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Alfred Treppeda
Bal Harbour Village
655 96th St
Bal Harbour, Fl 33154

October 10, 2006

RE: Haulover Inlet Beach Walk Improvements and Closure

Dear Alfred:

Thank you for alerting us to the concerns of the Surfrider Foundation. As you know, at WCI we take pride in our relationships with the local community. It is for this reason that we chose to bring the beach walk closure to the attention of the Village during the May council meeting. We wanted to be certain that there was a clear public understanding that the beach access would remain closed through the duration of the construction. Unfortunately, the development agreement never considered the public inconvenience created by this closure.

As a gesture for the mutual oversight, WCI will be funding \$25,000 towards the construction of a temporary beach access at the Bal Harbour Club property. We have also gone one step further, to agree that if the permanent beachwalk is not reopened by January 1st 2007; WCI will fund the cost of the entire temporary beach access. As with all construction projects, we cannot guarantee a completion date, but we feel this voluntary contribution is a display of WCI's good faith towards improving the community's way of life while these improvements take place.

The Surfrider Foundation noted a concern regarding the use of the northern parking area under Haulover Bridge. As you know, per our development agreement this parking area, the new beachwalk, as well as the entire length of Collins Avenue along the bridge will be significantly improved. The asphalt along Collins Avenue and in this parking area will be replaced with architectural pavers and a comprehensive landscaping plan has been developed to beautify the area. Unfortunately, improvements such as these don't happen overnight and require complex staging and planning.

The observations of the Foundation regarding the current use of this surface lot are not inconsistent with the current construction phasing and staging plan for the area. Constructing the improvements is a complex task due to the nature of the property location. The inlet, and beach have the property "land locked" which severely limits access for all labor and equipment required to build the beachwalk and the ancillary adjoining structures.

The construction phasing plan involves beginning construction at the East of the beachwalk, and slowly working back towards Collins Ave. A considerable amount of underground utility work is presently being installed, as well as structural foundations required for landscape planter walls. All of the items in this area tie into

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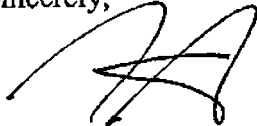
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the One Bal Harbour tower, and must be phased accordingly to ensure the seamless aesthetic integration seen on the Development Agreement documents.

We should note that a comprehensive plan regarding the closures of both the Beachwalk and Collins Avenue has been presented, reviewed and approved by all municipalities. The foremost concern of all involved was to ensure the public safety during the redevelopment of both areas. The unfortunate immediate effect is that the public will be restricted from accessing the area until the construction is completed. The safety and liability ramifications of a premature opening significantly outweigh the unfortunate short term inconvenience.

As always, please contact me if you have any further questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to be 'MA Patrizio', written in a cursive style.

Michael A. Patrizio
Sr. Project Manager
Tower Division
WCI Communities, Inc
(954) 846-2227

cc: Stefan Johansson; Greg Bankhurst; Project File