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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

# Memorandum

MIAMI-DADE COUNTY

(Public Hearing 7-20-10)

**Date:** July 8, 2010

Agenda Item No. 5(G)

**To:** Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

Ordinance 10-49

**From:** George M. Burgess
County Manager

**Subject:** Ordinance Creating the Palace at Coral Gables Community Development District (Commission District No. 7)

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## Recommendation

It is recommended that the Board adopt the attached Ordinance creating the Palace at Coral Gables Community Development District (CDD) in the City of Coral Gables, pursuant to the authority granted by the Miami-Dade County Home Rule Charter for the purposes set forth in Chapter 190 of the Florida Statutes, subject to acceptance of the declaration of restrictive covenants running with the lands within the jurisdiction of the CDD. The City of Coral Gables has approved the creation of the Palace at Coral Gables CDD by Resolution No. 2008-107.

## Scope

This CDD is located within Commission District Seven (7) and will provide funding for capital improvements as well as multipurpose maintenance functions within the CDD.

## Fiscal Impact/Funding Source

The creation of the Palace at Coral Gables Community Development District will have no fiscal impact to Miami-Dade County excepting the future maintenance and repair of the development's potable water supply by WASD as the sole provider. Public and private roadways and other infrastructure will be maintained by the developer, the City of Coral Gables or the CDD. CDD funding is provided by CDD liens and special assessments against the leasehold interest, which will be owned by the developer, and other sources of revenue such as the parking garage. Special assessments will be collected from the primary (the developer or its successor) leaseholder by direct billing from the CDD, unless by separate interlocal agreement with the County whereby special assessments are placed on the tax bill. If the development is converted to individual dwelling units as defined in the declaration of restrictive covenants, collections may be through the annual Combined Real Property tax bill pursuant to an interlocal agreement with Miami-Dade County.

## Track Record/Monitoring

A special taxing district will not be created to maintain the development's infrastructure. Public roads and other public infrastructure, private roadways, private area storm drainage, private landscaped tracts, and landscaped areas within public roadways will be maintained by the developer, the City of Coral Gables, or the CDD, pursuant to contractual arrangements between the City and the primary leaseholder (the developer or its successor). Sanitary sewer service will be provided, and its' collection system maintained, by the City of Coral Gables. Provision of potable water and its' associated maintenance will be provided by Miami-Dade County.

**Background**

The Palace Management Group, LLC. ("Palace Management") and the City of Coral Gables, owners of the Palace at Coral Gables development ("Palace at Coral Gables"), have filed an application to create the Palace at Coral Gables CDD in connection with said development. Palace at Coral Gables is a proposed 2.5 acre residential and retail development lying wholly within the City of Coral Gables, in an area bounded by those properties fronting Andalusia Avenue, also known as Tract "B" of the "Page's Replat of a Portion of Block 4, Coral Gables Crafts Section", Plat Book 51, Page 32, and Lots 35 through 47 of Block 4, and Lots 10 through 20 of Block 5 of the "Coral Gables Crafts Section", Plat Book 10, Page 40 all of the Public Records of Miami-Dade County, Florida. The CDD is designed to provide a financing mechanism for community infrastructure, facilities and services, along with certain ongoing operations and maintenance for the Palace at Coral Gables. The development plan for the lands within the proposed CDD include construction of a senior rental housing facility containing approximately 250 independent and assisted living apartments, rental space, and a parking garage with associated roadway, storm drainage, and water and sewer facilities, estimated to cost approximately $12.5 Million. A detailed summary of CDD elements, as well as their cost and anticipated lack of fiscal impacts to government agencies, is presented in the attached application submitted by Palace Management. In accordance with Florida Statute 190, Palace Management has paid a filing fee of $15,000 to the County.

In the event this rental development converts to condominium or other individual unit ownership, a declaration of restrictive covenants approved by the City of Coral Gables Resolution No. 2009-133 has been submitted consistent with the requirements of Resolution R-413-05 adopted by the Board on April 5, 2005, and as amended by Resolution No. R-883-06, adopted on July 18, 2006, to add language regarding the option to pay capital assessments in full at time of closing. The restrictive covenant provides for notice in the public records of the projected taxes and assessments to be levied by the CDD, individual prior notice to the initial purchaser of a residential lot or unit within the development and provisions for remedial options to initial purchasers whose contract for sale did not include timely notice of the existence and extent of CDD liens and special assessments.

This Board is authorized by the Florida Constitution and the Miami-Dade County Home Rule Charter to establish governmental units such as this within Miami-Dade County and to prescribe such government jurisdiction and powers.

Assistant County Manager

# MEMORANDUM

(Revised)

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**TO:** Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

**DATE:** July 20, 2010

FROM: R. A. Cuevas, Jr. County Attorney

**SUBJECT:** Agenda Item No. 5(G)

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**Please note any items checked.**

_____ **"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**

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

✓ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous_____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 5(G)
7-20-10

ORDINANCE NO. 10-49

ORDINANCE GRANTING PETITION OF THE PALACE MANAGEMENT GROUP, LLC ("THE PALACE MANAGEMENT" OR "PETITIONER") FOR ESTABLISHMENT OF A COMMUNITY DEVELOPMENT DISTRICT; CREATING AND ESTABLISHING PALACE AT CORAL GABLES COMMUNITY DEVELOPMENT DISTRICT ("DISTRICT"); PROVIDING FOR NAME, POWERS AND DUTIES; PROVIDING DESCRIPTION AND BOUNDARIES; PROVIDING INITIAL MEMBERS OF BOARD OF SUPERVISORS; ACCEPTING PROFFERED DECLARATION OF RESTRICTIVE COVENANTS; PROVIDING SEVERABILITY; EXCLUSION FROM THE CODE AND AN EFFECTIVE DATE

**WHEREAS**, the Florida Legislature created and amended Chapter 190, Florida Statutes, to provide an alternative method to finance and manage basic services for community development; and

**WHEREAS**, Section 1.01(A)(21) of the Miami-Dade County Home Rule Charter grants the Miami-Dade County Board of County Commissioners the authority to exercise all powers and privileges granted to municipalities and counties by the laws of this State; and

**WHEREAS,** Article VIII, Section 6(1) of the Florida Constitution provides for exclusive County Charter authority to establish all governmental units within Miami-Dade County and to provide for their government and prescribe their jurisdiction and powers; and

**WHEREAS**, The Palace Management Group, LLC, ("The Palace Management" or "Petitioner") has petitioned for the establishment of the Palace at Coral Gables Community Development District (the "District"); and

**WHEREAS**, a public hearing has been conducted by the Miami-Dade County Board of County Commissioners in accordance with the requirements and procedures of Section 190.005(2)(b), Florida Statutes, and the applicable requirements and procedures of the Miami-Dade County Home Rule Charter and Code; and

**WHEREAS**, the District will constitute a timely, efficient, effective, responsive and economic way to deliver community development services in the area, thereby providing a solution to the County's planning, management and financing needs for delivery of capital infrastructure therein without overburdening the County and its taxpayers; and

**WHEREAS**, the Board of County Commissioners finds that the statements contained in the Petition are true and correct; and

**WHEREAS**, the creation of the District is not inconsistent with any applicable element or portion of the State comprehensive plan or the Miami-Dade County Comprehensive Development Master Plan; and

**WHEREAS**, the area of land within the District is of sufficient size, is sufficiently compact, and is sufficiently contiguous to be developable as one functional interrelated community; and

**WHEREAS**, the creation of the District is the best alternative available for delivering community development facilities and services to the area that will be served by the District; and

**WHEREAS**, the proposed facilities and services to be provided by the District will be compatible with the capacity and uses of existing local and regional community development facilities and services; and

**WHEREAS**, the area that will be served by the District is amenable to separate special-district government; and

**WHEREAS,** the owner of the property that is to be developed and served by the community development services and facilities to be provided by the District has submitted an executed declaration of restrictive covenants pledging among other things to provide initial purchasers of individual residential units with notice of liens and assessments applicable to such parcels, with certain remedial rights vesting in the purchasers of such parcels if such notice is not provided in a timely and accurate manner; and

**WHEREAS**, having made the foregoing findings, after a public hearing, the Miami-Dade County Board of County Commissioners wishes to exercise the powers bestowed upon it by Section 1.01(A)(21) of the Miami-Dade County Home Rule Charter in the manner provided by Chapter 190, Florida Statutes; and

**WHEREAS**, because the proposed District is located wholly within the municipal boundaries of the City of Coral Gables, the City is in a position to be well informed regarding the merits of this District; and

**WHEREAS**, City of Coral Gables has consented to the creation of the District within the municipal boundaries subject to certain conditions that the petitioner shall have to satisfy; and the Board of County Commissioners desires to establish the District; and

**WHEREAS**, based on the written consent of the City of Coral Gables , the Miami-Dade County Board of County Commissioners finds that the District shall have those general and special powers authorized by Sections 190.011 and 190.012, Florida Statutes, and set forth herein, and that it is in the public interest of all of the citizens of Miami-Dade County that the District have such powers,

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:**

Section 1. The foregoing findings, which are expressly set forth herein, are hereby adopted and made a part hereof.

Section 2. The Petition to establish the Palace at Coral Gables Community Development District over the real property described in Exhibit A attached hereto, which was filed by The Palace Management Group, LLC, a Florida limited liability company, on May 3, 2010, and which Petition is on file at the Office of the Clerk of the Board, is hereby granted. A copy of the Petition is attached and incorporated herein (Exhibit A).

Section 3. The external boundaries of the District shall be as depicted on the location map attached hereto and incorporated herein as Exhibit B.

Section 4. The initial members of the Board of Supervisors shall be as follows:

Haim Michael Dubitzky
Zack Shaham
Adam Rosenblum
Oscar Roiz
Sam Montenegro

Section 5. The name of the District shall be the "Palace at Coral Gables Community Development District."

Section 6. The Palace at Coral Gables Community Development District is created for the purposes set forth in Chapter 190, Florida Statutes, pursuant to the authority granted by Section 1.01(A)(21) of the Miami-Dade County Home Rule Charter.

Section 7. Pursuant to Section 190.005 (2) (d), Florida Statutes, the charter for the Palace at Coral Gables Community Development District shall be Sections 190.006 through 190.041, Florida Statutes.

Section 8. The Miami-Dade County Board of County Commissioners hereby grants to the Palace at Coral Gables Community Development District all general powers authorized pursuant to Section 190.011, Florida Statutes, and hereby finds that it is in the public interest of all citizens of Miami-Dade County to grant such general powers.

Section 9. The Miami-Dade County Board of County Commissioners hereby grants to the Palace at Coral Gables Community Development District the special powers authorized pursuant to Section 190.012 (1), Florida Statutes and Sections 190.012 (2) (a) (d) and (f), (except for powers regarding waste disposal), Florida Statutes and Section 190.012 (3), Florida Statutes, and hereby finds that it is in the public interest of all citizens of Miami-Dade County to grant such special powers; provided that the District's exercise of power under Section 190.012(1)(b), Florida Statutes, pertaining to water, waste water and reuse water services shall

be pursuant to that Declaration of Restrictive Covenants submitted to the Board of County Commissioners in connection with the petition.

Section 10. All bonds issued by the Palace at Coral Gables Community Development District pursuant to the powers granted by this ordinance shall be validated pursuant to Chapter 75, Florida Statutes.

Section 11. No bond, debt or other obligation of the Palace at Coral Gables Community Development District, nor any default thereon, shall constitute a debt or obligation of Miami-Dade County, except upon the express approval and agreement of the Miami-Dade Board of County Commissioners.

Section 12. Notwithstanding any power granted to the Palace at Coral Gables Community Development District pursuant to this Ordinance, neither the District nor any real or personal property or revenue in the district shall, solely by reason of the District's creation and existence, be exempted from any requirement for the payment of any and all rates, fees, charges, permitting fees, impact fees, connection fees, or similar County or Municipal rates, fees or charges, or special taxing districts special assessments which are required by law, ordinance or County rule or regulation to be imposed within or upon any local government within the County.

Section 13. Notwithstanding any power granted to the Palace at Coral Gables Community Development District pursuant to this Ordinance, the District may exercise the power of eminent domain outside the District's existing boundaries only with the prior specific and express approval of the Board of County Commissioners of Miami-Dade County.

Section 14. This Board hereby accepts that Declaration of Restrictive Covenants proffered by the owners of the lands within the jurisdiction of the Palace at Coral Gables Community Development District, in connection with the petition submitted by The Palace Management Group, LLC, and approved herein.

Section 15. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 16. It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance shall be excluded from the Code of Miami-Dade County.

Section 17. This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

PASSED AND ADOPTED: Tuesday, July 20, 2010

Approved by County Attorney as to form and legal sufficiency:

Prepared by:

Joni Armstrong Coffey

# PETITION TO ESTABLISH THE PALACE AT CORAL GABLES COMMUNITY DEVELOPMENT DISTRICT

**Submitted by:**

**The Palace Management Group, LLC**

**August, 2008**

10

## PETITION TO ESTABLISH THE PALACE AT CORAL GABLES COMMUNITY DEVELOPMENT DISTRICT

Petitioner, **The Palace Management Group, LLC**, a Florida limited liability company (hereinafter referred to as "Petitioner"), hereby petitions Miami-Dade County, Florida (hereinafter referred to as "County"), pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, and the Miami-Dade County Home Rule Charter, to adopt an ordinance to establish the Palace at Coral Gables Community Development District (hereinafter referred to as the "District") and to designate the land area for which the District would manage and finance basic service delivery, and states as follows:

1. **Petitioner:** Petitioner is a Florida limited liability company with principal offices at 11355 SW 84th Street, Miami, Florida 33173. Petitioner will develop the land within the District.

2. **District Location and Description:** The land area to be included in the District comprises approximately two and one half (2.5) acres, more or less. A map showing the location of the land area to be included in the District is attached hereto as **Exhibit 1.** All of the land in the proposed District is within the municipal boundaries of the City of Coral Gables, Florida (hereinafter referred to as "City"). A metes and bounds legal description of the external boundaries of the District is attached hereto as **Exhibit 2.**

3. **District Impact:** There is no land within the boundaries of the District that will not be part of the District. The impact of creating the District on the parcels of land adjacent to the District should be positive, in that the facilities provided by the District and maintenance of same should result in an aesthetically pleasing surrounding area with beneficial infrastructure while not detrimentally affecting persons outside the

District. In addition, any potential establishment costs to the City or County, the establishing entity, will be nominal.

4. **Property Owner Consent:** Documentation constituting written consent to the establishment of the District by the owners of the real property to be included in and serviced by the District is attached hereto as **Exhibit 3**.

5. **Initial Governing Board:** The five (5) persons designated to serve as the initial members of the Board of Supervisors of the District, who shall serve in that office until replaced by elected members, as provided in Section 190.006, Florida Statutes, are named in **Exhibit 4** attached hereto.

6. **District Name:** The proposed name of the District is Palace at Coral Gables Community Development District.

7. **Authorized Agent:** Copies of all correspondence and official notices should be sent to the authorized agent for the District as follows:

Dennis Lyles, Esq.
Billing, Cochran, Heath, Lyles, Mauro & Anderson, P.A.
888 S.E. 3rd Avenue, Suite 301
Fort Lauderdale, Florida 33316
Phone: 954-764-7150 / Fax: 954-764-7279
Email: dlyles@bchlm.com

8. **Water and Sewer Lines:** The major trunk water mains, sewer interceptors and outfalls currently in existence to serve the District are identified on **Exhibit 5** attached hereto.

9. **Timetables and Construction Costs:** The Petitioner intends that the District will finance (a) stormwater management; (b) water improvements; (c) sewer improvements; (d) parking garage; and (e) roadway improvements. The stormwater management improvements will be owned and maintained by the District. The water

improvements will be owned and maintained by the County Water and Sewer Department. The sewer improvements will be owned and maintained by the City. The parking garage will be owned and maintained by the City and/or the District. The roadway improvements will be owned and maintained by the City and/or the District. The proposed timetable to construct the District improvements, based upon available data, is attached hereto as **Exhibit 6**. A good faith estimate of the costs of the District improvements is attached hereto as **Exhibit 7**.

10. **Zoning Designation; Future Land Use:** The land within the District is zoned in the City's Commercial District. The future general distribution, location and extent of the public and private land uses proposed within the District are shown on **Exhibit 8** attached hereto. The proposed land uses within the District, consisting of a senior rental housing facility containing approximately 250 independent and assisted living apartments, retail space, and a public parking garage, are consistent with the state comprehensive plan and City's Comprehensive Plan.

11. **Statement of Estimated Regulatory Costs:** A statement of estimated regulatory costs of the granting of this Petition and the establishment of the District pursuant thereto is attached hereto as **Exhibit 9**.

12. **Rights to be Granted the District:** Petitioner hereby requests that, in addition to the powers set forth in Section 190.012(1), Florida Statutes, the District be granted the right to exercise all powers provided for in Sections 190.012 (2)(a) and (d), Florida Statues.

13. **Disclosure Requirements:** The Petitioner undertakes on behalf of the District that the Petitioner and the District will provide full disclosure of information

relating to the public financing and maintenance of improvements to real property to be undertaken by the District as required by Section 190.009, Florida Statutes, as amended, and as required as a condition of the creation of the District by the County Commission.

14. **Reasons for the Establishment of the District:** The land to be included within the District is amenable to operating as an independent special district for the following reasons:

a) Establishment of the District and all land uses and services planned within the District are consistent with applicable elements or portions of the effective Comprehensive Master Plan, as amended.

b) The land to be included within the District has been approved for development pursuant to a unified plan of development. The land to be included within the District is of sufficient size and is sufficiently compact and contiguous to be developed as one functional interrelated community.

c) The community development services of the District will be compatible with the capacity and use of the existing local and regional community development services and facilities.

d) The District will be the best alternative available for delivering community development services to the area to be served because the District provides a governmental entity for delivering those services and facilities in a manner that does not financially impact persons residing outside of the District.

15. **Resolution of Support from the City of Coral Gables:** A copy of the Resolution of support from the City Commission for the establishment of the District is attached hereto as **Exhibit 10.**

WHEREFORE, Petitioner respectfully requests the County to:

A. Schedule a public hearing to consider this Petition pursuant to the uniform procedures set forth in Section 190.005(1)(d) and (2)(c), Florida Statutes.

B. Grant the Petition and adopt an ordinance to establish the District and designate the land area to be serviced by the District, pursuant to Sections 190.005(2), Florida Statutes.

Submitted this 13 day of Aug, 2008.

**THE PALACE MANAGEMENT GROUP, LLC,** a Florida limited liability company

By: _____
Print Name: Jacob Shaham
Title: Manager

**EXHIBIT 1**

**SKETCH SHOWING LOCATION OF DISTRICT**

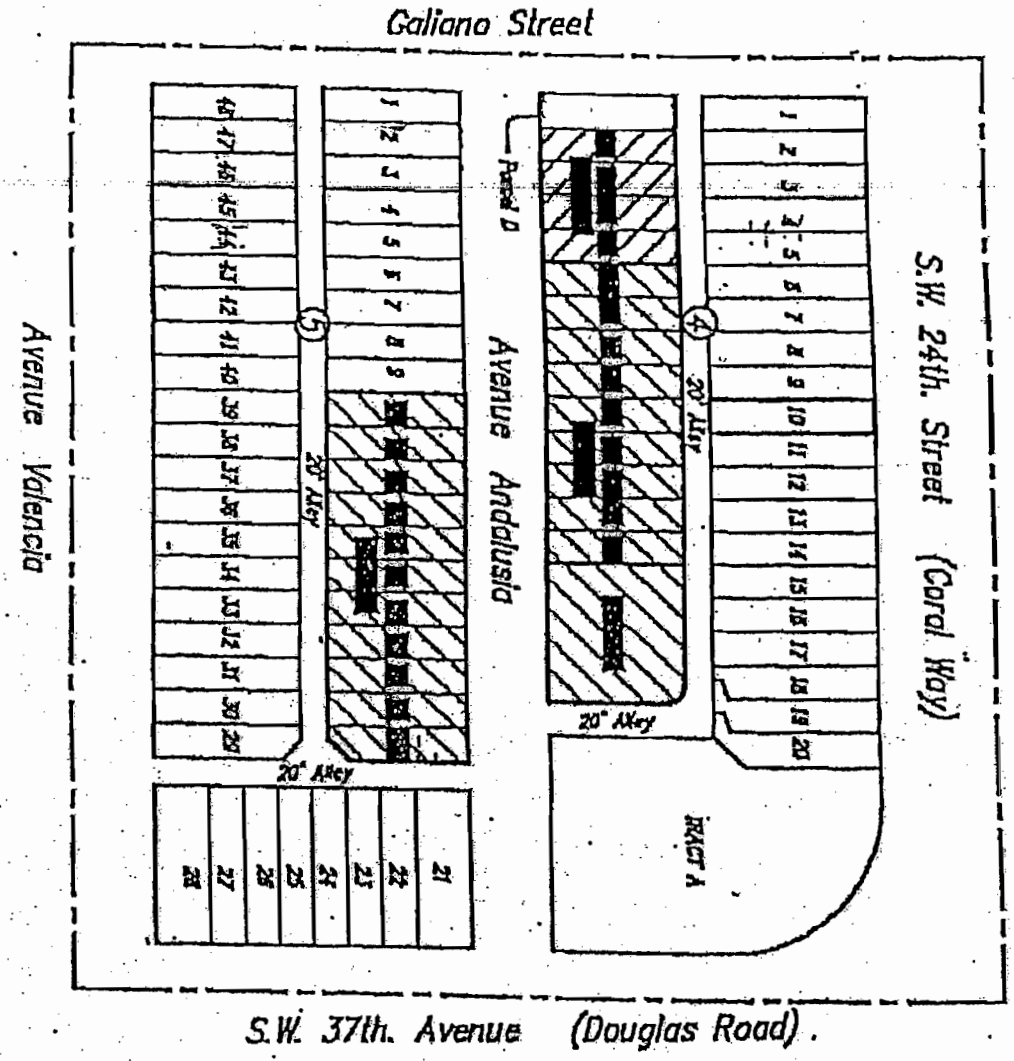

Galiano Street
S.W. 24th. Street (Coral Way)
Avenue Valencia
Avenue Andalusia
Parcel D
20' Alley
20' Alley
20' Alley
Tract A
S.W. 37th. Avenue (Douglas Road).

**EXHIBIT 2**

**DESCRIPTION OF DISTRICT BOUNDARIES**

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL I:

PARCEL A:

Lots 35 through 43, in Block 4 of CORAL GABLES CRAFTS SECTION, according to the plat thereof as recorded in Plat Book 10, Page 40, of the Public Records of Miami-Dade County, Florida and Tract "B" of Page's Replat of a Portion of Block 4, Coral Gables Crafts Section, according to the plat thereof as recorded in Plat Book 51, Page 32, of the Public Records of Miami-Dade County, Florida.

PARCEL B:

Lots 15 through 20, in Block 5 of CORAL GABLES CRAFTS SECTION, according to the plat thereof as recorded in Plat Book 10, Page 40, of the Public Records of Miami-Dade County, Florida

Lots 10 through 14, in Block 5 of CORAL GABLES CRAFTS SECTION, according to the plat thereof as recorded in Plat Book 10, Page 40, of the Public Records of Miami-Dade County, Florida

PARCEL II:

Lots 44 through 47, in Block 4 of CORAL GABLES CRAFTS SECTION, according to the plat thereof as recorded in Plat Book 10, Page 40, of the Public Records of Miami-Dade County, Florida

THE ABOVE DESCRIBED PARCELS I AND PARCEL II CAN COLLECTIVELY BE DESCRIBED AS FOLLOWS:

(PARKING LOT)

Lots 35 thru 47, Block 4, "CORAL GABLES CRAFTS SECTION", according to the plat thereof, as recorded in Plat Book 10 at Page 40, and Tract "B", "PAGES REPLAT OF A PORTION OF BLOCK 4 CORAL GABLES CRAFTS SECTION", according to the plat thereof, as recorded in Plat Book 51 at Page 32, both of the Public Records of Miami - Dade County, Florida, being more particularly described as follows:

BEGIN at the Southeast corner of said Tract "B"; thence run N01°26'15"E for a distance of 84.68 feet to a Point of Curvature, said circular curve being concave to the Southwest; thence run Northerly, Northwesterly and Westerly along the arc of said circular curve to the left, having a radius 15.00 feet and a central angle of 91°26'15", for an arc distance of 23.94 feet to a Point of Tangency; thence run West for a distance of 413.77 feet to a point, (said last mentioned 3 courses being coincident with the Easterly and Northerly boundary lines of said Tract "B" and the Northerly boundary line of said Block 4); thence run S01°23'20"W along the Westerly boundary line of Lot 47, Block 4, of the aforementioned plat of "CORAL GABLES CRAFTS SECTION", for a distance of 100.06 feet to a point; thence run East along the Southerly Boundary Line of said Block 4 and Tract "B", for a distance of 429.07 feet to the POINT OF BEGINNING, lying and being in Section 17, Township 54 South, Range 41 East, City of Coral Gables, Miami-Dade County, Florida.

AND

(PARKING GARAGE)

Lots 10 thru 20, Block 5, "CORAL GABLES CRAFTS SECTION", according to the plat thereof, as recorded in Plat Book 10 at Page 40, of the Public Records of Miami - Dade County, Florida, being more particularly described as follows:

BEGIN at the Northeast corner of said Lot 20, Block 5; thence run West along the Northerly boundary line of said Lot 20, Block 5, of the following described Parking Garage for a distance of 275.00 feet to a point; thence run S01°26'46"W for a distance of 100.00 feet to a point; thence run East along the South boundary line of said Block 5 for a distance of 259.61 feet to a point; thence run N46°26'23"E for a distance of 21.76 feet to a point; thence run N01°26'46"E for a distance of 85.00 feet to the POINT OF BEGINNING, lying and being in Section 17, Township 54 South, Range 41 East, City of Coral Gables, Miami-Dade County, Florida.

**EXHIBIT 3**

**AFFIDAVIT OF OWNERSHIP AND CONSENT TO THE CREATION OF THE PALACE AT CORAL GABLES COMMUNITY DEVELOPMENT DISTRICT**

STATE OF FLORIDA

COUNTY OF MIAMI-DADE

On this 13 day of Aug, 2008, Jacob Shaham personally appeared before me, an officer duly authorized to administer oaths and take acknowledgements, who, after being duly sworn, deposes and says:

1. Affiant is the Manager of The Palace Management Group, LLC, a Florida limited liability company (the "Company").

2. The Company is the owner of the following described property, to wit:

See Exhibit "A" attached hereto (the "Property")

3. Affiant hereby represents that she/he has full authority to execute all documents and instruments on behalf of the Company, including the Petition before the Board of County Commissioners of Miami-Dade County, Florida, to adopt an ordinance to establish the Palace at Coral Gables Community Development District (the "Proposed CDD").

4. The Property consists of a portion of the real property to be included in the boundaries of the Proposed CDD.

5. Affiant, on behalf of the Company, hereby consents to the establishment of the Proposed CDD.

FURTHER AFFIANT SAYETH NOT.

Jacob Shaham, Manager

Subscribed and sworn to before me this 13 day of August, 2008, by Jacob Shaham who personally appeared before me, and is personally known.

Notary:

L. M. HUNTER
Notary Public, State of Florida
My comm. exp. Sep. 7, 2010
Comm. No. DD 593007

Print Name: Lissette M. Hunter
Notary Public, State of Florida

**EXHIBIT "A"**

PARCEL II:

Lots 44 through 47, in Block 4 of CORAL GABLES CRAFTS SECTION, according to the plat thereof as recorded in Plat Book 10, Page 40, of the Public Records of Miami-Dade County, Florida

AFFIDAVIT OF OWNERSHIP AND CONSENT
TO THE CREATION OF THE
PALACE AT CORAL GABLES COMMUNITY DEVELOPMENT DISTRICT

STATE OF FLORIDA

COUNTY OF MIAMI-DADE

On this 1st day of October, 2008, DAVID L. BROWN personally appeared before me, an officer duly authorized to administer oaths and take acknowledgements, who, after being duly sworn, deposes and says:

6. Affiant is the City Manager of the City of Coral Gables, a municipal corporation of the State of Florida (the "City").

7. The City is the owner of the following described property, to wit:

See Exhibit "A" attached hereto (the "Property")

8. Affiant hereby represents that she/he has full authority to execute this Affidavit of Ownership and Consent to the Creation of the Palace at Coral Gables Community Development District (the "Proposed CDD").

9. The Property consists of a portion of the real property to be included in the boundaries of the Proposed CDD.

10. Affiant, on behalf of the City, hereby consents to the establishment of the Proposed CDD.

FURTHER AFFIANT SAYETH NOT.

David Brown, City Manager

Subscribed and sworn to before me this 1st day of October, 2008, by David Brown, who personally appeared before me, and is personally known.

Notary: Sharon Teresa Greaux

Print Name: SHARON TERESA GREAUX

Notary Public, State of Florida

SHARON TERESA GREAUX
MY COMMISSION # DD 523709
EXPIRES: June 29, 2010
Bonded Thru Notary Public Underwriters

APPROVED AS TO FORM

ELIZABETH M. HERNANDEZ
CITY ATTORNEY

## EXHIBIT "A"

## LEGAL DESCRIPTION

PARCEL A:

Lots 35 through 43, in Block 4 of CORAL GABLES CRAFTS SECTION, according to the plat thereof as recorded in Plat Book 10, Page 40, of the Public Records of Miami-Dade County, Florida and Tract "B" of Page's Replat of a Portion of Block 4, Coral Gables Crafts Section, according to the plat thereof as recorded in Plat Book 51, Page 32, of the Public Records of Miami-Dade County, Florida.

PARCEL B:

Lots 15 through 20, in Block 5 of CORAL GABLES CRAFTS SECTION, according to the plat thereof as recorded in Plat Book 10, Page 40, of the Public Records of Miami-Dade County, Florida

Lots 10 through 14, in Block 5 of CORAL GABLES CRAFTS SECTION, according to the plat thereof as recorded in Plat Book 10, Page 40, of the Public Records of Miami-Dade County, Florida

## EXHIBIT 4

## INITIAL MEMBERS OF THE BOARD OF SUPERVISORS

1. Haim Michael Dubitzky
2. Zack Shaham
3. Adam Rosenblum
4. Oscar Roiz
5. Sam Montenegro

The address of all of the above-named members is 11355 SW 84th Street, Miami, Florida 33173.

# Haim Michael Dubitzky

**Permanent Address:**
8311 SW 124th Ave., Unit #101
Miami, FL 33183

**Home:** (305) 630-9520
**Email:** haim@thepalace.org
**Cell:** (305) 213-7414

**Education**

- **Master of Science in Management,** (4th in class of 80) GPA: 3.98 May 1998 – April 2000
  *Boston University,* Tel Aviv, Israel
- **Bachelor of Business Administration,** (13th in class of 1,300) GPA: 3.96 Sep. 1995 – May 1998
  *University of Miami,* Coral Gables, Florida Majors: Finance & Economics
- Study Abroad: History, Politics, & Society GPA: 4.00 Summer 1996
  *University of Oxford,* Oxford, United Kingdom

**Experience**

**The Palace,** Miami, FL (Healthcare; 850 employees) **Jan. '01 to Present**

Responsibilities including but not limited to:

**Assistant to the CFO**

Accounts payable processing, accounts receivable processing, payroll processing, constructed annual budgets via programming Microsoft Excel in VBA, 401(k) plan program creation, past due and collections, small claim court (grossing over $40,000 annually), programmed monthly statement of operations (generated time-savings of $750,000 annually to owners and CFO), credit card implementation & administration (increasing revenue by over $350,000 annually). Created forecaster and feasibility budget for new project considerations to owners and Board of Directors.

**Corporate Director of Human Resources**

Benefits Administration: health insurance, dental insurance, life insurance, and supplemental insurances (for first time in over 10 years, reduced costs to employees and employer at a savings of over $100,000). Created tracking program for complex benefits administration. Created, implemented, and programmed corporate monthly HR statistics compilation. Created, implemented, and administered worker's compensation tracking and reporting. Reduced turnover by over 10% in one year. Supervised and oversaw six Directors of Personnel.

**Director of Human Resources & Administration**

Recruiting, screening, interviewing, hiring, orienting, training, termination, enforced & maintained employee paper-legal compliance (including I-9s), employee incentives and recognition programs. Executed yearly bonus programs, programmed a unique recognition program to automate processing (completely eliminating processing time entirely). Created and re-vamped PTO system to eliminate virtually all calculation errors and converge into a cohesive payroll automation system. Merged old HRIS into a unified payroll and HR system. Reduced turnover by over 20% in one year. Created efficient filing systems and reduced overall paperwork by 50%. Streamlined employee hiring process

**Associate Manager**

Shadowing and systems improvements to positions including: dietary, nursing, reception, Human Resources, Administration, Salesman of services and product. Created and implemented Corporate Orientation program by leading a team of 10 upper management members.

**Systems Developer**

Systems engineering included creating scheduling software in Microsoft Excel & Access for nursing homes, Point-of-Sale implementation and administration, Property Management software implementation and administration. Created consolidated payroll system to automate, decrease processing time, and increase accuracy. Created automated accounts payable processing to eliminate 5 hours/week of redundant data entry. Created and programmed time-automation system for salaried employees.

*Actively serving on Board of Directors and Management Company for over 7 years.*

*Notable Accomplishments*:

1. Experience & success includes directing, planning, and implementing policies & procedures for corporate-wide organization.
2. Have created vastly efficient and intelligently-automated budgets for all aspects of corporate operations.
3. Highly analytical in supervising processes & systems to maximize efficiencies and net income.
4. Multiple promotions due to numerous accomplishments in positions and demonstrating in-depth knowledge of positions occupied.
5. Efficiency improvements are highly measurable. Best notable example is:
   a. Automated & streamlined hundreds of tasks & operations for all aspects of company operations. (Done via computer initiatives, computer programming, industrial engineering and systems analysis.)
6. Reduced errors & paperwork while increasing speed, accuracy, and information for decision-making.
7. Led Quality Circle Group to create & implement company's first Corporate Orientation program.
8. Supervised & managed dozens of people.

**Israeli Army Service,** Israel (April – September 2000)

**Honors**

National Dean's List/Dean's List, President's Honor Roll, Provost's Honor Roll, Phi Kappa Phi Honor Society, Golden Key National Honor Society

**Skills**
Extremely Proficient Computer Skills: Including Advanced Excel & Access Programming, Outlook, Word, PowerPoint, Visio, Windows, Adobe Acrobat Professional, among many other industry-specialized computer software.

**Hobbies**
Current FL tennis ranking of 18 in Men's NTRP 4.0 Singles and 44 in Men's NTRP 4.5 Singles. Won 3 tournaments in 2007 & 2 in 2008.

**Languages**
English • Hebrew • Spanish (Basic)

9321 sw 102 st
Miami, Fl 33176

Phone (305)273-6353
E-mail Szachi@aol.com

# Zack Shaham

**Education**

**1996 – 1998** Miami Dade Community College
Associate in arts
**1998 – 2000** Florida International University
Bachelor of Business Administration

**Professional experience**

**1992- 1995** Israeli Air Force — Israel
Weapons Inspector

**2000 – Current** The Palace Group

**Aug 2000 - Oct 2002**
Sales Counselor.
**Oct 2002 - Jul 2005**
Executive Director – The Palace Suites.
**Jul 2005 – May 2007**
General Manager – The Palace Gardens.
**May 2007 – Jan 2008**
Executive Director – Palace at Weston.
**Jan 2008 – Jul 2008**
General Manager – The Palace Renaissance & Royale.
**Jul 2008 - Present**
Director of Compliance and Internal Auditing.

**Languages**

English, Hebrew

# Adam Rosenblum

**Permanent Address:**
876 Tanglewood Circle
Weston, FL 33327

**Home:** (954) 349-6866
**Cell:** (954) 673-6000
**Email:** adam@thepalace.org

**EDUCATION:**

Master of Business Administration, **University of Miami,** December 1993
Certificate of Health Care Administration

Bachelor of Business Administration, **University of Miami,** May 1992
Major: Marketing Minor: Management

**WORK EXPERIENCE:**

January 2001- Present **Palace Management Group,** Vice President of Sales & Marketing
Miami, Florida

- Responsible of Marketing & Sales of all Palace Senior Living Communities.
- Achieved average total corporate occupancy of 97.2% since 2001.
- Pre-marketed Palace at Weston Active Adult Community, selling out all 382 units in fifteen months.
- Responsible for all compilation and analysis of company-wide Family Satisfaction Surveys.
- Appointed to company Board of Directors in 2001

February 1999-Dec 2000: **Hyatt Senior Living,** Director of Sales & Marketing,
Hollywood and Aventura, Florida

- Responsible for Marketing & Sales of two senior living communities. First, was at Northpark in Hollywood, a 373 apartment senior living community with Independent Living & Assisted Living components.
- Worked at Classic Residence by Hyatt in Aventura and was in charge of the sales at this 246 apartment, Continuing Care Retirement Community.
- President's Club member on 3 occasions.

December 1995-Feb 1999: **Palace Management Group,** Corporate Marketing Director
Miami, Florida

- Responsible of Marketing & Sales of all Palace Senior Living Communities.
- Pre-sold of 80% of the Palace Suites, 180 apartment Independent Living Community, which opened in 1999.
- Completed fill up of Palace Royale, a 226 bed Catered Living Community in less than one year.
- 1998 Manager of the Year.

January 1994-Dec 1995: **HIP HealthPlan of Florida**, Provider Relations Representative

- Coordinated the recruitment of providers for HIP's new Worker's Compensation Network in 15 counties throughout Florida.

**Personal:** Married; wife Heather, with two children, Max & Ava. Hobbies include golf, tennis, and cooking gourmet food for friends. Originally from Lakewood, New Jersey.

# Oscar Roiz, CPA

**Experience**

1996–Present The Palace Group Miami, Florida

**Chief Financial Officer**

- Responsible for the accounting function of The Palace Group including Nursing Home, Assisted Living, Independent Living, Home Health Services, and Construction Division
- Responsible for contract negotiations with both insurance companies as well as vendors.
- Implemented new accounting software for Palace Group Billing and Clinical systems.
- Medicare and Medicaid cost reporting and compliance.
- Responsible for the accounting function of the DME Company.
- Responsible for Budgeting of all entities.
- Responsible for acquiring Non-recourse financing, low-rate HUD section 232 Financing.
- Responsible for 80-million dollar syndicated loan for Palace at Weston 382-unit construction project.
- Member of Palace Group Board of Directors.

1995-1996 Colonnade Medical Center Ft. Lauderdale, FL

**Chief Financial Officer**

- Responsible for the accounting function of the Nursing Home.
- Responsible for contract negotiations with both insurance companies as well as vendors.
- Medicare and Medicaid cost reporting and compliance.

1992–1995 Moore Stephens Lovelace, CPA's Miami Lakes, FL

**Supervisor**

- Responsible for Medicare and Medicaid cost reports and compliance for over 250 clients.
- Assisted in the audit process on various clients.
- Responsible for Health Care Consulting on issues such as change of ownership, the CON process, and accounting systems implementation.
- Responsible for the training of staff.

1985–1992 Coral Gables Federal Coral Gables, FL

**Operations Supervisor**

- Responsible for deposits to the Federal Reserve Bank exceeding 20 million dollars daily.
- Supervised and Trained Staff.

| | | | |
|---|---|---|---|
| **Education** | 1992 | Florida International University | Miami, FL |

- Bachelor of Accounting
- Bachelor of Business Administration – Management
- Certified Public Accountant

**Interests** Golf, fishing, and attending sporting events.

**Languages** Fluent in English and Spanish.

**Associations** Member AICPA and FICPA.

# Sam Montenegro

10331 SW 136th Court
Miami, FL 33186

305-387-3812 (H) 305-338-0057 (Mobile)
montenegro@bellsouth.net

**SUMMARY**

A results-oriented and knowledgeable IT / Engineering professional with over 10 years experience managing corporate Information Technology department

**EDUCATION**

08/1999 – 12/2005 **FLORIDA INTERNATIONAL UNIVERSITY,** Miami, Florida
**Master of Business Administration,** *concentration in MIS,* Overall GPA: 3.67

08/1994 – 05/1998 **FLORIDA INTERNATIONAL UNIVERSITY,** Miami, Florida
**Bachelor of Science,** *Industrial and Systems Engineering,* Overall GPA: 3.64 – *Cum Laude*

**EXPERIENCE**

05/1998 – Present **THE PALACE MANAGEMENT GROUP** *Corporate Director of MIS*
In charge of overseeing all aspects of Information Technology department including developing and managing data, video, security and telecommunications infrastructures of The Palace multi-campus community.

**PROJECTS & ACHIEVEMENTS**

- Founded The Palace IT department which currently focuses on maintaining and enhancing all technology-based solutions that support the business objectives for all Palace departments, thereby improving work efficiency, communication and quality of care
- Responsible for providing technology strategies for The Palace Group by heading technical team
- Responsible for department budget and purchasing decisions, implementing new hardware and software solutions for all communities
- Managed network conversion project to Windows 2003 technology. In charge of managing Windows Active Directory, Exchange 2007 server, SQL server and supporting network services for 275+ users.
- Directed the development of quality network solutions, including the design, configuration, and support of fully functional, reliable, and secure computer systems
- Negotiated contracts and implemented MPLS and Metro-Ethernet circuits to improve WAN network connectivity
- Designed and implemented of custom software solutions to improve operations of all business areas
- Implemented IP-based telephone systems and interconnected five remote campuses to corporate offices
- Managed conversion project of completely integrated accounting and medical software program. Implemented the solution, reducing collection time and improving available information for decision-making managers
- In charge of supervising installation of emergency call systems, access control cards systems, cable TV services and closed circuit television for all communities
- Implemented business intelligence software that integrates reporting and analysis of information to improve the decision-making process of all managers
- Implemented computerized systems to increase workflow efficiencies in all clinical, administrative, and financial areas
- Performed as network administrator, maintaining networks at all six locations and solving computer and network problems internally, thereby eliminating outside contracting by 99 %

**SKILLS**

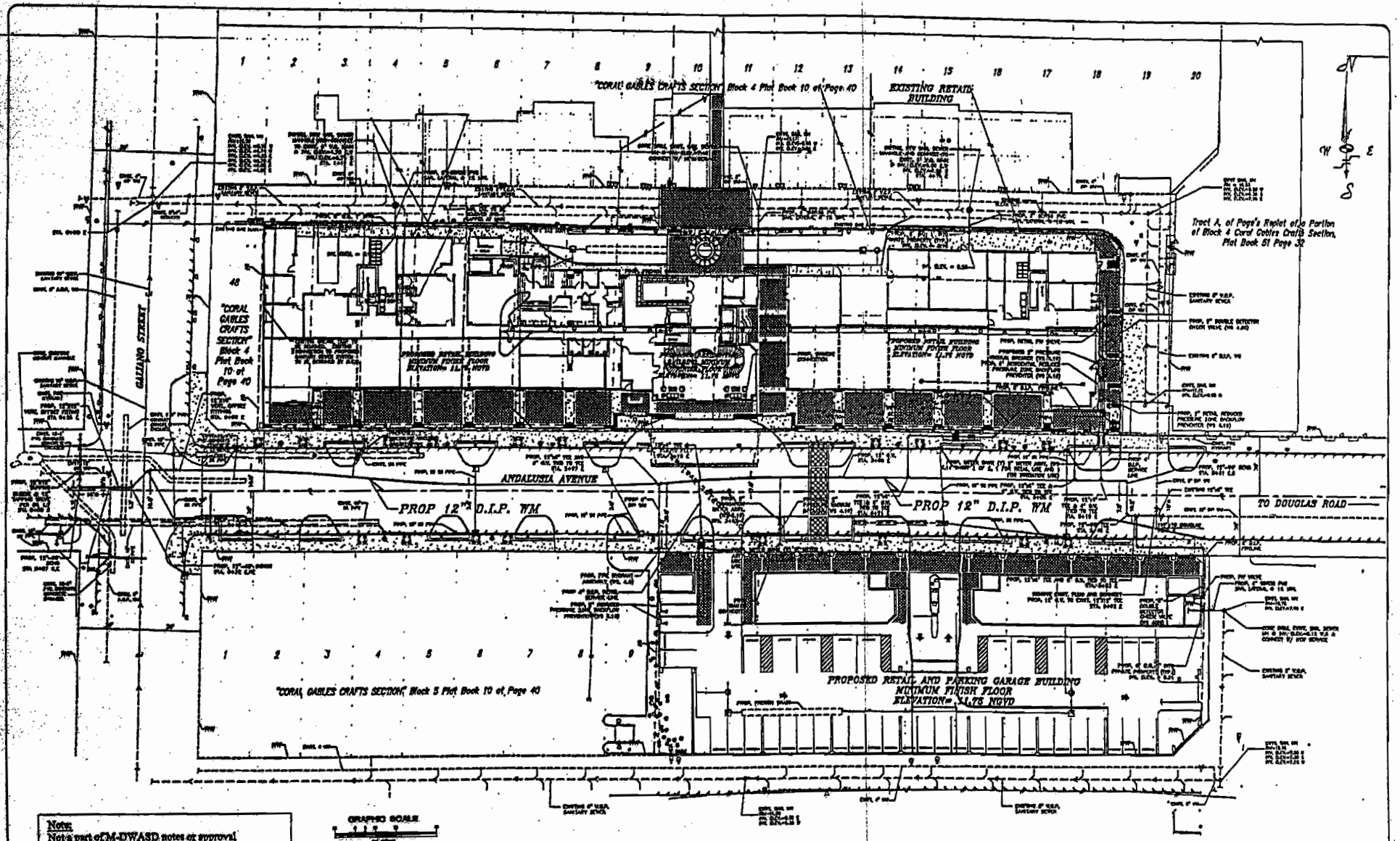
- **Computer:** Install, manage, and troubleshoot Windows Server 2003 envrionment, Active Directory, SQL server 200/2005, Exchange Server 2003/2007, Windows Terminal server, VMware ESX Server, HP Storage mirroring, Symantec Endpoint Protection, ArcServeIT backup software, InoculateIT, MS Office Suite, Visio, Crystal Report, Cisco/Linksys switches, Watchguard Fireboxes
- **Languages:** Fluent in English, German and Spanish
- **Other:** Excellent communication and interpersonal skills, outstanding team work skills.

**AFFILIATIONS**

- *IIE,* Institute of Industrial Engineers
- MBA Society
- *Alpha Pi Mu,* Industrial Engineering Honor Society
- *Tau Beta Pi,* National Engineering Honor Society

# EXHIBIT 5

## SKETCH SHOWING MAJOR WATER AND SEWER MAINS




Note:
Not a part of M-DWASD notes or approval

SEWER SYSTEM IS PROPERTY OF CITY OF CORAL GABLES

| REVISIONS | | |
|---|---|---|
| Date | Remarks | By |

# THE PALACE IN CORAL GABLES
## WATER & SEWER PLAN

CITY OF CORAL GABLES, FLORIDA, SEC. 17, TWP. 54 SOUTH, RGE. 41 EAST

Schwebke-Shiskin & Associates, Inc.
LAND PLANNERS ENGINEERS LAND SURVEYORS
2340 CORPORATE WAY MIRAMAR, FLORIDA 33025 TEL: 305.862.7010 FAX: 305.862.3182

LUIS P. LEON, P.E. PROJECT MANAGER

Scale: 1" = 20'

File No. AJ-4571

Dwg. No: WS1

Sheet: 8

**EXHIBIT 6**

**PROPOSED TIME TABLE FOR CONSTRUCTION OF IMPROVEMENTS**

| | **Start Date** | **Completion Date** |
|---|---|---|
| Stormwater Management | August, 2010 | July, 2012 |
| Water Improvements | August, 2010 | July, 2012 |
| Sewer Improvements | August, 2010 | July, 2012 |
| Parking Garage | August, 2010 | July, 2012 |
| Roadway Improvements | August, 2010 | July, 2012 |

## EXHIBIT 7

## ESTIMATED COSTS OF DISTRICT IMPROVEMENTS

| | |
|---|---|
| Stormwater Management | $ 551,200 |
| Water Improvements | $ 131,700 |
| Sewer Improvements | $ 57,300 |
| Parking Garage | $ 11,051,500 |
| Roadway Improvements | $ 703,800 |
| **Total Estimated Costs** | **$12,495,500** |

## EXHIBIT 8

## FUTURE LAND USES WITHIN DISTRICT

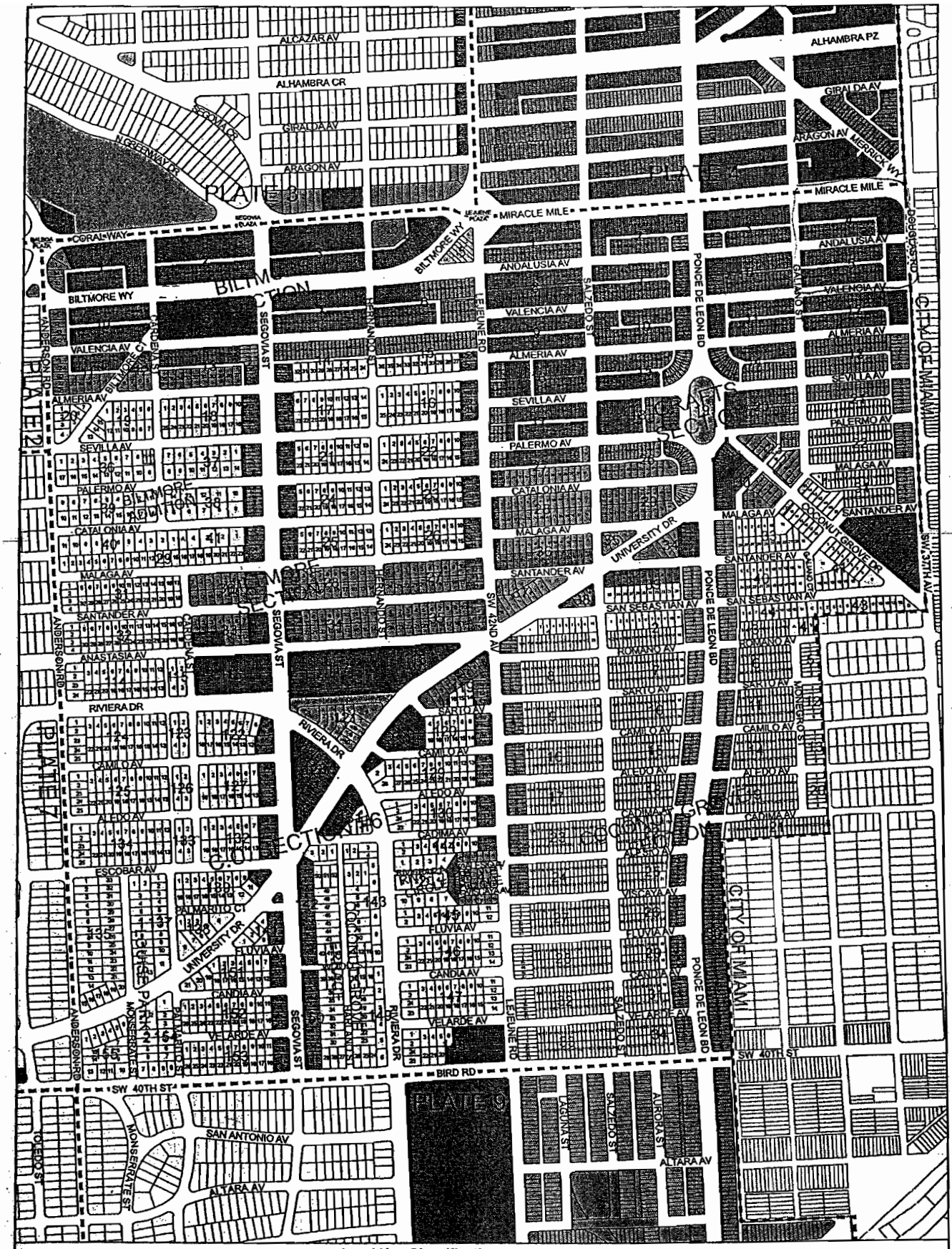



Plate 6 of 18

# Land Use Map

City of Coral Gables

Planning Department

January 2006

**EXHIBIT 9**

**STATEMENT OF ESTIMATED REGULATORY COSTS**

FISHKIND
& ASSOCIATES

# STATEMENT OF ESTIMATED REGULATORY COSTS ACCOMPANYING THE PETITION TO ESTABLISH THE PALACE AT CORAL GABLES COMMUNITY DEVELOPMENT DISTRICT

**Prepared:**

**July 25, 2008**

**Prepared by:**

**Fishkind & Associates, Inc.**
**12051 Corporate Blvd.**
**Orlando, Florida 32817**

# STATEMENT OF ESTIMATED REGULATORY COSTS
## Palace at Coral Gables Community Development District

**July 25, 2008**

## 1.0 Introduction

### 1.1 Purpose

This statement of estimated regulatory costs ("SERC") supports the petition ("Petition") to establish the proposed Palace at Coral Gables Community Development District ("District"). The proposed District will include approximately 2.5 acres of land on which The Palace Management Group, LLC, a Florida limited liability company ("Petitioner") plans to develop its project ("Project").

The Project is planned to include a senior rental housing facility containing approximately 250 independent living & assisted living apartments, retail space, and a public parking garage. The lands within the proposed District are located exclusively within the boundaries of the City of Coral Gables ("City") in Florida. The proposed District will provide public infrastructure and community services to the properties within the District, as described more fully below.

### 1.2 Scope of the Analysis

The limitations on the scope of this SERC are explicitly set out in Section 190.002(2)(d), F.S. (governing Community Development District formation or alteration) as follows:

"That the process of establishing such a district pursuant to uniform general law shall be fair and *based only on factors material to managing and financing* the service delivery function of the district, so that *any matter concerning permitting or planning of the development is not material or relevant* (emphasis added)."

### 1.3 Requirements for Statement of Estimated Regulatory Costs

Florida Statute Section 120.541(2) defines the elements a statement of estimated regulatory costs must contain:

(a) A good faith estimate of the number of individuals and entities likely to be required to comply with the rule, together with a general description of the types of individuals likely to be affected by the rule.

(b) A good faith estimate of the cost to the agency, and to any other state and local government entities, of implementing and enforcing the proposed rule, and any anticipated effect on state and local revenues.

(c) A good faith estimate of the transactional costs likely to be incurred by individuals and entities, including local governmental entities, required to comply with the requirements of the rule. As used in this paragraph, "transactional costs" are direct costs that are readily ascertainable based upon standard business practices, and include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used or procedures required to be employed in complying with the rule, additional operating costs incurred, and the cost of monitoring and reporting.

(d) An analysis of the impact on small businesses as defined by Section 288.703, F.S., and an analysis of the impact on small counties and small cities as defined by Section 120.52, F.S.

(e) Any additional information that the agency determines may be useful.

(f) In the statement or revised statement, whichever applies, a description of any good faith written proposal submitted under paragraph (1) (a) and either a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed rule.

## 2.0 A good faith estimate of the number of individuals and entities likely to be required to comply with the ordinance, together with a general description of the types of individuals likely to be affected by the ordinance

The proposed District will provide public infrastructure and services to the properties planned for the Project. The categories of public infrastructure planned for the District are found in Table 1, below. All of the ultimate property owners in the District will be required to comply with District rules. The properties within the District may also be encumbered with debt issued by the District to pay for the installation of this infrastructure. Property owners may also be responsible for the operation and maintenance expenses incurred by the District to ensure that the infrastructure continues to serve the lands within the District in the future. Of course, all of the undeveloped land owned by the Petitioner and any

other landowner will also be under the jurisdiction of the District and subject to the corresponding debt obligations.

## 3.0 Good faith estimate of the cost to state and local government entities, of implementing and enforcing the proposed ordinance, and any anticipated effect on state and local revenues

3.1 Costs to Governmental Agencies of Implementing and Enforcing Ordinance

State Governmental Entities

The cost to State entities to review or enforce the proposed ordinance will be very modest. The District comprises less than 1,000 acres and is located entirely within the boundaries of the City. Therefore, the City (and not the Florida Land and Water Adjudicatory Commission) will review and act upon the Petition to establish the District.

There are minimal additional ongoing costs to various State entities to implement and enforce the proposed ordinance. The District is a special purpose unit of local government, and it is required to file various reports to the State of Florida, the Department of Community Affairs and other agencies of the State. These filing requirements are outlined in the attached Appendix. However, the additional costs to the State and its various departments to process the additional filings from the District are very low, since the State routinely processes filings from many other similar districts.

City of Coral Gables and Miami-Dade County

The Petition to establish the District will require the City and Miami-Dade County ("County") to review the Petition and its supporting exhibits. In addition, the City and County will hold public hearings to discuss the Petition and consider any public input. These activities will absorb staff time and the time of the City and County's Board of Commissioners. However, these costs are very modest at most for the following reasons. First, the review of the Petition to form the District does not include an analysis of the Project itself. In fact, such a review of the Project is prohibited by statute. Second, the Petition contains all of the information necessary for its review. Third, the City and County currently have the staff necessary to review the petition. Fourth, no capital costs are involved in the review. Fifth, the City and County routinely process similar petitions for land use and zoning changes that are far more complicated than this petition to establish the District. Finally, the filing fees paid to the

City and County on account of the Petition are designed to offset any costs involved with the review of the position.

The City and County will incur negligible additional annual costs if the Petition is approved. The proposed District is an independent unit of local government, so the District is responsible for its own budget, reporting, and the full conduct of its powers within its boundaries. The District will provide the City and County with its budget each year for review and comment, but no City or County action on the budget is required. If the City or County voluntarily accepts the conveyance of a public infrastructure improvement funded by the District, the City and/or County will incur costs related to the operation and maintenance of that facility or service. However, acceptance of the facility or service would be voluntary. Further, the City and County will have the power to levy fees or taxes to offset the operation and maintenance expenses of the conveyed facility or service. Table 1 below outlines any facilities or services the City or County will maintain and operate.

3.2 Impact on State and Local Revenues

Adoption of the proposed rule will have no negative impact on State or local revenues. The District is an independent unit of local government. It is designed to provide community facilities and services to serve the Project. It has its own sources of revenue. No State or local subsidies are required or expected.

Property taxes accruing to the County from properties located within the District are not split with the Community Development District. Further, any non-ad valorem assessments levied by Community Development Districts will not count against any millage caps imposed on other taxing authorities, such as the County, providing services to the lands within the District. It is also important to note that any debt obligations incurred by the District to construct its infrastructure, or for any other reason, are not debts of the State of Florida or any unit of local government. By State law debts of the District are strictly its own responsibility.

**4.0 A good faith estimate of the transactional costs likely to be incurred by individuals and entities required to comply with the requirements of the ordinance**

The District plans to provide various community facilities and services outlined in Table 1 below to the properties within the District.

**Table 1. Proposed Facilities and Services**

| Facility | Funded By | Ownership and Maintenance |
|---|---|---|
| Stormwater Management | District | District |
| Roadway Improvements | District | District/City |
| Water Improvements | District | County |
| Sewer Improvements | District | City |
| Parking Garage | District | District/City |

Table 2 below presents the estimated costs and timetables associated with the implementation of the public infrastructure and services outlined in Table 1.

**Table 2. Summary of Estimated Capital Costs for Public Infrastructure Serving the District**

| Description | Cost |
|---|---|
| Stormwater Management | $551,200 |
| Water Improvements | $131,700 |
| Sewer Improvements | $57,300 |
| Parking Garage | $11,051,500 |
| Roadway Improvements | $703,800 |
| **Total Costs** | **$12,495,500** |

It is important to note that the various costs outlined in Table 2 are typical for developments of the type contemplated here. In other words, there is nothing peculiar about the District's financing that requires additional infrastructure over and above what would normally be needed. Therefore, these costs are not in addition to normal development costs.

Prospective future landowners in the District may be required to pay non-ad valorem assessments levied by the District to secure the debt incurred through bond issuance. An estimate of the bond sizing required to fund the costs outlined in Table 2 is found in Table 3 below.

## Table 3. Estimate of Bond Sizing Required to Raise Capital Improvement Funds

| Par Component | Fund Amount |
|---|---|
| Construction Fund | $12,495,500 |
| Debt Service Reserve | $1,137,175 |
| Capitalized Interest* | $2,274,350 |
| Underwriter's Discount | $330,000 |
| Costs of Issuance | $250,000 |
| Contingency | $12,975 |
| **Total Par** | **$16,500,000** |

In addition to the levy of non-ad valorem assessments for debt service, the District may also impose a non-ad valorem assessment to fund the operations and maintenance of the District and its facilities and services. District-imposed assessments for operations and maintenance costs are similar to what would be charged in any event by a property owners' association common to most master planned developments.

Real estate markets are quite efficient, because buyers and renters evaluate all of the costs and benefits associated with various alternative locations. Therefore, market forces preclude developers from marking up the prices of their products beyond what the competition allows. To remain competitive the non-ad valorem assessments imposed by the District must be in line with the competition.

Furthermore, the decision by new property owners to locate within the District is completely voluntary. So, ultimately, all owners and users of the affected property choose to accept the District's costs in tradeoff for the benefits that the District provides.

The District is an alternative means to finance necessary community services. District financing is no more expensive, and often less expensive, than the alternatives of a municipal service taxing unit (MSTU), a neighborhood association, City provision (directly or via a dependent special district), or through developer-bank loans.

**5.0 An analysis of the impact on small businesses as defined by Section 288.703, F.S., and an analysis of the impact on small counties and small cities as defined by Section 120.52, F.S.**

There will be no impact on small businesses because of the formation of the proposed District. If anything, the impact may be positive. This is because the District must competitively bid certain of its contracts. This affords small businesses the opportunity to bid on District work.

The District is not located within a county with a population of less than 75,000 or within a city with a population of less than 10,000. Therefore, the proposed District is not located in either a county or city that is defined as "small" by Florida Statute § 120.52.

**6.0 Any additional useful information.**

The analysis provided above is based on a straightforward application of economic theory, especially as it relates to tracking the incidence of regulatory costs and benefits. Inputs were received from the Petitioner's Engineer and other professionals associated with the Petitioner.

Finally, it is useful to reflect upon the question of whether the proposed formation of the District is the best alternative to provide community facilities and services to the Project. As an alternative to the District, the City could approve a dependent special district for the area, such as an MSBU or a special taxing district under Chapter 170, F.S. Either of these alternatives could finance the improvements contemplated in Table 1 in a fashion similar to the proposed District.

However, each of these alternatives is inferior to the District. Unlike the District the alternatives would require the City to continue to administer the project and its facilities and services. As a result, the costs for these services and facilities would not be sequestered to the land directly benefiting from them, as the case would be with the District.

Another alternative to the District would be for the developer to provide the infrastructure and to use a property owners association ("POA") for operations and maintenance of community facilities and services. A District is superior to a POA for a variety of reasons. First, unlike a POA a District can impose and collect its assessments along in the same manner as ad valorem property taxes. Therefore, the District is far more assured of obtaining its needed funds than is a POA. Second, the proposed District is a unit of local government. Therefore, unlike the POA the District must abide by all governmental rules and regulations.

A District also is preferable to these alternatives from a government accountability perspective. With a District as proposed, property owners within the District would have a focused unit of government under their direct control. The District can then be more responsive to property owner needs without disrupting other City responsibilities.

Fishkind & Associates certifies that this SERC meets the requirements for a SERC as set out in Chapter 120.541, F.S.

We have developed over 100 SERCs. Below is a listing of some of the Districts for which we have prepared SERCs.

- Urban Orlando (Baldwin Park) Community Development District
- The Lake Nona "Family" of Community Development Districts
- Palazzo Del Lago Community Development District
- Winter Garden Village at Fowler Groves Community Development District
- Gardens at Millenia Community Development District
- New Port Tampa Bay Community Development District
- The Tradition "Family" of Community Development Districts
- The Southern Grove "Family" of Community Development Districts
- Marshall Creek Community Development District
- Cedar Hammock Community Development District
- Meditera Community Development District
- Brooks Community Development District
- Pelican Marsh Community Development District
- Pelican Landing Community Development District
- Fiddler's Creek Community Development District 1

## APPENDIX

## LIST OF DISTRICT REPORTING REQUIREMENTS

| REPORT | FLORIDA STATUTE SECTION | DATE |
|---|---|---|
| Annual Financial Audit | 11.45 | 12 months after end of fiscal year |
| Annual Financial Report (AFR) | 218.32 | by March 31 |
| Financial Disclosure Form 1 | 112.3144 | by July 1 |
| Public Depositor | 215 | by November 15 |
| Proposed Budget | 190.008 | by June 15 |
| Adopted Budget | 190.008 | by October 1 |
| Public Facilities Report | 189.415 | by March 1 |
| Public Meetings Schedule | 189.417 | beginning of fiscal year |
| Bond Report | 218.38 | when issued |
| Registered Agent | 189.417 | 30 days after formation |
| Notice of Establishment | 190.0485 | 30 days after formation |

**EXHIBIT 10**

**CITY OF CORAL GABLES RESOLUTION**

CITY OF CORAL GABLES, FLORIDA

RESOLUTION NO. 2008-107

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF CORAL GABLES, FLORIDA, EXPRESSING SUPPORT FOR THE CREATION OF THE PALACE AT CORAL GABLES COMMUNITY DEVELOPMENT DISTRICT BY THE MIAMIDADE COUNTY COMMISSION FOR THE AREA DESCRIBED IN EXHIBIT "A" AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, The Palace Management Group, LLC, a Florida limited liability company ("Petitioner") plans to petition Miami-Dade County to consider the adoption of an Ordinance to establish the Palace at Coral Gables Community Development District (hereinafter referred to as "CDD"), pursuant to Chapter 190, Florida Statutes, Article VIII, Section 6 (1) of the Florida Constitution, and the Miami-Dade County Home Rule Charter, for the area described in Exhibit "A"; and

WHEREAS, the City Commission finds that the proposed CDD will constitute a timely, efficient, effective, responsive and economic method of delivery of community development services in the area without overburdening the City's taxpayers; and

WHEREAS, as proposed by the Petitioner, upon the completion of a certain conveyance of property to the City by the Petitioner, the City, by means of two ground leases and development agreements, will be providing all lands within the boundaries of the CDD, predicated upon Petitioner, among other things, constructing and conveying at no cost to the City all of the public parking component as set forth in the ground leases; and

WHEREAS, the City Commission finds that the creation of the CDD is consistent with the City's Ordinance number 2007-36 adopted by the City Commission on November 13, 2007, providing, among other things, the approval of the ground leasing by the City, as landlord to the Petitioner, as tenant of the area within the boundaries of the CDD;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF CORAL GABLES, FLORIDA:

**SECTION 1.** The foregoing "Whereas" clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Resolution.

SECTION 2. City Support.

The City Commission hereby expresses its support for the creation of the Palace at Coral Gables Community Development District, predicated upon:

a. the City providing, by means of two ground leases and development agreements, all lands within the boundaries of the CDD, and upon the Petitioner, among other things, constructing and conveying at no cost to the City of all the public parking component as set forth in the ground leases; and

b. the CDD complying with the reporting requirements set forth in Chapter 190, Florida Statutes, including, but not limited to Section 190.008, Florida Statutes; and

c. that no debt or obligation of the CDD constitutes a liability or burden on the City of Coral Gables without its expressed consent, as set forth in Section 190.002(3), Florida Statutes; and

d. that the CDD special assessment bonds to be issued to finance the construction of the public parking component be validated through judicial process under Chapter 75, Florida Statutes as required by the ground leases.

SECTION 3. Effective Date.

That this Resolution shall become effective immediately upon the date of its passage and adoption herein.

PASSED AND ADOPTED THIS FIFTEENTH DAY OF JULY, A.D., 2008.
(Moved: Withers / Seconded: Cabrera)
(Yeas: Cabrera, Kerdyk, Withers, Anderson, Slesnick)
(Unanimous: 5-0 Vote)
(Agenda Item: C-6)

APPROVED:

DONALD D. SLESNICK II

MAYOR

ATTEST:

WALTER J. FOEMAN
CITY CLERK

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

ELIZABETH M. HERNANDEZ
CITY ATTORNEY



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# LEGAL DESCRIPTION OF DISTRICT BOUNDARIES

LEGAL DESCRIPTION (PARKING LOT):

Lots 35, thru 47, Block 4, "CORAL GABLES CRAFTS SECTION," according to the plat thereof, as recorded in Plat Book 10 at Page 40, and Tract "B", "PAGES REPLAT OF A PORTION OF BLOCK 4 CORAL GABLES CRAFTS SECTION," according to the plat thereof, as recorded in Plat Book 51 at Page 32, both of the Public Records of Miami-Dade County, Florida, being more particularly described as follows;

BEGIN at the Southeast corner of said Tract "B"; thence run N01°26'15"E for a distance of 84.68 feet to a Point of Curvature, said circular curve being concave to the Southwest; thence run Northerly, Northwesterly and Westerly along the arc of said circular curve to the left, having a radius 15.00 feet and a central angle of 91°26'15", for an arc distance of 23.94 feet to a Point of Tangency; thence run West for a distance of 413.77 feet to a point, (said last mentioned 3 courses being coincident with the Easterly and Northerly boundary lines of said Tract "B" and the Northerly boundary line of said Block 4); thence run S01°23'20"W along the Westerly boundary line of Lot 47, Block 4, of the aforementioned plat of "CORAL GABLES CRAFTS SECTION," for a distance of 100.06 feet to a point; thence run East along the Southerly Boundary Line of said Block 4 and Tract "B", for a distance of 429.07 feet to the POINT OF BEGINNING, lying and being in Section 17, Township 54 South, Range 41 East, City of Coral Gables, Miami-Dade County, Florida.

TOGETHER WITH THE FOLLOWING DESCRIBED REAL PROPERTY:

LEGAL DESCRIPTION (PARKING GARAGE):

Lots 10, thru 20, Block 5, "CORAL GABLES CRAFTS SECTION", according to the plat thereof, as recorded in Plat Book 10 at Page 40, of the Public Records of Miami-Dade County, Florida, being more particularly described as follows;

BEGIN at the Northeast corner of said Lot 20, Block 5; thence run West along the Northerly boundary line of said Lot 20, Block 5, of the following described Parking Garage for a distance of 275.00 feet to a point; thence run S01°26'46"W for a distance of 100.00 feet to a point; thence run East along the South boundary line of said Block 5 for a distance 259.61 feet to a point;" thence run N46°26'23"E for a distance of 21.76 feet to a point; thence run N01°26'46"E for a distance of 85.00 feet to the POINT OF BEGINNING, lying and being in Section 17, Township 54 South, Range 41 East, City of Coral Gables, Miami-Dade County, Florida.

EXHIBIT "A"

CITY OF CORAL GABLES, FLORIDA

RESOLUTION NO. 2009-133

A RESOLUTION AUTHORIZING THE EXECUTION OF A DECLARATION OF RESTRICTIVE COVENANT REQUIRED BY MIAMI-DADE COUNTY, PURSUANT TO THE REQUIREMENT OF ESTABLISHING A COMMUNITY DEVELOPMENT DISTRICT (CDD) FOR THE PUBLIC PORTION OF THE PARKING GARAGE, ASSOCIATED WITH THE PALACE DEVELOPMENT, AT 50 ANDALUSIA AVENUE, CORAL GABLES, FLORIDA.

**WHEREAS**, the Palace Management Group, LLC has requested that the City execute a Declaration of a Restrictive Covenant; and

**WHEREAS**, on July 15, 2008 the City Commission adopted Resolution No. 2008-17 expressing support for the creation of the "Palace at Coral Gables Community Development District" by the Miami-Dade County Commission for the construction of the portion of the Public Parking Garage at 50 Andalusia Avenue, Coral Gables, FL; and

**WHEREAS**, as part of processing of this petition, the County has requested that both the City and the Palace Group enter into a Declaration of Restrictive Covenants running with the land; and

**WHEREAS**, the purpose of this Declaration is to require disclosure of the existence of a CDD to any third party purchases; and

**WHEREAS**, in the case of the Palace of Coral Gables, such sale of units is not permitted by existing leases nor is it contemplated by either the Palace Group or the City; and

**WHEREAS**, the execution of this Declaration is only being requested so as to comply with necessary County requirements;

**NOW, THEREFORE, BE IT DULY RESOLVED BY THE COMMISSION OF THE CITY OF CORAL GABLES:**

**SECTION 1.** That the foregoing "Whereas" clauses are hereby ratified and con-firmed as being true and correct and are hereby made a specific part of this Resolution upon adoption hereof.



55

SECTION 2. That the City Commission does hereby authorize the City Manager to execute the Declaration of Restrictive Covenant required by Miami-Dade County, pursuant to the requirement of establishing a Community Development District (CDD) for the public portion of the Parking Garage, associated with the Palace Development at 50 Andalusia Avenue, Coral Gables, Florida.

SECTION 3. That this Resolution shall become effective upon the date of its passage and adoption herein.

PASSED AND ADOPTED THIS SECOND DAY OF JUNE, A.D., 2009.
(Moved: Anderson / Seconded: Kerdyk)
(Yeas: Withers, Anderson, Cabrera, Kerdyk, Slesnick)
(Unanimous: 5-0 Vote)
(Agenda Item: H-4)

APPROVED:

DONALD D. SLESNICK II
MAYOR

ATTEST:

WALTER J. FOEMAN
CITY CLERK

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

ELIZABETH M. HERNANDEZ
CITY ATTORNEY

CITY OF CORAL GABLES, FLORIDA

RESOLUTION NO. 2009-133

A RESOLUTION AUTHORIZING THE EXECUTION OF A DECLARATION OF RESTRICTIVE COVENANT REQUIRED BY MIAMI-DADE COUNTY, PURSUANT TO THE REQUIREMENT OF ESTABLISHING A COMMUNITY DEVELOPMENT DISTRICT (CDD) FOR THE PUBLIC PORTION OF THE PARKING GARAGE, ASSOCIATED WITH THE PALACE DEVELOPMENT, AT 50 ANDALUSIA AVENUE, CORAL GABLES, FLORIDA.

**WHEREAS**, the Palace Management Group, LLC has requested that the City execute a Declaration of a Restrictive Covenant; and

**WHEREAS**, on July 15, 2008 the City Commission adopted Resolution No. 2008-17 expressing support for the creation of the "Palace at Coral Gables Community Development District" by the Miami-Dade County Commission for the construction of the portion of the Public Parking Garage at 50 Andalusia Avenue, Coral Gables, FL; and

**WHEREAS**, as part of processing of this petition, the County has requested that both the City and the Palace Group enter into a Declaration of Restrictive Covenants running with the land; and

**WHEREAS**, the purpose of this Declaration is to require disclosure of the existence of a CDD to any third party purchases; and

**WHEREAS**, in the case of the Palace of Coral Gables, such sale of units is not permitted by existing leases nor is it contemplated by either the Palace Group or the City; and

**WHEREAS**, the execution of this Declaration is only being requested so as to comply with necessary County requirements;

**NOW, THEREFORE, BE IT DULY RESOLVED BY THE COMMISSION OF THE CITY OF CORAL GABLES:**

**SECTION 1.** That the foregoing "Whereas" clauses are hereby ratified and con-firmed as being true and correct and are hereby made a specific part of this Resolution upon adoption hereof.



57

**SECTION 2.** That the City Commission does hereby authorize the City Manager to execute the Declaration of Restrictive Covenant required by Miami-Dade County, pursuant to the requirement of establishing a Community Development District (CDD) for the public portion of the Parking Garage, associated with the Palace Development at 50 Andalusia Avenue, Coral Gables, Florida.

**SECTION 3.** That this Resolution shall become effective upon the date of its passage and adoption herein.

PASSED AND ADOPTED THIS SECOND DAY OF JUNE, A.D., 2009.
(Moved: Anderson / Seconded: Kerdyk)
(Yeas: Withers, Anderson, Cabrera, Kerdyk, Slesnick)
(Unanimous: 5-0 Vote)
(Agenda Item: H-4)

APPROVED:

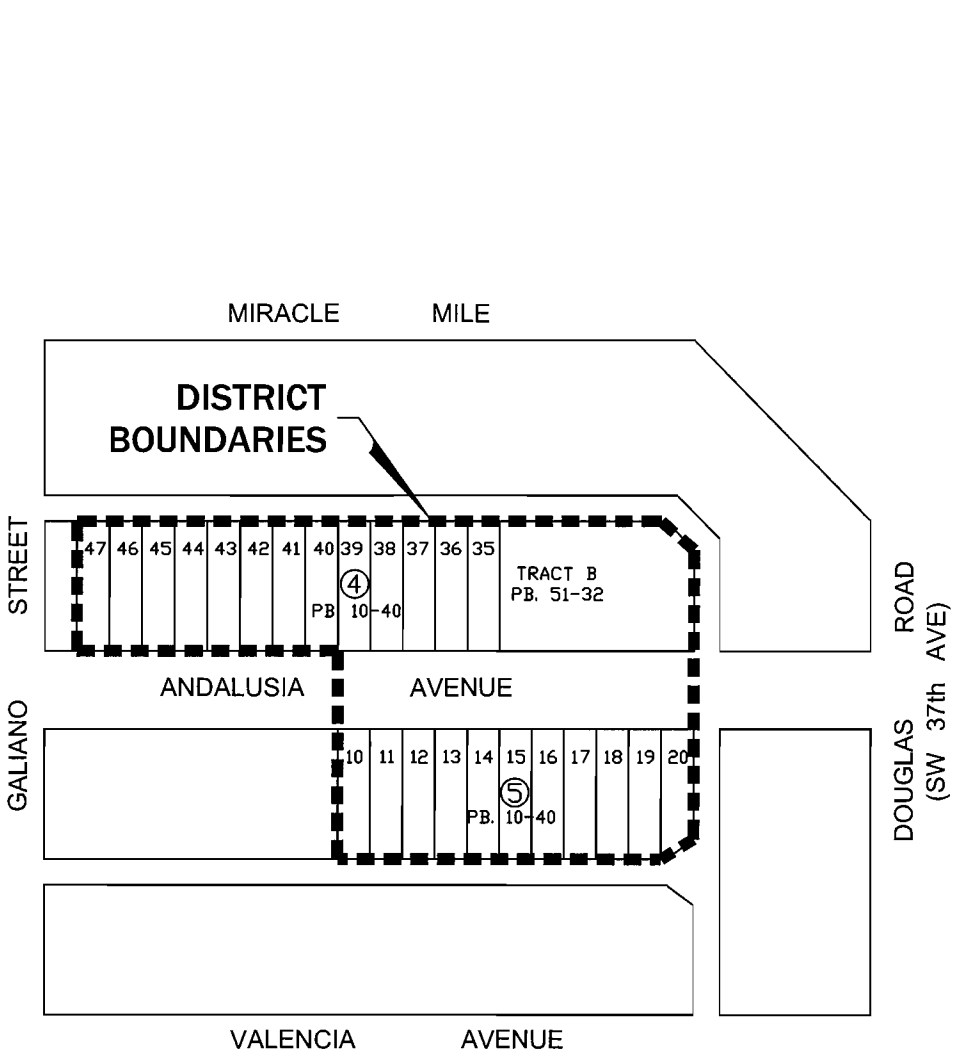
DONALD D. SLESNICK II
MAYOR

ATTEST:

WALTER J. FOEMAN
CITY CLERK

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

ELIZABETH M. HERNANDEZ
CITY ATTORNEY




# PALACE AT CORAL GABLES

## COMMUNITY DEVELOPMENT DISTRICT

**EXHIBIT "B"**
TO THE ORDINANCE

57

M- (COMM. 0007)
SECTION: 17 - 54 - 41

This instrument was prepared by:

| | |
|---|---|
| Name:<br>Address: | Gerald L. Knight, Esq.<br>Billing, Cochran, Lyles,<br>Mauro, & Ramsey, P.A.<br>Suntrust Center, 6th Floor<br>515 East Las Olas Boulevard<br>Fort Lauderdale, Florida 33301 |
| | (Space Reserved for Clerk) |

## DECLARATION OF RESTRICTIVE COVENANTS

**WHEREAS,** The Palace Management Group, LLC (the "Palace" or "Ground Tenant"), holds the fee simple title to Lots 44 through 47, in Block 4, of Coral Gables Crafts Section, according to the Plat thereof, as recorded in Plat Book 10, at page 40 of the Public Records of Miami-Dade County, Florida (the "Palace Parcel") being a portion of the land described in the attached Exhibit "A" (the "Property") located in Miami-Dade County, Florida (the "County"); and

**WHEREAS,** the City of Coral Gables, Florida (the "City"), holds the fee simple title to the balance of the Property; and

**WHEREAS,** the Palace, as ground tenant, and the City, as landlord, have entered into a Lease and Development Agreement and a Parking Garage Lease and Development Agreement, both dated July 14, 2008 (collectively the "Ground Lease") concerning the Property; and

**WHEREAS,** the Ground Tenant, subject to the terms and conditions of the Ground Lease, has agreed to convey its fee simple title interest in the Palace Parcel to the City whereupon the City will become the sole fee simple titleholder to the Property and the Ground Tenant will become the long-term ground tenant of the Property; and

**WHEREAS**, the Ground Tenant intends to develop a mixed-used project, including non-residential uses and multi-family rental housing (the "Project") on the Property as contemplated in the Ground Lease; and

**WHEREAS**, Ground Tenant desires to provide certain covenants to the County Board of County Commissioners (the "Board") in support of a Petition (the "Petition") for creation of the Palace at Coral Gables Community Development District (the "District") filed May 3, 2010 , and approved pursuant to Ordinance No. _____ enacted by the Board on (the "Ordinance"), in accordance with the requirements of Chapter 190, Florida Statutes, and Section 1.01(A)(21) of the County Home Rule Charter; and

**WHEREAS**, certain of these covenants hereinafter set forth will become applicable, and Ground Tenant shall comply with same, only in the event the multi-family rental housing proposed for the Project is converted to individually owned residential leasehold units in the future with the prior written consent of the City, as landlord under the Ground Lease; and

**WHEREAS**, among those covenants are provisions for the timely, accurate, and enforceable disclosure, to all prospective initial purchasers who have entered or will enter into contracts for improved residential leasehold units on the Ground Tenant's leasehold interest in the Property (each a "Prospective Initial Purchaser"), of the obligation to pay to the District: (1) the pro-rata share for each Leasehold Dwelling Unit (defined below) of the cost of the acquisition, construction, reconstruction, and equipping of certain public infrastructure which benefit the Ground Tenant's leasehold interest in the Property either as a one time assessment at the time of closing or as an annual assessment based on the debt service on bonds to be issued by the District to finance such capital costs until such bonds are retired (collectively, "Capital Assessments"), and (2) the costs associated with (i) operations of the District including administration ("Operations Assessments") and (ii) maintenance of public infrastructure by the District ("Infrastructure

Maintenance Assessments"); Operations and Infrastructure Maintenance Assessments are hereinafter collectively referred to as ("Administrative Assessments"); and

**WHEREAS**, the non-residential uses located within the Project may also be assessed for the payment of a pro-rata portion of the Capital Assessments and Administrative Assessments imposed by the District; and

**WHEREAS**, assessments imposed by homeowners, condominium or similar associations within the District are hereinafter collectively referred to as ("Association Assessments"); and

**WHEREAS**, Ground Tenant is obligated by the Ground Lease to provide for the long-term maintenance of infrastructure serving the Ground Tenant's leasehold interest in the Property including, but not limited to public parking, drainage, and landscaping within the public Rights-of-Way and notice of the existence of homeowners, condominium or similar associations; and

**WHEREAS**, such covenants of Ground Tenant are made in order to assure the Board that the representations made by Ground Tenant in support of the Petition will be abided by,

**NOW, THEREFORE**, Ground Tenant freely, voluntarily, and without duress, and on behalf of its heirs, successors, and assigns, makes the following Declaration of Restrictive Covenants covering and running with Ground Tenant's leasehold interest in the Property (this "Declaration"):

1. Covenants.

1.1 Public Records Notice of Existence of District. This Declaration shall serve as notice in the public records of the County that unless the District is terminated in accordance with the requirements of Chapter 190, Florida Statutes, and such termination is reflected in the public records of the County, the Ground Tenant's leasehold interest in the Property and all lands, parcels, lots, and units located within the District's boundaries are subject to the Capital Assessments and Administrative Assessments levied and imposed by the District, subject only to the exceptions or exemptions from such assessments expressly provided by Florida law.

1.2 CDD and Purchase Contract Notices. The following covenants (Section 1.2) shall become operative and effective only in the event any of the rental housing proposed for the Project is converted to individually owned-residential leasehold units with the prior written consent of the City, as landlord under the Ground Lease. Ground Tenant shall comply with the following covenants prior to the first closing on the sale of any residential leasehold unit so converted.

1.2.1 Ground Tenant shall be required to provide to each Prospective Initial Purchaser of an improved individual residential leasehold unit on the Ground Tenant's leasehold interest in the Property (individually, a "Leasehold Dwelling Unit") written notice of the estimated annual Capital Assessments and Administrative Assessments (the "CDD Notice") to be imposed on such individual Dwelling substantially in the form attached hereto as Exhibit B prior to, or contemporaneously with, the execution of a purchase and sale contract ("Purchase Contract") for such Leasehold Dwelling Unit. For the purposes of this Declaration, the term "Ground Tenant" means the Palace Management Group, LLC, its successors in interest as ground tenant under the Ground Lease and each and any seller of Leasehold Dwelling Units on the Ground Tenant's leasehold interest in the Property, except for re-sales of Leasehold Dwelling Units by individual initial purchasers; provided, however, that in no event shall this Declaration be deemed to impose any obligations upon the City or affect the City's fee simple interest in the Property. Notwithstanding the foregoing, if a Prospective Initial Purchaser executed a Purchase Contract before the effective date (10 days after enactment) of the Ordinance (the "Effective Date of the Ordinance") but was not given an contemporaneous CDD Notice, Ground Tenant may still give the CDD Notice to such Prospective Initial Purchaser; provided, however, such CDD notice must be given together with the following written notice and must be sent to such Prospective Purchaser by certified mail, professional overnight delivery or hand delivery, with return receipt, not later than the first business day following the Effective Date of the Ordinance:

THE LEASEHOLD DWELLING UNIT YOU ARE PURCHASING IS SUBJECT TO A COMMUNITY DEVELOPMENT DISTRICT AND A RELATED DECLARATION OF RESTRICTIVE COVENANTS WHICH REQUIRES THAT CERTAIN NOTICES BE GIVEN TO PURCHASERS BY GROUND TENANT. THIS NOTICE AND THE ATTACHED CDD NOTICE ARE BEING GIVEN TO YOU PURSUANT TO SUCH DECLARATION. PLEASE NOTE THAT THE DISTRICT PLANS TO ISSUE OR HAS ISSUED BONDS THAT WILL HAVE PRINCIPAL AND INTEREST PAYMENTS APPLICABLE TO THIS LEASEHOLD DWELLING UNIT OVER A PERIOD OF UP TO THIRTY (30) YEARS TO FUND CONSTRUCTION OF INFRASTRUCTURE SERVING THE GROUND TENANT'S LEASEHOLD INTEREST IN THE PROPERTY IN THE ESTIMATED AGGREGATE AMOUNT OF $_____. THIS LEASEHOLD DWELLING UNIT SHALL BE ASSESSED AN ESTIMATED CAPITAL ASSESSMENT OF $_____ IF PAID IN FULL AT CLOSING OR AN ESTIMATED ANNUAL CAPITAL ASSESSMENT OF $_____ FOR ITS PROPORTIONATE SHARE OF DEBT SERVICE ON THE BONDS UNTIL SUCH BONDS ARE PAID IN FULL. WHETHER THE CAPITAL ASSESSMENT IS PAID ONE TIME AT CLOSING OR IN ANNUAL INSTALLMENTS IS AT THE OPTION OF THE PURCHASER TO BE EXERCISED AT THE TIME OF CLOSING. THE ATTACHED NOTICE FULLY DESCRIBES YOUR OBLIGATIONS. YOU MAY ELECT TO RESCIND THE PURCHASE CONTRACT FOR A PERIOD OF THIRTY (30) DAYS FOLLOWING RECEIPT OF THIS NOTICE. UPON SUCH ELECTION, GROUND TENANT SHALL RETURN ALL MONIES PAID BY YOU AS THE PROSPECTIVE INITIAL PURCHASER REGARDING THE PURCHASE OF THE REAL PROPERTY IDENTIFIED IN THE PURCHASE CONTRACT WITHIN TEN (10) CALENDAR DAYS AFTER RECEIVING YOUR WRITTEN NOTICE THAT YOU HAVE ELECTED TO RESCIND THE PURCHASE CONTRACT, AND ALL OTHER PROVISIONS OF THE DECLARATION OF RESTRICTIVE COVENANTS NOT INCONSISTENT WITH THE REMEDIES SET FORTH HEREIN SHALL GOVERN. NO OTHER REMEDIES ARE AVAILABLE TO PURCHASER WHETHER OR NOT YOU ELECT TO RESCIND EXCEPT IN THE EVENT OF A GROUND TENANT DEFAULT WITH RESPECT TO THE CDD NOTICE AND THEN ONLY IN ACCORDANCE WITH THE DECLARATION.

Ground Tenant shall promptly refund any amounts due under the foregoing notice if a Prospective Initial Purchaser properly rescinds a Purchase Contract during the time provided. No other remedies provided in Section 1.4 shall be available to a Prospective Initial Purchaser who terminates a Purchase Contract pursuant to the foregoing notice.

1.2.2 Ground Tenant shall also provide substantially the following disclosure ("Purchase Contract Notice") on the first page of each Purchase Contract executed after the Effective Date of the Ordinance for a Leasehold Dwelling Unit on the Ground Tenant's leasehold interest in the Property, immediately after disclosure of the purchase price for the Leasehold Dwelling Unit:

THIS LEASEHOLD DWELLING UNIT IS WITHIN A COMMUNITY DEVELOPMENT DISTRICT ("DISTRICT"). THE DISTRICT PLANS TO ISSUE OR HAS ISSUED BONDS THAT WILL HAVE PRINCIPAL AND INTEREST

PAYMENTS APPLICABLE TO THIS LEASEHOLD DWELLING UNIT OVER A PERIOD OF UP TO THIRTY (30) YEARS TO FUND CONSTRUCTION OF INFRASTRUCTURE SERVING THE GROUND TENANT'S LEASEHOLD INTEREST IN THE PROPERTY IN THE ESTIMATED AGGREGATE AMOUNT OF $_____. THIS LEASEHOLD DWELLING UNIT SHALL BE ASSESSED AN ESTIMATED CAPITAL ASSESSMENT OF $_____ IF PAID IN FULL AT CLOSING OR AN ESTIMATED ANNUAL CAPITAL ASSESSMENT OF $_____ FOR ITS PROPORTIONATE SHARE OF DEBT SERVICE ON THE BONDS UNTIL SUCH BONDS ARE PAID IN FULL. WHETHER THE CAPITAL ASSESSMENT IS PAID ONE TIME AT CLOSING OR IN ANNUAL INSTALLMENTS IS AT THE OPTION OF THE PURCHASER TO BE EXERCISED AT THE TIME OF CLOSING. THESE AMOUNTS ARE DUE OVER THE TERM OF THE BONDS IN ADDITION TO THE PURCHASE PRICE. INITIAL PURCHASER ALSO UNDERSTANDS THAT IF THE ACTUAL ANNUAL CAPITAL ASSESSMENTS ON THE LEASEHOLD DWELLING UNIT ARE MORE THAN FIVE PERCENT (5%) HIGHER THAN THE ESTIMATED AMOUNT PROVIDED HEREIN, INITIAL PURCHASER SHALL HAVE THE RIGHT TO RESCIND THIS AGREEMENT AT ANY TIME PRIOR TO CLOSING. INITIAL PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT THE ESTIMATED AMOUNT OF CAPITAL ASSESSMENTS DOES NOT INCLUDE ADMINISTRATIVE ASSESSMENTS WHICH SHALL BE LEVIED BY THE DISTRICT FOR OPERATIONS AND INFRASTRUCTURE MAINTENANCE AND MAY VARY FROM YEAR TO YEAR AND FROM TIME TO TIME. IN THE EVENT OF ANY CONFLICT BETWEEN THE DISCLOSURES IN THIS PROVISION AND THE ATTACHED CDD NOTICE, THE CDD NOTICE SHALL CONTROL.
PURCHASER'S INITIALS: _____ _____

Ground Tenant shall cause each Prospective Initial Purchaser to initial the Purchaser Contract Notice where indicated.

1.3 Relief to Prospective Initial Purchaser for Ground Tenant Default. The following covenants (Section 1.3) shall become operative and effective only in the event any of the rental housing proposed for the Project is converted to individually owned-residential leasehold units. Ground Tenant shall comply with the following covenants prior to the first closing on the sale of any residential leasehold unit so converted.

1.3.1 Ground Tenant shall provide relief, in the manner provided by this Section 1.3 to any Prospective Initial Purchaser who has not yet closed on a Leasehold Dwelling Unit if any one of the following events shall occur (a "Ground Tenant Default"):

1.3.1.1. Ground Tenant fails to provide a timely CDD Notice or Purchase Contract Notice as required; and/or

1.3.1.2. Ground Tenant provides a timely CDD Notice; however, such CDD Notice underestimates the aggregate or monthly actual Administrative Assessments for the District's first three fiscal years by more than five percent (5%); and/or

1.3.1.3. Ground Tenant provides a timely CDD Notice and/or Purchase Contract; however, such CDD Notice and/or Purchase Contract Notice underestimates the actual Capital Assessment, if paid in full at closing, by more than five percent (5%) and/or monthly actual Annual Capital Assessments by more than five percent (5%).

1.3.2 In the event of any Ground Tenant Default that is not cured by a timely Late Notice (as hereinafter defined), a Prospective Initial Purchaser may, in writing (a "Termination Notice"), elect to rescind the Purchase Contract at any time prior to closing. Upon such election, Ground Tenant shall return all monies paid by the Prospective Initial Purchaser regarding the purchase of the real property identified in the Purchase Contract within ten (10) calendar days after receiving written notice from the Prospective Initial Purchaser that such Prospective Initial Purchaser has elected to rescind the Purchase Contract. No other remedies provided in Section 1.4 shall be available to a Prospective Initial Purchaser who terminates a Purchase Contract pursuant to this provision.

1.3.3 Prior to the receipt of a Termination Notice from a Prospective Initial Purchaser affected by a Ground Tenant Default, Ground Tenant shall have an opportunity to cure any Ground Tenant Default by providing a written notice (a "Late Notice") to such affected Prospective Initial Purchaser (i) prior to closing and (ii) within the later of ninety (90) days from (x) the date of execution of the Purchase Contract or (y) the Effective Date of the Ordinance (the "Cure Period"). If the Ground Tenant Default set forth in Section 1.3.1.3 is due solely to a fluctuation of interest rates on the bonds once the pricing of the bonds is completed, Ground Tenant shall have the opportunity to cure such Ground Tenant Default by providing a written notice setting forth the new annual Capital Assessments to such affected Prospective Initial Purchaser (the

"Extended Late Notice") no later than the earlier of (i) the closing date of the Leasehold Dwelling Unit or (ii) ninety (90) days from the pricing of the bonds (the "Extended Cure Period"). A Ground Tenant Default cannot be cured as to an affected Prospective Initial Purchaser after the expiration of the applicable Cure Period or applicable Extended Cure Period. If Ground Tenant provides (i) a Late Notice to a Prospective Initial Purchaser during the applicable Cure Period or (ii) an Extended Late Notice during applicable Extended Cure Period, then such Prospective Initial Purchaser may still elect to rescind the Purchase Contract at anytime for a period of thirty (30) days following receipt of Late Notice or Extended Late Notice. Upon such election, Ground Tenant shall return all monies paid by the Prospective Initial Purchaser regarding the purchase of the real property identified in the Purchase Contract within ten (10) calendar days after receiving written notice from the Prospective Initial Purchaser that such Prospective Initial Purchaser has elected to rescind the Purchase Contract. No other remedies provided in Section 1.4 shall be available to a Prospective Initial Purchaser who receives an accurate Late Notice or Extended Late Notice during the Cure Period or Extended Cure Period, as applicable, regardless of whether the Prospective Initial Purchaser elects to rescind the Purchase Contract.

1.3.4 Every Late Notice or Extended Late Notice sent by Ground Tenant to a Prospective Initial Purchaser must include the following in bold type in a font at least as large as the largest font in such Late Notice or Extended Late Notice (*with correct type of notice indicated*):

> **THE LEASEHOLD DWELLING UNIT YOU ARE PURCHASING IS SUBJECT TO A COMMUNITY DEVELOPMENT DISTRICT AND A RELATED DECLARATION OF RESTRICTIVE COVENANTS WHICH REQUIRES THAT CERTAIN NOTICES BE GIVEN TO PURCHASERS BY GROUND TENANT. THIS IS *A [LATE NOTICE or EXTENDED LATE NOTICE]* UNDER SUCH DECLARATION. IF GROUND TENANT PROVIDES YOU WITH THIS *[LATE NOTICE or EXTENDED LATE NOTICE]* DURING THE APPLICABLE CURE PERIOD, THEN YOU AS A PROSPECTIVE INITIAL PURCHASER MAY STILL ELECT TO RESCIND THE PURCHASE CONTRACT FOR A PERIOD OF THIRTY (30) DAYS FOLLOWING RECEIPT OF THIS *[LATE NOTICE or EXTENDED LATE NOTICE]*. UPON SUCH ELECTION, GROUND TENANT SHALL RETURN ALL MONIES PAID BY YOU AS THE PROSPECTIVE INITIAL PURCHASER REGARDING THE PURCHASE OF THE REAL PROPERTY IDENTIFIED IN THE PURCHASE CONTRACT WITHIN TEN (10) CALENDAR DAYS AFTER RECEIVING YOUR WRITTEN NOTICE YOU HAVE ELECTED TO RESCIND THE PURCHASE CONTRACT., AND ALL OTHER**

PROVISIONS OF THE DECLARATION OF RESTRICTIVE COVENANTS NOT INCONSISTENT WITH THE REMEDIES SET FORTH HEREIN SHALL GOVERN. NO OTHER REMEDIES PROVIDED IN SECTION 1.4 OF THE DECLARATION SHALL BE AVAILABLE TO YOU AS A PROSPECTIVE INITIAL PURCHASER IF YOU RECEIVE THIS *[LATE NOTICE or EXTENDED LATE NOTICE]* DURING THE APPLICABLE CURE PERIOD, REGARDLESS OF WHETHER YOU AS A PROSPECTIVE INITIAL PURCHASER ELECT TO RESCIND THE PURCHASE CONTRACT.

1.3.5 If the Ground Tenant Default involves the failure to provide a Purchase Contract Notice or Ground Tenant provided a Purchase Contract Notice in substantially the correct form and location; however, such Purchase Contract Notice underestimated the actual Capital Assessment, if paid in full at closing, by more than five percent (5%) and/or the annual Capital Assessments by more than five percent (5%), then the Late Notice or Extended Late Notice shall also contain the following:

YOUR PURCHASE CONTRACT PROVIDES THAT THE PURCHASE PRICE FOR YOUR LEASEHOLD DWELLING UNIT IS AS FOLLOWS: *[INSERT PURCHASE PRICE INFORMATION]*. THIS LEASEHOLD DWELLING UNIT IS OR WILL BE WITHIN A COMMUNITY DEVELOPMENT DISTRICT ("DISTRICT"). THE DISTRICT PLANS TO ISSUE OR HAS ISSUED BONDS THAT WILL HAVE PRINCIPAL AND INTEREST PAYMENTS APPLICABLE TO THIS LEASEHOLD DWELLING UNIT OVER A PERIOD OF UP TO THIRTY (30) YEARS TO FUND CONSTRUCTION OF INFRASTRUCTURE SERVING THE GROUND TENANT'S LEASEHOLD INTEREST IN THE PROPERTY IN THE ESTIMATED AGGREGATE AMOUNT OF $_____. THIS LEASEHOLD DWELLING UNIT SHALL BE ASSESSED AN ESTIMATED CAPITAL ASSESSMENT OF $_____ IF PAID IN FULL AT CLOSING OR AN ESTIMATED ANNUAL CAPITAL ASSESSMENT OF $_____ FOR ITS PROPORTIONATE SHARE OF DEBT SERVICE ON THE BONDS UNTIL SUCH BONDS ARE PAID IN FULL. WHETHER THE CAPITAL ASSESSMENT IS PAID IN FULL AT CLOSING OR IN ANNUAL INSTALLMENTS IS AT THE OPTION OF THE PURCHASER TO BE EXERCISED AT THE TIME OF CLOSING.THESE AMOUNTS ARE DUE OVER THE TERM OF THE BONDS IN ADDITION TO THE PURCHASE PRICE. PURCHASER ALSO UNDERSTANDS THAT IF THE ACTUAL ANNUAL CAPITAL ASSESSMENTS ON THE LEASEHOLD DWELLING UNIT ARE MORE THAN FIVE PERCENT (5%) HIGHER THAN THE ESTIMATED AMOUNT PROVIDED HEREIN, PURCHASER SHALL HAVE THE RIGHT TO RESCIND THIS AGREEMENT AT ANY TIME PRIOR TO CLOSING. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT THE ESTIMATED AMOUNT OF CAPITAL ASSESSMENTS DOES NOT INCLUDE ADMINISTRATIVE ASSESSMENTS WHICH SHALL BE LEVIED BY THE DISTRICT FOR OPERATIONS AND INFRASTRUCTURE MAINTENANCE AND MAY VARY FROM YEAR TO YEAR AND FROM TIME TO TIME. IN THE EVENT OF ANY CONFLICT BETWEEN THE DISCLOSURES IN THIS PROVISION AND THE ATTACHED CDD NOTICE, THE CDD NOTICE SHALL CONTROL.

1.3.6 If the Ground Tenant Default involves the failure to provide a CDD Notice or Ground Tenant provided a timely CDD Notice; however, such CDD Notice

underestimated (i) the actual aggregate Administrative Assessments for each of the District's first three fiscal years by more than five percent (5%) and/or (ii) the actual Capital Assessment, if paid in full at closing, by more than five percent (5%) and/or the actual annual Capital Assessment by more than five percent (5%), then the Late Notice or Extended Late Notice must also include a CDD Notice, if the Ground Tenant Default involves a failure to provide a CDD Notice or an accurate revised CDD Notice, if the Ground Tenant Default involves a timely but inaccurate CDD Notice.

1.4 Relief to a Prospective Initial Purchaser Who Actually Closes on a Leasehold Dwelling Unit After an Uncorrected Ground Tenant Default. The following covenants (Section 1.4) shall become operative and effective only in the event any of the rental housing proposed for the Project is converted to individually owned-residential leasehold units. Ground Tenant shall comply with the following covenants prior to the first closing on the sale of any residential leasehold unit so converted.

1.4.1 In the event Ground Tenant fails to give a Prospective Initial Purchaser a timely CDD Notice, and such failure is not corrected by a timely and accurate Late Notice, then a Prospective Initial Purchaser that closes on the Leasehold Dwelling Unit ("Actual Initial Purchaser") may demand, in writing, that Ground Tenant pay such Actual Initial Purchaser (i) the amount necessary to prepay all Capital Assessments principal, and interest on such Capital Assessments principal due through the next applicable bond payment date respecting the Leasehold Dwelling Unit plus (ii) an amount equal to the sum of the share of the actual Administrative Assessments levied by the District on such Leasehold Dwelling Unit for the District's first three (3) fiscal years immediately following the closing respecting the Leasehold Dwelling Unit.

1.4.2 In the event that Ground Tenant gave to an Actual Initial Purchaser (i) both a timely CDD Notice and Purchase Contract Notice and either underestimated the actual Capital Assessment, if paid in full at closing, by more than five percent (5%) and/or the actual

annual Capital Assessments (as set forth in Table 1 of the CDD Notice) by more than five percent (5%) and such underestimate was not corrected by a timely and accurate Late Notice or Extended Late Notice or (ii) a timely CDD Notice and no Purchase Contract Notice, if applicable, and the CDD Notice underestimated the actual Capital Assessment, if paid in full at closing, by more than five percent (5%) and/or the actual annual Capital Assessments by more than five percent (5%) and such underestimate was not corrected by a timely and accurate Late Notice or Extended Late Notice, then such Actual Initial Purchaser may demand, in writing, that Ground Tenant (a) pay such actual Initial Purchaser, in the event he or she elects to pay the Capital Assessment in full at closing, an amount equal to the difference between the actual Capital Assessment due at closing and the estimated Capital Assessment due at closing disclosed in the CDD Notice to the Actual Initial Purchaser or pay such Actual Initial Purchaser, in the event he or she elects to pay an annual Capital Assessment, an amount equal to the difference between the actual aggregate amount of annual Capital Assessments, calculated over the term of the bonds, levied and imposed by the District on such Leasehold Dwelling Unit and the aggregate amount of estimated annual Capital Assessments, calculated over the term of the bonds, actually disclosed in the CDD Notice to the Actual Initial Purchaser or, (b) if less, the amount necessary to prepay all Capital Assessments principal and interest on such Capital Assessments principal through the next applicable bond payment date with respect to the Leasehold Dwelling Unit.

1.4.3 In the event that Ground Tenant gave an Actual Initial Purchaser a timely CDD Notice and such CDD Notice underestimated the actual annual Administrative Assessments by more than five percent (5%) and such underestimate was not corrected by a timely and accurate Late Notice, then such Actual Initial Purchaser may demand, in writing, that Ground Tenant pay such Actual Initial Purchaser an amount equal to the difference between the actual amount of the Administrative Assessments levied and imposed by the District on such Leasehold Dwelling Unit and the amount of estimated Administrative Assessments disclosed to the Actual

Initial Purchaser in the CDD Notice calculated for the District's first three (3) fiscal years immediately following the closing based on the initial actual annual Administrative Assessments.

1.4.4 Upon such demand by an Actual Initial Purchaser under this Section 1.4, Ground Tenant shall deliver the applicable amount to the Actual Initial Purchaser within ten (10) calendar days after: (1) receipt of written demand, or (2) after the date Capital Assessments and Administrative Assessments first become payable, whichever is later, unless Ground Tenant and Actual Initial Purchaser agree to another manner or time of payment. An Actual Initial Purchaser shall provide to Ground Tenant written notice of election of remedy in this Section on or before one (1) year after the earlier of (1) the date that Capital Assessments and Administrative Assessments first appear on the Actual Initial Purchaser's Combined Real Property tax bill for the affected Leasehold Dwelling Unit or (2) if such assessments are directly billed by the District and do not appear on the Actual Initial Purchaser's Combined Real Property tax bill, then the date that such Capital Assessment and Administrative Assessments first appear on any bill sent to the Actual Initial Purchaser by the District for the affected Leasehold Dwelling Unit. After the expiration of that year, Ground Tenant shall not be obligated to provide any relief to such Actual Initial Purchaser under this Declaration.

1.4.5 Nothing in this Section 1.4 shall be construed to relieve any Actual Initial Purchaser of the individual Leasehold Dwelling Unit of liability for all lawful taxes and assessments including, but not limited to, any tax liability resulting from Ground Tenant's payments to such Actual Initial Purchaser under Section 1.4.

1.5 Additional Disclosure through District Sign. The following covenants (Section 1.5) shall become operative and effective only in the event any of the rental housing proposed for the Project is converted to individually-owned residential leasehold units with the prior written consent of the City, as landlord under the Ground Lease. Ground Tenant shall comply with the following covenants prior to the first closing on the sale of any residential unit so



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converted. Ground Tenant shall display at every entrance to a sales office or area, in a conspicuous location readily available for viewing by Prospective Initial Purchasers of Leasehold Dwelling Units, a sign with information about the District. The remedy provisions discussed in Section 1.4 shall not apply to this Section. Such sign(s) shall be no smaller than twenty-four inches by thirty-six inches (24" x 36"), and shall contain the following language in substantially similar form in large, boldface type:

*[INSERT NAME OF DISTRICT]*

PURSUANT TO CHAPTER 190, FLORIDA STATUTES, THE *[INSERT NAME OF DISTRICT]* MAY IMPOSE TAXES OR ASSESSMENTS, OR BOTH TAXES AND ASSESSMENTS, ON THIS LEASEHOLD DWELLING UNIT THROUGH A SPECIAL TAXING DISTRICT. THESE TAXES AND ASSESSMENTS PAY THE CONSTRUCTION, OPERATION, AND MAINTENANCE COSTS OF CERTAIN PUBLIC FACILITIES OF THE DISTRICT AND ARE SET ANNUALLY BY THE GOVERNING BOARD IN ADDITION TO COUNTY AND ALL OTHER TAXES AND ASSESSMENTS PROVIDED FOR BY LAW. THE [INSERT NAME OF DISTRICT] EXPECTS TO ISSUE BONDS TO FINANCE A PORTION OF THE CONSTRUCTION OF REQUIRED PUBLIC INFRASTRUCTURE IN [INSERT NAME OF COMMUNITY]. A PURCHASER OF A LEASEHOLD DWELLING UNIT IN *[INSERT NAME OF COMMUNITY]* WILL BE OBLIGATED TO PAY ANNUAL ASSESSMENTS TO AMORTIZE THE DEBT AND FOR DISTRICT ADMINISTRATION, WHICH AMOUNTS ARE SEPARATE FROM THE PURCHASE PRICE OF THE LEASEHOLD DWELLING UNIT AND OTHER ASSESSMENTS ON THE LEASEHOLD DWELLING UNIT, AND WHICH MAY VARY FROM YEAR TO YEAR AND FROM TIME TO TIME. THE TOTAL ANNUAL ASSESSMENTS VARY IN RELATION TO THE INFRASTRUCTURE BENEFIT ALLOCATED TO THE LEASEHOLD DWELLING UNIT ASSESSED, AND ARE EXPECTED TO APPEAR ON A PURCHASER'S LEASEHOLD DWELLING UNIT TAX BILL EACH YEAR, BUT MAY BE BILLED DIRECTLY BY THE *[INSERT NAME OF DISTRICT]*. A PURCHASER SHALL HAVE THE OPTION TO PAY IN FULL AT ANY TIME THE PRO RATA SHARE, AS ALLOCATED TO THE PURCHASER'S LEASEHOLD DWELLING UNIT, OF THE TOTAL AMOUNT OF DISTRICT CAPITAL ASSESSMENTS DUE. FOR FURTHER INFORMATION ON THE [*INSERT NAME OF COMMUNITY]* AND A PURCHASER'S BENEFITS AND OBLIGATIONS RELATING THERETO, CONTACT *[INSERT APPROPRIATE CONTACT INFORMATION]*."

1.6 Inspection of District Records by County Representatives. The following covenants (Section 1.6) shall become operative and effective only in the event any of the rental housing proposed for the Project is converted to individually-owned residential leasehold units with the prior written consent of the City, as landlord under the Ground Lease. Ground Tenant shall

comply with the following covenants prior to the first closing on the sale of any residential leasehold unit so converted.

Ground Tenant shall allow or provide for the District to allow County representatives to review all pertinent records in order to assess the overall performance of Ground Tenant in providing timely and accurate disclosure of estimated Capital Assessments and Administrative Assessments on Leasehold Dwelling Units within the District. Prompt access shall be provided without prior notice of inspection by the County representatives, but only during normal business hours and without disruption of sales operations. The purpose of such inspection is only to determine Ground Tenant's overall compliance with the aforementioned notice requirements and such inspection shall not authorize the County to seek any relief provided under Section 1.4, either on behalf of itself or on behalf of any Prospective Initial Purchaser or Actual Initial Purchaser.

1.7 Provision of Water, Wastewater, and Reuse Service. Ground Tenant acknowledges and agrees that the Miami-Dade County Water and Sewer Department ("WASD"), or its successor agency or department, shall be the exclusive provider of water service to all lands within the Property. Service shall be provided by WASD in accordance with its general policies and procedures for providing service throughout the County. The City shall own and maintain sewer improvements and shall be the exclusive provider of wastewater disposal and reuse service to all lands within the Property according to the City's general policies and procedures.

1.8 Notice of Existence of Homeowners, Condominium or Similar Associations. The following covenants (Section 1.10) shall become operative and effective only in the event any of the rental housing proposed for the Project is converted to individually-owned residential leasehold units with the prior written consent of the City, as landlord under the Ground Lease. Ground Tenant shall comply with the following covenants prior to the first closing on the sale of any residential leasehold unit so converted.

To fully inform Prospective Initial Purchasers and actual Initial Purchasers of individual Leasehold Dwelling Units of the potential for assessment within the District, Ground Tenant shall provide notice to such purchasers of the existence of any and all Homeowners Association(s), Condominium Association(s) required and established pursuant to State Statutes, County Code and/or policy, or any similar association(s) required and established within the District. Ground Tenant shall also provide an estimate of any assessments imposed by such associations for each of the District's first three (3) fiscal years. Said notice of assessment shall appear in the form attached hereto as Exhibit B.

2. Benefits and Enforcement.

2.1 The following covenants (Section 2.1) shall become operative and effective only in the event any of the rental housing proposed for the Project is converted to individually-owned residential leasehold units with the prior written consent of the City, as landlord under the Ground Lease. Ground Tenant, as defined in Section 1.2.1 of this Declaration, shall comply with the following covenants prior to the first closing on the sale of any residential leasehold unit so converted.

The covenants set forth in Sections 1.2, 1.3, 1.4, 1.5, 1.6 and 1.8, which shall become operative and effective only in the event any of the rental housing proposed for the Project is converted to individually-owned residential leasehold units, shall run and be in favor of and to the benefit of Prospective Initial Purchasers and Actual Initial Purchasers of individual Leasehold Dwelling Units on the Ground Tenant's leasehold interest in the Property, and their heirs, successors, and assigns, and shall be enforceable exclusively by such persons. After an individual Leasehold Dwelling Unit has been once conveyed to an Actual Initial Purchaser, no further notice shall be required to be provided by Ground Tenant to any purchaser of a Leasehold Dwelling Unit if the same has been improved with a residential dwelling.

2.2 The covenants set forth in Sections 1.1 and 1.7 shall run and be in favor of and to the benefit of the City or any successor municipal government, and shall be enforceable exclusively by such governmental entity.

2.3 Enforcement shall be by action against any party or person violating, or attempting to violate, any covenants herein. The prevailing party in any action or suit pertaining to or arising out of this Declaration shall be entitled to recover, in addition to costs and disbursements allowed by law, such sum as the Court may adjudge to be reasonable for attorney and paraprofessional fees and costs and expenses and trial and upon appeal. This enforcement provision shall be in addition to any other remedies available at law or in equity, or both.

2.4 Any conversion of rental housing proposed for the Project to individually-owned residential leasehold units must first be approved by the City, as landlord under the Ground Lease, which approval shall be evidenced by the recording in the Public Records of Miami-Dade County, Florida, of a written consent to conversion duly executed on behalf of the City.

3. Covenant Running With The Land. This Declaration on the part of Ground Tenant shall constitute a covenant running with the land, encumbering exclusively the leasehold estate of Ground Tenant under the Ground Lease and not the City's fee simple interest in the Property, and shall be recorded, at the expense of Ground Tenant in the public records of the County, following the acceptance by the Board of an ordinance approving the creation of the District, and shall remain in full force and effect and be binding upon Ground Tenant, and its successors and assigns, until such time as the same is modified or released. These restrictions during their lifetime shall be for the benefit of, and litigation upon, all present and future holders of the said leasehold estate and for the public welfare. Ground Tenant, on behalf of itself and its heirs, successors, and assigns, acknowledges that acceptance of this Declaration does not in any way obligate the County or the City to undertake the construction or maintenance of any infrastructure or any other duty or obligation of the District.

4. Term. This Declaration is to run with the land and shall be binding on all parties and all persons claiming under it for a period of thirty (30) years from the date this Declaration is recorded, after which time it shall be extended automatically for successive periods of ten (10) years each, unless an instrument signed by the then holder of the said leasehold estate with the prior written consent of the City as the fee simple owner of the Property has been recorded agreeing to change the covenant in whole, or in part, provided that the Declaration has first been modified or released by the County.

5. Modification, Amendment, or Release. This Declaration may be modified, amended, or released as to the land herein described, or any portion thereof, by a written instrument executed by the then holder(s) of the said leasehold estate with the prior written consent of the City as fee simple owner of the Property, or of such portion as will be affected by the modification, amendment, or release, including joinders of any and all mortgagees, provided that the same is also approved by the Board, after public hearing. Should this Declaration be modified, amended, or released, the County Mayor or the County Mayor's designee shall forthwith execute a written instrument effectuating and acknowledging such modification, amendment, or release.

6. Election of Remedies. All rights, remedies, and privileges granted herein shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall such exercise preclude the party exercising the same from exercising such other additional rights, remedies, or privileges.

7. Severability. Invalidation of any one of the covenants herein by judgment of Court shall not affect any of the other provisions of this Declaration which shall remain in full force and effect. However, if any material portion of the covenants herein is invalidated and such provision is not timely amended or replaced, or cannot be timely amended or replaced in an enforceable way with materially the same effect as the invalidated provision, the County shall be entitled to revoke

any approval predicated upon the invalidated portion. It shall be Ground Tenant's obligation to apply for and diligently pursue any such application for amendment or replacement.

8. Acceptance of Declaration. Ground Tenant acknowledges that acceptance of this Declaration does not obligate the County or the City in any manner with respect to the District, or with respect to any land use application on the Ground Tenant's leasehold interest in the Property, nor does it entitle Ground Tenant to a favorable recommendation or the approval of any application, zoning or otherwise, and the Board and/or any Community Zoning Appeals Board and other County boards, officials, and employees retain full authority to approve or deny such application.

**[SIGNATURE PAGES TO FOLLOW]**

**IN WITNESS WHEREOF**, the undersigned have set their hands and seals to this Declaration of Restrictive Covenants this 31 day of March, 2010.

PALACE:

THE PALACE MANAGEMENT GROUP, LLC, a Florida limited liability company
By: _____
Name: Jacob Shaham
Title: Manager

Address: 11355 S.W. 84th Street
Miami, FL 33173

STATE OF FLORIDA

COUNTY OF MIAMI-DADE

The foregoing instrument was acknowledged before me by Jacob Shaham, the Manager of The Palace Management Group LLC. this 31 day of March, 2010 who is personally known to me or who produced _____ as identification.

_____
Notary Public, State of Florida at Large
Print Name: Lissette M. Hunter
My commission expires: Sept. 7, 2010

L. M. HUNTER
Notary Public, State of Florida
My comm. exp. Sep. 7, 2010
Comm. No. DD 593007



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## CONSENT OF CITY

THE CITY OF CORAL CABLES, FLORIDA, AS THE LANDLORD UNDER THE GROUND LEASE, HEREBY CONSENTS TO THE FOREGOING DECLARATION: PROVIDED, HOWEVER, THAT IN NO EVENT SHALL THE FOREGOING DECLARATION BE DEEMED TO IMPOSE ANY OBLIGATIONS UPON THE CITY OR AFFECT THE CITY'S FEE SIMPLE INTEREST IN THE PROPERTY.

**ATTEST:**

By: _____
Name: Walter Foeman
Title: City Clerk

CITY OF CORAL GABLES, a
Florida municipal corporation

By: _____
Name: Patrick Salerno
Title: City Manager

APPROVED AS TO FORM AND
SUFFICIENCY:

By: _____
Name: Elizabeth M. Hernandez
Title: ~~City Attorney~~

Approved as to form and legal sufficiency:

_____
Elizabeth M. Hernandez, City Attorney

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

The foregoing instrument was acknowledged before me this 23rd day of April, ~~2009~~ 2010, by Patrick Salerno, the City Manager of the City of Coral Gables, a Florida municipal corporation, on behalf of the City, who is personally known to me or who produced _____ as identification.

[SEAL]

YOLANDE A. DAVIS
Notary Public - State of Florida
My Commission Expires Feb 5, 2012
Commission # DD 755654

_____
Notary Public, State of Florida at Large
Print Name: YOLANDE A DAVIS
My commission expires: Feb 5, 2012

## EXHIBIT "A"

## LEGAL DESCRIPTION

**PARCEL I:**

PARCEL A:

Lots 35 through 43, in Block 4 of CORAL GABLES CRAFTS SECTION, according to the plat thereof as recorded in Plat Book 10, Page 40, of the Public Records of Miami-Dade County, Florida and Tract "B" of Page's Replat of a Portion of Block 4, Coral Gables Crafts Section, according to the plat thereof as recorded in Plat Book 51, Page 32, of the Public Records of Miami-Dade County, Florida.

PARCEL B:

Lots 15 through 20, in Block 5 of CORAL GABLES CRAFTS SECTION, according to the plat thereof as recorded in Plat Book 10, Page 40, of the Public Records of Miami-Dade County, Florida

Lots 10 through 14, in Block 5 of CORAL GABLES CRAFTS SECTION, according to the plat thereof as recorded in Plat Book 10, Page 40, of the Public Records of Miami-Dade County, Florida

**PARCEL II:**

Lots 44 through 47, in Block 4 of CORAL GABLES CRAFTS SECTION, according to the plat thereof as recorded in Plat Book 10, Page 40, of the Public Records of Miami-Dade County, Florida

**THE ABOVE DESCRIBED PARCELS I AND PARCEL II CAN COLLECTIVELY BE DESCRIBED AS FOLLOWS:**

(PARKING LOT)

Lots 35 thru 47, Block 4, "CORAL GABLES CRAFTS SECTION", according to the plat thereof, as recorded in Plat Book 10 at Page 40, and Tract "B", "PAGES REPLAT OF A PORTION OF BLOCK 4 CORAL GABLES CRAFTS SECTION", according to the plat thereof, as recorded in Plat Book 51 at Page 32, both of the Public Records of Miami - Dade County, Florida, being more particularly described as follows:

BEGIN at the Southeast corner of said Tract "B"; thence run N01°26'15"E for a distance of 84.68 feet to a Point of Curvature, said circular curve being concave to the Southwest; thence run Northerly, Northwesterly and Westerly along the arc of said circular curve to the left, having a radius 15.00 feet and a central angle of 91°26'15", for an arc distance of 23.94 feet to a Point of Tangency; thence run West for a distance of 413.77 feet to a point, (said last mentioned 3 courses being coincident with the Easterly and Northerly boundary lines of said Tract "B" and the Northerly boundary line of said Block 4); thence run S01°23'20"W along the Westerly boundary line of Lot 47, Block 4, of the aforementioned plat of 'CORAL GABLES CRAFTS SECTION", for a distance of 100.06 feet to a point; thence run East along the Southerly Boundary Line of said Block 4 and Tract "B", for a distance of 429.03 feet to the POINT OF BEGINNING, lying and being in Section 17, Township 54 South, Range 41 East, City of Coral Gables, Miami-Dade County, Florida.

AND

(PARKING GARAGE)

Lots 10 thru 20, Block 5, "CORAL GABLES CRAFTS SECTION", according to the plat thereof, as recorded in Plat Book 10 at Page 40, of the Public Records of Miami - Dade County, Florida, being more particularly described as follows:

BEGIN at the Northeast corner of said Lot 20, Block 5; thence run West along the Northerly boundary line of said Lot 20, Block 5, of the following described Parking Garage for a distance of 275.00 feet to a point; thence run S01°26'46"W for a distance of 100.00 feet to a point; thence run East along the South boundary line of said Block 5 for a distance of 259.61 feet to a point; thence run N46°26'23"E for a distance of 21.76 feet to a point; thence run N01°26'46"E for a distance of 85.00 feet to the POINT OF BEGINNING, lying and being in Section 17, Township 54 South, Range 41 East, City of Coral Gables, Miami-Dade County, Florida.

# Exhibit B

## CDD NOTICE

Table 1. ESTIMATED TOTAL ANNUAL DISTRICT ASSESSMENTS DUE PER LEASEHOLD DWELLING UNIT FOR EACH OF THE DISTRICT'S FIRST THREE (3) FISCAL YEARS (actual assessments may vary from the amounts set forth below and Operations and Infrastructure Maintenance and Homeowners, Condominium or similar Association Assessments may be higher in subsequent years based on actual budgets adopted by the District).

| Type of Leasehold Dwelling Unit (and Phase, if Applicable) | Estimated Annual District Capital Assessments Including Principal and Interest (see Sections 3.1 and 3.2 Below) | Estimated Annual Administrative Assessments (includes both Operations and Infrastructure Maintenance Assessments) (see Section 3.4 Below) | Estimated Annual Association Assessments (see Section 3.4 Below) | Estimated Total Annual District Assessments Due for each of the District's first three (3) fiscal years (see Section 3.5 Below)□ |
|---|---|---|---|---|
| | $_____ | $_____ | $_____ | $_____ |
| | $_____ | $_____ | $_____ | $_____ |

Table 2. BREAKDOWN OF ESTIMATED MONTHLY DISTRICT ASSESSMENTS FOR EACH OF THE FIRST THREE (3) FISCAL YEARS (actual assessments may vary from the amounts set forth below and Operations, Infrastructure Maintenance and Homeowners, Condominium or similar Association Assessments may be higher in subsequent years based on actual budgets adopted by the District).

| Type of Leasehold Dwelling Unit (and Phase, if Applicable)□ | Estimated Monthly District Operations Assessments | Estimated Monthly District Infrastructure Maintenance Assessments | Estimated Monthly Association Assessments | Estimated Monthly District Capital Assessments (Estimated Annual District Capital Assessments divided by 12) |
|---|---|---|---|---|
| | $_____ | $_____ | $_____ | $_____ |
| | $_____ | $_____ | $_____ | $_____ |

Table 3. ESTIMATED INITIAL PAYOFF OF CAPITAL ASSESSMENTS (does not include interest on the bond principal due through the next Payment Date) AND ESTIMATED TOTAL PAYMENTS IF ANNUAL PAYMENTS ARE MADE OVER THE TERM OF THE BONDS.

| Type of Leasehold Dwelling Unit (and Phase, if Applicable) | Initial Estimated Prepayment Amount to Pay off Leasehold Dwelling Unit's pro rata share of District Bonds at time Leasehold Dwelling Unit Closes (this amount declines as principal payments are made annually and does NOT include interest that may be due through the next applicable bond payment date | Estimated Total Capital Assessments including Principal and Interest if Capital Assessments are Paid Annually (No Prepayment) over Thirty (30) years (Estimated Annual District Capital Assessments times 30) |
|---|---|---|
| | $_____ | $_____ |
| | $_____ | $_____ |

_____**PURCHASERS INITIALS**

1. The District. All of the residential leasehold dwelling units ("**Leasehold Dwelling Units**") in the [insert name of community] (the "Development") are also located within the boundaries of the [insert name of the District] Community Development District (the "District"). The District is a local unit of special-purpose government organized and existing under the laws of the State of Florida and the Home Rule Charter of Miami-Dade County, Florida and located in Miami-Dade County ("**County**"). The primary purpose of the District is to finance the cost of the public infrastructure of the Development which may include, without limitation, water and sewer facilities, environmental mitigation, roadways, the surface water management system, utility plants and lines, land acquisition, miscellaneous utilities for the Development, as applicable, and other infrastructure projects and services necessitated by the development of land within the Development (collectively, the "**Public Infrastructure**").

_____ _____ **PURCHASER'S INITIALS**

2. The District Board. The Board of Supervisors of the District (the "**District Board**") is initially elected by the landowner in the District. The Board is required to advertise its meetings in advance and all District Board meetings are required to be open to the public. The District Board is required to prepare a budget each fiscal year and adopt the same in an open, public meeting. All owners of property within the District are invited to attend District Board meetings and participate in the public process.

_____ _____ **PURCHASER'S INITIALS**

3. District Finance and Assessments. The current plan is for the District to issue bonds to acquire, construct, reconstruct, and equip all or a portion of the Public Infrastructure identified in Section 1. Currently, it is estimated that the Leasehold Dwelling Units in the Development will be assessed based on the Capital and Administrative Assessments listed in Table 1 above and in Sections 3.1 and 3.4 below (if paid in November) to retire the debt of the District, to pay for operations of the District and maintenance of the Public Infrastructure. District assessments will either appear on the County real estate tax bill of each property located within the District and will be paid at the same time as County taxes are paid, or will be directly billed by the District. Capital assessments to repay the principal portion of the bond debt could be levied by the District for a period of up to thirty (30) years.

_____ _____ **PURCHASER'S INITIALS**

3.1 District Capital Assessments. The District expects to issue bonds (the "**Bonds**"), the principal of and interest on which will be payable from non ad valorem special assessments ("**District Capital Assessments**") levied by the District on the property within the Development, which property is found to be specially benefited by the Public Infrastructure. Each Leasehold Dwelling Unit is subject to a District Capital Assessment to repay the bonds.

_____ _____ **PURCHASER'S INITIALS**

3.2 Amount. The estimated amount of annual District Capital Assessments including principal and interest levied on each Leasehold Dwelling Unit is expected to be approximately **$_____.00** (approximately $____ **per month**), which sum shall be payable annually for the term of the Bonds (the principal repayment period **may not exceed thirty (30) years**). The aggregate amount of District Capital Assessments including principal and interest expected to be levied and imposed on each Leasehold Dwelling Unit over the term of the Bonds [insert term] is approximately **$_____.00**.

_____ _____ **PURCHASER'S INITIALS**

3.3 Prepay Option. Each owner of a Leasehold Dwelling Unit has the option of prepaying the aggregate amount of District Capital Assessments levied on the owner's Leasehold Dwelling Unit. The prepayment amount at any time will be equal to the remaining outstanding pro rata share of principal and interest due through the next applicable payment date due on the bonds for each Leasehold Dwelling Unit. Such prepayment amount will decline each year as the District Capital Assessments are paid.

_____ _____ **PURCHASER'S INITIALS**

3.4 Administrative and Maintenance and Homeowners, Condominium or Similar Association Assessments. In addition to District Capital Assessments, the District will impose an annual non ad valorem assessment to fund District operations and maintenance of its Public Infrastructure (collectively, "**Administrative Assessments**") and any Homeowners, Condominium or similar Association fees or assessments. Each Leasehold Dwelling Unit shall be subject to Administrative Assessments. The budget from which Administrative Assessments are derived is subject to change each year, and may vary from year to year and from time to time. During each of the first three (3) fiscal years of the District, it is anticipated that Administrative Assessments for the Leasehold Dwelling Unit will be approximately **$_____.00** per year per Leasehold Dwelling Unit, after which time such assessments may vary from year to year and from time to time.

_____ _____ **PURCHASER'S INITIALS**

3.5 District Assessments. Administrative Assessments together with District Capital Assessments shall comprise the "**District Assessments**." While the District Assessments are not taxes under Florida law, the District Assessments will constitute a lien coequal with the lien of State, County, Municipal, and School Board taxes, and are expected to appear on the ad valorem tax bill sent each year by the Miami-Dade County Tax Collector. The Homestead Exemption is not applicable to the District Assessments. Because a tax bill cannot be paid in part, failure to pay the District Assessments or any other portion of the tax bill will result in the sale of tax certificates and could ultimately result in the loss of title to the Leasehold Dwelling Unit of the delinquent taxpayer through the issuance of a tax deed. If billed directly by the District, nonpayment could result in foreclosure on and loss of title to the Leasehold Dwelling Unit.

_____ _____ **PURCHASER'S INITIALS**

**PURCHASER:**

_____

Print Name: _____

Date: _____

**PURCHASER:**

_____

Print Name: _____

Date: _____



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