

SEP 21 2006



INTERNAL MEMORANDUM

Date : September 20, 2006
To : Commissioner Isles
From : Patrick Ahn
Re : Ocean Mall Term Sheet

The 'Revised' Term Sheet for the Ocean mall DDA dated 8/17/06 is 95% identical to the Term Sheet dated 5/23/06 that was 'negotiated' prior to Mr. Kinsey's arrival.

It gets worse.

The item in the May 23rd Term Sheet entitled Community Benefit Program items a) thru k) has now been incorporated word for word into a document drafted by Mr. Kinsey called Community Benefits. What a co-incidence!

The only changes to the revised Term Sheet are subtle but all of them benefit the Developer. They are:

1. The lease provisions used to be "mutually acceptable" - this is no longer the case.
2. Phase 1B was 375 hotel resort units - it is now 135 hotel rooms and 250 Resort Condominium Residences.
3. Future Mall Phases II and III are for parcels of land NOT owned by ORMD. They cannot be included in the DDA without a lawsuit from these owners. Eminent domain to buy these no longer exists in Florida Law.
4. The May term sheet included a payment of \$10,000,000 to the CRA upon issuance of Phase 1B building permit - this is now reduced to two payments of \$7.5m and \$2.5m but they are now paid 5 years and indefinitely (the \$2.5m is based on sales) down the road. A very bad deal for the City/CRA.

Mr. Kinsey would have been much better served actually reading the CRA's procurement policy and the actual Ocean Mall RFP as most of what he now says is 'required' is already covered. There are, however some notable exceptions and deletions. The most obvious is the 'omission' of PSA as the Owner's Representatives, even though this was a condition of the original RFP and was accepted by all the respondents. The other major departure now being suggested by Mr. Kinsey is a % of all construction contracts to black owned businesses. This is illegal and would not survive a court challenge. It is very disturbing to see a person of Mr. Kinsey's stature giving such bad and potentially harmful advice to his Client's - if he were required to include professional liability insurance he may not be so reckless.

Not surprisingly, Mr. Kinsey sees fit to ignore and not even mention how the Ocean mall developer would be required to participate in the City's and CRA's training program - once again we are at the mercy of a Developer (in this case Catafulmo) to make some token participation and there is no way to regulate it or enforce it. Not much 'negotiating' here.

Mr. Kinsey has brought absolutely no benefit to the negotiations of this DDA. He has plagiarized previous work done and he has done a terrible job in 'protecting his Client's interest'. The team continues.

PSA Constructors, Inc.

Transcription of original Memo

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Date : September 20.2006
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From : Patrick Aliu
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The item in the May 23rd Term Sheet entitled Community Benefit Program items a) thru k) has now been incorporated word for word into a document drafted by Mr. Kinsey called CommunityBenefits. What a co-incidence!

The only changes to the revised Term Sheet are subtile but all of them benefit the Developer. They are:

1. The lease provisions used to be "mutually acceptable" - this is no longer the case.
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PSA Constructors, Inc