Memorandum

MIAMI-DADE COUNTY

Date: September 26, 2006

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

Amended
Agenda Item No. 12(A)(2)

From: George M. Burgess
County Manager

Subject: Resolution Allocating $300,000 of the General Fund to TRG – The Loft Ltd.

R#845-06

The item was amended at the July 6, 2006 Board of County Commission Meeting. The amendment to the resolution clarifies that the $300,000 from the General Fund Reserve for Public Campaign Financing be reallocated to the General Fund. The $300,000 to the TRG – The Loft Ltd. should be allocated directly from the General Fund.

RECOMMENDATION

It is recommended the Board of County Commissioners allocate $300,000 from the general fund to TRG – The Loft Ltd., for the development of the Loft at K Place Condominium located at 230-234 NE 3rd Street, Miami, Florida.

BACKGROUND

Through Resolution R-938-05 adopted on August 23, 2005, the Board authorized the allocation of $1 million to TRG – The Loft Ltd., from the Miami-Dade Empowerment Trust's (MDET) New Market Venture Capital Fund. However, staff was only able to recapture $700,000 of the authorized $1 million, as $300,000 of the funds had pending commitments and could not be recaptured. The Board directed staff to utilize unallocated Empowerment Zone federal funds for any pending commitments. The pending commitments could not be funded from the federal funds as directed as those agencies were not located in the Empowerment Zone and thus not eligible.

Staff is recommending that $300,000 from the general fund be allocated for this purpose. Because of restrictions in the use of this funding it is now anticipated that we will utilize less of this source than originally budgeted.

Attachments

Cynthia W. Curry
Senior Advisor to the County Manager

MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez and Members, Board of County Commissioners

DATE: July 6, 2006

FROM: Murray A. Greenberg County Attorney

SUBJECT: Amended Agenda Item No. 12(A)(2)

Please note any items checked.

_____ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Bid waiver requiring County Manager's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Amended
Agenda Item No. 12(A)(2)
7-6-06

RESOLUTION NO. **845-06**

RESOLUTION TRANSFERRING $300,000 FROM THE GENERAL FUND RESERVE DESIGNATED FOR PUBLIC CAMPAIGN FINANCING TO THE GENERAL FUND; ALLOCATING $300,000 OF THE GENERAL FUND TO TRG – THE LOFT LTD. FOR THE DEVELOPMENT OF THE LOFT AT K PLACE CONDOMINIUM LOCATED AT 230-234 NE 3RD STREET MIAMI, FLORIDA; AND AUTHORIZING THE COUNTY MANAGER TO EXECUTE ANY NECESSARY AGREEMENTS OR AMENDMENTS FOLLOWING APPROVAL BY THE COUNTY ATTORNEY'S OFFICE

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board directs the transfer of $300,000 from the General Fund Reserve designated for Public Campaign Financing to the General Fund; allocates $300,000 of General Fund to TRG – The Loft at K Place Condominium located at 234-234 NE 3rd Street, Miami, Florida, and authorizes the County Manager to execute any necessary agreements or amendments following approval by the County Attorney's Office.

The foregoing resolution was offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman
Dennis C. Moss, Vice-Chairman

Bruno A. Barreiro
Audrey M. Edmonson
Sally A. Heyman
Dorrin D. Rolle
Katy Sorenson
Sen. Javier D. Souto
Jose "Pepe" Diaz
Carlos A. Gimenez
Barbara J. Jordan
Natacha Seijas
Rebeca Sosa

The Chairperson thereupon declared the resolution duly passed and adopted this 6th day of July, 2006. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Shannon D. Summerset

Memorandum

MIAMI-DADE COUNTY

Date: August 23, 2005

Agenda Item No. 12(A)(1)

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: RESOLUTION AUTHORIZING THE RECAPTURE AND RE-ALLOCATION OF $1 MILLION OF COUNTY GENERAL FUNDS FROM THE MIAMI-DADE EMPOWERMENT TRUST, INC.'S NEW MARKETS VENTURE CAPITAL FUND TO TRG-THE LOFT, LTD FOR THE DEVELOPMENT OF THE LOFT AT K PLACE CONDOMINIUM LOCATED AT 230-234 NE 3RD STREET, MIAMI, FLORIDA

Recommendation

It is recommended that the Board adopt the attached resolution authorizing the recapture and re-allocation of $1 million of County general funds from the Miami-Dade Empowerment Trust, Inc.'s New Markets Venture Capital Fund to TRG – The Loft, LTD. for the development of The Loft as K Place Condominium located at 230-234 NE 3rd Street, Miami, Florida. This resolution provides $1 million in funding support for this project from general funds instead of from currently allocated federal HOME funds due to the inability of the project to meet the applicable HOME income limits for the purchasers of units in this sales-price restricted condominium development.

Background

Through the adoption of Resolution No. R-1035-03 on October 7, 2003, the Board of County Commissioners allocated HOME funds in the amount of $2 million to the Miami-Dade Empowerment Trust, Inc. (MDET) for the purpose of providing funding support to the development of affordable housing units through an activity entitled, "The Loft at K Place" (K Place) under development by The Related Group of Florida through TRG-The Loft, Ltd. Pursuant to an agreement dated March 12, 2004, the City of Miami provided funding support for the K Place project in the amount of $1 million from the City's Affordable Housing Trust Fund for the purpose of ensuring that the sale price of the condominium units would be limited so as to provide affordable workforce housing (e.g. the units must not be priced in excess of 90% of the median new housing sales price as of August 2003 as published by the Florida Association of Realtors). The City's agreement requires that not less that 102 of the total 196 units shall be affordable (e.g. 91-1 bedroom/1 bath and 11- 2 bedroom/2 bath). The development and construction of K Place has proceeded forward based on a total development budget of $30,015,000 that includes the construction of 196 condo units (e.g. 131-1 bedroom/1 bath and 65-2 bedroom/2 bath) at a site in Downtown Miami located at 230-234 NE 3rd Street. The development budget for the project includes $2 million in funding from MDET.

Subsequent to the pre-sale of the units and the commencement of construction it was determined that K Place could not utilize the allocated HOME funds due to the lack of a sufficient number of buyers that met the affordable income limits. In addition, pursuant to a subsequent review of the $2 million funding commitment to the project, MDET determined that the funding to the project should be limited to $1 million. Subsequent to the determination regarding HOME funds, an analysis of the feasibility of a swap of SURTAX for HOME funds was conducted and resulted in a similar determination regarding the lack

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of a sufficient number of buyers within the affordable income limits for the Surtax program which are higher than the HOME program limits for homebuyers.

In an effort to provide funding support and in light of the inability to identify a sufficient number of buyers within the HOME income limits, the Office of Community and Economic Development (OCED) submitted a formal request to USHUD dated April 5, 2005 seeking a waiver of the HOME income limits for the K Place project. On May 10, 2005 a representative of The Related Group of Florida appeared before the Board's Community Empowerment and Economic Revitalization Committee during the public hearing on a proposed plan amendment that included a recommendation for the recapture and reallocation of $1 million of the $2 million in HOME funds that had been allocated to the Miami-Dade Empowerment Trust, Inc. for the K Place project to request that $1 million be provided to the project as soon as possible in light of the near completion of construction. On May 19, 2005 the Board of County Commissioners adopted Resolution No. R-597-05 thereby approving the plan amendment that included the recapture and reallocation of $1 million of the $2 million in HOME funds previously allocated for assistance to the K Place project. At the present time the construction of K Place is nearing completion with the occupancy of the units expected in August 2005, and the requested USHUD waiver has not been granted there is now a need to identify an alternative source of funding for the $1 million in funding from the County to the K Place project.

Tony E. Crapp, Sr.
Assistant County Manager

MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez and Members, Board of County Commissioners

DATE: August 23, 2005

FROM: Murray A. Greenberg
County Attorney

SUBJECT: Agenda Item No. 12(A)(1)

Please note any items checked.

_____ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Bid waiver requiring County Manager's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor

Veto _____

Override _____

Agenda Item No. 12(A)(1)

08-23-05

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE RECAPTURE AND RE-ALLOCATION OF $1 MILLION OF COUNTY GENERAL FUNDS FROM THE MIAMI-DADE EMPOWERMENT TRUST, INC.'S NEW MARKETS VENTURE CAPITAL FUND TO TRG-THE LOFT, LTD FOR THE DEVELOPMENT OF THE LOFT AT K PLACE CONDOMINIUM LOCATED AT 230-234 NE 3RD STREET, MIAMI, FLORIDA; REQUESTING THE MIAM-DADE EMPOWERMENT TRUST, INC. TO SUBSTITUTE AVAILABLE AND UNALLOCATED FEDERAL FUNDS IN THE AMOUNT OF $1 MILLION TO FUND ANY PENDING COMMITMENTS IN THE NEW MARKETS VENTURE CAPITAL FUND; AND FURTHER AUTHORIZING THE OFFICE OF COMMUNITY AND ECONOMIC DEVELOPMENT TO PREPARE A PLAN AMENDMENT TO RECAPTURE AND RE-ALLOCATE THE $1 MILLION OF HOME FUNDS THAT ARE CURRENTLY ALLOCATED TO THE MIAMI-DADE EMPOWERMENT TRUST, INC.FOR THE LOFT AT K PLACE PROJECT

WHEREAS, through the adoption of Resolution No. R-1035-03 on October 7, 2003, the Board of County Commissioners allocated HOME funds in the amount of $2 million to the Miami-Dade Empowerment Trust, Inc. (MDET) for the purpose of providing funding support to the development of affordable housing units through an activity entitled, "The Loft at K Place" (K Place) under development by The Related Group of Florida through TRG-The Loft, Ltd; and

WHEREAS, pursuant to an agreement dated March 12, 2004, the City of Miami provided funding support for the K Place project in the amount of $1 million from the City's Affordable Housing Trust Fund for the purpose of ensuring that the sale price of the condominium units would be limited so as to provide affordable workforce housing (e.g. the units must not be priced in excess of 90% of the median new housing sales price as of August 2003 as published by the Florida Association of Realtors). The City's

agreement requires that not less that 102 of the total 196 units shall be affordable (e.g. 91-1 bedroom/1 bath and 11- 2 bedroom/2 bath); and

WHEREAS, the development and construction of K Place has proceeded forward based on a total development budget of $30,015,000 that includes the construction of 196 condo units (e.g. 131-1 bedroom/1 bath and 65-2 bedroom/2 bath) at a site in Downtown Miami located at 230-234 NE 3rd Street. The development budget for the project includes $2 million in funding from MDET; and

WHEREAS, subsequent to the pre-sale of the units and the commencement of construction it was determined that the K Place could not utilize the allocated HOME funds due to the lack of a sufficient number of buyers that met the affordable income limits; and

WHEREAS, pursuant to a subsequent review of the $2 million funding commitment to the project, MDET determined that the funding to the project should be limited to $1 million; and

WHEREAS, subsequent to the determination regarding HOME funds, an analysis of the feasibility of a swap of SURTAX for HOME funds was conducted and resulted in a similar determination regarding the lack of a sufficient number of buyers within the affordable income limits for the Surtax program which are higher than the HOME program limits for homebuyers; and

WHEREAS, in an effort to provide funding support and in light of the inability to identify a sufficient number of buyers within the HOME income limits, the Office of Community and Economic Development (OCED) submitted a formal request to USHUD

dated April 5, 2005 seeking a waiver of the HOME income limits for the K Place project; and

WHEREAS, on May 10, 2005 a representative of The Related Group of Florida appeared before the Board's Community Empowerment and Economic Revitalization Committee during the public hearing on a proposed plan amendment that included a recommendation for the recapture and reallocation of $1 million of the $2 million in HOME funds that had been allocated to the Miami-Dade Empowerment Trust, Inc. for the K Place project to request that $1 million be provided to the project as soon as possible in light of the near completion of construction; and

WHEREAS, on May 19, 2005 the Board of County Commissioners adopted Resolution No. R-597-05 thereby approving the plan amendment that included the recapture and reallocation of $1 million of the $2 million in HOME funds previously allocated for assistance to the K Place project; and

WHEREAS, the construction of K Place is nearing completion with the occupancy of the units expected in August 2005, and the requested USHUD waiver has not been granted there is now a need to identify an alternative source of funding for the $1 million in funding from the County to the K Place project ,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that 1) The County Manager is authorized to re-allocate $1 million of County general funds from the Miami-Dade Empowerment Trust, Inc. New Markets Venture Fund to TRG -The Loft, LTD. ; 2) The Miami-Dade Empowerment Trust, Inc. is requested to substitute available and unallocated federal funds in the amount of $1 million to fund any pending commitments

in the New Markets Venture Fund; and 3) OCED is authorized to prepare and present an appropriate plan amendment to recapture and re-allocate the $1 million in HOME funds that are currently allocated for funding support to K Place.

The foregoing resolution was offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman
Dennis C. Moss, Vice-Chairman

Bruno A. Barreiro	Dr. Barbara Carey-Shuler
Jose "Pepe" Diaz	Carlos A. Gimenez
Sally A. Heyman	Barbara J. Jordan
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

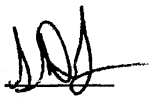
The Chairperson thereupon declared the resolution duly passed and adopted this 23rd day of August, 2005. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

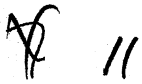
HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Shannon D. Summerset



MIAMI-DADE
Empowerment Trust, Inc.
Partnering for Progress

April 5, 2005

Ms. Maria R. Ortiz, Director
Community Planning and Development Division
U.S. Department of Housing and Urban Development
809 S.E. First Avenue, Room 500
Miami, Florida 33131-3402

Dear Ms. Ortiz:

I am writing to ask for your assistance in addressing the need for workforce housing in Miami-Dade County. As Miami-Dade deals with the same boom in real estate, which has affected all U.S. urban centers for the past 3 years, we find that the workforce population, earning 80 – 120% of median income, is ignored in most of our public policy decisions. Unfortunately with median prices well beyond the reach of a family of four earning $48,200, the market is not developing products that meet the needs of this population either.

While many working class people have who bought homes in the 1990s have benefited from the wealth building opportunity of rising equity in their homes, many other working class families were not able to get into the home buyer market before the prices skyrocketed. The National Association of Realtors, Quarterly Housing Affordability Index indicates that in 2003 the median sales price in the Miami/Hialeah metro area was $202,200 and in the first quarter of 2004 the median sales price was $245,900. This represents an increase of 21.6%. While this is a shocking increase for a potential homebuyer it is only a small percentage of the growth. In 2001, the median sales price was $152,000 and in 2002 $172,500. This means that since 2001 until the first quarter of this year the median price of a house has climbed 61.8%. In the same period of time the median household income rose in the low single digits barely keeping up with the rate of inflation.

Another piece of the puzzle in Miami-Dade, is to lure the working class back into the highly developed urban area of our downtown that have remained largely underutilized to date. We are an urban area of cars and all of the pollution and traffic problems a car community brings with it. As we seek to rebuild our city, we are seeking to build neighborhoods that provide a high quality of life. Therefore, encouraging residential development near large commercial/office district,

3050 Biscayne Boulevard, Suite 300
Miami, Florida 33137
P: (305) 372-7620 • F: (305) 372-7629

public transportation and quality educational institutions would begin to lay the groundwork for these neighborhoods.

We are looking for HUD's assistance in establishing a pilot project to address many of our previously stated problems. We believe that we can establish a model to use HOME dollars to subsidize a project in our underutilized downtown area that would bring low-to-moderate residents close to many jobs and provide accessibility to public transportation and then market these units to not just 80% or less of median income but also the working class who may earn up to 120% of median income. This innovative use of HOME dollars will allow other urban areas that are experiencing the same gap in subsidy to explore new ways to tackle the needs of the working class.

The Office of Community and Economic Development has approved but not disbursed $1,000,000 toward this initiative referred to as K-Place. This project entails the development of affordable condominiums located in Downtown Miami, While the project is nearly complete, many of the residents appear to be slightly above the 120 threshold but can be characterized as working class folks i.e. Police, Municipal employees and others.

I would appreciate your consideration in this matter and look forward to discussing this activity with you in detail.

Sincerely,

Bryan K. Finnie
President/CEO

THE LOFT
DOWNTOWN

Sources And Uses of Funds

Land Cost	2,500,000
Hard Cost	18,500,000
Soft Cost	9,015,000
Acceptable Bank Project Cost	30,015,000
Bank Loan	(22,624,000)
Funds Required	7,391,000

Commission	(280,000)
Administrative	(160,000)
Turnover	(300,000)
County Funds	(2,000,000)
City of Miami Grant	(1,000,000)
Cash Equity Required in Deal	3,651,000

Sources & Uses

Bank Loan	22,624,000
Miami Dade Empowerment Zone	2,000,000
City of Miami Grant	1,000,000
Deferred Expenses	740,000
Cash Equity required in Deal	3,651,000
Total Project Cost	30,015,000

THE LOFT
DOWNTOWN

Long Term Budget Summary

Condo Saleable Square Feet = 164,186 / Average Condo Size = 838 / Number of Condos = 196

Retail Saleable Square Feet = 2150 / Average Retail Size = 2150 / Number of Retails = 1

Area of Property = 15,150 Square Feet (.3475 Acres)

	Budget	Per Sq. Ft.
LAND	$2,500,000	$15.23
CONSTRUCTION		
Construction Costs - Contractor	$15,190,000	$92.52
Construction Costs - Retail	$140,000	$0.85
Construction Contingency	$400,000	$2.44
Construction Costs - Owner	$2,770,000	$16.87
TOTAL CONSTRUCTION COST	$18,500,000	$112.68
OPERATING COSTS		
Architect/Design Fees	$500,000	$3.05
Engineering And Consultant Fees	$430,000	$2.62
Municipal Fees	$1,015,000	$6.18
Association Fees	$370,000	$2.25
Condominium Turnover Cost	$300,000	$1.83
Loan Costs	$435,000	$2.65
Taxes and Insurance	$520,000	$3.17
Interest Expense	$800,000	$4.87
Legal Fees	$230,000	$1.40
Administrative Expenses	$975,000	$5.94
Marketing / Advertising	$270,000	$1.64
Sales Admin. Expenses	$351,000	$2.14
Commissions	$1,434,000	$8.73
Sales Center	$205,000	$1.25
Developer Overhead Allocation	$1,000,000	$6.09
Project Contingency	$180,000	$1.10
TOTAL OPERATING COSTS	$9,015,000	$54.91
TOTAL COSTS	$30,015,000	$182.82

The Related Group of Florida
2828 Coral Way, Penthouse Suite
Miami, Florida 33145
Tel. (305) 460-9900, Fax (305) 460-9911

File

November 17, 2005

Mr. Tony Crapp
Assistant County Manager
Office of the County Manager
Miami-Dade County
Stephen P. Clarke Building
111 NW 1st Street
Suite 2910
Miami, Florida 33128

Via Hand Delivery

Re: TRG-Loft, Ltd.

Dear Mr. Crapp:

Attached please find four *original* executed copies of the Grant Agreement between TRG-Loft, Ltd. and Miami-Dade County, Florida.

Please forward one fully executed copy of the enclosed to me for our records as soon as possible. I have also attached a W-9 form along with a true copy of my driver's license in order to expedite the distribution of the check.

I appreciate all of your hard work with this matter. Please contact me if you have any questions.

Sincerely,

THE RELATED GROUP OF FLORIDA

Oscar A. Rodriguez
Vice President

OAR/eb:
Enclosures

cc: Eric Fordin-TRG (*w/ enclosures*)
Gary Hartfield-Office of the County Manager (*w/ enclosures*)
Tawana S. Thompson-MDHA (*w/ enclosures*)
File

RECEIVED
Tony E. Crapp, Sr.
County Manager's Office

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Jeeh
11/29/05

Form **W-9**
(Rev. January 2005)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name, if different from above
TRG-THE LOFT, LTD.

Check appropriate box: ☐ Individual/ Sole proprietor ☐ Corporation ☑ Partnership ☐ Other ▶ ☑ Exempt from backup withholding

Address (number, street, and apt. or suite no.)
2828 Coral Way, PH1

Requester's name and address (optional)

City, state, and ZIP code
Miami, FL 33145

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. *If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.*

Social security number
| | | | | | | | | |

or

Employer identification number
0 2 0 6 9 9 9 6 2

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here Signature of U.S. person ▶ [signature] Date ▶ 11/17/05

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee.

Note. *If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.*

For federal tax purposes you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

WRITTEN CONSENT OF SOLE DIRECTOR AND PRESIDENT OF TRG-THE LOFT, INC.

The resolution set forth below shall be deemed to have been adopted:

RESOLVED that TRG-The Loft, Inc. (the "Corporation") is authorized as the sole general partner of TRG-The Loft, Ltd. (the "Partnership") to execute and deliver on behalf of the Corporation and the Partnership that certain One Million Dollar Grant Agreement (the "Agreement") between Miami Dade County, Florida and the Partnership dated 11-17-05.

RESOLVED FURTHER that Oscar Rodriguez, Vice President of the Corporation, be and is hereby authorized and directed to execute and deliver the Agreement on behalf of the Corporation and the Partnership.

IN WITNESS WHEREOF, the undersigned, being the sole director and President of the Corporation, has executed the foregoing Written Consent for the purposes therein effective as of the 29th day of November, 2005.

Jorge M. Perez, Sole Director/President
TRG-The Loft, Inc., as general partner
of TRG-The Loft, Ltd.

GRANT AGREEMENT

THIS GRANT AGREEMENT is entered into this 17th day of November, 2005, by and between **TRG-The Loft, Ltd,** a limited liability Company formed under the laws of the State of Florida, whose address is 2828 Coral Way, Penthouse Suite, Miami, Florida 33145 ("Grantee") and **MIAMI-DADE COUNTY, FLORIDA,** a political subdivision of the State of Florida, whose address is 111 N.W. 1st Street, Miami, Florida, 33128 ("Grantor").

1. **RECITALS**:

(a) The Grantee is the owner of record to that certain property in Miami-Dade County, Florida and legally described in **Exhibit A** attached hereto and incorporated herein by reference (the "Property").

(b) Miami-Dade County (the "County") desires to assist in the financing of construction and rehabilitation of reasonably priced housing and housing for low and moderate-income families.

(c) Grantee has applied to Grantor for an allocation of One Million and No/100 Dollars ($1,000,000.00) (the "Grant") as 234 Tower, LLC.

(d) The Grant is approved pursuant to Resolutions duly passed and adopted by the Board of County Commissioners of Miami-Dade County, Florida.

(e) Grantor has agreed to grant these funds to Grantee so that Grantee can use the funds to finance a portion of the total project costs for constructing , a 23 story development which will provide one hundred ninety-six (196) condominium units and 2,150 square feet of retail space. Located on one site at 234 NE 3rd Street, Miami, Florida on the Property (the "Improvements"). The Improvements and the Property are collectively referred to herein as the "Project".

(f) Pursuant to an agreement dated March 12, 2004, the City of Miami provided funding support for the Grantee's development in the amount of $1 million from the City's Affordable Housing Trust Fund for the purpose of ensuring that the sale price of the condominium units would be limited so as to provide affordable workforce housing (e.g. the units must not be priced in excess of 90% of the median new housing sales price as of August 2003 as published by the Florida Association of Realtors).The City's agreement requires that not less than 102 of the total 196 units shall be affordable (e.g. 91 – 1 bedroom/1 bath and 11 – 2 bedroom/2 bath). The total project configuration is 131 – 1 bedroom/1 bath and 65 – 2 bedroom/2 bath units.

(g) Grantee and Grantor have negotiated the terms and conditions of the allocation of funds and now wish to enter into this Agreement in order to set forth the terms and conditions of the disbursement of the Grant.

NOW, THEREFORE, in consideration of the premises, and of the mutual covenants and agreements set forth below, Grantee and Grantor agree as follows:

2. **DEFINITIONS:** As used in this Agreement, the terms listed below shall have the following meanings:

   (a) Affordable. The total monthly housing expense, including but not limited to, principal and interest on all mortgages securing the unit, taxes, insurance, private mortgage insurance, and condominium association fees, does not exceed forty percent (40%) of the homebuyer's gross monthly income.

   (b) Existing Contract for Sale. A contract between Grantee and another party, executed prior to the execution of this Agreement, for the sale of a unit within the Property.

   (c) Person of Low and Moderate Income. Persons earning one hundred twenty percent (120%) or less of the area median income, adjusted for family size.

   (d) Project. The Property and the Improvements.

   (e) Project Costs. Project Costs shall mean the costs set forth in the budget.

3. **THE GRANT**: The Grantor shall make a Grant to Grantee in the amount of $1,000,000.00 upon the terms and conditions set forth herein, and Grantee shall take and expressly agree to comply with and perform all of the terms and conditions of this Agreement.

4. **CONDITIONS TO GRANTOR'S OBLIGATION TO FUND.** The conditions listed below are conditions precedent to Grantor's obligation to fund any amount under the terms of this Agreement and shall be complied with in form and substance satisfactory to the Grantor prior to the initial advance; and shall continue to be complied with prior to any disbursements by Grantor.

   (a) Other Documents. Grantee shall deliver to the Grantor such other documents and information as the Grantor may reasonably require.

   (b) Insurance Policies. Grantee shall deliver to Grantor copies of insurance policies (or binders) evidencing the required coverage.

   (c) Authorization. Grantor shall receive evidence that all authorizations required by any governmental authority for the construction of the Project for the purposes contemplated by the Plans have been obtained by the Grantee.

   (d) Building Permit. Grantor shall receive evidence from the Grantee that all authorizations and permits from the appropriate local governmental authorities to construct the Improvements have been obtained or will be obtained, and evidence that the period of time within which such permits may be contested has expired.

   (e) Authorization Documents. Such certificates, resolutions, good standing certificates, articles of incorporation, partnership agreements and similar items as

Grantor may require in order to evidence the authority of the Grantee to enter into this Agreement.

(f) Certificate Regarding Lobbying. Grantee shall have executed and delivered to Grantor the certificate regarding lobbying.

5. **INSURANCE:** Grantee shall take such actions as shall reasonably be required for the Grantee to maintain the following insurance coverage at all times during the term of this Grant:

(a) Public Liability Insurance on a comprehensive basis in an amount not less than $1,000,000 combined single limit for bodily injury and property damage.

(b) Automobile Liability Insurance covering all owned, non-owned and hired vehicles used in connection with this Agreement in an amount not less than $500,000 combined single limit for bodily injury and property damage.

(c) Builder's Risk Insurance in the amount of the insurable value of the building(s) or structure(s) comprising the Project.

(d) Workmen's Compensation and Employer's Liability Insurance in the amount of $300,000 for each incident, or appropriate documentation showing exempt status from employee liability.

(e) Flood Insurance, if required, in an amount not less than the full replacement values of the completed structure or the maximum amount of coverage available through the National Flood Insurance Program (NFIP), whichever is greater.

(f) General Insurance against loss or damage by fire or other hazard (including windstorm) in an amount of not less than the full replacement value of the Project.

Grantee agrees that all insurance policies will include appropriate endorsements naming the Grantor as an additional insured, will provide that such insurance may not be cancelable without thirty (30) days notice to Grantor, will have a deductible acceptable to the Grantor and will be written by companies having a Best rating of at least B as to management and no less than V as to financial strength.

6. **USE OF FUNDS:** Nothing contained in this Agreement shall impose upon Grantor any obligations to see to the proper application of any disbursements made pursuant to this Grant. Grantor shall not be required to segregate the funds for this Grant or to earmark such funds in any manner. The sole obligation of the Grantor shall be to disburse funds as set forth herein, provided there exists no default under this Agreement.

Grantor and Grantee agree that the Grant funds shall be disbursed to pay for Project Costs.

(a) All conditions specified in Paragraph 4 of this Agreement shall have been satisfied.

(b) There shall be no material default under this Agreement, the Note, the Contract, or any other applicable Grant Document.

7. **SPECIAL PROVISIONS APPLICABLE TO THE GRANT.** Grantee expressly agrees to the following terms and conditions:

(a) In the event that any Existing Contract for Sale does not culminate in a closing, then Grantee shall sell the unit that was the subject of the Existing Contract for Sale to a Person of Low or Moderate Income at an affordable price (currently $225,000). Grantee shall include language satisfactory to Grantor in the deed to the Person of Low or Moderate Income requiring that the unit remains affordable for no less than ten (10) years.

(b) Grantee shall not discriminate as prohibited by Chapter 11-A, Miami-Dade County Code that prohibits discrimination in employment, and housing and public accommodation in the lease, use or occupancy of any housing Project hereunder. Age discrimination and discrimination against minor dependents, except when rental units are specifically being held for the elderly, is also not permitted in accordance with the Age Discrimination Act of 1975, 42 USC, as amended. The Grantee also agrees that it is in compliance with the Domestic Violence Leave, codified as § 11A-60 et. seq. of the Miami-Dade County Code, which requires an employer, who in the regular course of business has fifty (50) or more employees working in Miami-Dade County for each working day during each of twenty (20) or more calendar work weeks to provide domestic violence leave to its employees. Failure to comply with this local law may be grounds for voiding or terminating this Agreement or for commencement of debarment proceedings against the Grantee. Grantee also agrees to abide by Section 504 of the Rehabilitation Act of 1973, as amended, 29 USC 794, which prohibits discrimination on the basis of handicap, and the Americans with Disabilities Act of 1990.

(c) Grantee shall use its best efforts to produce certain significant publicity and advertisements prepared and released by Grantee or on behalf of Grantee during construction and sell-out of the Project, recognizing Grantor as a participant in the Project funding.

(d) Grantee shall make a positive effort to procure supplies, equipment, construction or services in connection with the improvements from minority and women owned businesses, and to provide these sources the maximum feasible opportunity to compete for subcontracts to be performed in connection with the improvements of the Premises. To the extent feasible, these businesses shall be located in and owned by residents of the area in which the Project is located.

8. **ADDITIONAL COVENANTS OF GRANTEE:** Grantee covenants and agrees with the Grantor as follows:

(a) Grantee will not use any of the Grant proceeds for the payment of any item, purchase or obligation not directly connected with the Project without the express written consent of the Grantor. Consent will be provided at the sole discretion of the Grantor.

(b) Grantee is duly organized, active and in good standing under the laws of the State of Florida;

(c) Grantee has full power and authority to enter into the Grant Agreement and to consummate the transactions contemplated herein. The Grant Agreement has been approved by those persons having proper authority and, to the best of Grantee's knowledge, are in all respects legal, valid and binding according to their terms;

(d) The consummation of the transactions hereby contemplated and the performance of the obligations of Grantee under this Grant Agreement will not result in any breach of, or constitute a default under any lease, bank grant, credit agreement, or other instrument to which Grantee is a party or which it may be bound or affected;

(e) There are no actions, suits or proceedings pending against Grantee or to the knowledge of Grantee, circumstances which could lead to such action, suits or proceedings against or affecting Grantee involving the validity or enforceability of this Grant Agreement, before or by any governmental authority, except actions, suits and proceedings which have been specifically disclosed to and approved by Grantor in writing; and, to Grantee's knowledge, it is not in default with respect to any order, writ, injunction, decree or demand of any court or any governmental authority;

(f) There is no default on the part of Grantee under this Agreement and no event has occurred and is continuing which with notice, or the passage of time, or either, would constitute a default under any provision thereof;

(g) Grantee shall not consolidate with or merge into any other corporation, partnership, or any other entity, or permit another corporation, partnership, or any other entity, to merge into it, or voluntarily fail to maintain its corporate status; and

(h) Grantee will do all acts and execute all documents for the better and more effective carrying out of the intent and purpose of this Agreement, as the Grantor shall reasonably require from time to time.

(i) Grantee agrees to assign any proceeds to the Grantor from any contract between the Grantor, its agencies or instrumentalities and the Grantee or any firm, corporation, partnership or joint venture in which the Grantee has a controlling financial interest in order to secure repayment of the grant. "Controlling financial interest" shall mean ownership, directly or indirectly to ten percent or more of the outstanding capital stock in any corporation or a direct or indirect interest of ten percent or more in a firm, partnership or other business entity.

9. **DEFAULT.** Upon the occurrence of any of the following events (the "Event of Default"), all obligations on the part of Grantor to make any payment hereunder shall, if Grantor elects, terminate, and the Grantor may at its option exercise any of its remedies set forth herein;

(a) Failure to Satisfy Conditions. If Grantee fails to satisfy or keep satisfied after written notice and 30 days to cure any conditions hereunder;

(b) Breach of Covenants, Warranties and Representations. If any warranty or representation made by Grantee in this Agreement or pursuant to the terms hereof shall at any time be false or misleading in any material respect, or if Grantee shall fail to keep, observe or perform any of the terms, covenants, representations, or warranties contained in this Agreement,;

(c) Failure To Sell Unit to Person of Low or Moderate Income. A default shall have occurred hereunder if the Grantee shall fail to sell any unit that becomes available as a result of an Existing Contract for Sale not culminating in a closing to a Person of Low or Moderate Income at an Affordable price and with a deed restriction, satisfactory to Grantor, requiring the unit to remain Affordable for at least ten (10) years.

If a default has occurred, the full grant amount of $1,000,000 shall at the option of the Grantor, become due and payable.

10. **REMEDIES OF THE GRANTOR.** Upon the happening of an Event of Default, the Grantor may, at its option, upon written notice to Grantee:

(a) Cancel this Agreement by giving written notice to the Grantee of such cancellation and specifying the effective date hereof at least ten (10) days after the effective date of such cancellation;

(b) Commence an appropriate legal or equitable action to enforce performance of this Agreement;

(c) Accelerate the payment of the Grant and commence appropriate legal and equitable action to collect all such amounts due the Grantor;

(d) Exercise any other rights or remedies the Grantor may have under this Agreement or executed in connection with the Grant or which may be available under applicable law, or

11. **GENERAL TERMS.** The following shall be applicable throughout the period of ten (10) years from the date of execution of this Agreement by the County or thereafter as provided herein:

(a) Rights of Third Parties. All conditions of the Grantor hereunder are imposed solely and exclusively for the benefit of the Grantor and its successors and assigns, and no other person shall have standing to require satisfaction of such conditions or be entitled to assume that the Grantor will make advances in the absence of strict compliance with any or all thereof, and no other person shall under any circumstances, be deemed to be a beneficiary of this Agreement, any provisions of which may be freely waived in whole or in part by the Grantor at any time if, in its sole discretion, it deems it desirable to do so. In particular, the Grantor makes no representations and assumes no duties or obligations as to third

parties concerning the quality of the construction of the Improvements or the absence of defects there from.

(b) Grantee is not the Grantor's Agent. Nothing in this Agreement shall be construed to make the Grantee the Grantor's agent for any purpose whatsoever, or to make the Grantee and the Grantor partners, or joint or co-venturers, and the relationship of the parties shall, at all times, be that of debtor and creditor.

(c) The Grantor Not Liable for Damage or Loss. All inspections and other services rendered by or on behalf of the Grantor shall be rendered solely for the protection and benefit of the Grantor. Neither Grantee nor any other third persons shall be entitled to claim any loss or damage against the Grantor or against its agents or employees for failure to properly discharge their duties.

(d) The Grantor Not Obligated to Insure Proper Disbursement of Funds to Third Parties. Nothing contained in this Agreement shall impose upon the Grantor any obligation (running to the Grantee) to oversee the proper use or application of any disbursements and advances of funds made pursuant to the Grant.

(e) Indemnification from Third Party Claims. Grantee shall indemnify and hold harmless the Grantor and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including reasonable attorneys' fees and costs of defense, which the Grantor or its officers, employees, agents or instrumentalities may suffer as a result of third party claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the performance of this Agreement by the Grantee or its employees, agents, servants, partners, principals or subcontractors. Grantee shall pay all claims and losses in connection therewith after written notice and an opportunity to defend such claims and shall investigate and defend all claims, suits or actions of any kind or nature in the name of the Grantor, where applicable, including appellate proceedings and shall pay all costs, judgments, and reasonable attorney's fees which may issue thereon. Grantee expressly understands and agrees that any insurance protection required by this Agreement or otherwise provided by Grantee shall in no way limit the responsibility to indemnify, keep and save harmless and defend the Grantor or its officers, employees, agents and instrumentalities as herein provided.

(f) **WAIVER OF JURY TRIAL. GRANTOR AND GRANTEE HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GRANT AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION THEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE GRANTOR ENTERING INTO THIS GRANT.**

(g) Evidence of Satisfaction of Conditions. The Grantor shall, at all times, be free to independently establish, to its good faith and satisfaction, and in its reasonable discretion, the existence or nonexistence of a fact or facts which are disclosed in documents or other evidence required by the terms of this Agreement.

(h) Headings. The headings of the sections, paragraphs and subdivisions of this Agreement are for the convenience of reference only, and shall not limit or otherwise affect any of the terms hereof.

(i) Invalid Provisions to Affect No Others. If performance of any provision hereof or any transaction related hereto is limited by law, then the obligation to be performed shall be reduced accordingly; and if any clause or provision herein contained operates or would prospectively operate to invalidate this Agreement in part, then the invalid part of said clause or provision only shall be held for naught, as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

(j) Governing Law. The laws of the State of Florida shall govern the interpretation and enforcement of this Agreement.

(k) Number and Gender. Whenever the singular or plural number, masculine or feminine or neuter gender is used herein, it shall equally include the others and shall apply jointly and severally.

(l) Prior Agreement. To the extent necessary, this Grant Agreement shall be deemed to be an amendment to any prior contract or grant agreement between Grantee and the Grantor, and in the event of a conflict or inconsistency between the terms of this Agreement and of any such prior agreement, the terms of this Grant Agreement shall govern.

(m) Waiver. If the Grantor shall waive any provisions of this Grant Agreement, or shall fail to enforce any of the conditions or provisions of this Agreement, such waiver shall not be deemed to be a continuing waiver and shall never be construed as such; and the Grantor shall thereafter have the right to insist upon the enforcement of such conditions or provisions. Furthermore, no provision of this Agreement shall be amended, waived, modified, discharged or terminated, except by instrument in writing signed by the parties hereto.

(n) Notices. All notices from the Grantee to the Grantor and the Grantor to the Grantee required or permitted by any provision of this Agreement shall be in writing and sent by registered or certified mail and addressed as follows:

TO GRANTOR:	Miami-Dade Housing Agency 2103 Coral Way, 7th Floor Miami, Florida 33145
WITH A COPY TO:	County Manager Miami-Dade County 111 N.W. First Street, 29th Floor Miami, Florida 33128
WITH A COPY TO:	Shannon Summerset, Esq. Assistant County Attorney 111 N.W. First Street, 28th Floor Miami, Florida 33128
TO GRANTEE:	The Related Group 2828 Coral Way, Penthouse Ste Miami, Florida 33145 Attention: Oscar Rodriguez, VP
WITH A COPY TO:	The Related Group 2828 Coral Way, PH Miami, Florida 33145 Attn: Olga De Los Santos, Esq.

Such addresses may be changed by written notice to the other party.

(o) Successors and Assigns. This Agreement shall inure to the benefit of and be binding on the parties hereto and their heirs, legal representatives, successors and assigns; but nothing herein shall authorize the assignment hereof by the Grantee.

(p) Counterparts. This Agreement may be executed in one or more counterparts all of which shall constitute collectively but one and the same instrument.

[REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

[SIGNATURES TO FOLLOW]

SIGNATURE PAGE TO
GRANT AGREEMENT

IN WITNESS WHEREOF, Grantee and Grantor have caused this Grant Agreement to be executed on the date first above written.

GRANTEE:

TRG-The Loft, Ltd., a Florida limited partnership
By: TRG-The Loft, Inc., its General Partner

By: _____
Oscar Rodriguez, VP

_____
Print Name: ERIC FORDIN

_____
Print Name: Jay Johnson

_____
Print Name: Delores Greer

_____
Print Name: Elizabeth Figueroa

MIAMI-DADE COUNTY, a Political Subdivision of the State of Florida

By: _____
Name: _____
Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF THE REALTY

Lots 8 and 9 and the North 3 feet of lot 17, Block 100N of "City of Miami" according to the plat thereof as recorded in Plat Book B at page 41 of the Public Records of Dade County, Florida