliberate neglect or inadequate maintenance of the property.

5. Knowledge of landmark designation or potential designation at time of acquisition.

6. Economic incentives and/or funding available to the applicant through federal, state, city, or private programs.

Perez, Betty

From: Kautz, Kara
Sent: Thursday, September 13, 2007 1:06 PM
To: Perez, Betty
Subject: FW: Next meeting

Please Note: Florida has a very broad Public Records Law. Most written communications to or from State and Local Officials regarding State or Local business are public records available to the public and media upon request. Your email communications may therefore be subject to public disclosure.

From: EPORAL@aol.com [mailto:EPORAL@aol.com]
Sent: Thursday, September 13, 2007 12:34 PM
To: KKautz@coralgables.com
Subject: Next meeting

Kara,
I will be out of town next Thursday, 9/20, and will miss our Preservation Board meeting.
Ed Parnes

See what's new at AOL.com and [Make AOL Your Homepage](#).

Guilford & Associates, P.A.
Attorneys at Law

F. W. MORT GUILFORD

E-MAIL: FWG@GUILFORDASSOC.COM

F. W. ZEKE GUILFORD

E-MAIL: ZGUILFORD@GUILFORDASSOC.COM

2222 PONCE DE LEON BOULEVARD
6TH FLOOR
CORAL GABLES, FLORIDA 33134

May 8, 2008

TEL (305) 446-8411
FAX (305) 445-0563

Kara Kautz, Historic Preservation Director
Historical Resources Department
City of Coral Gables
405 Biltmore Way
Coral Gables, Florida 33134

Re: 111 Salamanca Ave, Coral Gables, FL 33134

Dear Ms. Kautz,

Please find enclosed the following documentation for the pending Historic application on the above-referenced property. The documentation provided is all supplemental to previous documentation that has been provided to the Historic Resources Department.

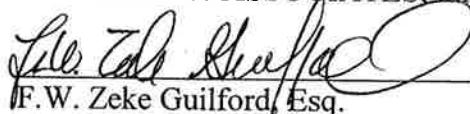
- 2007 Real Estate Property Taxes
- Copies of Receipts for paid property taxes
- Sales Contract

We are waiting for the appraisal report from Quinlivan Appraisal. Once we are in receipt of the appraisal report we will forward it to your office.

If you have any questions or require any additional information, please do not hesitate to contact me.

Very sincerely,

GUILFORD & ASSOCIATES, P.A.


F.W. Zeke Guilford, Esq.

2000 MAY 8 PM 10:37
CITY OF CORAL GABLES, FLORIDA
MAY 10, 2000

2007 REAL ESTATE PROPERTY TAXES

Miami-Dade County, Florida

Miami-Dade County, Florida

NOTICE OF AD VALOREM TAXES AND NON-AD VALOREM ASSESSMENTS

SEE REVERSE SIDE FOR IMPORTANT INFORMATION

179180

FOLIO NUMBER	MUNICIPALITY	MILL CODE	ASSESSED VALUE
03-4108-009-2790	CORAL GABLES	0300	1,654,500
Mailing Address	Property Address	Exemptions	NONE
C MICHAEL SAENZ	111 SALAMANCA AVE		
116 SAN SEBASTIAN AVE			
CORAL GABLES, FL 33134			

AD VALOREM TAXES			
TAXING AUTHORITY	MILLAGE RATE PER \$1,000 OF TAXABLE VALUE	TAXES LEVIED	
MIAMI-DADE SCHOOL BOARD			
School Board Operating	7.57000	1,654,500	
School Board Debt Service	0.37800	1,654,500	12,524.57
STATE AND OTHER			625.40
Florida Inland Navigation Dist	0.03450	1,654,500	
South Florida Water Mgmt Distric	0.53460	1,654,500	57.08
Everglades Construction Project	0.08940	1,654,500	884.50
Childrens Trust Authority	0.42230	1,654,500	147.91
MIAMI-DADE COUNTY			698.70
County Wide Operating	4.57960	1,654,500	
County Wide Debt Service	0.28500	1,654,500	7,576.95
Library District	0.38420	1,654,500	471.53
			635.66
MUNICIPAL GOVERNING BOARD			
Coral Gables Operating	5.25000	1,654,500	8,686.13

NON-AD VALOREM ASSESSMENTS			
LEVYING AUTHORITY	RATE	FOOTAGE/UNITS	AMOUNT
NO NON-AD VALOREM TAXES			

Save Time. Pay Online. www.miamidade.gov

Combined taxes and assessments \$32,308.43

**2007 REAL ESTATE
PROPERTY TAXES
03-4108-009-2790**

FOLIO NUMBER

111 SALAMANCA AVE

PROPERTY ADDRESS

C MICHAEL SAENZ
116 SAN SEBASTIAN AVE
CORAL GABLES, FL 33134

LEGAL DESCRIPTION

**CORAL GABLES DOUGLAS SEC
PB 25-69**

LOTS 10-11 & E 30FT LOT 12 BLK 29
LOT SIZE 130.000 X 110



111-00000, 27, 62

Make checks payable to:
Miami-Dade Tax Collector
(in U.S. funds drawn on U.S. banks)

Please use envelope provided or
mail to 140 W. Flagler Street
Miami, FL 33130-1575

PAY ONLY ONE AMOUNT

Amount if paid by **NOVEMBER 30, 2007**
\$ 31,016.09

Amount if paid by **DECEMBER 31, 2007**
\$ 31,339.18

Amount if paid by **JANUARY 31, 2008**
\$ 31,662.26

Amount if paid by **FEBRUARY 29, 2008**
\$ 31,985.35

Amount if paid by MARCH 31, 2008
\$ 32,308.43

RENTAL PROPERTY TAXES AND/OR LIENS

RETAIN THIS PORTION
FOR YOUR RECORDS

CERTIFICATE REDEMPTION BILL

JAZ 09/04/2007

07 TOTAL AMOUNT DUE SUBJECT TO CHANGE

COLL MM/CCYY: 09/2007

FACE VALUE	INT%	INTEREST AMOUNT	RED FEE	TOTAL AMOUNT
38135.60	.25	1906.80	6.25	40048.65

MIAMI-DADE COUNTY TAX COLLECTOR
 140 W. Flagler Street
 Miami, Florida 33130

Please keep your receipt for
 future reference.

Thank you and have a nice day.

9/4/2007 1300/224/001JAZZ 0028-0001
 Last Seq.#:0002 WI Folio:03 41080092790
 Curr. Real Estate \$34,215.39

9/4/2007 1300/224/001JAZZ 0028-0002
 Last Seq.#:0002 WI Folio:03 41080092790
 Delq. Real Estate \$40,048.65

CK \$74,264.04
 CHANGE \$0.00

MIAMI-DADE COUNTY TAX COLLECTOR

9/4/2007 1300/224/001JAZZ 0028-0002
 Last Seq.#:0002 WI Folio:03 41080092790
 Delq. Real Estate \$40,048.65

ADDRESS : 111 SALAMANCA AVE TOTAL AMOUNT DUE: 40048.65

381346821

AX DEED CORAL GABLES DOUGLAS SEC PB 25-69
 F LOTS 10-11 & E SOFT LDT 12 BLK 29
 E PAYMENT LOT SIZE 130,000 X 150
 CASH, CASHIER'S CHECK, MONEY ORDER OR CERTIFIED CHECK.

DADE COUNTY TAX COLLECTOR - 140 W. FLAGLER ST. • MIAMI, FL 33130

▼ DETACH HERE ▼

BGR DEVELOPMENT II LLC

October 13, 2005

Mr Michael Saenz
Blue Caribbean Adventures
KM 269.5 Carretera Chetumal-Pto Juarez
Local # % Hotel Omni
Pto Aventuras, Z. ROO
C.P. 77782

Ref: 111 Salamanca Avenue

Dear Mr Saenz

Attached please find the counteroffer signed. I changed the closing date for January 18th, 2006 since we will be traveling on January 10th.

Please let me know should you have a comment. My cell phone number is 305.793.6665

Sincerely,



Lina Baron
Manager

8181 NW 36 St Suite 1001, Doral FL 33166
Phone: (786) 336-8135 Fax: (786)336-0221

1 1. PURCHASE AND SALE:
2 BGR DEVELOPMENT, LLC/BGR, LLC ("Buyer").

3 agrees to buy and
4 C. MICHAEL SAENZ ("Seller").

5 agree to sell the property described as:
6 Street Address: 111 Salamanca Avenue

7 Legal Description:
8 Lots 10 and 11, and the E. 30 feet of Lot 12, Block 29, Coral Gables Douglas Section

9
10

11 and the following Personal Property:

12 3 A/C Units, 3 Ranges, 3 Refrigerators, 3 Water Heaters

13
14

15 (all collectively referred to as the "Property") on the terms and conditions set forth below. The "Effective Date" of this
16 Contract is the date on which the last of the Parties signs the latest offer. Time is of the essence in this Contract. Time
17 periods of 5 days or less will be computed without including Saturday, Sunday, or national legal holidays and any time period
18 ending on a Saturday, Sunday or national legal holiday will be extended until 5:00 p.m. of the next business day.

19 2. PURCHASE PRICE: \$ 2,425,000.00

20 (a) Deposit held in escrow by Robert C. Hackney, Esq. \$ 20,000.00

21 (b) Additional deposit to be made within 20 days from Effective Date \$ 30,000.00

22 (c) Total mortgages (as referenced in Paragraph 3) \$ _____

23 (d) Other: \$ _____

24 (e) Balance to close, subject to adjustments and prorations, \$ 2,375,000.00
25 to be made with cash, locally drawn certified or cashier's check or wire transfer.

26 3. THIRD PARTY FINANCING: Within n/a days from Effective Date ("Application Period"), Buyer will, at Buyer's expense,
27 apply for third party financing in the amount of \$ n/a or n/a % of the purchase price to be
28 amortized over a period of n/a years and due in no less than n/a years and with a fixed interest rate not to exceed
29 n/a % per year or variable interest rate not to exceed n/a % at origination with a lifetime cap not to
30 exceed n/a % from initial rate, with additional terms as follows:

31 N/A

32

33

34 Buyer will pay for the mortgagee title insurance policy and for all loan expenses. Buyer will timely provide any and all credit,
35 employment, financial and other information reasonably required by any lender. Buyer will notify Seller immediately upon
36 obtaining financing or being rejected by a lender. If Buyer, after diligent effort, fails to obtain a written commitment within
37 n/a days from Effective Date ("Financing Period"), Buyer may cancel the Contract by giving prompt notice to Seller
38 and Buyer's deposit(s) will be returned to Buyer in accordance with Paragraph 9.

39 Buyer (Signature) and Seller (Signature) acknowledge receipt of a copy of this page, which is Page
CC-2 © 1997 Florida Association of Realtors®. All rights reserved. Licensed to Alta Star Software, User Reg# S1443113A
Software and Added Formatting Copyright 2004 Alta Star Software, Inc. All Rights Reserved. (305) 279-8898

40 4. TITLE: Seller has the legal capacity to and will convey marketable title to the Property by statutory warranty deed
41 other _____, free of liens, easements and encumbrances of record or known to
42 Seller, but subject to property taxes for the year of closing; covenants, restrictions and public utility easements of record; and
43 (list any other matters to which title will be subject) _____
44 provided there exists at closing no violation of the foregoing and none of them prevents Buyer's intended use of the Property
45 as _____

46 (a) Evidence of Title: Seller will, at (check one) Seller's Buyer's expense and within 30 days
47 from Effective Date prior to Closing Date from date Buyer meets or waives financing contingency in
48 Paragraph 3, deliver to Buyer (check one)
49 a title insurance commitment by a Florida licensed title insurer and, upon Buyer recording the deed, an owner's
50 policy in the amount of the purchase price for fee simple title subject only to exceptions stated above.
51 an abstract of title, prepared or brought current by an existing abstract firm or certified as correct by an existing firm.
52 However, if such an abstract is not available to Seller, then a prior owner's title policy acceptable to the proposed insurer
53 as a base for reissuance of coverage. The prior policy will include copies of all policy exceptions and an update in a format
54 acceptable to Buyer from the policy effective date and certified to Buyer or Buyer's closing agent together with copies of
55 all documents recited in the prior policy and in the update.

56 (b) Title Examination: Buyer will, within 15 days from receipt of the evidence of title deliver written notice to Seller of title
57 defects. Title will be deemed acceptable to Buyer if (1) Buyer fails to deliver proper notice of defects or (2) Buyer delivers
58 proper written notice and Seller cures the defects within 15 days from receipt of the notice ("Curative Period"). If the
59 defects are cured within the Curative Period, closing will occur within 10 days from receipt by Buyer of notice of such curing.
60 Seller may elect not to cure defects if Seller reasonably believes any defect cannot be cured within the Curative Period. If
61 the defects are not cured within the Curative Period, Buyer will have 10 days from receipt of notice of Seller's inability to
62 cure the defects to elect whether to terminate this Contract or accept title subject to existing defects and close the
63 transaction without reduction in purchase price. The party who pays for the evidence of title will also pay related title service
64 fees including title and abstract charges and title examination.

65 (c) Survey: (check applicable provisions below)
66 Seller will, within 15 days from Effective Date, deliver to Buyer copies of prior surveys, plans, specifications, and
67 engineering documents, if any, and the following documents relevant to this transaction: lease contracts

68 prepared for Seller or in Seller's possession, which show all currently existing structures.
69 Buyer will, at Seller's Buyer's expense and within the time period allowed to deliver and examine title
70 evidence, obtain a current certified survey of the Property from a registered surveyor. If the survey reveals encroachments
71 on the Property or that the improvements encroach on the lands of another, Buyer will accept the Property with
72 existing encroachments such encroachments will constitute a title defect to be cured within the Curative Period.

73 (d) Ingress and Egress: Seller warrants that the Property presently has ingress and egress.

74 (e) Possession: Seller will deliver possession and keys for all locks and alarms to Buyer at closing.

Jan 18 /05

75 6. CLOSING DATE AND PROCEDURE: This transaction will be closed in Miami-Dade County.
76 Florida on or before January 10, 2006 or within _____ days from Effective Date ("Closing Date"), unless
77 otherwise extended herein. Seller Buyer will designate the closing agent. Buyer and Seller will, within _____
78 days from Effective Date, deliver to Escrow Agent signed instructions which provide for closing procedure. If an institutional
79 lender is providing purchase funds, lender requirements as to place, time of day, and closing procedures will control over any
80 contrary provisions in this Contract.

81 (a) Costs: Buyer will pay taxes and recording fees on notes, mortgages and financing statements and recording fees for the
82 deed. Seller will pay taxes on the deed and recording fees for documents needed to cure title defects. If Seller is obligated
83 to discharge any encumbrance at or prior to closing and fails to do so, Buyer may use purchase proceeds to satisfy the
84 encumbrances.

85 (b) Documents: Seller will provide the deed, bill of sale, mechanic's lien affidavit, assignments of leases, updated rent roll,
86 tenant and lender estoppel letters, assignments of permits and licenses, corrective instruments and letters notifying tenants
87 of the change in ownership/rental agent. If any tenant refuses to execute an estoppel letter, Seller will certify that information
88 regarding the tenant's lease is correct. If Seller is a corporation, Seller will deliver a resolution of its Board of Directors
89 authorizing the sale and delivery of the deed and certification by the corporate Secretary certifying the resolution and setting
90 forth facts showing the conveyance conforms with the requirements of local law. Seller will transfer security deposits to
91 Buyer. Buyer will provide the closing statement, mortgages and notes, security agreements and financing statements.

94 (c) **Taxes, Assessments, and Prorations:** The following items will be made current and prorated
95 as of Closing Date as of _____: real estate taxes, bond and assessment payments
96 assumed by Buyer, interest, rents, association dues, insurance premiums acceptable to Buyer, operational expenses
97 and _____. If the amount of taxes and
98 assessments for the current year cannot be ascertained, rates for the previous year will be used with due allowance being
99 made for improvements and exemptions. Seller is aware of the following assessments affecting or potentially affecting
100 the Property: _____ Buyer will be responsible
101 for all assessments of any kind which become due and owing on or after Effective Date, unless the improvement is
102 substantially completed as of Closing Date, in which case Seller will be obligated to pay the entire assessment.
103 (d) **FIRPTA Tax Withholding:** The Foreign Investment in Real Property Act ("FIRPTA") requires Buyer to withhold at
104 closing a portion of the purchase proceeds for remission to the Internal Revenue Service ("I.R.S.") if Seller is a "foreign
105 person" as defined by the Internal Revenue Code. The parties agree to comply with the provisions of FIRPTA and to
106 provide, at or prior to closing, appropriate documentation to establish any applicable exemption from the withholding
107 requirement. If withholding is required and Buyer does not have cash sufficient at closing to meet the withholding
108 requirement, Seller will provide the necessary funds and Buyer will provide proof to Seller that such funds were properly
109 remitted to the I.R.S.

110 **6. ESCROW:** Buyer and Seller authorize ROBERT C. HACKNEY, ESQ.

111 Telephone: 561-622-2700 Facsimile: 561-622-2841
112 Address: 11891 U.S. Highway One, Ste. 100; North Palm Beach, FL 33408 to act as "Escrow
113 Agent" to receive funds and other items and, subject to clearance, disburse them in accordance with the terms of this
114 Contract. Escrow Agent will deposit all funds received in a non-interest bearing escrow account an interest bearing
115 escrow account with interest accruing to _____ with interest disbursed (check one)

116 at closing at _____ intervals. If Escrow Agent receives conflicting demands or has a good faith
117 doubt as to Escrow Agent's duties or liabilities under this Contract, he/she may (a) hold the subject matter of the escrow until
118 the parties mutually agree to its disbursement or until issuance of a court order or decision of arbitrator determining the parties'
119 rights regarding the escrow or (b) deposit the subject matter of the escrow with the clerk of the circuit court having jurisdiction
120 over the dispute. Upon notifying the parties of such action, Escrow Agent will be released from all liability except for the duty
121 to account for items previously delivered out of escrow. If a licensed real estate broker, Escrow Agent will comply with
122 applicable provisions of Chapter 475, Florida Statutes. In any suit or arbitration in which Escrow Agent is made a party
123 because of acting as agent hereunder or interpleads the subject matter of the escrow, Escrow Agent will recover reasonable
124 attorneys' fees and costs at all levels, with such fees and costs to be paid from the escrowed funds or equivalent and charged
125 and awarded as court or other costs in favor of the prevailing party. The parties agree that Escrow Agent will not be liable to
126 any person for misdelivery to Buyer or Seller of escrowed items, unless the misdelivery is due to Escrow Agent's willful breach
127 of this Contract or gross negligence.

128 **7. PROPERTY CONDITION:** Seller will deliver the Property to Buyer at the time agreed in its present "as is" condition,
129 ordinary wear and tear excepted, and will maintain the landscaping and grounds in a comparable condition. Seller makes no
130 warranties other than marketability of title. By accepting the Property "as is," Buyer waives all claims against Seller for any
131 defects in the property. (Check (a) or (b))

132 (a) **As Is:** Buyer has inspected the Property or waives any right to inspect and accepts the Property in its "as is"
133 condition.

134 (b) **Due Diligence Period:** Buyer will, at Buyer's expense and within 10 days from Effective Date ("Due
135 Diligence Period"), determine whether the Property is suitable, in Buyer's sole and absolute discretion, for Buyer's intended
136 use and development of the Property as specified in Paragraph 4. During the Due Diligence Period, Buyer may conduct any
137 tests, analyses, surveys and investigations ("Inspections") which Buyer deems necessary to determine to Buyer's
138 satisfaction the Property's engineering, architectural, environmental properties; zoning and zoning restrictions; flood zone
139 designation and restrictions; subdivision regulations; soil and grade; availability of access to public roads, water, and other
140 utilities; consistency with local, state and regional growth management and comprehensive land use plans; availability of
141 permits, government approvals and licenses; compliance with American with Disabilities Act; absence of asbestos, soil and
142 ground water contamination; and other inspections that Buyer deems appropriate to determine the suitability of the Property
143 for Buyer's intended use and development. Buyer shall deliver written notice to Seller prior to the expiration of the Due
144 Diligence Period of Buyer's determination of whether or not the Property is acceptable. Buyer's failure to comply with this
145 notice requirement shall constitute acceptance of the Property in its present "as is" condition. Seller grants to Buyer, its
146 agents, contractors and assigns, the right to enter the Property at any time during the Due Diligence Period for the purpose
147 of conducting Inspections; provided, however, that Buyer, its agents, contractors and assigns enter the Property and
148 conduct Inspections at their own risk. Buyer shall indemnify and hold Seller harmless from losses, damages, costs, claims
149 and expenses of any nature, including attorneys' fees at all levels, and from liability to any person, arising from the conduct
150 of any and all inspections or any work authorized by Buyer. Buyer will not engage in any activity that could result in a
151 mechanic's lien being filed against the Property without Seller's prior written consent. In the event this transaction does not
152 close, (1) Buyer shall repair all damages to the Property resulting from the Inspections and return the Property to the
153 condition it was in prior to conduct of the Inspections, and (2) Buyer shall, at Buyer's expense, release to Seller all reports
154 and other work generated as a result of the Inspections. Should Buyer deliver timely notice that the Property is not
155 acceptable, Seller agrees that Buyer's deposit shall be immediately returned to Buyer and the Contract terminated.

157 (c) Walk-through Inspection: Buyer may, on the day prior to closing or any other time mutually agreeable to the parties,
158 conduct a final "walk-through" inspection of the Property to determine compliance with this paragraph and to ensure that all
159 Property is on the premises.

160 (d) Disclosures:

161 1. Radon Gas: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient
162 quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and
163 state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be
164 obtained from your county public health unit.

165 2. Energy Efficiency: Buyer may have determined the energy efficiency rating of the building, if any is located on the
166 Real Property.

167 8. OPERATION OF PROPERTY DURING CONTRACT PERIOD: Seller will continue to operate the Property and any
168 business conducted on the Property in the manner operated prior to Contract and will take no action that would adversely
169 impact the Property, tenants, lenders or business, if any. Any changes, such as renting vacant space, that materially affect the
170 Property or Buyer's intended use of the Property will be permitted only with Buyer's consent without Buyer's
171 consent.

172 9. RETURN OF DEPOSIT: Unless otherwise specified in the Contract, in the event any condition of this Contract is not met
173 and Buyer has timely given any required notice regarding the condition having not been met, Buyer's deposit will be returned
174 in accordance with applicable Florida laws and regulations.

175 10. DEFAULT:

176 (a) In the event the sale is not closed due to any default or failure on the part of Seller other than failure to make the title
177 marketable after diligent effort, Buyer may either (1) receive a refund of Buyer's deposit(s) or (2) seek specific
178 performance. If Buyer elects a deposit refund, Seller will be liable to Broker for the full amount of the brokerage fee.

179 (b) In the event the sale is not closed due to any default or failure on the part of Buyer, Seller may either (1) retain all
180 deposit(s) paid or agreed to be paid by Buyer as agreed upon liquidated damages, consideration for the execution of this
181 Contract, and in full settlement of any claims, upon which this Contract will terminate or (2) seek specific performance. If
182 Seller retains the deposit, Seller will pay the Listing and Cooperating Brokers named in Paragraph 12 fifty percent of all
183 forfeited deposits retained by Seller (to be split equally among the Brokers) up to the full amount of the brokerage fee.

184 11. ATTORNEY'S FEES AND COSTS: In any claim or controversy arising out of or relating to this Contract, the prevailing
185 party, which for purposes of this provision will include Buyer, Seller and Broker, will be awarded reasonable attorneys' fees,
186 costs and expenses.

187 12. BROKERS: Neither Buyer nor Seller has utilized the services of, or for any other reason owes compensation to, a
188 licensed real estate Broker other than:

189 (a) Listing Broker: N/A

190 who is an agent of

191 a transaction broker a nonrepresentative and who will be
192 compensated by Seller Buyer both parties pursuant to a listing agreement other (specify):

194 (b) Cooperating Broker: N/A

195 who is an agent of

196 a transaction broker a nonrepresentative and who will be
197 compensated by Buyer Seller both parties pursuant to an MLS or other offer of compensation to a
198 cooperating broker other (specify)

199 (collectively referred to as "Broker") in connection with any act relating to the Property, including but not limited to inquiries,
200 introductions, consultations and negotiations resulting in this transaction. Seller and Buyer agree to indemnify and hold Broker
201 harmless from and against losses, damages, costs and expenses of any kind, including reasonable attorneys' fees at all
202 levels, and from liability to any person, arising from (1) compensation claimed which is inconsistent with the representation in
203 this Paragraph, (2) enforcement action to collect a brokerage fee pursuant to Paragraph 10, (3) any duty accepted by Broker
204 at the request of Buyer or Seller, which duty is beyond the scope of services regulated by Chapter 475, F.S., as amended, or
205 (4) recommendations of or services provided and expenses incurred by any third party whom Broker refers, recommends or
206 retains for or on behalf of Buyer or Seller.

207 13. ASSIGNABILITY; PERSONS BOUND: This Contract may be assigned to a related entity, and otherwise is not
208 assignable is assignable. The terms "Buyer," "Seller" and "Broker" may be singular or plural. This Contract is binding
209 upon Buyer, Seller and their heirs, personal representatives, successors and assigns (if assignment is permitted).

210 Buyer (SJH) and Seller () acknowledge receipt of a copy of this page, which is Page 4 of 5 Pages.
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Software and Added Formatting Copyright 2004 Alta Star Software, Inc. All Rights Reserved. (305) 279-8888

211 14. OPTIONAL CLAUSES: (Check if any of the following clauses are applicable and are attached as an addendum to this Contract):
 212 Arbitration Seller Warranty Existing Mortgage
 213 Section 1031 Exchange Coastal Construction Control Line Other Addendum
 214 Property Inspection and Repair Flood Area Hazard Zone Other _____
 215 Seller Representations Seller Financing Other _____
 216

217 15. MISCELLANEOUS: The terms of this Contract constitute the entire agreement between Buyer and Seller.

218 Modifications of this Contract will not be binding unless in writing, signed and delivered by the party to be bound.
 219 Signatures, initials, documents referenced in this Contract, counterparts and written modifications communicated
 220 electronically or on paper will be acceptable for all purposes, including delivery, and will be binding. Handwritten or
 221 typewritten terms inserted in or attached to this Contract prevail over preprinted terms. If any provision of this Contract is or
 222 becomes invalid or unenforceable, all remaining provisions will continue to be fully effective. This Contract will be construed
 223 under Florida law and will not be recorded in any public records. Delivery of any written notice to any party's agent will be
 224 deemed delivery to that party.

225 THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE OF
 226 AN ATTORNEY PRIOR TO SIGNING. BROKER ADVISES BUYER AND SELLER TO VERIFY ALL FACTS AND
 227 REPRESENTATIONS THAT ARE IMPORTANT TO THEM AND TO CONSULT AN APPROPRIATE PROFESSIONAL FOR
 228 LEGAL ADVICE (FOR EXAMPLE, INTERPRETING CONTRACTS, DETERMINING THE EFFECT OF LAWS ON THE
 229 PROPERTY AND TRANSACTION, STATUS OF TITLE, FOREIGN INVESTOR REPORTING REQUIREMENTS, ETC.)
 230 AND FOR TAX, PROPERTY CONDITION, ENVIRONMENTAL AND OTHER SPECIALIZED ADVICE. BUYER
 231 ACKNOWLEDGES THAT BROKER DOES NOT OCCUPY THE PROPERTY AND THAT ALL REPRESENTATIONS
 232 (ORAL, WRITTEN OR OTHERWISE) BY BROKER ARE BASED ON SELLER REPRESENTATIONS OR PUBLIC
 233 RECORDS UNLESS BROKER INDICATES PERSONAL VERIFICATION OF THE REPRESENTATION. BUYER AGREES
 234 TO RELY SOLELY ON SELLER, PROFESSIONAL INSPECTORS AND GOVERNMENTAL AGENCIES FOR
 235 VERIFICATION OF THE PROPERTY CONDITION, SQUARE FOOTAGE AND FACTS THAT MATERIALLY AFFECT
 236 PROPERTY VALUE.

237 DEPOSIT RECEIPT: Deposit of \$ _____
 238 by check other _____ received on _____
 239 by _____
 240 Signature of Escrow Agent _____
 241 OFFER: Buyer offers to purchase the Property on the above terms and conditions. Unless acceptance is signed by Seller
 242 and a signed copy delivered to Buyer or Buyer's agent no later than _____ a.m. p.m. on
 243 _____, Buyer may revoke this offer and receive a refund of all deposits.

244 BGR DEVELOPMENT, LLC/BGR, LLC

245 Date: Oct 11/05 BUYER: Rudy Mauer Tax ID No: _____

246 Title: Manager Telephone: 786-336-8135 Facsimile: 786-338-0221
 247 Address: 818 NW 36th Street, Ste. 1001, Miami, FL 33186

248 Date: _____ BUYER: _____ Tax ID No: _____

249 Title: _____ Telephone: _____ Facsimile: _____
 250 Address: _____

251 ACCEPTANCE: Seller accepts Buyer's offer and agrees to sell the Property on the above terms and conditions (subject
 252 to the attached counter offer).

253 Date: 10/17/05 SELLER: C. MICHAEL SAENZ Tax ID No: _____

254 Title: _____ Telephone: _____ Facsimile: _____
 255 Address: _____

256 Date: _____ SELLER: _____ Tax ID No: _____

257 Title: _____ Telephone: _____ Facsimile: _____
 258 Address: _____

259 Buyer (_____) and Seller (_____) acknowledge receipt of a copy of This page, which is Page 5 of 5 Pages.
 260 The Florida Association of Realtors and local Board/Association of Realtors make no representation as to the legal validity or adequacy of any provision of this form in
 261 any specific transaction. This standardized form should not be used in complex transactions or with extensive riders or addenda. This form is available for use by the
 262 entire real estate industry and is not intended to identify the user as a Realtor. Realtor is a registered collective membership mark that may be used only by real estate
 263 licensees who are members of the National Association of Realtors and who subscribe to its Code of Ethics.

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ADDENDUM TO CONTRACT

Seller: **C. MICHAEL SAENZ**

Buyer: **BGR DEVELOPMENT, LLC/BGR, LLC**

Property
Address: **111 Salamanca Avenue**

This addendum is made part of the Contract concerning the property referenced above.

After closing, Seller shall have the right to occupy the second floor residential unit for a period of six (6) months, rent free. During such time, Seller shall keep the property clean from debris and shall maintain the lawn and shrubbery.

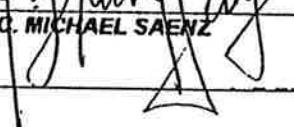
Date: 10/17/05

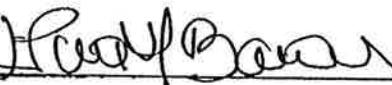
Date: _____

Date: Oct 12/05

Date: _____

Seller: 
C. MICHAEL SAENZ

Seller: 
BGR DEVELOPMENT, LLC/BGR, LLC

Buyer: 
Paul Bear

Buyer: _____

Guilford & Associates, P.A.
Attorneys at Law

F.W. MORT GUILFORD

E-MAIL: FWG@GUILFORDASSOC.COM

F.W. ZEKE GUILFORD

E-MAIL: ZGUILFORD@GUILFORDASSOC.COM

September 10, 2007

400 UNIVERSITY DRIVE
SUITE 200

CORAL GABLES, FLORIDA 33134

TEL. (305) 446-8411
FAX (305) 445-0363

Kara Kautz, Historic Preservation Director
Historical Resources Department
City of Coral Gables
2327 Salzedo Street
Coral Gables, Florida 33134

Re: 111 Salamanca Ave, Coral Gables, FL 33134

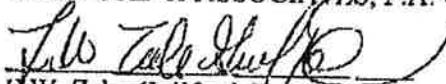
Dear Ms. Kautz,

Please find enclosed the following documentation; rent rolls, taxes, property insurance, costs and estimates of work that has been completed or needs to be completed in order to maintain the above-referenced property. Clearly from the enclosed material it is not economically feasible to maintain this property.

If you have any questions or require any additional information, please do not hesitate to contact me.

Very sincerely,

GUILFORD & ASSOCIATES, P.A.


H.W. Zeke Guilford, Esq.

RENTALS 111 SALAMANCA 2006

	APT # 1	APT # 2	APT # 3
JANUARY	1,100.00	1,100.00	Owner
FEBRUARY	1,100.00	1,100.00	"
MARCH	1,100.00	1,100.00	"
APRIL	1,100.00	1,100.00	"
MAY	1,100.00	1,100.00	"
JUNE	1,100.00	1,100.00	"
JULY	1,100.00	1,100.00	"
AUGUST	1,100.00	1,100.00	"
SEPTEMBER	1,100.00	1,100.00	"
OCTOBER	1,100.00	1,100.00	"
NOVEMBER	1,100.00	1,100.00	"
DECEMBER	1,100.00	1,100.00	"
<hr/>			
Total per unit	13,200.00	13,200.00	

Annual Building Rentals \$ 26,400.00

***** These figures are at 100% annual occupancy *****

EXPENSES 111 SALAMANCA 2006

Mortgage P & I	19,279.44
Insurance	2,735.00
Electricity	446.99
Waste	1,311.27
Water & Sewer	874.16
Repairs	4,710.33
City C.G. (licenses, permits)	641.43
Landscaping	2,450.00
Professional Fees	4,015.00
Property Taxes	34,215.39
Tangible Tax	119.04

Total Annual Expense	\$ 70,798.05
----------------------	--------------



Citizens Property Insurance Corporation

DP1DEC04CC

Citizens Service Center
6676 Corporate Center Parkway
Jacksonville, FL 32216-0973

Dwelling Fire OP-1 Basic Form Policy - Renewal Declarations

Policy Number: FRJD0982924-04-0000

Policy Period: From 09/09/07 To 09/09/08

12:01 A.M. Eastern time at the location of the Residence Premises

Named Insured and Mailing Address: MICHAEL C SAENZ MARTHA SAENZ 111 SALAMANCA AVE CORAL GABLES, FL 33134	Location of Residence Premises: 111 SALAMANCA AVE CORAL GABLES, FL 33134	Agent: Phone (305) 819-8618 A Castro & Assocs, Inc Angel T. Castro 15165 NW 77 Ave #104 Miami Lakes, FL 33014-7801
		FL License: A013417 Citizens ID: 004783

Coverage is only provided where a premium and a limit of liability is shown.

ALL OTHER PERILS DEDUCTIBLE: \$1,000

HURRICANE DEDUCTIBLE: \$6,554 (2%)

COVERAGES

A - Dwelling
B - Other Structures*
C - Personal Property (ACV)
D - Fair Rental Value*

	LIMIT OF LIABILITY	ANNUAL PREMIUM
A - Dwelling	\$327,700	\$2,332
B - Other Structures*	\$32,770	INCLUDED
C - Personal Property (ACV)	\$0	\$0
D - Fair Rental Value*	\$32,770	INCLUDED

PERSONAL LIABILITY

L - Personal Liability
M - Medical Payments

\$300,000	\$228
\$2,000	INCLUDED

* Payments under Coverage "B" or "D" reduce Coverage A amount for the same loss (see policy).

OPTIONAL COVERAGES

MANDATORY ADDITIONAL CHARGES

Florida Insurance Guaranty Association	\$0
Emergency Management Preparedness and Assistance Trust Fund	\$2
2005 Citizens Market Equalization Surcharge	\$53
2006 Florida Hurricane Catastrophe Fund Emergency Assessment	\$26
2005 Citizens Emergency Assessment	\$36
Tax Exempt Surcharge	\$45
TOTAL POLICY PREMIUM INCLUDING ASSESSMENTS AND ALL SURCHARGES	\$2,722

IF PAYMENT IS NOT RECEIVED BY 9/9/07, COVERAGE IS NOT IN EFFECT.

Insured Note: The portion of your premium for Hurricane Coverage is: \$775

First Mortgagor: Loan Number: 0006601243 OPTION ONE MORTGAGE CORP ISAOA PO BOX 949 ORANGE, CA 92666-6949	Second Mortgagor: Loan Number: 01002076-55 COCONUT GROVE BANK 2701 S BAYSHORE DR MIAMI, FL 33133	
---	--	--



NOTICE OF PROPOSED
PROPERTY TAXES
AND PROPOSED OR ADOPTED
NON-AD VALOREM ASSESSMENT
DO NOT PAY
THIS IS NOT A BILL

R/E FOLIO: 03-4108-009-2790
MILLAGE CODE: 0300

C MICHAEL SAENZ 03

116 SAN SEBASTIAN AVE
CORAL GABLES FL
33134-6821

CORAL GABLES DOUGLAS SEC
PB 25-69
LOTS 10-11 & E 30FT LOT 12 BLK 29
Property Addr: 111 SALAMANCA AVE

Taxing Authority	Your property taxes last year	Your taxes this year if proposed budget change is made	Your taxes this year if no budget change is made	A public hearing on the proposed taxes and budget will be held:
County	8,785.44	8,212.61	8,809.88	9/06, 5:01 PM, COMMISSION CHAMBERS 111 NW 1 ST, MIAMI, FL (786) 331-5321
Public Schools: By State Law	7,208.64	8,131.87	7,167.62	9/05, 6:00 PM, SCHOOL BOARD AUDITORIUM
By Local Board	3,866.40	4,392.70	3,844.40	1450 NE 2 AVE, MIAMI, FL (305) 995-1226
Coral Gables	8,856.00	9,063.35	9,063.35	9/11, 5:01 PM, CITY HALL 405 BILTMORE WAY (305) 496-6800
Water Management District Everglades CP	859.68 144.00	884.66 147.91	912.13 152.54	9/12, 5:15 PM, SFWM DIST AUDITORIUM 3301 GUN CLUB RD, B1, WPB (561) 682-2095
Independent Special Districts F.I.N.D. Children's Trust	55.44 608.11	57.08 698.70	55.09 605.05	9/05, 6:00 PM, COMM CTR, 56 N BROADWAY ST FELLSMERE, FL (561) 627-3386 9/10, 5:01 PM, MIAMI SCIENCE MUSEUM 3280 S MIAMI AV, MIAMI, FL (305) 571-5700
Voter Approved* Debt Payments				
County School	410.40 596.16	471.53 625.40	471.53 625.40	REFER TO COUNTY PUBLIC HEARING ABOVE. REFER TO PUBLIC SCHOOL HEARING ABOVE.
Total Property Taxes	31,390.27	32,685.81	31,706.99	

COLUMN 1* COLUMN 2* COLUMN 3* * SEE REVERSE SIDE FOR EXPLANATIONS.

Your property value last year: 2006	Market Value 1,440,000	Assessed Value 1,440,000	Exemptions 0	Taxable Value 1,440,000	Sr. Taxable 0
Your property value this year: 2007	1,654,500	1,654,500	0	1,654,500	0

PROPOSED OR ADOPTED NON-AD VALOREM ASSESSMENTS

Levying Authority	Purpose of Assessment	Units	Rate	Assessment
				0.00

* If you feel the market value of your property is inaccurate or does not reflect fair market value, or if you are entitled to an exemption that is not reflected above, contact your county property appraiser at: (786) 331-5321 111 NW 1 STREET 6TH FLOOR (8:30 AM TO 4:30 PM)

* If the property appraiser's office is unable to resolve the matter as to market value or an exemption, you may file a petition for adjustment with the Value Adjustment Board; petition forms are available from the county property appraiser and must be filed on or before: SEPT. 24, 2007

* Your final tax bill may contain non-ad valorem assessments which may not be reflected on this notice such as assessments for roads, drainage, garbage, fire, lighting, water, sewer, or other governmental services and facilities which may be levied by your county, city, or any special district. PTX-80
R. 08/20

RENTS 111 SALAMANCA 2005

	APT # 1	APT # 2	APT # 3
JANUARY	1100.00	1100.00	OWNER
FEBRUARY	1100.00	1100.00	"
MARCH	1100.00	1100.00	"
APRIL	1100.00	1100.00	"
MAY	1100.00	1100.00	"
JUNE	1100.00	1100.00	"
JULY	1100.00	1100.00	"
AUGUST	1100.00	1100.00	"
SEPTEMBER	1100.00	1100.00	"
OCTOBER	1100.00	1100.00	"
NOVEMBER	1100.00	1100.00	"
DECEMBER	1100.00	1100.00	"

Total @ Unit 13200.00 13200.00

Ann. Total / Bldg 26,400.00

***** These figures are at 100% Annual Occupancy *****

EXPENSES 111 SALAMANCA 2005

Mortgage P& I	19,279.44
Insurance	2,215.32
Electricity	584.55
Waste	1,246.29
Water	917.22
G/B City Expenses	1,763.76
Repairs	4,306.27
Landscaping	2,100.00
Accountant / Man	1,500.00
Property Taxes	30,527.32

Annual Total 64,430.17

JACA BROTHERS ROOFING COMPANY
POST OFFICE BOX 43-2200, MIAMI, FLA 33243-2200
PHONE: (305) 667-8030 - FAX: (305) 679-9966
www.jacobbrothersroofing.com

Proposal / Contract

To: Mr. Jim
111 Salamanca
Condo Tables Rd.

Date: 18 Oct 06

Job Address: _____

PAGE 1 OF 2

SCOPE OF WORK

We hereby submit specifications and estimates subject to all conditions as set forth herein, and listed as follow:

IMPLEMENTATION OF A NEW TILE ROOF AND FLAT ROOF

1. Obtain before commencing required municipal city roofing permit.
2. File Notice of Commencement at city office as per 5.713.135 Florida Statues
3. Tear off existing roof system down to wood sheathing or smooth/wrinkle surface
4. Remove all deteriorated and rotten decking wood of which up to 100 LF of 1x6, or 1x3 wood or up To 3 sheets of 4 x 8 plywood is included in contract. This does not include fascia, soffit or rafters. Any amount over allow wood would be charged as per enclosed lumber price list.
5. Re-nail wood sheathing as per Florida Building Code Chapter 23
6. Install one (1) ply of # 30 Asphalt Base Sheet mechanically attached to wood sheathing with 1 1/4" RS nail, 5" o.c. lap, 12" o.c. field in compliance with roof system (NOA) and Florida Building Code chapter 15
7. Install 16" galvanized valley sealed to all roof valleys ..
8. Furnish and Install new eve drip edge metal Galvanized nailed 3" o.c.
9. All metal bonding surfaces will be primed with ASTM-D 41 primer
10. Furnish and install all new lead sleeve type pipe flashing and galvanized roof vents (except gas vents)
11. Install 1 layer # 90 lb mineral surface felt topped with Type IV asphalt with standard new tiles to be laid in a bed of Polyfonic with Hip, Ridges and Valleys mortared with due to match tiles.
12. All roof penetrations shall be sealed with flashing cement (asbestos free)
13. All roofing work shall be done according with manufacturer notice of acceptance (NOA) and Florida Code
14. Contractor warranty his work to original owner against any workmanship defect for a period of Five (5) years from the day of installation
15. FLAT ROOF: 1-75 LB BASE, 2-PLY IV, 1MINERAL SURFACE CAP SHEET MOPPED-IN

Wood replacement necessary over 100 LF or 3 Sheets of plywood will be charged as follows:
Wood sheathing (1x6, 1x8) \$3.00/LF, Fascia (1x4, 1x6, 1x8) \$5.00 LF, Fascia (1x10, 1x12) \$6.50 LF,
Fascia (2x6, 2x8) \$7.00 LF, Fascia (2x10, 2x12) \$9.00 LF, Furring Strips \$1.50 LF, Plywood sheathing \$65.00
per sheet, T-111 plywood \$90.00 per sheet, Rafters or Rafters ends \$10.00 LF
Any fascia, soffit or rafter work that we can not handle while on the job site will be referred to a licensed
Carpenter for an estimate to be added to contract or handled directly with customer.

Any other requirements:

Stainless Steel Tile Clay Terracotta

Please read both sides and Initial all sheets

Initials _____

JACA BROTHERS ROOFING COMPANY
HONEST AND RELIABLE

PAGE 2 OF 2

NOTICES:

1. We recommend owner/authorized agent be present upon roof removal in order to verify necessary wood replacement & necessary carpentry work.
2. As per THE BOARD RULES APPEALS ordinance is required to obtain a plumbing permit by a licensed plumber to install water heater gas virus (not part of our contract). This will be the owners responsibility.
3. Upon completing roof removal pool should be covered and protected with a tarp to prevent debris from falling inside the pool.
4. Existing gutters (if any) need to be removed prior to do roofing work. Gutters will not be re-installed. Gutters & Downspout work is not included in the scope of work.
5. In the event that metal siding is covering the fascia or soffit & owner decides not to remove it, we are not responsible for any rotten wood underneath. Removal & Re-Installation of Siding to be done by others.
6. Screen enclosure Removal & Re-Install not included in scope of work.
7. In the event that the 1st roof is open beam and roof shows only T-111 plywood subcheling an additional plywood need be installed accordingly with Fla Building Code Chapter 23 and this is not included in contract price.
8. Contractor is not responsible for mechanical work, solar panels and/or electrical work.
9. If necessary satellite dish or Antennas will be removed to complete roof work, owner responsibility to Re-install them is not in the scope of work.
10. All re-roof quotes includes removal of one layer of roofing. In the event additional layers of roofing, the additional roofing will be charged at a rate of \$8.25 per square foot per each additional roof layer.
11. All necessary license, insurance, taxes, permits and work/material hauling are included in contract price.
12. After completion of work each day we will leave roof site clean from any debris.
13. Jaca Brothers Roofing is not responsible for debris entering the house or damages caused by the debris when replacing a roof with an exposed ceiling.

The contract price with payment agreement as follows:

15 % Deposit:	<u>9100.00</u>	Deposit due with contract
45 % Upon Bdry-in	<u>24300.00</u>	
20 % Upon Ordering tiles	<u>10000.00</u>	Balance <u>2800.00</u>
15 % Upon The Inspection	<u>8100.00</u>	Total <u>59000.00</u>

ACCEPTANCE OF PROVISIONS TO THIS PROPOSAL/CONTRACT

X _____ DATE _____

X Rich J. DATE 18 Oct 06
JACA BROTHERS ROOFINGRESPECTFULLY SUBMITTED FOR YOUR CONSIDERATION THESE PRICES
SUBJECT TO ACCEPTANCE WITHIN 15 DAYS

**BOB
HILSON
& COMPANY, INC.
ROOFING & SHEET METAL**

529 W. Mowry Drive
Homestead, FL 33030

P.O. Box 901543
Homestead, FL 33090

305-240-0209
305-248-1982 Fax

Monroe:
305-451-2927
305-451-4933 Fax

Broward: 954-442-8955

COMMERCIAL / RESIDENTIAL

- ROOFING
- ROOF REPAIRS
- NEW ROOFING
- METAL ROOFING
- WATER PROOFING
- ROOF MAINTENANCE

LICENSED & INSURED

VISA & MASTERCARD
ACCEPTED

SERVING
DADE
BROWARD
AND
FLORIDA KEYS

CC 0041344
CC 0057388
CC 0057387

www.bobhilsen.com

**LICENSED AND INSURED
AGREEMENT**

Customer's Phone No: 305-506-5397

Date: September 21, 2006

Name: Mike Stenz
The undersigned property owner hereby authorize Bob Hilsen & Company, Inc. To supply all material and labor necessary for the work specified below on premises located at: 111 Selmanace

City _____ Miami _____ County _____ Dade _____ State _____ Florida _____

GENERAL SPECIFICATIONS: WHEN REROOFING: Remove existing roof to sheathing or a smooth, and workable surface. Haul away debris. Premises to be h.t. clean. All work to be performed in a workman like manner and in accordance with established practices and local building codes. Company makes no other guarantees or warranties of any kind, express or implied. The owner or owners agent agrees and understand that, all roof decks settle over the years causing an uneven surface which will be more obvious when the building is reroofed. This is a normal condition and not caused by the reroofing process and is not controllable by the roofing contractor.

The owner is responsible for providing to Bob Hilsen & Co a letter from a licensed gas contractor certifying that gas vents meet current codes or obtaining a permit for any gas vent work required, prior to our obtaining a final inspection. Failure to obtain a final inspection for lack of gas vent certificates will not be cause for withholding final payment. Owner held

Note: Due to recent storms, extraordinary price fluctuations, and availability in the markets for labor and building material, including but not limited to; metal, concrete, and petroleum based products, and our backlog of work, this contract may not be completed for 3 months or more from the date of execution. The price of this agreement is based upon the cost in effect the date this agreement was written to complete the scope of work as outlined below. Any increase in cost between the date of this proposal, the date of commencement of work, and the actual cost of materials at the time of delivery will result in an adjustment of the contract price based upon the cost increase plus 15% of the increase. If at the time of commencement this is not acceptable, the purchaser has the right to cancel this contract without penalties other than cost incurred plus 15%.

Prepare the 4 7/8 and low sloped in rear roof as per above.
Install 1 layer ASTM Type II 30 lb. felt, to building code specifications.
Install new 26 gauge, 3" faced, galvanized iron eaves drip. Prime all metal surfaces to receive roofing materials with an asphalt-based primer.
Install new 26 gauge, galvanized iron valley metal, stripped and sealed.
Install new 26 gauge galvanized iron "L" flashing and stucco stop as required.
Install 1 layer of code approved felt underlayment.
Install new flashings as required.
Install new vents as required.
Install 2 new turbine bases, as required.
Install new stack flashings on all plumbing projections.
Install new Spanish "S" clay tile, color to be Terra Cotta, as per existing Dade County approvals.
* Above roofing is to receive a five year limited warranty, consequential damages excluded, issued upon completion. A copy of which is attached and made part of this contract.
The price for the above work is \$43,627.05, plus woodwork.
The removal and replacement of rotten woodwork or re-nailing of decking to meet current building code 1521.5 requirements is additional to the contract price as per the woodwork clause on reverse.

OPTION: To install a barrel tile roof the contract price will be \$50,590.14. Yes No

NOTES & OPTIONS:

1: The above pricing reflects contractor having access to eave of roof for trucks and equipment. If the access to eave of the roof is over the existing driveway or lawn the Contractor cannot be responsible for any damage that may occur as a result of the weight of equipment and vehicles, even if protection is provided. Please notify Bob Hilsen & Company prior to work commencing of any concerns. Owner Initials _____

2: TAX FOLIO NUMBER:

- 3: We need this number to pull a permit for your job. (Permit fees included in the above contract price.)
- 4: Any work not specified above is additional to the contract price and subject to an equitable adjustment as per note # 26.
- 5: No engineering calculations are included in the above contract price. If these are necessary to obtain permitting they are the responsibility of the property owner. If this changes the scope of work the price will be adjusted accordingly. (See note #26)
- 6: If residential - I acknowledge receipt of the Notice of Consumer Rights Under the Construction Industries Recovery Fund with this contractor. See attached.
- 7: The removal and replacement of air conditioning units, ductwork, and related electrical or any roof mounted equipment, necessary to facilitate replacement of this roof, is additional to the contract price and the owner's responsibility.
- 8: None of the above work addresses the issue of ponding water. Water will move in less pond at the completion of the reroofing as it does currently. Pounding water may decrease the normal service life of the above roof specification.
- 9: If any concealed or unknown physical conditions that have not been addressed in the scope of work or other areas of this contract, including asbestos are encountered at any time, then Bob Hilsen & Company, Inc. shall be entitled to an equitable adjustment of the contract sum and time to the extent that the condition causes an increase in the cost, or time required for, the completion of the work. Provided Bob Hilsen & Company, Inc. promptly notifies the owner of the subject condition, it is agreed that Bob Hilsen & Company, Inc. shall have no responsibility to correct the condition or complete any portion of the work dependent thereon, until an agreement regarding the equitable adjustment of the contract sum is reached by the parties. (See note #26)
- 10: Bob Hilsen & Company, Inc. will cover the brick paver or stamped concrete driveway with wood planking during the course of this job. However, we cannot be responsible for any damage that may occur as a result of the weight of equipment and vehicles
- 11: The removal and replacement of the surface driveways is the responsibility of the owner and is not included in the above

contract price unless specifically stated.

12: If the existing gutters are to remain in place as they presently exist, Due care will be taken. However, Bob Hilson & Company, Inc. cannot accept responsibility for damage to same.

13: The City of Coral Gables required a \$5 _____ refundable bond for your job. Please enclose a separate check made payable to the City of Coral Gables in this amount. The bond will be returned by Coral Gables after the completion of the job.

14: This contract/estimate is premised on the building code and material prices in existence on the date it was furnished by Bob Hilson and Company, Inc. ("Contractor"). Changes in the building code requirements and material prices after the date this contract/estimate is furnished may increase cost for work described herein. Any changes in the building code or material prices which increase Contractor's cost of completing the work shall be the responsibility of the owner/contractor and shall result in an equitable adjustment of the contract price (see rate #26).