

March 17, 2015

TO: Sharon Ragoonan, Code Compliance Manager
City of Fort Lauderdale

FROM: Richard E. Conner, Esquire
Limited Power Of Attorney for Christine Edwards

SUBJECT: 1621 NW 26 Avenue, Lien Settlement Proposal- March 2015 Revision

Dear Sharon:

Please find attached a revised lien settlement proposal submitted by the Buyer- Sunny Rentals Corp. This March 2015 revision includes a change in the estimate to complete all rehab work, from 200 days to 120 days, for the subject property.

From our recent meeting with you, the Buyer & Seller understand that the DRAFT Lien Settlement Agreement will include an additional 30 days of rehab time to cover unforeseen time delays and plans revisions.

We understand that your desired City Commission Agenda goal for an approved Lien Settlement Agreement is the April 21 regular meeting.

As legal representative for the Seller, I support the Buyer's offer and project commitment. I have signed the attached Lien Settlement Proposal.

Please note that the Proposal attachments described on Page 4 of 4 have been previously delivered to your attention.

Respectfully submitted,



Richard E. Conner, with Limited Power of Attorney
(954) 424-7144 <> RConnerLaw@Gmail.Com

cc: Gene Groves, for Seller
Jeffrey Cozzi, for Buyer

Proposed City Liens Settlement Offer

By: Sunny Rentals Corp (Current Purchaser)

Seller: Christine Edwards

Address: 1621 NW 26 Avenue, Fort Lauderdale, FL 33311

Attention: Sharon P. Ragoonan, Code Compliance Manager
City of Fort Lauderdale, Florida

March 12, 2015

Sunny Rentals Corp has entered into a purchase and sale contract with the owner of a vacant single family property located at 1621 NW 26 Ave, Fort Lauderdale, FL 33311. The contract price is \$20,000. That price reflects payable costs including property taxes, City liens, and the extensive rehab scope-of-work required to return the property to the City of Fort Lauderdale quality building standards. Our purchase contract includes a contingency that allows for negotiations with the City towards an acceptable lien settlement.

Please find our Lien Settlement Proposal laid out in the pages to follow. Based on discussions with my licensed general contractor, his engineers and architects, we have included a detailed time-line from day one to the day we receive a certificate of occupancy, and to close out all permits and open violations. Also included is our general planned scope-of-work for the property, a bid estimate from my licensed general contractor for the scope of work, the current contract between Sunny Rentals Corp and Christine Edwards, the Power of Attorney, and our proposal settlement amount along with a performance deposit.

Scope of Work:

From everything we've inspected, the property currently appears to be a legal three bedroom two bath property, with a partially converted Florida Room in the rear of the property. The amount of debris in the back Florida Room and Utility Room has made it difficult to fully inspect those areas. In addition to bringing everything up to code that is required by the City and County, such as completely new electric run throughout the entire property, any plumbing updates, repairing/replacing the roof structure, windows as needed, etc., we plan to completely renovate both bathrooms, renovating the kitchen with granite countertops and wood cabinets, tile the property throughout, install central air-conditioning, fence in the backyard with wooden fencing, if possible and allowed, properly enclose the back Florida Room and turn into a fourth bedroom, new drywall will be installed throughout the entire property, all new light fixtures and trim throughout the property, new smoke alarm systems, and repainting the entire exterior and interior of the property. Landscaping services will also be performed on both the front and back yards. The carport will likely not be rebuilt, but is undetermined at this exact moment. Any additional smaller item such as a new mailbox, house numbers, drive-way repairs, etc. will be addressed in more detail as final plans are produced.

Time-Line:

- Day 1-3: Fully secure the property and remove all left-over debris in and around the property. Perform any landscaping needed due to high grass or similar such issues. Apply for demolition permits to remove all damaged drywall throughout the property on all walls and ceilings, and any additional drywall needed for proper structural inspection by engineer.
- Day 4-8: Have engineers, architects and licensed general contractor, along with any necessary city officials, inspect the property to determine exact scope of structural damage and remedies for repair.

- Day 9-20: Once scope of structural repairs is determined, finalize plans for renovations, and have architect, along with engineers and licensed general contractor prepare plans for all necessary permits.
- Days 21-35: Time for Fort Lauderdale Building Department to review plans, request comments, and provide fully approved permits.
- Days 36-120: During this time all work related to the permits and the full renovation will be completed with proper inspections as needed, with a Certificate of Occupancy provided at completion along with all permits being passed and closed out.
 - During this time, as some of the first items to be addressed upon starting the renovations will be to resolve any and all issues revolving around the unsafe structure conditions, it is likely we will be able to get into compliance with all open code violations well before the completion of the full renovation.
 - Final landscaping will also be assessed and completed towards the end of the renovations.
- Depending on the hearing schedules and dates, Sunny Rentals will also be properly prepared to present all plans and proposals at the demolition hearing(s), and cooperate fully with any and all results or requests from said hearings.
- During the entirety of this time-frame, and going forward, Sunny Rentals will adequately maintain all landscaping services, pay for water and power utilities, and make sure that the property is always properly secured.
- All of these time-frames and dates will be performed and executed on a best-effort basis, with the expectation and goal to not only meet, but beat, each completion date. These are our true and reasonable expectations, with no buffer provided for things such as acts of God, significant delays involving weather, the City of Fort Lauderdale or Broward County, and any other unforeseeable issues that may arise.

Proposed Settlement Amount:

When contemplating a proposed settlement amount, the things we took into consideration were the Hard Costs the City of Fort Lauderdale has already had to pay out for things such as lot clearing, carport demolition, administrative fees, lien recordings, hearings, etc., as well as our purchase cost, multiple years of back-due real estate taxes, the renovation costs, and what we're putting into this property, along with the mutual benefits both parties will receive if we can come to a mutually agreeable settlement.

As seen in our scope of work and time-line, we will be immediately securing this property so it is no longer a safety and health hazard to the surrounding citizens, but will also be transforming this

property into one of the gems of the neighborhood, bringing up the overall appeal and value of the neighborhood. Apart from the exterior walls, some interior walls, whatever structure of the roof can be saved, and the plumbing underneath the ground, this house will basically be a completely new house, from the drywall, electric, A/C, kitchen, baths, appliances, light fixtures, fencing, paint, doors, tile, baseboard, etc.

Based on the most recent figures provided by the City of Fort Lauderdale Code Division, there is a total of \$86,221.20 in liens/violations payable; of which \$6,836.20 are considered hard costs and non-negotiable. Included is a spreadsheet provided by the City Code Division with a breakdown of all eleven violations and liens associated with the property, and their corresponding values and negotiability. The figures above do not include unpaid water utilities totaling \$987.05, which we are considering as a hard cost and non-negotiable.

In light of all the information presented above, we are proposing a settlement of \$25,000. This breaks down into \$6,836.20 of hard costs, and \$18,163.80 of soft costs. This figure does not include the \$987.05 in unpaid utilities, as that is non-negotiable and outside the scope of this settlement offer.

Payment/Escrow Proposal:

Upon all parties agreeing to a Lien Settlement and closing on the subject property, we will deposit the entire \$25,000 with the City of Fort Lauderdale. Additionally, we are willing to offer a \$10,000 performance deposit to be held in an escrow account, and deposited at the same time as the \$25,000. This performance deposit will be returned to us upon a certificate of occupancy being issued.

Thank you for your consideration and review of this Lien Settlement Proposal. If you have any questions regarding anything in this proposal, or need any additional information, please don't hesitate to contact us.

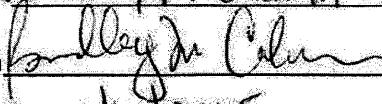
Seller's Acknowledgement:

The pending sales contract contains additional terms and conditions, one of which requires the Buyer to negotiate a Lien Settlement Agreement with the City of Fort Lauderdale. The Seller has reviewed this settlement offer made by the Buyer to the City; and, the Seller is willing to sign a Tri-Party Agreement that contains the above terms or other terms that would not negatively impact the pending contract between Buyer and Seller.

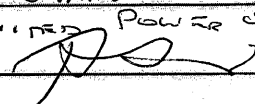
Attachments Included:

- Purchase Contract between Sunny Rentals Corp and Christine Edwards
- Contract Extension between Sunny Rentals Corp and Christine Edwards
- Power of Attorney for Christine Edwards
- Licensed General Contractor's Estimate for Renovations
- City Code Division List of City Liens Spreadsheet
- Unpaid Utilities Account Statement

Buyer

Print Bradley M Coleman
Sign 
Date 3/16/2015

Seller

Print RICHARD E. CONNER
LIMITED POWER OF ATTORNEY
Sign 
Date MARCH 17, 2015