CITY OF MARATHON, FLORIDA RESOLUTION 2007-147

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, APPROVING A FIRST AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN THE CITY OF MARATHON AND SH3, LTD., A FLORIDA LIMITED PARTNERSHIP, REGARDING THE FARO BLANCO RESORT AND YACHT CLUB REDEVELOPMENT PROJECT; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, SH3, Ltd, a Florida limited partnership, is the owner of approximately 10.4 acres of upland and 9.26 acres of bay bottom (the "Property") in the corporate limits of the City of Marathon, Florida (the "Owners"); and

WHEREAS, the Owners wish to redevelop the Property as a resort with hotel rooms; and

WHEREAS, the Property formerly contained the Faro Blanco Marine Resort, which employed a number of persons who resided in the City of Marathon, Florida (the "City"), was an integral part of the economy of the City and the Middle Keys, attracted tourism to the City and the Middle Keys, and was a contributor to the economic success of the District 3 Tourist Development Area of Monroe County, including the City; and

WHEREAS, the City desires to encourage development and redevelopment of hotels and motels in the City to attract tourism, enhance the economy of the City for the benefit of its residents, and improve the good appearance of the City; and

WHEREAS, in the past number of years, the City has not enjoyed the same level of economic benefit from the tourist industry as other locales in the Lower and Upper Keys and is in need of redevelopment and enhancement of its tourist economic base to assist in the City's economic recovery, growth, and continued vitality; and

WHEREAS, the City has concluded that the direction for redevelopment and enhancement of the City's tourist base should be as a family attraction area; and

WHEREAS, the City has recognized that to attract family visitors, accommodations must be available that meet the special needs of families and offer affordable vacation options; and

WHEREAS, the Property is on Boot Key Harbor and the Gulf of Mexico, and redevelopment of the Property as a resort with hotel rooms and provides an opportunity for the type of redevelopment that will provide recreational facilities and resort accommodations to attract families to the City for longer stays; and

WHEREAS, on February 13, 2006, pursuant to City Council Resolution No. 2006-015, the Owners and the City entered into a Development Agreement for redevelopment of the FARO BLANCO Property (Sites I, II, and III) (the "Original Development Agreement"), which said Original Development Agreement is recorded in the Public Records of Monroe County, Florida, in Official Records Book 2197 beginning at page 1351; and

WHEREAS, based on market changes that have occurred since the date of the Original Development Agreement and recommendations from the Owner's design consultants, the Owners desire to revise their development plan and the Original Development Agreement and to correct certain items reflected in the Original Development Agreement; and

WHEREAS, the City has determined that this First Amended and Restated Development Agreement is in the public interest and will further the health, safety and welfare of the residents of the City.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, AS FOLLOWS:

Section 1. The First Amended and Restated Development Agreement between the City and SH3, Ltd, a Florida Limited Partnership, in substantially the form attached as Exhibit "A" hereto, is hereby approved. The City Manager and City Attorney are authorized to finalize the terms and conditions of the Agreement and the Mayor is authorized to execute said Agreement on behalf of the City.

Section 2. This resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED by the City Council of the City of Marathon, Florida, this 9th day of October 2007.

THE CITY OF MARATHON, FLORIDA

Christopher M. Bull, Mayor

AYES: Cinque, Tempest, Worthington, Bull

NOES: Vasil ABSENT: None ABSTAIN: None

ATTEST:

Diane Clavier City Clerk

(City Seal)

APPROVED AS TO FORM AND LEGALITY FOR THE USE AND RELIANCE OF THE CITY OF MARATHON, FLORIDA ONLY:

City Attorney

This instrument prepared by: Robert C. Apgar, Esq. Sherry A. Spiers, Esq. Greenberg Traurig, P.A. 101 East College Avenue Tallahassee, FL 32301 (850) 222-6891

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Parcel 1.D. Nos.: 00337880-000000 (Gulf side) 00102650-000000 (Gulf side) 00326620-000000 (Oceanside Overseas Highway Parcel) 00104050-000000 (15th Street Parcel/Boot Key Marina)

(Space reserved for recording)

FIRST AMENDED AND RESTATED DEVELOPMENT AGREEMENT FARO BLANCO RESORT AND YACHT CLUB MARATHON, FLORIDA

THIS FIRST AMENDED AND RESTATED DEVELOPMENT AGREEMENT ("Agreement") is entered into by and between the City of Marathon ("MARATHON"), a Florida municipal corporation, and SH3, Ltd. ("SH3" or "Owner"), a Florida limited partnership, pursuant to Sections 9.5-101 and 9.5-102 of the Code of Ordinances for the City of Marathon, and the Florida Local Government Development Agreement Act, Sections 163.3220-163.3243, Florida Statutes, and is binding on the Effective Date set forth herein.

WITNESSETH:

WHEREAS, SH3 is the owner of real property in Monroe County, Florida, located within MARATHON at approximately mile marker 48 on the Gulf/north side of U.S. 1, formerly known as the Faro Blanco Marine Resort, consisting of two parcels with approximately 7.39 acres of uplands (referred to herein as the "Gulf Side Parcels" or "Site I"); and

WHEREAS, SH3 is also the owner of real property in Monroe County, Florida, located within MARATHON at approximately mile marker 47.5 on the Atlantic/south side of U.S. 1,

consisting of approximately 5.36 acres of uplands (two parcels consisting of the Boot Key Marina referred to herein as the "15th Street Parcel" or "Site III," and the remaining parcel referred to herein as the "Oceanside Overseas Highway Parcel" or "Site II"); and

WHEREAS, the Parcels are collectively referred to as the "FARO BLANCO Property", and are more particularly described in the boundary survey attached hereto as Exhibit "A" and incorporated by reference; and

WHEREAS, the Faro Blanco Marine Resort has been a landmark resort hotel in MARATHON for more than 50 years and contributes to the history, economy, and character of MARATHON; and

WHEREAS, the Gulf Side Parcels (Site I), the Oceanside Overseas Highway Parcel (Site II) and the 15th Street Parcel (Site III) have been continuously operated as a single, unified tourist resort complex since that time, will continue to be operated as a single, unified tourist resort complex, and are functionally one resort hotel site; and

WHEREAS, Section 9.5-256 of the City Code, entitled "Aggregation of development," provided: "Any development which has or is a part of a common plan or theme of development or use, including but not limited to an overall plan of development, common or shared amenities, utilities or facilities, shall be aggregated for the purpose of determining permitted or authorized development and compliance with each and every standard of this chapter and for the purpose of determining the appropriate form of development review"; and

WHEREAS, the Gulf Side Parcels (Site I), the Oceanside Overseas Highway Parcel (Site II), and the 15th Street Parcel (Site III) that comprise the FARO BLANCO Property are part of an overall plan of development and common theme of use with shared amenities and facilities, as those terms were used in Section 9.5-256 of the City Code, and, therefore, were required to be

aggregated for the purpose of determining authorized development and compliance with the City Code; and

WHEREAS, the FARO BLANCO Property contains 106 residential dwelling units that consist of 34 upland units on Site I and 72 transient units on Site III; and

WHEREAS, the development described in the preceding recitals was in existence at the time of the 1990 Census, which formed the basis of the City's dwelling unit allocation ordinance, also known as Residential ROGO (herein "ROGO"), and are ROGO-exempt; and

WHEREAS, the upland land area on the FARO BLANCO Property is sufficient to meet the density and intensity requirements in the City Code for all development approved in this Agreement; and

WHEREAS, as of February 13, 2006, SH3 had been working with MARATHON for five years on a development agreement that would allow the redevelopment of the FARO BLANCO Property; and

WHEREAS, based in part on the foregoing recitals, on February 13, 2006, pursuant to City Council Resolution No. 2006-015, SH3 and MARATHON entered into a Development Agreement for redevelopment of the FARO BLANCO Property (Sites I, II, and III), which said Development Agreement is recorded in the Public Records of Monroe County, Florida, in Official Records Book 2197 beginning at page 1351; and

WHEREAS, the original Development Agreement recognized that the FARO BLANCO Property (Sites I, II, and III) is vested for 106 units and approved the redevelopment of eighty-four (84) 1 and 2-bedroom ROGO-exempt transient residential units (after application of the City's hotel-motel equivalency ratios) on Site I; and

WHEREAS, the Development Agreement also authorized development of the following

uses: On the Gulf Side Parcels (Site I), redevelopment of 15,373 air conditioned square feet of existing commercial uses, 125 dock slips, a boat ramp, fuel, dock store and related facilities, restaurant, food and beverage facilities, lobby, administrative, housekeeping and engineering facilities; on Site II, 14 new affordable housing units; and on Site III, redevelopment of 12,536 air conditioned square feet of existing commercial uses, 125 dock slips, fuel, dock store and related facilities, boat ramp, boat trailer storage facilities including a boat barn for 80 boats, restaurant, food and beverage facilities, and a manager's/caretaker's unit; and

WHEREAS, in reliance on the original approved Development Agreement, SH3 removed all houseboat residential units from the 15th Street Parcel (Site III), demolished structures on Sites I and III, and closed the Faro Blanco Marine Resort and Boot Key Marina in preparation for the redevelopment authorized by the Development Agreement, and

WHEREAS, based on market changes that have occurred since the date of the original Development Agreement and recommendations from SH3's design consultants, SH3 desires to revise its development plan and the Development Agreement as follows:

- increase the number of 1-bedroom transient units from 16 to 57,
- decrease the number of 2-bedroom transient units from 68 to 31,
- add an additional 12,329 s.f. of air conditioned commercial space on the Resort Parcel (primarily for a larger restaurant and new spa facilities),
- increase dry boat storage on Site III by 91 slips and decrease wet slips on Sites I and III by 91 slips,
- relocate the manager's/caretaker's unit from Site III to Site I,
- relocate some of the affordable housing units from Site II to Site III; and
- authorize certain revisions to the Conceptual Site Plan that are consistent with the Comprehensive Plan and LDRs without an amendment to the Development Agreement;
 and

WHEREAS, SH3 also wishes to amend the Development Agreement to correct the vested commercial square footages reflected in the original Agreement, resulting in a cumulative addition of 31 square feet of vested commercial space; and

WHEREAS, redevelopment of Faro Blanco with the revisions described above will enhance the design and amenities for future owners and guests of FARO BLANCO; and

WHEREAS, the public has been provided notice of the parties' intent to consider entering into this Agreement by advertisement published in a newspaper of general circulation and readership in MARATHON, posting the FARO BLANCO Property subject to this Agreement, and mailed notice to the persons and entities shown on the most recent Monroe County Tax Roll to be the owners of property lying within 300 feet of the boundaries of the FARO BLANCO Property subject to this Agreement; and

WHEREAS, the City Planning Commission held an advertised public hearing on September 17, 2007, to consider this Agreement and recommended approval of this Agreement to the City Council; and

WHEREAS, the City Council held advertised public hearings on September 25, 2007, and October 9, 2007, to consider this Agreement, the recommendations of the Planning Commission and City staff, and to accept and encourage public input, and has considered such recommendations and any comments by members of the public; and

WHEREAS, the City Council has determined that the redevelopment of the marina facilities and dock slips on the Faro Blanco Property is in the public interest, and will further the economic development of the community; and

WHEREAS, the City Council has determined that this Agreement is in the public interest, is consistent with its policy to encourage the redevelopment of hotels and motels in MARATHON, and will further the health, safety and welfare of the residents of the City.

NOW, THEREFORE, in consideration of the mutual promises and undertakings contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

I. RECITALS. The foregoing recitals are part of this Agreement on which the parties have relied and are incorporated herein by reference.

II. PURPOSES OF AGREEMENT.

The purposes of this Agreement are as follows:

- A. To authorize the redevelopment of the FARO BLANCO Property (Sites I, II, and III) consistent with the City's Comprehensive Plan and land development regulations.
- B. To recognize that the following development is exempt from the requirement to obtain a ROGO or NROGO allocation, or a Building Permit Allocation: 106 dwelling units (34 units on Site I and 72 units on Site III), 16,411 square feet of air conditioned commercial space and a marina with 125 wet slips on Site I, and 11,529 square feet of air conditioned commercial space and a marina with 125 wet slips on Site III.
- C. To allow redevelopment of vested transient residential dwelling units on the Gulf Side Parcel (Site I) and to authorize the provision of affordable/workforce housing on Sites II and III utilizing the Owner's ROGO exemptions from vested units on the FARO BLANCO Property; and
- D. To facilitate the permanent removal of at-risk water-borne transient residential dwelling units in the Boot Key Marina (Site III) and development of ROGO-exempt transient residential dwelling units and affordable/workforce housing on suitable uplands in structures that meet wind load standards for tropical storms and hurricanes on Sites I, II and III; and
 - E. To secure the ability for SH3 to further lessen the environmental impacts of the

development on the FARO BLANCO Property by removing existing cesspits, installing a 2010 Wastewater Facility, appropriately addressing stormwater runoff, upgrading marina pump-out facilities, and bringing the development on the FARO BLANCO Property into compliance with setback, open space, buffer yard and other applicable LDRs; and

F. To additionally provide a donation to MARATHON in the amount of One Hundred Thousand Dollars (\$100,000.00) to enhance public facilities or projects, as designated by the City Council with the concurrence of SH3, for the use and benefit of the citizens of MARATHON.

III. DEFINITIONS.

For the purposes of this Agreement, the following terms shall have the following definitions:

Affordable Housing or affordable/workforce housing shall mean dwelling units which contain less than or equal to one thousand eight hundred (1,800 ft²) square feet of habitable space; meet all applicable requirements of the United States Department of Housing and Urban Development minimum property standards as to room sizes, fixtures, landscaping and building materials, when not in conflict with applicable laws of City; and are restricted to use by households that meet the requirements of at least one (1) of the following income categories: Very-low, low, median, moderate or middle. The requirements for these income categories are as provided in City Code Chapter 104, Specific Use Regulations. The dwelling units shall be restricted to use as affordable housing for persons or households meeting the income criteria described in the regulations for a period of fifty (50) years, renewable by MARATHON for two successive periods of fifty (50) years each. One or more such restrictive covenants, in a form acceptable to the City, shall be recorded in the public records of Monroe County, Florida, by the

Owner, at its sole expense, prior to issuance of a certificate of occupancy for each unit to which the recorded restriction applies, with copies of the recorded restriction(s) provided to MARATHON and to the state land planning agency within a reasonable time after recordation.

Agreement shall refer to this Agreement, as the same may be subsequently amended, modified or supplemented pursuant to its terms and provisions and pursuant to the provisions of Sections 163.3220, et. seq., Florida Statutes.

Annual Report shall refer to the report filed by SH3 with MARATHON and (as and when applicable) the state land planning agency.

City Code or LDRs shall refer to the land development regulations in the Code of Ordinances of the City of MARATHON in effect on the date of this Agreement.

Comprehensive Plan shall refer to MARATHON's Comprehensive Plan in effect on the date of this Agreement.

Density means the number of transient and affordable/workforce residential dwelling units allowed on Sites I, II, and III under this Agreement, described herein as "units."

Development or redevelopment shall refer to the redevelopment of the Property for uses permitted by the Comprehensive Plan and the City Code, subject to the conditions, obligations, restrictions and terms contained in this Agreement.

Effective Date shall refer to the date this Agreement becomes effective, as set forth herein.

Intensity means the amount of non-residential development authorized by this Agreement.

Liveaboard means any vessel used solely as a residence or any vessel represented as a place of business, a professional or other commercial enterprise, or a legal residence. A

commercial fishing boat is expressly excluded from the term "liveaboard vessel."

Public Facilities shall refer to those facilities that are specifically described in Section 163 .3221, Florida Statutes, and as set forth in this Agreement.

State land planning agency shall refer to the State of Florida Department of Community Affairs, or any successor agency.

Transient residential unit, transient unit, or transient residential dwelling unit means a residential dwelling unit that is rented to guests more than three times a year for periods not exceeding 30 days or one calendar month, whichever is less, where the occupancy by the guest(s) is intended to be temporary.

2010 wastewater standards means the best available treatment standards established by Laws of Florida 99-395 for onsite sewage treatment and disposal systems, codified in Section 381.0065, Florida Statutes.

Other terms used in this Agreement shall have the meanings set forth in the Definitions in Chapter 110 of the City Code.

IV. STATUTORY AND CODE REQUIREMENTS.

The parties recognize the binding effect of the Florida Local Government Development Agreement Act, Sections 163.3221, et seq., Florida Statutes, as to the form and content of this First Amended and Restated Development Agreement and in accordance therewith set forth and agree to the following:

A. Legal Description and Ownership.

SH3 is the sole owner of the FARO BLANCO Property that is subject to this Agreement, as described in the Boundary Survey prepared by Frederick H. Hildebrandt, last revised March 25, 2005, attached hereto as Exhibit "A."

B. Duration of Agreement.

This Agreement shall remain in effect for seven (7) years from the Effective Date of this Agreement.

C. Aggregation; Unity of Title; Land Condominium.

- 1. Aggregation. Redevelopment of the FARO BLANCO Property will be accomplished pursuant to a common plan and theme of development and use in that resort amenities available for use by guests of the Faro Blanco Resort and Yacht Club will continue to be located on Sites I and III with affordable housing on Site II, as shown on the Conceptual Site Plan prepared by axioma 3, Inc., dated August 28, 2007, attached hereto as Exhibit "B" and incorporated herein by reference. The FARO BLANCO Property (Sites I, II, and III) shall continue to be aggregated and treated as a single, unified resort complex for the duration of this Agreement, and pursuant to the conditional use approval that is required in order for the Property to be redeveloped as authorized herein.
- 2. Unity of Title; Land Condominium. The Owner shall execute a binding instrument, in a form acceptable to the City, aggregating the FARO BLANCO Property for purposes of the redevelopment authorized by this Agreement. The Owner shall record the instrument in the public records of Monroe County, Florida, at its sole expense, within twenty-one (21) days after the Effective Date of this Agreement. The Owner shall provide copies of the recorded instrument showing the book and page where recorded to the City and to the Florida Department of Community Affairs within a reasonable time after recordation. It is further agreed that the Faro Blanco Property may be submitted to condominium ownership as a land condominium, for which no further review or approval by MARATHON is required.

D. Existing Development.

Existing development on the FARO BLANCO Property is identified on the Existing Site Plans attached hereto as Exhibits C (Site I) and D (Sites II and III), which are incorporated herein.

- E. Density and Intensity; Affordable/Workforce Housing; Conversion of Transient Residential Dwelling Units to Larger Units; Conditional Redevelopment Units.
- 1. The development permitted on the FARO BLANCO Property (Sites I, II, and III) shall consist of those uses described herein and shown on the Conceptual Site Plan attached to this Agreement. The maximum density lawfully established and vested on the FARO BLANCO Property is 91 transient residential units and one (1) manager's/caretaker's unit on Site I, and 14 affordable/workforce housing units on Sites II and III. Maximum intensity allowed under this Agreement consists of all non-residential development described in subsection E.5 below. Final site plans may deviate from the Conceptual Site Plan without an amendment to this Agreement, so long as the deviation is consistent with the Comprehensive Plan and LDRs and the density and intensity identified in this subsection are not exceeded.
- 2. The Developer shall provide affordable/workforce housing as follows: fourteen (14) affordable/workforce housing units on the Oceanside Overseas Highway Parcel and the 15th Street Parcel (Sites II and III) and one (1) manager's/caretaker's unit on the Gulf Side Parcels (Site I), as depicted on the Conceptual Site Plan. SH3 shall obtain certificates of occupancy for the affordable/workforce housing units and manager's/caretaker's unit prior to or concurrently with construction and issuance of certificates of occupancy for the first 15 transient residential dwelling units authorized by this Agreement.
- 3. Pursuant to MARATHON Ordinance No. 2004-17, the ninety-one (91) lawfully established transient residential dwelling units on the FARO BLANCO Property may be redeveloped on the Gulf Side Parcels (Site I) as eighty-eight (88) transient residential units

consisting of fifty-seven (57) one-bedroom units and thirty-one (31) two-bedroom units under the following hotel-motel conversion rates:

91 Existing/Vested 1-Bedroom Units	Proposed 1-Bedroom Units	Proposed 2- Bedroom Units	Conversion Rate	Conditional Redevelop- ment Units	Total Units Allowed Under Ord. 2004-17
57	57		1.0 (100 %)	0	57
28		25	.9 (90%)	3	25
Existing 2-Bedroom Units					
6		6	1.0 (100%)	0	6
TOTALS	57	31	n/a	3	88

- 4. This Agreement shall constitute the mechanism by which MARATHON shall track the three (3) Conditional Redevelopment Units created through the conversion of existing efficiency and one-bedroom transient residential dwelling units on the FARO BLANCO Property into two bedroom units, so they may be developed in the future if MARATHON adopts an ordinance amending the land development regulations to authorize development of tracked conditional redevelopment units, as provided in Ordinance No. 2004-017. Future development of the three (3) conditional redevelopment units pursuant to a later-adopted City ordinance shall not require an amendment to this Agreement.
- 5. The following development intensity (commercial floor area) is authorized on the FARO BLANCO Property, as shown on the Conceptual Site Plan:
 - a. Gulf Side Parcels (Site I):
 - i. 28,889 s.f. of air conditioned commercial use (32,321 gross s.f.), including a hotel lobby and reception area, administrative offices, back of house services, ship store and related facilities, restaurant and bar, food and beverage facilities, meeting rooms, spa, dive center, dock master, laundry facilities, restoration of an existing historic structure to be relocated to the front of the property,

lighthouse, housekeeping, and engineering facilities (16,411 s.f. of air conditioned commercial use existing).

- ii. a marina with 73 dock slips and fueling facilities.
- b. 15th Street Parcel (Boot Key Marina) (Site III):
 - i. 11,892 s.f. of air conditioned commercial use (12,305 gross s.f.), including a 171-vessel boat storage building, trailer storage facilities, a clubhouse and dock master building (11,529 s.f. of air conditioned commercial uses existing).
 - ii. 86 dock slips, fueling facility and a boat ramp.
- 6. All transient residential dwelling units developed on the FARO BLANCO Property under this Development Agreement are limited to use as transient residential dwelling units as defined in this Agreement. The Owner is not authorized, and shall not be allowed, to maintain a permanent residence at a transient residential dwelling unit or units on the FARO BLANCO Property, and shall not allow others to maintain a permanent residence in any such transient residential dwelling unit owned by it. The Owner acknowledges that it has no legal right to file for homestead exemption where such application declares a transient residential dwelling unit on the FARO BLANCO Property as the primary residence of any person and agrees not to seek such homestead exemption for any such transient residential dwelling unit.
- 7. The parties recognize that all existing houseboats on Site III (15th Street Parcel) have been removed and destroyed as required by the Development Agreement between the parties dated February 13, 2007. One additional vessel used as a jewelry store remains at the marina on the Gulf Side Parcels (Site I) and will be removed prior to redevelopment of Site I. Proof of removal and destruction of each houseboat on Site III shall be provided to MARATHON prior to the issuance of certificates of occupancy for the number of units that correspond to the number of units in each removed houseboat. After removal of the houseboats.

liveaboard vessels as defined in this Agreement, and vacation rentals and transient residential dwelling units as defined in the City Code, shall not be allowed on the FARO BLANCO Property. However, nothing in this Agreement shall be construed to prohibit seasonal long-term boat mooring in the marinas as part of the marina operations.

- 8. For the duration of this Agreement, the parties agree that any and all of the approved development shall adhere to, conform to, and be controlled by this Agreement, the Conceptual Site Plan attached hereto and incorporated by reference, the MARATHON LDRs, and the MARATHON Comprehensive Plan. In the event that all or a portion of the existing or authorized development uses, densities or intensities described in this Agreement should be destroyed by storm, fire, or other common disaster, SH3, its grantees, successors, or assigns shall have the absolute right to rebuild or repair the affected structure(s) and reinitiate the prior approved use so long as such development is in compliance with this Agreement.
 - 9. The following exhibits are attached hereto and incorporated herein by reference:

Exhibit A: Boundary survey prepared by Frederick H. Hildebrandt, last revised March 25, 2005.

Exhibit B Revised Conceptual Site Plan prepared by axioma 3, Inc., dated August 28, 2007**

Exhibit C Faro Blanco Resort (Gulf side) Existing Site Plan

Exhibit D Boot Key Marina (Sites II and III) Existing Site Plan

- ** SH3 shall not be bound by this Agreement to the building layout depicted (for illustrative purposes only) on the attached Conceptual Site Plans. Final Site Plans shall be configured as otherwise set forth herein and as permitted by the MARATHON LDRs, provided the densities and intensities set forth in this Agreement are met.
- 10. Building Heights. Maximum building height shall be thirty-seven (37) feet.
- F. Public Facilities; Donation to MARATHON.

- 1. SH3 shall provide to MARATHON a monetary donation in the amount of One Hundred Thousand Dollars (\$100,000.00) for public facilities or projects, as determined by the City Council with the concurrence of SH3, for the use and benefit of the citizens of MARATHON. Payment to MARATHON of the full amount of the donation shall be made on or before the issuance of all building permits requested in the first permit application submitted to the City by SH3 for the vertical construction of any or all of the transient residential units or affordable/workforce housing units on the FARO BLANCO Property that are authorized under this Agreement. The donation shall not be due upon issuance of preliminary permits such as demolition, site preparation, marina and foundation permits.
 - 2. The Florida Keys Aqueduct Authority provides domestic potable water.
 - 3. Electric service is provided by the Florida Keys Electric Co-Op.
 - 4. Solid waste service is provided by Marathon Garbage Service.
- 5. FARO BLANCO shall provide wastewater and sewage collection and disposal via one or more 2010 Wastewater Facilities supporting Sites I, II, and III of the FARO BLANCO Property and as identified on Exhibit "B" (the Conceptual Site Plan), approved by the Florida Department of Environmental Protection at the time of building permit application.
- 6. Educational Facilities. The transient residential dwelling units and commercial development of the FARO BLANCO Property, as contemplated by this Agreement, do not impact upon educational facilities. The FARO BLANCO Property is currently served by the following schools, operated by the Monroe County School Board: Marathon High School, Marathon Middle School and Stanley Switlik Elementary School.
- 7. Recreational Facilities. The FARO BLANCO Property includes recreational facilities for visitors and guests of FARO BLANCO, including swimming and boating

opportunities. Therefore, redevelopment of the Property will have no impact on public recreation facilities.

- 8. Fire Protection. The Owner shall provide fire hydrants and other such fire protection facilities as required by the Life Safety Code administered by the City Fire Department. Fire sprinklers will be installed as required by City Code.
- 9. Any increased impacts on public facilities or public services attributable to each unit of the development, and the cost of capital improvements to meet the associated demand on such facilities or services, shall be assured by payment to MARATHON, concurrent with the issuance of the building permits for each unit, of any MARATHON impact fees required by Ordinance then in effect, as well as by payment by SH3 of any applicable utility system development fees. In addition, SH3 agrees to be subject to any impact fee ordinance adopted by MARATHON within twenty-four (24) months after the Effective Date of this Agreement if such ordinance applies equally and uniformly to all redevelopment in MARATHON.

G. Local Development Permits.

- 1. The following is a list of all development permits approved or needed to be approved for the development of the Property as specified and requested in this Agreement:
 - a. This Development Agreement;
 - b. Conditional Use approval;
- c. The final site plan, landscape plan, drainage plan, building elevations and floor plans;
- d. Building and related construction permits for all main and accessory structures, land clearing, and landscaping. At any time any building permit is applied for, SH3 shall demonstrate compliance with all applicable federal, state and municipal disabled-access

- e. Federal, state, regional, and local permits for storm-water runoff, dredge and fill activities, and marina related development, when necessary and if required.
- 2. Nothing in this Agreement shall preclude the parties from applying additional conditions, by mutual agreement, during final site plan review or permitting.

H. Finding of Consistency.

By entering into this Agreement, MARATHON finds that the development permitted or proposed herein is consistent with and furthers the Comprehensive Plan, applicable LDRs, and the Principles for Guiding Development for the Florida Keys Area of Critical State Concern set forth at Section 380.0552(7), Florida Statutes.

I. Reservations or Dedications of Land for Public Purposes.

The parties anticipate that SH3 may reserve or dedicate land for public purposes in connection with the development authorized by this Agreement, but are currently unaware of the specifics of such reservation(s) or dedication(s). Reservations and dedications for public purposes in connection with this Agreement will be as required by MARATHON's Comprehensive Plan and City Code. Such reservations or dedications may include, by way of example, easements necessary for the provision of stormwater, utility, and wastewater services to the Property.

- J. Mutual Cooperation. MARATHON and SH3 agree to cooperate fully with and assist each other in the performance of the provisions of this Agreement.
- K. Development to Comply with Permits and City Comprehensive Plan and Code Provisions. The development described in and authorized by this Agreement shall be

developed in accordance with all required permits, and in accordance with all applicable provisions of the City's Comprehensive Plan and City Code in effect on the date of this Agreement. No certificate of occupancy for an individual building shall be issued until all plans for that building are approved by MARATHON and SH3 has complied with all conditions in permits issued by MARATHON and other regulatory entities for that building.

L. Compliance With Permits, Terms, Conditions, and Restrictions Not Identified Herein. The failure of this Agreement to address a particular permit, condition, term, or restriction shall not relieve SH3 of the necessity of complying with the law governing said permitting requirements, conditions, terms, or restrictions.

M. Laws Governing.

- a. For the duration of this Agreement, all approved development of FARO BLANCO shall comply with and be controlled by this Agreement and provisions of the City's Comprehensive Plan and City Code in effect on the date of this Agreement. The parties do not anticipate that MARATHON will apply subsequently-adopted laws and policies to FARO BLANCO, except as mutually agreed by the parties during site plan approval or permitting..
- b. Pursuant to Section 163.3233, Florida Statutes, MARATHON may apply subsequently adopted laws and policies to FARO BLANCO only if MARATHON holds a public hearing and determines that: (a) the new laws and policies are not in conflict with the laws and policies governing the Agreement and do not prevent development of the land uses, intensities, or densities set forth in this Agreement; (b) the new laws and policies are essential to the public health, safety, or welfare, and MARATHON expressly states that they shall apply to the development that is subject to this Agreement; (c) MARATHON demonstrates that substantial changes have occurred in pertinent conditions existing at the time of approval of the original

Development Agreement; or (d) the Agreement is based on substantially inaccurate information supplied by SH3. However, nothing in this Agreement shall prohibit the parties from mutually agreeing to apply subsequently adopted laws to FARO BLANCO.

- c. If state or federal laws enacted after the effective date of this Agreement preclude any party's compliance with the terms of this Agreement, it shall be modified as is necessary to comply with the relevant state or federal laws. However, this Agreement shall not be construed to waive or abrogate any rights that may vest pursuant to common law.
- N. Amendment, Renewal, and Termination. This Agreement may be amended, renewed, or terminated as follows:
- a. As provided in Section 163.3237, Florida Statutes, this Agreement may be amended by mutual consent of the parties to this Agreement or by their successors in interest. Amendment under this provision shall be accomplished by an instrument in writing signed by the parties or their successors.
- b. As provided in Section 163.3229, Florida Statutes, this Agreement may be renewed by the mutual consent of the parties, subject to the public hearing requirements in Section 163.3225, Florida Statutes, and applicable LDRs: the City shall conduct at least two (2) public hearings, one of which may be held by the local planning agency at the option MARATHON. Notice of intent to consider renewal of the Agreement shall be advertised approximately seven (7) days before each public hearing in a newspaper of general circulation and readership in MARATHON, and shall be mailed to all affected property owners before the first public hearing. The day, time, and place at which the second public hearing will be held shall be announced at the first public hearing. The notice shall specify the location of the land subject to the Agreement, the development uses on FARO BLANCO, the population densities,

and the building intensities and height and shall specify a place where a copy of the Agreement can be obtained.

- c. This Agreement may be terminated by SH3 or its successor(s) in interest following a breach of this Agreement upon written notice to MARATHON as provided in this Agreement.
- d. Pursuant to Section 163.3235, Florida Statutes, this Agreement may be revoked by MARATHON if, on the basis of competent substantial evidence, there has been a failure by SH3 to comply with the terms of this Agreement.
 - e. This Agreement may be terminated by mutual consent of the parties.
 - O. Breach of Agreement and Cure Provisions.
- a. If MARATHON concludes that there has been a material breach in this Agreement by SH3, prior to revoking this Agreement, MARATHON shall serve written notice on SH3 identifying the term or condition MARATHON contends has been materially breached and providing SH3 with ninety (90) days from the date of receipt of the notice to cure the breach or negotiate an amendment to this Agreement. Each of the following events, unless caused by fire, storm, flood, other Act of God, or events beyond the control of SH3, shall be considered a material breach of this Agreement: (1) failure to comply with the provisions of this Agreement; and (2) failure to comply with terms and conditions of permits issued by MARATHON or other regulatory entity for the development authorized by this Agreement.
- b. If SH3 concludes that there has been a material breach in the terms and conditions of this Agreement by MARATHON, SH3 shall serve written notice on MARATHON identifying the term or condition the SH3 contends has been materially breached and providing MARATHON with thirty (30) days from the date of receipt of the notice to cure the breach. The

following events, unless caused by fire, storm, flood, other Act of God, or events beyond the

control of MARATHON, shall be considered a material breach of this Agreement: failure to

comply with the provisions of this Agreement; failure to timely process any application for site

plan approval or other development approval required to be issued by MARATHON for the

development/redevelopment authorized by this Agreement.

If a material breach in this Agreement occurs and is not cured within the time

periods provided above, the party that provided notice of the breach may elect to terminate this

Agreement or may seek to enforce this Agreement as provided herein.

d. If either party waives a material breach in this Agreement, such a waiver shall not

be deemed a waiver of any subsequent breach.

P. **Notices.** All notices, demands, requests, or replies provided for or permitted by

this Agreement, including notification of a change of address, shall be in writing to the

addressees identified below, and may be delivered by any one of the following methods: (a) by

personal delivery; (b) by deposit with the United States Postal Service as certified or registered

mail, return receipt requested, postage prepaid; or (c) by deposit with an overnight express

delivery service with a signed receipt required. Notice shall be effective upon receipt. The

addresses and telephone numbers of the parties are as follows:

TO SH3:

Mr. Robert Spottswood Spottswood Companies, Inc. 506 Fleming Street

Key West, Florida 33040

Telephone: (305) 294-4840

With a copy by regular U.S. Mail to:

Robert C. Apgar, Esquire

Sherry A. Spiers, Esquire

Greenberg Traurig, P.A. 101 East College Avenue Tallahassee, Florida 32301 Telephone: (850) 222-6891 Doc# 1668035 Bk# 2327 Pg# 2292 TO MARATHON:

Doc# 1668035 Bk# 2327 Pg# 2293

Mike Puto, City Manager City of Marathon 10045-65 Overseas Highway Marathon, Florida 33050 Telephone: (305) 743-0033

With a copy by regular U.S. Mail to:

Jimmy Morales, Esquire City Attorney Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. 150 West Flagler Street, Suite 2200 Miami, Florida 33133

Telephone: (305) 789-3532

Q. Annual Report. On the anniversary date of the Effective Date of this Agreement, SH3 shall provide MARATHON with a report identifying (a) the amount of development authorized by this Agreement that has been completed, (b) the amount of development authorized by this Agreement that remains to be completed, and (c) any changes to the plan of development that have occurred during the one (1) year period from the Effective Date of this Agreement or from the date of the last annual report.

- R. Enforcement. In accordance with Section 163.3243, Florida Statutes, any party to this Agreement, any aggrieved or adversely affected person as defined in Section 163.3215(2), Florida Statutes, or the State Land Planning Agency may file an action for injunctive relief in the circuit court of Monroe County, Florida, to enforce the terms of this Agreement or to challenge the compliance of this Agreement with the provisions of Sections 163.3220-163.3243, Florida Statutes.
- S. Binding Effect. This Agreement shall be binding upon the parties hereto, their successors in interest, heirs, assigns, and personal representatives.
 - T. Assignment. This Agreement may not be assigned without the written consent of

- U. Drafting of Agreement. The parties acknowledge that they jointly participated in the drafting of this Agreement and that no term or provision of this Agreement shall be construed in favor of or against either party based solely on the drafting of this Agreement.
- V. Severability. In the event any provision, paragraph or section of this Agreement is determined to be invalid or unenforceable by a court of competent jurisdiction, such determination shall not affect the enforceability or the validity of the remaining provisions of this Agreement.
- W. Applicable Law. This Agreement was drafted and delivered in the State of Florida and shall be construed and enforced in accordance with the laws of the State of Florida.
- X. Litigation; Attorney's Fees; Venue; Waiver of Right to Jury Trial. As between MARATHON and SH3, in the event of any litigation arising out of this Agreement, the prevailing party shall be entitled to recover all reasonable costs incurred with respect to such litigation, including reasonable attorney's fees. This includes, but is not limited to, reimbursement for such reasonable attorneys' fees and costs incurred with respect to any appellate, bankruptcy, post-judgment, or trial proceedings related to this Agreement. Venue for any legal proceeding arising out of this Agreement shall be in Monroe County, Florida. The parties to this Agreement waive the right to a jury trial in any litigation arising out of or initiated under this Agreement.
- Y. Use of Singular and Plural. Where the context requires, the singular includes the plural, and the plural includes the singular.
- Z. Duplicate Originals; Counterparts. This Agreement may be executed in any number of originals and in counterparts, all of which evidence one Agreement. Only one

original is required to be produced for any purpose.

- AA. Headings. The headings contained in this Agreement are for identification purposes only and shall not be construed to amend, modify, or alter the terms of the Agreement.
- BB. Entirety of Agreement. This Agreement incorporates or supersedes all prior negotiations, correspondence, conversations, Agreements, or understandings regarding the matters contained herein. The parties agree that there are no commitments, Agreements, or understandings concerning the subjects covered by this Agreement that are not contained in or incorporated into this document and, accordingly, no deviation from the terms hereof shall be predicated upon any prior representations or Agreements, whether written or oral. This Agreement contains the entire and exclusive understanding and Agreement among the parties and may not be modified in any manner except by an instrument in writing signed by the parties.
- CC. Recording; Effective Date. SH3 shall record this Agreement in the public records of Monroe County, Florida, within fourteen (14) days after the date of this Agreement. A copy of the recorded Agreement showing the date, page and book where recorded shall be submitted to the State Land Planning Agency by hand delivery, registered or certified United States mail, or by a delivery service that provides a signed receipt showing the date of delivery, within fourteen (14) days after the Agreement is recorded. SH3 shall also provide a copy of the recorded Agreement to MARATHON within the same time period. This Agreement shall become effective thirty (30) days after the date it is recorded in the public records of Monroe County, Florida, and received by the State Land Planning Agency.
- **DD.** Date of Agreement. The date of this Agreement is the date the last party signs and acknowledges this Agreement.

Doc# 1668035 Bk# 2327 Pg# 2296

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year below written.

SH3, Ltd., a Florida Limited Partnership Oct. 23, 2007 BvROBERT SPOTTSWOOD Signed, sealed, and delivered in the presence of: Witness (printed or typed) MARTHA A. GALBRAITH Name of Witness (printed or typed) STATE OF FLORIDA COUNTY OF MONROE The foregoing Agreement was acknowledged before me on this 2007, by ROBERT SPOTTSWOOD, and the respective witnesses, who are either personally known to me or produced Florida drivers licenses as identification. Notary Public MARTHA A. GALBRAITH Martha A. Galbraith Name (typed, printed or stamped) COMMISSION # DD255413 EXPIRES My commission expires: December 1, 2007
SONDED THRU TROY FAIN INSURANCE INC.

Doc# 1668035 Bk# 2327 Pg# 2297

On the 9th day of October, 2007, the City Council of the City of Marathon approved this First Amended and Restated Development Agreement by Resolution No. 207 - 147.

CITY OF MARATHON

ATTEST:

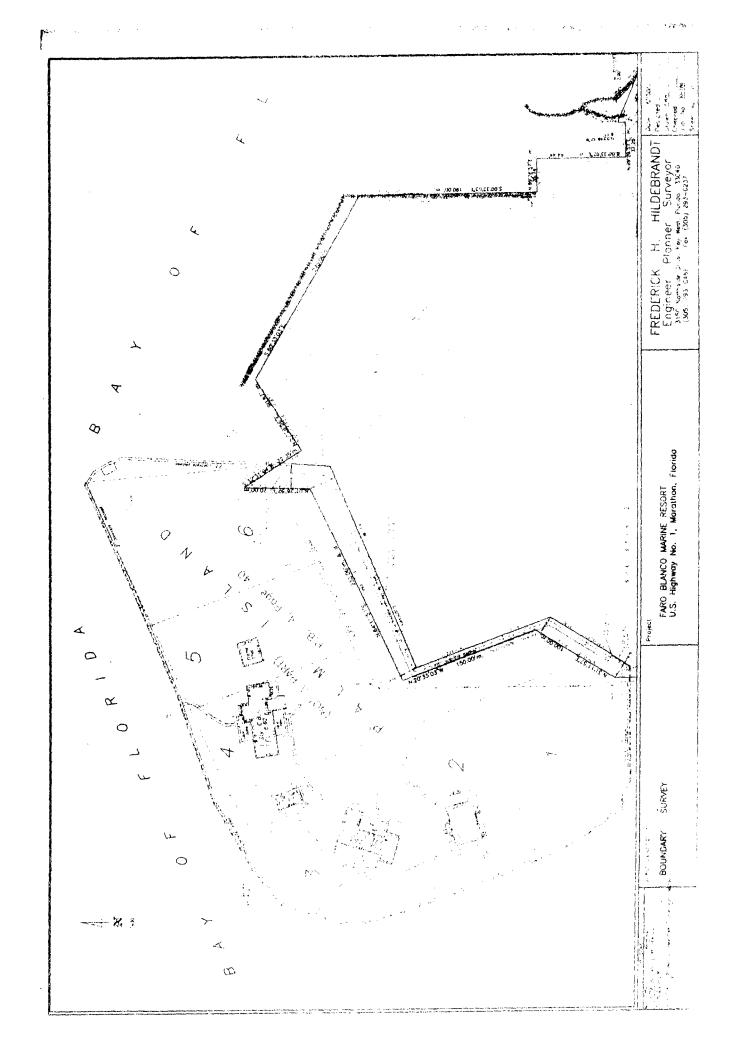
Diane Clavier, City Clerk

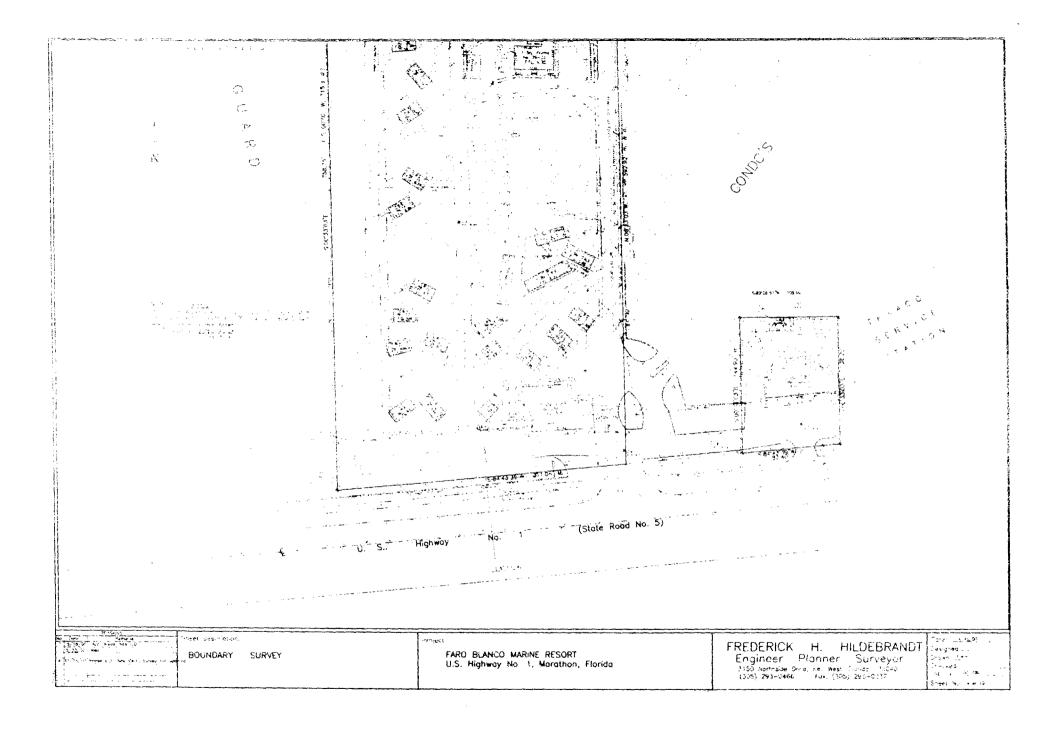
APPROVED AS TO FORM AND LEGALITY FOR THE USE AND RELIANCE OF THE CITY OF MARATHON, FLORIDA ONLY.

Jimmy Morales City Attorney

> MONROE COUNTY OFFICIAL RECORDS

Exhibit A Boundary survey prepared by Frederick H. Hildebrandt, last revised March 25, 2005

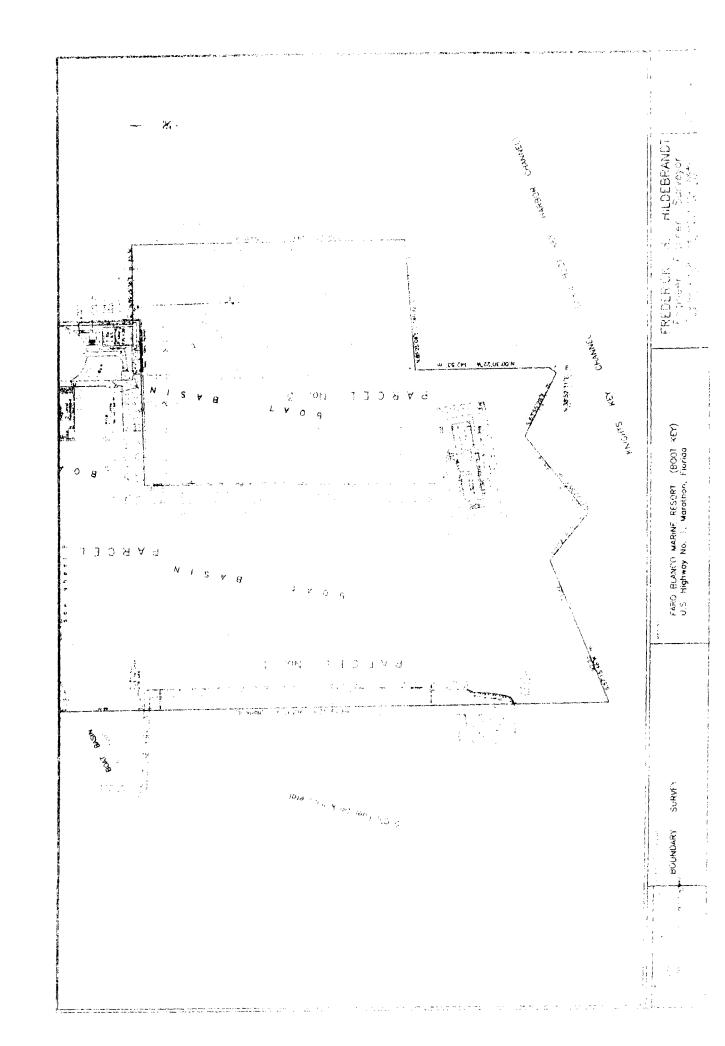




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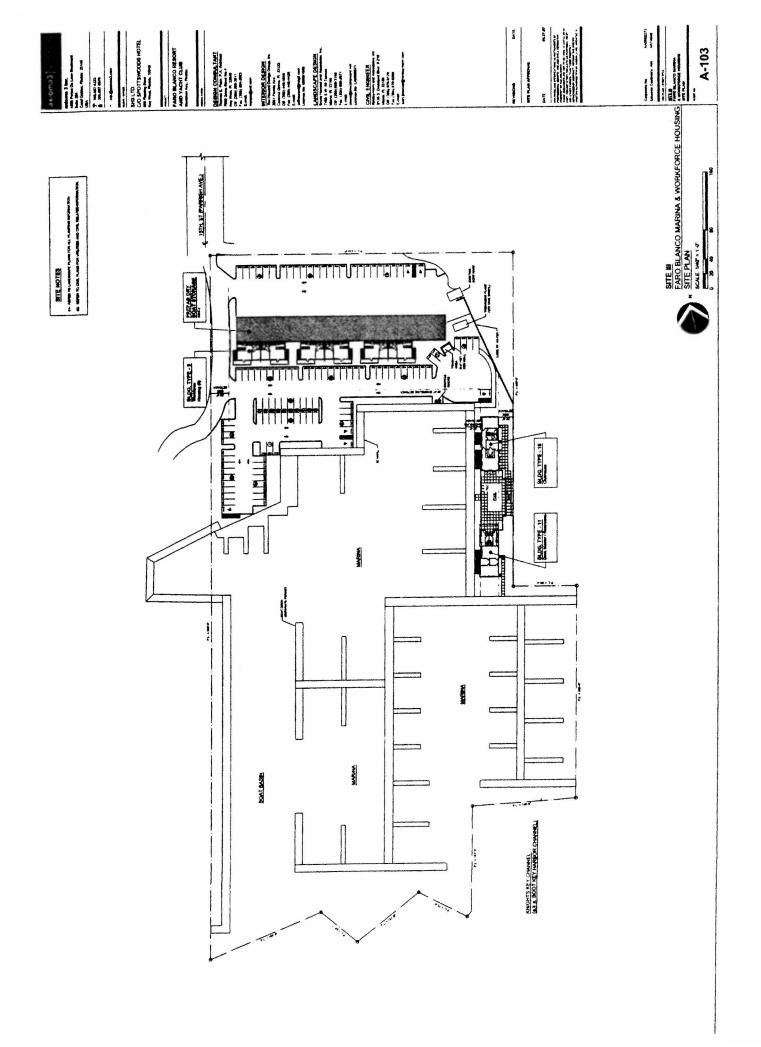
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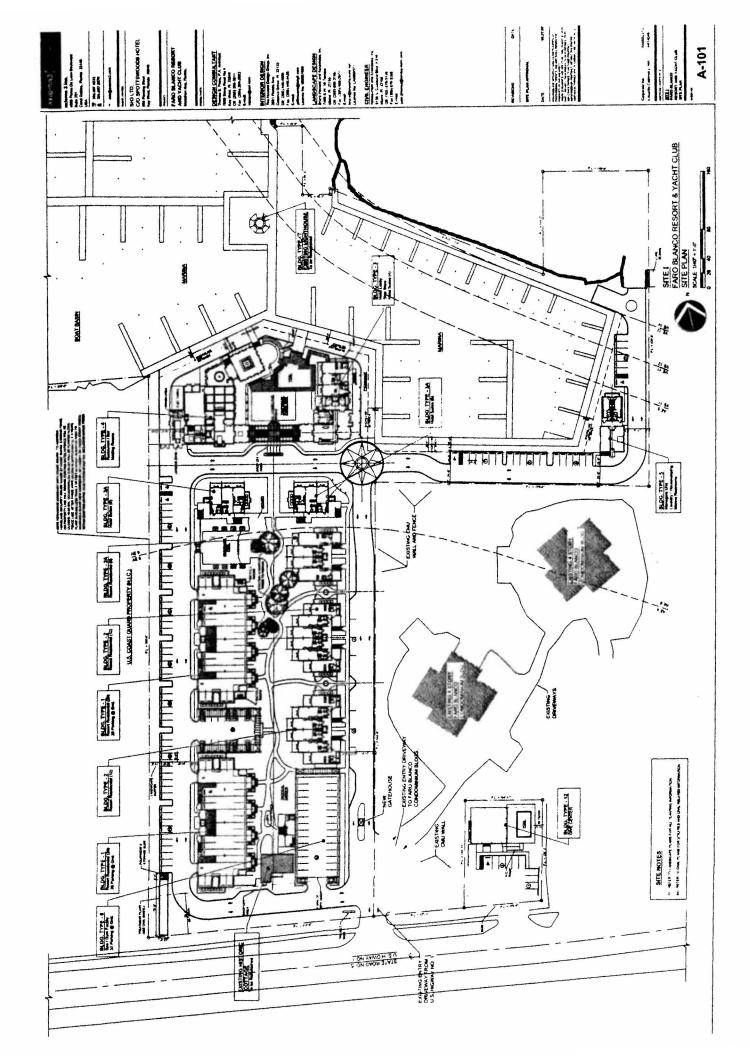


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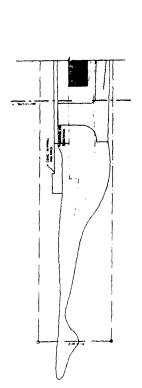
Exhibit B

Revised Conceptual Site Plan prepared by axioma 3, Inc., dated August 28, 2007





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Exhibit C Faro Blanco Resort (Gulfside) Existing Site Plan

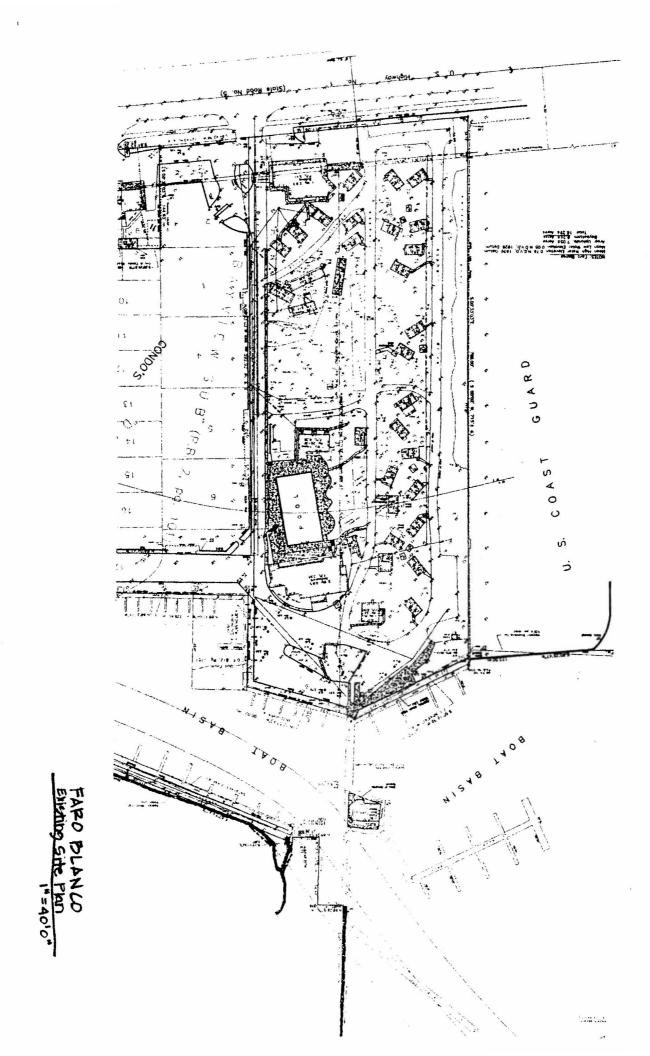


Exhibit D

Boot Key Marina (Sites II and III) Existing Site Plan

PARCEL No. CEL No. ARCEL No. BOOT KEY Existing Site Plan

