

C7 AU A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA APPROVING A SETTLEMENT AGREEMENT BETWEEN, ON THE ONE HAND, THE CITY OF MIAMI BEACH, AND ON THE OTHER HAND, THE DEAUVILLE PARTIES, CONSISTING OF TMG 67 COMMUNITIES, LLC, A DELAWARE LIMITED LIABILITY COMPANY, DEAUVILLE ASSOCIATES, LLC, A FLORIDA LIMITED LIABILITY COMPANY, DEAUVILLE HOTEL PROPERTY, LLC, A FLORIDA LIMITED LIABILITY COMPANY, AND DEAUVILLE HOTEL HOLDINGS, LLC, A FLORIDA LIMITED LIABILITY COMPANY, PURSUANT TO WHICH (1) THE DEAUVILLE PARTIES SHALL PAY TO THE CITY ALL AMOUNTS CURRENTLY DUE IN RESPECT OF CERTAIN VIOLATIONS AGAINST THE PROPERTIES LOCATED AT 6701 COLLINS AVENUE AND 6625 INDIAN CREEK DRIVE AS SPECIFIED IN THE SETTLEMENT AGREEMENT, (2) THE PARTIES SHALL AGREE TO DISMISS THEIR RESPECTIVE CLAIMS IN THE LAWSUIT STYLED CITY OF MIAMI BEACH VS. DEAUVILLE ASSOCIATES, LLC ET AL., CASE NO. 2019-003653, AND (3) THE DEAUVILLE PARTIES SHALL FILE A NOTICE OF VOLUNTARY DISMISSAL OF THE APPEAL STYLED DEAUVILLE ASSOCIATES, LLC VS. THE CITY OF MIAMI BEACH, CASE NO. 2024-66-AP-01; AND FURTHER, AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE THE SETTLEMENT AGREEMENT IN THE FORM ATTACHED TO THIS RESOLUTION TOGETHER WITH ANY DOCUMENTS ANCILLARY THERETO INCLUDING, WITHOUT LIMITATION, AN ESCROW AGREEMENT, IN SUCH FORM AS IS APPROVED BY THE CITY ATTORNEY.

Applicable Area:

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: City Attorney Ricardo J. Dopico

DATE: April 23, 2025

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA APPROVING A SETTLEMENT AGREEMENT BETWEEN, ON THE ONE HAND, THE CITY OF MIAMI BEACH, AND ON THE OTHER HAND, THE DEAUVILLE PARTIES, CONSISTING OF TMG 67 COMMUNITIES, LLC, A DELAWARE LIMITED LIABILITY COMPANY, DEAUVILLE ASSOCIATES, LLC, A FLORIDA LIMITED LIABILITY COMPANY, DEAUVILLE HOTEL PROPERTY, LLC, A FLORIDA LIMITED LIABILITY COMPANY, AND DEAUVILLE HOTEL HOLDINGS, LLC, A FLORIDA LIMITED LIABILITY COMPANY, PURSUANT TO WHICH (1) THE DEAUVILLE PARTIES SHALL PAY TO THE CITY ALL AMOUNTS CURRENTLY DUE IN RESPECT OF CERTAIN VIOLATIONS AGAINST THE PROPERTIES LOCATED AT 6701 COLLINS AVENUE AND 6625 INDIAN CREEK DRIVE AS SPECIFIED IN THE SETTLEMENT AGREEMENT, (2) THE PARTIES SHALL AGREE TO DISMISS THEIR RESPECTIVE CLAIMS IN THE LAWSUIT STYLED CITY OF MIAMI BEACH VS. DEAUVILLE ASSOCIATES, LLC ET AL., CASE NO. 2019-003653, AND (3) THE DEAUVILLE PARTIES SHALL FILE A NOTICE OF VOLUNTARY DISMISSAL OF THE APPEAL STYLED DEAUVILLE ASSOCIATES, LLC VS. THE CITY OF MIAMI BEACH, CASE NO. 2024-66-AP-01; AND FURTHER, AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE THE SETTLEMENT AGREEMENT IN THE FORM ATTACHED TO THIS RESOLUTION TOGETHER WITH ANY DOCUMENTS ANCILLARY THERETO INCLUDING, WITHOUT LIMITATION, AN ESCROW AGREEMENT, IN SUCH FORM AS IS APPROVED BY THE CITY ATTORNEY.

RECOMMENDATION

BACKGROUND/HISTORY

ANALYSIS

The Resolution and Settlement Agreement to be submitted via Supplemental Agenda.

FISCAL IMPACT STATEMENT

N/A

Does this Ordinance require a Business Impact Estimate?
(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

FINANCIAL INFORMATION

CONCLUSION

Applicable Area

Citywide

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?

No

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

City Attorney

Sponsor(s)

Commissioner Tanya K. Bhatt

Co-sponsor(s)

Condensed Title

Approve Deauville Fines and Lawsuit Settlement. (Bhatt) CA

Previous Action (For City Clerk Use Only)

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA APPROVING A SETTLEMENT AGREEMENT BETWEEN, ON THE ONE HAND, THE CITY OF MIAMI BEACH, AND ON THE OTHER HAND, THE DEAUVILLE PARTIES, CONSISTING OF TMG 67 COMMUNITIES, LLC, A DELAWARE LIMITED LIABILITY COMPANY, DEAUVILLE ASSOCIATES, LLC, A FLORIDA LIMITED LIABILITY COMPANY, DEAUVILLE HOTEL PROPERTY, LLC, A FLORIDA LIMITED LIABILITY COMPANY, AND DEAUVILLE HOTEL HOLDINGS, LLC, A FLORIDA LIMITED LIABILITY COMPANY, PURSUANT TO WHICH (1) THE DEAUVILLE PARTIES SHALL PAY TO THE CITY ALL AMOUNTS CURRENTLY DUE IN RESPECT OF CERTAIN VIOLATIONS AGAINST THE PROPERTIES LOCATED AT 6701 COLLINS AVENUE AND 6625 INDIAN CREEK DRIVE AS SPECIFIED IN THE SETTLEMENT AGREEMENT, (2) THE PARTIES SHALL AGREE TO DISMISS THEIR RESPECTIVE CLAIMS IN THE LAWSUIT STYLED CITY OF MIAMI BEACH VS. DEAUVILLE ASSOCIATES, LLC ET AL., CASE NO. 2019-003653, AND (3) THE DEAUVILLE PARTIES SHALL FILE A NOTICE OF VOLUNTARY DISMISSAL OF THE APPEAL STYLED DEAUVILLE ASSOCIATES, LLC VS. THE CITY OF MIAMI BEACH, CASE NO. 2024-66-AP-01; AND FURTHER, AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE THE SETTLEMENT AGREEMENT IN THE FORM ATTACHED TO THIS RESOLUTION TOGETHER WITH ANY DOCUMENTS ANCILLARY THERETO INCLUDING, WITHOUT LIMITATION, AN ESCROW AGREEMENT, IN SUCH FORM AS IS APPROVED BY THE CITY ATTORNEY.

WHEREAS, TMG 67 Communities, LLC, a Delaware limited liability company (“TMG”) and Deauville Associates, LLC, a Florida limited liability company (“DALLC”) hold fee simple title to the property located at 6701 Collins Avenue and identified by Miami-Dade County Folio No. 02-3211-007-0420 (the “Hotel Property”), within the City; and

WHEREAS, DALLC holds fee simple title to the property located at 6625 Indian Creek Drive and identified by Miami-Dade County Folio No. 02-3211-007-1800 (the “Garage Property”), within the City; and

WHEREAS, on February 5, 2019, the City filed a lawsuit in the 11th Judicial Circuit in and for Miami-Dade County Florida, Case No. 19-03653 (the “Demolition by Neglect Suit”), against DALLC, Deauville Hotel Property, LLC (“DHP”) and Deauville Hotel Property, LLC (“DHH”) (collectively, DALLC, DHP and DHH, the “Deauville Defendants”) and Ocean Bank, a Florida banking corporation (“Ocean Bank”), asserting causes of action against the Deauville Defendants for violations of Section 118-532(g) of the Code of Ordinances of the City of Miami Beach (the “Code”) and failure to remit resort taxes and requesting injunctive relief as well as the appointment of a receiver; and

WHEREAS, Ocean Bank filed a Motion to Dismiss which was ultimately rendered moot because its mortgage on the Hotel Property was satisfied on March 25, 2020; and

WHEREAS, thereafter, the City obtained leave of court to file an amended complaint to include additional causes of action, including for breach of contract arising out of unpaid utility bills, and seeking additional injunctive relief; and

WHEREAS, the Deauville Entities filed counterclaims against the City in the Demolition by Neglect Suit seeking declaratory relief relating to the applicability of Section 118-532(g), among other causes of action; and

WHEREAS, following various inspections resulting in a determination that the building located at the Hotel Property had deteriorated to such an extent (for reasons disputed by the parties) that the building must be demolished, on January 19, 2022, the Building Official for the City of Miami Beach entered an Emergency Demolition Order; and

WHEREAS, the Hotel Property was demolished on November 13, 2022 rendering moot some of the relief sought by the City in the Demolition by Neglect Suit; and

WHEREAS, the City's claims for unpaid utility bills and the Deauville Entities' claims challenging the City's North Beach Local Historic District Ordinance and its applicability to the Hotel Property remain pending in the Demolition by Neglect Suit; and

WHEREAS, on Demolition by Neglect Suit has been stayed pending mediation pursuant to orders issued by Judge Thomas J. Rebull on February 19, 2023, January 19, 2024 and March 5, 2025; and

WHEREAS, the Hotel Property is the subject of Zoning Violation No. ZV2020-03121, and Special Magistrate Case No. SMC2020-01415 (the "Demolition by Neglect Violation"); and

WHEREAS, the Special Magistrate for the City of Miami Beach imposed a fine of \$5,000 per day for each day of non-compliance commencing as of March 1, 2021 due to DALLC's failure to cure the Demolition by Neglect Violation; and

WHEREAS, on October 22, 2022, the Special Magistrate granted DALLC's request to stop fines; and

WHEREAS, on January 3, 2024, the City requested that the fines be reimposed due to DALLC's failure to close its demolition permit and submit an affidavit of compliance, as required; and

WHEREAS, an affidavit of compliance was received by the Special Magistrate on May 8, 2024 reflecting that the permit had been closed on April 5, 2024 and the fines were stopped as of April 5, 2024; and

WHEREAS, the City holds a lien against the Hotel Property recorded in Official Record Book 32982, Page 3713 of the Public Records of Miami-Dade County, stemming from the Demolition by Neglect Violation (the “Demolition by Neglect Lien”); and

WHEREAS, the fines levied as a result of the Demolition by Neglect Violation and the interest accrued thereon represent substantial sums; and

WHEREAS, the Owners sought, but the Special Magistrate denied, mitigation of the fines and interest accrued as a result of the Demolition by Neglect Violation; and

WHEREAS, the Owners filed a notice of administrative appeal of the Special Magistrate’s decision to deny mitigation in the case styled *Deauville Associates, LLC vs. the City of Miami Beach*, Case No. 2024-66-AP-01 (Fla. 11th Cir. Ct.) (the “Appeal”); and

WHEREAS, as of April 30, 2025, the total amount owed by the Owners with respect to the Demolition by Neglect Violation will be \$5,218,803.36, including interest through April 30, 2025 (the “Demolition by Neglect Fines Amount”) as reflected in the “Special Magistrate Cases/Liens” Section on the Lien Statement included in **Exhibit A**; and

WHEREAS, the Owners are also indebted to the City in the amount of \$714,972.34 for unpaid utility bills in respect of the Hotel Property through March 4, 2025 corresponding to account number 519145-00 (the “Hotel Property Utilities Debt”), and the City holds a lien against the Property for the Utilities Debt, recorded in Official Record Book 31706, Page 4765 of the Public Records of Miami-Dade County, stemming from the unpaid utility bills (the “Unpaid Hotel Property Utilities Lien”), as reflected in the Lien Statement included in **Exhibit A** under Charge Type “Utility Bill; and

WHEREAS, the Hotel Property is also the subject of the additional Code violations (the “Hotel Property Additional Violations”)for which fines have been imposed and remain unpaid in the amount of \$83,444.65, including interest through April 30, 2025 (the “Hotel Property Additional Violations Fines Amount”), as reflected in the Lien Statement included in **Exhibit A** under Charge Types “City Bills,” “City Invoices,” “Licensing,” and “Permits;” and

WHEREAS, the Hotel Property is also the subject of two separate Code violations issued following the demolition associated with the Owners’ failure to install a fence, and to grade and plant sod as required by Code sections 142-876 (this Code section is now included in section 7.5.1.6 of the Resiliency Code) and section 14-501 (initially issued pursuant to Code section 126-6, but revised on April 15, 2025 to reflect the correct Code section), assigned violation numbers ZV2023-05067 and BVB25002614, respectively (the “Failure to Install Sod Violations”); and

WHEREAS, DALLC is indebted to the City in the amount of \$126,566.96 for unpaid utility bills in respect of the Garage Property through March 4, 2025 corresponding to account numbers 519146-00, 519146-01 and 519149-00 (the “Garage Property Utilities

Debt”) as reflected in the Lien Statement included in **Exhibit B** under Charge Type “Utility Bill”; and

WHEREAS, the Garage Property is the subject of various Code violations for which fines have been imposed and remain unpaid in the amount of \$3,738.75 (the “Garage Property Additional Violations Fines Amount”) as reflected in the Lien Statement included in **Exhibit B** under Charge Types “Unsafe Structure,” “City Invoices,” “Licensing,” and with respect to case numbers SMB 2023-02059 (the “Garage Structural Violation”), SMC 2022-02312, and SMC 2024-03055 (the “Garage Concrete Restoration Violation”) referenced in the “Special Magistrate Cases/Liens” Section of the Lien Statement; and

WHEREAS, the Garage Property is also the subject of Zoning Violation No. ZV2022-04494, and the related Special Magistrate Case No. SMC2023-02438, arising out of DALLC’s violation of Section 126-16(a) of the Code which requires an owner to ensure that required landscaping is properly maintained (the “Garage Landscaping Violation”); and

WHEREAS, the Special Magistrate for the City of Miami Beach imposed a fine of \$150 per day for each day of non-compliance commencing on July 20, 2023 due to DALLC’s failure to cure the Garage Landscaping Violation; and

WHEREAS, the City holds a lien against the Garage Property recorded in Official Record Book 34051, Page 4361 of the Public Records of Miami-Dade County, stemming from the Garage Landscaping Violation (the “Garage Landscaping Lien”); and

WHEREAS, the amount owed by DALLC with respect to the Garage Landscaping Violation is \$118,462.62, including interest through April 30, 2025 (the “Existing Garage Landscaping Fines Amount”), as reflected in the “Special Magistrate Cases/Liens” Section on the Lien Statement included in **Exhibit B**; and

WHEREAS, the Failure to Install Sod Violation, the Garage Structural Violation, the Garage Concrete Restoration Violation and the Garage Landscaping Violation have not been cured as of the date of this Agreement; and

WHEREAS, to avoid the costs and uncertainties of continued litigation associated with the Demolition by Neglect Suit and the Appeal, and to resolve certain other disputes among the Parties related to unpaid utilities invoices and code violation fines, the Parties are desirous of resolving all existing amounts owed and disputes relating to the Demolition by Neglect Suit, the Demolition by Neglect Violation, the Appeal, the Hotel Property Additional Violations, the Hotel Property Additional Violations Fines Amount, the Hotel Property Utilities Debt, the Garage Property Utilities Debt, the Garage Property Additional Violations Fines Amount and the Existing Garage Landscaping Fines Amount, but without releasing the Owners from the Failure to Install Sod Violation, the Garage Structural Violation, the Garage Concrete Restoration Violation, or the Garage Landscaping Violation, pursuant to the terms and conditions set forth in the Settlement

Agreement between, on the one hand, the City, and on the other hand, the Deauville Parties, consisting of TMG, DALLC, DHP and DHH, a copy of which is attached to this Resolution as **Exhibit A** (the "Settlement Agreement") and which Settlement Agreement contemplates that (1) the Deauville Parties shall pay to the City all amounts currently due in respect of certain violations against the properties located at 6701 Collins Avenue and 6625 Indian Creek Drive as specified in the Settlement Agreement, (2) the City and the Deauville parties shall agree to dismiss their respective claims in the lawsuit styled City of Miami Beach vs. Deauville Associates, LLC, et al., Case No. 2019-003653, and (3) the Deauville Parties shall file a Notice of Voluntary Dismissal of the appeal styled Deauville Associates, LLC vs. the City of Miami Beach, Case No. 2024-66-AP-01.

WHEREAS, the Mayor and City Commission desires to settle the various claims and counterclaims among the Parties as set forth in the Settlement Agreement.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby approve a Settlement Agreement between, on the one hand, the City of Miami Beach, and on the other hand, the Deauville Parties, consisting of TMG 67 Communities, LLC, a Delaware limited liability company, Deauville Associates, LLC, a Florida limited liability company, Deauville Hotel Property, LLC, a Florida limited liability company, and Deauville Hotel Holdings, LLC, a Florida limited liability company, pursuant to which (1) the Deauville Parties shall pay to the City all amounts currently due in respect of certain violations against the properties located at 6701 Collins Avenue and 6625 Indian Creek Drive as specified in the Settlement Agreement, (2) the City and the Deauville parties shall agree to dismiss their respective claims in the lawsuit styled City of Miami Beach vs. Deauville Associates, LLC, et al., Case No. 2019-003653, and (3) the Deauville Parties shall file a Notice of Voluntary Dismissal of the appeal styled Deauville Associates, LLC vs. the City of Miami Beach, Case No. 2024-66-AP-01; and further, authorizing the City Manager and City Clerk to execute the Settlement Agreement in the form attached to this Resolution together with any documents ancillary thereto including, without limitation, an escrow agreement, in such form as is approved by the City Attorney.

PASSED and ADOPTED this ____ day of _____, 2025.

ATTEST:

Steven Meiner, Mayor

Rafael E. Granado, City Clerk

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

4/18/2025

Date

SETTLEMENT AGREEMENT

THIS **SETTLEMENT AGREEMENT** ("Agreement") is made and entered on this _____ day of _____, 2025, between, on the one hand, **TMG 67 Communities, LLC**, a Delaware Limited Liability Company ("TMG"), **Deauville Associates, LLC**, a Florida Limited Liability Company ("DALLC"), Deauville Hotel Property, LLC, a Florida limited liability company ("DHP"), and Deauville Hotel Holdings, LLC, a Florida limited liability company ("DHH and together with DALLC and DHP, the "Deauville Entities", and the Deauville Entities together with TMG, jointly and severally, the "Owners"), and, on the other hand, the **City of Miami Beach**, a Florida municipal corporation (the "City"). The parties hereto (the "Parties") agree as follows:

RECITALS

WHEREAS, the TMG and DALLC hold fee simple title to the property located at 6701 Collins Avenue and identified by Miami-Dade County Folio No. 02-3211-007-0420 (the "Hotel Property"), within the City; and

WHEREAS, DALLC holds fee simple title to the property located at 6625 Indian Creek Drive and identified by Miami-Dade County Folio No. 02-3211-007-1800 (the "Garage Property"), within the City; and

WHEREAS, on February 5, 2019, the City filed a lawsuit in the 11th Judicial Circuit in and for Miami-Dade County Florida, Case No. 19-03653 (the "Demolition by Neglect Suit"), against DALLC, DHP and DHH (the "Deauville Defendants") and Ocean Bank, a Florida banking corporation ("Ocean Bank"), asserting causes of action against the Deauville Defendants for violations of Section 118-532(g) of the Code of Ordinances of the City of Miami Beach (the "Code") and failure to remit resort taxes and requesting injunctive relief as well as the appointment of a receiver; and

WHEREAS, Ocean Bank filed a Motion to Dismiss which was ultimately rendered moot because its mortgage on the Hotel Property was satisfied on March 25, 2020; and

WHEREAS, thereafter, the City obtained leave of court to file an amended complaint to include additional causes of action, including for breach of contract arising out of unpaid utility bills, and seeking additional injunctive relief; and

WHEREAS, the Deauville Entities filed counterclaims against the City in the Demolition by Neglect Suit seeking declaratory relief relating to the applicability of Section 118-532(g), among other causes of action; and

4/18/25 City Draft

WHEREAS, following various inspections resulting in a determination that the building located at the Hotel Property had deteriorated to such an extent (for reasons disputed by the parties) that the building must be demolished, on January 19, 2022, the Building Official for the City of Miami Beach entered an Emergency Demolition Order; and

WHEREAS, the Hotel Property was demolished on November 13, 2022 rendering moot some of the relief sought by the City in the Demolition by Neglect Suit; and

WHEREAS, the City's claims for unpaid utility bills and the Deauville Entities' claims challenging the City's North Beach Local Historic District Ordinance and its applicability to the Hotel Property remain pending in the Demolition by Neglect Suit; and

 **WHEREAS**, on Demolition by Neglect Suit has been stayed pending mediation pursuant to orders issued by Judge Thomas J. Rebull on February 19, 2023, January 19, 2024 and March 5, 2025; and

WHEREAS, the Hotel Property is the subject of Zoning Violation No. ZV2020-03121, and Special Magistrate Case No. SMC2020-01415 (the "Demolition by Neglect Violation"); and

WHEREAS, the Special Magistrate for the City of Miami Beach imposed a fine of \$5,000 per day for each day of non-compliance commencing as of March 1, 2021 due to DALLC's failure to cure the Demolition by Neglect Violation; and

WHEREAS, on October 22, 2022, the Special Magistrate granted DALLC's request to stop fines; and

WHEREAS, on January 3, 2024, the City requested that the fines be reimposed due to DALLC's failure to close its demolition permit and submit an affidavit of compliance, as required; and

WHEREAS, an affidavit of compliance was received by the Special Magistrate on May 8, 2024 reflecting that the permit had been closed on April 5, 2024 and the fines were stopped as of April 5, 2024; and

WHEREAS, the City holds a lien against the Hotel Property recorded in Official Record Book 32982, Page 3713 of the Public Records of Miami-Dade County, stemming from the Demolition by Neglect Violation (the "Demolition by Neglect Lien"); and

WHEREAS, the fines levied as a result of the Demolition by Neglect Violation and the interest accrued thereon represent substantial sums; and

4/18/25 City Draft

WHEREAS, the Owners sought, but the Special Magistrate denied, mitigation of the fines and interest accrued as a result of the Demolition by Neglect Violation; and

WHEREAS, the Owners filed a notice of administrative appeal of the Special Magistrate's decision to deny mitigation in the case styled *Deauville Associates, LLC vs. the City of Miami Beach*, Case No. 2024-66-AP-01 (Fla. 11th Cir. Ct.) (the "Appeal"); and

WHEREAS, as of April 30, 2025, the total amount owed by the Owners with respect to the Demolition by Neglect Violation will be \$5,218,803.36, including interest through April 30, 2025 (the "Demolition by Neglect Fines Amount") as reflected in the "Special Magistrate Cases/Liens" Section on the Lien Statement included in **Exhibit A**; and

WHEREAS, the Owners are also indebted to the City in the amount of \$714,972.34 for unpaid utility bills in respect of the Hotel Property through March 4, 2025 corresponding to account number 519145-00 (the "Hotel Property Utilities Debt"), and the City holds a lien against the Property for the Utilities Debt, recorded in Official Record Book 31706, Page 4765 of the Public Records of Miami-Dade County, stemming from the unpaid utility bills (the "Unpaid Hotel Property Utilities Lien"), as reflected in the Lien Statement included in **Exhibit A** under Charge Type "Utility Bill; and

WHEREAS, the Hotel Property is also the subject of the additional Code violations (the "Hotel Property Additional Violations") for which fines have been imposed and remain unpaid in the amount of \$83,444.65, including interest through April 30, 2025 (the "Hotel Property Additional Violations Fines Amount"), as reflected in the Lien Statement included in **Exhibit A** under Charge Types "City Bills," "City Invoices," "Licensing," and "Permits;" and

WHEREAS, the Hotel Property is also the subject of a Code violation issued following the demolition associated with the Owners' failure to plant sod as required by Code section 14-501 (initially issued pursuant to Code section 126-6, but revised on April 15, 2025 to reflect the correct Code section), assigned violation number BVB25002614, (the "Failure to Install Sod Violation"); and

WHEREAS, DALLC is indebted to the City in the amount of \$126,566.96 for unpaid utility bills in respect of the Garage Property through March 4, 2025 corresponding to account numbers 519146-00, 519146-01 and 519149-00 (the "Garage Property Utilities Debt") as reflected in the Lien Statement included in **Exhibit B** under Charge Type "Utility Bill"; and

WHEREAS, the Garage Property is the subject of various Code violations for which fines have been imposed and remain unpaid in the amount of \$3,738.75 (the "Garage Property

4/18/25 City Draft

Additional Violations Fines Amount”) as reflected in the Lien Statement included in **Exhibit B** under Charge Types “Unsafe Structure,” “City Invoices,” “Licensing,” and with respect to case numbers SMB 2023-02059 (the “Garage Structural Violation”), SMC 2022-02312, and SMC 2024-03055 (the “Garage Concrete Restoration Violation”) referenced in the “Special Magistrate Cases/Liens” Section of the Lien Statement; and

WHEREAS, the Garage Property is also the subject of Zoning Violation No. ZV2022-04494, and the related Special Magistrate Case No. SMC2023-02438, arising out of DALLC’s violation of Section 126-16(a) of the Code which requires an owner to ensure that required landscaping is properly maintained (the “Garage Landscaping Violation”); and

WHEREAS, the Special Magistrate for the City of Miami Beach imposed a fine of \$150 per day for each day of non-compliance commencing on July 20, 2023 due to DALLC’s failure to cure the Garage Landscaping Violation; and

WHEREAS, the City holds a lien against the Garage Property recorded in Official Record Book 34051, Page 4361 of the Public Records of Miami-Dade County, stemming from the Garage Landscaping Violation (the “Garage Landscaping Lien”); and

WHEREAS, the amount owed by DALLC with respect to the Garage Landscaping Violation is \$118,462.62, including interest through April 30, 2025 (the “Existing Garage Landscaping Fines Amount”), as reflected in the “Special Magistrate Cases/Liens” Section on the Lien Statement included in **Exhibit B**; and

WHEREAS, the Failure to Install Sod Violation, the Garage Structural Violation, the Garage Concrete Restoration Violation and the Garage Landscaping Violation have not been cured as of the date of this Agreement; and

WHEREAS, to avoid the costs and uncertainties of continued litigation associated with the Demolition by Neglect Suit and the Appeal, and to resolve certain other disputes among the Parties related to unpaid utilities invoices and code violation fines, the Parties are desirous of resolving all existing amounts owed and disputes relating to the Demolition by Neglect Suit, the Demolition by Neglect Violation, the Appeal, the Hotel Property Additional Violations, the Hotel Property Additional Violations Fines Amount, the Hotel Property Utilities Debt, the Garage Property Utilities Debt, the Garage Property Additional Violations Fines Amount and the Existing Garage Landscaping Fines Amount, on the terms and conditions hereinafter set forth, it being understood and agreed that this agreement shall not release the Owners from the Failure to Install Sod Violation, and shall not release the Deauville Entities from the Garage Structural Violation, the Garage Concrete Restoration Violation, or the Garage Landscaping Violation and, at such time as

TMG owns or has any interest in the Garage Property, directly or indirectly, then TMG shall also become directly liable to the City for the Garage Structural Violation, the Garage Concrete Restoration Violation and the Garage Landscaping Violation.

NOW, THEREFORE, in consideration of the terms and mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Owners and the City, intending to be legally bound, agree as follows:

- A. Recitals.** The above-referenced recitals are true and correct and are hereby incorporated into this Agreement for all purposes.
- B. Representation.** The Parties have entered into this Agreement without duress, coercion, or under undue influence of any kind, and are motivated by a desire to avoid the costs and time associated with litigation and to arrive at a fair and reasonable agreement with regard to the Parties' disputes. The Parties acknowledge that they have been represented by counsel in connection with the negotiation of the terms of this Agreement and that they enter into this Agreement freely and voluntarily, and only after consultation with their respective counsel.
- C. Effective Date of Agreement.** The parties shall execute and deliver this Agreement by or before April 21, 2025, but this Agreement shall not become fully effective unless and until a resolution approving it is adopted by the Mayor and City Commission of the City of Miami Beach, Florida (the "City Commission"). If the City Commission adopts a resolution approving this Agreement, the date of the meeting at which such resolution is adopted shall be the "Effective Date" of this Agreement for all purposes. If the City Commission has not adopted a resolution approving this Agreement by or before December 31, 2025, this Agreement shall be void and of no further force or effect.
- D. Terms of Agreement.** In connection with the parties' mutual execution of this Agreement and the covenants and terms herein, Owners and the City agree as follows:
 - I.** Concurrently with the execution of this Agreement, the parties shall execute a settlement escrow agreement (the "Escrow Agreement") among the parties and Holland & Knight LLP, as escrow agent (the "Escrow Agent"), and Owners shall wire the sum of \$6,300,000.00 (the "Settlement Amount") to the Escrow Agent's trust account in the following installments i): 50% on or before April 22, 2025; and ii) 50% on or before May 20, 2025. Once this Agreement is approved by the City Commission, (i) this Agreement shall become fully effective, (ii) the Escrow Agent will release the Settlement Amount to the City and (iii) the Settlement Amount shall constitute full and

final satisfaction of (a) the Demolition by Neglect Fines Amount; (b) the Hotel Property Additional Violations Fines Amount, (c) the Hotel Property Utilities Debt, (d) the Garage Property Utilities Debt (e) the Garage Property Additional Violations Fines Amount and (f) the Existing Garage Landscaping Fines Amount. The Settlement Amount shall be paid by wire to the Escrow Agent in accordance with instructions set forth in the Settlement Escrow Agreement.

- II. Dismissal of the Demolition by Neglect Suit.** Within ten (10) business days of the Effective Date of this Agreement, the parties shall dismiss their respective claims in the Demolition by Neglect Suit with prejudice. The Parties shall bear their own costs and fees associated with the Demolition by Neglect Suit.
- III. Dismissal of Appeal.** Within ten (10) business days of the Effective Date of this Agreement, the Owner shall file a notice of voluntary dismissal of the Appeal. The Parties shall bear their own costs and fees associated with the Appeal.
- IV. Release of Demolition by Neglect Lien.** Within ten (10) business days of the release by Escrow Agent of the Settlement Amount to the City, the City shall record a release of lien with respect to the Demolition by Neglect Lien.
- V. Release of Unpaid Hotel Property Utilities Lien.** Within ten (10) business days of the release by Escrow Agent of the Settlement Amount to the City, the City shall record a release of lien with respect to the Unpaid Hotel Property Utilities Lien.
- VI. Uncured Violations at Garage Property.** Although the Existing Garage Landscaping Violation Fines Amount representing fines and interest owed in respect of the Garage Landscaping Violation as of April 30, 2025 is being settled pursuant to this Agreement, DALLC shall remain liable for curing the Garage Landscaping Violation and the daily fine of \$150 per day, together with interest, shall continue to accrue until such time as the Garage Landscaping Violation has been cured and DALLC has obtained an affidavit of compliance with respect thereto. Within five (5) business days of DALLC obtaining an affidavit of compliance and DALLC's payment in full of any then outstanding fines and interest with respect to the Garage Landscaping Violation, the City shall record a release of lien with respect to the Garage Landscaping Lien. Similarly, the DALLC shall remain liable for curing the

Garage Structural Violation, and the Garage Concrete Restoration Violation. and the Failure to Install Sod Violation. Owners agree to use commercially reasonable best efforts to cure the Garage Landscaping Violation and the Failure to Install Sod Violation by or before June 30, 2025. The City acknowledges that DALLC has commenced to cure the Garage Structural Violation and the Garage Concrete Restoration Violation, and DALLC agrees to diligently pursue the cure of these violations to ensure they have been completed by or before December 31, 2025. As of the date of execution of this Agreement, TMG does not, directly or indirectly, own or have any other interest in the Garage Property, but it is anticipated that TMG will become an owner or have another interest in the Garage Property. From and after the date that TMG becomes an owner or acquires any other interest in the Garage Property, directly or indirectly, the term "DALLC" in this paragraph, shall be deemed replaced with the term "Owners" and the phrase "DALLC shall remain" shall be automatically be replaced with the phrase "Owners shall remain jointly and severally."

VII. Uncured Violations at Hotel Property. The Failure to Install Sod Violation remains open and Owners shall remain liable for curing the Failure to Install Sod Violation and any fines that may accrue. Within five (5) business days of obtaining an affidavit of compliance and payment in full of any then outstanding fines and interest with respect to the Failure to Install Sod Violation, the City shall record a release of lien with respect to the Failure to Install Sod Violation. The City acknowledges that the Owners have commenced to cure the Failure to Install Sod Violation, and the Owners agree to diligently pursue the cure of these violations to ensure they have been completed by or before December 31, 2025

VIII. Release. The Parties hereby remise, release, acquit and forever discharge one another and their respective attorneys, affiliates, subsidiaries, parent companies, representatives, officers, directors, employees, shareholders, agents, administrators, successors, predecessors, principals, trustees receivers and assigns from any past, present and future claims, actions, causes of action, demands, rights, damages, costs, losses, expenses, compensations and obligations which exist or which may hereafter accrue, whether known or unknown, whether foreseen or unforeseen, whether matured or not mature, whether latent or patent, whether discovered or undiscovered, and the consequences thereof, having resulted, resulting or to result from any or all of the following:

- a. All matters or disputes which have been or could have been alleged in the Demolition by Neglect Suit or the Appeal;
- b. Any rights of the Parties pursuant to any code, statute or law, whether now or hereafter in effect, relating to any of the claims and fines being settled pursuant to this Agreement;
- c. Any and all claims for attorney's fees and costs in any way related to the Demolition by Neglect Suit, the Appeal, and any other matters related to any of the claims and fines being settled pursuant to this Agreement.

For the avoidance of doubt, the foregoing release shall not be construed as releasing the Owners from the Failure Install Sod Violation, the Garage Structural Violation, the Garage Concrete Restoration Violation, or the Garage Landscaping Violation or any fines accruing as a result of such violations except for any existing fines which have been expressly settled pursuant to this Agreement.

- E. **Enforcement; Remedies**. The parties hereto shall have all equitable and legal remedies available under Florida law to enforce the terms and conditions of this Agreement, and the terms of this Agreement shall be specifically enforceable in Circuit Court.
- F. **Governing Law; Venue**. This Agreement shall be construed, interpreted, enforced, and governed in accordance with the laws of the State of Florida. Venue for any action arising out of or related to this Agreement shall be in Miami-Dade County, Florida.
- G. **Authority**. Each party represents and warrants, with respect to itself, that the execution and delivery of this Agreement has been authorized by all necessary action of each party, and that this Agreement constitutes the legal, valid, and binding agreement of each party, enforceable in accordance with its terms. It is expressly understood and agreed that this Agreement shall not become binding upon the City unless and until the City Commission approves this Agreement at a public meeting in accordance with Florida law.
- H. **Severability**. If any part of this Agreement is found invalid or unenforceable by any court of competent jurisdiction, such invalidity or unenforceability shall not affect the other parts of this Agreement if the rights and obligations of the parties contained therein are not materially prejudiced and if the intentions of the parties can continue to be effectuated. To that end, this Agreement is declared severable.

- I. **Entire Agreement.** This Agreement constitutes the sole and entire agreement between the Parties and supersedes all prior and contemporaneous statements, promises, understandings or agreements, whether written or oral.
- J. **Disclaimer of Third-Party Beneficiaries.** This Agreement is solely for the benefit of Owners and the City, and their respective successors and assigns, and no right or cause of action shall accrue by reason hereof to or for the benefit of any third party not a formal party hereto. Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon or give any other third person or entity any right, remedy, or claim under or by reason of this Agreement or any provisions or conditions hereof, other than as expressly stated herein.
- K. **Construction; Headings.** All parties hereto acknowledge that they participated in the negotiation and drafting of the terms of this Agreement and acknowledge that no provision shall be strictly construed against one party or the other based solely on draftsmanship. All sections and descriptive headings in this Agreement are inserted for convenience only, and shall neither affect the construction or interpretation hereof, nor add or subtract from the meaning of the contents of each section.
- L. **Interpretation.** This Agreement shall be read and interpreted in such a manner as to give all provisions their ordinary and customary meaning, and all words, terms, and phrases not otherwise specifically defined by a capitalized term or otherwise shall have the same meaning and interpretation as customarily used among lay persons. The terms "hereby," "hereof," "herein," "hereto," "hereunder," and any similar terms refer to this Agreement in its entirety and not solely to the particular section or paragraph in which the term is used. All words, terms, and phrases specifically defined by a capitalized term shall apply throughout this Agreement in its entirety and not solely to the particular section or paragraph in which the term is used. In construing this Agreement, the singular shall be held to include the plural, the plural shall include the singular, and the use of any gender shall include every other and all genders.

M. Notices. All notices and other communications required hereunder shall be in writing and shall be delivered personally, or by registered or certified mail, return receipt requested, postage prepaid, or by Federal Express, Airborne Express Mail, or other nationally recognized overnight commercial delivery service, fees prepaid for next day delivery. Such notices shall be deemed to have been received (i) upon delivery, if personally delivered; (ii) upon the earlier of actual receipt or the third day after mailing, if mailed by registered or certified United States mail, return receipt requested, postage prepaid; and (iii) upon the earlier of actual receipt or the next business day if sent by Federal Express, Airborne Express, or other nationally recognized overnight commercial delivery service, if fees are prepaid for next day delivery. The addresses for delivery of such notices shall be as follows:

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4/18/25 City Draft

TO THE CITY:

City Manager
City of Miami Beach
1700 Convention Center Drive
Miami, Florida 33139

With a copy to:

City Attorney
City of Miami Beach
1700 Convention Center Drive
Miami, Florida 33139

TO THE OWNERS

 G Communities 67 LLC
3310 Mary Street, Suite 302
Coconut Grove, Florida 33133
Attn. Legal Department

Deauville Associates LLC
5101 Collins Avenue, Attn. Management Office
Miami Beach, Florida 33140

With a copy to:

 cow, Radell Fernandez Larkin & Tapanes PLLC
200 S Biscayne Boulevard, Suite 300
Miami, Florida 33131
Attn. Jeffrey Bercow, Esq.

Or to such other address as any party hereto shall from time to time designate to the other party by notice in writing as herein provided.

N. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and need not be signed by more than one of the parties hereto and all of which shall constitute one and the same agreement. Signatures to this Agreement transmitted by electronic mail in .pdf form, or by any other electronic means designed to preserve the original graphic and pictorial appearance of a document, will be deemed to have the same effect as physical delivery of the paper document bearing the original signatures. No party shall be bound until such time as the other party has executed counterparts of this Agreement.

The parties hereto further agree that each party shall execute and deliver all other appropriate supplemental agreements and other instruments and take any other action necessary to make this Agreement fully and legally effective, binding, and enforceable as between them and as against third parties.

O. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the respective successors, heirs, assigns, representatives, affiliates, officers, directors, and members of the parties hereto.

P. Effective Date. This Agreement shall become binding upon the date of execution by the last of the parties hereto but shall only become fully effective upon its approval of the Agreement by the Mayor and City Commission (the date of such approval, the "Effective Date").

Q. Waiver of Jury Trial. The parties hereby knowingly, voluntarily, and intentionally waive any right to a jury trial with respect to any claims arising in connection with this Agreement.

4/18/25 City Draft

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in a manner sufficient to bind them on the day and year identified below.

Signed, sealed, and delivered before me:

THE CITY OF MIAMI BEACH, FLORIDA, a Florida
municipal corporation

By: _____

Eric T. Carpenter, City Manager

Date: _____

ATTEST:

Rafael E. Granado, City Clerk

APPROVED AS TO FORM:

Ricardo J. Dopico, City Attorney

4/18/25 City Draft

WITNESSES

Print Name: _____

Print Name: _____

TMG 67 Communities, LLC a Delaware
Limited Liability Company,

By: _____

Name: _____

Its: _____

Date: _____

STATE OF FLORIDA)

) SS

COUNTY OF MIAMI-DADE)

The foregoing instrument was sworn and subscribed before me by means of []
physical presence or [] online notarization this ___ day of _____, 2025 by
_____, as _____ of TMG 67 Communities LLC, on behalf of
said entity. Said person (check one) () is personally known to me or () produced
_____ as identification.

NOTARY PUBLIC, State of Florida at Large.

Print or Stamp Name: _____

Commission No.: _____

My Commission expires: _____

WITNESSES

Print Name: _____

Print Name: _____

Deauville Associates, LLC a Florida
Limited Liability Company,

By: _____

Name: _____

Its: _____

Date: _____

STATE OF FLORIDA)

) SS

COUNTY OF MIAMI-DADE)

The foregoing instrument was sworn and subscribed before me by means of [] physical presence or [] online notarization this ___ day of _____, 2025 by _____, as _____ of Deauville Associates, LLC, on behalf of said entity. Said person (check one) () is personally known to me or () produced _____ as identification.

NOTARY PUBLIC, State of Florida at Large.

Print or Stamp Name: _____

Commission No.: _____

My Commission expires: _____

WITNESSES

Print Name: _____

Print Name: _____

Deauville Hotel Property, LLC a Florida
Limited Liability Company,

By: _____

Name: _____

Its: _____

Date: _____

STATE OF FLORIDA)

) SS

COUNTY OF MIAMI-DADE)

The foregoing instrument was sworn and subscribed before me by means of []
physical presence or [] online notarization this ___ day of _____, 2025 by
_____, as _____ of Deauville Associates, LLC, on behalf of
said entity. Said person (check one) () is personally known to me or () produced
_____ as identification.

NOTARY PUBLIC, State of Florida at Large.

Print or Stamp Name: _____

Commission No.: _____

My Commission expires: _____

WITNESSES

Print Name: _____

Print Name: _____

Deauville Hotel Holdings, LLC a Florida
Limited Liability Company,

By: _____

Name: _____

Its: _____

Date: _____

STATE OF FLORIDA)

) SS

COUNTY OF MIAMI-DADE)

The foregoing instrument was sworn and subscribed before me by means of [] physical presence or [] online notarization this ___ day of _____, 2025 by _____, as _____ of Deauville Associates, LLC, on behalf of said entity. Said person (check one) () is personally known to me or () produced _____ as identification.

NOTARY PUBLIC, State of Florida at Large.

Print or Stamp Name: _____

Commission No.: _____

My Commission expires: _____

Exhibit A

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Exhibit B

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